


## POTENTIAL OF INTERNATIONAL COOPERATION OF UKRAINE IN THE GEOECONOMIC SPACE OF THE TOURIST INDUSTRY

**Sergiy M. TSVILIIY\*** 

Department of Tourism, Hotel and Restaurant Business, National University  
“Zaporizhzhia Polytechnic”, Zaporizhzhia, Ukraine, e-mail: sergiy\_tsviliy@pltch-sci.com

**Viktoriia O. OGLOBLINA** 

Department of Information Economics, Entrepreneurship and Finance, Engineering Institute of  
Zaporizhzhia National University, Zaporizhzhia, Ukraine, e-mail: viktoriia\_ogloblina@pltch-sci.com

**Valentina S. DEMKO** 

Department of Economics and Business, Dmytro Motornyi Tavria State Agrotechnological  
University, Zaporizhzhia, Ukraine, e-mail: valentina\_demko@sci-academy.cc

**Anatolii A. PAVLIUK** 

Department of Tourism and Hotel and Restaurant Business, Bohdan Khmelnytsky  
National University of Cherkasy, Ukraine, e-mail: anatolii\_pavliuk@edu.cn.ua

**Mykola M. PISETSKYI** 

Department of Tourism and Hotel and Restaurant Business, Bohdan Khmelnytsky  
National University of Cherkasy, Cherkasy, Ukraine, e-mail: mykola\_pisetskyi@edu.cn.ua

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**Abstract:** The article defines the dominant criteria for the functional symbiosis of macro-regional and local-regional systems with a large number of producers of tourism products. A macroeconomic model was developed for calculating the integrated index of international cooperation of the country in the European geoeconomic space of the tourism industry based on standardized variable indicators. A detailed analysis of the development of the tourism industry in Ukraine was carried out, with the determination of the scope of tourist flows in the pre-war period and during the war period. The forecast dynamics of the development of the potential of international cooperation of Ukraine in the geo-economic space of macro-regional systems of Europe are provided.

**Key words:** tourism industry, international cooperation, geoeconomics, international tourist market, tourist products

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### INTRODUCTION

The assessment of the potential of Ukraine's international cooperation in the geo-economic space of the tourism industry remains an actual and still insufficiently developed direction since the main problem of its assessment remains the spread of international terrorism, forced migration of the population due to hostilities, the growth of socially dangerous diseases, the general deterioration of the ecological situation. A significant increase in the negative factors affecting the intensification of the development of the tourism industry in Ukraine is further deepened due to significant losses on a worldwide scale. This is the result of the annual introduction of preventive measures to overcome the coronavirus pandemic and the uncertainty of the further situation regarding the worldwide lockdown, the closure of borders, the restriction of international destinations on the entry of tourists, the slowdown of international flights, the reduction of citizens' costs for geotourism within world-famous recreations (Lajçi et al., 2022).

Every global conflict, leadership clash and global problems can be linked to one common direction, i.e., travelling that affect the freedom of movement that lies at the centre of every geopolitical crisis. Besides, the current military conflict testifies to the impossibility of full and rapid restoration of geotourism in the occupied territories of the country, despite significant progress in solving acute territorial problems, which are inextricably linked with measures of economic, informational, social and political influence. However, the current situation in the state should be considered not only to be a problem, but also an opportunity to develop the potential of Ukraine's international cooperation with the functioning local-regional systems and their integration into the economic space of countries with an economically and socially stable environment. This would ensure attracting investment, formation of new cross-border communications, development of tourism infrastructure based on new generation digital technologies and creation of new jobs.

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\* Corresponding author

The modern development of tourism, which is based on such elements as massiveness, integration, socio-economic nature, has significantly influenced the dynamics of the tourist flow market and caused it to be considered as a socio-economic phenomenon of macro-regional and global significance (Chen, 2004). Revival of the tourism industry in Ukraine, which would be successfully integrated into international tourist destinations, is one of the leading directions of structural restructuring of the country's economy. It is on the basis of the formation of the national market of competitive tourist services that new mechanisms of international integration can be created with the transition to the macro-regional level of priority through global economic ties in the period of unity of the general system of international cooperation (Matsuka, 2018).

The importance of national management structures and state sovereignty is gradually increasing, under the influence of supranational regional economic organizations, which have a significant position in the strategic global hierarchy and are increasingly occupying the geo-economic space, which forms the foreign economic doctrine of international cooperation in the tourism industry. At the same time, the geoeconomic space of the tourism industry through the system of economic attributes extends beyond national borders and blurs the boundary between the internal and external spheres of the subjects of tourism activity, between the internal and external policies of the state, stimulating international cooperation in the process of economizing the life of society, on the basis of financial - economic instruments. In turn, the economization of the potential of international cooperation in the tourism industry is a transformative source of foreign economic relations of the state with the outside world, which depend on supranational economic organizations of the tourism industry and their integration into the zone of new prosperity. At the same time, regional integration is considered as an important intermediate condition for the creation of an optimal geo-economic space of the tourism industry. The unity of the world system presupposes the formation of an international tourism structure based on globalism, which determines the inevitability of full integration in the transition from a large number of states, national economies, tourist destinations and cultures to a single unified tourist space with single ethnic and traditional-cultural borders. Therefore, it is quite logical that the potential of Ukraine's international cooperation in the geoeconomic space of the tourism industry is not just a growing interdependence in the world, it is the absence of cross-border barriers on the way to the development of international economic relations, regionalization of the economy and intensification of cooperation (Çinaj et al., 2022).

Significant strengthening of the influence of cultural diplomacy, as a determining factor in the modification of international relations, in shaping the image of the tourism industry of the country outside its borders, ensures interaction in all areas of tourism business and promotes the development of national interests on the world stage, adapts the geo-economic space and activates the development processes of the economy of any state. The study of the theory and methodology of globalization, as well as the development of international cooperation in the market of tourist services, is devoted to the scientific developments of such scientists as: Farsari (2012), Gee and Fayos-Solá (1997), Kalinina (2006), Kokkranikal et al. (2011), Kozmenko (2015), Liubytseva (2002), Marti et al. (2007), McCabe et al. (2012), Prem (2000), Pompl and Lavery (1993), Trusova et al. (2020a, 2020b), who strengthened methodological provisions in the context of awareness of global competition for tourist products and identified international economic processes that transformed the structure of the provision of tourist services with added value, based on the principles of sustainable growth of the tourism sector of the national economy. The study of geopolitics as a science and its impact on the development of the tourism industry, as part of the security of international cooperation between countries, was carried out by such scientists as Bondarenko (2022), Mirela (2016), Smal (2007), Tkachuk (2019), Vegesh et al. (2017, 2020). They developed the conceptual provisions of the unity and interconnection of the world, determined the priority and supremacy of social and universal values over class and narrowly selfish national values. Moreover, they substantiated the intermediate provisions on the freedom of movement of tourists and formed the principles of socio-economic choice of territories in the plane of communicative interaction of macro-regional tourism systems. Furthermore, the problems of the development of the tourism industry are discussed in the works of scientists, in particular, Boukas and Ziakas (2014), Causevic and Lynch (2013), Chen (2004), Hall et al. (2006), Ivaniš (2011), Kamkhaji (2016), Trusova et al. (2020a; 2020b; 2020c) who studied the spatial determinant capable of expanding the scale of tourism potential in a cross-border regional destination.

The aim of the research is to determine the dominant criteria for the functional symbiosis of macro-regional and local-regional systems with a large number of producers of tourism products, which are able to unite into a single economic model, restore the activity of the tourism industry in crisis conditions of development and stimulate the potential of international cooperation of Ukraine in the geoeconomic space.

## METHODS AND MATERIALS

As a phenomenon of global order, the tourism industry becomes a geopolitical phenomenon. In the process of political interactions between states, there is a direct or indirect impact on the state of the global tourism industry. The normalization of the political situation is the key to strengthening the position of the state in the international arena and its integration into the world economy. The volume and geography of the international tourist flow is largely due to the traveller's view of the safety of a certain destination. Accordingly, the geopolitical landscape of the modern world is changing rapidly. These changes are clearly reflected in the tourism industry, which is vulnerable to such changes. Constant monitoring and analysis of geopolitical trends is important since a sharp negative change in the global geopolitical situation can completely destroy the tourism industry in any country (Matušiková et al., 2023). Geopolitical factors affecting the current and future position of the state in the world system of international relations and its development can manifest themselves in different ways. Firstly, they can help stabilize the situation in the event of increased international cooperation and interaction. States in similar geopolitical conditions have similar or close national interests, which leads to the strengthening of their cooperation, including in the sphere of strengthening military security. Such collective cooperation contributes to sustainable

development at both regional and global levels. Secondly, geopolitical factors can lead to competition between states. An important role in this process is played by territorial arguments, geopolitical contradictions, the desire to put another state at a disadvantage in the international arena. Such actions and situations can lead to a state of confrontation and have a destabilizing effect on regional and world processes (Marti-Ciriguián et al., 2017). The geopolitical factor in the tourism industry is the impact of certain political events (wars, coups, terrorist attacks) on tourism. Negative actions of states, such as aggression, imposition of sanctions, tightening of the visa regime, political coups and terrorist actions of terrorist organizations immediately affect the tourism industry. This leads to a decrease in tourist flows and large losses. In addition, certain geopolitical factors, such as military conflict or annexation of national territory, can completely destroy the tourist infrastructure and make a certain part of the country suitable for tourist purposes, etc. (Lajçi et al., 2022).

