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Diploma Thesis

Development of tourism sector in Ukraine

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DIPLOMA THESIS ASSIGNMENT

Anna Berdysh

Economics and Management

Thesis title

Development of tourism sector in Ukraine

Objectives of thesis

The main goal of work is to evaluate the problems and describe peculiarities of tourism industry in Ukraine. The work forms issues in international tourism and determine the prospects of development of tourism in Ukraine.

Thesis suggests measures to develop tourism. It proposes: incentives for small and medium businesses, i.e. the private sector, infrastructure development, attracting foreign investment, active promotional activities, improvement of the system of training, retraining and professional development of the tourism staff, doing the necessary research in the field of tourism.

Methodology

The study used methods of statistical analysis, including accounting border registration of arrivals in locations, the method of comparison, analysis and synthesis, methods of deduction, induction and extraction.

The proposed extent of the thesis

60 pages

Keywords

tourism, tourism industry, innovation, investment, infrastructure, Ukraine.

Recommended information sources

Artemenko V "Assessment of Ukraine's participation in international tourism" / V Artemenko., V Spysak. – 2007.

The concept of tourism and resorts in Ukraine [electronic resource]. : <http://tourism.gov.ua/>.

The official website of the State Statistics Committee of Ukraine [electronic resource]. : <http://www.ukrstat.gov.ua/>.



Expected date of thesis defence

2015/16 SS – FEM

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Declaration

I declare that I have worked on my diploma thesis titled "Development of tourism sector in Ukraine" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on date of submission

Acknowledgement

I would like to thank to my supervisor Ing. Petr Procházka, MSc. Ph.D., all the other teachers, my parents and friends, who helped me with advices and general support during the whole my work on this thesis.

Rozvoj cestovního ruchu na Ukrajině

Souhrn

V současné době, odvětví cestovního ruchu je jedním z nejdynamičtěji se rozvíjejících forem mezinárodního obchodu se službami. Vývoj mezinárodního cestovního ruchu vede k rozvoji hospodářské infrastruktury. Proto mezinárodní turistika je považován za jeden z nejslibnějších průmyslových odvětvích.

Specifika turistika jako odvětví ekonomiky spočívá ve skutečnosti, že to kombinováno v sobě celá řada odvětví, jako je doprava, komunikace, hotelů, bank, vstoupí-Tainment, etc. V některých zemích cestovní ruch je jedním z nejdůležitějších článků zahraničního obchodu a hospodářské činnosti uvnitř.

Současná studie zaměřená na zkoumání současnou situaci domácího cestovního ruchu na Ukrajině. Strategická analýza, která je uvedena v této práci se skládá z examinační na význam odvětví cestovního ruchu, stanovení strukturálními problémy a výzvy, jimž průmysl v současné době čelí. Kromě toho, Tato studie zkoumá budoucí Strategie pro další rozvoj domácího cestovního ruchu.

Klíčová slova: turistika, cestovní ruch, inovace, rozvoj, příchozí a odchozí cestovního ruchu, infrastruktury, Ukrajina.

Development of tourism sector in Ukraine

Summary

Currently, the tourism industry is one of the most dynamically developing forms of international trade in services. The development of international tourism leads to the development of economic infrastructure. Thus, international tourism is seen as one of the most promising industries.

The specifics of the tourism as a sector of the economy lies in the fact that it combines in itself a number of sectors, such as transport, communications, hotels, banks, entertainment, etc. In some countries, tourism is one of the most important articles of foreign trade and the intraeconomic activities.

The present study aimed at exploring the current situation of domestic tourism industry in Ukraine. Strategic analysis which is presented in this thesis consists of the examination of the significance of tourism sector, determination of structural issues and challenges which industry currently face. Moreover, this study explores the future strategies for further domestic tourism development.

Keywords: tourism, tourism industry, innovation, development, inbound and outbound tourism, infrastructure, Ukraine.

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1. Introduction

Relevance of the topic of this work characterized by conditions of economic situation in Ukraine. In the situations of globalization of economic, political, cultural and social spaces of the modern world economy, international tourism is one of the most profitable and fastest growing sectors of developing countries.

Tourism - is no longer something new and unknown. Each of us imagines tourism as an industry, are more or less known, because we all went somewhere and spend our holidays away from home. Tourism - a comparatively young phenomenon, however, it has roots in ancient times. At all times our planet was crossed by numerous travelers and explorers.

Ukraine joined the market economy at a time when the international market have already been significant changes in relation to tourism. Tourism all over the world has become one of the most important economic sectors and for some developing countries - the basis of their existence (Thailand, Cyprus, Malaysia, etc.).

Achieving of a favorable socio-economic impact of tourism on society is an important strategic goal of both developed and developing countries.

Today, the number of travel agencies has increased dramatically, and the fierce competition forces them to occupy their niche in the market. There are companies that deal only with certain countries or areas, also there are firms that operate just with the reception of tourists. There are those that work with groups, and those that organize trips by individual order. There are some tour operators who arrange full journey and offer a discount to other travel agents for already prepared routes, some of them, acting as an intermediaries between the tour operator and the customer. So it means that they are checking information about the different tours and from them select the most affordable for their clients.

Nowadays share of tourism has about 10% of the world gross national product (GNP), 11% of the world consumer expenditures, 5% of total tax revenues, 7% of the investment and third place of the world trade in services.

Thus, tourism is the most efficient industrial complex, which should not be neglected, especially in time when country tries to resolve crisis problems by its restructuring. Also, it is important to note that tourism is one of the few areas in which the involvement of new technologies does not lead to a reduction in the number of employees.

The costs of the formation of one workplace in this area is 20 times less than in the industrial sector, and the turnover of capital investment, in comparison with other branches of the economy, is 4 times higher. Currently tourist sphere of Ukraine employing about 10% of the population.

According to expert estimates, the share of tourism in GDP in Ukraine is less than 2%, while in developed countries the figure is 5-8% (in some countries even 50%). The share of income from the tourism industry, for example, in Sweden, is already higher than the share of automobile industry in the GDP level.

In according with forecasts of the World Tourism Organization, tourism sector in the next decade will come out on the top in world exports. The largest supplier countries of tourists will be the USA, Germany, UK, Japan and China, and the most visiting tourism destination will be the Eastern and Western European countries.

It is no secret that Ukraine has a huge tourist potential, but unfortunately, its use is not very effective. The reasons is the complicated socio-economic situation of the country, lack of regulation of the incentive scheme of the tourism industry and the lack of an effective strategies for development of the sector at national and regional levels. In the light of such trends, Ukraine has all chances to become one of the most promising and most visited attractions in Europe.

Analysis of the current condition of tourism industry in Ukraine allows not only to evaluate in real time its competitiveness at the international level, but also to identify the cornerstone issue, that restricts the implementation of the developing tourism potential of the country.

Tourism - is one of the most differentiated sectors of the economy of any country that simultaneously provides international development, acting as an essential "donor" of state revenue and is almost the best form of exports, because the country receives financial resources from other countries without paying customs duties. Moreover, tourism, in contrast to most industries, can use only certain renewable natural resources and significantly limit the use of others.

A characteristic feature of the end of the XX century is the rapid growth of tourism - which is the most democratic and international sphere of social activity. A powerful impulse to this was given at the First World Conference "Tourism as an influential force to preserve peace" (1988, Vancouver), where speakers promoted tourism as a guarantor of

peace and security that affect citizens of different countries, their economy, cultural heritage, tradition, religion and crafts.

Today we take tourism as the most popular phenomenon of the XX century that really gets into all aspects of our lives and change the world. Tourism became one of the most important factors in the economy, so we consider it not just as a trip or vacation. This concept is much wider, it is a set of relations that accompany the person during the vacation.

2. Objectives and methodology

2.1 Objectives

The main goal of work is to analyze the problems and describes peculiarities of tourism industry in Ukraine. The work is forming issues in international tourism and determine the prospects of development of tourism in Ukraine.

Trends of an inbound and outbound tourist stream of Ukraine by directions and purposes of visits are analysed. The structure and size of the international tourism market in value terms are defined. The market research of the international tourism of Ukraine which has been carried out. That will allow to predict its further development and define the features of its transformation in the future.

The paper suggests measures to develop tourism that provide: incentives for small and medium businesses, i.e. the private sector, infrastructure development, attracting foreign investment, active promotional activities, improvement of the system of training and professional development of the tourism staff, doing the necessary research in the field of tourism.

2.2 Methodology

The methodological tools, which was used to write thesis might be divided into two groups:

- 1) Tools used for theoretical research: qualitative analysis.
- 2) Tools used for analytical research: statistical analysis, sector analysis, the method of comparison, analysis and synthesis, SWOT-analysis and regression analysis.

For the qualitative analysis was chosen method of literature review was conducted using methods of analysis and synthesis. All necessary and relevant data were gathered in order to explain all terms and definitions. Subsequently principles of tourism, basic economic concepts and influencing factors were defined.

In the second, analytical part, were used methods:

- statistical analysis, including accounting border registration of arrivals in locations;

- sector analysis – it explores impact of trends of individual macroeconomic and microeconomic factors on the market. Also was used SWOT-analysis;

For visualization of results were created graphs, tables and figures. Microsoft Excel was used for the process of the acquired data evaluation.

- regression analysis. This approach allows us to evaluate the quantitative relationships between projected variables and those variables that are likely to have an effect on these variables.

3. Literature review

3.1 Definition, forms and types of tourism

Is it possible to clearly answer the question, which includes such a thing as "tourism"? For someone tourism associated with the kilometers run stride, with a tent, a campfire with songs, for others it's a trip to historical sites, for the third - traveling in foreign countries. And they are right, because tourism is extremely diverse.

The definition of "tourism" is clear to each of us, because we all travelled somewhere, watched TV-shows about journeys and during the planning of vacation used the services of travel agencies. However, in scientific and educational purposes it is important to define the relationship between the elements of tourism as a sector of the economy. Of particular significance in the determination of this phenomenon are the following criteria:

1. A change of scenery. In this case we are talking about the trip, which is carried out at a location outside of the usual environment. However, individuals cannot be considered by tourists every day who travel between home and place of work or study, because these trips do not go beyond their usual environment.

2. Stay in different places. The main condition here is that the place of stay should not be a place of permanent or long-term stay. In addition, it should not be associated with work (business trip). This nuance should be considered, because the human behavior in a business trip different from a person on vacation and could not be classified as a tourism activity. Another condition is the fact that travelers do not have to be in the places they visit 12 months in a row or more. A person planning to be one year or more in a particular place, in terms of tourism is considered to be a permanent resident and therefore cannot be called a tourist.

3. Remuneration from the place of visiting. Any person who enters into any country for work, remunerated from this country, is considered to be a migrant and not a tourist in the country.

These three criteria forming the basis of tourism definition. However, there are special categories of travelers, for whom these criteria are still not enough - it is the refugees, nomads, prisoners, transit passengers who do not formally enter the country, and the persons accompanying these groups (Butler and Pearce, 2004).

Forms and types of tourism

As a feature, which allows to classify the types of tourism, you can use the motivational factor. Such classification should be based on the main motives which promotion person to travel. Although the motives are not always clearly defined, it is still possible to identify six types of tourism.

1. **Recreational tourism.** This type is a short vacation aim of which is the physical and psychological recovery. In addition, to this group belongs a resort and rest, in which for the treatment or recuperation uses the natural properties of soil, climate and sea water.

2. **Tourism aim of which is explore new culture.** Tourism - focused on cognition of another culture (divided into cognitive and pilgrimage). Cognitive tourism includes a visit to the historical, cultural and geographic attractions. The purpose of pilgrimage tourism is to visit places having special religious significance.

3. **Public tourism.** In the international language known as visiting friends and relatives - VFR and the club tourism. Club tourism is characterized by the fact that travelers consciously integrated into the groups. Grouping occurs in the presence of people are interested in entertainment or sports program.

4. **Sport tourism.** For sports tourism includes trips for the purpose an active participation in sports activities and journeys with are passive participation in sports competitions.

5. **Economic tourism** - travel undertaken of professional and commercial interest: visit exchanges, exhibitions, fairs, etc.

6. **Conference and Educational (political) tourism** is divided into diplomatic tourism, congress participation, and tourism related to political events and activities.

If traveling are different by external criteria - like the length of stay, then we can say that these trips are different forms of tourism. There are many features that allow identify forms of tourism by external criteria: by origin of tourists; the organizational form; by the length of stay in the journey; age; by vehicles; by seasonal, etc.

It may seem that between forms and types of tourism is not big difference. In both cases, the journey grouped based on certain standpoint. The difference is that the types of

tourism are distinguished by the motivation of traveling, i.e. by internal factors, and forms of tourism - due to external reasons and influences, it is very important for management.

1. Tourism forms depending on the origin of tourists. Depending on the origin of travelers tourism is divided into internal and international. In this case, the word "origin" does not refer to nationality or place of birth of the person but to his place of residence and work.

2. Tourism forms according to its organization. Depending on the forms of organization are distinguished lump and individual tourism. Lump-sum tour - a standardized, pre-organized complex of tourist services. Individual tour has the features that the tourist organize and implement it yourself.

3. Forms of tourism, depending on the length of stay. The duration of journey related to the time spent by a tourist during the trip. Day trips are classified as: less than three hours; 3-5 hours; 6-8 hours; 9-11 hours; 12+ hours. Travel with an overnight stay can be categorized as follows: 1-3 nights; 4-7 nights; 8-28 nights; 29-91 night; 92 - 365 nights.

4. Forms of tourism based on the age of traveler. In the classification of forms of tourism is also considered the age of traveler. At the age scale, the following groups of tourists: the children traveling with their parents; young people (tourists aged 15-24 years); relatively young, economically active people aged 25 - 44 years; economically active middle-aged people (45 - 64 years); seniors (65 and older).

5. Forms of tourism according to the vehicle. Depending on the vehicle used for moving distinguished the following forms: air tourism, bus, rail, road and sea tourism.

6. Forms of tourism depending on the time of year. By this determined - summer and winter tourism. Seasonal classification of forms of tourism shows the fluctuations of demand for tourism services throughout the year. The time at which the maximum number of trips is made, called the tourist season, the recession of travel is off-season.

Types of tourist

While studying the tourism sphere is very important to answer the following question: Who are our visitors, and what services they use? Therefore all travelers can be categorized:

- according to their activity;
- according to their style of life.

