

# The Mechanism of Activation of Investment Potential in the Post-Conflict Period of Development of the Tourism Industry

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**ABSTRACT:** The article substantiates the mechanism of activation of the investment potential in the post-conflict period of the development of the tourism industry. The methodological basis of the foresight and its horizons in the model of forecasting the investment attractiveness of tourist destinations in regional systems in the conditions of the geo-economic environment of the development of the tourism industry of the country-recipient are presented. This method has been implemented to minimize the “local crisis” of tourist and recreational places of rest, formed according to the cluster approach of the service sector. The share of the tourism industry in the structure of the gross domestic product (GDP) structure of the European countries-donors of the investment potential for the development of regional systems of Ukraine was determined. The group of countries of the world that have introduced public-private partnership (PPP) to generate investment potential in the development of the tourism industry is presented. The functional features of the PPP institute are highlighted in terms of generating investment potential for the development of the tourism industry. The forecast distribution of PPP contracts is analysed under the condition of using investment flows of European countries-donors between the spheres of the economy of Ukraine, as well as tourist flows in the immediate post-war period. The index of the investment potential of the development of the tourism industry of Ukraine was determined based on a set of indicators of providing regional systems with investment, labour resources and fixed capital. The types of clusters of tourist destinations in the regional systems of Ukraine have been changed with international cooperation with European countries-donors – generators of investment potential for the development of the country-recipient in the long term.

**Keywords:** Investment attractiveness, international cooperation, investment flows, subjects of tourism activity, public-private partnership institute.

## I. INTRODUCTION

Investments in the development of the tourism industry are an important tool that determines its economic growth, as they form and strengthen the investment potential of tourist destinations, which increases the quality characteristics of factors in the service sector. The problem of investing in the tourism industry is relevant in any economic format, because in the conditions of changing the spatial pole of service provision, as a dialectically objective process, it cannot be suspended, even in the case of global disasters. Therefore, it manifests itself in the promotion and use of natural, recreational, material, energy, financial, technical, digital,

human resources and requires investments that activate the activities of tourist enterprises on a permanent basis. However, the actual volumes of services of tourist enterprises, unfortunately, do not meet the existing needs of consumers in countries where there is a military conflict. As a result, a significant part of tourist enterprises feels an acute shortage of funds for the development of their own business, which should be directed to the restoration of natural recreations and their destroyed landscape, as well as the material base, especially in the territory where hostilities took place. The stable economic growth of tourist destinations as a whole is under threat, as military conflicts level out the internal (own) sources of investment activity of tourist enterprises.

The unsatisfactory attempt to modernize the tourism industry in Ukraine in the pre-war period and during martial law, to some extent, revealed significant shortcomings in the effort to revive its economic stability in the areas of changing the spatial structure of investment potential in tourist destinations that are not provided with a mechanism for its activation. This issue is insufficiently studied in the theory and methodology of investing in the tourism industry, which does not have a concept of its regulation in the post-conflict period and in the new realities of the European integration space. The experience of economically developed countries in the tourism industry shows that the main objects of realization of investment potential are high technologies and in-depth provision of competitiveness of enterprises in the service sector [1]. Therefore, in the post-conflict period of the restoration of the tourism industry of Ukraine, there is an urgent need to develop theoretical and methodological provisions regarding the activation of the investment potential of tourist destinations, which are an important link in the reconstruction of the infrastructure of tourist and recreational places of rest and customer travel. At the same time, the absorbed distribution of the greater part of the territory using direct foreign investment from the countries-donor of the European tourism market for the restoration of the tourism industry in the country-recipient should have a balanced character with the targeted redistribution of investment resources in favour of priority tourist destinations within the service and entertainment sector.

In scientific doctrine, this issue is quite common, which allows it to be revealed from different angles. For example, K.H. Antoniuk [2], O.A. Sushchenko and I.M. Truninoi [3] in their works studied the fundamental principles of the organization of the national economy in the post-war period. In the conclusion, they identified a system of tools and resources necessary to increase the investment potential of the economic sphere, such as digital technologies and improvement of tourism infrastructure. S. Cró and A.M. Martinsc [4] analysed the specifics of investment potential directly in the context of tourism. In the conclusion, the researchers established that the investment attractiveness of tourist destination services depends not only on the external development of the state, but also on its internal mechanisms. I. Dvorska [5] studied the specifics of the country's economic development. As a result, she managed to independently create an investment strategy for the development of tourism in Ukraine in the post-war period. Studies [6-7] revealed the issue of innovative incentives in the tourism industry directly during the post-conflict reconstruction of Ukraine. In the conclusion, they singled out such tools as: means of artificial intelligence, information and communication technologies, as well as elements of virtual reality. A. Mazaraki et al. [8] also studied the current state of development of regional tourism systems of Ukraine. In conclusion, they managed to classify individual regions according to their investment potential, as well as the tourist services provided in them.

