

DOI: <https://doi.org/10.32782/2524-0072/2024-67-55>

UDC 338.48:338.1

# THE STATE AND PROSPECTS OF THE DEVELOPMENT OF THE TOURISM INDUSTRY IN UKRAINE IN THE CONDITIONS OF GLOBAL CHALLENGES

## СТАН І ПЕРСПЕКТИВИ РОЗВИТКУ ІНДУСТРІЇ ТУРИЗМУ В УКРАЇНІ В УМОВАХ ГЛОБАЛЬНИХ ВИКЛИКІВ

**Yakubovskiy Sergiy**

Doctor of Economics, Professor,  
Head of the Department of World Economy and International Economic Relations,  
Odesa I.I. Mechnikov National University  
ORCID: <https://orcid.org/0000-0002-1193-0241>

**Kyrychenko Olha**

Senior Lecturer at the Department of World Economy  
and International Economic Relations,  
Odesa I.I. Mechnikov National University  
ORCID: <https://orcid.org/0000-0003-3785-9532>

**Якубовський Сергій Олексійович, Кириченко Ольга Вячеславівна**  
Одеський національний університет імені І.І. Мечникова

The article examines the state and prospects of international tourism development in Ukraine amid global crises, particularly the COVID-19 pandemic and the Russian-Ukrainian war. A comprehensive analysis of key factors affecting the tourism industry is conducted, including international travel restrictions, geopolitical instability, economic difficulties, and changes in consumer behavior. It demonstrates how global crises, such as COVID-19 and the Russian-Ukrainian war, have led to a significant reduction in international tourist flows, decreased foreign exchange earnings from tourism activities, and created additional risks for tourism infrastructure. In such conditions, the recovery of the industry and its integration into the country's economic development require a comprehensive approach that includes not only investments but also the digitalization of tourism services. The research highlights key changes in tourist flows, the level of economic activity in the sector, and the impact of internal and external challenges on tourism infrastructure. It was found that after a significant decline in 2022 due to the war, a gradual recovery began in 2023 thanks to the development of domestic tourism and the opening of new safe routes. Digitalization has become a key factor in the development of the modern tourism industry, affecting all stages of the tourist experience. The implementation of digital technologies, such as online booking, mobile applications, virtual and augmented reality, allows companies to enhance their service and improve competitiveness. The article emphasizes the importance of strengthening tourism infrastructure and supporting entrepreneurship in times of instability. Directions for further research are proposed, including the development of domestic tourism, the assessment of the resilience of tourism entities to crises, and the analysis of the long-term effects of the war on international tourist flows. The study underscores the significance of the tourism industry for Ukraine's economic recovery and its potential for integration into the global tourism market.

**Keywords:** international tourism, tourism industry, Ukraine, tourism, COVID-19, Russian-Ukrainian war, tourism development, digitalization, economic development.

У статті досліджено стан і перспективи розвитку міжнародного туризму в Україні в умовах глобальних кризових явищ, зокрема пандемії COVID-19 та російсько-української війни. Здійснено комплексний аналіз ключових чинників, що впливають на індустрію туризму, таких як міжнародні туристичні обмеження, геополітична нестабільність, економічні труднощі, а також зміни в поведінці споживачів. Показано, як глобальні кризи, такі як COVID-19 та російсько-українська війна, призвели до значного скорочення обсягів міжнародних туристичних потоків, зменшення валютних надходжень від туристичної діяльності, а також створення додаткових ризиків для туристичної інфраструктури. У таких умовах відновлення галузі та її інтеграція в економічний розвиток країни потребують комплексного підходу, що включає не лише інвестиції, але й цифровізацію туристичних послуг. Дослідження висвітлює ключові зміни у туристичних потоках, рівень економічної активності сектору, а також вплив внутрішніх та зовнішніх викликів на туристичну інфраструктуру. Виявлено, що після