Geopolitics in the modern era is one of the basic concepts of the theory of international relations, characterizing the position of states or blocks of states in relation to the location of territorial-spatial objects, specific historical forms and regional, continental and global international processes. Spatial features include territory area, length of state borders, climate, topography, flora and fauna, hydrological features, etc. Geopolitics is usually defined as a theory that justifies and practices an approach to public policy and is characterized by geo-economic, political, military and other factors aimed at ensuring the vital interests of the country's tourism industry (Kinczel and Müller, 2022). At the same time, geo-economic transformations in the tourism industry can be at the stage of significant changes associated with the socio-economic development of any country. The tourism industry is a highly profitable inter-industry complex that ensures a high level of employment, social welfare and quality of life of the population. The desire to get the maximum benefit from the tourism industry, in the spatial synergy of regions with cultural and historical differences and the transport, communication, resort and entertainment infrastructure located in them, the asymmetry of recreational resources, etc., allows to revive the potential of international cooperation of the country, taking into account the polarizing aspects of the geo-economic space, which in the conditions of globalization, reaches significant scales and is considered as an independent sphere of foreign economic relations with a significant change in its structure (Trusova et al., 2020a).

Geoeconomic space (GES) as a functional and organizational environment of the tourism industry is manifested in the form of interaction of traditional and cultural processes of the development of international cooperation of the state at different hierarchical levels, which are distributed between local-regional and macro-regional systems. Accordingly, at different levels of functioning, the main components of the GES are the territorial (spatial), demographic, socio-economic, administrative, cultural and religious spheres of society's life. From the standpoint of a systemic approach, the geoeconomic space of the tourism industry is a socio-geographical system that, according to the law of transformation of quantitative changes into qualitative ones, forms the values of the potential of international cooperation of the state in the world hierarchy, ensuring the qualitative transformation of territories by mobilizing a significant amount of resources (Honcharenko et al., 2017). At the same time, the spatial expansion of the tourism industry stimulates the intensive development of transport, advanced information technologies and promotes the development of communications between different countries and regions of the world in the geo-economic space, forming the potential of international cooperation, as a certain organic unity of the economic model, in which there are internal connections between the compound elements of local-regional and macro-regional systems (Kalinina, 2006; Liubytseva, 2002). It should be noted that local-regional systems in the tourism industry are formed at the junction of three separate subsystems, namely: nature; population; production and provision of services. They contain such components as natural resources; recreants (formal temporary social group), tourists and labour resources (maintenance of the local-regional system in a separate territory); logistics, energy and information facilities (Trusova et al., 2020c). Accordingly, when forming a reproducible model of the potential of international cooperation, it is necessary to isolate the indicators of the tourist local-regional system and determine its magnitude (Figure 1).

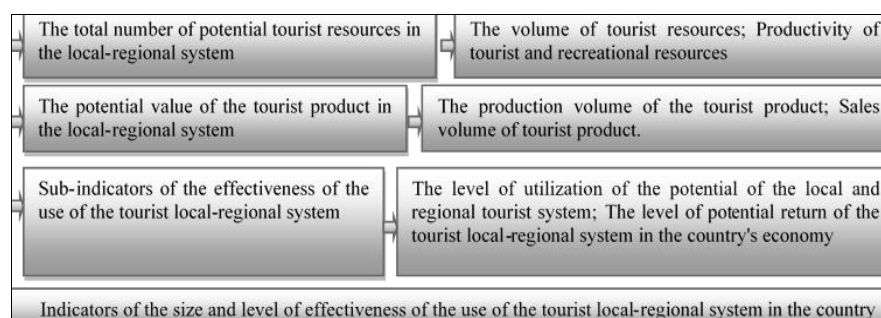


Figure 1. Indicators of the magnitude and level of efficiency of travel local-regional system in the country's economy (Source: authors)

In order to comprehensively assess the potential of the tourist local-regional system in the country for a reproducible model of the potential of international cooperation, an integrated level of its effective use was proposed, which is represented by the formula (1) (Selin, 1999):

$$EP = a_1 \times C_m + a_2 \times P_{npa} + a_3 \times Z_m + a_4 \times I_m \quad (1)$$

where,  $EP$  – an integrated level of efficiency of using the local-regional tourism system in the country;  $C_m$  – the level of potential of tourist (historical and cultural) objects in the local-regional system;  $P_{npa}$  – the potential level of natural protected areas in the tourist local-regional system of the country;  $Z_m$  – the level of potential of natural conditions in the tourist local-regional system of the country;  $I_m$  – the level of potential of tourism infrastructure in the local-regional system



namely: from 20 km – 9 points; from 20 to 50 km – 8 points; from 50 km to 100 km – 7 points; more than 100 km – 6 points. Accordingly, formula (5) is corrected and will have the form of the formula (6) (Cunha, 2005):

$$P_{npa} = a_1 \times Y \times r_1 + a_2 \times L \times r_2 + a_3 \times L_n \times r_3 + a_4 \times L_m \times r_4 + a_5 \times M_n \times r_5 + a_6 \times M_t \times r_6 \quad (6)$$

where,  $r$  – the correction factor of the distance to the nearest settlement (along the roads), which is calculated using the formula (7) (Cunha, 2005):

$$r = \frac{r_i}{r_{max}} \quad (7)$$

To determine ( $r$ ) by the direct calculation, the number of protected areas in the tourist local-regional system of the country is determined, then each object is assigned a gradation score. The data are summed up and their average value is determined, which is divided by the maximum score – 9 points. Depending on the integral indicator ( $P_{npa}$ ), the level of potential of natural reserves in the territory ( $P_{npa}^r$ ) is calculated, which reflects the effectiveness of using the tourist local-regional system to the general territory of the state as a whole and is calculated by formula (8) (Cunha, 2005):

$$P_{npa}^r = \frac{P_i}{P_{max}} \quad (8)$$

where,  $P_{max}$  – the maximum level of potential of natural reserves in the state.

The modern geoeconomic space of the tourism industry requires the development of a methodology for assessing the potential of international cooperation of one country with a certain level of effective use of local-regional systems and macro-regional systems of other countries, by measuring their functional symbiosis in the tourism market, which unites a large number of producers of tourism products with real and potential buyers, in the ever-growing process of tourist trips, which have a direct impact on the geoeconomics of any country (Carlisle et al., 2016; Sklyarenko and Khanova, 2018).

At the same time, an effective way of assessing the functional relationships between the spheres of activity of the subjects of the international market, which ensure the synergy of the constant factors of the geoeconomic space of the tourism industry, is the forecasting of the expected result. In this case, forecasting is based on the method of extrapolation of market trends and indicators (Chen, 2004). The accuracy and reliability of the forecast depends on the multifactorial nature and size of the sample of indicators over time. The use of multifactorial analysis allows to carry out a geoeconomic analysis of factors that affect the quality of the result of international cooperation in functioning local-regional and macro-regional systems of the tourism industry (Farsari, 2012). From the point of view of development, the effectiveness of the functioning of the country's international cooperation potential in the European geo-economic space of the tourism industry is proposed to be carried out according to the formula of the growth rates of the final product, the calculation algorithm of which is integrated in European countries and allows to determine geo-economic indicators (Gee and Fayos-Solá, 1997; Hall et al., 2006) (Figure 3).

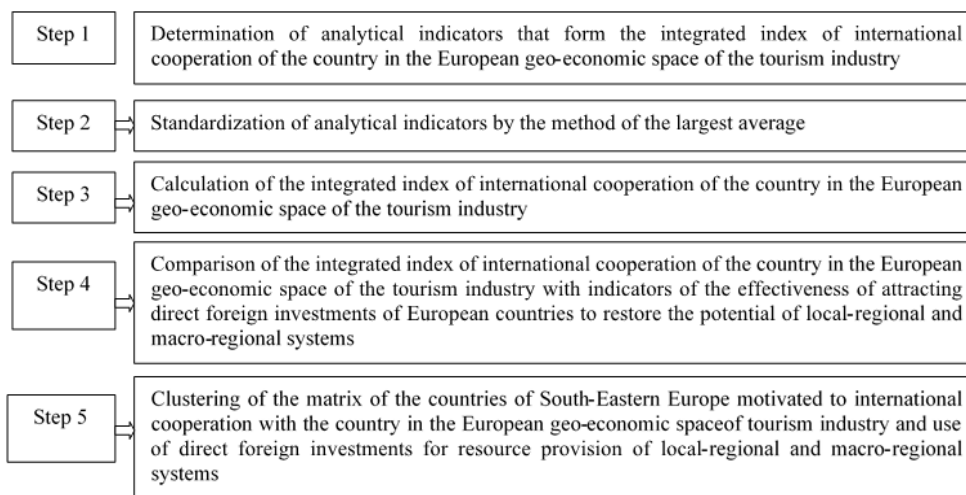


Figure 3. Stages of assessment and implementation of the country's international cooperation potential in the European geo-economic space of the tourism industry (Source: developed by the authors according to Gee and Fayos-Solá, 1997; Hall et al., 2006; Honcharenko and Skliarenko, 2017)

