

Review Paper

Budget Instruments for Stimulating the Development of the Investment Potential of the Tourism Industry in Ukraine

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ABSTRACT

The article examines the special conditions for the use of budgetary tools for stimulating the development of the investment potential of the tourism industry in Ukraine. From the standpoint of introducing preferences for the introduction of investments into Ukraine, a methodical approach has been developed to assess the development of the investment potential of the tourism industry in the country, which, on the basis of budgetary incentives, allows to reproduce tourist subcomplexes, to form the investment infrastructure of regions, ensuring the social needs of the population in market relations. The functional structure of the tourism industry is substantiated. A system of synthetic indicators of the development of the investment potential of the tourism industry according to the level of targeted use of budgetary stimulation tools is presented. On the basis of the indicative method, stages of assessment of the development of the investment potential of the country's tourism industry according to the level of targeted use of budgetary stimulation tools are proposed. The volume of revenues to the budget of Ukraine from the tourism tax from the activities of the tourism industry subjects was analyzed. The amount of expenses of the subjects of the tourism industry in the field of economic and service support for the production of the tourist product was determined. The number of expenditures on the tourism industry and related subcomplexes from the state and local budgets of Ukraine was analyzed. The distribution of tourist subcomplexes in the regions of Ukraine in different geographically located territories was carried out according to the quantitative value of the budgetary stimulation of investments in the material and technical support of the subjects of the tourism industry. The cluster application of budgetary tools for stimulating the development of the investment potential of the tourism industry of Ukraine in different geographically located territories of tourism subcomplexes is proposed. The ranking of the parameters of the development of the investment potential of the tourism industry was carried out according to the quantitative criteria of budgetary stimulation of investments in the material and technical support of the subjects of tourism subcomplexes in different geographically located territories of Ukraine.

HIGHLIGHTS

- Assessing the investment potential of the tourism industry can help restore resources and evaluate the competitiveness and profitability of tourist subcomplexes particularly when considering the minimum level of investment attractiveness. The introduction of a concession can also be a useful tool to improve budgetary stimulation and investment attractiveness for Ukraine's tourist subcomplexes.

Keywords: Investment potential, budget stimulation, tourism industry, tourism subcomplexes, budget expenditures, incomes of subjects of tourism activity, expenses of subjects of tourism activity

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In global practice, the attractiveness of the tourism industry is determined by the spatial and territorial features of budget-stimulating instruments of investment income. In the presence of objective prerequisites for the intensive development of domestic and foreign tourism, unfortunately, any country is not characterized by large investment revenues from this sphere, nor by a high level of tourist attraction. And this despite the fact that in many countries of the world, the tourism industry is the main source of tax revenues for national budgets. However, most of them, based on their tourist potential, are unable to create a competitive tourist product and introduce the appropriate level of innovative technologies into the tourist infrastructure without the support of private investors.

The lack of effective budgetary stimulation tools capable of increasing the investment attractiveness of the tourism industry and the industries that serve it is associated with the lack of proper harmonization of the interests of the participants in this process, which are able to create prerequisites for the support or development of territories, as well as for certain categories of the population defined by social economic policy of the state. Determining the target orientation of budget tools for stimulating the development of the tourism industry allows to single out their place in the system of the budget mechanism as its separate function (or sub-function of budget regulation). This, in turn, makes it possible to distinguish them from the tasks of budget policy, since they are endowed with signs of permanence over time, designed to solve the problem of investment attractiveness of already formed tourist subcomplexes in the country. The mentioned arguments can also be confirmed based on the genesis of budget stimulation and its gradual formation as an element of the state's economic system. Let's remember that only with the development of the institution of taxation, there is an evolution of state expenditures, which gradually become a regulator of economic, and later, social development.

S. Vujovic and L. Arsic (2018) were noted that the period of implementation of budget tools for stimulating the development of the tourism industry, which ensured the introduction of regulators of socio-economic processes with the help

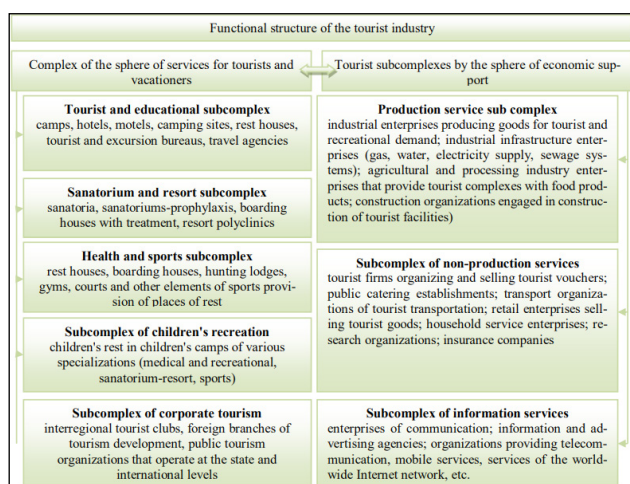
of budget expenditures, is the time of the birth of the idea of state support for certain areas of activity and gradual increase of revenues to the budget. R. Kahn approached the issues of budgetary stimulation of economic sectors, through the introduction of the concept of multiplier (Kahn, 1931), which now enables purposeful stimulation of investments to form and assess the investment attractiveness of territories. The role of tourism industry in socio-economic development, considering the current global trends of globalization and internationalization, are considered in the researches of R. Arezki, R. Cherif, J. Piotrowski (2009), D. Benavides (2001), G. Eccles (1995), A. Freytag and C. Vietze (2006), Th. Grant (2015), S. Milne, I. Ateljevic (2001), B. Mirbabayev (2005), Y. Reisinger (2009), R. Tsiotsou, V. Ratten (2010); the theoretical and practical aspects of the concept of mechanism subsidized of tourism industry when interacting with the principles of financial support for the investment activity of small and medium-sized enterprises are considered in the works of J. Bartlett (2011), M. De Long Camp (2010), D. Hawkins, K. Lamoureux (2008).

The multifaceted issues of influence of financial levers on the implementation of the investment strategy of the world tourist industry are studied by – A. Limanskyi, Ya. Ruzhkovskyi (2005), V. Poliuha (2010). Such scientists as: Ye. Balatskyi (2011), A. Krushynska (2018), A. Kulinska (2009), A. Muzychenko (2013), J. Phillips, J. Faulkner, R. Hilbruner, D. Hawkins (2011), M. Rypkovich (2014), were engaged in the implementation of budgetary tools for stimulating the development and competitiveness of the tourism industry in the investment market.

At the current stage of the introduction of preferences for the introduction of investments in Ukraine, it is necessary to introduce a methodical approach to the assessment of the development of the investment potential of the tourism industry in the country, which, on the basis of budget incentives, allows to reproduce tourist subcomplexes in the presence of real and potential tourist and recreational resources, to form the investment infrastructure of regions, providing the social needs of the population in market relations.

MATERIALS AND METHODS

Assessment and forecasting of the level of the development of the investment potential of the tourism industry through significant budgetary incentive tools, which are real investment incomes for investing funds in the objects of tourist subcomplexes, ensures competitiveness, profitability and payback of the tourist business while minimizing investment risk, the presence of tax preferences for the appropriate investment infrastructure of the regions. The listed factors gain special attention for investors who evaluate tourism subcomplexes and their service industries. They are interested in both the tourist product and the quality of related services provided by a number of related industries (Fig. 1).



