Halyna ZAYACHKOVSKA

MONITORING
OF EUROINTEGRATION OF UKRAINE
IN THE TOURISM SPHERE

Abstract

The basic indicators of tourism development in Ukraine are analyzed and identified its problems. Established, that the tourism industry in Ukraine is rapidly developing, below the global average, is due to annexation of Crimea and the Russian military aggression in the east, the low efficiency of the public administration and low level of government spending in tourism.

It is shown the main directions of cooperation of Member States under the Association Agreement between Ukraine and the EU in Part «Tourism», concerning for the exchange of information, sustainable tourism development, promotion and development of tourism products and markets, training specialists and others. Defined priorities of the Action Plan for the implementation of the Association Agreement in the field of tourism in the 2014–2017: amending the Law of Ukraine «On Tourism», project the Strategy for Development of Tourism and Resorts 2025, harmonization of national standards with the International Organization for Standardization.

A monitoring of the implementation of measures for the integration of Ukraine into the EU tourism sphere for 2014 – early 2017 in the following direc-
tions are conducted: legislation, strategy of the development of tourism and resorts, licensing, standardization and certification, visa liberalization, cooperation in tourism. Emphasized, that one of the main challenges of European integration of countries in the tourism sector should develop regulations to attract foreign investment, improving government funding, harmonization of qualification requirements and standards of higher education for training in tourism.

**Key words:**
Certification, cooperation in tourism, European integration of Ukraine in the tourism sphere, financing of tourism, international tourist arrivals, legislation in tourism, licensing, standardization, strategy for tourism and resorts development in Ukraine, visa liberalization.

**JEL:** F 15, H 54, M 31.

**1. Introduction**

The legal basis for the deepening of relations between Ukraine and the EU is Association Agreement, which allows you to «move from partnership and cooperation to political association and economic integration» (Association Agreement between the European Union and its Member States, on the one part, and Ukraine, on the other one, Electronic resource). The implementation of its provisions contributes to Ukraine’s integration into the EU internal market and the single regulatory sphere in the tourism sector.

EU countries consider tourism as an important factor of economic growth, increasing employment and social development. The direct contribution of travel and tourism industry in the EU's GDP in 2014 reaches to $ 669.9 bln (3.6% of total GDP), during the 2015–2025 projected its annual growth of 2.7%, which amount to $ 898.7 bln in 2025. Number employed in the travel and tourism industry in the EU in 2014 was 11 mln people (5.0% of total employment in the economy), forecast growth to 2025 is 1.5% per year (Travel and Tourism Economic Impact 2015, electronic resource).
2. Literature review

Issues study of various aspects of the integration of Ukraine into the European tourism sphere devoted the works of domestic scientists. O. Krajewska and Y. Prysyazhnyuk analyzing the political and legal aspects of cooperation between Ukraine and the EU in the field of tourism (Krajewska, Prysyazhnyuk, 2008, pp. 269–278). We agree with their conclusion, that the provision of European integration is an integral part of state policy in the field of tourism, in particular by providing organizational and technical, financial and economic support from the state. The main activities of the Department of Tourism and Resorts the authors are determined the development of international cooperation, adaptation tourism of Ukraine to the relevant directives and standards of the EU liberalization of visa formalities. Legal relations and socio-economic cooperation between the EU and Ukraine in the tourism sector considers W. Jarovyj (Jarovyi, 2016, pp. 21–23). Necessity for institutional and structural adaptation in the tourism sector to EU standards justifies Shevchenko (Shevchenko et al., 2013, pp. 124–130). According to the scientist, this mainly applies to the creation of new institutions, legal system, training of specialists in the field of tourism development and modernization of tourism infrastructure. Other authors analyze the main problems existing in the development of tourism in Ukraine and define measures for its state regulation in the context of European integration (Voloshenko, 2016, pp. 93–99; Horbal et al., electronic resource; Smirnov et al., 2016, pp. 28–34). However, insufficient attention is given to research activities in European integration in tourism.