Traditionally among the all tourists can be classified six groups, which were created according to their activity during the holidays:

1. Fans of a relaxing holiday. Its representatives go on vacation to get rid of daily stress and relax in a calm and pleasant environment. These people do not like strangers and crowds.
2. Fans of pleasures. This type of very enterprising tourists, who during the holiday busy looking for a variety of pleasures and prefer a secular atmosphere.
3. Active tourists. This one loves nature and prefers to stay outdoors. Their vacation can be combined with treatment.
4. Lovers of sports rest. In contrast to the active campers, this tourists all their attention focused on the competition. For them, the sport is very important - it can be even more than hobby. They want to have some physical activity during the vacation.
5. Vacationers with the purpose of cognition, learning. This type of tourists is interested in increasing of their educational level, new knowledge. In this type there are three sub-groups. Tourists of first type, visit the places described in guidebooks. Second type gives attention not only to recognized attractions, they search for places where can be felt atmosphere and story of a town. Last group have strong cultural, social and scientific interests, their very nature attracted.
6. Adventurers. They are looking for unusual experiences with a certain level of risk. For them, the risk - is an opportunity to test themselves.

Classification of tourists into groups according to their lifestyle requires deeper approach, as considers man and his behavior is not in isolation, but in relation to his lifestyle, attitude to different things and his desires (Butler and Pearce, 2004).

Depending on the style of life there are four groups of tourists: pleasure needed, tendentious, family vacationers and tourists only. Within this classification should be kept in mind that the selected group are constantly changing and the borders between them are very vague.

Pleasures needed. Representatives of this group have high demands to the quality of rest. For them the journey is a way of self-expression. On holiday they want to relax from everyday problems and allow themselves some weakness.

Example. Family members spend their holidays in the Alps on the lake shores. They are accommodated in a five star hotel in comfortable apartments with the best view. During the day they surf, play golf and tennis. For them, it is important that the dinner served them well. After dinner, they sometimes go to a disco or meet with friends at the bar.

Tendentious tourists. For them rest - is the ability to find and prove themselves as a person. This vacationer has high demands, but in contrast to previous category, they do not need luxury conditions. They are looking for unity with nature, peace and the possibility of psychological relief.

Example. Mrs. B. was going for relax during the holiday. She goes to a small pension. During the day she is cycling and going to camping walks. For some time she dedicates to enjoy the solitude, the landscape, etc. If the weather does not permit it she stays in a boarding house - reading, talking with other guests. In the evening, she attends concerts.

Family tourists. This group includes only families with children. They like to spend their holidays with family, friends and relatives. They relax in quiet and comfortable environment, buy services at competitive prices, and do not like to be disturbed. In most cases do not order extra services, because serve themselves.

Example. Some family booked a house for vacation near the sea. The family consists of four person. In most cases they could be found on the street. They're playing ball, reading, sunbathing, and swimming. All household duties are distributed: the children do shopping, clean up after themselves, etc. In the evening they go to dinner in a restaurant or cook for themselves. If dinner is homemade - all help to prepare it.

Tourist only. The most important condition for the tourists of this type is the ability to relax. This group includes a relatively passive tourists who spends their holidays in the traditional way: enjoy silence, relax in the bed, eat delicious food, make a short walks.

Fans of this holiday glad when during the vacation they can be do their favorite habits, because they do not like to experiment (Liu, 2003).

3.2 Tourism market

3.2.1 Definition and key elements

Tourist market - the world economic system, where tourist-excursion services are converted into cash and vice versa.

Tourist market like all other markets, operates on the basis of the laws of supply and demand. Tourist demand is a social need for the tourism product. Travel deals - a set of production capabilities of enterprises, able to provide the tourism product. The concept of "Travel Deals" includes both the material base of tourism and tourist products and quality service.

Tourist market - economic system of interaction consist of four key elements:

- tourist demand;
- travel deals;
- price;
- competition.

If we consider the tourist market position of its subjects, we can distinguish five main types of markets:

1. market of producers - a set of companies and individuals that purchase goods and services to use them in the production of other goods and services;
2. intermediate market of sellers (travel agents) - a set of people and organizations who become owners of services for resale for profit;
3. market of consumers - certain individuals and legal entities who receive services for personal consumption;
4. market of public institutions that purchase services for the operation of various non-profit organizations;
5. international market - foreign buyers, consumers, manufacturers, intermediate resellers.

Tourist market as sphere of exchange of services has its own territorial borders. Considering can be identify local, regional, national, transnational and international markets. Each of them has its own specific characteristic features: market size, variety of services, infrastructure, prices, etc.

3.2.2 Pricing in tourism market

The pricing in tourism - a comprehensive measure, due to the variety of products, high level of competition and complexity to estimate future demand. Pricing policies in tourism is characterized by various factors, so there are many methods to determine prices.

Expenses-plus. The essence of this method of pricing is to add to the cost certain percentage in order to receive profit after cover product creating expenditures and its presentation on the market. This method is relatively easy, but it has drawbacks, especially in the hotel industry because of high fixed costs. This method does not consider demand and prices offered by competitors in the market.

The rate of return (ROR). This method associated with financial analysis and identifies how travel agency operates to return the investment. Contrast to the previous method, which was based on business costs, this method use the level of income that is based on the capital invested. But at the same time, he does not consider some factors that take influence on pricing, for example, the amount of sales.

Inverse/Reverse pricing. The method is based on the market price of goods and planned profit. With this method companies trying to achieve profits by reducing costs at the same time regulating the quality and variety of services. But in order to avoid loss of customers, the company is usually carried out thorough research of tourists needs taking into account competition on the market.

Discriminatory pricing. This method is also called flexible pricing takes into account market demand, offering price changes depending on time, place, type of product or volume of sales. Travel agencies are practicing market segmentation and offer different prices for different segments depending on the willingness and ability to pay that price. For example, students and seniors have discounts for accommodation or transport. Prices discriminated based on the location, such as the cost of identical numbers will vary according to the view from window.

"Cream skimming". This method is rare in the international market of services because it is difficult to invent new services for which consumers agree to pay the highest price. Therefore, in international practice method of **"cream skimming"** is more used in the production sector industries with high expenditures for research and development of new products.

But this method is very popular in post-USSR countries, because just in last 10 years most of people got chance to travel. Travel agents propose exotic tours during which they promise that customer will receive unforgettable feelings and impressions and tourists agree to pay any price. If the client is satisfied with the services, the image of the firm increases, and competitors are trying to use this experience and then all companies have to cut prices to average market prices.

"The penetration into the market". This method is based on setting low prices to attract more customers. This strategy is used by new firms or firms that seek to capture greater market share. With increasing of sales and strengthening firms in/on the market, the price gradually increases to the industry average level, but this does not lead to a decrease in demand (Sinclare and Stabler, 1997).

The strategy of **"market penetration"** can be used for distribution in the domestic tourism market, but the following conditions need be taken into consideration:

- Own costs the company must be low, so even with low prices firm had the opportunity to obtain the necessary income;
- Requires that market should be in the situation, where competitors are not have time to react to lower prices. If competitors come into play, the risk of bankruptcy reaches the top limit.

These methods are used to determine prices for travel services. Price of a typical journey at the planning stage includes the following components:

1. "Net" price, includes:

- § cost of specific types of services;
- § indirect taxes on certain types of services.

2. Income (margin) of a travel company, which is divided into:

- § operating cost of travel agencies to develop tourist routes, sightseeing programs, tourist services during implementation tour;

§ Earnings of tour operator based on income tax payments;

§ Commission fee to travel agent or other intermediaries involved in the realization of the tour;

§ Seasonal and other commercial discounts for individual tourists and tourist groups.

3. Value added tax (VAT) on marginal income.

Consequently, in determining the selling package price for tourist services and journey uses two variations of prices:

- Price - "net" that characterizes the "limited cost" of tourism products;
- Price - "gross", i.e. the offer price of tourist products in the market.

Price - "net" shows the amount of prices, rates and tariffs for all services provided to tourists, including value added tax, hotel fee, customs duties and insurance premiums. Transfer included in the price. To determine the total cost of journey to the price - "net" added expenses of travel agencies related to the organization of their activities/work.

Price - "gross" includes the full cost of the tour, the tour operator earnings of, all kinds of tax payments, commission fees to travel agents and other intermediaries, seasonal and other commercial discounts for individual tourists and tour groups, the amount of VAT, etc.

In international practice using these types of prices:

- A. Package price per tourist;
- B. Price package per group of tourists;
- C. Differentiated prices, which are set depending on the number of tourists in the group and is some compromise in the agreement between the organizers of the tour.

Added profit (margin) is established by the company as a percentage of price "net". Margin in Ukraine tourism products varies between 15 - 30% of the price "net" of the tour and depends on many factors, but especially of the number of intermediaries involved in the realization the tour.

It is necessary to mention that at the current economic situation during the realization of foreign tours through the inflation, a travel agency may suffer from losses because of receiving payment in national currency. Because of the time between the consumer

makes payment for the tour and converting money into foreign currency (to pay travel agents in the other country) the devaluation may occur.

Thus, the formation of an important item price of contract agreements with foreign partners are the terms of settlement. During its discussion must be agreed all details: forms and methods of payment, payment terms, and the reasons for increase of payments and etc.

Price of journey, which is realized through intermediaries, creates with taking into account the total amount of commission agents.

In tourism business distinguishes the following types of commissions:

1. Tour operators' commission fee that developed and implemented their own tour program is about 15 - 30% from the price "net".
2. Retail commission fee is paid to travel agents who only realize tours - 5 - 10% from the price "net".
3. Commission fee to other intermediaries between tourists and the hotel, tour guide, entertainment companies, etc. - from 5% to 15% from the price "net".

Calculation of the total planned amount of marginal income of the travel company is necessary in order to determine whether the company will cover the fixed costs and if it will has some funds for the formation of income. Marginal income should be determined separately for each tourist product because tours' cost is unequal, because of the different variable costs, which attributable to the cost of the tour.

Difficulty of the planned calculation is that at the time of calculation is hard to decide which tours will be most or the least popular in the planned year, so there is a need of forecasting tourist market conditions. The total volume of margin income is defined as the difference between revenue from the sale of tourism products (price "gross") and direct variable costs (price "net").

This analysis is one of the standard techniques used in business planning for justification of investment projects efficiency of tourist companies. Also it is use to determine the amount of break-even activity, the area of profitability.

"The volume of break-even" - indicator of revenue which ensures the break-even of company. So company operating without losses and without profit (marginal income in the structure of earnings is zero).

Criterion breakeven is determined using the minimum amount of selling services required to cover all costs of travel company. The calculation is performed using three indicators:

- the level of marginal income, the percentage of the price "gross" tour;
- the amount of fixed (conventionally) costs;
- the average price of the tour.

3.3 Sales of tourism products

3.3.1 Methods of sales of tourism products

Methods of sale of tourist products

In the process of sale of any product, including tourist product, considerable attention is given to methods of sale. Under the method of sale means a series of techniques of all basic operations associated with the implementation of tourist products to consumers. Abroad uses the term - "scale of sales."

The method of sales you choose determines the level and structure of technological process of customer service. The significant impact gives the number of employees of tourist enterprises, its size, information technologies, costs and expenditures.

This methods can be classified according to various criteria:

- a) a meeting place for buyer and seller (offices of travel agencies; exhibitions, etc.).
- b) the nature of the contact (personal contact; indirect).
- c) the distance between the seller and buyer.
- d) the degree of usage electronic tools.

The meeting place of seller and buyer

The traditional places for sale trips and tours are offices. Its condition influence the effectiveness of tourism. Cleanliness, tidiness, nice furniture, office equipment, qualified and friendly staff - all this together attract potential clients and affects the competitiveness of your firm.

To the generally accepted requirements that apply to the tourist office of the company include:

- a) facilities for visitors and staff:
 - equipment of the workplace;
 - technical inventory for operational activities (computer, copy machines etc.);
 - place for storage of documents, securities;
 - areas/spots for visitors.
- b) availability of information to consumers in convenient place for them:
 - copy of the certificate of registration;
 - copy of the license for tourist activities;
 - copy of the certificate of conformity;
 - copy of the license to use the mark of conformity;
 - brochures, catalogs and other advertising tools;
 - sign with information about the working hours.
- c) support optimal microclimate (temperature, humidity).

Special place among the methods of sale belongs to exhibitions and fairs. Almost half of travel packages sold at exhibitions and fairs. Participation in these events are necessary in promoting of tourist products, it allows agents to attract attention not only to a particular product, but to the company as a whole (Bhatia, 2006).

Today the concept of exhibition and fairs often used as synonyms, but they have significant differences. By the definition of the International Bureau of Exhibitions, the exhibition - is a "show, main goal of which is to familiarize the public with new products by way of its demonstrations."

Fair, by the definition of the International Union of Fairs "is a big market of goods, operates at a certain time in the same place and the exhibitors are allowed to present samples of their products for the signing of trade agreements at national or international scale.

The main tourist centers where organized world famous fairs are and exhibitions are Berlin, Brussels, Madrid, Milan, Paris, Luxembourg, and London.

The nature of the contact

Directing their activities on expansion of sales, travel agencies using different forms of contact with potential customers. Personal contact of company's employees with clients can be done in the office; by phone, appearances on radio and television. Skills and personal interest of the seller, his/her attention to the client needs are also very important.

Indirect contact can occur in different ways. For example, by sending mailings (letters, brochures, etc.) to potential clients. Mailing lists are formed based on the most probable buyers of specific tours.

Contact through agents

Many travel agencies during the formation of a tourist group offer a discount for agent as a single free space for 10-15 people. For example, agents and their clients can be teacher who create a group of students, head and employees, etc.

The method of electronic sales

This method became very popular in Western Europe and the United States. For example, in Britain, according to forecasts of the London agency "Gatamonitor-Europe", in 2002 the total turnover realized over the Internet «on-line» tourist services had to reach 1 billion pound of sterling. Travel Website of Microsoft Company has already brought more than 1 million US dollars weekly earnings from «on-line» ticket sales, hotel reservation, and vehicles booking only in the United States (Bhatia, 2006).

Electronic sales method has several advantages that determine its potential for further development:

- unlimited amount of information that allows to present detailed information about projects of travel company, photos and other visual material that both potential customers and business partners may look; such information may be accompanied by the price list.
- the audience - information available to all entities that have access to the Internet throughout the world;
- full time access - the Internet does not have a lunch break or holidays or weekends;

- the possibility of rapid update, which is especially important because of the dynamic changes in the world (price changes, promotion actions, discounts, new privileges, programs, market alliances, etc.);
- interactivity - the consumer itself can see the the list of services offered and immediately send to the tourist company email with request;
- complete statistics of applications after installation of the meter of site visits. So you can define the number of appeals to the sources of information, determine the amount of real demand etc.