The macroeconomic model for calculating the integrated index of international cooperation of the country in the European geo-economic space of the tourism industry is proposed to be calculated as the average value of eleven standardized variable indicators characterizing the degree of resource provision of local-regional and macro-regional systems, the scale of the spheres of activity of tourism business entities on the international market of services, investment attractiveness of the tourist sector, the level of trade in tourist products by forms of integration (9) (Carlisle et al., 2016; Honcharenko and Skliarenko, 2017):

$$ITIC = \frac{\overline{FGEE} + \overline{ICFR} + \overline{TI} + \overline{BTF} + \overline{NCR} + \overline{DFI} + \overline{dlrs} + \overline{ITE} + \overline{uges} + \overline{TR}_{SB}^{ti} + \overline{GRP}_{AI}^{fd} + \overline{ETS}_{GRP} + \overline{LC}}{11} \quad (9)$$

where,  $ITIC$  – is the integrated index of international cooperation of the country in the European geo-economic space of the tourism industry;  $\overline{FGEE}$  – standardized average for the level of favorable geo-economic environment;  $\overline{ICFR}$  –

standardized average for the level of development of international cooperation in the field of travel;  $\overline{TI}$  – standardized average for the level of development of tourist infrastructure;  $\overline{BTF}$  – standardized average for the level of bilateral tourist flows;  $\overline{NCR}$  – standardized average for the level of natural and cultural resources;  $\overline{DFI}_{dlrs}$  – standardized average by the level of inflow of direct foreign investments for the development of local and regional systems;  $\overline{ITE}_{uges}$  – is the standardized average by the level of intensity of income growth of the subjects of tourism activity in the unified geoeconomic space;  $\overline{TR}_{SB}^{ti}$  – standardized average by the level of tax revenues from the tourism industry in the state budget of the country;  $\overline{GRP}_{AI}^{fd}$  – standardized average by share of GRP volume per capita when foreign direct investment is attracted;  $\overline{ETS}_{GRP}$  – standardized average by the share of export of tourist services in the GRP of the country;  $\overline{LC}$  – is the standardized average by the level of labour cost growth in the tourism industry. The scale of the potential of international cooperation of the country, which provides resources for the geoeconomic space of the tourism industry and restores the potential of local-regional and macro-regional systems in the spheres of service for tourists and vacationers, is determined by formula (10) (Carlisle et al., 2016; Honcharenko and Skliarenko, 2017; Trusova et al., 2023a):

$$R_y = \mu + q_1\eta + q_k r_k \quad (10)$$

where,  $R_y$  – is the scale of the country's international cooperation potential (national income) in the restoration of the tourism industry, million USD;  $\mu$  – rates of increase in the dynamics of tourist visits in local-regional and macro-regional systems, %;  $q_1$  – parameter of the level of labour intensity of the tourist and recreational zoning destination;  $\eta$  – growth of labor productivity in the destination of tourist and recreational zoning when serving tourists and vacationers of local-regional and macro-regional systems;  $q_k$  – a parameter of the capital intensity of the tourist and recreational zoning destination;  $r_k$  – increase in return on investment in the destination of tourist and recreational zoning when serving tourists and vacationers of local-regional and macro-regional systems.

In the geo-economic space, the scale of providing the country's tourism industry with direct foreign investment is determined at the level of tourism firms, taking into account the variable “trade costs” (Kokkrankal et al., 2011). That is, the distance is calculated between the variables that are the “income differential per worker” and that is the control variable for the difference between the factor proportions and the GDP of the host country. This control variable is focused only on horizontal direct investments and is a determining factor of the presence of subjects of the international market of tourist services in the local-regional and macro-regional systems of the host country (Kamkhaji, 2016; Matsuka, 2018).

At the same time, the model of international cooperation of the country in the tourism industry forms the following variables: the index of similarity of countries in terms of size, the geographical distance between partners and the limit of “geoeconomic space” between countries for a given value of GDP. The last variable is added to account for the “market” aspect of foreign direct investment (FDI). That is, when investors produce tourism products abroad for sale in the host market of another country, they thereby increase their share of the international market. Additional variables (common language, common border, or preferential trade agreements) can reduce the costs of going abroad, but at the same time can be introduced into the “trade costs” by means of dummy variables (Kozmenko, 2015; Prem, 2000). From the standpoint of the dynamics of the increase in attracting foreign direct investment and the similarity of countries in the production of tourist products, the economic model of international cooperation is evaluated with the help of bilateral tourist flows (United Nations Statistics Division, 2008). Therefore, the general form of the gravity equation will have the form of the formula (11) (Kozmenko, 2015; Sedarati et al., 2018; United Nations Statistics Division, 2008):

$$\ln Y_{ij} = \alpha + \beta_1 \text{SUMGDP}_{ij} + \beta_2 \text{SIMSIZE}_{ij} + \beta_3 \text{RELENDOW}_{ij} + \beta_4 \text{DIST}_{ij} + \sum \gamma_k D_{kij} + \varepsilon_{ij} \quad (11)$$

where,  $Y_{ij}$  – is the value of FDI or exports from the  $i$ -th country (home country) to the  $j$ -th country (host country);

$$\text{SUMGDP}_{ij} = \ln(\text{GDP}_i + \text{GDP}_j) \quad (12)$$

$$\text{SIMSIZE}_{ij} = \ln \left[ 1 - \left( \frac{\text{GDP}_i}{\text{GDP}_i + \text{GDP}_j} \right)^2 - \left( \frac{\text{GDP}_j}{\text{GDP}_i + \text{GDP}_j} \right)^2 \right] \quad (13)$$

$$\text{RELENDOW}_{ij} = \left( \ln \frac{\text{GDP}_i}{\text{Pop}_i} - \ln \frac{\text{GDP}_j}{\text{Pop}_j} \right) \quad (14)$$

where,  $\text{DIST}_{ij}$  – is the relative distance between countries  $i$  and  $j$ . Following Kozmenko's approach (2015), it is suggested to use not absolute values, but the logarithm of the actual distance, divided by the average distance of the foreign direct investment (FDI) investing country from its partners, weighted by the shares of the latter in world GDP. This correction prevents the gravity model from producing biased results: biased downward for distant countries and upward for nearby countries.  $D_{kij}$  – are dummy variables (mostly country factors) used when appropriate, and  $\varepsilon_{ij}$  – is the usual error term. The model of the country's international cooperation in the tourism industry is the level of partner production of tourist products abroad. It is expected that the variable “geo-economic space” ( $\text{SUMGDP}$ ) will positively affect the level of FDI and exports.

The size similarity index (*SIMSIZE*) takes a value between 0 (log of a number near zero) in case of perfect dissimilarity and  $-0.69$  (log of 0.5) for perfect similarity. Similarity in size should have a positive effect on exports: countries similar in size will trade more, as predicted by the theory of Helmpen and Krugman (cited in Gee and Fayos-Solá, 1997); there will be an increase in the level of profitability, trade will have an intra-industry character. The variable (*RELENDOW*) is measured between countries by the difference in GDP per capita. Better variables might be: GDP per worker, ratio of capital (gross fixed capital formation) over the working population or skilled tourism workers in total employment.

The negative coefficient in the export equation is a sign that intra-industry trade in tourism products prevails. For FDI, there is a similarity of the variable growth algorithm: vertical FDI (equivalent to inter-industry trade in the tourism industry) occurs when countries differ greatly in the composition of factors, and, at the same time, show a positive coefficient; horizontal FDI is determined by the similarity in the composition of factors of countries that show a negative coefficient. As for the distance between countries, the impact on exports may be negative, due to increased transport costs. On the other hand, tourism companies can invest abroad, and at the same time not export, given the high costs of trade.

However, this variable may also have a negative coefficient in the equation with FDI, since the operating costs of foreign tourism companies may increase and are dependent on the headquarters of the tourism company (Kozmenko, 2015; Sedarati et al., 2018; United Nations Statistics Division, 2008). A typical geoeconomic environment will be characterized by several important changes affecting the integration of countries into international cooperation of other countries for the recovery of the tourism industry, at different levels of development (Boukas and Ziakas, 2014; Ivaniš, 2011; Tourist streams 1999-2020, 2023): 1. Reduction of tariffs (cancellation of tariffs and adoption of a common external tariff, in the case of a customs union); 2. Reduction of non-tariff barriers (*NTBs*) under the Single Market Program (*SMP*); 3. Potentially greater exchange rate stability, according to the European Monetary System (*ECS*); 4. Greater efficiency in the allocation of resources due to increased competition. The first two effects can be called “commercial changes” because they are directly related to trade policies in the international market of tourism services; the third – with “monetary integration”, and the fourth – with “market integration” (Liubytseva, 2002; Sedarati et al., 2018; Trusova et al., 2020b).