The study's theoretical framework is grounded in concepts of post-conflict tourism development, investment potential activation, and public-private partnerships. It draws on theories of economic recovery, destination management, and international cooperation to examine how leveraging investment tools from European donor countries can revitalize Ukraine's tourism industry in the post-conflict period.

The conceptual framework centers on the following key elements:

1. Post-conflict tourism recovery
2. Investment potential activation
3. Public-private partnerships
4. International cooperation
5. Regional tourism systems

These elements are interconnected, with investment potential activation and public-private partnerships serving as mechanisms to drive post-conflict tourism recovery, facilitated by international cooperation between Ukraine and European donor countries. The framework considers how these factors influence the development of regional tourism systems in Ukraine.

The priority of this research is the substantiation of the mechanism of activation of the investment potential in the post-conflict period of the development of the tourism industry, the action of which implements the foresight of the investment attractiveness of tourist destinations to minimize the “local crisis” of tourist and recreational places of rest, formed according to the cluster approach of the service sector [9-10]. This will make it possible to coordinate the action of each cluster of tourist destinations in the regional systems of the country-recipient in the medium and long term, according to scenarios of synchronicity and rhythmic movement of investment flows from European countries-donors for the adaptation of new tourist products on the service market. The aim of the study is to assess the potential for leveraging investment tools from European donor countries to revitalize the public-private partnership institution in Ukraine's post-conflict period. The research question can be formulated as follows: How can investment tools from European donor countries be leveraged to revitalize the public-private partnership institution in Ukraine's tourism industry during the post-conflict period? The study's objectives include:

- analyzing the utilization of European investment tools to rebuild relations with Ukraine's public-private partnership post-conflict;
- affecting regional tourism investment;
- investigation of restoring subsidies for supporting industries and mitigating risks through European support;
- enhancing regional tourism investment platforms.

The study's contribution lies in demonstrating how leveraging investment tools from European countries-donors to revive public-private partnerships in Ukraine post-conflict can reshape the economic landscape of tourism development, activating investment potential and mitigating risks through strategic allocation and support mechanisms.

Based on the study's aims and discussion, the following hypotheses are proposed:

**H1:** The utilization of investment tools from European donor countries will effectively restore relations with Ukraine's public-private partnership institutions in the post-conflict period.

**H2:** Leveraging European investment tools will significantly alter the economic determinants of tourism industry development potential in Ukraine's regional systems.

**H3:** The revival of public-private partnerships through European donor investment will enable the restoration of subsidies for supporting industries and mitigate risks in Ukraine's tourism sector.

**H4:** International cooperation agreements facilitated by European investment will enhance regional tourism investment platforms in Ukraine.

## II. LITERATURE REVIEW

The tourism industry plays a vital role in the economic development and recovery of regions emerging from periods of conflict. Armed conflicts can have devastating effects on a region's infrastructure, economy, and overall stability, making it challenging to attract investments and revive key sectors like tourism. However, the post-conflict period also presents unique opportunities for rebuilding and revitalizing the tourism industry, which can serve as a catalyst for broader economic growth and development.

S. Boyd et al. [11] identify the concept of phoenix tourism, which refers to the recovery of tourism in regions that have experienced protracted conflict. The authors propose a visitor management framework called POCTOS, which focuses on the opportunities that arise from post-conflict regions and how these opportunities can evolve over time. The authors suggest that the recovery pathway for post-conflict destinations will not be uniform, and some may bypass the phoenix state and move directly to a hybrid state. They highlight the importance of understanding the different development scenarios and how they relate to the opportunity factors in the framework. In the context of Ukraine, it is important to pay attention to the work of T. Dedilova et al. [12]. The authors discussed the reconstruction of Ukraine's tourism potential in the post-war period from 2022 to 2030, focusing on strategic management. The proposed strategy integrates elements from the National Development Strategy and the tourism development strategy, aligning with existing plans such as the Strategy for Sustainable Development of Ukraine until 2030 and the Strategy for the Development of Tourism and Resorts until 2026. A key feature of the strategy is the recommendation to promote Ukraine's unique brand “Ukraine is New Horizons” on the international tourist services market.