значного спаду у 2022 році, спричиненого війною, в 2023 році почалося поступове відновлення завдяки розвитку внутрішнього туризму та відкриттю нових безпечних маршрутів. Цифровізація стала ключовим чинником розвитку сучасної туристичної галузі, впливаючи на всі етапи туристичного досвіду. Впровадження цифрових технологій, таких як онлайн-бронювання, мобільні додатки, віртуальна та доповнена реальність, дозволяє компаніям покращувати обслуговування та підвищувати конкурентоспроможність. У статті наголошується на важливості зміцнення туристичної інфраструктури та підтримки підприємництва в умовах нестабільності. Запропоновано напрями подальших досліджень, зокрема розвиток внутрішнього туризму, оцінка стійкості туристичних суб'єктів до криз, а також аналіз довгострокових наслідків війни для міжнародних туристичних потоків. Дослідження підкреслює значення туристичної індустрії для економічного відновлення України та її потенціал для інтеграції у світовий туристичний ринок.

**Ключові слова:** міжнародний туризм, індустрія туризму, Україна, туризм, COVID-19, російсько-українська війна, розвиток туризму, цифровізація, економічний розвиток.

**Statement of the problem:** International tourism is an important factor in economic development, contributing to the growth of GDP, the creation of jobs and the activation of cultural and social exchanges. However, global crises such as the COVID-19 pandemic, military conflicts such as the Russian-Ukrainian war, and economic instability have a negative impact on the country's tourism flows, infrastructure, and investment attractiveness. In the case of Ukraine, these challenges are further exacerbated by Russian aggression, which has led to the destruction of infrastructure and the loss of part of the territories, as well as significant changes in the consumer behavior of tourists.

Given the growing role of sustainable development and digitization in the global tourism industry, Ukraine faces the task of adapting to new realities and developing effective strategies for the recovery and development of tourism. It is necessary not only to take into account external challenges, but also to determine internal factors that restrain tourism potential. It is necessary not only to take into account external challenges, but also to determine internal factors that restrain tourism potential. Economic development is also important to consider, as a stable economy encourages investment in tourism infrastructure and services.

At this stage, it is important to analyze the current state of the industry, identify promising directions for development, and outline measures that will contribute to improving the country's tourist attractiveness. A special role is played by the development of smart tourism using the Internet of Things (IoT), which allows creating comfortable and safe conditions for tourists. The COVID-19 pandemic has significantly accelerated digitization, stimulating the transition to new formats of interaction, such as contactless services, virtual tours and digital health passports.

Thus, the relevance of the study lies in the need to assess the impact of global challenges

on international tourism in Ukraine and the formation of effective approaches to ensure the sustainable development of the industry and economic development in conditions of instability.

**Literature review.** The analysis of literature on the topic of international tourism development in Ukraine demonstrates that the industry is significantly affected by both internal challenges and global crises. In the writings of modern researchers, various aspects are considered, in particular, the problems of the functioning of the tourist market in the conditions of war, the prospects of post-war recovery, and ways to ensure the sustainable development of the industry.

Tiurina D. (2021) in her work, he examines in detail the current challenges in the tourism market, emphasizing the decrease in tourist flows, weak infrastructure and insufficient level of state support. Special emphasis is placed on the impact of the pandemic and geopolitical instability, which complicates the attractiveness of Ukraine as a tourist destination [1].

Articles by Motsa A., Shevchuk S. and Sereda N. (2022) and Krasnokutska Yu., Seheda I. and Bezpалova A. (2023) highlight the opportunities and challenges for post-war tourism recovery. Researchers emphasize the need to integrate the principles of sustainable development into the reconstruction of the industry, modernization of infrastructure and attraction of foreign investments [2; 3].

Kostynets Yu. V. and Kostynets V. V. together with Shevchenko O. O. (2023) analyze the impact of the war on the functioning of the tourist industry. They point to serious economic and social consequences, which have caused a decrease in the number of tourists and significant losses for businesses. However, the authors see new opportunities for the recovery of the industry in the development of military and volunteer tourism [4].