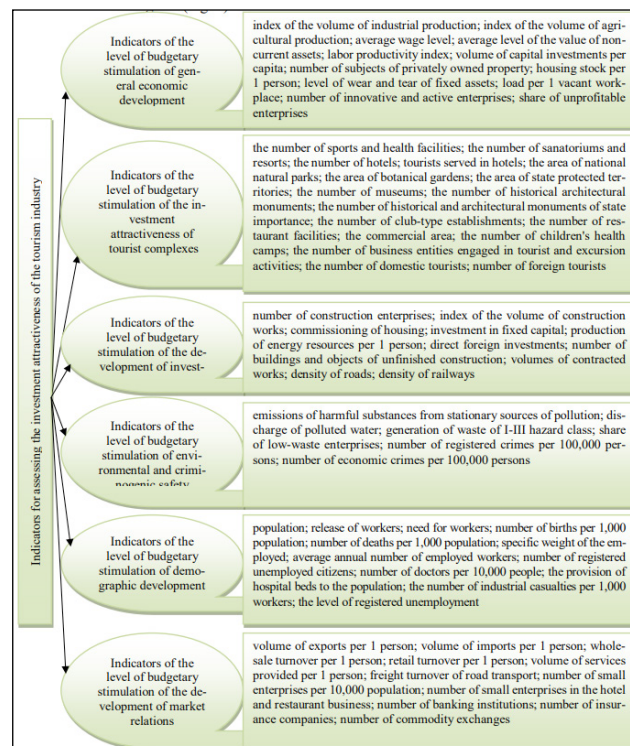
Source: Developed by the authors based on data (Gerasymenko, 2013; Golouchan, 2009; Mazaraki et al. 2013; Nikolayeva, 2015)

Fig. 1: Functional structure of the tourism industry

The assessment of the level of the development of the investment potential of the tourism industry, in view of the large number of factors provided by budgetary incentives, requires a methodical approach based on a complex socio-economic system and combining the method of assessing the signs of territorial and branch affiliation according to the rating and integral calculation of regions (Fig. 2).

The ranking of regions according to the level of their attractiveness for investors is based on the determination of the integral coefficient (index), which is calculated based on the use of groups of synthetic and analytical indicators. Moreover, for stimulatory indicators, the score increases along

with the increase in the quantitative value of the indicator, and for destimulatory indicators, a higher score is assigned to coefficients with a lower quantitative volume of their value.



Source: Developed by the authors based on data (Champ et al. 2016; Tourism Satellite Account: Recommended Methodological Framework, 2008)

Fig. 2: The system of synthetic indicators of the development of the investment potential of the tourism industry according to the level of targeted use of budget incentives

The calculation of integral indices allows to assess the investment advantages of tourist subcomplexes in the field of economic and service provision of their activities by calculating the coefficient of variation and dividing indicators into stimulators and destimulators, calculating partial indices that are included in the consolidated integral index as the geometric mean value of group integral indices (Umanets, 2006). It is logical, in this case, to assess the development of the investment potential of the tourism industry in the country as an integral value from the standpoint of the investment climate, the development of productive forces, investment infrastructure, the possibility of attracting investment resources and other factors that significantly affect the formation of investment returns and the reduction of investment risks. The integral indicator is calculated on the basis of

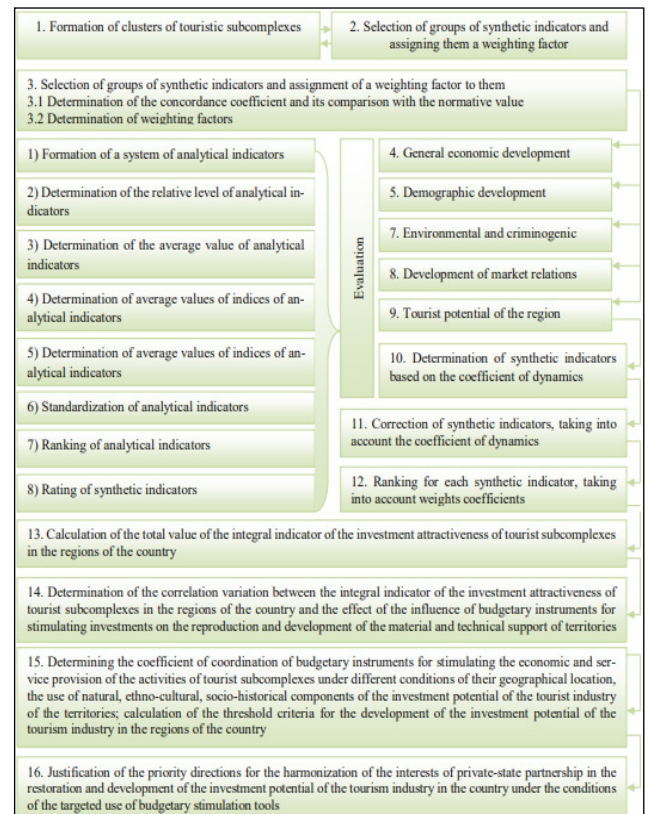
three groups of aggregated (synthetic) indicators taking into account the proportionality of their level (Trusova et al. 2020a): profitability of activity – 65%; development prospects – 20%; investment risks – 15%.

The development of the investment potential of the tourism industry is based on the functional dependence of “financial provision-capital-profit” and involves the use of a whole complex of calculations by determining the current and forecasted demand for tourist products in the sphere of economic and service provision of tourist subcomplexes (calculation of efficiency indicators and the marginal level of profitability of investments, the amount of investment in each industry) (Trusova et al. 2020b). At the same time, “the main directions of increasing the level of the development of the investment potential of the tourism industry in the state with the participation of private investors include the tourism and recreation sphere of a certain territory of the region. That is, 20% of the territory of the region should be suitable for the effective development of ecological and rural tourism, 5% – for the development of mountain routes and for the development of high-altitude elite tourism; 15% – actively used for health and sanatorium-resort tourism; above 1/4 the entire historical and cultural heritage of the country should be located on the territory (Trusova et al. 2020c).

Taking into account the peculiarities of market relations in the regions of the country, it is proposed to carry out an assessment of the development of the investment potential of the tourism industry by stages (Fig. 3), which include the calculation of: synthetic and analytical indicators of the activity of the subjects of tourist subcomplexes in the sphere of economic and service provision of their activities, in the time period; predictive indicators of medium-industry development of the investment potential in the region, based on the totality of tourist and recreational resources, as well as investment infrastructure.

A methodical novelty among the scenarios for assessing the development of the investment potential of the tourism industry in the regions of the country is the determination of the effect of budget tools for stimulating the development of economic and service provision of activities of

tourist subcomplexes under different conditions of their geographical location and the use of natural, ethno-cultural, socio-historical components of the tourist potential of the territories.



Source: Developed by the authors.