3. The aim of the research is monitoring measures in tourism sphere of Ukraine for 2014 – early 2017 in the context of joining to the European tourist sphere.

4. Context of the European tourism sphere

In the economic literature tourism sphere is considered as a geographical sphere, consisting of the following elements: «the territory of consumer demand of recreation and tourism; territory supply services (a tourist destination) and the binding territory between them» (Kiptenko, 2010, p. 502). Based on this statement, consider this question involves an analysis of the main indicators of tourism development in Ukraine.
Ukraine tourism industry is developing rapidly below average. According to the World Travel and Tourism Council (WTTC), in 2015 the direct contribution of tourism sector in GDP Ukraine was 29.0 bln UAH. (1.4% of total GDP), its projected annual growth of 2.9% to 2026; the number of employed was 214.5 thousand people (1.2% of total employment in the economy) (Travel and Tourism Economic Impact 2016, electronic resource).

In 2016 international tourist arrival in Ukraine reached 13.3 mln, which is 0.9 mln more, than in 2015, but 47.6% less than in the peak year 2008 (25.4 mln persons) (Entry of foreign citizens in Ukraine by the countries, where they came from in 2016, electronic resource; Tourist flows (2000-2015), electronic resource). The reason for the sharp decrease in the number of foreign tourists is the annexation in 2014 Crimea and Russia’s military aggression in eastern Ukraine. Receipts from international tourism in 2015 amounted to $ 1.08 mln (UNWTO Tourism Highlights, 2016 Edition, electronic resource).

The results of analysis of the structure of inbound tourist flows to Ukraine by countries for 2013–2016 demonstrating the entry of citizens from CIS countries (tab. 1). Traditionally, the largest number of tourists came from Russia, but took place during the period of reduction to 1.4 mln, accounting for 11% in total inbound tourist flow. The first position for 2015-2016 in international tourist arrivals in Ukraine had Moldova – 4.3 mln, Belarus – 1.8 mln. In 2016 compared to 2014 there was a significant increase in international tourist arrivals from Hungary (+ 31%), Poland (+ 25%), Romania (+ 25%), Italy (+ 30%), the UK (+ 39%) and Germany (+ 24%) (Entry of foreign citizens in Ukraine by the countries, where they came from in 2016, electronic resource; Entry of foreign citizens in Ukraine by the countries, where they came from in 2013, electronic resource; Entry of foreign citizens in Ukraine by the countries, where they came from in 2014, electronic resource; Entry of foreign citizens in Ukraine by the countries, where they came from in 2015, electronic resource).

It should be noted, that in terms of diversification flows, enter about three quarters of foreign tourists from several countries is a negative fact and increases the sensitivity of the tourism industry to influence political and economic factors. Positive trends include the increase in international tourist arrivals from the EU countries.

Currently, the structure of inbound tourism in Ukraine represented by its main types as holidays on the coast, cultural, religious and medical tourism. According to Eurobarometer, in 2015 among the motivations leisure travelers with the EU prevailed sun or beach – 39% visiting family, friends or relatives – 38%, nature – 31%, city trips – 27%, culture (religious, gastronomic tourism, visit museums etc.) – 26%, health, wellness or spa – 13%, sport – 12% and events – 9% (Flash Eurobarometer 432, electronic resource). Given the fact that the proportion of elderly population and the retirement age in the EU grows, increases demand for services that support the health and appearance to the mark.
Table 1
Top-10 European countries of inbound tourism in Ukraine in 2013–2016