In the writings of Doroshenko V. and Myronov Yu. B. (2023), the key directions of

reconstruction of the industry after the end of military operations are outlined. In particular, Doroshenko V. examines the consequences of the war for the industry and proposes recovery strategies through state support and cooperation with international organizations [5]. Myronov Yu. B. emphasizes the importance of the development of domestic tourism, as well as the role of digitalization and modernization of infrastructure to increase Ukraine's competitiveness in the global tourism market [6].

The article by Sheveliuk M. M. (2021) examines the key innovative trends and priority directions for the development of digitalization in the tourism sector. The author emphasizes the role of digital technologies, such as online booking platforms, mobile applications and virtual reality, which significantly influence the behavior of tourists and shape new business models in the field of tourism. The study emphasizes that the COVID-19 pandemic accelerated digitization [7].

**Presentation of Main Material.** International tourism is an important element of the global economy, contributing to the development of countries by attracting foreign currency, creating jobs, and stimulating related industries. For Ukraine, which has significant natural, cultural, and historical potential, tourism development could become a strategic direction for economic growth and international integration. However, contemporary global challenges, such as the Covid-19 pandemic, economic crises, and

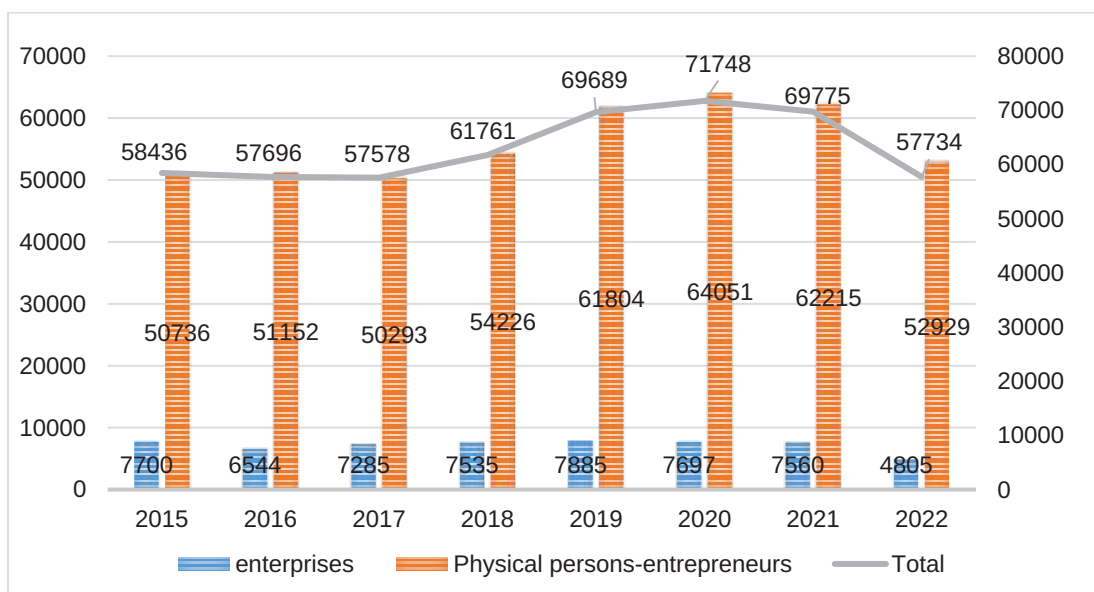
the Russian-Ukrainian war, have significantly impacted the tourism market. The impact of the war has been particularly pronounced, resulting in a reduction of tourist flows.

The aim of this article is to analyze the state of international tourism in Ukraine and identify promising directions for its development in the context of global crises. To achieve this goal, an overview of the current state of the tourism industry will be conducted, key issues and threats will be identified, and possible scenarios for the recovery and development of the tourism sector will be outlined.

In 2015, there were 58,436 active economic entities in Ukraine, and by 2021, their number had increased to 69,775, indicating an overall growth of 19.3% over six years and a positive development trend in the sector. However, in 2022, the number of active entities decreased to 57,734, demonstrating fluctuations caused by the full-scale Russian invasion of Ukraine.

