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THE ESTIMATE OF UKRAINE'S POSITION ON THE INTERNATIONAL TOURIST MARKET

Definition of the problem. In today's world tourism plays important role in the countries' development and is a mass socio-economic phenomenon. In the GDP structure of many countries tourism is one of the important elements at the expense of which population employment and currency earnings are provided. For example, tourism accounts for GDP growth by 2,2% in Ukraine in 2012. As a result, the country ranked the 60th place in the world rating of tourism contribution to GDP [1]. We observe tourist flow growth in the country thanks to the expansion of economic, political, scientific and cultural relations between Ukraine and other countries. According to the World Bank rating, Ukraine occupies the 14th place in international tourist arrivals. The assessment of Ukraine's position on the international tourist market is important for offering measures on the industry development which will improve the country's position in the international tourist rating.

Analysis of the latest research and publications. Definition of tourism effect on the economy's development can be found in the works of such Ukrainian scientists as S. N. Shkarlet, O. M. Kalchenko, L. Gontarzhetskaya and K. V. Sirenko. Recent research of the development of the state tourist sector is described in works of O. V. Bartoshuk, O. V. Litvinov, M. P. Bondarenko. Problems of tourist industry development are covered in the works of foreign scientists, such as John Holloway and W. Theobald.

Research findings. Over the last decade Ukraine shows a considerable increase in attracting foreign tourists. Thus, inbound tourist flow increased twofold from 2002 to 2012 and amounted to 23,01 million people. At the same time, outbound tourist flow increased in one and a half times from 14,73 million to 21,43 million people over the same period (Table 1).

The estimate of the tourist flows dynamics indicates positive trends of tourism development in Ukraine over the period of 2002 – 2012, namely, more rapid increase of inbound tourist flow against the slow growth of outbound flow was observed. This gradually led to the positive balance of tourist flows [2, p. 46].

During 2008 – 2012 the increase of tourist flow was observed with small decline in 2009 due to the economic crisis. The increase of inbound flow by 107,5% from 2011 to 2012 occurred thanks to the cultural and sport exchanges in connection with the Euro 2012.

Though we observe the tendency to small decline in other kinds of trips (Fig. 1).

From 2008 to 2012 there occurred the following changes in the structure of outbound tourist flow: business trips and organized tours decreased by 39,2% and 35,8% respectively, but private trips increased by 159,8% (Fig. 2). This indicates that people do not wish to overpay for tourist operators services, as we can see declining tendency of real revenues of Ukraine population.

To analyze the geography of inbound tourist flow we chose five countries which lead in inbound tourism to Ukraine: Russian Federation, Moldova, Belarus, Poland and Romania whose total volume in the structure of foreign tourism accounted for 85,5% in 2012. The majority of visitors came from the Russian Federation (41,4%) (Fig. 3).

It is obvious, that the market of foreign tourism in Ukraine is formed by two main segments – east (citizens of the former Soviet Union) and west (tourists from other, mostly highly developed countries) [6, p. 86].

Five countries – Russia, Poland, Moldova, Hungary and Belarus – accounted for 80,8 % of the total volume of tourist flows in the geographical structure of foreign tourism in 2012. The countries, which are mostly visited by Ukrainians, are Russia (27,72%) and Poland (26,9%) (Fig. 4). The majority of Ukrainian citizens travel to the neighboring countries, which is explained by regular relations with these countries, convenient transport links, common cultural traditions, developed economic relations between the countries [6, p. 86].

According to the results of 2011 tourist revenues in Ukraine amounted to 5406 million dollars, which exceeds previous year indicators by 115,1%. During 2002 – 2011 increase of revenues from tourism was observed with a fall by 64,7% in 2009 due to the economic crisis (Fig. 5).

According to the World Bank, France continues to lead in the rating of the world largest tourist destination. China comes third after France and the United States leaving Spain behind. Other countries also changed their position in the rating: Turkey (6th place), Germany (8th place), Malaysia (10th place), Hong Kong (13th place) and Thailand (15th place). Such countries as the Netherlands and Czech Republic, worsened their position and left the rating. In 2011 Ukraine rose to the 14th place in attracting international tourist flow outstripping Thailand, Saudi Arabia and Greece (Table 2).