M. Żemła [13] discusses the issue of overtourism in European historic cities, focusing on the similarities and differences between these destinations. The study uses a systematic literature review method to analyze the existing research on overtourism in European historic cities, highlighting the common patterns and problems that these cities face. The findings indicate that these cities share similar tourism development patterns and overtourism problems, which are distinct from those observed in larger urban destinations like metropolises. The author also emphasizes the importance of understanding the unique characteristics of historic cities and the need for tailored solutions to address overtourism. It suggests that local policymakers should focus on managing tourism in these cities in a way that balances the economic benefits with the need to preserve the cultural and historical heritage of these areas. At the same time L. A. N. Dioko [14] emphasized the significant shifts in policy agendas and priorities that occur in response to exogenous events such as disease outbreaks, political transformations, and changes in visitor markets. These shifts can be challenging for policy-makers and stakeholders, particularly when policy areas like employment, quality of life, and education are weighed against growth and development considerations for sectors like tourism. The findings suggest that tourism is deeply embedded in and coupled to traditional policy areas like labor, employment, and social security, and that tourism policies should not be formulated in isolation from these other areas.

The analysis of tourism and environmental conflict by G. Inostroza-Villanueva et al. [15] reveals that tourism development often leads to environmental conflicts due to issues related to resource use, land use, pollution, and wildlife conservation. The movement of people from one place to another for leisure activities can cause significant environmental impacts, including natural resource usage, pollution, and behavioral considerations. These impacts can be categorized into three major categories: natural resource usage, pollution, and behavioral considerations. The conflict is particularly evident in areas where tourism is a significant economic driver, such as in the Mediterranean region, where the influx of tourists can lead to conflicts related to infrastructure, sociodemographic, and economic aspects. The study by G. Butler et al. [16] discusses the role of tourism in post-conflict reconciliation, particularly in the context of the Chittagong Hill Tracts in Bangladesh. It highlights the experiences of the indigenous Jumma people and their views on tourism development in fostering reconciliation. The study uses the Community Capitals Framework to analyze the impact of tourism on the community, focusing on human, social, cultural, and natural capital. The findings indicate that tourism has contributed positively to the development of these capitals, but its benefits are not evenly distributed.

The synthesis of diverse studies reveals pivotal insights into tourism dynamics within conflict-affected and overtouristed regions. The research underscores the necessity of tailored visitor management frameworks to navigate post-conflict recovery and capitalize on emerging opportunities. Strategic integration of national and international initiatives emerges as crucial for revitalizing tourism sectors, exemplified by efforts such as branding campaigns. The interplay between tourism and broader policy domains underscores the importance of holistic policymaking to address evolving societal needs alongside tourism development. Environmental conflicts and social impacts further underscore the complexity of reconciling economic interests with sustainability imperatives. In essence, these findings advocate for adaptive, integrated approaches to tourism management that account for local contexts and broader sustainability goals.

In the wake of protracted conflicts, regions such as Ukraine seek to revitalize their tourism industries, leveraging international support and strategic management approaches. Based on insights from literature examining post-conflict tourism recovery, this study formulates hypotheses to explore the transformative potential of European investment tools and strategic management strategies on Ukraine's tourism landscape.

### III. MATERIAL AND METHOD

#### 1. RESEARCH DESIGN

The study employs a mixed-methods approach, combining quantitative analysis with qualitative assessment. It uses a forecasting model to project future trends in tourism development and investment potential. The research design appears to be primarily descriptive and exploratory, with elements of predictive analysis Figure 1.