Analysing the impact of commercial changes, it is worth considering the main difference between members and non-members of the integrated local-regional system and the macro-regional zone ( $IS_{LRZ+MRZ}$ ). On the one hand, we have the fact that reducing the cost of trade in tourism products will directly benefit exports. Assuming the tariff-jump argument holds (which should actually be tested first), we would expect a reduction in FDI from members  $IS_{LRZ+MRZ}$  in relation to exports. That is, export should become more profitable as a service area of the international market of tourist services within  $IS_{LRZ+MRZ}$ . On the other hand, only in the case of a customs union, the situation may be opposite for non-members. The trade diversion effect of creating  $IS_{LRZ+MRZ}$  encourages exporters to invest in  $IS_{LRZ+MRZ}$ , to avoid tariffs and gain access to a larger tourism market that will eventually be tariff-free (Kozmenko, 2015; Trusova et al., 2020b).

## RESULTS

The radical transformation of international economic relations and structural globalization changes increase the need to restore the tourism industry in Ukraine as a catalyst for developing the potential of international cooperation in the geoeconomic space. At the same time, the territorial unevenness of its rise in the country, in comparison with other states of the world, is naturally observed (Trusova et al., 2022). This is explained by the protracted period of the pandemic in the world and the deployment of military operations on the territory of Ukraine, which caused a low level of activity of manufacturers of tourist products and the provision of a set of offers in travel and recreation destinations. In addition, this led to an increase in internal crisis processes and the inability to diversify tourism and recreation processes, due to the reasons, challenges and threats in the country (Trusova et al., 2023a). According to the assessment of international tourism organizations, Ukraine, which is in a “stressful” wartime period, is trying to restore the model of further development of the tourism industry, which has partially lost international connections in the service market, thus complicating the timeliness of restoring the resource component in the field of tourist services and vacationers in the international arena, increased investment risks and weakened the position of the national tourism industry (UNWTO Tourism Dashboard, 2023).

Despite the losses suffered by the tourism industry of Ukraine due to the war, for the first six months of 2022, the amount of tourist tax amounted to 2.39 million USD, which is almost 28.8% more compared to 2021 (in 2021 year, the budget received 1.86 million USD). The city of Kyiv and 4 regions were included in the TOP-5 leaders in terms of paying the tourist tax. The city of Kyiv replenished its budget by more than 545 thousand USD. The largest increase in budget revenues in 2022, compared to 2021, was recorded in Lviv region – in 1.93 times (to the budgets of the communities of this region 528 thousand USD). In Ivano-Frankivsk region, the amount of the tourist tax increased by 76.4% and amounted to 252.98 thousand USD. Zakarpattia region increased the budget for the development of the tourism industry by 236.69 thousand USD, which is 1.4 times more than in 2021. Kyiv region paid 125.34 thousand USD to the budget in six months of 2022, which is 23% less than in the first half of 2021 (The amount of taxes of the subjects of tourist activity, 2023), (Figures 4 and 5).

The largest increase in revenues to the budget from the tourist tax for the first half of 2022 was recorded in seven Western regions of the country – Lviv (+192.7%), Ivano-Frankivsk (76.4%), Zakarpattia (107.9%), Ternopil (+145.4%), Khmelnytskyi (+116.5%), Kropyvnytskyi (+105%) and Chernivtsi (+103%) regions. However, if in four months of 2022, the amount of taxes from the tourism industry had a growing trend to the level of 65%, then in the next two months of 2022, the amount of the tourist tax decreased to the level of 28.8%. Such an increase is proof that the majority of Ukrainians, fleeing from bombings and not wanting to be under occupation, were forced to leave their homes in the eastern and southern regions of the country in the first months of the war, and stay in safer Western regions. In general, due to military actions

on the territory of Ukraine, receipts to the state budget of the tourism industry for the two quarters of 2022 decreased by almost 26% compared to the same period of 2021 (The amount of taxes of the subjects of tourist activity, 2023).

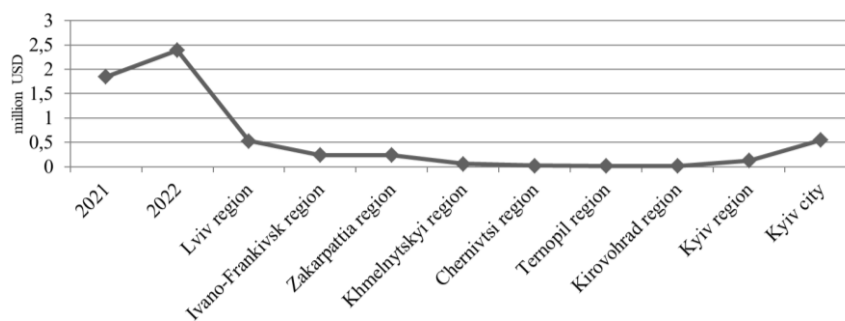


Figure 4. Volume of tourist tax in Ukraine for 2021-2022, million USD

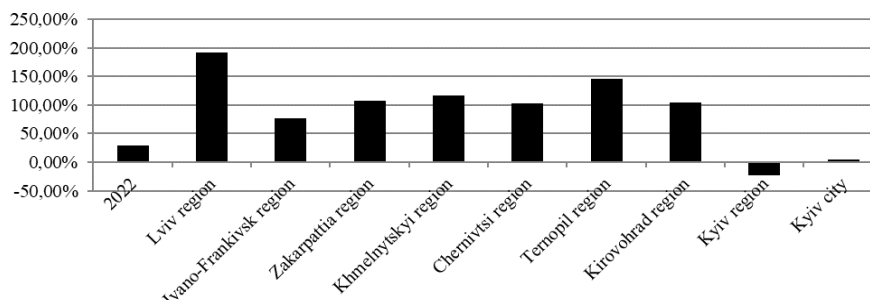


Figure 5. Growth rate (decline) volume of tourist tax in Ukraine in 2022 p. compared to 2021, %

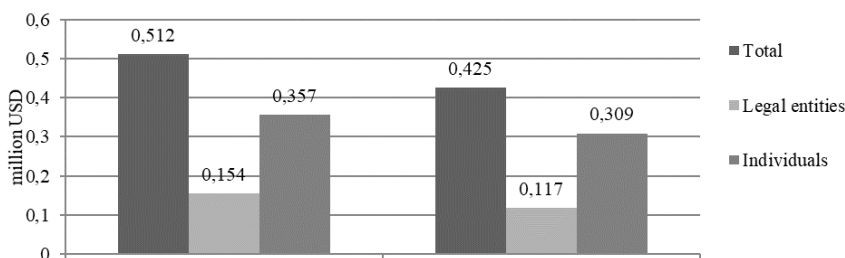


Figure 6. Amount of taxes from the tourism industry in Ukraine for 2021-2022, million USD

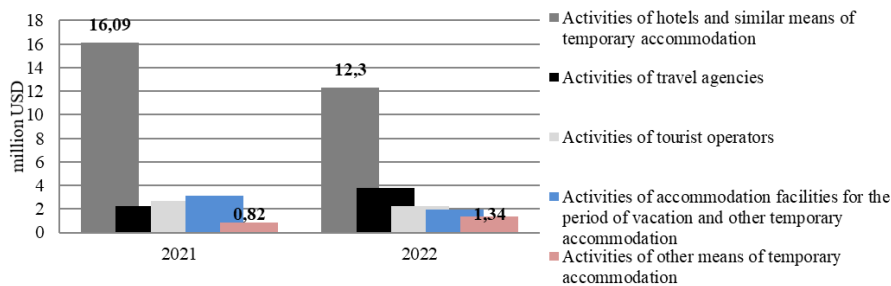


Figure 7. The amount of taxes of the subjects of tourist activity in Ukraine, million USD

Source: built by the authors according to data from The amount of taxes of the subjects of tourist activity (2023)

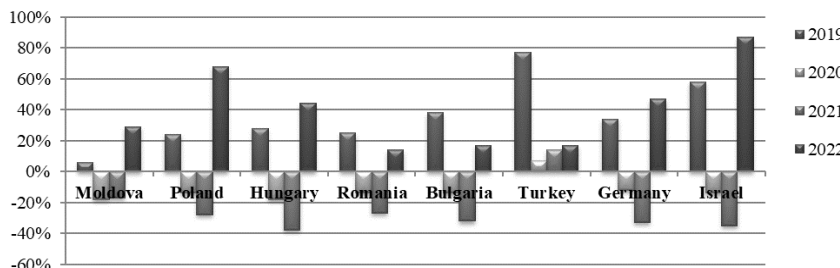


Figure 8. The pace of services provision by entities of the tourism industry of Ukraine on the international market for 2020-2022, %

Source: built by the authors according to International tourism, expenditures (2023); International tourism, expenditures for passenger transport items (2023); International tourism, expenditures for travel items (2023); International tourism, receipts (2023); The Travel & Tourism Competitiveness Report (2021); United Nations Statistics Division (2008); Tourist portal of Ukraine (2023); Tourist streams 1999-2020 (2023)

During the first six months of 2022, representatives of the tourism industry of Ukraine paid 25.7% less taxes than in 2021. The total number of taxpayers engaged in tourism activities during this period decreased by 17%, while of this, legal



entities – by 24.5%, individuals – by 13.5%. The largest share of revenues to the state budget is paid by hotels and sanatoriums – almost 12.3 million USD, but its level is 30% less than the indicator of 2021 (The amount of taxes of the subjects of tourist activity, 2023) (Figure 6). In 2022, there was an increase in the tax paid (by 39%) from the activities of boarding houses and dormitories, which were used as temporary housing for people who were forced to leave their homes due to hostilities. At the same time, the share of paid tax from the activities of tourist bases, campsites, children's recreation camps decreased by 59% (paid 1.95 million USD) compared to 2021. The increase in income was recorded from the activities of travel agencies, which increased the revenue part of the budget by 41%. At the same time, there was a decline in taxes paid from the activities of tourist operators in relation to the level of 2021 by 21% (or by 2.22 million USD).

The largest amount of tax paid for the first half of 2022 was made by Ivano-Frankivsk (63%), Lviv (51%) and Kyiv (16%) regions. In relation to 2021, taxes in Kyiv and Odesa region decreased by 34% and 82.3% respectively (The amount of taxes of the subjects of tourist activity, 2023), (Figure 7). In 2021, the country saw a gradual recovery of tourist flows, by rethinking tourist routes and increasing the level of trips around the world. The increase in the number of visitors to Ukraine amounted to 9% (1.5 million people from various countries were accepted) compared to the second half of 2020. However, this indicator is 75% less than the level of 2019. In 2019, the number of foreign guests in the country was almost 6 million. A significant increase in tourists took place in the II quarter of 2021, their number 4.0 times exceeded the same period in 2020 and reached 3.4 million people (Tourist portal of Ukraine, 2023; Tourist streams 1999-2020, 2023).

In 2021, the number of tourists to Ukraine from Saudi Arabia increased 40 times and amounted to 14 thousand people, while in 2020, only 350 citizens came to the country. From the USA, the increase was +69.6% (the number of tourists 34 thousand people), from Israel, the increase at the level of 26% was provided by 26.6 thousand tourists; the number of tourists from Armenia increased by 100% (7 thousand people), the number of tourists from Georgia increased by almost 40% (15.5 thousand people) and by 67% from Azerbaijan (16 thousand people). Moldova (368 thousand people), Romania (109 thousand people) and Turkey (93 thousand people) remain an attractive market of tourist services for Ukrainian tourists (Tourist portal of Ukraine, 2023; Tourist streams 1999-2020, 2023).

Among the foreigners visiting Ukraine – 70% are Europeans (in 2021, their number decreased by 10%), 24% in relation to 2020, representatives of the countries of the Asian region (by 8% more than in 2020), 2.8% of citizens from North America and only 1.7% of citizens from the African continent. In six months of 2021, the tourist flow of Ukrainians abroad increased by 15% (5.7 million people) compared to 2020. The priority tourist route for Ukrainians is Turkey (774 thousand people) and Egypt (increase by 88%, up to 705 thousand people). tourist centres for Ukrainians are the Dominican Republic (increase in 2.4 times). Among other countries: Qatar (11.5 thousand people), Maldives (10 thousand visitors, equal to the number of Ukrainians in France), Tanzania (7 thousand visitors), Sri Lanka (2.5 thousand visitors) etc. (Tourist portal of Ukraine, 2023; Tourist streams 1999-2020, 2023).

In the new tourist reality of 2021, not only the cost of the tour and certain preferences, but also quarantine restrictions, rules for entering the country, and the situation with the spread of COVID-19 were at the fore (Figure 8). The total value of the vouchers sold by tour operators and travel agencies in 2021 was 1.19 million USD, which is 53% lower than in 2020, in which the value was 2.54 million USD (Figure 9). Thus, the development of the economic model of the international cooperation potential of Ukraine is decreasing due to the military actions in the country, making it difficult to expand the spatial boundaries of the existence of local and regional systems. When the limit is reached, the filled geoeconomic space of the tourism industry begins to degrade, which is manifested in the reduction of the occupied territory.

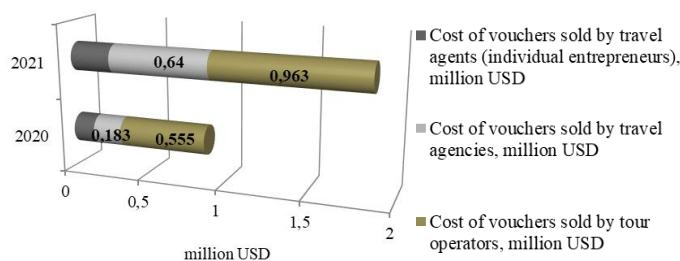


Figure 9. Dynamics of the total cost of travel vouchers sold by tour operators and travel agencies in Ukraine for 2019-2020 (Source: built by the authors according to International tourism, expenditures (2023); International tourism, expenditures for passenger transport items (2023); International tourism, expenditures for travel items (2023); International tourism, receipts (2023))

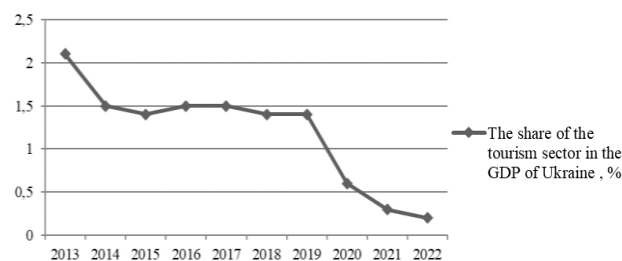


Figure 10. The share of the tourism sector in the GDP of Ukraine for 2013-2022, % (Source: built by the authors according to The Travel & Tourism Competitiveness Report (2021) and Tourist portal of Ukraine (2023))

## DISCUSSION

Within the integrated geoeconomic space, Ukraine, as a functioning local-regional system of the tourism industry, corresponds to the global factors of the international tourism market, takes into account the priorities and norms of behaviour of the main participants of world economic activity (Matsuka, 2018; Trusova et al., 2023a). But during the period of martial law potential of the international community of Ukraine in the tourism industry is demonstrated is rapidly decreasing by the share of the tourism sector in GDP from 0.6% in 2020 to 0.2% in 2022, which is 16.7 times below the level of the world geoeconomics before the pandemic (on average 10% of GDP) and by 25.0 times, during the pandemic (the world level of the geoeconomics 5%), (Figure 10). Therefore, in order to restore competition between different systems of geospatial organizations of the tourism industry on the territory of Ukraine, stabilization measures for the development of the country's international cooperation potential on the world stage and the formation of high dynamics of the volume of

export and import of tourist products by reducing restrictions on liberalization and transfer technologies of franchising in the cooperation of sub objects of tourist destinations are needed (Figure 11).

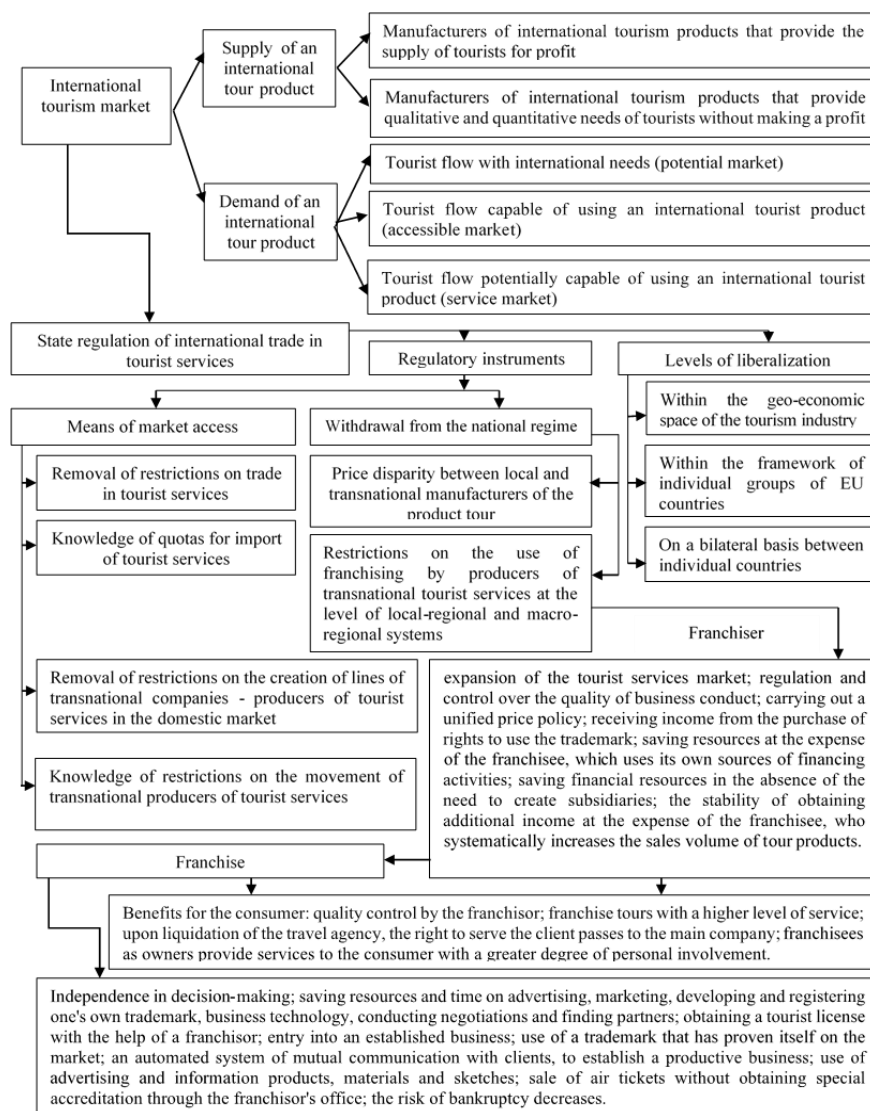


Figure 11. The structural model of the development of the international market of services under the influence of the level of liberalization and the introduction of transfer technologies of franchising in the international cooperation of entities of the tourism industry (Source: authors according to Hryhorenko (2010); Husiev (2010) and Pyvovarov (2007)