The number of enterprises in the sector also changed: from 7,700 in 2015, it rose to 7,885 in 2019, before sharply falling to 4,805 in 2022. This may indicate difficulties faced by larger companies in adapting to crisis conditions.

Regarding individual entrepreneurs (physical persons-entrepreneurs), their numbers increased from 50,736 in 2015 to 64,051 in 2020, but then decreased to 52,929 in 2022. This reflects the active development of individual entrepreneurship, although it has also been impacted by external factors.



**Figure 1. The number of active economic entities engaged in temporary accommodation and food service in Ukraine from 2015 to 2022**

Source: compiled by author based on [8]

The notable growth in 2019 (to 69,689 entities) can be attributed to improvements in the economic situation and increased demand for tourist services. However, in 2022, the industry experienced a significant decline due to the Covid-19 pandemic and the Russian-Ukrainian war, leading to a reduction in the number of active enterprises.

The decrease in the number of enterprises may also indicate market consolidation processes, where smaller players exit the market or merge with others for survival. Despite the overall decline, the number of individual entrepreneurs remains relatively high, which indicates their flexibility in challenging conditions. This flexibility is an important factor for economic development, as individual entrepreneurs can adapt more quickly to new market conditions by implementing innovations and digital solutions, stimulating growth in the tourism sector. Their ability to respond swiftly to changes in demand and introduce new approaches not only contributes to the survival of businesses but also fosters overall economic development, enhancing the country's competitiveness on the international stage.

A comparative analysis of tourist flows, tourist expenditures, and economic development in Ukraine based on GDP per capita will be conducted next.

Based on the graph, several conclusions can be drawn regarding the development of

tourist flows and economic growth in Ukraine from 1995 to 2023.

There was a stable increase in the number of international tourists from 2001 to 2008, peaking around 2012, which can be linked to preparations for Euro 2012 and a rising interest in the country. However, after 2014, a significant decrease in the number of tourists was observed, coinciding with the onset of military conflict in Eastern Ukraine and the annexation of Crimea. The lowest numbers were recorded in 2022, attributed to the Russian-Ukrainian war, although signs of a slight recovery emerged in 2023.

Tourist expenditures within Ukraine remained relatively stable, showing notable fluctuations during crisis periods. GDP per capita sharply declined after 2014 due to the military conflict and economic difficulties, but a gradual recovery has been noted since 2016. The significant growth in GDP per capita in 2023 indicates economic adaptation and partial recovery following the crises.

Digitalization plays a crucial role in supporting and developing Ukraine's tourism sector amid these challenges. The tourism industry is highly vulnerable to external crises, such as the Russian-Ukrainian war and political instability. However, the recovery reflected in the growth of GDP per capita serves as a positive signal for future tourism and economic development in the country.