The estimate of tourist flows dynamics over 2002 – 2012 [3]

Years	Outbound tourist flow			Inbound tourist flow			Balance of tourist flows
	People, mln	Increase, mln	Rate of increase, %	People, mln	Increase, mln	Rate of increase, %	
2002	14,73	-	-	10,52	-	-	- 4,21
2003	14,79	0.06	0.4%	12,51	1.99	18.9%	- 2,28
2004	15,49	0.7	4.7%	15,63	3.12	24.9%	0,14
2005	16,45	0.96	6.2%	17,63	2	12.8%	1,18
2006	16,88	0.43	2.6%	18,94	1.31	7.4%	2,06
2007	17,33	0.45	2.7%	23,12	4.18	22%	5,79
2008	15,5	- 1.83	- 10.6%	25,45	2.33	10%	9,95
2009	15,33	- 0.17	- 1.1%	20,8	- 4.65	- 18.3%	5,47
2010	17,18	1.85	0.1%	21,20	0.4	1.9%	4,02
2011	19,77	2.59	15.1%	21,42	0.22	1%	1,65
2012	21,43	1.66	8.4%	23,01	1.59	7.4%	1,58

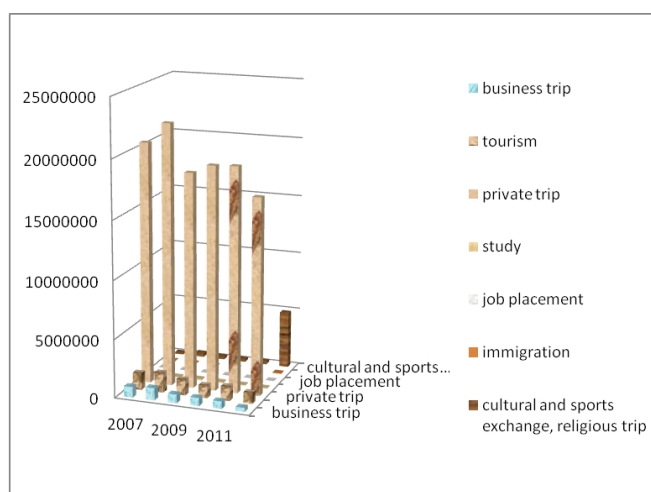


Fig. 1. Dynamics of inbound tourist flow according to the purpose of visit (2007 – 2012) [4]

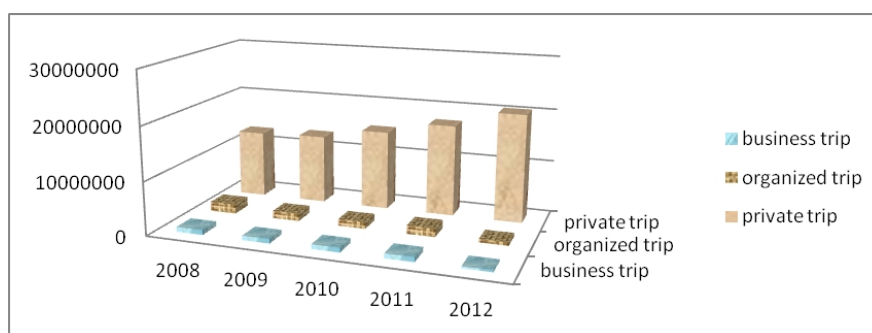


Fig. 2. Dynamics of outbound tourist flow according to the purpose of visit (2007 – 2012) [5]

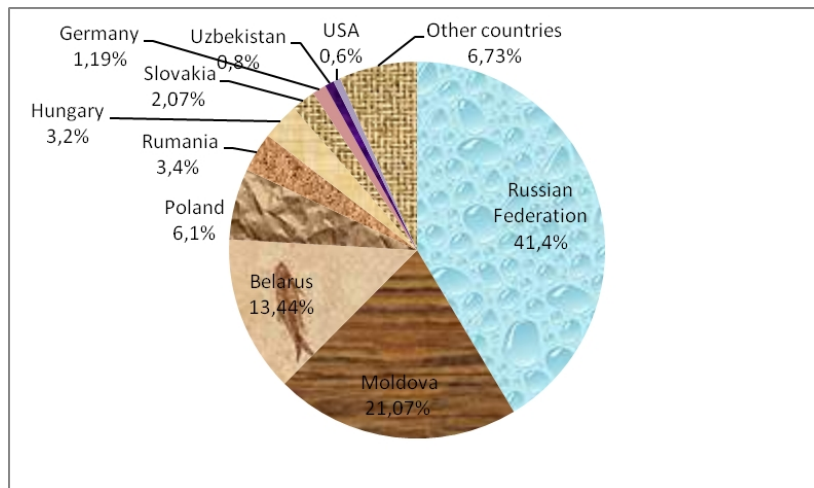


Fig. 3. Foreign tourists` visits to Ukraine in 2012 (TOP15) [7]