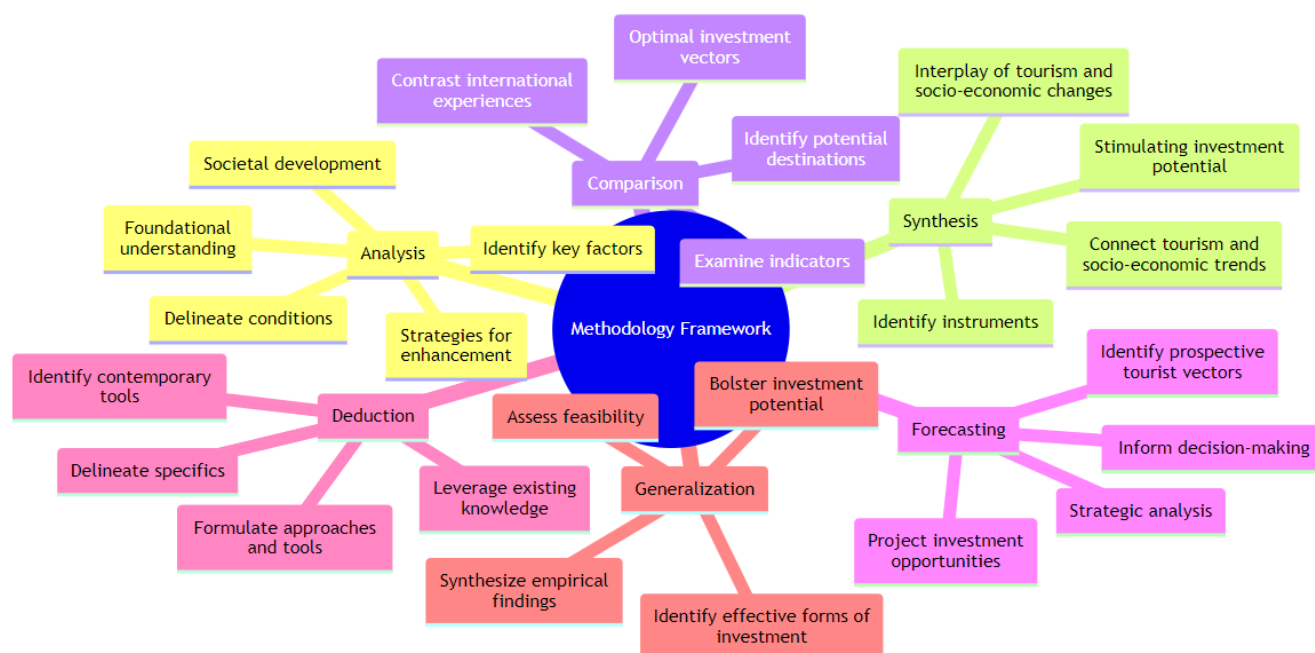


FIGURE 1. Framework of the study

## 2. DATA COLLECTION

The study on Ukraine's tourism sector and its comparison with European donor countries focuses on analyzing various regions within Ukraine, categorizing them into clusters based on their tourism potential and attractiveness for investment. Data collection for the study primarily relies on secondary sources spanning from 2021 to 2023, with projections extended to 2024-2028. Key sources include World Bank data on international tourism expenditures and receipts, statistics from the National Council for the Restoration of Ukraine, and data from the Ministry of Economy and Ministry of Finance of Ukraine. Additionally, forecasts from the World Travel and Tourism Council (WTTC) are utilized to project future trends in the tourism sector.

## 3. VARIABLES AND MEASURES

Several critical variables and measures are employed in the study to assess the investment potential and performance of Ukraine's tourism industry. These include the Investment Potential Index, which integrates indicators such as investment levels, labor resources, and fixed capital within regional tourism systems. The share of tourism in GDP is used for comparative analysis with European donor countries, while tourist tax revenue serves as a performance indicator. The study also examines public-private partnership contracts and foreign direct investment, analyzing their distribution across regions and economic sectors. Projections of tourism flows for 2024-2025 are presented as percentages, offering insights into expected trends and comparisons between European and Ukrainian regional tourism systems. Indicators of regional tourism systems, including investment resources, labor availability, and fixed capital, are assessed using a rating system that ranks these systems on a scale of 22 points based on the gathered data.

## 4. ANALYTICAL APPROACH

The analysis provides a foundational understanding of investment potential within the post-conflict context, serving as the cornerstone of the methodology. The study employs rigorous analysis to identify the key factors influencing investment potential and to delineate the conditions necessary for activating it amidst challenging circumstances. This methodological approach enables the study to identify the complexities of societal development in the post-conflict period and to propose strategies for enhancing investment potential within specific regions.



In contrast to analysis, synthesis explores the interplay between tourism industry development and socio-economic changes. The study employs a synthesis of disparate data and insights to investigate various avenues for stimulating investment potential within the tourism sector. This methodological approach enables the research to identify a range of instruments that can enhance investment potential and to establish connections between tourism development and broader socio-economic trends.

A comparative methodology is employed to examine the indicators of tourist service development across different regions of Ukraine and internationally. The study employs a meticulous comparison methodology to identify tourist destinations with the potential for restoration or improvement through targeted investments. Furthermore, international experiences are contrasted in order to identify optimal investment vectors, particularly those originating from European donor states. This comparative analysis offers invaluable insights into investment strategies and assists in the prioritization of investment priorities across different regions.

Forecasting plays a pivotal role in the strategic analysis of current resources and tools for tourism industry development in Ukraine. By forecasting future trends and potentials, the study identifies prospective tourist vectors with promising performance metrics for the period of 2024-2025. Leveraging diverse data sources and forecasting techniques, the research projects trajectories for investment opportunities within the tourism sector, aiding stakeholders in making informed decisions about resource allocation and strategic planning.