3.3.2 Documentation of tours

Realization of tourism operations involves documentation of relationships between customers and travel agencies, including relationships of last with other organizations, which provides the services.

So contractual legal relations in tourism can be seen as a relationship between:

- Tourist and travel agency;
- A travel agency and other organizations (hotels, automobile enterprises, insurance companies, airlines, tour operators and other travel companies, licensed guides and interpreters, etc.) that are involved in the creation of tourism products.

Documentation of the relationship is an important part of customer service. Moreover, all documents can be divided into three groups:

- Documents for ordering (order list, booking confirmation, etc.);
- Documents for the client (contract, voucher, insurance, transport tickets, documents confirming the fact of payment);
- Documents confirming customer identity (passport, etc.).

The documents for each specific tour depends on many factors: the set of services, type of tour, country of destination, individual or group tour, the presence of young children. Also person must has the legal documents of the country of departure and trip destination country.

The contract between the travel agency and tourist should comply with the legislation of the country where you bought tour. Basic information that must be included in the agreement, concerning:

- Information about the tour operator or travel agent (seller), including information about the license for tourism, juridical address and bank details;
- Information about the tourist (buyer) necessary for the implementation of the tourism product;
- Reliable information about amount and quality of services provided, accommodation information, duration and route of travel, insurance number;
- Rights, obligations and responsibilities of the both parts for non-performance or improper performance of the contract;
- The cost of the tourist product and the procedure for payment;
- The conditions of change and cancellation of the contract;
- Procedure for settlement of disputes and claims;
- Force majeure circumstances;
- Term of the contract.

In addition, the travel agency must necessarily implement insurance of tourists (medical and accident). Insurance of tourists travel agency makes based on agreements with insurance companies eligible for such activities (Bhatia, 2006).

3.3.3 Public Relations in the tourism

Public Relations in the tourism

Public Relations - is a long-planned efforts towards to establish and maintain friendly relations and mutual understanding between an organisation and the public, the organisation of public opinion in order to the most successful operation of the enterprise and enhance its reputation.

PR in tourism can be divided into two main areas: activities of countries to attract tourists and activities of travel agencies to attract customers. The reasons, conditions and methods of PR-actions in these two areas are different.

The main reasons by which State Department of Tourism are turning to PR-shares, are as follows:

- A large number of countries offering the same type of vacation;
- Various events negatively affecting country's image in the eyes of tourists (such as the threat of terrorist attacks);
- The emergence of new tourist destinations.

In terms of tourism, all countries of the world can be divided into 3 groups:

1. country for which tourism is not a significant source of revenue, and therefore have little interest in attracting additional tourists.

2. "prosperous" country - for which tourism is a significant source of income and tourists are actively visit them.

3. "disadvantaged" countries - tourism for them is an important source of income, but the flow of tourists is reduced because formed by any reason negative image.

The most interesting are the third group of countries. These are the countries whose incomes are strongly dependent on tourism, but who have a reputation of unstable (Turkey, Egypt, Cyprus, Israel). They offer quite comfortable and cheap holiday, but a variety of events happening in these countries are regularly scare tourists.

Israel is trying to find a unique niche when offers their services. Now the word "Israel" in the majority of tourists there is the image of the country with a unique cultural heritage and some of the world's best spas and clinics. Even the threat of war and terrorist acts, periodically becoming are secondary.

The safest countries for tourists: the ABC islands (Aruba, Bonaire and Curacao), Singapore, Iceland, Switzerland, Bhutan, New Zealand, Ireland, Cyprus, Dubai.

Among the methods of PR-activities can identify the main general areas:

- Work with the media (articles in newspapers and magazines, working with radio and TV). In general, the effectiveness of different types of advertising, according to the poll, gave the following results: 75% believe the most effective is newspapers, 25% - TV. Printed mainstream media - is that type of advertising, which can give stunning result, when it used correctly.

- Release of information materials (because tourist activities in the country really hampered by the lack of information about it). Modern tourists are quite demanding and want to know as much as possible about the place where they going. Release of

information booklets and other materials directly from the Department of Tourism of the country makes the work of tour operator easier and increases the flow of tourists into the country.

- Conducting seminars (fairs, workshops) - an important element of PR-activities. This free meeting in a fairly informal atmosphere over a cup of coffee, during which representatives of the organizing company told about the features of their direction (e.g., countries), different resorts, the features of the visa and customs clearance, as well as other details that may help in the work.

- Organization of promotional tours for customers and employees of travel agencies. For customers - is cheap or almost free trip to a certain set of excursions. To get it, the customer usually has to win in a lottery or answer questions about the country. The purpose of such action - to create a good impression about the country, which client then will pass it to friends.

In the tourist advertising play an important part oral advertising. Positive tourist information distributed with efficiency coefficient 7, and negative - with a coefficient 22! Therefore, any customer complaints are distributed three times faster than positive feedback. The conclusion is that **there is no better advertising to agent than a satisfied customer** (Swarbrook and Horner, 1999).

3.4 Tourism nowadays

At the beginning of the twenty-first century, tourism has become one of the leading areas of socio-economic, cultural and political activities of the majority of states and regions all around the world. In tourism sphere combined culture, transport, health insurance branch, hospitality. Taking into account domestic tourism, almost half the world's population each year become tourists. Tourism has a significant place in the international relations: out of 7 billion people on the planet 1 billion annually visit foreign countries for tourism purposes.

Assessment of the potential growth of the world tourism market and its main components leads to an understanding and forecasting of future trends in the development of

domestic and international tourism. The main indicators for measuring tourism traditionally are receipts (revenues) from international tourism.

Intensive development of international tourism has caused need to establish a regulatory tourist activity. Currently, with the development of mass tourism has formed a special branch - the right tourist. International tourism is governed by many conventions, international treaties and agreements.

World Tourism Organization (WTO) was established to develop rules and regulations to facilitate tourist exchanges in the international community. According to claim 1, Article 3 of the Charter, the main purpose of the WTO is to "promote the development of tourism in order to contribute economic development, international understanding, peace, prosperity and universal respect for and observance of human rights and fundamental freedoms for all without distinction as to race, sex, language, and religion".

WTO covers the entire tourism industry through its web-page, and also has its own information stand at the largest international tourism exhibitions, including the following:

- FITUR, Madrid (Spain);
- ITB, Berlin (Germany);
- MITT, Moscow (Russian Federation);
- WTM, London (United Kingdom).

The projected by 2020 increase in tourist flows in the world also indicates increase in the contribution of tourism to economic development. According to experts of the World Tourism Organization (WTO), whom prepared a forecast «Tourism: 2020 Vision», at/with an average annual rate of growth of the world tourism in the amount of 4% by 2020 the number of international tourist trips will be 1.6 billion.

Presumably, China will become the world's leading tourist destination and confidently will take the first place in the number of international arrivals (137.1 million.). Next in popularity would be the United States (102.4 million.), France (93.3 million.), Spain (71.0 million.) and Hong Kong (59.3 million.).

Nowadays all around the world are actively developing various kinds of alternative tourism: educational, environmental, medical and health, romantic, adventure, business and corporate, culinary, agriculture, sports, cosmic, spiritual/pilgrimage, tourism for people

with limited physical ability etc. The most promising areas of tourism in the future is: boating, mountaineering. The most expensive will be so-called "space tourism".

In the study of world tourism must be taken as a basis theoretical analysis method that is supported by empirical research. The most effective theory of international trade and international finance, which together create the economic theory of economic relations. These include:

- Theory of absolute advantages;
- Theory of comparative advantage;
- Factor proportions theory;
- Country similarity theory;
- Product life cycle theory;
- Porter's national competitive advantage theory.

Let's consider theory of absolute advantages in the tourism industry. Some countries have unique tourism resources, rare natural places like Niagara Falls in the United States/Canada, Mount Qomolangma in Nepal, etc.; architecture and art monuments - the pyramids of the pharaohs in Egypt, the Taj Mahal in India, the Acropolis in Greece, the Colosseum in Italy and more. Unique natural monuments and works of art, determined the monopoly position of the country and encourage tourists to come.

Innovation in the tourism sector mainly cover the hotel area, which uses the latest technologies, create a new tourism product and uses a lots of advertisement. Active use of modern tools and new materials, innovations can also significantly reduce the price of the tourist product.

In 1817, David Ricardo developed the ideas of Adam Smith and further strengthened the arguments in favor of free trade. He calculated the working time needed to produce a given quantity of cloth and wine in Britain and Portugal, he showed the benefits of foreign trade of the country when it specializes in the production of those products that can produce more efficiently than other countries, without absolute advantage.

In other words, the country refuses to produce goods in which it has an absolute advantage and specialized in other, more efficient production, while purchases in other countries with less price those products production of which it reject. On the example of Portugal Ricardo showed that the absolute superiority in the production of wine and

clothes country ceded production of cloth to England in order to specialist itself in production more profitable for it product - wine.

This is the theory of comparative advantage, which fully explains the nature of the bilateral exchange of products in the international business as a result of price differences between countries.

The price of the tourist product affect by the cost of transport, accommodation and additional services. Price of these factors are different in each country, because of a state tax policy, the usage of new technologies, the price of fuel, food, other services.

However, the studying of comparative price also takes into account the quality of service. To maintain competitiveness and gain comparative advantages countries need to maintain a high level of service, as is done in countries such as Britain, France, Germany, Switzerland, Austria, Italy, where prices are relatively high.

A more precise answer to the question "Which country products provide absolute and comparative advantages?" gives the theory designed for the development of tourism. There are additional accommodations, meals, and transport links, developing natural, historical and cultural centers of tourism. Therefore, countries that can manage large domestic demand are more prepared to meet international demand.

To determine domestic demand used the following indicators: population, GDP (gross domestic product) per capita, and others. The countries with strong domestic demand are France, Germany, Great Britain, Ireland and others. Consequently, international exchanges often occur between countries with similar conditions of reception and service of guests.

Achieved by many countries economic performance of tourism and tourist services standards can serve as a guideline for Ukraine in the future. Analysis of income data from foreign tourism per capita shows that tourism is developing especially fast in the European Union and the biggest tourist exchanges occur between neighboring countries.

The most important factors that stimulate this process are following:

- A high level of safety journeys in the EU (this factor ranked first in surveys of tourists);
- High quality and wide range of tourist services;

- Free movement within the European Union and Schengen group
- The absence of border and customs control;
- The introduction from the 1 January 2002 common currency - the euro.

The second region of cultural tourism is the APR. The exchange of cultural traditions determines the special combination of unique architectural monuments and religious objects in the territory of the Asia-Pacific region. Asia will be the leader in international tourist arrivals is not so much due to the development of therapeutic and wellness (spa) tourism as informative. Currently, the major international centers of cultural tourism are China, India, and Thailand.

Search of new experiences defines increase in demand for tours to Africa and the Middle East. In these regions are rapidly developing combined tours that are offered mostly in Morocco, Syria, South Africa, Tunisia. However, the bulk of the revenue comes from a beach holiday countries (UAE, Egypt, Tunisia).

According to the results poll conducted by the German Institute for studying free time in the European Union, most travelers concerned about the following issues:

1. War, anxiety, political instability (74%).

As we see, this factor holding back most of the tourists travel abroad to a country.

However, practice shows that the impact of this factor is much more significant and it concerns not only state in which there is political unrest, but also countries its neighbouring it. The most striking example that characterizes this situation, maybe the Middle East. In a relatively small area is concentrated sufficiently attractive destinations. However, the dynamics of tourism in the region has a sharp and constant fluctuations.

2. Environmental problems (57%).

This factor is typical, especially for Ukraine, due to the accident at Chernobyl in 1986. The negative effect of environmental factors increases also its long-term character, because changing the consciousness of society is much slower than the elimination of environmental disaster.

3. Diseases and epidemics (55%).

The influence of this factor is especially significant for the African continent. Nowadays the volume of tourism in this region do not exceed 2% from the world level and as main destination people usually choose North or South Africa. Tourism in the central part is undeveloped, although, according to experts, this region has lots of opportunities for the development of ecological and exotic tourism that have recently become increasingly popular. Factors that hinder tourism development in Central Africa is lack of knowledge about this region, numerous diseases and epidemics, which are constantly flashing.

One way of dealing with this problem can become mandatory vaccination of all tourists traveling to the region. However, the emergence of new epidemics, identifying of new viruses will long prevent tourists from the idea of visiting the region.

4. Natural disasters and catastrophes (49%).

The complexity of the impact of this factor is that natural disasters can occur in almost every region and predict or moreover, to prevent them virtually impossible. Even no one is safe in the force-major circumstances of this kind, their occurrence could lead to postponement of tourist trips in the region for an indefinite period or even to cancellation of it. As in the case with environmental disasters, great importance is the psychological aspect, which hinders the tourist from the trip to the regions that suffered from the disaster, even after it was liquidated. These factors are the most typical for regions with high seismic activity. Specifically, in regions that suffered from earthquakes, like Japan and California (USA), missed 50% of tourists during both the aftermath of the earthquake, and in the first few months after the liquidation period.

5. Crime (44%).

Recently, this factor is becoming increasingly important. This refers to not only to rare cases of assault, robbery or even murder of tourists but also planned acts of terrorism. A good example of it is the case, which occurred in late 1997 in Egypt, when a group of European (mainly German) tourists who traveled along the banks of the Nile, were shot by Islamic fundamentalists. Because of this, in 1998, according to preliminary estimates, Egypt has lost 25-30% of foreign tourists from the planned amount. Dramatically reduced the number of tourists in the United States after the terrorist attacks of 11 September 2001.

World tourism and its markets are facing with constant changes in demographics, the life values and the rapid development of technology. Education, lifestyle and gained experience form customer requirements in the tourism industry.

Major trends in changing requirements and expectations of future tourists are:

- Customer's level of education is increasing, also growing their needs, because they more tourist experience, so its demanding higher standards of service;
- More often asking for something extraordinary and the unknown;
- They get older and richer, more physically and mentally active and require more active forms of recreation;
- Tourists respect themselves, so prefer comfort and do not want to spend too much time on the road.
- They want to learn something new and self-improve, so need more than just entertainment and recreation;
- Some wants to participate in lifestyle of place they arrived and learn new skills;
- They are more and more require such kinds of rest which do not have a negative impact on the cultural and natural environment;
- Customers want to get services that will adequate to spent money and prefer a situation where can be clearly seen what they paying for.

