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HOSPITALITY INDUSTRY DURING GLOBAL CRISIS: ECONOMIC IMPACTS AND STRATEGIC APPROACHES TO DEVELOPMENT

ABSTRACT

The article is dedicated to analyzing the historical development of hospitality as a social and cultural phenomenon, defining its role in the national economy, and examining the specific features of the hospitality industry in Ukraine. The study explores the influence of geographical location, ethnic mentality, and historical interactions of Ukrainians with neighbouring peoples on the formation of hospitality traditions. The structural elements of the hospitality industry are outlined, including the hotel, restaurant, and tourism businesses, transport companies, and other socio-cultural entities.

The paper highlights the significance of the hospitality industry for the national economy through its impact on employment, the development of small and medium-sized businesses, budget formation, and the stimulation of other sectors. Current trends in this sector's development are identified, including service diversification, digitalization, integration with other economic sectors, and international cooperation.

Particular attention is paid to the challenges faced by Ukraine's hospitality industry due to the COVID-19 pandemic and Russia's full-scale invasion. Issues related to infrastructure destruction, logistical constraints, a decline in tourism flow, and workforce shortages are analyzed. Statistical data on tax revenues from the tourism sector and their changes under the influence of war and economic crises are examined.

Strategies for the transformation and recovery of Ukraine's hospitality industry after the war are proposed, including infrastructure restoration, the stimulation of domestic and international tourism, the introduction of innovative technologies and digital services, the development of eco-tourism, the training of qualified personnel, support for small businesses, and international cooperation. The role of the state, businesses, public organizations, local communities, and international partners in the recovery process of this sector is emphasized.

The prospects for the development of Ukraine's hotel and tourism sector in the context of post-war reconstruction are outlined. The study provides practical recommendations for creating a new image of Ukraine as a safe, hospitable, and attractive tourist destination capable of competing in the global market.

Keywords: hospitality industry, globalization, strategic approaches, COVID-19 pandemic, tourism, hotel and restaurant business, economic consequences, tourist flows

JEL Classification: L83

INTRODUCTION

Under current conditions, the development of tourism and hospitality, as part of Ukraine's recreational and tourist complex, is a priority for the national economy and culture, an important factor in strengthening the country's international authority, a source of socio-economic development of regions and an important condition for the protection of historical and cultural heritage. Ukraine has all the objective prerequisites for the formation of a tourist market, such as geographical location and relief, favourable climate, rich nature, history, culture and tourist and recreational potential. However, the real state of affairs in the tourism and hospitality industry indicates a low level of use of

its potential. Therefore, it is important to determine the strategic direction of development of the hospitality industry in the current situation and after the war.

In the 21st century, the hospitality industry has become a prominent phenomenon in the social and economic life of many countries. The development of the hospitality industry plays an important role in solving national problems. In particular, hospitality provides new jobs, maintains a high standard of living and contributes to the development of infrastructure in all sectors of the economy. The modern hospitality industry is a global socio-economic phenomenon that operates in conditions of fierce competition. For this reason, the element of innovation is of great importance, and its development is the main factor determining the competitiveness of hospitality industry enterprises.

Indicators of the development of the hospitality industry are the level of investment and capital expenditures, the competitiveness of enterprises in the international services market, the degree of use of innovative technologies in the process of serving customers, the availability of a material and technical base and infrastructure to ensure the proper functioning of hospitality facilities, and the provision of qualified personnel. Each of these indicators needs to be improved, bringing the quality closer to international standards and introducing new types of services. Thus, Ukraine can become more sensitive to the needs of customers and take a worthy place among the leading tourist countries in the world. Compared with other areas of human activity, the hospitality industry is characterized by significant competition. It also depends on a number of factors, including natural factors, external factors, religious factors, political factors, natural conditions, and natural disasters.

Global crises such as the COVID-19 pandemic and the war in Ukraine have had a significant impact on the hospitality industry. The industry, which depends on tourism, international mobility and economic stability, has faced a sharp decline in revenues, changes in demand and new challenges related to security and adaptation to new realities. As a result, there has been a reduction in revenues and employment due to a significant decrease in the number of visitors and tourist flows and the closure of many establishments, especially small and medium-sized businesses; and a drop in exports of tourism services. After all, Ukraine has lost a significant part of foreign tourists due to travel restrictions and military operations and there has been a redirection of tourist flows to safer regions. Consumer priorities have changed significantly due to the increase in demand for local tourism, ecotourism and safe destinations and the transition to digital platforms for booking and receiving services (Dyskhantyuk O., Potemkin L., & Vlasjuk K., 2021).

The hospitality industry is one of the most important components of the global economy, accounting for around 7% of international trade. According to the World Tourism Organization (UNWTO), the hospitality industry creates one job for every 10 people. The crisis caused by the COVID-19 pandemic and the Russian invasion of Ukraine has severely undermined the tourism economy, causing an unprecedented negative impact on tour operators and those working in the tourism and related industries. Tourism has been one of the sectors of the international economy that has been most affected by the measures taken to combat COVID-19, and given the current travel restrictions caused by the war, tourism is one of the sectors that will have to recover.

Today, the state of the Ukrainian hospitality industry lags significantly behind global indicators. This is due to a number of external and internal factors, such as Russia's armed aggression against Ukraine, stagnation of the national economy, underdevelopment of the tourism industry, limited solvency of Ukrainian citizens, an imperfect taxation system, an imperfect regulatory framework in the field of tourism, and insufficient use of cultural and historical heritage. The regulatory framework does not meet modern requirements, there are no directives and other regulatory documents that would be logically interconnected and not contradict each other. In addition, there is no necessary infrastructure and adequate service conditions, which affects the quality of tourist services. This is due to the fact that Ukraine is seriously lagging behind in quality indicators compared to neighbouring countries, which are also competitors in the global tourism market (Nikolaychuk, O., 2021).

Thus, analyzing the development of the hospitality industry of Ukraine, it should be noted that this sector of economic activity is the material and technological base of the country's tourist and recreational potential and the basis for the development of tourism. However, economic, political and financial instability in Ukraine, as well as ongoing military operations on part of Ukrainian territory, have significantly slowed down the development of the hospitality industry. Until the political and socio-economic situation stabilizes and military operations cease, it will be extremely difficult to stay on the market and achieve positive economic results. Since the development of the hospitality industry is a characteristic feature of any country and an indicator of its sociocultural and economic development, it is worth noting that its development is an important factor in the integration of the Ukrainian tourism market into the European business and cultural environment. The hospitality industry is able to recover and adapt to global challenges provided that there is effective cooperation

between the state, business and international partners. The main focus should be on infrastructure restoration, digitalization, local tourism development, and building a positive image of the country. These measures will help ensure the resilience of the industry and promote its sustainable development in the future.

LITERATURE REVIEW

It should be noted that modern scientific literature on the future development of the hospitality industry highlights the need to overcome the consequences of the COVID-19 pandemic in conditions of political, social, and military instability. In particular, O. Dyshkanyuk et al (2021) analyze the impact of COVID-19 on hospitality sectors, including tourism, hotel and restaurant businesses, transportation, and the entertainment industry. The study examines global crisis management approaches, challenges in Ukraine's tourism sector, and the necessity of new strategies to adapt to changing demand.

I. Zhurba and I. Nestorishen (2023) focus on the state and prospects of the tourism industry in Ukraine and worldwide, specifically examining the impact of COVID-19 on the sector. They analyze international travel trends from 2019–2022, the recovery of tourism in different regions, and strategies for revitalizing Ukraine's tourism industry, including post-conflict tourism. O. Nikolaychuk (2021) explores the impact of COVID-19 on the domestic hotel and restaurant industry, assessing key trends such as increased safety measures, digitalization of services, cost optimization, and adaptation of business models to new realities. I. Povorozniuk (2021) examines crisis management in the hospitality industry during the COVID-19 pandemic, focusing on challenges, response strategies, and global hotel chain experiences in adapting business processes and maintaining competitive advantages, and others.

The impact of information and communication technologies on the hospitality industry's development is discussed in the works of domestic and foreign scholars. Pankiv, M., & Lypovyi D. (2022) studies the implementation of ESG transformation principles in the hospitality industry, analyzing key changes in the business processes of hotel and restaurant enterprises. The study highlights three transformation directions: environmental sustainability (Environmental), social development (Social), and corporate governance (Governance). V. Fostolovych et al (2023) examine the influence of digital innovations on the competitiveness of hospitality enterprises and their adaptation to crisis conditions, assessing the demand for digital tools and their impact on service accessibility and business efficiency in the hotel and restaurant sector, and others.

Several researchers have studied the economic aspects of the hospitality industry's development in modern conditions. L. Chepurda et al (2024) analyze conceptual approaches to business planning in tourism and hospitality in the context of crises and globalization challenges, reviewing methodological approaches, business plan structures, and international standards that enhance sectoral efficiency and competitiveness. I. Nestorishen & Ya. Prokopets (2023) examines global and domestic tourism trends, particularly the impact of COVID-19 and international restrictions on the industry. Their study reviews post-conflict tourism recovery strategies based on international experience and proposes measures for rebuilding Ukraine's tourism sector in the post-war period. U. Huzar et al (2023) and colleagues characterize approaches to defining the hospitality industry as a scientific category and its role in the national economy. They analyze the historical evolution of the concept of "hospitality," its modern interpretations, and the interrelation between the hospitality industry and tourism within European and American frameworks, and others.

AIMS AND OBJECTIVES

To assess the economic impact of the pandemic and war on the main operators of the hospitality industry, to develop recommendations for adaptation and development strategies for the industry to ensure its sustainability in the face of constant change and crisis phenomena.

The main objectives are:

- to assess the economic consequences of the pandemic and war for the main operators of the hospitality industry, such as tour operators, travel agents, carriers and hotel and restaurant businesses;
- to analyze the dynamics of changes in the export of tourism services at the global level due to the introduced restrictions and statistics of visitors to Ukraine in 2020–2023;
- to provide recommendations for adaptation and development strategies for the hospitality industry in the face of global challenges.