<table>
<thead>
<tr>
<th>№</th>
<th>Country</th>
<th>Years / mln people</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>1</td>
<td>Moldova</td>
<td>4,296</td>
</tr>
<tr>
<td>2</td>
<td>Belarus</td>
<td>1,822</td>
</tr>
<tr>
<td>3</td>
<td>Russia</td>
<td>1,473</td>
</tr>
<tr>
<td>4</td>
<td>Hungary</td>
<td>1,269</td>
</tr>
<tr>
<td>5</td>
<td>Poland</td>
<td>1,195</td>
</tr>
<tr>
<td>6</td>
<td>Romania</td>
<td>0,774</td>
</tr>
<tr>
<td>7</td>
<td>Slovakia</td>
<td>0,411</td>
</tr>
<tr>
<td>8</td>
<td>Germany</td>
<td>0,171</td>
</tr>
<tr>
<td>9</td>
<td>Italy</td>
<td>0,078</td>
</tr>
<tr>
<td>10</td>
<td>UK</td>
<td>0,071</td>
</tr>
</tbody>
</table>

There is the possibility of intense promotion of all types of medical and health tourism in the European market provided that improving the quality of national infrastructure. The main advantage Ukrainian Resorts and SPA-centers for foreigners is relatively low price, domestic unique techniques and high level of professionalism of medical staff. Major tourist and recreational resources of Ukraine, their growth potential and motivation of modern European tourists create opportunities for the development of these types of tourism in the country: health, green, rural, water, skiing, hunting and speleotourism. Given the small share of sports and tourism specialized in incoming tourist flow, are large reserves of their implementation, indicating that insufficient activity of the market for their promotion.

A major problem in the development of tourism in Ukraine is the public administration sector, which needs improvement. Today, the organization departments of tourism at independent departments operate only in Zakarpattya, Lviv, Odessa, Poltava and Sumy Regional State Administration. The absence of vertical management in tourism complicates the implementation of public policies at the regional and local levels.

Each year, the World Council of Travel and Tourism (WTTC) published reports on the impact of travel and tourism industry in economic development. Among others indicators distinguished «Collective government expenditure» in support of general tourism activities. This indicator includes the cost of national, regional and local levels, such as marketing and promotion of tourism, tourist information services, administrative services and other social services. Table 2
shows the collective costs governments in the tourism industry, which show a slight amount of costs in Ukraine compared to leading travel costs EU countries (Economic impact analysis. Country reports, electronic resource).

### Table 2

<table>
<thead>
<tr>
<th>№</th>
<th>Countries</th>
<th>Years</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Spain</td>
<td>12.7</td>
<td>11.8</td>
<td>11.6</td>
<td>11.6</td>
<td>11.9</td>
<td>12.1</td>
</tr>
<tr>
<td>2</td>
<td>Italy</td>
<td>10.6</td>
<td>10.2</td>
<td>10.1</td>
<td>9.9</td>
<td>9.8</td>
<td>9.8</td>
</tr>
<tr>
<td>3</td>
<td>Germany</td>
<td>10.0</td>
<td>10.1</td>
<td>10.3</td>
<td>10.5</td>
<td>10.7</td>
<td>11.2</td>
</tr>
<tr>
<td>4</td>
<td>France</td>
<td>13.3</td>
<td>13.5</td>
<td>13.6</td>
<td>13.8</td>
<td>13.9</td>
<td>14.0</td>
</tr>
<tr>
<td>5</td>
<td>Ukraine</td>
<td>0.068</td>
<td>0.074</td>
<td>0.073</td>
<td>0.069</td>
<td>0.063</td>
<td>0.063</td>
</tr>
</tbody>
</table>

Forms of financing of tourism in Ukraine are divided into public and private. In Ukraine, there is consistently low level of public expenditure on the tourism that does not meet the proclamation priority tourism development and demonstrates how important the state provides tourism sector. In 2015–2016 in state budget not allocated funds for the development of tourism, in early 2017 was allocated $30 mln. These funds will be channeled to the formation of an electronic database of tourism resources, marketing, national tourist product, implementing a modern system of certification of hotels and international ISO standards in the tourism sector and the unification of administrative electronic part of Department of Tourism and Resorts with the external portal Visit Ukraine (Liptuga, n.d.). Regarding private sources of financing, the proceeds of which are irregular. The reason for this is the lack of preference for companies seeking to invest in tourism. In terms of exit from the economic crisis is increasing the role of private funding by reducing the rates of some taxes and fees, establish incentives, subsidies and others.
5. Action Plan for the European integration of Ukraine in tourism