Nogachevsky (2010) characterizes franchising as "a form of long-term business cooperation, in the process of which a large company grants an individual entrepreneur or a group of entrepreneurs a license (franchise) for the production of products or the provision of services under the trademark of this company in a limited territory, for the term and under the conditions determined by the contract." as well as "the process of creation, support and development of the franchise system with the help of owners of independent enterprises" (Nogachevsky, 2010). Mahomedova (2011) used definition is as follows: "franchising is a business organization in which a company (franchisor) transfers to a certain person or company (franchisee) the right to sell the product and services of this company" (Mahomedova, 2011).

It is worth noting that for Ukraine, every year the management system of the tourist and hotel business based on franchise agreements is gaining popularity in Ukraine. Among the hotel enterprises operating in the domestic market, such franchise chains as Hyatt, Ramada, Radisson Hotels, Holiday Inn, Accor, and Premier Palace Hotel should be singled out. The networks of tourist agencies "Coral Travel", "Hot Travel Agency", "TUI", "Go with us" are very popular. The attractiveness of franchising lies in the presence of significant advantages for both participants in the franchise relationship. For new travel agencies, it provides a stable income business, for well-known firms and companies – an opportunity to expand and strengthen their positions on the market.

This explains the great popularity of franchising in Canada, Western Europe, Japan, the countries of the Pacific region and Australia. Thus, the development of franchising in the tourist services market of Ukraine can be one of the most effective forms of supporting small businesses in regional tourist destinations (Mahomedova, 2011). Taking into account the peculiarities of the territorial organization of the international cooperation potential of Ukraine, at different levels of development of tourist destinations, a generalized multicultural form of functioning of the tourist industry within the geo-economic space of the international tourist market is proposed. In each tourist macro-region, a corresponding

integration core is distinguished, that is, a state or a set of countries (markets), which are socio-economically united among themselves in tourism products between local-regional and macro-regional systems (Gee and Fayos-Solá, 1997).

As such cores, the most stable and attractive integration structures of the world of both regional and global importance have been identified: Association of Southeast Asian Nations, Cooperation Council of the Arab States of the Persian Gulf, Union of the Arab Maghreb, Eurasian Economic Community, European Union, South Asian Association for Regional Cooperation, Southern African Development Community, North American Free Trade Agreement (Carlisle et al., 2016).

In 2021-2022, the tourism industry on the international market was also at the level of 2019, as the key indicators of losses for the liquidation of the consequences of the COVID-19 pandemic show the following (International tourism, expenditures, 2023; International tourism, expenditures for passenger transport items, 2023; International tourism, expenditures for travel items, 2023; International tourism, receipts, 2023; The Travel & Tourism Competitiveness Report, 2021; United Nations Statistics Division, 2008; Tourist streams 1999-2020, 2023; UNWTO, 2022):

- international tourist movements in the world fell to 73.9%; loss of export earnings from international tourism is estimated at 1.3 trillion USD;
- approximately 100-120 million tourism workers were at risk; estimated losses in world GDP exceed 2 trillion. USD;
- the share of tourism in the world economy has halved: in 2019 it was 10.4%, and in 2021 it fell to 5.5% due to the coronavirus pandemic: before the pandemic, the travel and tourism industry created 10.6% of all workers places 10.6% million people) and (334 million people) of world GDP 10.4% (9.2 trillion USD). In 2022, the industry shrank by 18.5%, losing 62 million jobs; time spent on domestic visitors decreased by 45%, and on international visitors by 69.4% (Figure 12).

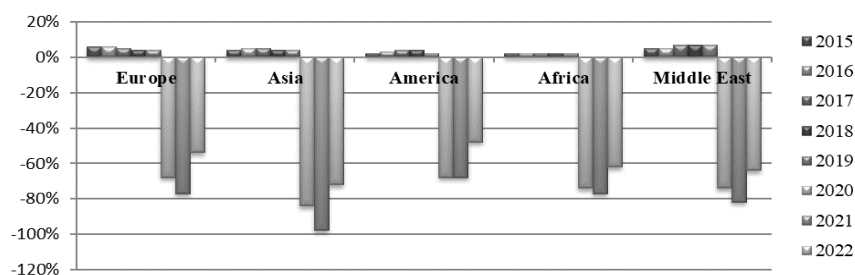


Figure 12. Rates of decline in the international tourism market for 2019-2022, % (Source: built by the authors according to International tourism, expenditures (2023); International tourism, expenditures for passenger transport items (2023); International tourism, expenditures for travel items (2023); International tourism, receipts (2023); The Travel & Tourism Competitiveness Report (2021); Tourist streams 1999-2020 (2023))

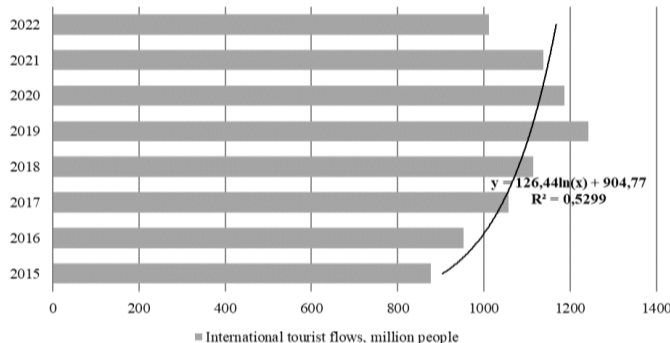


Figure 13. Dynamics of international tourist flows for 2015-2022, million people (Source: built by the authors according to The Travel & Tourism Competitiveness Report (2021); United Nations Statistics Division (2008); Tourist streams 1999-2020 (2023))

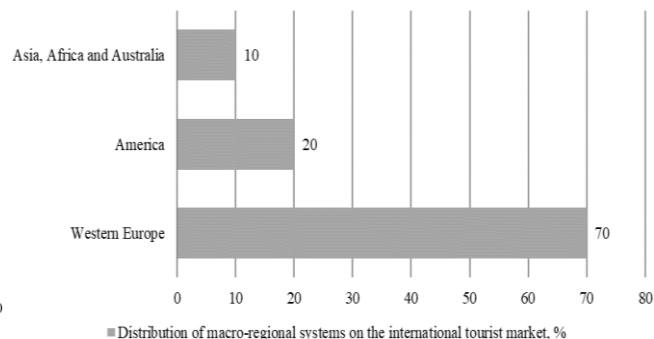


Figure 14. Distribution of macro-regional systems on the international tourist market in 2022, % (Source: built by the authors according to The Travel & Tourism Competitiveness Report (2021); United Nations Statistics Division (2008P); Tourist streams 1999-2020 (2023))

The rate of decline of the international tourism market in 2022 is unprecedented compared to previous crisis events (the SARS epidemic and the World Economic Crisis of 2008-2009), which also had a negative impact on the global tourism industry (Figure 13). The number of international tourist movements in 2022 was lower compared to the same period before the pandemic in 2019. According to the UN World Tourism Organization (UNWTO), in 2022 the number of international tourists decreased by 20-30%, a decrease in income from international tourism amounted to 300-450 billion USD (Trusova et al., 2023b; UNWTO Tourism Dashboard, 2023). This is explained by different levels of socio-economic advancement of macro-regional and local-regional systems. Thus, in the structure of the global geoeconomics, the stable development of the countries of Western Europe depends on the tourism industry, which provides more than 70% of the revenue part of the budget, in America – 20%, in Asia, Africa and Australia – 10% (UNWTO Tourism Dashboard, 2023).

In European countries 616.2 million people or 49.9% of the world's population work in the market of tourism services. This is explained not only by the presence of world-famous cultural, historical and natural monuments, the developed industry of tourism and trade, but also by the traditional preference of European residents to spend their holidays in a near foreign country. About 90% of tourists in Europe are Europeans themselves. Within the framework of the European macro-regional system, the Mediterranean local-regional system is leading, which is formed from a group of countries: Spain,

Italy, Greece, as well as Germany, Benelux and Austria – up to 20% of international tourist flows. The group of countries that are part of the Eastern European local-regional system (Bulgaria, Croatia, the Czech Republic, Montenegro) occupy about 11% of international tourist flows (UNWTO Tourism Dashboard, 2023) (Figure 14).

