RUSSIAN-UKRAINIAN WAR AND CHALLENGES FOR TOURISM BUSINESS

Abstract. This article aims to cover the impact of the Russian military aggression on Ukrainian tourism industry. The author substantiates the influence of the war-driven socio-political and cultural processes on the local and international tourism. Considerable destruction of the infrastructure, cultural facilities, roads as well as low security guarantees for the lives and health of visitors are the major challenges for Ukraine in the postwar recovery and further development of the tourism industry.

Keywords: tourism industry, dynamics of recovery, war in Ukraine, economically unstable environment, international tourism.

Formulation of the problem: Russia’s military aggression has caused economically unstable and risk-prone environment for tourism industry. Consequently, the changes in the tourism market during the war in Ukraine represent the key challenge for survival of the industry and the primary condition for recovery in the post-war period.

Analysis of recent research and publications: The development of tourism in Ukraine is the subject of lots of research papers. Of special scientific interest are the work of L. Agafonova, I. Afanasieva, R. Balashova, M. Birzhakov, S. Grabovenska, L. Dyadechko, V. Kifyak, O. Lyubitseva, M. Malska, T. Tkachenko, L. Ustimenko, and others. However, the challenges for the tourism industry triggered by the Russian-Ukrainian war have not yet been the subject of a special scientific study.

The purpose of the article is to analyze the current Ukrainian tourism market and to research the prospects of its recovery and further development.
Presenting key material. Ukrainian tourism market, as well as the global tourism industry, collapsed during the COVID-19 pandemic. However, very fast after the pandemic and thanks to successful management, did the market begin to show economic growth. Since December 2021 tourism has shown positive dynamics of recovery and the results recorded in Western Europe gave Ukraine hope. In January 2022, 4 times more tourists arrived than in 2021 and more and more destinations lifted travel restrictions. However, after the surge of the new Covid-19 Omicron wave, the number of expected trips to Europe was 9% lower than expected [2]. Bookings increased from January to mid-February as the new coronavirus strain was on decline.

In 2020, Ukraine and Russia accounted for a 3 percent share of global tourism market. At least $14 billion in losses are expected from global tourism shortfalls due to the protracted war. It seems that given the current martial law in Ukraine it would not be correct to give specific data in figures and, moreover, the forecasts of experts are likely to change many times, as we observed during the COVID-19 pandemic. According to the Organization for Economic Co-operation and Development (OECD), potential consequences for other economies have already been apparent, such as rising inflation, growing transport costs, pressure on tourism businesses and last but not least low purchasing power of consumers. The analysis of potential impacts on global economic growth in 2022 indicates a decline from 3.6% to 2.6%, as confirmed by the United Nations Conference on Trade and Development (UNCTAD). The UNWTO noted that the war in Ukraine is hampering the global tourism sector recovery from the effects of the COVID-19 pandemic [7].

Economic sector is vulnerable and uninsured against the risks of humanitarian catastrophes, especially against the current war. The resilience of Europe's position as one of the largest tourism markets depends heavily on travel and tourism services. But a lot of lucrative tourism industry sectors had already collapsed during the two years of pandemic and the war in Ukraine dealt another blow to the industry. The aviation sector was among the first to close operations. On February 24, as soon as the Russian military launched an offensive in Ukraine, the European Union Aviation Safety Agency (EASA) banned airlines from flying over and near the combat zone. This applied to the airspace of Moldova and Belarus for 90 days with a possible extension of the ban for security reasons. After the United States warned of an attack by Russian troops on Ukraine, more than 10 airlines from Great Britain, India, Germany, the United States and France suspended their flights. Russia destroyed Ukrainian airports such as Vinnytsia, Dnipro, Ivano-Frankivsk (in 2014 it was Donetsk International Airport destroyed during the war in Donbas), civil and tourist infrastructure, and cultural monuments. As an example, the following cultural heritage sites were destroyed by Russian forces: Ivankiv Historical and Local History Museum with paintings by Maria Primachenko, Kuindzhi Art Museum, GS Skovoroda National Literary Memorial Museum reconstructed for the 300th
anniversary of the philosopher, Yuriev Institute of Plant Production, Breeding and Genetics of the National Academy of Sciences of Ukraine having housed a unique plant genetic bank and other precious specimens.

Moreover, the war in Ukraine caused a significant increase in fuel and food prices. As a result, the Ukrainian tourism industry has stalled during and tour operators, agencies, airlines and other service providers have been forced either to cease operations or re-profile. Notwithstanding, tour operators are looking for access to international representations, focusing on new tourists from certain countries. As the first example of international expansion may serve the Ukrainian Join Up Baltic company. The motivation for the Company's development in the Baltics (Riga) is to support Ukraine's economy and preserve the jobs of skilled Ukrainian workers. The SkyUp Airlines is to serve flights for tourists from Latvia, Lithuania and Estonia to resorts including Turkey, Montenegro, Albania, Greece, Sri Lanka, and Zanzibar.