Fig. 3: Stages of assessment of the development of the investment potential of the country tourism industry according to the level of targeted use of budget incentives

The development of a methodical approach takes into account: a mandatory check of the correlation variation between the integral indicator of the investment attractiveness of tourist subcomplexes in the regions of the country and the effect of the influence of budget instruments for stimulating investments on the reproduction and development of the material and technical support of territories; application of expert assessment when determining the coefficient of concordance of budgetary instruments for stimulating economic and service provision of tourist subcomplexes under different conditions of their geographical location, use of natural, ethno-cultural, socio-historical components of the investment potential of the tourist industry of territories; calculation of the marginal criteria for the development of the investment potential of the tourist industry in the regions of the country; the

possibility of obtaining practical recommendations for investors regarding the priority areas of harmonizing the interests of private-state partnership in restoring the development of the investment potential of the tourism industry in the country under the conditions of the targeted use of budgetary stimulation tools.

The proposed methodical approach is based on the basic methodological principles (Trusova *et al.* 2020b), which are expanded from the position of the approach of individual assessment of synthetic indicators and have a significant impact on the level of the development of the investment potential of the tourism industry in the regions of the country (Tubolets, 2008). On the basis of the expert method, they are weighted according to the concordance coefficients. Expert evaluation is a number of natural series, where the number a is assigned the maximum value, and the number b – the minimum value. The determination of the concordance coefficient involves the following sequence of actions (Koreczkyj, 1993):

1. calculation of the sum of the ranks of each indicator:

$$R_{ij} = \sum_{i=1}^n r_{ij}, \quad \dots(1)$$

where, r_{ij} – is the rank of the j -th parameter determined by the i -th expert; n – the number of experts.

2. calculation of the average value of the sum of the evaluation ranks according to the set of parameters (Koreczkyj, 1993):

$$\bar{S} = \sum_{i=1}^m S_j / m, \quad \dots(2)$$

$$\bar{S}_j = \sum_{i=1}^n R_{ij}, \quad \dots(3)$$

where, S_j – is the sum of ranks determined by experts as parameters; m – is the number of studied parameters.

3. determination of the deviation of the sum of ranks obtained by the j -th parameter from the average value of the sum of ranks (Koreczkyj, 1993):

$$d_j = S_j - \bar{S} \quad \dots(4)$$

4. calculation of the square of deviations for each parameter d_j and the total sum of squared deviations.
5. determination of the concordance coefficient by the set of parameters (Koreczkyj, 1993):

$$W = \frac{12 \sum_{j=1}^m d_j^2}{n^2 (m^3 - m) - \sum_{i=1}^n T_{ij}}, \quad \dots(5)$$

at the same time, the value T_{ij} is calculated according to formula (6) (Koreczkyj, 1993):

$$T_{ij} = \sum_{i=1}^n (t_{ij}^3 - t_{ij}), \quad \dots(6)$$

where, t_{ij} – is the number of equal ranks in the group.

We note that the concordance coefficient can have a value in the interval from 0 to 1 (in the case of complete agreement of the experts' views – $W = 1$; the greater the disagreement between the experts' views, the greater the value of W approaching to 0). The consistency of the experts' opinions is evidenced by the value of the concordance coefficient, which should exceed the critical value – 0.323, which allows continuing further research using this method (Koreczkyj, 1993).

When evaluating the analytical indicators of the investment attractiveness of the j -th tourist subcomplex in the region of the country under the influence of budgetary instruments for stimulating investments in the reproduction and development of the material and technical support of the territories, the method of averaged and "normative" indices (Synchak & Krushynska, 2011; Umanets, 2006):

$$A_{ijr}^n = \frac{A_{ijr}^*}{A_{ijr}^{*ukr}}, \quad \dots(7)$$

where, i – is the serial number of the investment attractiveness indicator; j – serial number of the tourist subcomplex in the region of the country; r – the serial number of the research period $r = 1, \bar{m}$ where, m – the total number of research periods):

A_{ijr}^* – the level of the i -th indicator of the investment

attractiveness of the j -th tourist subcomplex in region of the country in the r -th period, synthesized by the quantitative value of budgetary instruments for stimulating investments for the reproduction and development of material and technical support

in the studied region; A_{ijr}^{*ukr} – the level of the i -th indicator of the investment attractiveness of the j -th tourist subcomplex in the r -th period, synthesized by the quantitative value of budgetary instruments for stimulating investments for the reproduction and development of material and technical support of territories in the country, as a whole, in the r -th research period.

Note that when using disincentive budgetary tools to stimulate the j -th tourist subcomplex in the region of the country, the inverse formula to formula should be used (Synchak & Krushynska, 2011; Umanets, 2006):

$$A_{ijr}^n = \frac{A_{ijr}^{*ukr}}{A_{ijr}^*}, \quad \dots(8)$$

The next stage is the determination of the average values of the normalized indices for each i -th indicator of the j -th tourist subcomplex in the region of the country during the study period (Synchak & Krushynska, 2011; Umanets, 2006):

$$\overline{A_{ij}^n} = \frac{\sum_{r=1}^m A_{ijr}^n}{m}, \quad \dots(9)$$

$$\overline{A_{ij}^R} = \frac{\left(\overline{A_{ij}^n} - \min_j \left\{ \overline{A_{ij}^n} \right\} \right)}{R_j}, \quad \dots(10)$$

where, $\overline{A_{ij}^R}$ – is the value of the index A_{ij}^n normalized by the averaged range of variation; R_j – is the range of variation of the values of the actual normalized index of the i -th indicator in the set of studied areas, which is determined by formula (11) (Synchak & Krushynska, 2011; Umanets, 2006):

$$R_j = \max_j \left\{ A_{ij}^n \right\} - \min_j \left\{ A_{ij}^n \right\}, \quad \dots(11)$$

It should be noted that potential investors are interested in the trends of changes in the investment attractiveness of tourist subcomplexes in the region of the country with a low level of development of

investment potential, but which have a tendency towards rapid development. Therefore, it is appropriate to calculate the coefficient of dynamics of the i -th index of investment attractiveness of the j -th tourist subcomplex (formula (12)) (Synchak & Krushynska, 2011; Umanets, 2006):

$$k_{ij} = \sqrt[m-1]{\sum_{r=1}^{m-1} \left(1 + \frac{A_{ij}^n(r+1)}{A_{ijr}^n} \right)} - 1, \quad \dots(12)$$

At the next stage, the obtained rating value for each of the synthetic indicators is adjusted for the coefficient of dynamics, taking into account its fluctuations and trend.