Formation of European tourism sphere and the development of Ukraine as a tourist state require increased cooperation of the country with the EU Member States in the field of tourism. In 2014 the Agreement on Association between Ukraine and the EU. Section Agreement «Economic and sectoral cooperation» contains «provisions on conditions, modalities and timing approximation of Ukraine to EU legislation, Ukraine’s commitment to reform the institutional capacity of relevant government authorities and the principles of cooperation between Ukraine, the EU and its Member States in a number of sectors and sphere s of the public sector policy», particularly in the tourism sector. Article 401 Chapter 6 «Tourism» identified the following sphere s of cooperation:

a) exchange of information, best practices, experiences and transfer of «know-how», including innovative technologies;

b) establishment of strategic partnership between public, private and the public interest for sustainable tourism development;

c) promotion and development of tourism products and markets, infrastructure, human resources and institutional structures;

g) development and implementation of effective policies and strategies, including appropriate legal, administrative and financial aspects;

d) training specialists in tourism and capacity building in tourism to improve the quality standards of tourist services;

e) the development and promotion of tourism based on local communities.

(Title V, electronic resource).

«Action Plan for the implementation of the Association Agreement for 2014–2017» stipulates:

- project development the Strategy for Development of Tourism and Resorts 2025 and public programs for the implementation of the Strategy;

- preparation and submission to the established order proposals on amending the Law of Ukraine «On Tourism»;

• the development of national standards of evidence as to the technical regulations of organized tourism, travel with a full range of services and comprehensive tour;

• a permanent dialogue for the purpose of presenting tourism opportunities in Ukraine, participation in educational programs, meetings of working groups on tourism and other activities with the states – members of the EU;

• conclude agreements on bilateral cooperation on the development of green tourism between the regions of Ukraine and relevant administrative and territorial units of the Member States, the organization and training of the rural population, relevant conferences, roundtables, seminars on attracting EU experts, organization of training travel to EU member states (Action Plan for Implementation of Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and its member states, on the other, 2014-2017, electronic resource).

Note that the implementation of these measures will speed up Ukraine’s integration into the EU travel sphere.

6. Monitoring of measures implementation for the European integration of Ukraine in tourism

During the 2010–2013 in Ukraine declared the need for change related to the implementation of the Agreement on cooperation between Ukraine and the EU, but hampered their implementation. Since 2014 the state tourism policy gradually transformed in accordance with EU standards.

Legislation. Gaps in the existing legislation Ukraine and the mechanism for regulating international tourism market set the public authorities the task of developing regulations to European standards. Implementing the European integration component of the state policy in the field of tourism, Ministry of economic development and trade of Ukraine is preparing amendments to the Law of Ukraine «On Tourism» in the following sphere s:

• improve, supplement and clarify the terminology and conceptual apparatus in tourism in accordance with accepted international definitions, in particular taking into account the classification of UNWTO;
• definition existing types of tourism depending on the direction of travel flows, way of the organization of the tour, the categories of persons who carry out tourism, travel financing sources, modes of transportation and other features;

• mandatory liability insurance of tour operators and travel agents before the tourists in order to protect their rights and interests;

• establish a mechanism for the creation and support of state and local funds for tourism development;

• settlement activity tourist guiding specialists in Ukraine by establishing register tourist guiding specialists;


While improving regulations in the regulation of the international market of tourist services in Ukraine should focus on strengthening government instruments market, for example, by creating associations and other associations of market actors.

Action Plan for the implementation of the Association Agreement on the 2014–2017 envisaged the development of technical regulations for organized tourism, travel with a full range of services and comprehensive tour. Technical Regulation specifies requirements for travel services that reflect the risks to the lives of consumers, the environment and prevent unfair business travel companies. However, the performance of tasks deemed inappropriate because it is contrary to the Law of Ukraine «On Technical Regulations and Conformity Assessment», which provided installation requirements for services. As stated in Art. 2 of this law, «a mandatory conformity assessment service is carried out according to law» (The Law «On Technical Regulations and Conformity Assessment, 2015, electronic resource).