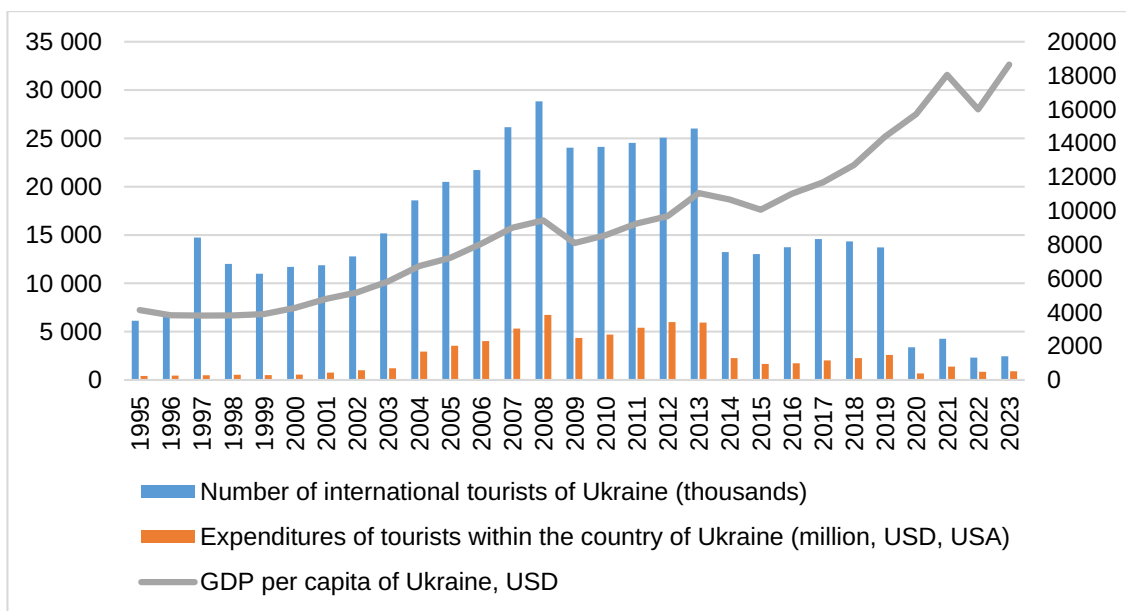


Figure 2. Comparative analysis of tourist flows and economic development in Ukraine (1995–2023)

Source: compiled by the author based on [9; 10]

Future growth will likely depend on stabilizing the internal situation and promoting domestic tourism, as international flows remain low. In this context, digitalization may become an essential tool for stimulating demand, through the development of online booking platforms, digital marketing campaigns, and mobile applications for tourists. Implementing digital technologies will also enhance service quality and enable adaptation to new conditions, such as the growing demand for contactless services and personalized tours.

The highest number of bed places was observed between 2007 and 2013, likely due to preparations for Euro 2012 and the development of tourist infrastructure. Starting in 2021, there has been a sharp decline in the number of bed places, which may be a consequence of the war, as some establishments were closed or repurposed for internally displaced persons.

After peaking in 2005, the average length of stay in Ukraine has consistently decreased and stabilized around 3-4 days after 2015. In 2021–2022, the length of stay nearly dropped to zero, likely due to the COVID-19 pandemic and the onset of the full-scale Russian-Ukrainian war, which severely restricted both domestic and international tourism.

The graph illustrates that a stable number of bed places did not always accompany an increase in the length of stay for tourists. This suggests that merely having infrastructure is not a decisive factor for attracting tourists for

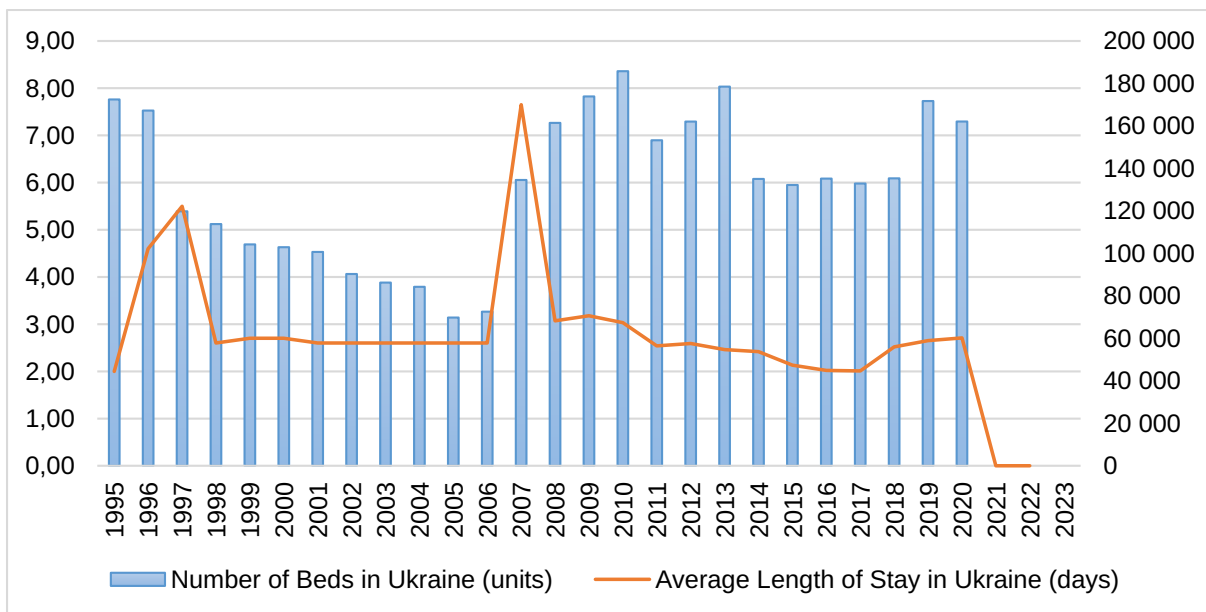
a longer period. Other factors, such as service quality, security level, and attractiveness of tourist routes, also play a significant role. The sharp decline in both bed places and length of stay in 2022–2023 indicates a crisis state in the sector caused by the war, making it impossible to maintain tourist activity at previous levels. This crisis period has negatively impacted the country's economic development, as the tourism sector is a crucial source of foreign currency revenues and jobs.

