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Tourism Development in Ukraine

1. Introduction

Ukraine which has an advantageous geopolitical position and a culture, historical, tourist and recreation potential, has not yet become a fully-fledged participant at the international tourist arena. But today we observe the growth of the international community's interests in this country.

There are many features in this country which are advantageous for development of tourism: a rich historical and cultural legacy; natural conditions in the temperate regions conducive to recreation; ethnic originality in many regions of Ukraine; sun and sea areas in the Crimea and in coastal areas; river and sea cruises; mountaineering in the Crimean and Carpathian mountains. These and other features attract tourists and have a potential for further development. All the historical and cultural landmarks in urban and rural areas, parks, scenic nature work for tourism. The health-improving resources are unique, since more than 500 mineral water and clay deposits have been found. Among these settlements there are 27 health resort cities and 214 villages which have a special status for the development of recreational and tourist functions.

Ukraine has thousands of camps and facilities for children recreation, rest, and health improvement – it is one of the most de-

veloped systems in the world. It's an important social factor providing the opportunity for Ukrainian families to have the health of the children improved, but if developed properly, this system can be made useful in providing similar opportunities for children from foreign countries. The international children centre **Artek** in the Crimea is well known but it is only one part of a tourist market potential in this sphere. The southern Crimean coast is, even compared to the Mediterranean resorts, a unique concentration of tourist, recreational, health-improving, educational and sport promoting features.

All these things considered one realizes that the tourist potential of Ukraine is truly great, particularly if we add to the list of tourist-attractive features opportunities for rural tourism, health-improvement centres for the elderly, hunting, ecological tourism, yachting, golf and other advantages.

There are many varieties of tourism in Ukraine – cultural and educational (in historical places); health-improving and sports (at sea, in forest and mountain regions), ecological and green (on landscape territories), rural and agro tourism (in rural areas).

Regional landscape parks are in formation stage, and **den-droparks**, such as **“Sofiivka” in Uman**, **“Olexandria” in Bila Tserkva**, **Trostianets in Chernihiv** region and others are outstanding examples of Ukraine's landscape architecture (there are more than 500 of those in Ukraine), and a large part of which is in rural areas.

There are 14 natural preserves in Ukraine which can be turned into major tourist centres. Rural tourism can be developed

practically in all the regions of Ukraine, but the most prospective are the western regions in which up to sixty or seventy percent of the local population could be involved in it.

To the categories of the national reserve fund of Ukraine, where ecological tourism can be developed, belong: **national natural parks (Carpathian, Shatsky, Sinevirsky, Azov-Sivashsky and others)**, regional landscape parks (Dnister Canyon, Kinburn Split, Dikansky and others), and biosphere reserves (Carpathian, Askaniya Nova, Black Sea).

Large tourist-zones were created in Ukraine, such as “Namysto-Slavutich” along the Dnipro River, “Yaremcha-Vorohta” in the Carpathians, “Great Yalta” on the Black Sea shore, as well as tourist centres that are functioning in historical cities such as Kyiv, Lviv, Kamyanets-Podolsky and others. Lately, complexes of ecological (green) tourism are being created and developed in places of preserved biodiversity.

Historic and cultural sites are concentrated in Kyiv, Lviv, Chernihiv and Odessa. Almost half of all Ukrainian architectural relicts are located in the Lviv Region.

2. Services and projects

a. Skiing

The **Carpathian** region offers a unique combination of mountains, clean air, curative spas, historic sites and ethnic culture. Skiing is a major Carpathian tourism draw. Long-lasting and reliable snow conditions make Carpathian skiing popular. U.S.A. community ski fans report that the slopes in Slavsko (Lviv Region) and

Yaremcha (Ivano-Frankivsk Region) compare well to Piks Peak and the Killington ski areas in Vermont. Zakarpatska Region has several three-kilometer downhill runs, desirable for slalom. Other popular skiing areas in the Carpathian Mountains are **Dragobrat**, **Vorokhta** and Yaremcha.

Ivano-Frankivsk Region tourism authority develops a Center of International Ski Tourism in **Vorokhta-Yablunytsa**. This is to be a “green-field” construction of a western style ski resort, including accommodation and skiing facilities.

Ukraine has actively joined the complex development of international ecotourism process. Through this connection, the formation of interstate natural reserves within the country's territory is very important. Large tracts of land “Stuzitsa” became a part of the first Central European trilateral interstate territory – biosphere reserve “Eastern Carpathian”. From the **Polish** side Beschadsky national park and landscape parks – Tsisniansko-Vetlinski and “Sleep Valley” are included in the territory; and from the Czech side - region of guarded landscape “Eastern Carpathian”. Similar biosphere reserve “Dunaiski Plavni” is being created. There is a proposal to create such interstate biosphere reserves, as: Polish-Ukrainian “Western Polissia”, Russian-Ukrainian “Briansk and Starogutsk forests” etc. Those objects might in perspective be the most popular for developing a transnational ecotourism system.

One of the advantages that Ukraine has over its neighbors, Poland, Slovakia and Hungary is that traditional styles of life continue to be preserved. In the villages of the Carpathian National Park traditional dress and farming practices continue to be maintained.

Western travelers express an ongoing interest in the artisan studio tours in the Ivano-Frankivsk Region. Local wood and woven crafts are extremely popular with Ukrainian Diaspora.

Crimea, in an effort to extend the season, has come up with attractive proposals to create modern ski resorts in the **Crimean Mountains**. Today, businessmen tend to build smaller ski lodges or cabins, which are in demand.

The project of development and construction of an 18 kilometer long cable way of mountainous recreation center TavrOs includes: installation of a cable-car to run from downtown **Yalta** across **Ay-Petri** Mountain further to Belbek Valley; development of a ski resort; refurbishing of mountain caves; development of horse-back riding resorts on top of mountains. This idea of the project is to connect Yalta, as the principal Crimean tourism hub, with natural and historic attractions in the mountains currently inaccessible for tourists.

b. Water Sports, Rafting and canoeing.

Ukraine possesses a tremendous wealth of water resources (the Black Sea and the Sea of Azov, the Dnipro, the Dnister) and extremely beneficial geographical location (The Black Sea Region). Thus it has a great potential for successful development of yacht tourism and attracting foreign investment.

There is a big project of development of a tourist campsite on the **Dnister River**. The site of the project is in a picturesque area at the Dnister River between Chernivtsi and Ternopil Regions. This private sector project includes a green-field development of a tourist campsite, three restaurants with various national cuisine, a waterfall

and fountains, a shopping center, a pier and a water-ski center.

Resources for the organization Green tourism exist in all Ukraine's regions, in particular – green lines on the riverbanks of the Dnipro, Desna, Southern Boug and on a number of small **rivers, lakes, waterfalls**, reservoirs.

Projects for developing marinas on the Crimea Black Sea coast are being in the pipeline. **Alushta** Marina project in Alushta, Crimea, includes creation of a 250-vessel marina, and supporting infrastructure (customs and immigration zone, access and bypass roads, a hotel and a restaurant). Completion of the marina will require the construction of the sea-sheltered basin for yachts and boats.

Another project is the restoration of the historical centre of the ancient town of **Zhovkva** in the Land of Lvivshchyna. The town recently marked the 400th anniversary of the Magdeburg Law. The tourist, congress and cultural complex will include a hotel that will be created out of a palace — the first such hotel in Ukraine.

Askania-Nova, a nature preserve in the south of Ukraine, is being turned into a tourist centre. The preserve boasts rare species of animals and plants from many parts of the world and beautiful scenery.

Today, a considerable interest is shown by foreign tourists in landmarks of defensive architecture — **fortresses** in Lutsk, Medzhybozh, Kamyanets-Podilsky, Khotyn, Bilhorod-Dnistrovsky, Uzhgorod, Mukachevo; **palace** complexes in the Crimea (Livadia, Bakhchysaray, **Alupka**, and other places), in the Land of Lvivshchyna (Zolochivsky, Pidhoretsky, Olesky), and in the Land of Chernihivshchyna (Baturyn, Kachanivka, Sokyryn).

An interesting example is a project for tourists called “The Big Tavria Ring”. It is a route in the **Crimea**, by which planners envisage the creation of farms and farmsteads to fulfill double functions for tourists and agro-food. It has been proposed to develop on tourist routes mini-hotels, to construct horse farms for tourism needs.

Soon near Kyiv the first **golf course** in Ukraine will be created. Project anticipates a full 18-hole golf course, Driving range, Golf Clubhouse, and other facilities. 18-hole golf course is being developed by Kyiv-based Golden Gate Golf Club. The Clubhouse would include a restaurant, coffee shop, bar, lockers, gym, etc. Other facilities would include a hotel, tennis courts, swimming pool, water sports facilities, beach area, Pro Shop, and auxiliary facilities for the golf resort.

3. Failings in development of tourism in Ukraine

As a Soviet Republic, Ukraine was a major centre for prophylactic and therapeutic treatment, tourism, and children’s recreation. However, due to the new demands of the market, 90% of this infrastructure is in need of considerable investments for reconstruction and overhaul. National and regional transportation infrastructures are inadequate and are the main barrier to the development of the tourism sector. Particularly noticeable is the low quality of domestic air service and poor road conditions across the country.

In the last ten years the market for tourism has been actively expanding, the number of companies in the industry has grown greatly and now is in excess of five thousand. But the main problem lies in the fact that the National Tourism Product occupied an insig-

nificant place in this rather developed market of tourism services, and could hardly contest with the offers of competitor-states, comparatively of a better quality and often more economical. Thus, the demand for Ukraine's tourism-related goods and services, and the place our country occupied in the world tourism market was not satisfactory. In recent years, the formation of the Ukrainian National Tourism Product persisted spontaneously, without widespread support from the state. This can be explained by the fact that the tourism industry's very foundation, made up of recreation complex territories and means of accommodation (hotels, resorts, etc.), was out of the field of competence and activity of the central body of the executive power in charge of tourism. The current law on tourism does not offer a legal foundation for the activity aimed at providing services in accepting tourists. This encourages the emergence of a powerful "shadow" market of hotel services, which, in turn, damages law-abiding hotels economically.

Great potential of our country is being realized only to a limited extent because the tourist infrastructure has not been developed well enough — we do not have enough modern hotels, tourist bases, camping sites, restaurants and entertainment centres.

I have to admit that our last year's budget, compared to that of our principle competitors could not even be called "modest". Turkey, for example, spent over 60 million dollars on advertisement and promotion of its tourism product; by contrast we had been allotted only 200,000 dollars for our needs.

4. Achievements in development of tourism

Our main strategic goal is the creation of a powerful national tourism industry capable of producing a competitive tourism product. It should be emphasized that Ukraine inherited the powerful system of sustaining mass tourism and health treatment — more than four and a half thousand hotels, tourist complexes, health resorts.

Furthermore, the construction of a competitive National Tourism Product involves an efficiently coordinated, tourism-friendly transportation system, a multitude of cafes and restaurants, effective maintenance and sanitation of beaches and parks, restoration of historical landmarks and monuments, functioning museums, prolific souvenir production. A new system of additional services for the tourists — yacht clubs, golf courses, aqua-parks, and entertainment centres, — should be created.

Recently was introduced the draft of changes into the Law on Tourism, which creates a normative base for the functioning of units of accommodation, which, in turn, maximally simplifies their registration and work regulation, and alleviates competition, eliminating “shadow” markets.

The government’s decision to simplify the entrance formalities played an extremely important role in the growth of the industry – from April 2002 foreign citizens can obtain entrance visas for up to 8 days at the airports of Symferopol and Odessa, and at the Odessa Sea Port. This experiment was initiated by the State Tourism Administration of Ukraine as the first step towards the introduction of a visa-free entrance regime for EU, US, Canadian, Swiss, Japanese, Australian and South Korean tourists. No doubt, the introduction of a

favourable visa policy has influenced the increase in the number of those who want to visit Ukraine.

In December 2001 was set up anew tourism-related state body of the executive power of Ukraine, State Tourism Administration of Ukraine (STAU), to promote and realize state policies in the sphere of tourism.

Now the State Tourism Administration of Ukraine directed its main organizational efforts at the development of rural green tourism. According to the estimates, its potential can grow twofold. On the one hand, such tourism will let people see and explore the beauties of the land, and on the other hand, it will promote mountain skiing and health-improvement centers and resorts.

The successful development of tourism depends to a large extent on investments. That's why a legal basis has been formed in Ukraine which regulates foreign investments in all the spheres of the national economy and ensures the possibilities for their effective use and for earning profits. A foreign investor is guaranteed a free transfer of gained profits because has been established a national policy for activity, foreign currency exchange regulation and taxation.

It should also be mentioned that Ukrainian investors have become more active. Thanks to them the Ukrainian tourism industry increased its operational potential by several dozen hotels and resorts, aqua parks of global standards, and new skiing centers.

As far as the improvement of the investment climate in the sphere of tourism is concerned, the government has approved the Concept of the Development of the Sea Coast of the Crimea for the years 2006-2007. It is a pilot project but if it proves to be effective,

this experience will be introduced in other tourist regions of Ukraine. A bill dealing with tourist and recreational zones, aimed at solving a number of problems in this sphere, is already being publicly discussed.

I am afraid that even in the extended space of this article it will not be possible to tell about all the aspects of tourism development in Ukraine even in a brief form. It is not accidental that they say that the tourist sphere encompasses practically all the branches of the economy and social and cultural life. In conclusion I would like to say that our work can be successful only in case if we manage to create an effective model of interaction between the executive power and parliament, mayors of towns and cities, managers of companies, public organizations and international funds, to involve all those who are interested in the development of tourism in coordinated work.