The above information covers only the part of the Ministry of economic development and trade of Ukraine towards harmonization of the regulatory framework in tourism of Ukraine to the EU legislation and points to differences of opinion on certain spheres of cooperation.

Development strategy of tourism and resorts. As part of the implementation of the Association Agreement with the EU in the field of tourism in March 2017 adopted a «Strategy for development of tourism and resorts to 2026». It defines an integrated approach to the formation and implementation of state tourism policy in spheres such as security of tourist’s regulatory framework of tourism and resorts, tourism infrastructure development, human resource develop-
ment, marketing policy of tourism and resorts (electronic resource). This approach involves a combination of inter-sectoral coordination in the development of the tourism industry, inter-regional cooperation with a view to sustainable development of tourist regions in Ukraine and creation of strategic planning for various types of tourism on their priority.

Licensing. Licensing system in the tourism sphere in Ukraine is one of the main instruments of state regulation of the industry. In 2015 approved a «License conditions of the tour operator activity», which determine the list of requirements, mandatory for tour operators and the documents attached to the application for a license (Resolution of the Cabinet of Ministers of Ukraine, 2015, November 11). Although the «Strategy of development of tourism and resorts to 2026» provides contrast to licensing, we note that the license and establishing rules for business tour operators depends on such factors as the model of state tourism management, development of legislation in the field of tourism, the level of formation and structure of the tourist market, the presence of professional associations in tourism, issuing licenses and so on. Interesting is the fact, that the Department of Tourism and Resorts of the Ministry of economic development and trade of Ukraine issues a license, but has no right to verify the accuracy of the information provided by the real or potential tour operator. Thus, it does not state control over the truthfulness of the data. Most participants of the tourism market Ukraine underscore the need to maintain state control, so you need to create an effective mechanism for monitoring of tour operators, such as the register of companies actually engaged in tour operator activity.

Standardization and certification. The structures of EU standardization and certification contribute to bringing quality domestic tourism to international standards, harmonization of standards and certification enterprises of tourism industry in Ukraine with the relevant EU Directives (type of legislative act EU, which is implemented through national legislation obliges Member States in particular time to take measures to achieve these objectives it (Glossary of the European Union terms, electronic resource). In 2016 the National Standardization Authority State Enterprise «Ukrainian Research and Training Center of Standardization, Certification and Quality» approved 11 national standards in tourism to improve the quality of the national tourist product and customer service, harmonized with standards of International Organization for Standardization (Industry standards, electronic resource). They concern requirements: safety management system for the organizers of adventure tourism; their personal competence; minimum information to be provided to participants adventure tours; tourist services provided directly on protected sphere s; providing services in thalassotherapy centers; operating beach; commercial and non-profit harbors for pleasure boats and yachts; accommodation facilities for their environmental impact; quality of services provided by the tourist information office; training and qualification programs for guides.
In 2012 in Ukraine abolished mandatory certification services for temporary accommodation (Decree of the Cabinet of Ministers of Ukraine, September, 5, 2012). It is carried out voluntary certification bodies appointed by Ministry of economic development and trade of Ukraine to perform the state system certification. Categories for hotels and other accommodation facilities set on the evaluation of their compliance with certain categories of safety for human life, protection of property and environment. Note that a certificate of compliance with international quality standards increases the prestige and competitiveness hotels.