The quantitative assessment of synthetic indicators is calculated according to formula (13) (Synchak & Krushynska, 2011; Umanets, 2006):

$$R_y = \sum_{i=1}^x A_{ij}^R \times k_{ij}, \quad \dots(13)$$

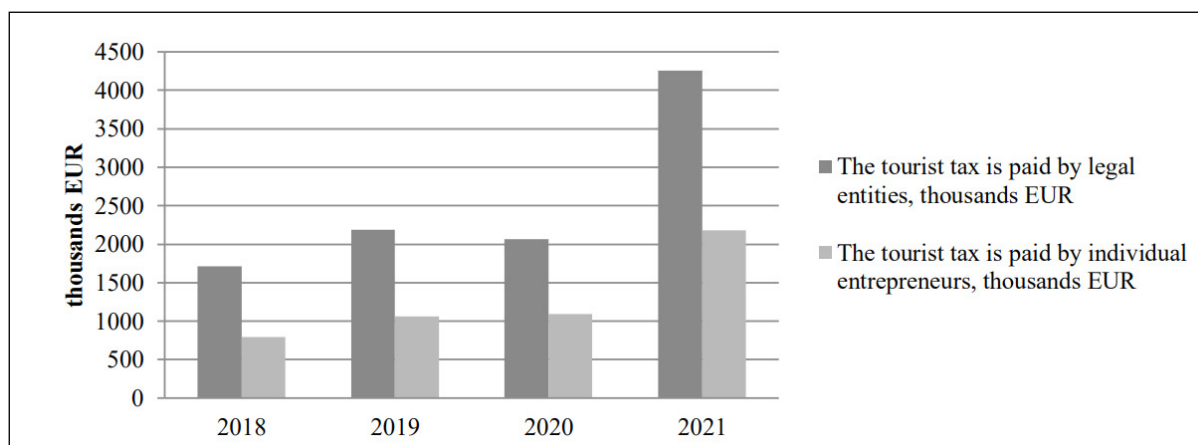
where, R_y – is the rating of the territory where the tourist subcomplexes of the i -th region of the country are located according to the synthetic indicator; x – the number of analytical indicators.

Based on the quantitative assessment of nine groups of synthetic indicators, the integral indicator of the investment attractiveness of the tourist subcomplex of the i -th region of the country is calculated according to formula (14) (Synchak & Krushynska, 2011; Umanets, 2006):

$$R = \sum_{i=1}^x R_y \times X_j, \quad \dots(14)$$

where, R – is the investment attractiveness rating of the tourist subcomplex; X – the weighting factor of the j -th synthetic indicator; y – number of synthetic indicators.

After calculating the rating position of the tourist subcomplex in the i -th region of the country, it is necessary to determine the coefficient of coordination of budgetary tools for stimulating the economic and service provision of the activities of tourist subcomplexes under different conditions of their geographical location, the use of natural, ethno-cultural, socio-historical components of the investment potential of the territory's tourism industry. The calculation of the marginal criteria for the development of the investment potential of



Source: Created by the authors based on data (Directory of benefits provided by the current legislation on the payment of taxes, fees, and other mandatory payments, 2022; The only web portal for the use of public funds, 2022; Tourist portal of Ukraine, 2022; Tourist streams, 2020).

Fig. 4: Amount of revenue to the budget of Ukraine from tourist tax from the activities of tourism industry entities for 2018-2021, thousand EUR

the tourism industry in the regions of the country provides justification for the priority areas of harmonization of the interests of the private-state partnership under the conditions of the targeted use of budgetary stimulation tools. Their application in the i -th region of the country, provided that the level of investment attractiveness of tourist subcomplexes increases, allows: to increase the volume of cash flows from the receipt of foreign currency when serving foreign tourists; create additional jobs in enterprises related to the tourism industry; accelerate the growth of the country's GDP for the formation of investment infrastructure and provision of social needs of the population; to activate the development of small entrepreneurship; bring closer the intensification of cross-border processes related to the transnationalization of the settlement system in international tourism; to increase the amount of tax revenues from the subjects of the tourism industry in the regions due to the growth of the scale of their activities (Yevdokymenko, 1995).

Thus, the introduction of the assessment of the development of the investment potential of the tourism industry in the regions of the country generates opportunities for tourism subcomplexes to restore resources through the synergy of the influence of budget investment stimulation tools on the reproduction of the process of activity of tourism industry subjects in the market and the promotion of their tourism product for tourists

and vacationers. In addition, it makes it possible to assess the competitiveness and profitability of tourist subcomplexes under the condition of stabilization of the minimum marginal level of investment attractiveness.

RESULTS

The development of the investment potential of the tourism industry in Ukraine is accompanied by the introduction by the state of budget instruments that have a synergistic nature of a combination of incentives for investing in tourist subcomplexes as a complete socio-economic system. Among the specific budgetary tools for stimulating the development of the investment potential of the tourism industry in Ukraine is a tourist tax in the amount from 0.5% (for domestic tourism) to 5% – for inbound tourism to the collection base (Directory of benefits provided by the current legislation on the payment of taxes, fees, and other mandatory payments, 2022). Thus, for 2018-2021, the volume of receipts to the budget of Ukraine in the amount of tourist tax from the activities of the subjects of the tourism industry increased by 2.6 times, including from legal entities – by 2.5 times, from individuals – entrepreneurs – by 2.8 times (Fig. 5).

In general, the increase in tax revenues from economic activity of subjects of tourist subcomplexes for 2020-2021 amounted to 40.7%, including from excursion activities – 22.6% (Table 1). During this period, the amount of received income increased

Table 1: Revenues to the budget of Ukraine from economic activities of tourism industry entities for 2020-2021, million EUR

Indicator	2020			2021		
	Tour operators	Tour agents	Subjects of excursion activities	Tour operators	Tour agents	Subjects of excursion activities
Income from the provision of tourist services (without VAT, excise tax, etc.)	717.6	43.0	3.7	1021.6	47.0	3.5
VAT	861.1	30.3	2.0	1226.0	29.3	1.8
Including from excursion activities	1.3	0.3	1.5	2.1	0.4	1.3
The amount of commission, agency and other fees	108.2	23.0	0.5	13.2	22.2	0.2
Tax credit from VAT in operating expenses	100.3	1.3	0.03	94.7	2.2	0.08
Tax credit for the single social contribution in operating expenses	27.9	68,7	4.1	3.1	91.6	5.3
Tax credit for personal income tax (PIT) in operating expenses	2.3	2.2	0.16	2.5	2.3	0.15
Military service tax credit in operating expenses	0.2	0.1	0.005	0.2	0.1	0.004

Source: Created by the authors based on data (Directory of benefits provided by the current legislation on the payment of taxes, fees, and other mandatory payments, 2022; The only web portal for the use of public funds, 2022; Tourist portal of Ukraine, 2022; Tourist streams, 2020).

by 302.9 million EUR (from 744.5 million EUR to 1047.4 million EUR), which has a target orientation – reproduction of the investment potential of the tourism industry and material technical support of territories. It should be noted that the largest specific weight of tax payments to the budget comes from tourist operators – from 96.4% to 97.5% of the total amount of tax liabilities of subjects of the country tourism industry.

Travel agents and subjects of excursion activities for 2020-2021 transferred to the budget 59.6 million EUR. and 3.8 million EUR of value added tax, including from excursion activities 0.7 million EUR and 2.8 million EUR respectively. During the research period, the amount of commission, agency and other fees of tourist operators decreased by 87.8%, travel agents – by 3.4%, subjects of excursion activities – by 60%. Operating expenses for the provision of tourist services by enterprises in the service sphere of tourist operators decreased by 12.7 million EUR, subjects of excursion activities – by 0.5 million EUR, travel agents – increased by 4.0 million EUR. It should be noted that the development of the investment potential of the tourism industry and its attractiveness depends on the reproductive processes of tourist and recreational resources,

which require material and financial costs for the promotion of the tourist product by the subjects of tourist activity through the services of service enterprises and related industries. Thus, in 2018-2019, the average volume of expenses of tourist operators for accommodation of tourists in relation to their average value in 2020-2021 increased by 34.7% or by 205.14 million EUR (Table 2).

