CURRENT STATE OF THE TOURIST INDUSTRY IN THE CONDITIONS OF A PANDEMIC

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Development of the tourism industry of the country is an integral part of shaping its competitiveness, socio-economic and cultural development. In addition, the tourism business is the basis for the development of the country, its positive perception on the international arena. It is known that the contribution of the tourism industry to world gross domestic product, taking into account the indirect effect is 10%. The share of tourism in the overall economy of Ukraine, according to official statistics, is about 3-4% of GDP, which is much lower than the international average. Therefore, tourism is practically not taken into account in the formation of economic policy at the national level. However, the latest data from the World Tourism Organization (UNWTO) set this share at about 9% of Ukraine's GDP [1]. This gives grounds to consider this indicator much more important for the Ukrainian economy than before. With the spread of SARS-coV-2, the tourism industry faced a crisis that could be the worst in history.

Losses from exports in the global tourism industry due to the coronavirus pandemic in the first six months of 2020 amounted to USD 320 billion with a reduction in international tourist flows by more than half. In addition, more than 120 million jobs are at risk [2].

Another significant problem for the tourism industry is that even after the lifting of quarantine, travel conditions will become more difficult due to the emergence of new tourist formalities and increased security and protection requirements for vehicles, accommodation and restaurant business enterprises, which will be reflected in prices. But rising prices for tourist services amid declining effective demand are unlikely to increase tourist flow, even with a strong desire to travel after prolonged isolation [3]. In addition, the exclusivity of the tourism business, i.e., the ability to travel only under license, reduces the flexibility of travel companies in times of crisis, as they cannot refocus on other business activities to maintain their condition during a pandemic. As a result, many travel companies are unable to fulfill their responsibilities to customers and are forced to file for bankruptcy. It is quite natural that the general reduction of the tourist flow will increase the competition among the suppliers of the tourist product, when under the conditions of impossibility of reduction of the price the tourist enterprises will have to look for new directions, services and offer innovative tourist products.

Leaving from the crisis by meeting the delayed tourist demand for tourism enterprises, especially for low-income countries, which include Ukraine, is possible by promoting budget-oriented tourism products in the domestic tourism market. Today, the crisis related to the COVID-19 pandemic has forced the tourism business to step out of its comfort zone and look for innovative ways to develop and operate.
However, the main ones are state support for tourism and entrepreneurial initiatives in this area, improvement of service, in particular in the field of hospitality, and strengthening of the information campaign.

References:

