

17. TRAVEL AND TOURISM



Ukraine tourism is one of the fastest growing branches of the state economy. In Soviet Union times tourism was not even a branch of the State economy. It was just a neglected part of “the sphere of services”. For a considerable length of time, foreign tourists were allowed to come to officially designated “open” cities only.

Today tourism in Ukraine has been recognized as an important economic factor. For example the income from one foreign tourist in Ukraine equals income from exporting nine tons of Ukrainian coal.

Tourism serves as a major source of currency for 38% of countries in the world. Emerging economics have been at the heart of the tourism industry’s remarkable expansion over the past 30 years. Looking at international TV channels and magazines we see huge promotional investments by countries like Croatia, Macedonia, Hungary, Poland, Georgia and even Azerbaijan advertising themselves as the next generation of tourist destinations. Ukraine seems to be stumbling behind.

Inbound tourism can make a great contribution to a nation’s economy.

Tourism to Ukraine has yet to be really well marketed or well developed. Despite this, Ukraine and Kiev in particular have much to offer tourists.

Ukraine is a diverse and fascinating country, and Kiev is one of the great cities of Europe.

Kiev is a vibrant, historic and relaxed city which can and should quickly become as popular for tourists as Prague and Budapest.

Ukraine has excellent geography, climatic conditions and scenic nature. From the Black Sea and the Crimea in the South to the historical and archaeological monuments

of Kyivan Rus epoch (IX - XII centuries) in the North. Excavations of ancient towns dating from the 5th century B.C. as well as the magnificent fortresses built in the 14th-15th centuries by Italians from Genoa, are located in Crimea. From the Carpathian Mountains in the West to the wild prairies and Skythian barrows in the East. The Carpathian Mountains offer great skiing and snowboarding opportunities. Many regions of Ukraine have saved their ethnic originality, offering tourists great opportunity to get acquainted with national culture, songs, dances and cuisine. More than 600 museums introduce the most outstanding facts and personalities of Ukrainian history and culture.

As we start telling this to the world and inviting more people to visit, more people will discover and enjoy our country, its capital and its charming hospitality.

According to State border guard service of Ukraine in the 1st quarter of 2010 around 3.5 million foreign tourists visited Ukraine, which is 5% lower compared to the same period last year.

Structure of inbound tourist traffic based on motivation

Business trip	164 thousand people	5 % of overall traffic
Arranged tourism	104,2 thousand people	3 % of overall traffic
Individual tourism	3,3 mln. people	92 % of overall traffic

Structure of inbound tourist traffic based on the countries of origin

CIS	2,3 mln. people	63 % of overall traffic
EU	1,2 mln. people	35 % of overall traffic
Other countries	0,3 mln. people	2 % of overall traffic

Ukraine must compete for tourists and the added value they can bring to our economy. An important step was taken when Ukraine abolished its visa regime for many countries, including the EU, the United States, Canada, Switzerland and Japan.

Unfortunately, development and sustenance of Ukraine's infrastructure has been somewhat neglected by the government and left to private business interests.

Approaching EURO-2012 Government officials became more proactive in bringing international hotel chains and construction companies into the country in a bid to improve Ukraine's accommodation infrastructure. Meanwhile, new airport facilities and soccer stadiums are being rapidly constructed to meet UEFA deadlines and market requirements.

But boosting infrastructure development for EURO-2012 is not enough. Three weeks of intensive tourist traffic will soon leave half-empty hotels and recreation zones if Ukraine doesn't find a way to maintain stable inbound tourist traffic.

Another issue that has to be resolved in the nearest future is effective cooperation of central and local government with pri-

vate business efforts in developing tourism. Cultivation and support of Ukraine's cultural heritage, state museums, national parks and theatres is a crucial factor in attracting foreign tourists, generating of international and local tourist traffic. Such improvements are only possible if the government encourages the involvement of private businesses. The government could use not only private investments but also private business management experience, creativity and problem solving practices.

UIA recognizes the importance of tourism as a powerful driver for the Ukrainian economy and has been a leader in promoting tourism to Ukraine.

In 2009 UIA set up a joint venture company "PANORAMA TOURS" to stimulate inbound traffic to Ukraine. It concentrates on selling inbound packages to Ukraine from all the countries to which the airline operates. UIA and Panorama Tours are actively promoting Ukraine and offering attractive tourism packages including flights, hotels, transfers and tour guides.

We believe that most service businesses will also be interested in contributing their assets and services into developing Ukraine's tourist attractions and traffic.