Costs for hotels and other facilities increased by 200.8 million EUR or by 45%, costs for transport services – by 61% or by 83.7 million EUR. In the structure of transport costs, the largest specific weight is the cost of air transportation of tourists – from 96.5% to 98.1%. On average, expenses for food during the research period increased by 6.7 times, for excursion services – by 66%. The specific weight of resources for excursion service in the total volume of expenses for the service of the tourist industry was from 22.4% to 23.9%.

It should be noted that it is the expendable part of the tourism industry that forms the circle of budget stimulation tools for attracting investments in tourist subcomplexes. The most effective tools of budget stimulation are the “concession of tourist facilities”, which determines the expediency of “targeted financing of profitable investments in the private

Table 2: Expenditures of tourism industry subjects by the sphere of economic and service support for the production of a tourist product in Ukraine, on average for 2018-2021, thousand EUR

Costs	Costs, on average for 2018-2019			Costs, on average for 2020-2021		
	Tour operators	Tour agents	Subjects of excursion activities	Tour operators	Tour agents	Subjects of excursion activities
Accommodation and living expenses	590239	1685.1	16.8	795380	1617.5	24.5
Hotel and similar expenses	444797	1499	9.1	645587	1480.1	14.2
Private sector expenses	153.6	40.6	–	354.1	41.1	8.9
Transportation costs	137204	694.1	438.1	220908	1114.3	609.2
Railway transport costs	1214.8	32.7	13.2	883.6	29.8	12.4
Air transport costs	124912	281.9	–	211256	265.9	–
City transport costs	3317.9	4.58	28.9	3180.6	0.4	34.7
Витрати екскурсійні автобуси	59.2	–	32.4	340.5	402.3	572.3
Car rental costs	2665.4	382.5	286.6	1407.9	6.9	0.9
Food costs	3057.4	8.7	93.7	20437	164.4	220.3
Medical expenses	8115.8	170.4	20.2	2061.3	17.6	0.4
Expenses for excursion service	44356	203.6	258.8	73665	119.5	423.0
Expenses for visa service	1163.3	77.2	4.5	460.7	20.5	0.2
Costs for organizing cultural events	1038.2	17.2	17.7	655.5	15.7	23.8
Expenses for other services	6392.2	227.0	87.0	10562	359.3	194.4

Source: Created by the authors based on data (International tourism, expenditures, 2020; International tourism, expenditures for passenger transport items, 2020; International tourism, expenditures for travel items, 2020; International tourism, receipts, 2020; International tourism, receipts for passenger transport items, 2020; International tourism, receipts for travel items, 2020).

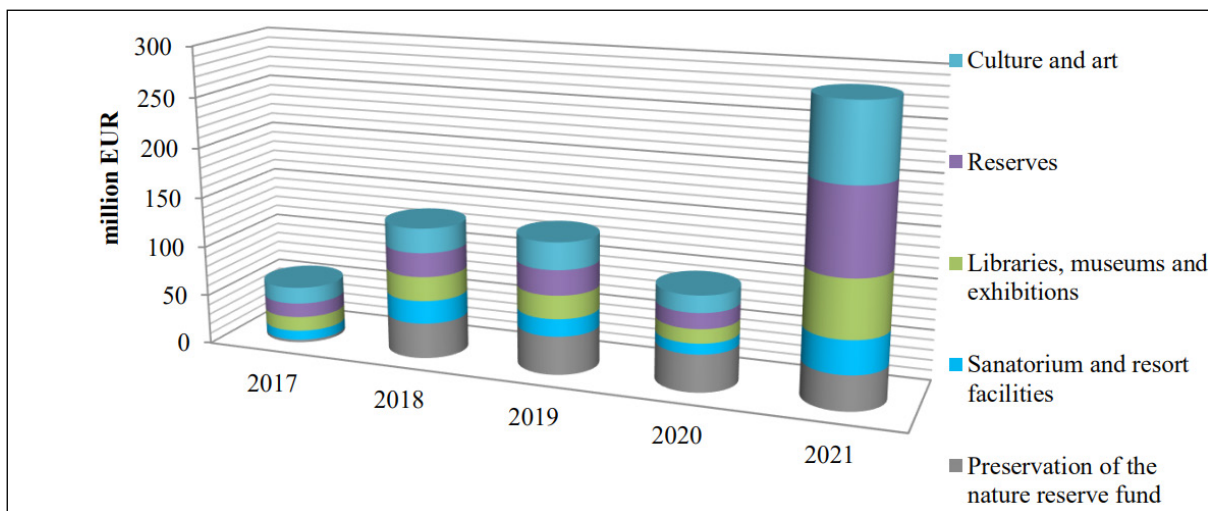
sector of the national economy on the basis of joint public-private projects” (Trusova *et al.* 2020b).

It is the idea of joint private-state financing of priority areas of activity that, in our opinion, is key to solving a number of socio-economic tasks that cannot be solved only by the efforts of the state, especially in relation to objects that at the current stage cannot be completely transferred to private ownership. Moreover, for the implementation of such projects, the option of issue financing is potentially attractive, i.e., through the issuance of government bonds, the proceeds from the sale of which will be earmarked. From this point of view, budget stimulation in conditions of state budget deficit acquires new ways of solving these tasks, through emission financing of investment projects in compliance with the “golden rule” of state finances, according to the principle of “borrowing to invest” (Byrkovych, 2014).

World practice proves the effectiveness of the use of budgetary stimulation tools for the development of the investment potential of the tourism industry, using subventions for information support for the promotion of the tourist product. Thus, in

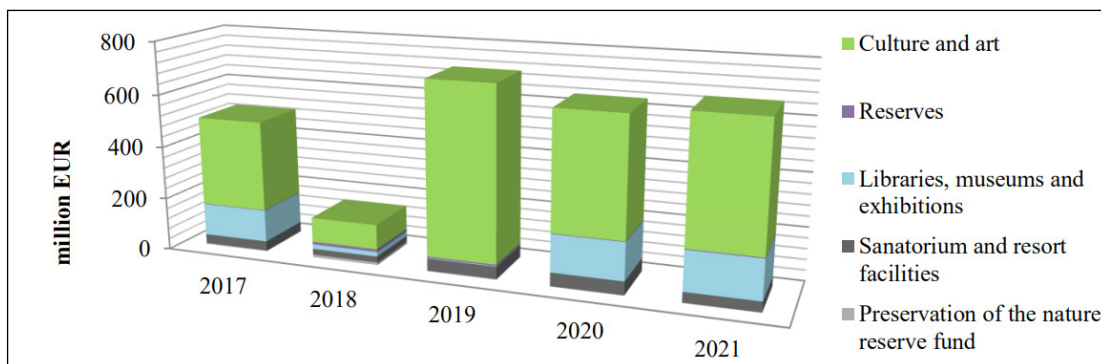
Turkey, government subsidies for the marketing of tourism firms cover 50% of the total amount of capital investments (Phillips *et al.* 2011). State investment projects in the tourism industry are applied according to the competitive principles of the distribution of interbudgetary transfers, which correspond to the priorities of state policy (Dovbenko, 2007a). These competitive principles are embedded in such a budgetary stimulus tool as a budget loan. In contrast to budget investment, private tourism business is interested in government preferential long-term loans to reproduce the investment attractiveness of tourism industry objects in tourism-oriented countries. For example, in Egypt, such loans can have 17-20 years of deferment, or be granted under 2.5-4% annual terms; in Turkey, they are interest-free for the construction of hotels for 46 years, and for other activities they are only 4% annual (Bartlett, 2011).