Today it is necessary consider the main trends of tourism development at this stage that in the global tourism characterized by:

- attraction to unspoiled nature, associated with the concept of beauty. So agents need to create new tours with developed eco-tourism;
- the proliferation of individual tourist travel;
- popularization of elitist tourism (hunting, scientific, congress);
- development of alternative (extreme) types of tourism.

Considerable importance for development of both foreign and domestic tourism have tourist resources, which is the main purpose of travel. Because of these circumstances was defined the most important economic indicators of tourism, such as the number of tourists, the price of services, trips' routes, their seasonal distribution, length of stay and

others. So the commercial work in the tourism industry should be based on a comprehensive accounting of tourism resources in the whole country and in some regions separate.

Tourism sector is directly related to the different economic branches, therefore to create forecast we need to have the considerable database (Collins, 1999).

What are the main reasons encourage tourists to spend huge amounts of money?

In order to give an answer to this question, we must first of all know the characteristics of the guests from the top world countries. Let's try to answer the main question, using market research conducted by the WTO research poll.

What makes the inhabitants of the leading countries to leave home house and a journey?

In the 10 most developed countries the main motive for trips is still rest. The highest value to holiday is in countries that do not have the warm sea. Their share of holiday trips is 76-83%. In another case with states that have beautiful beaches and favorable climate share of traveling abroad is already 62-73%.

Business travel has smaller share: United States - 33%, in Spain - 25%, Italy - 18%. We must not forget that in large cities in the first-class hotels still a major client is businessman. In the resort towns' hotels - vacationer (although among them, of course, can be found a lot of business, but the purpose of their stay is not business, but vacation).

How is the distribution of population preferences by type of recreation made?

Adherence to certain types of recreation differs quite significantly across countries. A significant part of UK residents will elect the rest on the shore of the warm sea - 46%. Following the British, but far behind them, are citizens of Belgium (35%) and Germany (32%). Recreation is obviously attracted Japanese - 51% Spanish - 33%, French - 25%. Spend their holiday for traveling around the country love in Italy - 41% and France - 32%. Among the less popular 10% - mountaineering; 9% - visits to cultural and sporting events; 5% - take cruises.

How are the preferences of the population about the accommodation facilities?

Approximately equal commitment to keep hotel accommodation inhabitants of almost all countries - within 52-62%. However, there are two exceptions: 88% of Japanese are choosing a hotel. In the Netherland hotel accommodation takes a smaller place - only 38%. But they are leaders in the selection of camping (20%).

From year to year the number of tourists who have a second home elsewhere is growing. This should not be a big house or luxurious villa, it may be a modest one-bedroom apartment, so-called studio. Anyway, the vacation at his home outside of their native countries spend 33% of US citizens, 23% - Netherlands 18% - UK. Those who are poorer choosing vacation visiting friends and relatives (Dutch - 15% , French - 22%). The distribution of tourists by choice of accommodation largely related to their personal status.

How is calculated tourist flow from their financial status and welfare?

In the international tourism are people with different incomes. In the tourist flows _ almost all the countries dominated the middle class - 40% in the Netherlands and 59% in Italy. People with low incomes occupy a significant place in the tourist flow of France (36%) and Italy (31%). Among the tourists from Germany (43%), the Netherlands (41%), the UK (37%) leading position occupied by representatives of the upper class who make demands on the most comfortable conditions of accommodation. However, many of representatives of this class have their own homes.

How is tourist flow by gender and age?

In France there is a slight predominance of women (51%) in the tourism flow. In other countries most of tourist flow are men, especially in Italy - 61%.

Current pricing practices in the hotel business stimulates travel together with someone, not alone. The point is that the price per room for one or two is almost same. This leads to the fact that a tourist who travels alone, pays much more than the couple.

By knowing the purpose of the journey, commitment to various kinds of accommodation, distribution of tourist flows by social status, gender and age and effectively using this information scientist can plan in advance cash flows that give significant affect on the economy of a country.

Thus, the main driving force for development of tourism are the economic benefits that it provides. Tourism encourages the development of infrastructure - hotels, restaurants, commercial and more. It leads to increase of budget revenues from taxes, which can be direct (payment for a visa, customs duty) or indirect (increase in wages leads to increased amounts of income tax payable by them in the budget).

It promotes economic diversification, creating branches that serving the tourism industry also provides income growth and improving the welfare of the nation.

Also on the economic impact of tourism development is to increase business activity and expansion of production of goods and services by increasing the effective demand by foreign and local tourists.

Equally important is the contribution of tourism in the country's balance of payments, which is expressed as the difference between the expenditures of foreign tourists in the country and expenses of residents abroad.

And another very important factor - the impact of tourism on the environment. This effect may be direct, indirect, positive and negative. Tourism cannot develop without interaction with the environment, but by controlling this development negative impact can be reduced and positive - increased.

The positive impact includes the protection and restoration of monuments of nature, history, culture. Also the creation of national parks and reserves, forest conservation and protection of flora and fauna.

The negative impact, unfortunately, is higher. It influence water quality in rivers, lakes, seas and air quality, also growing harmful emissions by vehicles, unauthorized placement of temporary camps, pollution, environmental waste, unauthorized ignition of fire, etc. Some tourist recreational facilities such as hunting, fishing, gathering plants cause negative influence on wildlife and lead to a reduction in the number or even the extinction of fauna and flora of certain areas.

If government do not want to face with critical pollution problems - they need always control corporation. As a restriction option may be insertion of extra tax, if company polluted environment.

Europe as a whole is characterized by a relatively high standard of living standards and their educational level. These factors explain the increased attention to environmental protection on the continent. At the state level is discussed and adopted decisions about water and air purification, waste management, protection of nature and wildlife, and others. This issue is constantly discussed in the media (Collins, 1999).

A characteristic feature of recent years has been so called integration (horizontal and vertical). Consolidation and active penetration of individual companies' capital in foreign tourist markets through mergers or acquisitions of similar or related business companies.

This is especially clearly seen in the hotel business. For example, everyone knows wide spread in different countries of the world such hotels as «Sheraton», «Mariotte», «Hilton» and others. Large hotel corporations actively penetrate to foreign markets through the acquisition of property, franchising, management contracts

Awareness of man that all roads are open for him and anywhere he would find a high quality service to which he used to. This increases his desire to learn more about new places. If a person realizes he is a citizen of not only his country but the whole world, its leading to market expansion. At the WTO conference in Lisbon was presented the research results: “Tourism: 2020 Vision” declared five promising tourist destinations of XXI century,

1. Adventure tourism. In the world remains very small regions unexplored by tourists. Real romance attract the farthest point of the Earth, mountain peaks and ocean depths. New tourist requirements make it necessary to develop corresponding tourism product. The most attractive point of the edge of the Earth - Antarctica. 10 thousand tourists had already visited the icy continent. Cost of the tour to Antarctica - from 10 to 16 thousand dollars. The question about the transformation of its three research bases in Antarctica in a tourist centers discusses in Australia. United Kingdom, New Zealand and Russia already opened travel camps there.

2. Cruises. This tourism sector is developing phenomenally fast. In 1997, cruise ships on maritime routes traveled by river about 7 million people, in 2000 the number of tourists is estimated at 9 million.

3. Ecotourism. The main objective of ecotourism - environmental preservation. Agencies may organize a thematic study tours for fans of ecotourism and trips for vacationers to the national parks. Part of income from ecotourism financing nature protection projects.

4. Cultural and educational tourism. The biggest flows of tourists traveling with cognitive purposes, occur in Europe, Asia and the Middle East. For small groups of tourists can be organize sightseeing tours in a day-trip with visiting culture monuments.

5. Thematic tourism. This kind of tourism provides heightened interest to the some specific phenomenon, such as the climate area, prevailing over other tourist mo-

tives. The popularity of theme parks as a place holiday (in the world built several such parks) will increase every year.

Trends of international tourism development have positive character. The growing tourists' interest to a different culture, the abundance of advertising, access to information - all these help to increase the opportunities of communication between nationalities that allows people to understand each other better.

4. Practical part

4.1 Analysis of touristic sector of Ukraine

According to the World Tourism Organization (hereinafter - UNWTO), tourism directly contribute to world gross domestic product (GDP) in 2012 was 5%. For the tourism industry stands out \$ 6 trillion of the world investments, which provides 120 million of direct and 125 million indirect jobs in related industries.

The tourism sector is global, so competition between countries for its share of this market is growing every year. Thus for many developing economies, tourism - the main source of foreign exchange earnings. Therefore, the study of tourism market in Ukraine and forecasting its development is a major task to determine ways of increasing the competitiveness of the domestic tourism sector.

First, consider the current trends of the global tourism industry. According to the methodology of the World Tourism Organization, tourists are all residents are temporarily traveling abroad, regardless of the purpose of the trip, except for persons traveling for the purpose of education and work.

Table 1. Dynamic of the world tourism development, (2000-2014).

<i>Region / Year</i>	<i>Number of tourists (inbound), million people</i>						<i>Structure, %</i>
	<i>2000</i>	<i>2005</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2014</i>
World	677	807	949	995	1035	1087	100,00
<i>by criteria of develop:</i>							
Developed countries	420	459	506	530	551	580	53,36
Developing countries	256	348	443	465	484	507	46,64
<i>by region:</i>							
Europe	388,0	448,9	484,9	516,1	533,9	562,8	51,78
Ukraine	6,4	17,6	21,2	21,4	23,0	24,7	2,27
Asia and Pacific region	110,1	153,6	205,1	218,6	233,6	247,7	22,79
America	128,2	133,3	150,6	156,0	163,0	168,9	15,54
Africa	26,2	34,8	49,9	49,7	53,1	56,1	5,16
Middle East	24,1	36,3	58,2	54,7	51,8	51,9	4,77

Source: UNWTO and author's computation

Today, tourism serves an important part of the global economy. For the past 20 years, tourist flows in the world increased by almost 2.5 times, from 436 million people in 1990 to 1.087 billion people in 2013 (see. Table. 1). According to the UNWTO, the total direct income from international tourism is \$ 1.075 trillion, which is more than 1.5% of the global economy.

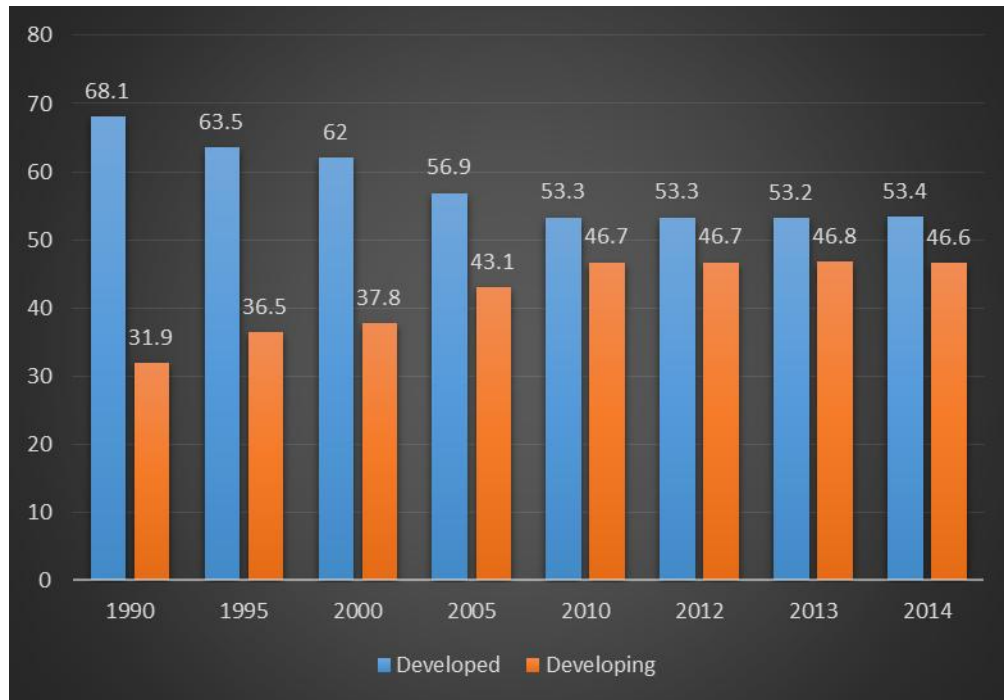
As shown in table, the growth of the world market of international tourism in 2013 amounted to 5.0% compared to 4.0% a year earlier. The most visited region of the world is Europe, which share - 51.8%, the number of international tourists increased in 2013 by 5.4%. In 2013. Ukraine's share in the global tourism market was about 2.3% of natural volume and showed growth of 7.2% compared to 2012, exceeding the world average level.

The second most popular tourist destination is the Asia-Pacific region, which share is 22.8%. In 2013 international tourism market also of this region continued its growth at 6%, it was promoted by the successful performance of South-East Asia. American region with a share of 15.5% completes the top three global market of international tourism in 2013 and showed growth of 3.6%, which is below the average level, with higher rates reached North America (4.3%) and Central America (4.2%). In Africa, market growth in 2013 amounted to 5.6%. The basis for this growth was the increase in tourist activity in North Africa, while in the Middle East growth rate was low (0.3%).

The overall increase in global travel market over the period 1990-2013 was 149%, while in developed countries gain entry flow of tourists was 95.3% and in the developing countries - 264.7%. In other words there was a significant increase in the world tourism market is largely due to increasing tourist flows to countries with developing economies One of the main indicators of market conditions is its structure, the dynamics of which in terms of level of development of the economy is shown in Figure 1.

Analyzing the dynamics of market structure should be noted that from 1990 to 2010 was the growing share of developing countries from 32% to 47% respectively. This situation reflects the growing attractiveness for consumers of tourism markets of countries with developing economies. Since 2010 the structure was stabilized and remains almost unchanged.

Figure 1. Dynamics of the structure of the world tourism market, 1990-2014.



Source: UNWTO and author's computation

Ukraine is associated with developing countries, so for the better understanding of its problem and prospects need be compared stages of their development. As example was analyzed world tourism (EU respectively) and Ukraine.

The state of tourism in the **world and the EU** is characterized by such basic indicators and trends:

- Every year in the world is about 808 million trips, over 52% of them - within Europe; About 60% of all tourist trips due to holiday;

- The share of tourism in world exports of goods and services is about 13% and in the EU - 14%, tourism generates 8% of total EU GDP and provides about 11% of economic growth;

- The number of jobs in the tourism industry of the EU countries is about 12% of total employment;

- A reduction in the duration and increase the number of tourist travel, which creates demand for tourist offers, providing the opportunity to visit a large number of places in less time;

- There is active involvement of states in the competition for influence in the international tourist flow parameters, in particular through the implementation of government

programs, implementing regulations and fiscal policy favorable for the development of the tourism industry;

- A priority direction of tourism development is the creation of effective mechanisms for establishing and maintaining a balance between preserving the natural and historical and cultural resources and tourism activity.