In the American macro-regional system, about 3/4 income from international tourist flows is provided by the local-regional systems of countries such as the USA, Canada, and Mexico. It should be noted that the USA has the largest hotel network in the world with a highly developed transport industry. A relatively insignificant place in the international tourist market is occupied by the African macro-regional system, which is formed from the local-regional systems of countries such as South Africa, Tunisia, Morocco, the Seychelles and the macro-regional system of the Middle East (local-regional systems operate in the UAE and Saudi Arabia) – 4% and 2% respectively (Sedarati et al., 2018). The rate of growth (decline) of the index of international cooperation between the macro-regional systems of the countries of the world by the number of displaced tourists in the local-regional systems is presented in Figure 15.

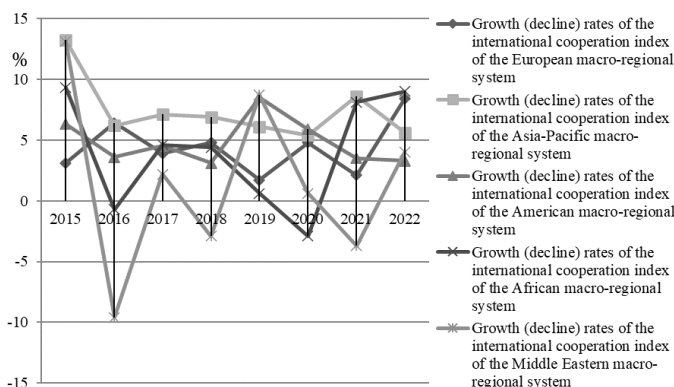


Figure 15. Rates of growth (decline) of the index of international cooperation between macro-regional systems of countries of the world by the number of displaced tourists in local-regional systems for 2015-2022, % (Source: constructed by the authors based on The Travel & Tourism Competitiveness Report (2021); UNWTO (2022))

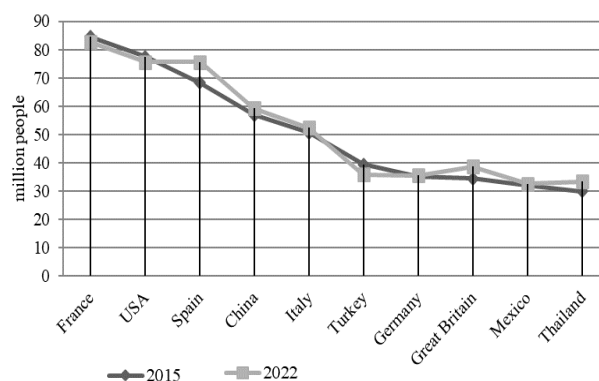


Figure 16. The potential of international cooperation of the country-leaders of local and regional systems by the number of tourists received for 2015-2022, million people (Source: built by the authors according to The Travel & Tourism Competitiveness Report (2021); UNWTO Tourism Dashboard (2023))

It should be noted that the dependence of the country's international cooperation potential with the local-regional system of the tourism industry on the macro-regional systems of developed countries remains, and its dynamics is due to the increase in demand from countries that have only domestic tourist destinations and are only developing, or are reviving in the post-conflict period. European countries remain the main centre of cultural and educational tourism; recently, Asia, in particular China and India, has become increasingly important for this type of recreation (UNWTO Tourism Dashboard, 2023). In 2021, the countries of the Asia-Pacific region were visited by 308.4 million tourists (25% of the world total), the countries of North and South America – 199.3 million people (16.1%), countries of Middle East and Africa – 53.6 million people and 57.8 million people, respectively (4.3% and 4.7% respectively) (The Travel & Tourism Competitiveness Report, 2021). In 2015-2022, the geographical structure of international cooperation of countries in the geo-economic space of the tourism industry did not undergo serious changes. The largest number of tourists visit France, the USA, Spain, China and Italy (Figure 16).

At the same time, one of the most characteristic trends in the development of international tourism at the present time is the predominance of the number of tourists who travel to countries of local-regional systems located close to each other compared to the number of tourists who are determined to travel to long-distance macro-regional systems.

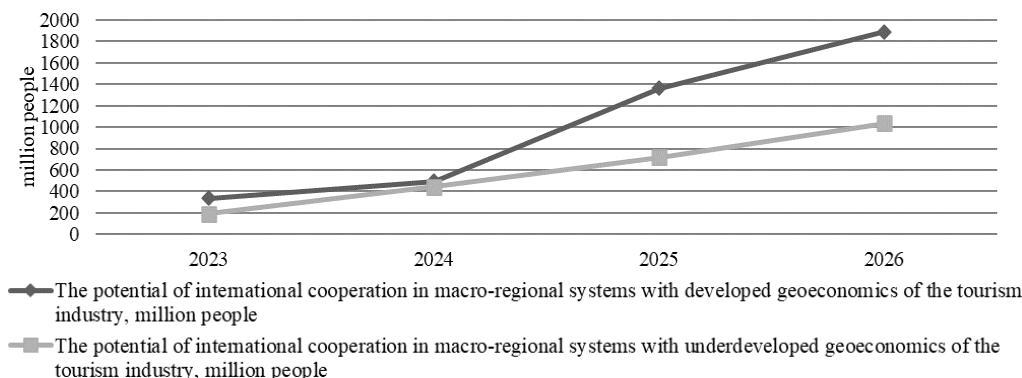


Figure 17. The potential of international cooperation of macro-regional systems with developed and underdeveloped geoeconomics of the tourism industry for 2023-2026, million people Source: built by the authors according to United Nations Statistics Division (2008)

With a partial decline in the demand for tourist products, the tourism industry exceeds 10% of the volume of the global geoeconomics in the field of services, which makes it possible to take third place after the volumes of international trade in the segment of oil and cars, and it is expected that by 2026 the growth rate of tourism business will be 4.1%-5.3% per year,

the cost of travel will be from 1560 million USD to 1642 million USD (Figure 17). At the same time, the average growth rate of the index of international cooperation in the macro-regional system of the Middle East will be equal to 7.82%, Europe – 7.12%, Asia and the Pacific destination – 5.0%, America – 4.52%, Africa – 3.3% (Figure 18).

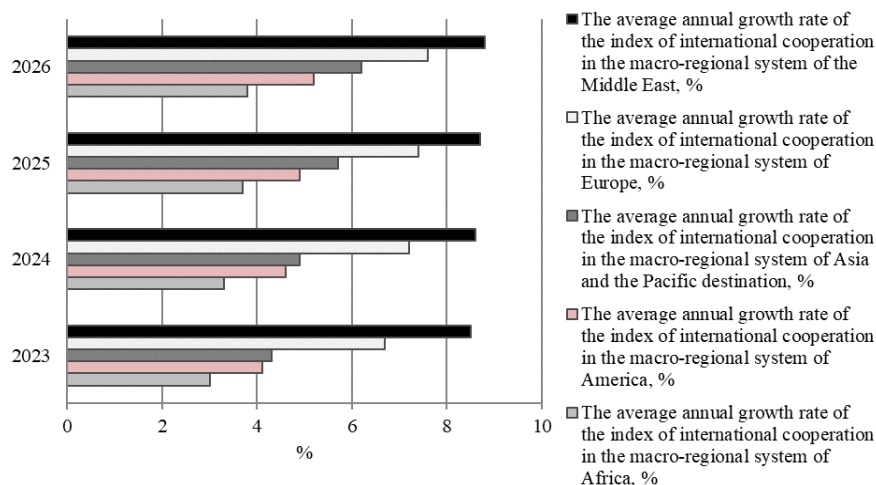


Figure 18. The average annual growth rate of the index of international cooperation of macro-regional systems with developed geoeconomics of the tourism industry for 2023-2026, % (Source: built by the authors according to The Travel & Tourism Competitiveness Report (2021); United Nations Statistics Division, 2008)

Under modern wartime conditions and taking into account the demographic structure of the resettlement of Ukrainian citizens to the territory of the Western regions (Vinnytsia, Volyn, Zakarpattia, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Khmelnytsky, Chernivtsi regions) and regions of the Central part of the country (the city of Kyiv, Zhytomyr, Kyiv, Kropyvnytskyi, Poltava, Sumy, Cherkasy, Chernihiv regions), we have determined the geo-economic space of the enterprises of local and regional systems of the country, as the core of the development of the potential of international cooperation between European countries (United Nations Statistics Division, 2008). From the standpoint of the dynamics of the increase in the attraction of direct foreign investment from European countries for the development of the tourism industry in the Western and Central regions of Ukraine, which are similar in terms of the production of tourist products, a clustering of macro-regional and local-regional systems was carried out, and an economic model of their international cooperation was calculated with the help of bilateral tourist flows. The “full connections” method was chosen as the clustering algorithm, which includes new objects between which the distance level is set (Trusova et al., 2020b) (Table 1).