In Ukraine, budgetary incentives for the development of the investment attractiveness of tourist subcomplexes are estimated financing and budget allocations. The dynamics of expenditures on tourist and related subcomplexes from the



Source: Compiled by authors according to data (Directory of benefits provided by the current legislation on the payment of taxes, fees, and other mandatory payments, 2022; The only web portal for the use of public funds, 2022; Tourist portal of Ukraine, 2022; Tourist streams, 2020).

Fig. 5: Dynamics of expenditures on the tourism industry and related subcomplexes from the State budget of Ukraine, million EUR



Source: Compiled by authors according to data (Directory of benefits provided by the current legislation on the payment of taxes, fees, and other mandatory payments, 2022; The only web portal for the use of public funds, 2022; Tourist portal of Ukraine, 2022; Tourist streams, 2020).

Fig. 6: Dynamics of expenditures on the tourism industry and related subcomplexes from the local budget of Ukraine, million EUR

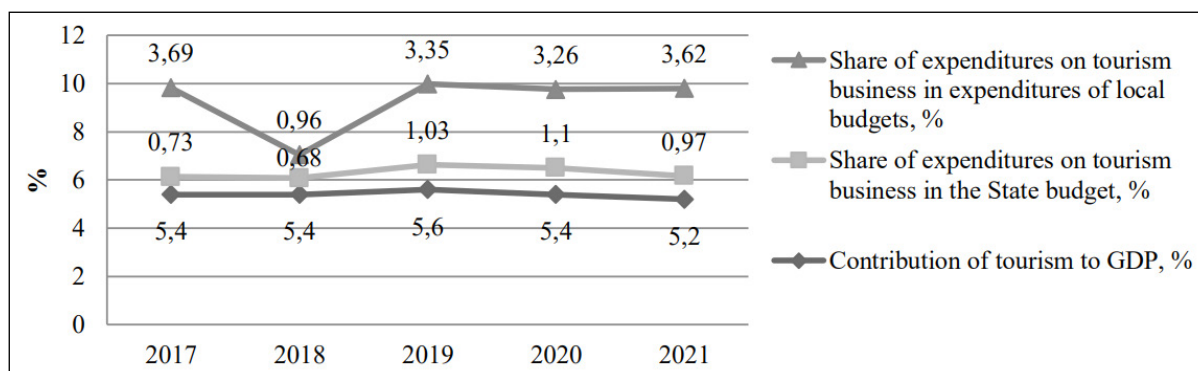
budgets of different levels of Ukraine is presented in Fig. 6-7.

In 2017-2021, total expenditures on the tourism industry in Ukraine increased more than 2.5 times. However, an extremely low share of the State budget (from 0.68% to 1.1%) and local budgets from 0.96% to 3.62%. is allocated to the maintenance of tourist facilities. A larger share of expenses is allocated to the fields of culture, maintenance of nature reserves, national parks, development of art, etc.

The cumulative share of spending on the tourism business with a number of service and subcomplexes adjacent to it is about one percent on average, while the contribution of the tourism industry to the gross domestic product of Ukraine is more 5%.

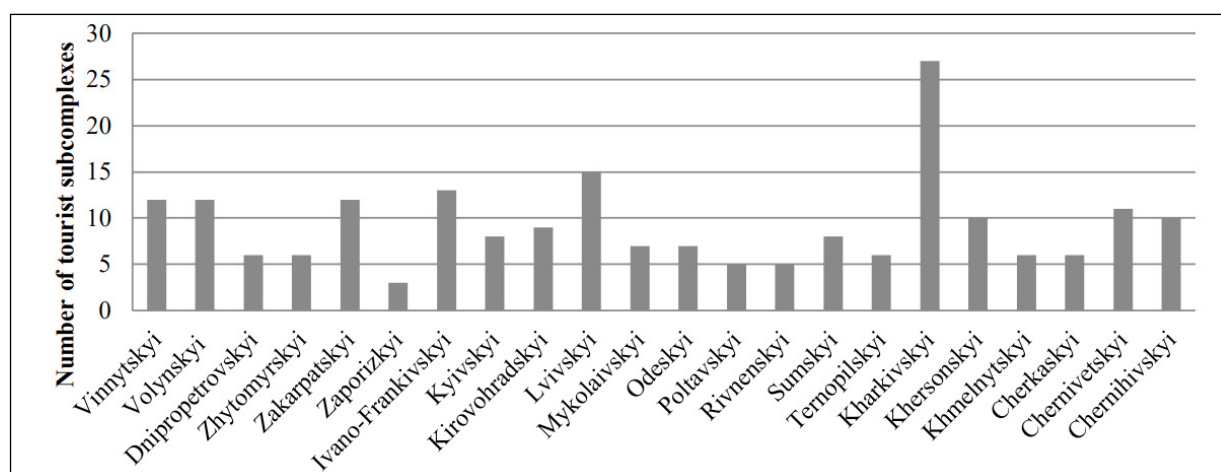
DISCUSSION

From the point of view of institutional formations, tourist subcomplexes, within the investment potential of the development of the tourist industry of the territory, under different conditions of their geographical location, are divided into subgroups, in accordance with the quantitative attributes of budgetary instruments for stimulating investment attractiveness and inter-budgetary transfers for material and technical support of their activities (Irtysheva, 2016; Nordin, 2003). When grouping tourist subcomplexes in regions of Ukraine that have historical, architectural, cultural, natural values, or attractions, the zoning method was used to cluster 225 territories with multi-industry investment potential (Fig. 8). The cumulative



Source: Compiled by authors according to data (Directory of benefits provided by the current legislation on the payment of taxes, fees, and other mandatory payments, 2022; The only web portal for the use of public funds, 2022; Tourist portal of Ukraine, 2022; Tourist streams, 2020)

Fig. 7: The contribution of the tourism industry to GDP and the share of expenditures on tourism business in the budgets of different levels in Ukraine, %



Source: Created by the authors based on data (Kamra, 2005; Kuzyk, 2010; Tourist portal of Ukraine, 2022)