The situation in the sphere of tourism and resorts in **Ukraine** characterized by the following main factors:

- The low level of public awareness of the country and authorities that perform regulation in tourism and resorts of the role and importance of tourism to the socio-economic development;

- Lack of existing tourist resources and integrated system of management, uncertainty directions of development and development, ineffective and illegal use of the unique natural, historical and cultural resources;

- The lack of an effective system of the rights protection and interests of tourists, ensuring safe conditions at the sites of tourist visits and the directions of tourist routes, the timely provision of all types of emergency assistance to those who suffered during the trip;

- Lack of favorable conditions for the development of the tourism industry, public investment policy in the field of tourism and resorts are not adequately support the development of priority types of tourism, including inbound and domestic tourism, agriculture, eco-tourism;

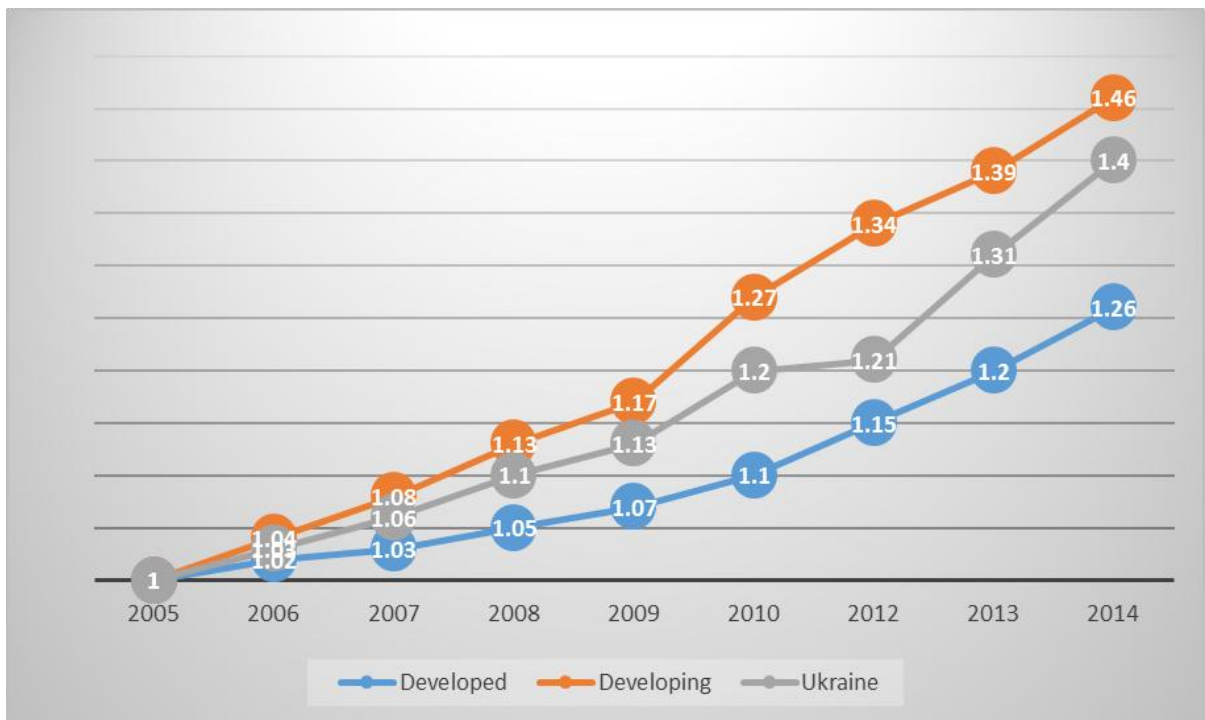
- Destruction of social tourism, tourism practically inaccessible for the poor, youth, the elderly and the disabled;

- Lack of proper forecasting and planning of tourism, tourist flow parameters in accordance with the available resource capacity, needs of the population and economy of the state, generalized and fragmentary approach to the development and implementation of state and local tourism development programs;

- Lack of a coherent and integrated management of tourism resources of the country, different departmental subordination of tourism resources, lack of specially authorized central executive authority on issues of resorts;

For the development of the market it is important to compare the growth rate of the market by segments (Fig. 2).

Figure 2. Comparison of international arrivals growth rates in developed countries, developing and Ukraine, (2005 – 2014).



Source: UNWTO and author's computation

The above dynamics shows that in 2005 the volume of tourism market in developed countries grew by an average of 6% per year, growth in developing countries were more dynamic and averaged 10% per year. The growth of Ukrainian market of international tourism was an average of 9% annually, which is close to the rate of growth of the world market, but somewhat less than the average market growth rates in developing countries, although growth accelerated in 2012-2013, which should be considered as a positive results of European Championship Football in 2012.

For the effective tourism development necessary to have conditions, resource and territory. In this context, Ukraine is a rich country that is bordered by the Black and Azov seas, mountain peaks of the Carpathians and steppe areas that are inhabited wild birds and animals.

Separately consider the structure of the world tourism market value, which is shown in Fig. 3.

Figure 3. Dynamics structure of the revenues from the tourism market.

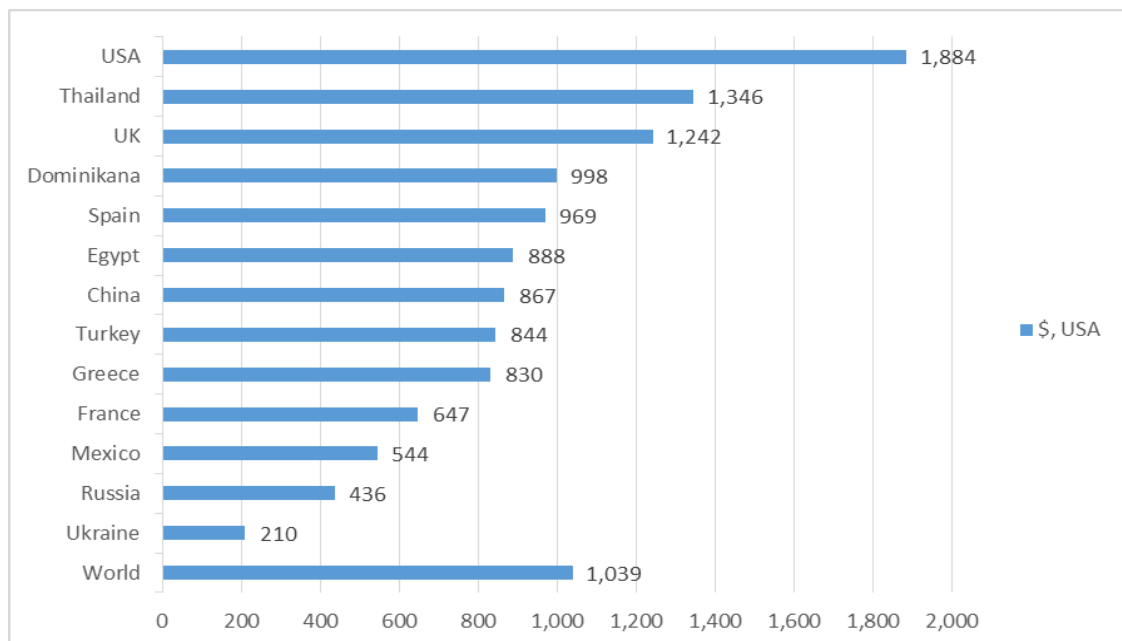


Source: UNWTO and author's computation

As we see, about 2/3 of the world tourism market revenues goes to developed countries and 1/3 – to developing economies. In other words the share of developed countries in the structure in terms of value significantly more than the share of developing countries, indicating that, developed countries make more revenue from one tourist, which obviously mean that the cost of holidays in developed countries more expensive than in developing countries (Bil, Tretyak, Krainyk, 2009).

Consider in more detail the differentiation of income from one international tourist in countries in 2012. (Fig. 4).

Figure 4. Income from one tourist, in thousand USA dollars.



Source: UNWTO and author's computation

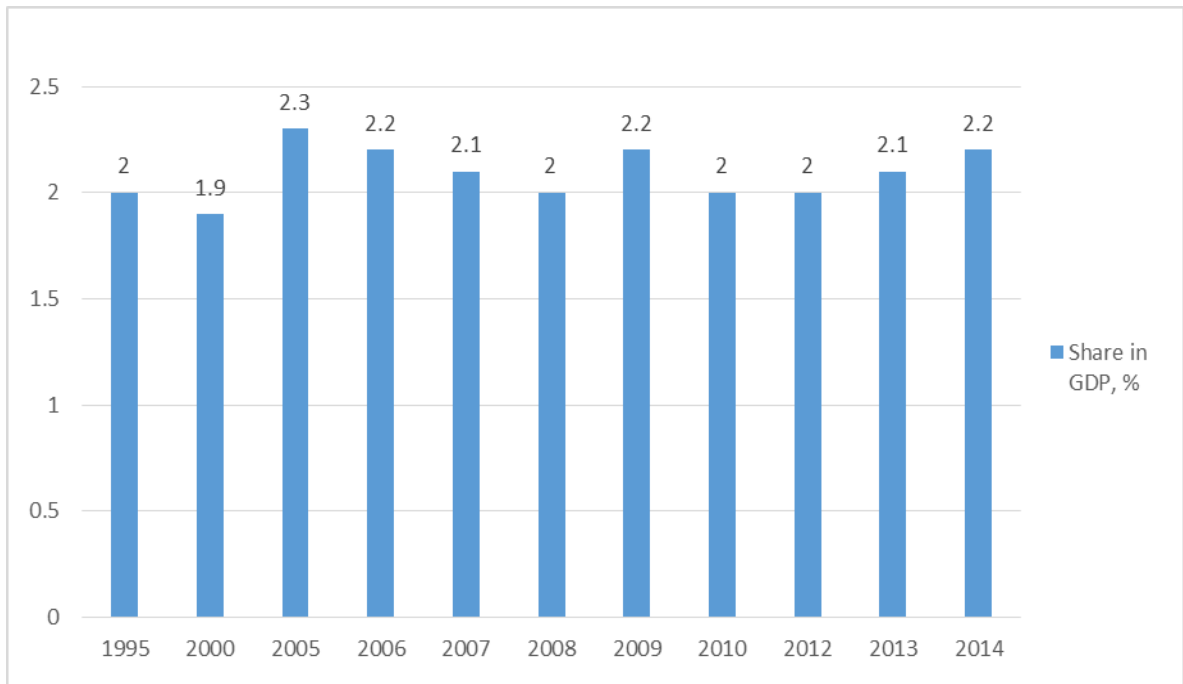
As shown on the figure, an average tourist spends in 2012 to \$ 1,039. In the most developed countries, tourists spend biggest amount (in average 1250 dollars.): USA, UK. In developing countries, the price of recreation smaller (in average 800 dollars.): Egypt, China, Turkey, Mexico, Russia. Ukraine by this indicator takes one of the last places of tourist income about \$ 210, on the one hand it can an advantage, but on the other - indicates a significant share of tourists from the former Soviet Union that cannot afford to rest in other countries.

Let us analyze other factors that determine the volume of international tourism market of Ukraine. If talk about the presence of tourism resources as one of the main factor for development of tourism, Ukraine has all chances for intensive development. The convenient geographical location, favorable climate, varied terrain, a unique combination of natural and recreational resources, cultural and historical heritage and branching sanatorium base - all of these factors lead to a competitive advantage of Ukrainian tourist products in a world market (Husakova, 2012).

The World Travel and Tourism Council (WTTC) is considering the contribution of the tourism sector in the GDP of the country as a complex system that includes:

1. Direct costs for the implementation of tourist travel, such as travel, accommodation, entertainment, sightseeing and visiting of museums, food, etc. Considering that costs of internal, inbound tourists and travel expenses at the state level in accordance with the methodology recommended by the United Nations of travel accounts.
2. Indirect contributions of tourist sphere in the country's economy include investments in the tourism industry (construction of tourist infrastructure, the purchase of vehicles and equipment), public expenditure on the tourism sector (marketing, security, administration, etc.), the purchase of domestic products and services enterprises tourism industry (purchase of food, cleaning services, maintenance of IT services, etc.)
3. The induced contribution to the GDP is defined as the costs of those who directly or indirectly receives income in the tourism sector.

Figure 5. Share of tourism sector in the GDP of Ukraine, 1995-2014



Source: National statistic authority of Ukraine and author's computation

According to members of the World Council - total tourism sector contribution to the GDP of Ukraine is \$ 123.72 billion. This direct spending of tourists totaled \$ 33.7 billion or 27.24%, indirect contribution of tourism sector to the economy amounted to \$ 55.67 billion or 45.0%, induced contribution amounted to 5.2% or \$ 6.37 billion. But the tourism potential of Ukraine today is not fully disclosed, as evidenced by 2,0-2,3% share of the tourism industry in the GDP structure (Fig. 5), in contrast to the world market - 9% of world GDP.

As indicated in the report of the Ministry of Culture and Tourism of Ukraine "Problems and prospects of tourism development in Ukraine at the present stage": the tourism industry thanks to the rich natural, historical, cultural, human resources may well claim to be the leading position in the state economy. However, further development of tourism is hampered.

In particular, country uses only one-third of the tourist potential, which is owned by, and according to the World Economic Forum in the field of travel and tourism Ukraine among 124 countries of the world occupies only 78th place. Therefore, it is this sector leaves a great opportunity for exploration and activity.

However, the global financial crisis had a negative impact on the dynamics of entry flows after 2008 the flow of foreign tourists decreased considerably and has not reached pre-crisis levels. However, there was a relatively stable development of outbound tourism, which revived in recent years.

The main feature of Ukrainian market of tourism is that they have the advantage of tourists from nearby countries (in 2013 - 90.75% of foreign tourists) traditionally they visited Ukraine to visit friends and relatives. This fact shows the structure entry tourist flows in Ukraine (Table. 2).

Table 2. Number of inbound tourists in Ukraine.