METHODS

The study conducted a systematic analysis of statistical data and scientific sources on the state of the hospitality industry in 2020–2023 and synthesized the main trends and factors influencing the industry. A comparison of tourism indicators, the number of tourists and budget revenues for different years was made, in particular after the pandemic and during the war. A comparison of international and domestic tourism indicators, the number of tourists and budget revenues for different years was made. Data from the World Tourism Organization (UNWTO), the State Agency for Tourism Development of Ukraine (DART) and other organizations were used to assess changes in tourist flows and industry revenues.

RESULTS

The history of hospitality as a social and cultural phenomenon is extremely long. Each country has its own psychological characteristics, traditions and customs characteristic of ethnic mentality. The uniqueness of Ukrainian «hospitality» is determined by the features of its cultural and historical development, which are primarily due to the geographical location of Ukrainian ethnic groups and the nature of their interaction with residents of neighbouring regions who wish to expand their living space. In the narrow sense of the word, hospitality combines the areas of public catering and accommodation, and the area of travel and tourism is the activities of travel agents and tour operators, transport, entertainment and recreation (Onyshchuk N., 2019). Creating a positive image in the hospitality industry requires an approach based on the integrated use of hospitality resources, ensuring the quality of services provided, and developing strategies and approaches to hospitality. In the hospitality industry, the hotel model is associated with the company's ability to quickly respond to changes in the internal and external environment in order to identify the essence of its existence and the main differences from competitors. The hospitality industry plays a crucial role in enhancing national economic efficiency and development by fostering the growth of small and medium-sized enterprises, increasing government revenue, expanding employment opportunities, and improving the overall quality of life. Additionally, it positively impacts related industries such as transportation, tourism, and cultural sectors. The term "hospitality" is most commonly associated with the hotel and restaurant business, encompassing a system of measures designed to meet the various domestic, economic, and cultural needs of travellers. The hotel sector, as a key component, includes a wide range of establishments that provide accommodation and services to guests away from their permanent residences. The broader hospitality industry consists of hotels, restaurants, tourism services, transportation companies, healthcare institutions, sports facilities, and socio-cultural establishments.

This study views the hospitality industry as a distinct economic sector comprising multiple industries and businesses that cater to diverse recreational and entertainment needs. It includes tourism, hotel and restaurant services, as well as leisure and entertainment enterprises. The sector's industrial nature contributes to national economic growth by increasing state revenue, generating employment, enhancing living standards, promoting cultural heritage, and strengthening infrastructure. Currently, global tourism is widespread, with approximately one in six people travelling internationally each year. According to the World Tourism Organization, this number is projected to increase, with every fourth person expected to travel by 2050 (UNWTO, 2024).

Key trends shaping the modern hospitality industry include:

1. Specialization and diversification in accommodation, dining, and entertainment services.
2. The emergence of large corporate entities such as multinational hotel and restaurant chains.
3. The adoption of advanced information management systems, technological innovations, and marketing strategies.
4. The integration of capital from hospitality enterprises with financial, insurance, construction, and transportation sectors.

Beyond lodging and dining, the hospitality industry provides a wide array of services, including transportation, healthcare, sports, communications, entertainment, and tourism. While the hotel sector is a crucial part of the industry, offering a diverse range of services across multiple sectors, it remains the most integrated and prominent component. Consequently, the hotel industry is often regarded as the backbone of the hospitality sector, warranting independent consideration. Additionally, the industry supports numerous ancillary businesses, such as cleaning and security services, food production and distribution, software development, and engineering system maintenance, further emphasizing its economic significance (Mazaraki, A., Boiko, M., Okhrimenko, A., Melnychenko, S. & Zubko, T., 2019).

At present, Ukraine's hospitality industry lags behind global standards due to various external and internal challenges, primarily the full-scale Russian invasion and ongoing military aggression. Under martial law, significant disruptions to logistics, infrastructure destruction, and an unstable security situation have severely impacted foreign tourism, a key economic driver. Furthermore, domestic demand has declined sharply as many Ukrainians have been displaced or face financial constraints that limit travel and hospitality expenditures. The labour crisis also poses a major challenge, with many hospitality workers either mobilized or relocating to other regions and countries. These obstacles force hospitality enterprises to adopt new survival strategies and explore innovative approaches to recovery amid the ongoing war (Vakhovych, I., Matviychuk, L., & Smal, B., 2021).

Before the start of the large-scale war with Russia, the Ukrainian hotel market grew by no less than 10-15% per year. Before the pandemic, the number of tourists from the Arabian Peninsula who came to the western regions of Ukraine increased, especially Bukovel, which became a good alternative to Switzerland and Austria. In the south, the number of tourists from Israel, Turkey and the Balkans increased. Every year, the number of foreigners increased by 20-30%. The development of tourism made the hotel business in Ukraine increasingly attractive to investors, as the average check for accommodation services increased by an average of 12-15%. The full-scale Russian invasion negatively affected all sectors of the Ukrainian economy. Tourism and the hotel business suffered the most. In the first months of the war, when hostilities began, the hotel business practically collapsed by almost 90%. In March and April, hotels in Europe and the United States experienced a very impressive, albeit temporary, record occupancy rate. This was largely due to the migration of people from the eastern, southern and central regions in search of safer places to live. The mass movement of refugees, economic difficulties and difficult conditions led to a significant decline in tourism in Ukraine. Due to this difficult situation, the number of foreign tourists who came to Ukraine before the war has also decreased significantly. Foreigners are afraid to travel to a country where air raids and military operations are constantly taking place.