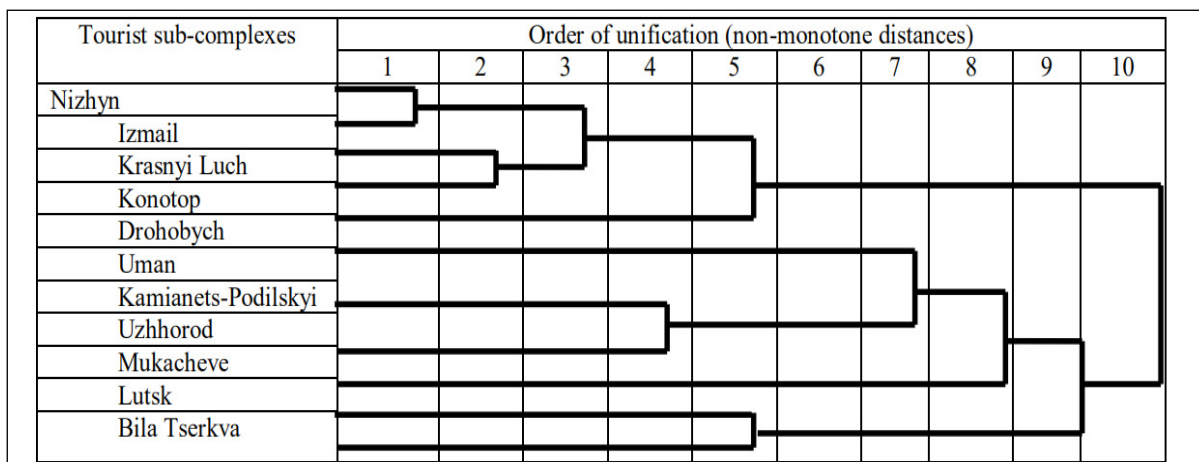
Fig. 8: Distribution of tourist subcomplexes in the regions of Ukraine in different geographically located territories by the quantitative value of budgetary instruments for stimulating investments in the material and technical support of tourism industry entities for 2021

sample of combination groupings is presented on a quantitative basis (quantitative value of budgetary instruments for stimulating investments in material and technical support).

Hierarchical distribution of tourist subcomplexes in different geographically located territories has “relaxed” criteria for the quantitative value of budgetary instruments for stimulating investments in the logistical and technical support of subjects of the tourism industry. For example, in the hub of tourist associations – Kamianets-Podilskyi, Uzhgorod, Mukacheve, Lutsk, Nizhyn, Izmail, KrasnyiLuch, Konotop, Drohobych (for the development of castle tourism), Uman and BilaTserkva (location of arboretums “Sophiivka” and “Olexandria”), the systematicity of the receipt of interbudgetary

transfers is smoothed out to cover the material resources of the subjects of the tourism industry (Fig. 9).

From the standpoint of the alternative approach of Sturgess (Umanets, 2006), for the cluster application of budgetary tools to stimulate the development of the investment potential of the tourism industry, the priority directions for harmonizing the interests of private-state partnership to increase the investment attractiveness of the territories of tourist subcomplexes, which are systematized and adapted to the requirements of the tourist market, are proposed in Ukraine. A binomial distribution of the studied territories into seven clusters was carried out (Table 3).



Source: Constructed by the authors based on data (Dovbenko, 2007; Tourist portal of Ukraine, 2022; Vojnarenko, 2007; Vojtenko, 2014)

Fig. 9: Hierarchical clustering of tourism subcomplexes of Ukraine according to quantitative criteria of budget instruments for stimulating investments in logistical and technical support of tourism industry entities

Table 3: Per-cluster application of budgetary tools for stimulating the development of the investment potential of the tourism industry of Ukraine in different geographically located territories of tourist subcomplexes

Cluster	The budgetary instruments	The main tools of budget stimulation
I-II	Assessment of local tourist resources and formation of tourism industry enterprises based on them	Estimated financing of sectors of the economy related to tourism, which are attractive from the point of view of demand, supply, forecasts and scenarios for the development of institutional capabilities of the territory. Involvement of investors in the formation of tourist facilities. Activation of the potential of individual tourist objects and ensuring their popularization in external sources of information
III	Formation of a stable domestic tourist market and simplification of investors' access to it. Ensuring the integration of various forms and business entities when investing	Budget allocations on an irrevocable basis for the implementation of tourism development programs. Creation of tourist networks, promotion of consolidation of their participants (including through associative forms). Active interaction between participants, which creates sustainable competitive advantages of the subjects of tourism activity, strengthening the competitive status of the tourist center. Stimulation of intense competition on the market (internal - for the rental of historical and architectural objects, and external - for sales markets), which is a stimulus for investment activity
IV	Diagnostics of the tourist potential of the territories, determination of strategic priorities, selection of the most effective forms of their development, by using the resource capabilities of the regions and their institutional component	The use of subventions and subsidies for the formation of general strategies for the development of tourism, improvement of local infrastructure, strengthening of financial support, mobilization of all types of local resources, which contributes to the creation of investment potential. Forming a portfolio of potential investors for the purpose of their integration in the process of developing and implementing tourism strategies, promoting the exchange of experience between regions. State orders for the activation of tourist flows
V	The formation of investment infrastructure to ensure the social needs of the population, the formation and use of tourist and recreational resources of the subjects of the tourism industry, the reproduction of tourist subcomplexes in the future	Determination of the procedure for spending on the creation and operation of investment infrastructure and stimulating the development of industries related to the tourism industry. Investment funds in the tourism sector are created with state support, but with the funds of private investors. Guaranteeing loans of tourism entities

VI	Investment support of the most competitive tourist subcomplexes in different geographically located territories; formation of priority directions for the harmonization of the interests of private-state partnership in the development of the investment potential of the tourism industry under the conditions of the targeted use of budgetary stimulation tools	At the expense of the state budget, investing funds in transport networks (construction of highways, international and domestic airports, interregional transport with their subsequent concession or privatization). Financial support of tourist complexes can be provided at the expense of the state budget through various subsidies, subventions, as well as local budgets through the creation of specialized service enterprises. Provision of tax benefits within the framework of tourism-type TPR
VII	Study of prospects for the development of the investment potential of the tourism industry in the regions of the country to increase the investment attractiveness of tourist subcomplexes under the conditions of financial and informational support	Formation of a regional policy for the development of the investment potential of the tourism industry, easing the tax pressure on the tourism business by reducing local taxes, simplifying the conditions of activity of tourism business entities, developing educational and scientific programs to attract investments according to business needs. The use of budget credit for the operation of a network of tourist subcomplexes, financial, economic and informational support for their activities, taking into account the specifics of the region