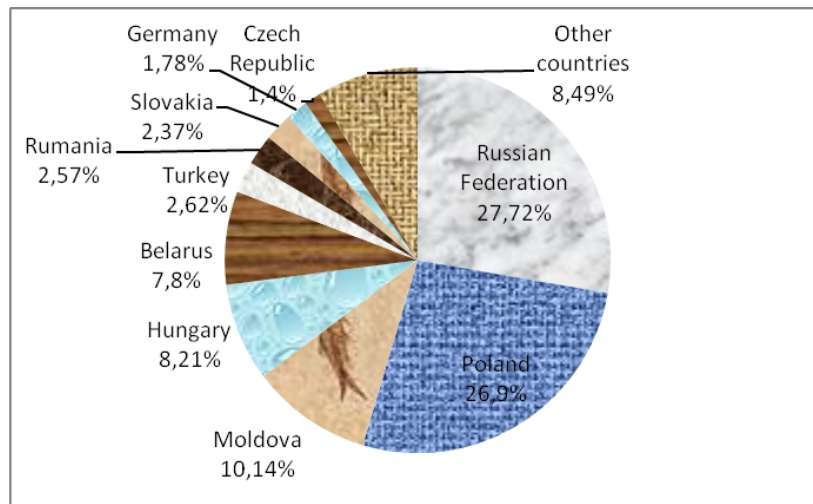


Fig. 4. Ukrainian tourists' visits to foreign countries in 2012 (TOP 15) [5]

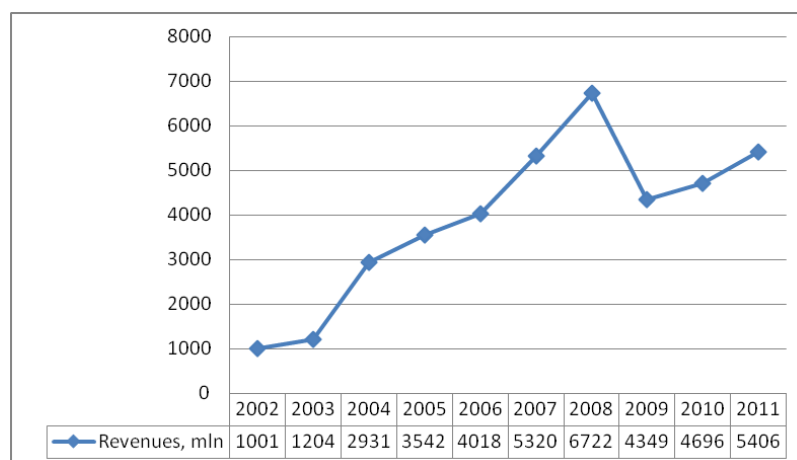


Fig. 5. Revenues from tourism (\$) [8]

However, such number of international arrivals does not allow Ukraine to receive the maximal economic benefits from tourism and become a leader in getting tourist revenues [9, p. 48]. This is explained by the fact that, firstly, the number of solvent tourists from rich Western Europe is very limited, because about 60% of foreign tourists are citizens of CIS countries (mainly from Russia, Moldova, Belarus), and the majority of European tourists come from neighboring Poland, Romania, Hungary. Currency earnings do not exceed 184\$ per tourist for one trip in Ukraine; it is twofold less than in Russia and 4,5 times less than in Turkey, Croatia and Romania. Secondly, private trips (73%) dominate in the structure of Ukraine's foreign flow, but tourist destination come only to 4,1% of the total foreign flow.

The US is the unchallenged leader in the rating of countries by revenues from tourism, as well as Spain and France. Germany (+2), China (+2), Switzerland (+2) Thailand (+6) and Hong Kong (+9) improved their position. Australia (8th place) and Turkey (11th place) remained on the previous positions. Japan, Greece, Mexico, Belgium and Portugal quit the rating. In comparison with 2003, Ukraine rose to the 19th positions in 2011 in attracting revenues from international tourism,

outstripping Luxembourg, Bulgaria and now takes the 46th place (Table 3).

