

Services market Industry of voyages and rest

Positive changes have been traced in development of Ukrainian tourism over the last years. Volumes of provided services are increasing and correspondingly revenues grow. It was caused by several reasons: increase of tourism competitiveness in Ukraine, complex approach to development of this industry at regional level, more efficient functioning of the sector, as well as strengthening of small and medium business in tourism, in particular in green village tourism.

Program of tourism development is in force in Ukraine until 2010. It envisages increase of this industry share in GDP from 1.5% to 14% and drawing of investments in the amount exceeding UAH 11 bn. The state allocates UAH 40 mn to this end. Rest of finances should be invested by private companies. The program is directed at expansion and improvement of Ukraine's tourist infrastructure quality, simplification of border crossing procedure, and diminishing of tourist companies' taxation. It is expected that tourist flow will grow by 0.5 mn people each year as a result of such measures.

Hotels are a business card of any country tourist potential. At the moment the basis of the industry is made by 1,232 hotels (legal entities) and more than 1,000 entrepreneurs (individuals) providing housing services. More than thousand companies (1,023) were certified. 187 hotels were granted certain categories (5* hotel – 5 hotels including Premier Palace in Kiev, International hotel Ukraine and San Ray in Dnepropetrovsk, Donbass Palace in Donetsk, and Otrada in Odessa; 28 hotels with 4* category, 73 of 3* category hotels, 40 of 2* category hotels, and 41 of 1* category hotels). Other hotels meet safety requirements and were correspondingly certified.

The market of hotel services is actively developing in Ukraine. Certain mutually connected tendencies certify this fact: increase of capital investments' volume (investments in 2004 amounted to merely UAH 0.8 bn and expanded up to UAH 1.8 bn in 2005), augmentation of the number of hotels, and creation of the first national hotel chain. Local market features increase of private rest houses' number lately, which can boast with higher service level and quality of rooms.