Tourist consumption as a forward-looking basis for the development of intraregional trade in services

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In recent years, tourism has been constantly in a state of continuous development and diversification and has become one of the largest sectors of the economy in the world. It continues to evolve in spite of all the obstacles and problems, thus showing the strength and firmness of the industry. International tourism forms a significant part of the global international trade in services in the world and over the last five years the growth of tourism has exceeded the growth rate of international trade.

Ukraine is at the stage of its development and it is important for it to develop promising sectors such as international tourism, which will enable the use of available resources to increase the country’s GDP and increase its competitiveness in the international market. Tourism development is possible even during the economic crisis, which has repeatedly been confirmed in practice.

In modern globalization, international tourism can be used to strengthen the links between countries in the economic, political, cultural and other spheres. It promotes the development of related industries, such as transport, trade, international business relations, etc.

Analysis of recent researches and publications

The importance of international tourism in the development of the country was noted by many domestic scientists in their writings, among them the following: Dudnik O.V., Maiboroda M.M. [1] considered ways to stimulate tourism attractiveness in Ukraine; Ilyasova Yu.V., Orehova T.A., Topol B.Ya. [2], Karachina N.P., Savitskaya O.O. [3] revealed the main trends in the development of international tourism; Parfenenko A.Yu. [4] revealed the geopolitical aspects of international tourism in Ukraine; Podolskaya O.V. [5] described the possibilities of forming a competitive tourism product, etc. Also, the problems of tourism development in the international market were analyzed by foreign scientists, such as: Bhatia A.K. (2002) [6], Kotler F. (2017) [7], Kaspar S. (1996), Gaworecki V.V. (2000), Boniface B. (2009) and others.

Despite the fact that a lot of works are devoted to international tourism, its prospects as a form of
international trade in services are insufficient and needs more detailed analysis.

The aim of the article is to substantiate the prospects of international tourism for the economic development of Ukraine, to consider its main features and obstacles to its formation.

The main part

If we will consider the countries of the world, tourism in them is an instrument of development of historical, cultural, religious, and other social values. The development of tourism contributes to the formation of an effective economic infrastructure. Especially this quality is inherent in international tourism, which strengthens the position of the country in the world, raises its prestige, and creates new international contacts.

Conditionally, tourism can be divided into four types:
— individually organized;
— not individually organized;
— group-organized;
— not group-organized.

Organized tourism refers to such tourism, which is carried out through a tourist organization. There are two main types of tourist organizations [3]:
— tour operators – these are, as a rule, large enterprises that develop tours;
— travel agencies are medium and small businesses that act as intermediaries between a travel operator and a customer.

Tourist agencies find it harder to consolidate their position on the market, since most of them are small entrepreneurs, and their activities are associated with a large number of problems [8]. In recent years, increasingly, travel agencies are beginning to organize tours themselves, thereby losing dependence on operators.

International tourism is coordinated by the activities of the World Tourism Organization, which sets the following main priorities: promoting safe and unhindered travel, enhancing the role of technology and innovation in tourism, and implementing a sustainable development program. Ukraine has been a member of this organization since 1997 [9].

The peculiarity of tourism activity is its close connection with other branches, such as transport, insurance, banking and trade. Let’s consider these links in more detail.

The organization of any tour, especially abroad, includes safe and comfortable transport. Although quite often the transportation was not included in the services of tourist organizations, and customers were forced to seek their own leisure opportunities, in modern market conditions, in the presence of rigid competition, the tours are organized in a different way in the past. Travel organizations are forced to enter into agreements with transport companies. Thus, the development of tourism also contributes to the growth of the customer base of transport organizations, and hence their profitability.

Tourist activity involves the transport of a large number of people over long distances, and therefore can not do without insurance, which is mandatory for all tourists. Tourist organizations also provide this service during the development of the tour and, as a rule, have concluded agreements with insurance companies that have shown themselves to be reliable and responsible. It is clear that the activities of such insurance companies are actively developing and they have a high profitability.

International tourism is important for the banking sector. It encourages customers to turn to banking institutions, mainly for converting currency. In addition, people can take a vacation loan, which brings to banks interest income on loans issued.

Undoubtedly, international tourism is one of the main driving forces of the trade sector. The profit of trade organizations from the sale of souvenirs, leaflets and other goods that tourists are interested in is very large and may continue to increase with the appropriate creative approach.

It can be concluded that the development of international tourism also contributes to the development of trade in the country, its economic stabilization through the improvement of banking institutions, and the improvement of transport infrastructure.

International tourism increases the volume of budget revenues. As statistics of recent years show, budget fees from tourism organizations are increasing (Table 1). In 2016 they amounted to 119295.1 thousand UAH, which is 24258 thousand UAH more than in 2015 (by 25.5%). Also, the 2015 figures were higher than in 2014, so we can talk about growth rates.

| Source: compiled by author on the material [10] |
|---|---|---|---|---|
| Entities | 64350.4 | 71179.5 | 80413.7 | ↑ 13 % |
| Individuals – entrepreneurs | 19170.8 | 23857.6 | 38881.4 | ↑ 63 % |
| Total: | 83521.2 | 95037.1 | 119295.1 | ↑ 25.5 % |

As can be seen from table 1 increase of budget charges from individuals significantly exceeds the increase in fees from legal entities (almost 5 times), which indicates the prevalence of small business in
the field of tourism. Therefore, it is very important to support the infrastructure of small business, which is in the stage of active development.

In addition, the development of tourism contributes to the creation of new jobs, and therefore is one of the tools to combat unemployment.

Regarding state regulation of international tourism, it can be noted that in Ukraine, the state currently lacks support to tourist organizations, therefore many of them become bankrupt, especially small enterprises [11]. In addition, the country itself is not attractive to foreign tourists (as evidenced by the data in table 2), as insufficient funds are allocated for renovation of recreational places, support of historical monuments, environmental protection, etc. Meanwhile, the number of Ukrainian tourists traveling abroad has, on the contrary, increased and is the main volume of services rendered by tourism organizations.

<table>
<thead>
<tr>
<th>Year</th>
<th>The number of tourists serviced by tour operators and travel agents is total</th>
<th>Including foreign tourists</th>
<th>tourists-citizens of Ukraine who traveled abroad</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>3041655</td>
<td>372752</td>
<td>1282023</td>
</tr>
<tr>
<td>2009</td>
<td>2290097</td>
<td>282287</td>
<td>913640</td>
</tr>
<tr>
<td>2010</td>
<td>2280757</td>
<td>335835</td>
<td>1295623</td>
</tr>
<tr>
<td>2011</td>
<td>2199977</td>
<td>234271</td>
<td>1250006</td>
</tr>
<tr>
<td>2012</td>
<td>3000696</td>
<td>270064</td>
<td>1956662</td>
</tr>
<tr>
<td>2013</td>
<td>3454316</td>
<td>232311</td>
<td>2519390</td>
</tr>
<tr>
<td>2014</td>
<td>2425089</td>
<td>17070</td>
<td>2085273</td>
</tr>
<tr>
<td>2015</td>
<td>2019576</td>
<td>15159</td>
<td>1647390</td>
</tr>
<tr>
<td>2016</td>
<td>2549606</td>
<td>35071</td>
<td>2060974</td>
</tr>
<tr>
<td>2017</td>
<td>2806426</td>
<td>39605</td>
<td>2289854</td>
</tr>
</tbody>
</table>

*Source: compiled by author on the material [12]*

In particular, the sharp decline of foreign tourists in Ukraine was observed in 2014, when their number was only 17070 people, while in 2013 this figure was 232311 people (that is, 2014 was only 7% of 2013). This can be explained by the events that took place in Ukraine in those years and through which the country began to be considered politically unstable. In 2015, the number of foreigners decreased even more, but starting in 2016, the indicator began to increase, continuing in 2017. One can conclude that Ukraine once again began to regain its credibility.

The importance of the role of international tourism for the country is easy to trace through its functions, the main of which are the following:

— providing employment for the population;
— increase of the GDP and the country’s profitability;
— development of economic infrastructure;
— formation of new spheres of the economy, which strengthens its position in the international market.

One of the most important functions of international tourism can be considered its ability to increase the inflow into the country of foreign currency, on which the balance of payments of the country depends. If, for one reason or another, the commodity export (export of Ukrainian goods for sale abroad) of the country is reduced, then international tourism is the main opportunity to cover the insufficient amount of foreign exchange earnings and should be an integral part of the country’s economic policy.

In addition, it should be noted that the growth rate of international tourism in recent years significantly exceeded the growth rate of international trade, and among the international export industries is one of the first places, ranking only in the fuel and chemical industries.

International tourism plays an important role in the composition of the balance of payments of the country, which is the difference between exports and imports of goods and services. However, tourism has some specific features that should be taken into account when developing a balance sheet. Let's examine them in more detail.

Firstly, international tourism needs from the country additional costs for the items that are needed to meet the needs of tourists, but are not usually produced in the country. These costs are only available in the presence of tourism activities and reduce the total income from it. This cost item includes [1]:

— expenses on the construction of hotels, resorts, restaurants and other recreational facilities, which are oriented towards foreign tourists and are equipped according to their needs and habits;
— production of souvenirs and other goods for foreign tourists;
— ordering foods that are common to foreigners and are rarely imported to locals (such as Japanese, Korean or Arabic cuisines).

Secondly, the inflow of foreign tourists leads to increased pressure on local infrastructure, namely: electricity and water consumption, garbage disposal, road repair and security. Another problem arises: developing countries (including Ukraine) are forced to seek investors to cover their costs and, as a rule, these investors are foreign citizens. Consequently, the percentage of investment goes to another country, reducing profits from international tourism and, as a consequence, the balance of payments.
Thirdly, in order to create the most comfortable conditions for foreign tourists staying in Ukraine, foreign workers are often invited from which highly qualified staff is formed. The payment of their labour can also be considered an outflow of funds to other countries, as well as wages of ordinary workers who came to work in Ukraine (builders, guards, etc.).

Fig. 1 shows the income and expenses of the balance of payments under the heading "Tourism", which were established by the International Monetary Fund.

The rapid development of international tourism in recent years is due to the following prerequisites:

— changing the working conditions of the middle class: increasing returns and introducing holidays schedules that are sufficiently long-term for their conduct abroad;

— scientific and technological progress has improved all types of transport, which led to a decrease in its value;

— the development of international relations between countries has increased the number of business trips abroad, which forms a certain interest in the life and culture of foreigners. The number of business trips in 2017 compared to 2016 increased 37 times (from 115 to 4256 people) [9];

— through the international division of labour, labour migration has increased, which has been able to improve its financial position and become familiar with the living conditions of developed countries;

— the emergence of new forms of telecommunications, especially the Internet, made information about other countries accessible to the population, which caused a rapid increase in their interest;

— simplification of the border crossing procedure and the availability of currency in any country.

Fig. 1. Income and expenses of the balance of payments under the heading "Tourism"

Source: compiled by the author on the material [2, 4]

It should be noted another factor of the prospect of the development of international tourism – an opportunity for Ukrainians to get to some countries without a visa. Of particular importance is the introduction of a visa-free regime with the countries of the European Union. This makes it possible for tourist trips to be available to most of the population, since their cost may not include redeeming visas.

For a better understanding, consider the main cost items that are included in the tour price [5]:

— the cost of living. There is a large number of hotels and other institutions that provide such a service to tourists, and there is always the option to choose such an option that would best suit all needs (the cheapest, with all services, etc.). The cost can vary from 1500 UAH up to 5000 UAH;

— fare. Depending on the level of comfort you can choose both cheap transport and expensive (for example, to Paris by bus for about 2500 UAH or an airplane for 15000 UAH),
— the cost of food. The client may refuse this service and eat at his own expense, but as a rule, it is more convenient, when there is no need to look for where to eat, because international tourism involves a trip to a foreign country, where the kitchen can be very specific to tourists. The standard daily cost of food per person is an average of 50 euros;
— the cost of insurance. Insurance is obligatory for all and makes on average 250 UAH per person;
— Additional services such as, for example, excursions. May be included in the tour price at the request of the client.

Before the abolition of the visa regime, the cost of issuing a Schengen visa was approximately from 100 euros to 400 euros.

We will calculate what approximately the fate was the cost of the visa in the cost of the tour. Let’s consider case of registration of a weekly trip to a European country for one person without additional services. All data will be approximately average.

The cost of living per day will be: 3200 * 7 = 22400 UAH.

The fare on the bus: 2500 UAH.

The cost of food per day will be: 50 * 7 * 32 = 11200 UAH.

Insurance cost: 250 UAH.

The total cost of the trip will be: 22400 + 2500 + 11200 + 250 = 36350 UAH.

The average cost of opening a visa to conduct a visa-free regime was: 250 * 32 = 8000 UAH.

Consequently, if the visa-free regime was not introduced, the cost of the trip would be 36350 + 8000 = 44350 UAH. The fate of the visa fee of approximately 18% of the total cost of the trip and its cancellation made international tours more accessible to the population of Ukraine.

The main factors that negatively affect the development of international tourism are the following [2]:
— sharp fluctuations of the exchange rate in different countries, which greatly complicates the process of planning the costs in a foreign country; due to significant differences in exchange rates, representatives of not very rich and developed countries are not always able to afford a tourist trip to the money they earn;
— the aggravation of the danger due to terrorist attacks in cities that are touristic centers, and since the threat of terrorist attack exists throughout the world, many tourists generally refuse to travel abroad.

Also, international tourism, like any other industry, depends on innovation, but with the introduction of innovative technologies in the development of the tour, there is a need to make changes in other areas (for example, replacement of equipment, retraining of personnel, etc.). Consequently, a complex of innovative transformations should be carried out, which is impossible without the appropriate commercialization of innovative developments [13] – start changes at university level. In February 2017, the World Tourism Organization hosted its first conference to develop and shape a 21st century tourism model based on innovation, technology, sustainability and accessibility. It addressed the following questions [9]:
— entrepreneurs who have developed innovative new goods or services for tourism;
— current sectoral changes and characteristics of the intellectual trends of tourism development;
— digital applications that allow you to offer personalized services and differentiate tourist destinations. This will increase the profitability of tourism enterprises without a threat to the natural, social and cultural environment.

Considering international tourism in the world, you can see that 2017 was a record for it. It has grown by 4% every year over the past eight years and reached 1323 million tourists a year. It is expected that in 2018, international tourism will have the highest returns in the African and Asian regions (5-7%), and the lowest in European and American (3.5-4.5%), that is, these regions are less attractive to tourism [9].

It should be noted that the Chinese spent the most on tourism in 2017 ($ 258.000 billion), which significantly exceeds the expenses of Americans ($ 135.000) and Germans ($ 84.000) for the same year, which occupy the second and third places costs respectively [9]. Consequently, it is promising to develop in the country international tourism, which is oriented on Chinese tourists: it is advisable to build hotels in Asian style, to open Chinese restaurants, etc.

Conclusions

We can conclude that international tourism is a promising area and has been rapidly developing in recent years. The importance of the role of tourism is confirmed by its functions: job security of the population; increase of the country’s GDP; development of economic infrastructure; increase in the balance of payments. Unfortunately, today there are many disadvantages in the field of tourism: personnel, financial, resource constraints. In addition, in the international market, other countries impose many restrictions that protect their interests. However, Ukraine can consolidate its position on the international market and increase its competitiveness, and some steps are already taken in this direction.

At this stage, Ukraine is a developing country, and the tourist services market is also at the beginning of its formation, but it has the opportunity to reach the level of developed countries in the long run. Further research is recommended to behave in relation to state policy in the field of tourism and to improve the legislative framework.
Abstract

Ukraine is at the stage of its development and it is important to promote promising sectors such as international tourism, which provides the opportunities to use many available resources to increase the country's GDP and increase its competitiveness in the international market.

The purpose of the article is to identify the promise of international tourism for the economic development of Ukraine, to consider its main features and obstacles to its formation.

International tourism strengthens the position of the country in the world, raises its prestige and creates new international contacts. Its activities are coordinated by the World Tourism Organization, which sets the following key priorities: promoting safe and unhindered travel, enhancing the role of technology and innovation in tourism and implementing a sustainable development program. One of specific feature of tourism is its close connection with other branches, such as transport, insurance, banking and trade.

Statistical information was analyzed, according to which budget revenue from tourism organizations are growing. In addition, the development of tourism contributes to the creation of new jobs, and therefore is one of the tools to combat unemployment. Its ability to increase revenues in the country of foreign currency can be considered as jne of the most important functions of tourism, which affects the balance of payments of the country. The main factors that adversely affect the development of international tourism are the sharp fluctuations of the exchange rate in different countries, which greatly complicates the process of planning the costs in a foreign country, and exacerbating the danger of terrorist attacks in cities that are considered as tourist centers.

It can be concluded that at this stage Ukraine is a developing country, and the tourism services market is also at the beginning of its formation, but it has the opportunities to reach the level of developed countries in the long term. Although in the international market other countries impose many restrictions that protect their interests, Ukraine can consolidate its position and increase its competitiveness.

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