Restoring bed places and improving conditions for tourists is critical for stabilizing the economy. Measures must be taken to enhance safety and service quality, as well as to implement innovations and digital solutions that can help rebuild tourist trust and stimulate sector growth.

Below is a table showing how tax revenues from tourism in Ukraine changed during the period from 2021 to 2023.

The tourism industry in Ukraine has not yet had the chance to recover from the pandemic and its consequences before the country faced a new crisis – the Russian-Ukrainian war. As seen in the table, there was a significant decline in tax revenues from tourism in 2022, directly related to the onset of military actions. However, in 2023, the situation began to improve, possibly due to the development of domestic tourism, the opening of new safe routes, and the active implementation of digitalization.

Digital platforms for booking and promoting tourism services have optimized interactions



**Figure 3. Relationship between tourist infrastructure and length of stay of tourists in Ukraine**  
 Source: completed by the author based on [9; 10]

Table 1

**Tax revenues in Ukraine from the tourism sector, 2021–2023**

Year	2021	2022	2023
Amount of taxes (thousand UAH)	2 203 186	1 551 182	2 049 462

Source: completed by the author based on [11]

between suppliers and consumers, facilitating the rapid recovery of the sector even under challenging conditions. The use of mobile applications for tourists and digital marketing tools helped attract more domestic tourists by offering convenient services and personalized itineraries. The implementation of digital solutions also enhanced the management efficiency of tourism sites and ensured the flexible adaptation of businesses to new challenges.

In 2023, the highest tax revenues were recorded in the following regions: Kyiv city – just over UAH 499 million, Lviv region – almost UAH 345.5 million, Kyiv region – UAH 239 million, Ivano-Frankivsk region – around UAH 139 million, and Odesa region – approximately UAH 99 million. Given these figures, these regions should be considered priority areas for developing tourism activities, focusing efforts on creating new and safe tourism routes.

Despite these challenges, the tourism sector demonstrated resilience and growth even in difficult conditions, confirming its importance for the national economy and indicating the existing potential for further development.

Ukraine's tourism sector shows significant vulnerability to external crises, such as the Covid-19 pandemic and the Russian-Ukrainian war. The restoration of tourism infrastructure and the increase in the duration of tourist stays will require not only investments but also enhancements in safety and service quality. Digitalization can facilitate this process by providing convenient access to tourism services through mobile applications and online platforms. To encourage longer stays for tourists in Ukraine, it is essential to develop new tourism products and routes and improve service levels, including the implementation

of digital solutions for personalizing offers and simplifying communication between tourists and operators.

**Conclusions.** The study of the state and prospects for the development of international tourism in Ukraine under global challenges has shown that the country's tourism sector is extremely vulnerable to external and internal challenges, such as the COVID-19 pandemic and the Russian-Ukrainian war. Despite these difficulties, certain positive changes became noticeable in 2023 due to the development of domestic tourism and the opening of safe routes. Significant tax revenues from certain regions indicate the importance of investing in the tourism sector as one of the factors for economic recovery.