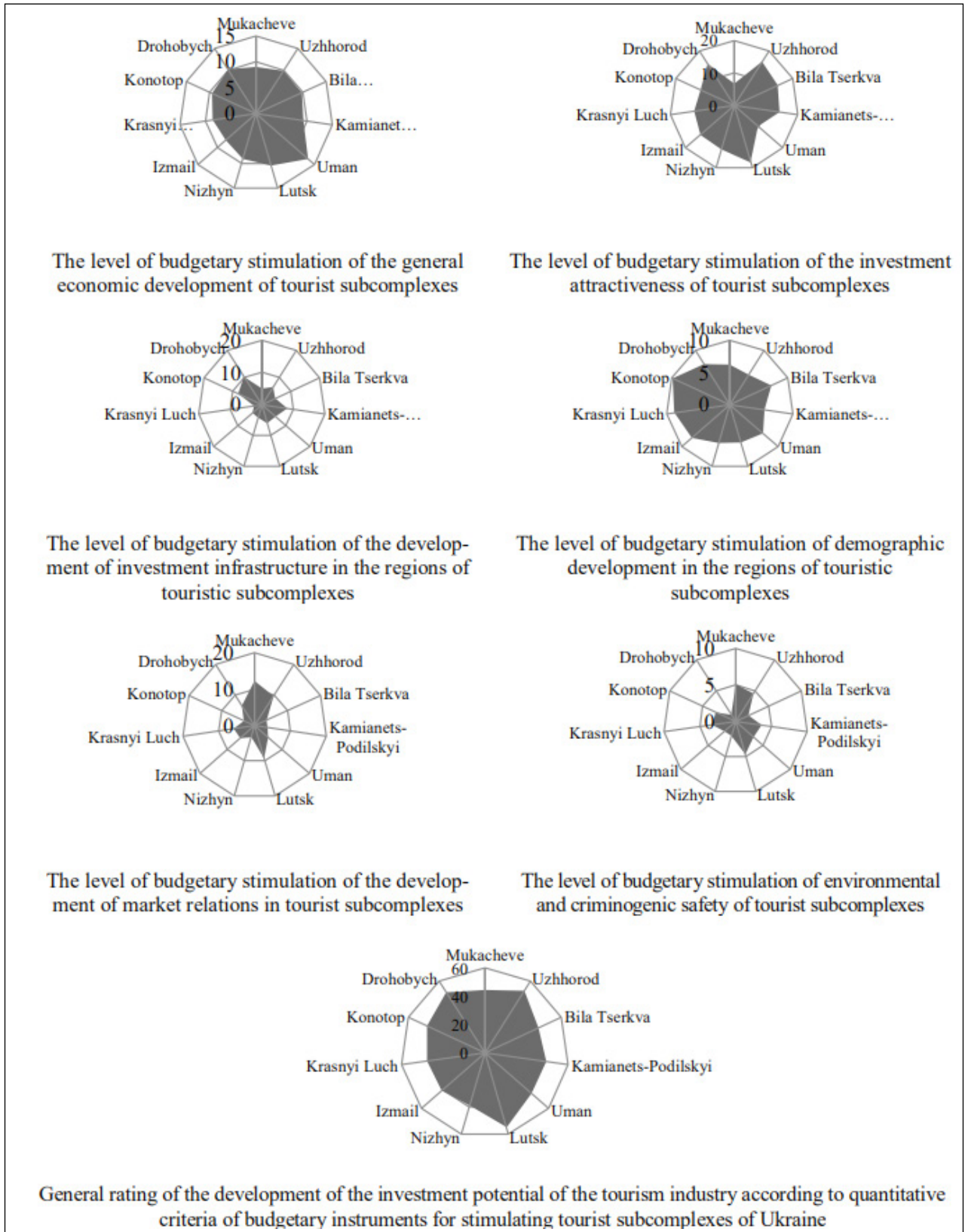
Source: Improved by the authors according to data (Balatskyi, 2011; Bejdyk, 2001; Bordun & Bilous, 2010; Britchenko et al. 2019; Chychkaliuk, 2015; Trusova et al. 2022; Tubolets, 2008).

The ranking of the parameters of the development of the investment potential of the tourism industry of Ukraine was carried out according to the quantitative criteria of budgetary stimulation of investments in the material and technical support of tourist subcomplexes in different territories of their geographical location (Fig. 10). The concordance coefficient according to the set of parameters is 0.46 and exceeds the critical value – 0.323.

According to the results of the rating, the first place in the development of the investment potential of the tourism industry in Ukraine was taken by the tourist subcomplex in the city of Lutsk (weight coefficient – 54.92), which is the largest regional center among the sample of the studied territories. The tourist subcomplex (located in the city of Uzhhorod (weight factor – 52.23)), takes the second place in the ranking, which has significant advantages due to indicators of general economic development, investment infrastructure, concentration of tourist facilities and concentration of leading tourism business entities in region. The city of Drohobych (weight coefficient – 50.69), is the third in terms of rating of budgetary stimulation of investment in the development of tourist subcomplexes in Ukraine, which according to the level of demographic development in the region is provided with a sufficient number of labor resources, and according to the level of investment infrastructure has a fund for investing funds in tourism. The industry is formed on the basis of

private-state partnership, in terms of investment attractiveness, it has an extensive network of transport and excursion services, provided with subsidies and subventions at the expense of state and local budgets, for the creation of specialized service enterprises.

From the standpoint of improving the investment climate in Ukraine and intensifying foreign investment, we consider it expedient to introduce state stimulators for the development of the investment potential of the tourism industry from the economic crisis; clear and unambiguous definition of priorities in foreign policy aimed at creating a free trade zone with the EU; fight against inflation, unemployment, labor migration; implementation of the economic mechanism of foreign investor risk insurance; ensuring an even distribution of foreign investment volumes by regions of the country with a weakened level of development of the investment infrastructure of tourist subcomplexes that are not attractive to Ukrainian investors; ensuring the elimination of technical barriers in the process of VAT reimbursement and customs clearance of goods, providing a preferential tax regime during the implementation of large-scale capital investments in the country tourism industry; development of the system of state guarantees provided to investors in investment areas prioritized by the state; activation of measures to form a positive image of the entities of the tourism industry.



Source: Constructed by the authors

Fig. 10: Ranking of the parameters of the development of the investment potential of the tourism industry according to the quantitative criteria of budgetary stimulation of investments in the material and technical support of the subjects of tourist subcomplexes in different geographically located territories of Ukraine

CONCLUSION

Thus, a comprehensive assessment of the development of the investment potential of the tourism industry of Ukraine with the purposeful application of budgetary stimulation tools should become a vector for the reproduction of an interregional tourism product, with the formation of tourist routes with reference points. When creating new tourist products, tourist subcomplexes should be combined into new tourist routes, with the introduction of unified corporate hospitality, and most importantly - to combine tourist resources to harmonize the interests of both the private sector and the public sector of the economy. In addition, an important function of tourist subcomplexes should be the preservation of their historical and cultural heritage, which should be reflected both in the structure of their budget and in special regulatory provisions that stimulate the attraction of private investment in the restoration, preservation and targeted use of historical and cultural monuments.

An option for solving the problem of investing in the tourism industry is the introduction of a concession as a tool for improving the budgetary stimulation of the investment attractiveness of tourist subcomplexes of Ukraine for historical and architectural objects. This provides the subjects of tourist subcomplexes with a monopoly right to own tourist resources (castles, museums, historical and architectural reserves, estates, defense structures). At the same time, a concession is a much more profitable tool for the state to manage state property than, for example, a lease. The concession eliminates the possibility of so-called "stealth privatization", where the lessee of state property legally establishes ownership of non-separate improvements and actually demands compensation from the state for the cost of these improvements, or does not return the facility to state control. In the case of a concession, this option is excluded - all capital investments belong to the state. The proposed areas of budget stimulation for the development of the investment potential of the tourism industry in the country will help to avoid the dispersion of budget funds to a significant number of small entities and will allow the formation of European-style tourist products with the appropriate level of economic and service provision of tourist infrastructure in the regions.

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