Adriatic Travel specializing in bus tours provides evacuation services to the EU and other countries. The average price for evacuation is 75 euros with the most requested destinations being Bulgaria, Germany, and the Czech Republic.

The travel companies staff have continued to perform their work during the war. They carry out regular tasks like re-registering and re-booking in an effort to avoid downtimes [3].

During the first month of the war in Ukraine, tourism companies lost more than during the two years of covid pandemic. To make an example, last year more than 4 million foreign tourists visited Ukraine, which is 26% more than in 2020 (although this figure is higher than in the previous year, it is 3.5 times lower than the pre-pandemic data reported). Lviv alone received 1.5 million tourists but the largest number of visitors to the city, i.e. 2.5 million, was recorded in 2019.

At the beginning of the war, analysts predicted resumption of the sales of Wizz Air tickets from Ukrainian airports in July. The airlines followed official guidelines according to which Ukraine's airspace would be closed until May 25, 2022. Currently, with the imposed martial law extension for the following 3 months, this date has not been confirmed. It is obvious that the Ukrainians will no longer be able to use air services in spite of the Hungarian low-cost Wizz Air carrier having started selling tickets from Moscow despite of the flight suspension announcement.

The State Agency for Tourism Development together with foreign partners is preparing a plan for the development of Ukrainian tourism after the war. Owners of travel companies and tour operators declare their readiness to open business in Ukraine, create jobs and help develop the industry after the end of hostilities, Russia’s “insane war”.

To save jobs during the war, a state business support program has been implemented. It provides a one-off monetary compensation equaling the minimum wage which was 6500 UAH/month in 2001, i.e. around 220 US dollars. Obviously this is not enough to ensure the livelihood of working age population. As the fighting
in the east and south of the country continues, much of the territory has been occupied, thus increasing anxiety and stress of all war-torn and conscious people. In addition to the pandemic and the war, there is the third challenge that is rising commodity prices with declining solvency [5].

As of today, recovery of tourism in Ukraine should not be expected in the month to come as it requires rebuilding infrastructure, resuming flights, providing security guarantees for tourists [1]. The State Agency for Tourism Development is currently documenting damage to or destruction of tourist and recreational infrastructure in order to assess losses systematically and to record the true history of the war so that they can pass undistorted data to new tourists.

As international support to Ukraine is strong, the share of incoming tourists is expected to increase after the war. A new direction of tourism is being formed and that requires development of routes and locations. Over the last 5 years, tours to Chernobyl, the site of mankind's nuclear catastrophe (so-called “dark tourism”), have become popular and in demand in Ukraine. The number of inquiries on the Internet indicates that after the war there will be new destinations attractive for tourists, but so far we can talk only about the interest in Mariupol, Bucha, Gostomel, Irpen and other cities in Ukraine where the worst crimes against humanity, damage and destruction of cultural heritage sites can be seen. We predict a relatively strong position in industrial tourism which is supposed to maintain strong momentum. This expectation may be facilitated by the interest in abandoned old mines, quarries, steel plants (in recent years, the key site visit has been Kryvyi Rih quarry Southern Mining and Processing Plant). The experience in the development of new types of tourism will be useful in the postwar recovery and development of Ukraine’s tourism industry.

The war in Ukraine has taken its toll on international travel in general, especially on the European continent. European operators state that the conflict has already negatively affected previous travel bookings for this summer. Ticket booking in Europe fell by 23% in the first weeks of the war and the number of flights to Europe from the United States fell by 13%. In countries close to the conflict zone (Bulgaria, Croatia, Estonia, Georgia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia), the number of orders decreased by 30-50% [4]. The closure of Ukrainian and Russian airspace, as well as the ban on Russian carriers by many European countries, have affected intra-European travel. It has also necessitated detours on long-distance flights between Europe and East Asia, making flights longer and costs higher [6].

The decline in the number of Russians and Ukrainians traveling abroad has affected negatively the jobs in at least five tourist centers previously sought by these nationalities. They are mainly Thailand, Vietnam, Turkey, Egypt and Cyprus. Turkey has been facing the biggest loss of Russian and Ukrainian guests. Luxury hotels, well-maintained marinas and well-groomed beaches of Bodrum and Antalya have long been a platform for Eastern European tourists. However, the war in Ukraine,
which has brought new challenges to the global economic environment, hampers the return of confidence in global travel.

**Conclusion.** The Russian-Ukrainian war has a critical impact on global economy. Such a “shock” represents a destabilizing factor for many industries, especially for tourism. As the fighting is still going on, destructive pressure on the current system of economic relations is growing and tourism business is under threat not only in Ukraine but also in many other countries. Tourism industry has not yet recovered from the COVID-19 pandemic which almost wiped out global tourism in 2020-2021.

Under the conditions of unstable political and economic environment, tourism in Ukraine was forced to cease its activities. Significant destruction of infrastructure, cultural facilities and heritage, roads, not to mention low security guarantees for lives and health of visitors represent a huge challenge for the country to face in postwar reconstruction and development of tourism industry.

**Reference:**