The war in Ukraine has seriously worsened the state of the hotel industry, especially in the east, south and north of Ukraine. Hotel enterprises have been destroyed, the hotel business in the occupied territories has withdrawn from the international hotel market, a large number of qualified personnel have left the country, and there are no guests in the occupied territories, which creates supply problems. Hotel companies in the western part of Ukraine have higher revenues. The number of tourists in Ukraine is decreasing due to military events and constant unrest in the country. Hotels, especially in the areas most affected by the conflict, are experiencing a significant drop in the number of visitors.

Analysis of the indicators of the development of the hospitality industry from 2020 to 2023 shows that economic operators in the hospitality industry (tour operators, travel agents, carriers and representatives of the hotel and restaurant business) have always been under the influence of negative external factors. Thus, the measures taken to overcome the consequences of the COVID-2019 pandemic, with the introduction of a significant ban on the movement of people between different countries, significantly limited the movement of people (residents and non-residents) both within individual countries and between countries for the purpose of tourism and caused significant losses to the hospitality industry. In particular, as a result of the introduction of a travel restriction policy in the countries of the European Union, the USA, and the Middle and Far East in 2020-2022, the tourism industry in many tourist regions suffered significant losses. According to UNWTO estimates, measures to overcome the COVID-2019 pandemic in 2020-2021 led to a significant decrease (by 60-80%) in tourism exports, while the decrease in revenue from tourism exports amounted to approximately USD 910 billion – USD 1.2 trillion (UNWTO, 2024). According to the World Tourism Organization (UNWTO), in the pre-digital era, tourism was one of the fastest-growing export sectors in the world: the average annual growth rate of the global tourism industry until 2020 was about 5-10%, on average, global tourism enterprises provided up to 10% of global gross income, and one-tenth of jobs are directly or indirectly created in the tourism sector.

New data from the World Tourism Organization (UNWTO) shows that in 2022, more than 900 million tourists travelled internationally, double the number in 2021 but only 63% of pre-crisis levels. All regions of the world saw significant increases in the number of international tourists. The largest relative increase was in the Middle East, where international tourist arrivals (a key indicator of the state of the global tourism industry) reached 83% of pre-pandemic levels. Europe welcomed 585 million tourists in 2022, almost 80% of pre-pandemic levels. Countries in Africa and the Americas recovered around 65% of pre-pandemic visitor numbers, while the Asia-Pacific region only reached 23% due to the significant negative impact of the pandemic and the fact that restrictions have only begun to be lifted in recent months (UNWTO, 2024).

Analyzing the situation in the domestic tourism market of Ukraine, it can be noted that in the pre-war period, its participants also felt the negative consequences of the COVID-19 pandemic. However, due to the introduction of significant "COVID" restrictions (entry bans) in the EU in the period from 2019 to 2022, the domestic tourism sector expanded the geography of foreign tourists who are prohibited from entering European countries (UNWTO, 2024).

In particular, in 2020, tourist routes were significantly revised and the number of domestic trips to other parts of the world increased: according to DART, the number of visitors to Ukraine in the first half of 2021 increased by 9% compared to the second half of 2020. This year, 1.5 million people from different countries visited Ukraine, which is 31% less than in the same period in 2020 (when the number of foreign citizens in Ukraine was 2 million people), and 75% less than in the same period in 2019, when the number of foreign guests reached almost 6 million. In the second quarter of 2021, the number of visitors increased significantly, reaching 3.4 million, which is four times more than in the same period in 2020. It is important to note that in the first half of 2021, there was a positive trend in the increase in tourists from Saudi Arabia and other countries (their number increased 40 times, reaching 14,000, while only 350 people came to Ukraine during the same period in 2020) (SATD, 2024). The increase in the number of tourists from the Persian Gulf countries to Ukraine under a significant ban is noteworthy. This can become a powerful tool for economic recovery not only for the tourism industry of Ukraine but also for the economic growth of some post-war regions. Of course, further successful development of this sector of Ukraine's tourism industry will require significant changes in infrastructure and service (there should be separate queues with female border guards for Saudi women in immigration control zones at airports, access to prayer rooms at airports and hotels), and it is also necessary to take into account the gastronomic preferences of foreign guests (seafood, hummus, olives, pita bread, etc. should be available).

The next challenge for the hospitality industry was the full-scale invasion of the Russian Federation into Ukraine. As a result of the aggression of the Russian Federation, the performance of tourism enterprises in 2022 significantly decreased. In particular, the total number of taxpayers in the tourism sector decreased by 28%. In addition, the number of legal entities and individuals decreased by 36% and 24.5%, respectively. As a result, the amount of taxes paid by representatives of the tourism sector and tourists decreased significantly – by 33.3% and 12.9%, respectively. The highest taxpayers in 2022 were hotels, which paid UAH 673 million. Tax payments by tour operators decreased by 32%, paying UAH 125 million to the state budget for the first nine months of this year compared to UAH 184 million, which was received by the treasury for the same period in 2021. Tax revenues from travel agencies also decreased slightly – by 5%. Tax revenues from the tourism sector increased by 32% in 2023 compared to 2022; the number of taxpayers in 2023 decreased by 9% compared to 2022. The number of corporations and individuals decreased by 22% and 5%, respectively. In total, the number of taxpayers decreased by 25% compared to 2021. The number of legal entities and individuals decreased by 33% and 22%, respectively (SATD, 2024) (Figure 1).