The liberalization of the visa regime. In 2005 Ukraine Presidential Decree «On the Establishment of Visa Free Regime for Citizens of the European Union, the Swiss Confederation and the Principality of Liechtenstein» (On the Establishment of Visa Free Regime for Citizens of the European Union, the Swiss Confederation and the Principality of Liechtenstein, July 26, 2005) set the duration of their stay not exceeding 90 days. This resulted in increasing the attractiveness offers domestic tourism product, enhancing mobility and contacts between people, increase in international tourist arrivals. Currently, topical issue cancellation of visa regime for Ukraine, as the country has met all the criteria of the Action Plan on visa liberalization with the EU, in particular, provided passports for travel abroad contactless electronic media. These measures are a prerequisite to obtain economic benefits from international tourism and strengthening European’s integration processes in Ukraine.

Cooperation in the field of tourism. Ukraine develops bilateral relations and cooperation in tourism from the EU Member States. In October 2005 the country became a member of the European Travel Commission (ESC), which allowed access to information and analytical materials, publish information on the website, which was created to promote tourism resources of participating countries in Europe and beyond. In 2015 the Ministry of economic development and trade of Ukraine in order to disseminate information about national tourist product in the European market presents opportunities for tourism cities on the national stand under the World Travel Market 2015, held a press conference on Ukraine’s ability to develop MICE tourism within the IBTM 2015, presented a promotional video of the tourism Ukraine «Experience Ukraine!», the International tourist Fair UITT 2016 exhibition was organized by the cities and regions of Ukraine to familiarize visitors with their tourist of potential (Report on Implementation of the Association Agenda and the Association Agreement between the European Union and Ukraine, electronic resource).

During 2016 discussed the possibility of participation of EU assistance programs in Ukraine and the development projects in the tourism sector; ratified the Agreement between Ukraine and the European Union on the country’s participation in EU programs «Competitiveness of small and medium enterprises (COSME) (2014-2020)», which involves the implementation of measures to enhance competitiveness and sustainable development of tourism; at the international seminar «Implementation into national law of the Protocol on Sustainable
Tourism to the Carpathian Convention» (Vienna, 2016) decided to create a permanent platform for cooperation and open offices in three member countries of the Carpathian Convention, including in Uzhgorod (Ukraine); for international assistance for the adaptation of tourism, improving the competitiveness of the tourism industry, presentation of tourist potential of Ukraine a conference of donor countries, providing technical and financial assistance to the country (Report on Implementation of Association Agenda and the Association Agreement between the European Union and Ukraine, 2016, electronic resource).

Advisory and technical assistance from the EU speeds up the process of integration into the European travel sphere, but it is understood that its provision is based on the interests of the European Union. Given this, the State Agency for Tourism and Resorts must develop a strategy of industry development and make tactical decisions based primarily on national interests of Ukraine in order to avoid asymmetries in the integration process.

One of the main tasks of European integration in the tourism sector should develop regulations to facilitate foreign investments for development of tourism infrastructure; creating structural units of tourism in regional and local administrations; harmonization of qualification requirements and standards of higher education in the universities, which provide training for the tourism industry. Measures to stimulate demand and the formation of a national tourist product, creating a positive tourist image of Ukraine in the EU market require better funding from the state. Assessing the prospects of Ukraine’s integration into the European tourism space, we can conclude, that the main issue is the quality of the process, not the number of implemented measures.

7. Conclusions

The results of monitoring European integration of Ukraine in the tourism sphere in 2014 – early 2017 showed the interest of the government in deepening of integration process, in contrast to previous years. Most of the measures of the «Action Plan for the implementation of the Association Agreement for 2014–2017» towards integration into the European tourism sphere are executed. In particular, prepared amendments to the Law of Ukraine «On Tourism», adopted a «Strategy of development of tourism and resorts to 2026», approved a «License conditions of the tour operator activity» and the 11 national standards in the field of tourism, established cooperation in tourism with the EU Member States. However, the country have a number of tasks, that need to be resolved: harmonization of regulations of the EU legislation of Ukraine in the field of tourism, especially on foreign investment promotion; standardization and certification of enterprises in the tourism industry; qualification requirements and standards of
higher education for training specialists in tourism etc. Their implementation will contribute to the further integration of Ukraine into the EU tourism sphere.

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