The tourism infrastructure has suffered significant losses; however, the experiences of previous years demonstrate the industry's ability to recover even in challenging conditions. Digitalization, in particular, plays a key role in this process, providing new opportunities for resource management and improving interactions with tourists. This highlights its role as an essential element of Ukraine's economy, which can contribute to economic development and the creation of new jobs in the post-crisis period. The implementation of digital solutions allows for adaptation to changing market conditions, enhancing service quality and attracting more tourists, which is critical for stabilizing the industry.

Future research should focus on analyzing the impact of domestic tourism on regional development. It is essential to explore opportunities for expanding tourism products in safe regions of Ukraine and identify which directions may be attractive to both domestic and international tourists.

**Acknowledgement:** The article was prepared within the research project: "Socio-economic impact of the COVID-19 pandemic and Russia's full-scale invasion on the development of EU and Ukraine: fostering research collaborations through establishing of a digital knowledge exchange platform". This project has received funding from the European Union's Horizon 2020 Research and Innovation programme under Grant Agreement no. 871072.



## REFERENCES:

1. Tiurina, D. (2021). Rynok turizmu v Ukraini: stan i problemy v umovakh sohodennia [Tourism market in Ukraine: state and challenges in modern world]. *Ekonomika ta suspilstvo – Economy and society*, (30). DOI: <https://doi.org/10.32782/2524-0072/2021-30-18>
2. Motsa, A., Shevchuk, S., & Sereda, N. (2022). Perspektyvy pisliavoiennoho vidnovlennia sfery turizmu v Ukraini [Prospects of the post-war recovery of tourism in Ukraine] *Ekonomika ta suspilstvo – Economy and society*, (41). DOI: <https://doi.org/10.32782/2524-0072/2022-41-31>
3. Krasnokutska, Yu., Sehed, I., & Bezpalova, A. (2023). Pisliavoienne vidnovlennia turystychnoi industrii Ukrainy v konteksti staloho rozvytku [Post-war recovery of the tourist industry of Ukraine in the context of sustainable development] *Ekonomika ta suspilstvo – Economy and society*, (56). DOI: <https://doi.org/10.32782/2524-0072/2023-56-88>
4. Kostynets Yu. V., Kostynets V. V., Shevchenko O. O. (2023). Rozvytok turizmu Ukrainy v umovakh viiny [The development of tourism in Ukraine in the conditions of war] *Aktualni problemy ekonomiky – Actual problems of the economy*, 3 (261). DOI: <https://doi.org/10.32752/1993-6788-2023-1-261-51-57>
5. Doroshenko V. (2023). Perspektyvy rozvytku turizmu v Ukraini: naslidky viiny [Prospects for the development of tourism in Ukraine: consequences of the war]. *Turyzm v Ukraini: vyklyky ta vidnovlennia [Elektronnyi resurs]: Zb. materialiv Mizhnarodnogo turystychnoho forumu, Kyivskiy natsionalnyi ekonomichnyi universyteti imeni Vadyma Hetmana, m. Kyiv, 21–22 bereznia 2023 roku. Kyiv: KNEU, 337 s. ISBN 978-966-926-440-4*
6. Myronov Yu. B. (2023). Shliakhy pisliavoiennoho vidnovlennia industrii turizmu v Ukraini [Ways of post-war recovery of the tourism industry in Ukraine], *Visnyk LTEU. Ekonomichni nauky*, 71. DOI: <https://doi.org/10.32782/2522-1205-2023-71-09>
7. Sheveliuk M. M. (2021). Tsyfrovizatsiia u sferi turizmu: innovatsiini trendy i priorytetni napriamy rozvytku [Digitalisation in the tourism industry: innovative trends and priority development fields]. *Pytannia kulturolohi, (38)*, 226–235. DOI: <https://doi.org/10.31866/2410-1311.38.2021.245956>
8. Killist subiektiv hospodariuvannia za vydamy ekonomichnoi diialnosti [Number of economic entities by types of economic activity]. Available at: [https://www.ukrstat.gov.ua/operativ/operativ2012/fin/osp/ksg/ksg\\_u/arch\\_ksg\\_u.htm](https://www.ukrstat.gov.ua/operativ/operativ2012/fin/osp/ksg/ksg_u/arch_ksg_u.htm)
9. World Development Indicators | DataBank. *DataBank | The World Bank*. Available at: <https://databank.worldbank.org/indicator/NY.GDP.PCAP.CD/1ff4a498/Popular-Indicators>
10. Publichnyi zvit Holovy Derzhavnogo ahentstva rozvytku turizmu Ukrainy Maryany Oleskiv za 2023 rik [Public report of the Head of the State Tourism Development Agency of Ukraine Maryana Oleskiv for 2023]. Available at: <https://drive.google.com/file/d/1ixkNelbBVc7vyV3buYUyS29sCkvam-Tk/view>
11. 145 key tourism statistics. *UN Tourism | Bringing the world closer*. Available at: <https://www.unwto.org/tourism-statistics/key-tourism-statistics>