Table 1. Composition of clusters of tourism macro-regional systems of Europe and local-regional systems of Ukraine, selected by Ward’s method Source: constructed by the authors according to United Nations Statistics Division (2008) and Trusova et al. (2020b)

Tourist macro-regional systems of Europe and local-regional systems of Ukraine	Order of unification (non-monotonic distances)
K1. Great Britain, the Netherlands, France, the city of Kyiv, Zhytomyr, Kyiv region	
K2. Spain, Italy, Germany, Cherkasy, Chernihiv	
K3. Ireland, Luxembourg, Ivano-Frankivsk, Lviv, Ternopil	
K4. Austria, Greece, Denmark, Portugal, Finland, Sweden, Kirovograd, Poltava, Sumy	
K5. Estonia Latvia, Lithuania, Vinnytsia, Chernivtsi	
K6. Belgium, Bulgaria, Poland, Romania, Volyn, Zakarpattia	
K7. Slovakia, Slovenia, Hungary, Croatia, Czech Republic, Rivne, Khmelnytskyi	

Euclidean distances between clusters are equal to 1, which indicates the objectivity of the number of selected clusters (Figure 19). In Figure 20 the distribution of clusters according to the average value of the indicators of the integral index of international cooperation of local-regional systems of Ukraine and macro-regional systems of European countries is presented (see formula 1). The results of calculations show that clusters 3 and 7, are distinguished by the level of favourable geo-economic environment, their values exceed the average value of the indicator by 52.1% and 42.7%.

A high level of development of international cooperation in the field of travel is characteristic of 3.4 and 7 clusters, with an increase in value from the average by 10.4%, 23.3% and 43.7% respectively. The best results of cooperation between local-regional systems of Ukraine and macro-regional systems of European countries are determined by the level of development of tourist infrastructure in clusters 2, 5 and 6 – exceeding the average value by 65.1%, 69.1% and 64.2% respectively. According to the level of bilateral tourist flows, the cluster 2 and 3 clusters are distinguished - exceeding the average value by 38.3% and 38.1% respectively.

In terms of the level of attractiveness of natural and cultural resources in the local-regional systems of Ukraine, the macro-regional systems of Europe match the clusters 2, 3, 4 and 6 – exceeding the average value among the totality of tourist associations in the geo-economic space by 6.2%, 31.4%, 7.2% and 22.1% respectively. Clusters 1, 3 and 7 demonstrate a high level of attraction of foreign direct investments of European countries for the development of local and regional systems of Ukraine – exceeding the average value by 51.6%, 47.0% and 31.7% respectively. Accordingly, in these

clusters, the share of GRP volume per capita from attracting FDI increases by 17.92%, 26.8% and 13.3% respectively. The development of international cooperation of local and regional systems of Ukraine allows to increase the level of income of tourism industry entities in clusters 2, 3 and 4 – exceeding the average value by 24.4%, 22.8% and 15.9% respectively.

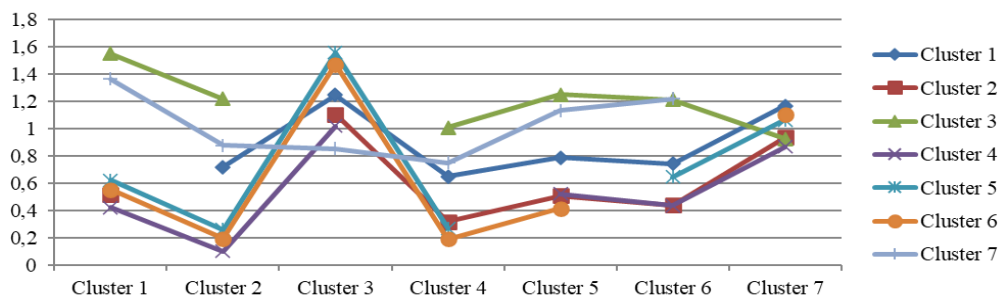


Figure 19. Euclidean distance in hierarchical clustering of tourism local-regional systems of Ukraine and macro-regional systems of European countries

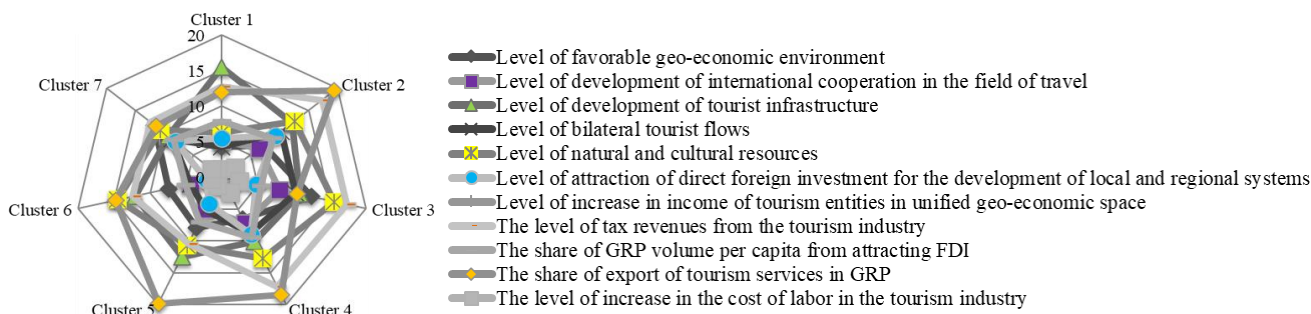


Figure 20. Distribution of clusters according to the average value of indicators of the integral index of international cooperation of tourism local-regional systems of Ukraine and macro-regional systems of European countries

At the same time, in these clusters, the level of growth of tax revenues from the tourism industry in the state budget of the countries is higher than the average value by 21.5%, 21.4% and 20.6% respectively. The export of tourism services in the GRP of local and regional systems of Ukraine increases in clusters 2, 4 and 5 – on average by 28.2%, 21.4% and 30.2% respectively. Accordingly, the intensive increase in the cost of labour in the tourism industry of local and regional systems of Ukraine increases in clusters 2, 3 and 4 – on average by 32.1%, 40.9% and 42.7% respectively. The integral index of international cooperation of local-regional systems of Ukraine and macro-regional systems of European countries in the period 2023-2026 is presented in Figure 21. According to forecasts, the level of international cooperation of the local and regional systems of Ukraine between the macro-regional systems of the European countries of the first cluster will increase by 22.4% for 2023-2026, the second cluster – by 27.6%, the third cluster – by 61.6%, the fourth cluster – by 50.8%, the fifth cluster – by 69.1%, the sixth cluster – by 30.6%, the seventh cluster – by 34.2%.

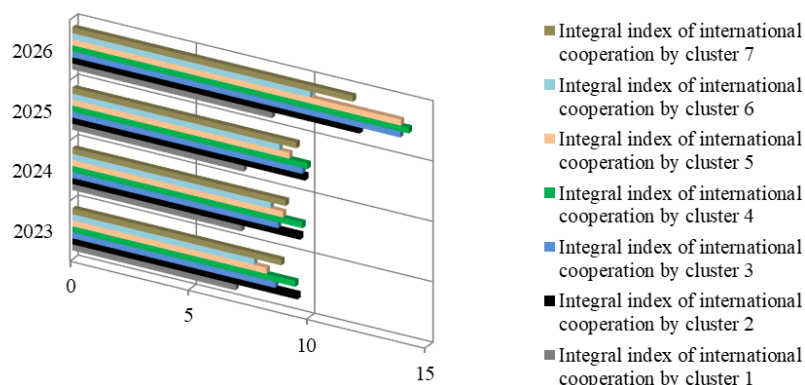


Figure 21. Integral index of international cooperation of local-regional systems of Ukraine and macro-regional systems of European countries for 2023-2026, %

### CONCLUSIONS

Strengthening the positions of the tourism industry of Ukraine is possible under the conditions of creating a competitive national tourism product, the image of local and regional systems, adopting an early strategy and implementing a policy of sustainable development in order to solve the urgent problems of ensuring the safety of the stay of foreign citizens; the use of information technologies for the promotion of the tourist product, meeting the needs of consumers; improvement of management and marketing of foreign economic activity in tourism; improvement of national transport connections and roads; implementation of the principles of corporate social responsibility in the tourism business; responsible attitude to natural and cultural resources; protection of terrestrial ecosystems and biodiversity.

Prospects for the development of the tourism industry of Ukraine in the context of geopolitical events must be linked to effective cooperation with EU countries, taking into account the possibility of promoting the national tourism product to the European market; involvement in the information space, laying of transnational corridors to attract more international visitors, best practices in the organization of tourist activities; strengthening of European integration processes in the country. Cross-border cooperation with neighbouring European countries will contribute to the development of tourism and is a promising direction for effective tourism. Prospects for development are also seen in the strengthening of tourism cooperation with the countries of Asia and the Middle East. It is important to simplify visa formalities with individual countries. Easing the procedure for entering and obtaining a visa will help increase the volume of international arrivals to Ukraine.

The creation in local and regional systems of Ukraine of strategic management regarding the rational use of attracted foreign direct investments from partners of macro-regional systems of European countries has the potential to exist for increasing labour productivity, strengthening economic growth and international cooperation in the tourism industry with the aim of rapprochement with European tourism firms to provide approximately 4.3 million jobs, which will be 5% of the total employment in the country. In addition, this will allow to increase by 21% the promotion of Ukrainian tourist products on the international market and to increase by 19% the added value of services in these countries. Ensuring a safe level of functioning of the macro-regional tourism system of Ukraine will stop the fall in demand for tourist services and speed up the earning of profits by tourist enterprises.

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