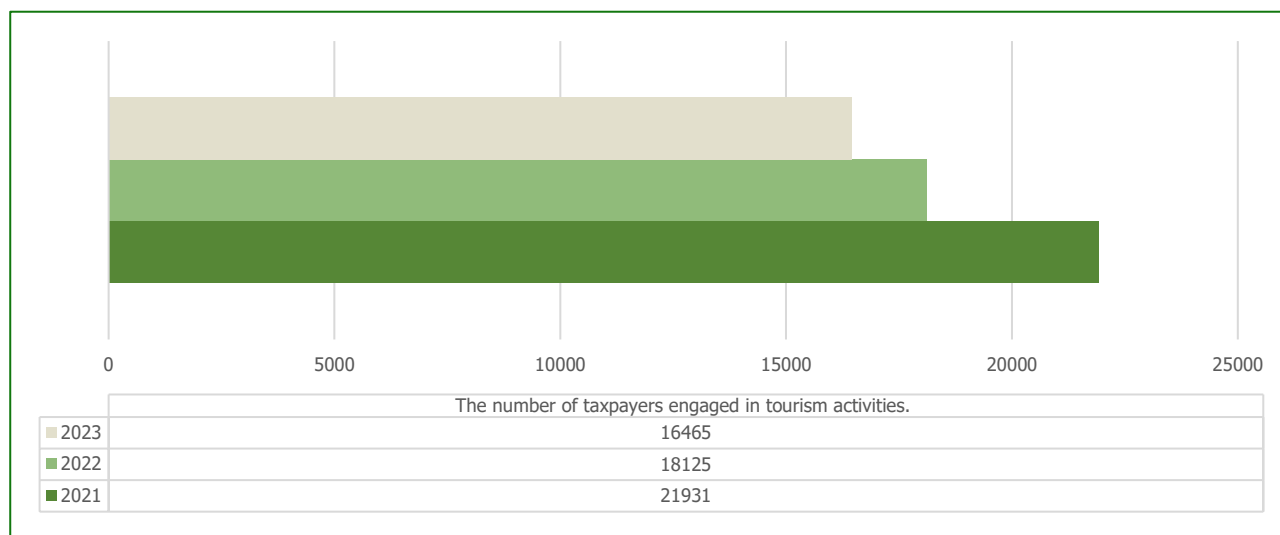


Figure 1. Number of taxpayers in tourism. (Source: compiled based on (SATD, 2024))

The largest share (64%) of state budget revenues last year came from hotels, amounting to UAH 1,033 million 623 thousand. This amount is almost twice the amount paid by the hotel business to the 2022 budget (UAH 898 million 381 thousand), and almost the same as the amount paid by hotels in 2021 (UAH 1,028 million 616 thousand). Tax revenues from tour operators in 2023 exceeded the similar indicator in 2022 by almost a quarter, increasing to UAH 205 million 828 thousand against UAH 167 million 880 thousand. Taxes from the activities of tourist bases and children's recreation camps increased slightly in 2023. These placement facilities received UAH 145.868 million in taxes (UAH 141,664 million in 2022) from the budget. In 2021, these placement facilities paid UAH 328,215 million in taxes (Figure 2).

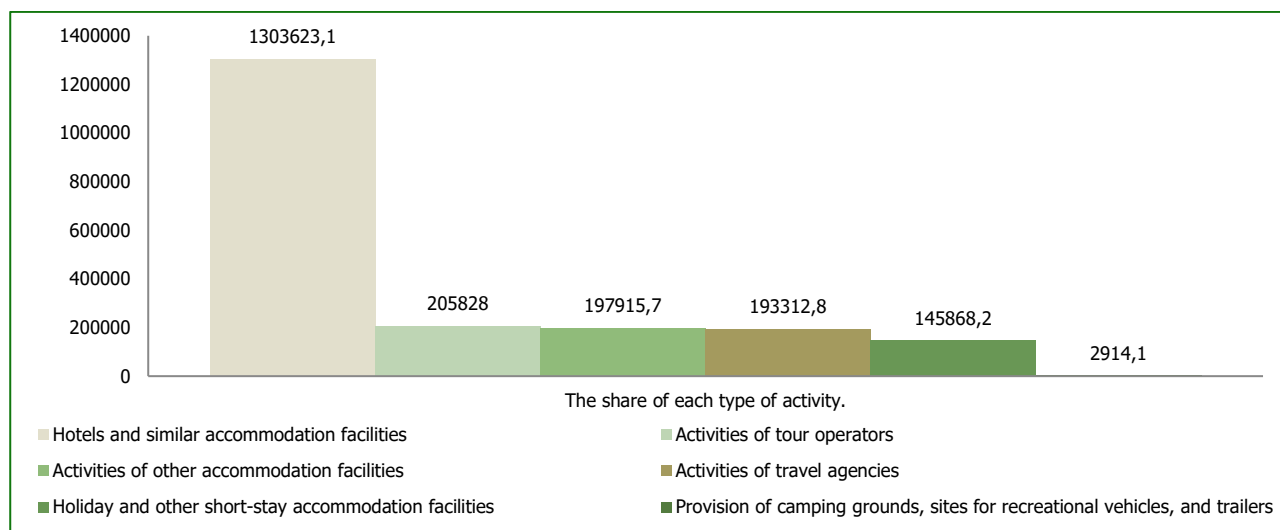


Figure 2. Share of each type of hospitality industry activity. (Source: compiled based on (SATD, 2024))