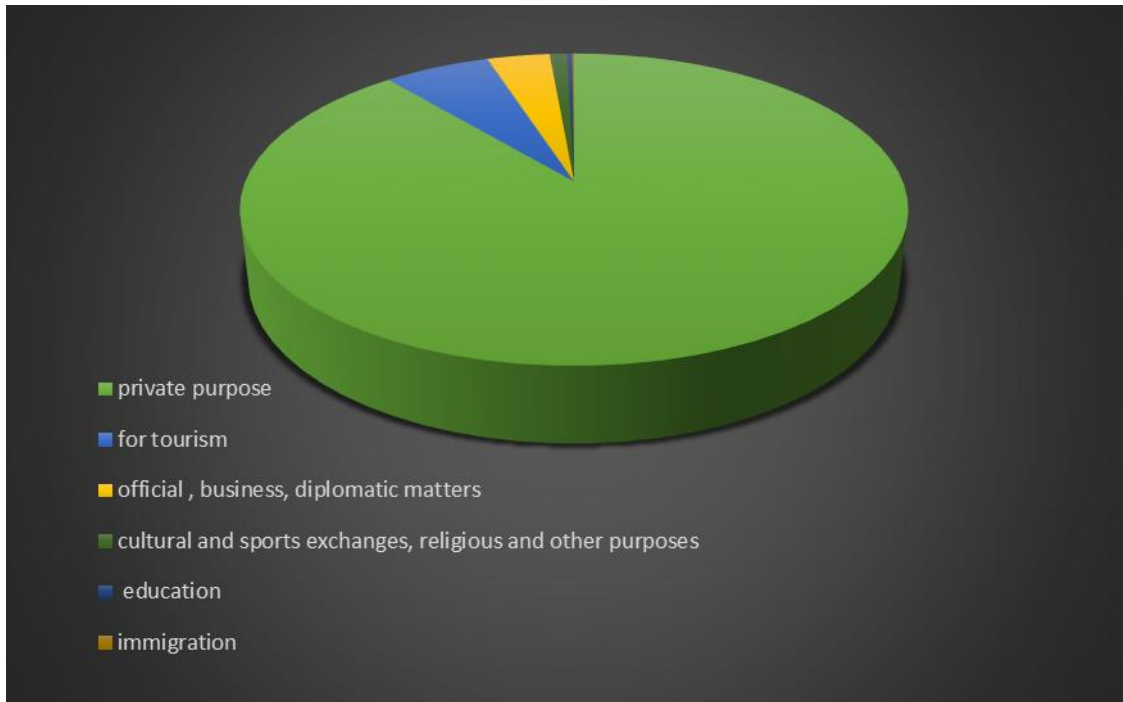
Country	The number of people who entered Ukraine in 2015, millions	The number of people who entered Ukraine in 2014, millions
Moldova	4,75	4,37
Belarus	1,92	1,59
Russia	1,33	2,36
Poland	1,16	1,12
Hungary	1,07	0,874
Romania	0,768	0,585
Slovakia	0,413	0,416
Turkey	0,173	0,116
Germany	0,156	0,131
Israel	0,150	0,102
USA	0,109	0,082
Azerbaijan	0,078	0,069
Uzbekistan	0,069	0,158
Italy	0,064	0,055
Other countries	0,820	0,683

Source: National statistic authority of Ukraine and author's computation

Regarding the purposes of entry in Ukraine, during the last years the structure almost has not changed: the largest proportion of people - 88.8% - comes to Ukraine with a private purpose, 6.1% - for tourism, 3.6% - in the official , business, diplomatic matters,

1.0% - for cultural and sports exchanges, religious and other purposes, 0.3% - for education, 0.1% - to immigration.

Figure 6. Structure of inbound tourism by the purposes of visiting.



Source: National statistic authority of Ukraine and author's computation

No less interesting statistics are visiting Ukrainian abroad in 2015, which shows a certain increase compared to 2014: 23.8 to 21.4 million people. That last year the number of Ukrainian tourists increased by 2.4 million persons or 11.2%.

Speaking of last year's top-end position in the ranking of destinations for visiting Ukrainian tourists, the first places went to Poland and Russia: 9.5 and 4.1 million of our fellow citizens have visited these countries (see. Table. 3). Moreover, in the last years Poland growth in popularity ahead of the Russian Federation and won first place ranking.

Despite the stable development of the tourism market, the share of licensed operators in the tourism market in servicing foreign tourists remains low and is on average 300 thousand people a year (National statistic authority of Ukraine, 2014).

Table 3. Number of outbound tourists in Ukraine.

Country	The number of Ukrainian outbound tourists in 2015, millions	The number of Ukrainian outbound tourists in 2014, millions
Poland	9,52	7,66
Russia	4,16	4,67
Hungary	2,44	2,15
Moldova	1,73	2,42
Belarus	1,39	1,54
Slovakia	0,755	0,656
Romania	0,686	0,522
Turkey	0,539	0,451
Egypt	0,353	0,400
Germany	0,295	0,309
United Arab Emirates	0,138	0,162
Israel	0,130	0,118
Italy	0,116	0,173
Austria	0,107	0,097
Greece	0,103	0,151
Other countries	0,896	0,959

Source: National statistic authority of Ukraine and author's computation

Analyzing the structure of outbound tourism to visit (see. Table. 4), it should be noted that, despite the overall increase in the number of tourists, the main purpose of the trip is private, whose share continues to increase and exceeds 97% (2% in comparison to 2013). , the share of organized tourists 2014 account for only 1.5% of tourists (-1.5% compared to 2013.), which is hardly positive for travel agencies. The share of business trips abroad in 2014 also decreased - from 1.69% in 2013 to 1.16% in 2014.

Table 4. The structure of outbound tourism of Ukraine by the purpose of visiting, 2013–2014

Purpose	2013		2014	
	Number of people	Structure,%	Number of people	Structure,%
official visit	362631	1,69	275151	1,61
organized tourism	641836	2,99	354840	1,49
private tour	20428369	95,31	23131296	97,35
Total	21432836	100	23761287	100

Source: National statistic authority of Ukraine and author's computation

Thus, in Ukraine number of individual tourists is growing, confirming the global trend. Tourists are becoming more independent, believe in themselves, and with the development of the Internet has made it much easier to book hotels and travel without the help of intermediaries.

4.1.1 Problems and prospects of development of the tourism industry in the Ukraine

Ukraine occupies a leading position in Europe in terms of availability of valuable natural and cultural resources.

Today in Ukraine there are six resorts of national importance and over 20 natural resort areas with unique natural resources and have grounds for declaring them according to the law Ukraine "About resorts" resorts of national importance.

At the end of 2012 in Ukraine are more than 3,800 hotels and similar accommodation facilities. However, the number of domestic hotels have received the certificate of installation categories "one star" - "five stars" are 181 unit.

Today there is a problem of inaccessibility hotels and other similar accommodation for people with disabilities, including the visually impaired, hearing impaired and other disability-related groups, they lack sufficient amount adjusted for such those numbers.

At the end of 2012 in Ukraine issued 2,385 licenses for tour operator activities, of which 372 licenses - for carrying out tour operator activities only with domestic and in-bound tourism (National statistic authority of Ukraine, 2012).

According to calculations carried out based on data from The Ministry of income and state statistical observations, revenues to the state budget from the proceedings of tourism for 2012 amounted to more than 1.5 billion UAH.

In addition, in 2012 has been paid 38.4 million UAH of tourist tax, which is 38.3 percent more than in 2011. Overall, between 2008-2011 revenues to the state budget from the proceedings of tourism increased from 208.2 million to 1.5 billion UAH (.).

Ukrainian ministry declared two possible option for the solving problem of the tourism development.

The first option involves the development of tourism and resorts through self-regulation in the field of tourism and resorts.

Advantages: saving the state budget for the initial stages of development.

Disadvantages:

- Significant spending budgets of all levels related to the elimination of consequences of the irrational use of tourism resources, ecological balance;
- Deepening the negative impact of tourism on the environment, most of the decline of cultural heritage and the loss of valuable natural resources;
- Slowing the pace of development of tourism and resorts, deepening processes "shadow" and regional socio-economic disparities, reducing the share of expected income in state and local budgets;
- Creating a negative image of tourism in the international tourism market, reducing inbound tourist flow;
- Further reducing the quality of services for tourists and security in tourism, deterioration of quality of life, reduce confidence in the state and growing democratic deficit.

The second option involves the sustainable tourism development through revitalization and implementation of effective mechanisms of state regulation.

Advantages:

- To overcome the negative trends in tourism resorts and activities;
- Improving the quality of life, ensuring the availability of tourist resources for all segments of the population;
- Preservation of unique natural, historical and cultural resources;
- Enhance the positive tourist image of the country at the international tourist market, increase inbound tourist flow;
- Accelerating the pace of development, increasing the share of expected revenues from tourism and resorts in the budgets of all levels;
- Reducing the existing regional socio-economic disparities, enhancing "transparency" of tourism.

Disadvantages: the need for providing support on an ongoing basis through the adoption of appropriate budget programs.

Concerning this description of scenarios of the country development Ukrainian ministry chose the second option. During the analysis of this plan was created some ideas.

Due to the fact that the possibility of self-regulation system of tourism is almost exhausted, it is impossible to ensure its sustainable development without harming the natural and cultural resources and implementation of national social functions, the state should provide for measures aimed to curb the natural development of tourism.

The best option ensures sustainable development of tourism and resorts by establishing and maintaining a balance between the preservation of natural, historical and cultural resources, economic interests and social needs and the development of tourism and creating favorable conditions for the formation of a national quality tourism product.

The competitiveness of national and regional tourism products is ensured through the implementation of regulatory requirements for the basic, most important for the tourist (as a consumer) quality parameters of any objects of tourist visits and basic tourist services, regardless of their category or service levels. The above set of quality parameters sets a minimum level of protection of tourists and includes a set of basic consumer properties as safety, compliance with hygiene standards, accessibility, transparency and more.

Implementation of the optimal option creates favorable conditions for the concentration of existing organizational, financial, technical and other resources on resolving the most critical problems in the field of tourism and resorts of the most valuable natural areas and cultural heritage sites, protecting the economic interests of the real and potential threats in the tourism sector in the domestic and international tourism markets.

Implementation of the optimal option development of tourism and resorts will help provide:

- Health strengthening and improve quality of life, the introduction of tourism, improvement of social stability and social security;
- The safety of tourists and travelers to protect their rights and lawful interests and safety of their property;
- Promoting the revival of national culture and crafts, formation of national consciousness and patriotic education;
- Preserve and restore the unique natural, historical and cultural resources, historical places of Ukraine to attract investments in the development of engineering and transport and municipal infrastructure;

- Reducing unnecessary budget expenditures, rationalization of financial and material resources, filling the budgets of all levels, receipt of foreign currency funds;
- The creation of new and preservation of existing jobs, the development of small and medium enterprises in the service sector and the expansion of temporary employment in rural areas;
- The creation of equal opportunities for tourism, formation of conditions for development of effective and transparent organized tourism market, a single regulatory space;
- Creation of modern tourist infrastructure facilities within areas with a high concentration of natural, historical and cultural tourism resources, in areas of national network of international transport corridors and main highways;
- Improving the information system sector, creating favorable conditions for equal access to information;
- Significant improve of public policy in the field of tourism and resorts, perform state functions of coordination, planning, regulation, promotion and protection of interests of tourists, development of tourism, marketing, national tourist product standardization and certification, etc.;
- Improvement of existing and introduction of new effective mechanisms of interaction between central and local executive authorities, local governments, NGOs, companies, research and educational institutions of tourism in sustainable tourism development;
- Development of effective state and local programs tourism development, economically sound plans for their implementation, including in the framework of socio-economic development;
- Development of international cooperation and European integration processes in the sphere of tourism and resorts, to improve tourist image of the state.

The image of Ukraine as a tourist state is rather negative. It is estimated by the real state of things, not for its rich potential. Failure of the state to properly dispose last one only affects its reputation.

The positive tourist image may form only by improving the overall image of the state. It is necessary to use all the image potential of Ukraine, to carry out an elaborate public information policy (Dzhaman, 2009).

4.1.2 SWOT-analysis of the sector

Ukraine has all chances for intensive development. The convenient geographical location, favorable climate, varied terrain, a unique combination of natural and recreational resources, cultural and historical heritage and branching sanatorium base - all of these factors lead to a competitive advantage of Ukrainian tourist products in a world market.

SWOT-analysis of tourism in Ukraine shows that despite a number of weaknesses and risks existing in the tourism market, Ukraine has a number of strengths and sufficiently high chance of developing this area as one of the main (Table 5).

Table 5. SWOT-analysis of the touristic sector of Ukraine

Strengths	Weaknesses
Ø Rich natural resources	Ø Economical and political instability
Ø Cultural and historical attractions	Ø Lack of planning and policy
Ø Competitive destination	Ø Low infrastructure development
Ø Favorable climate	Ø Lack of investments
Ø High variety of tourism products	Ø Corruption and Bureaucracy
Ø Low cost	Ø Lack of advertisement and promotion
	Ø Management
	Ø Low prestige
	Ø Service quality
Opportunities	Threats
Ø European Union support	Ø High competition
Ø International investments	Ø Financial crisis
Ø Increase in tourism demand	Ø High cost of tourism development
Ø Strategic location	Ø Technological development
Ø Adaptation of international experience	Ø Environmental impact
	Ø Natural disasters

Source: author's computation

Strong sides of Ukrainian tourism market which were determined in the SWOT analysis table revealed that tourism industry in Ukraine has all essential components for sustainable industry development.

However, due to lack of planning and policy and failure to create effective management mechanism, industry faced with a number of problems that negatively influence quality of tourism products and related tourism facilities. Current trends and perspectives

give a positive signal for national tourism sector development. Finally, essential findings demonstrated indispensable implications and pointed were major tourism developers should focus on.

4.1.3 Regression analysis of incoming tourism

Demand in tourism is expressed in the number of arrivals from the country of origin of tourists in the country of destination or the costs incurred in the host country.

In economic analysis, there are several areas in which the work promises to increase forecast accuracy, but neither can they take into account the specific characteristics of tourism services.

For forecasting demand in tourism it is advisable to use a regression model, since this method is based on a probabilistic assessment of the development process on the basis of statistical regularities in the future, identified according to the previous period (Archer, 1970).

This approach allows us to evaluate the quantitative relationships between projected variables and those variables that are likely to have an effect on these variables.