## СПИСОК ВИКОРИСТАНИХ ДЖЕРЕЛ:

1. Тюріна Д. Ринок туризму в Україні: стан і проблеми в умовах сьогодення. *Економіка та суспільство*. 2021. № 30. DOI: <https://doi.org/10.32782/2524-0072/2021-30-18>
2. Моца А., Шевчук С., Середя Н. Перспективи післявоєнного відновлення сфери туризму в Україні. *Економіка та суспільство*. 2022. № 41. DOI: <https://doi.org/10.32782/2524-0072/2022-41-31>
3. Краснокутська Ю., Сегеда І., Безпалова А. Післявоєнне відновлення туристичної індустрії України в контексті сталого розвитку. *Економіка та суспільство*. 2023. № (56). DOI: <https://doi.org/10.32782/2524-0072/2023-56-88>
4. Костинець Ю. В., Костинець В. В., Шевченко О. О. Розвиток туризму України в умовах війни. *Актуальні проблеми економіки*. 2023. № 3 (261). DOI: <https://doi.org/10.32752/1993-6788-2023-1-261-51-57>
5. Дорошенко В. Перспективи розвитку туризму в Україні: наслідки війни. *Туризм в Україні: виклики та відновлення [Електронний ресурс]*: 36. матеріалів Міжнародного туристичного форуму, Київський національний економічний університет імені Вадима Гетьмана, м. Київ, 21–22 березня 2023 року. Київ : КНЕУ, 2023. 337 с. ISBN 978-966-926-440-4
6. Миронов Ю. Б. Шляхи післявоєнного відновлення індустрії туризму в Україні. *Вісник ЛТЕУ. Економічні науки*. 2023. № 71. DOI: <https://doi.org/10.32782/2522-1205-2023-71-09>
7. Шевелюк М. М. Цифровізація у сфері туризму: інноваційні тренди і пріоритетні напрями розвитку. *Питання культурології*. 2021. № 38. С. 226–235. DOI: <https://doi.org/10.31866/2410-1311.38.2021.245956>
8. Кількість суб'єктів господарювання за видами економічної діяльності. URL: [https://www.ukrstat.gov.ua/operativ/operativ2012/fin/osp/ksg/ksg\\_u/arch\\_ksg\\_u.htm](https://www.ukrstat.gov.ua/operativ/operativ2012/fin/osp/ksg/ksg_u/arch_ksg_u.htm)

9. World Development Indicators | DataBank. *DataBank* | *The World Bank*. URL: <https://databank.worldbank.org/indicator/NY.GDP.PCAP.CD/1ff4a498/Popular-Indicators>

10. Публічний звіт Голови Державного агентства розвитку туризму України Мар'яни Олеськів за 2023 рік. URL: <https://drive.google.com/file/d/1ixkNelbBVc7vyV3buYUyS29sCkvam-Tk/view>

11. 145 key tourism statistics. *UN Tourism* | *Bringing the world closer*. URL: <https://www.unwto.org/tourism-statistics/key-tourism-statistics>