Despite the positive trends in the development of domestic tourism, Ukraine does not take leading positions both in the industry and on the world arena.

Unfortunately, Ukraine does not receive economic benefits from tourism in spite of the favorable geographical location in the heart of Europe, varied landscape, climatic conditions, two seas – the Black Sea and the Azov Sea, unique historical monuments, natural attractions, nature reserves, national parks, etc. We think that it is necessary to develop measures to improve the tourist attractiveness of Ukraine. Let us consider some of them.

Firstly, the development of tourism infrastructure is at an extremely low level. Here we can mention the insufficient number of hotels of European level and overpriced accommodation. For example, if we compare rest in Ukraine and abroad, the rest in Yalta Intourist hotel (Crimea) costs \$125 a day in standard room with breakfast, while in Antalia (Turkey), prices begin from \$550 for 7 days in a five-star hotel all inclusive, air tickets and insurance.

Secondly, the quality of roads in Ukraine is extremely poor. For example, Ukraine hit the top ten countries with

Table 2

Ranking of the countries by international tourist arrivals in 2003 and 2011 [10]

International tourist arrivals (people, mln)					
	Country	2003		Country	2011
1.	France	75,048	1.	France	81,411
2.	Spain	50,854	2.	USA	62,711
3.	USA	41,218	3.	China	57,581
4.	Italy	39,604	4.	Spain	56,694
5.	China	32,97	5.	Italy	46,19
6.	United Kingdom	22,787	6.	Turkey	34,038
7.	Russia	22,521	7.	United Kingdom	29,306
8.	Austria	19,078	8.	Germany	28,374
9.	Mexico	18,665	9.	Russia	24,932
10.	Germany	18,399	10.	Malaysia	24,714
11.	Canada	17,534	11.	Mexico	23,403
12.	Greece	13,969	12.	Austria	23,012
13.	Poland	13,72	13.	Hong Kong	22,316
14.	Turkey	13,341	14.	Ukraine	21,415
15.	Ukraine	12,514	15.	Thailand	19,23
16.	Malaysia	10,577	16.	Saudi Arabia	17,498
17.	Thailand	10,082	17.	Greece	16,427
18.	Hong Kong	9,676	18.	Canada	16,014
19.	Netherlands	9,181	19.	Poland	13,35
20.	Czech Republic	7,641	20.	Macau	12,925

Table 3

Rating of the countries by revenues from tourism in 2003 and 2011 [8]

Revenues from international tourism (billion dollars)					
	Country	2003		Country	2011
1.	USA	101,535	1.	USA	185,886
2.	France	45,99	2.	Spain	67,538
3.	Spain	43,863	3.	France	65,172
4.	Italy	32,591	4.	Germany	53,411
5.	United Kingdom	30,736	5.	China	53,313
6.	Germany	30,104	6.	United Kingdom	4,94
7.	China	18,707	7.	Italy	45,368
8.	Australia	16,647	8.	Australia	34,168
9.	Austria	15,128	9.	Hong Kong	33,736
10.	Netherlands	14,603	10.	Thailand	30,926
11.	Turkey	13,203	11.	Turkey	28,059
12.	Canada	12,236	12.	Austria	22,432
13.	Japan	11,475	13.	Switzerland	21,061
14.	Greece	10,842	14.	Netherlands	20,97
15.	Switzerland	10,493	15.	Canada	19,901
16.	Thailand	10,456	16.	Malaysia	19,593
17.	Mexico	10,058	17.	Singapore	17,99
18.	Hong Kong	9,004	18.	India	17,518
19.	Belgium	8,848	19.	Korea	17,246
20.	Portugal	7,634	20.	Russia	17,031
-	-	-		-	-
65.	Ukraine	1,204	46.	Ukraine	5,406
66.	Colombia	1,191	47.	Luxembourg	4,807
67.	Peru	1,023	48.	Bulgaria	4,554
68.	Mauritius	0,96	49.	Qatar	4,463

the worst roads and ranked 137th place out of 144. The roads are worse than in Ukraine only in 7 countries – Gabon, East Timor, Guinea, Mongolia, Romania, Haiti and Moldova. Solution of this problem requires considerable investment. Thus, it is necessary to take such measures as expansion of the service industries, especially public security, traffic and crowd control, emergency, sanitary services and street cleaning.

