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TOURISM DEVELOPMENT IN UKRAINE

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All prerequisites for development of the tourism industry in Ukraine exist. These include a convenient geographical location, favourable climate, varied terrain, a unique combination of natural and recreational resources, cultural heritage, specialised health-resorts. Combined with good value for money, all these factors confer a competitive advantage for Ukraine's tourist offer.

Ukrainian tourism is characterized by both positive and negative features including many problems that must be resolved by reforming state regulation:

- to improve management mechanisms of tourism industry.
- creating the legal framework of state regulation in the field of tourism, tax policy, privatization and corporatization,
- creating favorable investment conditions.

The main directions of state policy in the field of tourism:

- establish procedures for standardization, certification and licensing of tour operators;
- introduction of tourism statistical reporting;
- organization and development of scientific support of tourism, training, retraining and advanced training of tourism personnel;
- development of cooperation with foreign countries and international organizations involved in international tourism development,
- development and conclusion of international bilateral and multilateral agreements in the field of tourism and on the mechanism of their implementation.

The powers and involvement of the state in regulating tourism must be specified because they form the basic operating conditions of tourist activities nationally and internationally.

In order to support tourism development, the responsible state body must coordinate its efforts in a variety of industries - from transport and culture to health and social development of rural areas, to form a system of effective cooperation between the regions.

However, the recent economic and political crises in Ukraine, accompanied by the invasion of Crimea by Russia, and war with Russia,

will depress growth in the tourism sector in the immediate future. Many bookings for 2014 were cancelled and local people are seeking alternative holiday destinations now.

In previous years 95% Ukrainian tour operators were oriented on the outbound market. This year, due to depreciation of the hryvnia, the Ukrainian tourist market collapsed. Most Ukrainians can't travel abroad. Indeed, over the past few months the cost of trips increased significantly. Tour operators even took risky and unprofitable steps by selling tours below their cost price.

Therefore, to reach the goals of tourism development, state and regional programmes have to support tour operators who are more active in inbound tourism by decreasing some taxes, attracting foreign tourists to the country etc. in order to enhance both inbound and outbound tourism equally.

In order to improve the development of tourism industry in Ukraine the following main tasks need to be solved:

- to implement effective mechanisms for financial and economic regulation of the tourism industry;
- to identify ways, forms and methods of stimulating development of entrepreneurship in this area;
- to create an effective model of investment policy in the field of tourism taking into account the socio-economic interests of the country;
- to improve the organizational structure of the management sector of tourism;
- to ensure the efficient use and restoration of natural, historical and cultural environment;
- to adopt environmental regulations and adopt acceptable standards of development of tourism resources, to develop mechanisms of action and implement into the practice of management.

The basic condition of the state program realisation are direction of actions of central and local executive authorities, local self-government on creating and maintaining a favorable environment for the development of tourism in Ukraine. Therefore, local authorities within their powers approved targeted state, regional and other programs for tourism development.

A number of other Ministries, from transport to culture, education to environment, are also indirectly involved in the tourism sector through

provision and maintenance of visitor attractions, events, infrastructure, logistics, training and services.

The implementation of the tourism development mission should be in the following directions:

1. Further development and support of the current modern, well-developed and efficient tourist infrastructure, providing acceleration of tourist flows.

2. Increased availability of tourism to the public through lower prices for tour services.

3. Improving the competitiveness of the national tourist product of Ukraine and realization of recreational potential.

4. Increasing the level of complex security and stability of tourist system.

5. Improving the investment climate and increase the investment attractiveness of the tourism market.

In general, state support for the tourism development in Ukraine should be implemented in two directions - economic and organizational. Organizational measures of state support for the tourism industry of Ukraine should include:

- achievement of movement freedom (visa policy and customs formalities),
- protection and revitalization of natural and cultural heritage,
- preservation of World Heritage Sites located in Ukraine, and so on.

Organizational measures create favorable conditions for tourism activities and can be divided into measures to ensure the security and measures to regulate tourist market services (easy access to credit, proximity to infrastructure, etc.).

In addition, tourism development can be encouraged by the state through the social policy (regulation of working week and holidays, professional training, etc.).

Economic measures of state support should include the provision of direct benefits and to stimulate activities financially: taxes, grants, investments, etc.).

Due to the current economic situation in Ukraine, the tourist industry must now rely on itself. Therefore, as an option, it must be changed something in the approach to support the market

The basic principle of the creation of the national tourism organization is a public-private partnership. Advantages for participants - consolidation of state, communal and private resources, optimization of marketing costs. If all tourism market participants (state and local authorities, tour companies, hotels, air companies, resorts...) can cooperate, negotiate, and create favorable conditions for tourism, there is a chance to thrive. However, in this case, the state has responsibility only for coordinating the process; decision-making and responsibility is up to the industry itself.