Table 6. Data set for regression analysis

Country	Number of arrivals in 2015, in millions	Distance from Ukraine, thousand km	GDP per capita, \$	Average salary, \$
Moldova	4.75	234	4988	187
Belarus	1.92	634	18246	362
Russia	1.33	4671	24449	523
Poland	1.16	942	25247	790
Hungary	1.07	882	25019	558
Romania	0.77	542	19744	506
Slovakia	0.41	845	28279	814
Turkey	0.17	1098	19698	675
Germany	0.16	1516	46216	2462
Israel	0.15	1955	33136	2162
USA	0.11	9169	54370	2772
Azerbaijan	0.08	1592	17761	271
Uzbekistan	0.07	2725	5630	310
Italy	0.06	1625	35131	1848

Source: author's computation

For the analyzing data was chosen inbound tourism, as a y . As a variables which might affect our dependent ones (x_1, x_2, x_3) – was chosen:

- distance between two countries;
- GDP per capita in country tourists are coming from;
- Average monthly salary tourists from coming countries receive.

Data which was taken through the analysis showing in a table above.

Figure 7. Regression analysis results

SUMMARY OUTPUT					
<i>Regression Statistics</i>					
Multiple R	0.502917709				
R Square	0.252926222				
Adjusted R Square	0.028804089				
Standard Error	1.244209772				
Observations	14				
ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	5.2410	1.7470	1.1285	0.3836
Residual	10	15.4806	1.5481		
Total	13	20.7216			
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	
Intercept	2.086136	0.8776	2.3771	0.0388	
Distance from Ukraine	-0.000007	0.0002	-0.0397	0.9691	
GDP per capita	-0.000049	0.0001	-0.7614	0.4640	
Average salary	0.000055	0.0010	0.0569	0.9558	

From the results was got from the regression analysis – can be said that all explanatory variables are insignificant. So the whole model is irrelevant and should not be taken into consideration.

It can be easily explained by the fact that most of the tourists coming from ex-USSR countries. Most of them coming to visit friends or relatives, so this factors are not playing any role.

4. 2 Attractiveness analysis of the Ukrainian regions for the purposes of tourism development

Ethnic and cultural features of the region are found in the objects and phenomena of the material and spiritual culture of life. The most interesting for foreigners can be objects of material (Ukrainian temples, tombs, memorial crosses, traditional Ukrainian house, outbuildings, decorative and applied products of craftsmen, traditional clothing) and spiritual phenomena of ethnic culture associated with household and cult rituals, folk traditions, oral folk art.

It is necessary to pay attention to the therapeutic resources. In the European recreational macro-region of Eastern Europe specializes in providing resort because of their relatively low cost and significant availability of climate and spa recreational resources. Their main customer - the population of Western and Northern Europe. Thus, Ukraine should use its advantages in the market of medical and health services.

It is impossible also not take into consideration transport accessibility of tourist resources. While in Ukraine is to reach a particular locality is not a problem, the duration, convenience and comfort of traveling in some cases are questionable. Therefore, in the first place, should be involved in recreational resources of the settlements located near transportation corridors, international road and railway lines and roads of national importance.

For the more detailed consideration of issues which resources can offer to foreign tourists regions of Ukraine were elected three areas that in my opinion deserve priority attention (Dzhaman, 2009).

4.2.1 Natural, cultural and historical conditions of the development of tourism activities in the Carpathian region

The formation and functioning of territorial recreation systems play important role environmental factors. Determination of recreational properties have landscapes, climate, plants and even such "intangible" resources, such as silence, ringing of a stream or a waterfall noise. Especially important such factors as the level of diversity of natural systems and their comfort.

Relief. Nature of the Carpathians extremely picturesque. The special flavor gives it colorful mountains. Mountain conditions are suitable for resort management and tourism. Characterized by originality and a great diversity of landforms. Relatively wide intermountain valleys - a comfortable place for the construction of the resort and tourist complexes, the presence of steep and steep slopes and rock-conducive to the realization of recreational and sports functions. In the high part of the Carpathians are also favorable conditions for ski tourism and sports.

Their intermountain valleys are most suitable for the construction of recreational facilities. The forests are rich in fruit trees and berries. For tourism interesting can be peaks, cliffs and caves.

The Balneological resources. One of the most important factors of therapeutic recreation is the presence of mineral waters. In the Carpathian region there are about 800 points where you mineral waters can be found. The largest number of sources were found in Transcarpathia. The most unique sources of mineral water are located on the most well-known resorts, Morshyn and Truskavets. Today in Ciscarpathians were fully learned and discovered about 100 mineral springs.

The herbal healing resources. In the Carpathians, there are many botanical gardens and parks where growing rare exotics herbs. In a region was created the Carpathian National Park. It includes such functional areas as the preserve for scientific research purposes, and recreational which is intended to take over the bulk of tourists and vacationers. Area for public recreation can satisfy the needs of the population in a stationary rest with the indispensable carrying on conservation. It allowed the construction of buildings, power lines, carrying out electronic communications, sewers, but without elements of a continuous urbanization while preserving the natural landscape.

The climatic and landscape resources. The magnificent landscape, relief, climatic conditions create excellent conditions for recreation, as well as a variety of the weather seasons in different parts of the Carpathian region creates favorable conditions for the development of various types of tourism and recreation systems.

Historical and cultural resources. Carpathian region has almost the largest number of historical and cultural monuments in the whole of Ukraine. On the territory of the Carpathian complex has more than 125 thousand monuments of archeology, architecture

(more than 6 thousand are under protection), hundreds of museums. There are archaeological sites of international importance.

Also big popularity have medieval castles of the region. But the problem is that most of them need reconstruction or at least promotion through the tourist market to increase their popularity. Many European countries have successfully introduced popularization of castle tourism experience, including the Czech Republic - Konopiště Castle, Karlštejn, Miller, Sternberk.

In the Czech Republic there is experience of selling castles in private hands. Interesting is the fact that historical palaces, fortresses and castles sold at reasonable prices. In particular, the castle of the Bavarian Wittelsbach kings, built in the 15th century, cost only 275 thousand euros and the most expensive castle that was sold in the Czech Republic cost 3 million 677 thousand euros. The price is this "great" only because this property has a unique history - the last monarch of the Austro-Hungarian Empire owned this castle.

Such castles, which are in the Czech Republic architectural monuments, are under the state protection. However, according to Czech law is realistic to make their private property. So why not to use experience of neighbors.

4.2.2 Attractiveness of the capital touristic area

A characteristic feature of the area is its geographical location on the border with Belarus and Russia. All this, and as well significant recreational resource potential of the area makes tourism and recreation a priority development area.

Natural tourist resources. In tourist purposes may be used objects of the natural protected areas, the most significant of which is the Kyiv zoo, dendropark "Alexandria" in Bila Tserkva and Trostyanets Dendropark in Kamenka, Kanev Nature Reserve, and of course, the world famous park "Sofiyivka" in Uman.

Social and cultural tourism resources. On the territory of capital's tourist area preserved architectural monuments of epoch of Kyiv Rus, which makes this edge unique, many Orthodox and Catholic places of worship twelfth and twentieth centuries. Significant place in the historical and architectural heritage occupy civilian buildings are magnificent palace and park complex, administrative and residential buildings of the seventeenth and twentieth centuries.

Of course, the main focus of social and historical resources of the area is Kyiv. During its more than thousand-year history (the first mention of Kyiv dates back to the year 862) the city played an important role in formation of the Ukrainian people and the Ukrainian nation. Has become a winged expression of one chronicler "Kiev – is mother of Russians cities", which also clearly demonstrates its role in the history of Europe.

Ancient church here side by side with pompous Stalinist buildings and modern apartment buildings. Silent witnesses of historical events that took place in Kiev, began its churches, including the large Orthodox churches: Kiev-Pechersk Lavra, St. Sophia Cathedral and St. Michael's Cathedral, the recently restored St. Andrew's Church and many others. In Kiev, many old houses, office buildings. The decoration of the city are two botanical gardens, numerous parks and gardens, monuments and memorials.

One of the most crucial events - the accession of Ukraine to Russia - held in Pereyaslav-Khmelnytskyi, known for its monastery, colleges and churches, as well as a museum of folk architecture. Perhaps the most famous archaeological museum in the country is Trypillya, which was first detected traces of the ancient tiller tribes, first in Southeast Europe began using native copper, which meant start on the territory of the Copper Age.

4.2.3 Tourist resource potential of the Black Sea area

The structure of the Black Sea tourist area includes Odessa and Mykolayiv region.

Natural tourist resources. Location Black Sea tourist area in the southwest of the country determines the features of the climate, which is a favorable factor for the outdoor activities here.

Equally important are balneal mineral water springs, therapeutic mud. However, the most valuable recreational resource that provides exclusive area attraction is the Black Sea.

The objects of natural reserve fund, enjoying the constant attention of tourists is Biosphere Reserve "Danube" and "Black Sea", reserve "Yelanetsky Step", regional landscape park "Granite-Steppe Pobuzhia ", "Tiligulskiy."

Social and cultural tourism resources. Ukrainian Black Sea pearl is considered to Odessa. The area of Odessa developing since the emergence of the Greek settlements (VI century BC) in the northern Black Sea coast. In the second half of the XIV century, these lands came under the control of the Grand Duchy of Lithuania after it was capture by the

Turks. At the end of the eighteenth century there began the construction of the fortress, and after the decree of Catherine II (1794) - the new city. The most intensive construction of Odessa was carried out, when the mayor was a descendant of the famous Cardinal - de Richelieu.

One of the first buildings in the city was the Potocki Palace - the richest Polish family. In the XIX century created an architectural visiting card of Odessa - the ensemble of buildings and structures so called Primorsky Boulevard. Among buildings of particular architectural value of the boulevard are the hotel "London" and "Petersburg" palaces of Naryshkina Princess and Count Vorontsov, the first stock exchange of Odessa (now the City Council). Center architectural ensemble is a monument to of the boulevard de Richelieu from which go down to the sea grand Potemkin Stairs.

Center of another - Mykolaiv region, was established by order of Potemkin in 1788 and named in honor of St. Nicholas. In the initial stages of construction city built building of Black Sea Fleet; Cathedral of the Nativity of the Blessed Virgin Mary; Nicholas Church; House Astronomical Observatory; German Evangelical Lutheran Church; house Russian drama theater.

4. 3 Problems and prospects of development of the tourism industry in the Ukrainian Carpathians

4.3.1 SWOT- analysis of the Carpathian region

From the all regions of Ukraine - Carpathian is one of the best for the purpose of tourism development. There are all resources and conditions to create there whole-year non-stop tourism heaven.

The Carpathian region is characterized by considerable differences among regions of Ukraine in the variety of tourist destinations. For the purposes of tourism resources Ukrainian Carpathians can be divided into two groups: natural and historical and ethno-cultural resources.

Natural resources - environmental, natural objects (hydrological, geomorphological, geobotanical objects) with recreational properties and range of natural ecosystems.

Historical and ethno-cultural resources - are objects and phenomena of the material and spiritual life of ethnic culture in the territory of its historical development.

This type of resources are historical monuments (fortresses, walls, etc.), ethnic culture material (traditional houses, mills, bulb, products of folk crafts) sacred architecture (monasteries, churches, chapels, age-old memorial crosses, etc.) spiritual ethnic culture (domestic and religious rites and traditions).

Table 7. SWOT-analysis: natural resources potential in the Ukrainian Carpathians

Strengths	Weaknesses
- The existence of a significant number of mineral raw materials;	- Lack of land;
- The highest in Ukraine forest resources;	The virtual absence of own energy resources.
- High recreational potential of the region;	
- One of the highest in Ukraine and diverse reserves of mineral sources;	
- The existence of different landscape and climatic zones;	
Rich flora and fauna, including The presence of unique species listed in UNESCO protection programs.	
Opportunities	Threats
- Increased use of mineral resources of the region;	- Instability of the legislative and regulatory framework, particularly in terms of licensing the use of mineral resources;
- The use of water resources for energy purposes;	- Overuse and depletion of natural resources;
- Improving coordination, management and restoration of forest resources;	- Overuse and abuse reproduction of forest resources;
- Formation of effective land use areas;	- The destruction of natural resources due to occurrence of natural disasters;
- Attract investment in exploration of mineral resources;	- Insufficient control over the use of natural resources (deforestation unauthorized use of pits, hunting, fishing).
The use of natural resource potential in the development of recreation and tourism.	

Source: author's computation

For the development of the tourism industry within the Ukrainian Carpathians development Strategy is an essential task. Due to the unique specificity of the Carpathian region of Ukraine - its rich natural resource potential - so should be carried out an analysis of this potential because it, along with historic and cultural potential is one of the most important factors of tourism (Table 7).

Natural resource potential of the Ukrainian Carpathians stands out for its uniqueness and charm on the implementation of tourism products tourism market. This is confirmed by the wealth of area forests, unique flora and fauna that make it possible to create protected areas that are potential centers of the tourism operation.

Apart from these, several limiting factors lead to inadequate level of use of natural resource potential for development of tourism. These include the environment conditions and the level of natural and techno genic danger (Table 8).

Table 8. SWOT-analysis of the environment conditions and the level of natural and techno genic danger.

Strengths	Weaknesses
The existence of a unique environment;	Imperfect system of monitoring of the environment;
A relatively large number of national parks and protected areas;	Insufficient saturation of water systems protective hydraulic structures;
Relatively high-quality surface water and groundwater;	Unsatisfactory sanitary condition of water protection;
The existence of untouched ecosystems;	Insufficient recycling system;
A relatively unpolluted environment and relatively stable environmental conditions;	Bad neutralization process of toxic waste;
Activities focused on environmental research nonprofit organizations;	An increase in harmful emissions into the atmosphere by mobile sources of pollution;
Increased attention from the regional state authorities to environmental issues;	Significant amounts of the eroded and erosion dangerous lands;
Availability of regional and state targeted environmental programs;	Violation of the natural balance by irrational deforestation;
Use of cross-border cooperation to address common environmental problems.	Fragmentation of forest among different forest users;
	Imperfection of accounting, preservation and restoration of rare species of flora and fauna;
	Insufficient level of ecological culture of economic entities and population.

Opportunities	Threats
Intensification of eco-directed business, particularly in the field of comprehensive utilization of resources, waste processing and recycling, alternative energy, eco-tourism, etc.;	Seismicity of territory, environmentally hazardous exogenous and endogenous processes (floods, landslides, mudflows, erosion);
Use of energy, resources and implementing environmental approaches in forest technology, land and water use;	The presence of potentially dangerous enterprises (gas, oil);
Reclamation and restoration of natural landscapes;	Cross-border transport of hazardous substances;
Deepening links between government authorities and scientific institutions in the field of environmental safety and natural resources;	Divergence of national laws in different countries in the field of the environment;
Deepening cross-border cooperation to address common environmental problems.	Failure to comply with international obligations, intergovernmental;
	Chronic underfunding of government, industry and regional environmental programs.