Thirdly, Ukrainian visa is the main problem for foreign tourists. Thus, Europeans have to choose between traveling in EU without visa or spending a lot of time and money on getting Ukrainian visa. Therefore, the government should direct their attention to the visa system simplification. For example, in United Arab Emirates, Tunisia, Mexico and Sri Lanka tourists get visa upon arrival. You do not have to deal with the paperwork before leaving your country, which makes a visit to these countries easy and affordable. To go to Israel, Georgia, Montenegro and Malaysia tourist need only the

international passport. These are countries with visa-free system, which gives an excellent opportunity to rest abroad and not waste time and money on getting visa.

Fourthly, the language barrier is another problem for foreigners. Many tourists are ready to give up a vacation in Ukraine because of misunderstanding with the staff. It is unacceptable for the country which seeks to become an international tourist destination. All employees in tourist industry must know not only Ukrainian and Russian languages, but have a basic command of English. It is advisable to organize free English courses for the staff of services sector and hospitals on private-public partnership terms.

Fifthly, the lack information about Ukraine is one of the main reasons of the tourism slow development. Ukraine should participate in international events and exhibitions, where countries present printed information and videos about the resorts and different souvenirs. Visitors of these events have opportunity to see the

programs of tour operators in sports, health, environmental and other types of tourism. It is important to make an emphasis on the organization of various championships attracting foreign tourists. As recent experience shows, more than half of EU citizens have improved their opinion about Ukraine after Euro 2012 and would like to come back to us again. If we want to attract tourists, it is important to use the channels through which information is likely to reach potential tourists, for example, we can place the information in the media, on the sites of tourist operators and regional administrations.

For example, the Austrian National Tourist Office, which has offices in 26 countries advertises the country's tourist opportunities. Israel has the Ministry of Tourism whose budget in 2007 was 150 million dollars. These funds were used to finance various events, which aimed at presentation, information, exhibitions all over the world. Also, part of these funds was directed to various conferences, organization of consulting services, publication of promotional materials and brochures [11].

Conclusion. Thus, analyzing Ukraine's position on the international tourist market we found that growth of tourist flow with a slight fall in 2009 due to the economic crisis was observed over the last five years. In the structure of outbound tourism fundamental changes took place in favor of private trips. Talking about the geography of tourism, the CIS and neighboring European countries account for the most trips. In 2011 compared with 2003 Ukraine rose to the 19th positions in the rating by tourist revenues, but it did not allow the country to get the maximum economic benefit and become a world leader in tourism. We suggested measures how improve the tourist attractiveness of Ukraine, such as the revision of the price policy by Ukrainian hotels with European standards, improving the quality of roads, simplifying visa system, language courses and branding tourist events. The realization of the proposed measures will allow Ukraine to increase its GDP and strengthen its position in the global tourist market.

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Шабаліна Л. В., Чумак Г. Е. Оцінка позицій України на міжнародному туристичному ринку

У статті проведена оцінка позицій України на міжнародному туристичному ринку на основі структури виїзних та в'їзних туристичних потоків, а також прибутків від туризму. Запропоновано заходи, що сприяють поліпшенню позицій країни у міжнародних туристичних рейтингах.

Ключові слова: міжнародний туристичний ринок, виїзний туризм, в'їзний туризм, туристичні потоки, прибуток від туризму, міжнародний туристичний рейтинг, оцінка, віза.

Шабалина Л. В., Чумак А. Э. Оценка позиций Украины на международном туристическом рынке

В статье проведена оценка позиций Украины на международном туристическом рынке на основе структуры выездных и въездных туристических потоков, а также доходов от туризма. Предложены мероприятия способствующие улучшению позиций страны в международных туристических рейтингах.

Ключевые слова: международный туристический рынок, выездной туризм, въездной туризм, туристические потоки, доходы от туризма, международный туристический рейтинг, оценка, виза.

Shabalina L. V., Chumak A. E. The Estimate of Ukraine's Position on the International Tourist Market

The article gives the estimate of Ukraine's positions on the international tourist market on basis of the outbound and inbound tourist flows and revenues from tourism. We proposed measures which can improve the country's positions in the international tourist ratings.

Key words: international tourist market, outbound tourism, inbound tourism, tourist flows, tourist revenues, international tourist rating, estimate, visa.

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