According to DART data, tax revenues from the tourism industry for the first three quarters of 2024 by region look like this: compared to the same period in 2023, almost all regions, except Luhansk, recorded an increase in taxes. In January-September 2024, the tourist tax in Ukraine increased by 21% compared to the same period last year and amounted to UAH 172 million against UAH 143 million. In 2021, the regional tourist tax was almost 30% higher than this year – UAH 243 million. The city of Kyiv and five more regions were among the leaders in paying the tourist tax. The capital's budget received the largest amount of the tourist tax – UAH 34 million 417 thousand. Last year, this figure was UAH 21 million 26 thousand. However, compared to 2021, the capital's tourist tax was halved - to UAH 67 million 995 thousand. The budget of the Lviv region was replenished by UAH 32 million 769 thousand. This amount is 42% more than in 2021 when the Lviv region budget received UAH 2,308,282 thousand of tourist tax. In the Ivano-Frankivsk region, the tourist tax amounted to UAH 22 million 7,452 thousand, which is 120% more than in 2021. According to the results of the third quarter of last year, the tourist tax in the region amounted to UAH 14,069,900. This year, the tourist tax in the Zakarpattia region amounted to UAH 15.093 million. This is almost the same as last year – UAH 14 million 84 thousand. This is also a third more than in 2021 – UAH 11 million 749 thousand. The budget of the Kyiv region due to the tourist tax in the first nine months of this year was replenished by UAH 10,000,000,731 thousand. This amount is a third less than the amount collected in 2021 (UAH 15.031 billion). This is also half as much as in 2023 (UAH 6 million 905 thousand). The first place is taken by the Dnipropetrovsk region with UAH 10.186 million. This amount is almost equal to 10 million 723 thousand tourist taxes in 2021 and 18% higher than 9 million 192 thousand tourist taxes in 2023 (SATD, 2024).

In 2024, the Volyn region was among the regions with increased tax revenues – UAH 17 million 597 thousand compared to UAH 11 million 7200 thousand in 2023. In 2021, the country's budget received UAH 9 million 425 thousand from the Volyn region. In the third quarter of 2024, Dnipro paid UAH 95 million 265 thousand to the state treasury. In 2021, Dnipro paid UAH 70 million 6.54 thousand in taxes. In the Donetsk region, for the nine months of the current year, there has also been an increase in tax revenues – UAH 9 million 771 thousand compared to UAH 5 million 643 thousand. However, this figure is 77% lower than in 2021, when the region paid UAH 42 million 351 thousand. Zhytomyr region also recorded a significant increase in tax revenues from tourism entities compared to the same period in 2023 – UAH 14 million 494 thousand versus UAH 9 million 782 thousand. In the same period in 2021, tax revenues from the region's tourism industry were practically at the same level as last year and amounted to UAH 9 million 8 million 800 thousand. In the Zakarpattia region, tax revenues from the tourism industry also increased and amounted to UAH 91 million 2 thousand versus UAH 62 million 784 thousand in 2023. For comparison, in 2021 the amount of revenues amounted to UAH 42 million 168 thousand (SATD, 2024).

Given the above indicators, the hospitality industry is an important driver of economic recovery, attracting investment, creating jobs and forming a positive image of the country in the international arena. After the war, the development of this industry will require a comprehensive approach, including the restoration of infrastructure, the stimulation of domestic and international tourism, as well as the integration of innovative and sustainable solutions. The goal of the strategy will be to promote the sustainable recovery of the hospitality industry through the modernization of infrastructure, increasing competitiveness, attracting international partners and developing tourism products that meet modern requirements (Table 1).

Table 1. Strategy for transforming Ukraine's hospitality industry after the war.

Strategy Direction	Description of activities	Expected results
Rehabilitation of Infrastructure	- damage audit and recovery plan; - hotel stock modernization; - regional investment.	- infrastructure restoration; - creation of modern tourist facilities; - attraction of investments.
Development of Domestic Tourism	«Visit Ukraine» campaign; - support for local initiatives; - development of regional routes.	- increase in domestic tourism activity; development of local communities; - increase in domestic revenues.
Attracting International Tourism	- advertising campaigns about the restoration of Ukraine; - cooperation with international organizations (UNWTO).	- influx of foreign tourists; - improvement of Ukraine's international image; - growth of tourism revenues.
Innovation and digitalization	- development of digital platforms for bookings and guides; - using VR/AR to promote destinations.	- modern services for tourists; - increasing technological sophistication of the sector; - increasing competitiveness.
Education and training	- courses and trainings in management and marketing; - international internships for specialists.	- qualified personnel; - introducing innovations into the hospitality sector; - improving the quality of service.
Sustainable development and environmental friendliness	- development of ecological tourism; - minimization of environmental impact; - use of «green» solutions.	- ecosystem conservation; - environmentally responsible tourism; - promoting sustainable practices.
Support for small businesses	- government grants for small and medium-sized businesses; - preparation of investment proposals.	- entrepreneurship development; - creation of new jobs; - increasing economic stability.
Image initiatives	- organization of international festivals and forums; - promotion of culture and cuisine through diplomacy.	- the increasing popularity of Ukraine as a tourist destination; - improving international cooperation.

Each transformation direction requires integration with other sectors of the economy, including infrastructure, logistics, IT, and education, to ensure the effective implementation of the recovery concept. Effective transformation of the hospitality industry in Ukraine after the war requires the participation of a wide range of actors, each of which plays a unique role (Table 2).

Table 2. Key actors and their tasks in the strategy for transforming Ukraine's hospitality industry after the war.

Subject	Task
State	- development of a legislative framework to stimulate tourism; - financial support: subsidies, grants, soft loans; - infrastructure projects: roads, airports, railways; - international marketing: promotion of Ukraine as a tourist destination; - creation of a safe tourist cluster.
Business	- tour operators, travel agents: introduction of new products, automation of services; - hotel and restaurant business: reconstruction, implementation of environmental standards; - carriers: restoration of routes, integration of modern logistics solutions.
Public organizations and associations	- protection of the rights of industry workers; - educational initiatives and retraining of personnel; - promotion of the culture of hospitality; - promotion of dialogue between business, authorities and international partners.
Local communities	- development of local tourism (agrotourism, ethnotourism); - participation in the restoration of cultural heritage; - creation of unique tourist products.
International organizations	- promoting Ukraine's integration into the international tourism market; - training and exchange of experience for Ukrainian specialists.
Educational programs	- development of training programs for retraining personnel; - conducting research on new trends in tourism; - training of qualified specialists.
Media	- informing about safe tourist regions; - popularizing national cultural and natural resources; - forming a positive image of Ukraine.

Effective collaboration among these stakeholders is essential for the successful recovery of the hospitality industry and its long-term sustainable growth amid global challenges. After all, the transformation of the hospitality industry of Ukraine after the war requires coordinated actions between all major actors: the state, business, public organizations, local communities, international donors, educational institutions and the media. The success of the strategy depends on active interaction between actors, a common vision of development and readiness to respond to challenges. This will not only contribute to the recovery of the industry but will also be an important step in strengthening the country's economy.

The main business opportunities for the Ukrainian hospitality industry after the war are as follows: creating a new image of Ukraine as a member of the European community. After the outbreak of the war, Ukraine received significant international support, its position on the world stage was reassessed, and a unique opportunity opened up to promote Ukraine as a modern European country with a strong national spirit and rich cultural heritage, worthy of attracting the attention of tourists from all over the world. Creating a new positive image of Ukraine can attract foreign tourists and investors to restore the tourism infrastructure in the future. The close attention of the world media to the situation in Ukraine has created opportunities to promote the country's tourism products through global information platforms. These strategies can help attract new groups of tourists and support the growth of the hospitality industry, even under restrictive conditions, particularly in the security sector.

DISCUSSION

The hospitality industry is an important element of Ukraine's economy, but its development depends on many factors. The key ones include economic, security, socio-demographic, and institutional aspects. Given Ukraine's current situation, special attention should be paid to security, the training of qualified personnel, and adaptation to modern challenges.

Authors (O. Lytvyn, 2022; N. Barvinok, 2022) provide a comprehensive analysis of the economic consequences of crises, highlighting the decline in international tourism, job reductions, business revenue losses, and shifts in consumer preferences. However, the effectiveness of the proposed initiatives remains uncertain in the context of an unstable economic environment and political challenges.

A crucial aspect is the role of government support in stabilizing the hospitality industry (T. Kaplina, A. Kaplina, L. Kushch, 2021). The experience of developed countries demonstrates the necessity of a flexible policy of preferential lending, grant programs, and incentives for innovation in tourism and hospitality. At the same time, Ukraine faces significant barriers to implementing these measures due to financial constraints and the ongoing war.

The transformation of the hospitality industry after the war is a complex and multifaceted process that depends on the scale of destruction, economic conditions, political stability, and social changes in Ukraine (T. Marusei, 2023). However, the unique characteristics of the Ukrainian market require a tailored approach that considers both economic and social challenges. Therefore, the post-war recovery of the hospitality sector will have its own specific features, including infrastructure restoration, business model restructuring, shifts in tourist destinations, and increased social responsibility.

Scholars (Yukhnovska Yu., 2019; Zaitseva O. I. & Fursov A. M., 2019) apply the parametric method and ranking method to assess the level of tourism industry development in different regions, allowing them to determine competitive positions. One of the key theses is the necessity of an integrated assessment of tourism potential, which is relevant in the context of regional development strategies. However, it should be noted that the tourism potential of regions cannot be evaluated solely based on economic indicators. Cultural, social, environmental, and infrastructural factors also play a crucial role in determining a region's attractiveness.

From the general overview of the hospitality industry, it is important to emphasize the significance of its recovery as a key factor for Ukraine's economic growth and international integration. After the war, the sector must adapt to new realities by leveraging innovations, supporting small businesses, and attracting investments.

CONCLUSIONS

The COVID-19 pandemic and the war have significantly impacted the economic condition of key hospitality industry operators, including tour operators, travel agencies, transport providers, and the hotel and restaurant business. Restrictions on international travel, declining consumer purchasing power, and logistical disruptions have led to substantial financial losses, job cuts, and changes in consumer preferences. An analysis of the dynamics of tourism service exports revealed a significant decline in international tourism volumes in 2020–2021 due to global restrictions. In 2022–2023, a gradual recovery of the global tourism market has been observed; however, for Ukraine, this process remains complicated by

ongoing hostilities, which limit both inbound and domestic tourism flows. Visitor statistics for Ukraine indicate a significant decrease in the number of foreign tourists, necessitating the development of new strategies to attract guests in the post-war period. To adapt and develop the hospitality industry in the face of global challenges, it is recommended to: diversify tourism products with a focus on domestic and regional tourism; digitize services through the implementation of online booking, virtual tours, and mobile applications; provide financial support to businesses through tax incentives, grants, and preferential lending; develop ecotourism and cultural tourism, which are less dependent on mass international travel; and enhance safety and service standards in line with international requirements. The comprehensive implementation of these measures will not only help overcome the crisis but also create the foundation for the sustainable development of the hospitality industry in Ukraine amid post-war recovery and global economic instability.

It is worth noting that the hospitality industry needs transformation, and some of its components need to adapt to the modern realities of war. This requires, first of all, support from the state at the legislative level, and from entrepreneurs a lot of work on minimizing risks, and reformatting business processes. Post-war infrastructure restoration should include modernization and implementation of energy-efficient technologies, and domestic tourism will become a priority area that will help activate local economies. Innovation and digital solutions are an integral part of the industry's transformation. Human resource potential should be strengthened through modern educational programs and international cooperation. Each area of transformation requires integration with other sectors of the economy, in particular infrastructure, logistics, IT and education, to ensure the effective implementation of the restoration concept.

We see promising future research in developing a strategy for the balanced development of cultural tourism entities in the post-war period.

ADDITIONAL INFORMATION

AUTHOR CONTRIBUTIONS

All Authors have contributed equally.

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CONFLICT OF INTEREST

The Authors declare that there is no conflict of interest.

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ІНДУСТРІЯ ГОСТИННОСТІ В ПЕРІОД ГЛОБАЛЬНИХ КРИЗ: ЕКОНОМІЧНІ НАСЛІДКИ ТА СТРАТЕГІЧНІ ПІДХОДИ ДО РОЗВИТКУ

Стаття присвячена аналізу історичного розвитку гостинності як соціального та культурного феномена, визначенню її ролі в національній економіці й особливостям функціонування індустрії гостинності в Україні. Досліджено вплив географічного положення, етнічного менталітету й історичних взаємодій українців із сусідніми народами на формування традицій гостинності. Окреслено структурні елементи індустрії гостинності, до яких належать готельний, ресторанный, туристичний бізнес, транспортні компанії та інші соціально-культурні об'єкти.

У роботі висвітлено значення індустрії гостинності для національної економіки через її вплив на зайнятість, розвиток малого й середнього бізнесу, формування бюджету країни та стимулювання інших галузей. Виявлено сучасні тенденції розвитку цієї галузі, зокрема диверсифікацію послуг, цифровізацію, інтеграцію з іншими секторами економіки та міжнародну кооперацію.

Особливу увагу приділено викликам, із якими стикається індустрія гостинності в Україні через пандемію COVID-19 і повномасштабне вторгнення росії. Проаналізовані проблеми, пов'язані з руйнацією інфраструктури, логістичними обмеженнями, скороченням туристичного потоку, а також відтоком кадрів. Розглянуто статистичні дані щодо податкових надходжень від туристичної галузі, їх зміну під впливом воєнних дій та економічних криз.

Запропоновано стратегії трансформації та відновлення української індустрії гостинності після війни, які включають відновлення інфраструктури, стимулювання внутрішнього та міжнародного туризму, впровадження інноваційних технологій і цифрових сервісів, розвиток екологічного туризму, підготовку кваліфікованих кадрів, підтримку малого бізнесу та міжнародне співробітництво. Акцентована увага на ролі держави, бізнесу, громадських організацій, місцевих громад і міжнародних партнерів у процесі відновлення цієї галузі.

Визначено перспективи розвитку українського готельно-туристичного сектора в контексті післявоєнної відбудови країни. Робота містить практичні рекомендації щодо створення нового іміджу України як безпечної, гостинної та привабливої туристичної дестинації, здатної конкурувати на світовому ринку.

Ключові слова: індустрія гостинності, глобалізація, стратегічні підходи, пандемія COVID-19, війна, туризм, готельно-ресторанний бізнес, економічні наслідки, туристичні потоки

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