Source: author's computation

Regional tourism development strategy of Ukrainian Carpathians in the long term based on the account of competitive advantages and restrictions that are in the form of SWOT - analysis (Table 9).

Table 9. General SWOT-analysis of tourism in the Ukrainian Carpathians.

Strengths	Weaknesses
Tourism and recreation traditionally the leading sector of the Carpathian region;	Lack of natural areas approved for recreational use and development activities;
Rich natural and recreational resources of the region;	Low level of social and industrial infrastructure in tourism and recreation centers;
Favorable geographical location of the region to attract foreign tourists (EU);	Lack of information centers and tourism promotion;
Positive dynamics of development of material and technical base of tourism and recreation;	Lack of systematic information and advertising software recreation complex;
Rich historical and cultural heritage;	Not optimal structure of tourism season;
Presence of the relevant staffing;	Lack of qualified personnel in the institutions of recreation and tourism;
Availability of unique tourist and recreational products (crafts, festivals);	Rural residents unprepared to receive tourists;
Availability of public organizations support.	Insufficient number places with superior service for tourists.

Opportunities	Threats
Improvement of legislation concerning the development resorts, recreational areas and tourism;	Insufficient normative and legal base for the development of cognitive and other types of tourism;
Creation under the consulates Ukraine abroad, state tourism offices;	Environmental degradation;
Implementation of regional programs of tourism based on rich resources;	High competition from neighboring regions and countries;
Increase of investment proposals for development of tourism and recreational facilities;	Reduction of investment proposals.
Potential low-cost job creation in tourism;	
Development of certain areas of tourism and recreation industry.	

Source: author's computation

Summarizing and generalizing all above SWOT - analysis we propose a summary table of number parametrical each of the elements of this analysis, taking into account that they are conventionally equal in importance in respective category (Table 10).

Table 10. The proportion of parametrical elements of all above SWOT – analysis

Number of elements	Number of elements	Difference
Natural resources potential in the Ukrainian Carpathians		
Strengths	Weaknesses	
6	2	4
Opportunities	Threats	
6	5	1
Environment conditions and the level of natural and technogenic danger		
Strengths	Weaknesses	
9	11	-2
Opportunities	Threats	
5	6	-1
General analysis of tourism in the Ukrainian Carpathians		
Strengths	Weaknesses	
8	8	-
Opportunities	Threats	
6	4	2

Source: author's computation

Table 10 shows that overall tourism in the Ukrainian Carpathians is characterized by a positive balance in terms of potential and actual possibilities of development. Howev-

er, there are several limiting factors that concludes mostly in negative consequences of natural resources, historical and cultural "exhaustion" of the territory. This is evidenced by the negative balance in terms of quality parametrical environmental and technological safety of the territory of the Ukrainian Carpathians.

4.3.2 Socio-economic conditions for the development of tourism industry in the Carpathian region

The economic problems of the Carpathian region

World experience shows that tourism is a highly profitable sector of the economy. For example, in Spain, he gives \$ 17 billion, equivalent to 30% of revenue from annual exports of the country, in Italy, tourism contributes 11%, and in Denmark and Austria - 8% of the profits coming from the export of goods abroad . Of course, while the indicators of economic efficiency of domestic tourism are far from the foreign, but in the Carpathians there are some centers in the economic structure which recreational industry is leading.

The level of economic development of the region is estimated as average. Natural resources of the Carpathian region (raw materials, land, forest, water and recreation) have significant influence on the formation of the economic complex and defining the priorities for its development. In general, they can be considered for the further development of the productive forces. However, today it is necessary to reckon with the fact that certain types of resources stocks are exhausted and this, in turn, provokes the emergence of social problems. And in the strategic plan raises the question of finding and involving in economic circulation alternative, competitive natural resources.

Created in the region, production potential, its structure and efficiency are a direct consequence of the implementation of economic policy of the Soviet power in the western regions of Ukraine. Due to the extensive build-up of production facilities (and especially in nature-exploiting industries) and land was actually turned into a raw material appendage of the empire.

Social problems of the Carpathian region

The social situation in the region has a clear tendency to exacerbate what is a consequence of the national economic crisis and failures in the social policy of the previous

years. But if the questions of logistics development can be viewed with a certain optimism, the demographic situation worsening already alarming. The rapidly falling natural population growth, against the background of its growing mortality rate leads to an exacerbation of depopulation processes.

In Carpathian areas inhabited about 1.3 million people (or about 20% of their total population). The mountains create a specific, extremely difficult living conditions and the economic (especially - in agriculture), so there is very acute is the problem of employment, and as a consequence - a low level of material well-being of the inhabitants of the mountains. Weakening of these and other negative processes by expanding the areas of employment and infrastructure development will contribute to the development of tourism with the appropriate service organization, which may be involved the local population.

4.3.3 Strategic guidelines and factors of tourism development in the Carpathian region

In the transition to a market economy, international tourism is one of the promising areas of foreign economic activity of the country and its regions. Analysis of geographical, economic and environmental factors shows that the Carpathian region at the stage of state formation and release of Ukraine in the world has a unique opportunity to become a kind of training ground where effective economic policy can be advantageous to combine regional, national and international interests. The development of regional tourism in the Carpathian region will contribute to the creation of specialized SMEs, as well as activation and stimulation of economic sectors: construction, trade, agriculture, consumer goods production, transport and communications, the formation of modern human resources policy in the region and phased development of regional tourism to the national level, and then to the global one.

Consequently, it is about choosing the right strategic course in the development of the region. If follow the fact that the Carpathians are the geographical center of Europe, and in the terms of nature - a unique ecosystem in the West of Ukraine, during the formation of the development of this land policy must be reasonable to use its geopolitical advantages and keep the territory of the ecological phenomenon.

Taking into account existing in the Carpathian region of natural, economic, scientific and technical capacities as well as its historical and geographical features, the strategic goal of long-term development of the territory lies in the fact that based on the optimal use of natural, material, technical, human and intellectual resources to create an effective tourism a system that will ensure the material welfare of the population and environmental safety of the Carpathians.

In the coming years as the basis of recreational policy necessary to enclose the following priorities:

1. It is necessary to provide state support to the tourism sector as one of the most promising regions.

2. Create a favorable tax environment to attract foreign capital in the industry's development. One of the most effective ways is to create both therapeutic and tourist enterprises.

So, for the development of the Carpathian region, the priority is the development of its tourism potential. The main arguments can lead to confirm the validity of this choice.

1. The presence of the natural resource base in the region, there are over 800 springs and wells of medicinal mineral waters of all known types. But today, their level of use does not exceed 15%. Also was explored significant reserves of curative mud and mineral wax. These resources - combined with favorable climatic conditions - are the natural basis for the development of sanatorium and health resort business in the region.

2. A strong potential for the development of various types of tourism picturesque landscapes Carpathians relief creates a favorable background for a short rest.

3. The favorable geographical position of the Carpathian region. It is located in the center of Europe. Through it pass the diverse connections. Its good transport accessibility is a favorable factor for attracting contingent of tourists not only from the eastern regions, but also from European countries.

4. Socio-economic specificity of the mountains. There is the problem of employment, and as a consequence - a low level of material well-being of the inhabitants of the mountains. Due to the expansion of employment and infrastructure development will contribute to the development of tourism with

the appropriate service organization, which may be involved the local population. In this context, a reasonable alternative recreation simply does not exist.

5. Economic competitiveness recreational sphere. Carpathian region certainly can bring higher profits to the state and investors, as the tourism in this region is a year-round. Winter tourism are already sufficiently developed, and also summer – “green” tourism.

One can cite a number of convincing arguments in favor of the recreational orientation of prospective development of the Carpathian region. But this does not mean that boosting economic processes in this direction, we immediately achieve the desired results. Here are necessary informed decisions and thoughtful action. Therefore recreation development in the region is considered in the context of the restructuring of its economic complex, in a prospective model of which the industry should be one of the majors.

These are the targets laid down in the State program of socio-economic development of the Carpathian region, which must realize in practice the idea of ensuring economic and social progress of its territory through state support for priority sectors of the regional economy, and first of all - recreation.

4.3.4 Trends and prospects of international tourism development

Today, we can quite confidently say that the exclusive focus on the development of industry in the region is unlikely to justify itself. Technology "boom" is not "threatened" and, consequently, productivity and competitiveness of the products will remain low for a long time. In addition, when the production capacity would worsen the ecological situation, which will take away the already limited resources. Thus, the need to develop unconventional moves and decisions in selecting priorities in the types of tourism, the development of which would ensure the progressive changes in the economic life of the region, which, in turn, would have initiated a capital inflows (including - foreign).

The above arguments about the resource potential of the Carpathians allow to state that the variety of forms of tourism that could be successfully developed, is too wide. The matter is only for investment and the correct advertising policy. But government must keep in mind those types of tourism that only require organizational and creative efforts, so development of them will not stuck.

Today, the most fashionable and, in my opinion, the most "correct" destination in the world is considered to be eco-tourism, which arose from a change of priorities and travelers in general, as well as with the increase in the negative impact on the environment as a result of the aggressive growth of tourist migrations. Eco-tourism can be developed both in the national parks, protected areas, and in the other areas. We could list many facts proving the usefulness of this type of tourism, but it is a major resistance. Under the conditions of the Carpathians it is almost one of the most important features as means to preserve the integrity of environmental resources and the traditional way of life of the population in the areas of organization, as well as create more jobs, which to some extent solve the problem of unemployment (Drozdova, 2002).

The objects of ecotourism can be both natural and cultural attractions, landscapes, where traditional culture makes a single whole with the environment.

Ecotourism can bring substantial revenue to the state budget, especially in developing regions. On many region's areas eco-tourism can become a branch of specialization, introducing a competitive alternative to the destructive nature of economic activity.

On the basis of the existing organizational basis of tourism is perspective it would actively develop adventure tourism (as another of the wider concept including an eco-tourism), implying an adventure in its purest form. Eco tourists often attract by special sights of inanimate nature, geomorphological, hydrological and other objects (mountains and canyons, caves, lakes and rivers). Here in addition to educational, is realized recreational ecotourism element, which includes sports tourism, mountain climbing, skiing, horseback riding, water and hiking and other active and passive recreation.

Widespread could get agritourist, or farm tourism. Tourism in rural areas, where tourists during their holidays lead the rural way of life on farms, hamlets and villages. The development of this type of tourism would be the most relevant for the region with a large percentage of rural settlements, which again will be able to solve the problem of rural employment.

Equally promising is the association of specific accommodation facilities such as the spa, medical and health institutions, and temporary accommodation facilities: hotels, campsites, hotels, tourist villages, etc., as well as other service facilities. This will expand the range of services provided, facilitate the emergence of a new tourist product.

5. Results and discussions

The results of the analysis make it possible to conclude that tourism in Ukraine plays an important social and economic importance, since it is a source of revenue, creates jobs, develops all areas related to the production of tourist services, promotes the welfare of the population, plays important role in the development of peaceful and friendly relations among peoples, expanding international contacts.

Ukraine occupies a leading position in Europe in terms of availability of natural, historical and cultural resources, able to generate considerable tourist interest in local and foreign travelers. However, the national tourism product, has low competitiveness on domestic and international tourism market.

The individual character of modern tourism generated demand for safe and healthy environment, can provide the right to rest, freedom of movement, health, meet their spiritual needs in the implementation of tourist trips.

According to this, the main causes of ineffective implementation of the competitive advantages of unique resource potential of Ukraine are:

1. The low quality of components of the national tourism product, a significant part of the natural areas and cultural heritage sites unsuitable for tourist visits, tourist infrastructure as a whole does not meet the quality parameters, and tourist services in most sectors of the tourism industry – does not fit the requirements for quality of service;
2. The lack of comprehensive policy, no formation of rational forms of government in the field of tourism and resorts. Inconsistency of legal, organizational and financial provision of modern people needs and the economy of the state.

As a result, the scope of tourism and resorts in the country does not ensure the full implementation of economic, social and humanitarian functions, including improving quality of life; forming harmoniously developed personality; environmental and cultural heritage; filling the budgets of all levels, the creation of new jobs; increasing the share of services in GDP structure.

1) Ukraine needs to develop tourism as the country all season that makes possible the presence of a wide range of tourist resources;

2) Created tours should not only be a narrow specialized, even if they organize regional tour operators;

3) In the distribution of international tourist flows must participate as many as possible regions;

4) To achieve price advantages travel management of the country and regions should target tourist markets neighboring countries (primarily CIS) since statistic data since independence demonstrate that exactly the tourists from the neighboring countries make up and will continue to constitute the majority of consumers of tourist services Ukraine;

Opportunities to ensure the market demand is very high. Today Ukraine should pay attention to every possible means of tourist accommodation: collective, individual, improving hotel base, improving food system maintenance, development of the sector of entertainment (it is not only fun and pleasure, but also the global industry with billions in turnover, growing from year to year). Most popular among Americans, for example, are theme parks, entertainment and attractions such Disney-land, water parks and more.

To achieve positive results from international tourism is necessary to support and develop domestic tourism, to money be spent domestically rather than abroad.

6. Conclusion

Tourism - a category that describes the relationship developed between the producers and consumers of services over the formation of socially useful properties of required level of tourist services. Improving the quality of tourism services has great socio-economic importance. High quality is a measure of scientific progress, a source of social labor savings, natural, human and material resources, and significant reserve increase production efficiency. Improving quality in a social meaning is that it creates favorable conditions for the reproduction and development of physical and spiritual abilities of people as the main productive forces of society.

Methods for determining quality of tourist services are: measuring, settlement and registration. For information sources can be divided into traditional and sociological expertise.

The quality of tourism services is a key component of its competitiveness. In determining the qualities tourism products worth trying highlight its best features to the consumer. It is necessary be aware that adding all the desired qualities of tourism products is virtually impossible, and makes no sense in terms of the requirements of specific market segments, and also in terms of ensuring the effectiveness of entrepreneurship in general.

Today Ukraine has enough conditions for the development of tourism: favorable location, great tourist and recreational potential, favorable climate, a large number of health-resort resources, numerous deposits of mineral waters and curative mud, rich flora and fauna, cultural and historical monuments world level.

The main tasks of Ukraine in the sphere of tourism industry today are the support and development of domestic tourism, and consequently, the presentation of Ukrainian resorts on the international level. An obstacle to the implementation of some of the goals may be the lack of funding.

Cultural heritage, museums and theaters in most countries is extremely important factor in attracting tourists, generating local and international tourist flows. As the number of historical monuments Ukraine does not lag behind European nations, but to increase the influx of foreign tourists, the country needs to increase funding of the tourism industry for improving the quality of services.

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