The methodology of deduction is of great importance in the delineation of the specifics of tourism industry development in the context of post-conflict situations. It is through the application of this methodology that existing knowledge about tourist services in Ukraine can be leveraged. The study employs deductive reasoning to identify contemporary tools that can be employed to activate investment potential, particularly in the context of crises. This methodological approach enables the formulation of specific approaches and tools for the regional tourism industry development in Ukraine.

The method of generalization is employed to identify effective forms of investment conducive to the recovery of the tourism sector in post-conflict Ukraine. By synthesizing empirical findings, the study identifies viable investment avenues and assesses the feasibility of bolstering investment potential in specific regions through external investments. The integration of diverse methodologies provides a robust methodological framework for the comprehensive exploration and activation of investment potential within the post-conflict tourism industry landscape. This framework offers valuable insights for stakeholders and policymakers alike.

#### IV. DATA ANALYSIS

The implementation of investment activities in the tourism industry involves a systematic approach to achieving several goals, ultimately increasing the country's competitiveness in the global market for tourist services and generating additional revenue for the budget. According to forecasts by the World Travel and Tourism Council (WTTC), tourism-related investments are projected to grow by 4.3% annually until 2050, reaching 1376.7 billion EUR by 2026, which will constitute 4.7% of the total investment volume.

An empirical study of the share of the tourism industry in the gross domestic product (GDP) of European countries-donors and a comparison of its value with the indicator of Ukraine proves a significant gap between the amount of investments in tourism and recreational resources between states. In Ukraine, little attention is paid to the development of the regional tourism system, the available natural resources are not monetized, the tourist infrastructure is not updated, and new national tourist products are developed that can compete with the world's leading resorts Table 1.

**Table 1.** The share of the tourism industry in the GDP structure of the countries-donors and Ukraine in 2021.

Country	Shares of tourism in the country's GDP structure, %
Croatia	10.4
Turkey	12.7
Czech Republic	7.8
Bulgaria	11.8
Georgia	33.5

Israel	5.9
Egypt	12
Greece	21.2
Slovakia	6.4
Hungary	8.5

Source: compiled by the authors based on [16-20].

Representatives of the tourism industry in Ukraine have paid 25.7% less taxes since the beginning of 2022 than in 2021. The total number of taxpayers engaged in tourism activities decreased by an average of 17% during the first half of the war. At the same time, the number of legal entities that formed the basis of the tourism business in the country decreased by 24.5%, individuals – by 13.5% [21]. The largest amount of revenue to the state budget for the first six months of 2022 was received from hotels and sanatoriums – almost EUR 12.94 million. This is 30% less compared to the first half of 2021. A 39% increase in paid tax was recorded from the activities of boarding houses and hostels, which were used as temporary accommodation for people who were forced to leave their homes due to the war. The share of tax paid from the activities of tourist bases, campsites, and children’s recreation camps decreased by 59% – 1.85 million EUR in tax was paid against 4.51 million EUR for the same period in 2021.

Despite the losses suffered by the tourism industry of Ukraine due to the war, for the six months of 2022, the amount of the tourist tax amounted to 2.26 million EUR, which is almost 28.8% more than in 2021 (in 2021, the budget received 1.76 million EUR). This is evidence of the positive dynamics of the development of the tourism industry and the activation of the investment potential of the industry. The National Council for the Restoration of Ukraine from the Consequences of War [22] has developed a draft Plan, which provides for the recovery and support of infrastructure facilities, including tourist facilities. For example, the project identifies key opportunities for the recovery of the tourism industry in Ukraine:

- the use of an international level information field, which is currently overflowing with news about Ukraine, to highlight the current situation, as well as the country’s tourism potential in the post-war period;
- development of a communication strategy focused on the international market;
- creation of a new positive image of the country, as well as mechanisms and conditions for attracting investments;
- involvement of stakeholders in the development and implementation of innovations, such as digital tools in the service sector, in particular for operational data collection;
- development and implementation of the “War Routes” project.

At the initial stages, it provides for the conservation of objects affected by hostilities, which played an important role in the war; focus on relatively safe tourist destinations where no active hostilities took place; creation of the Tourism Industry Support Fund (in particular, in Ukraine); the possibility of increasing the level of comfort, quality management and the introduction of a system of classification by categories of hotels and other accommodation facilities in war conditions [23]. In particular, 300 war crimes of the aggressor country-against the cultural heritage of Ukraine were documented in the five months of 2022. Most of the religious buildings were destroyed (106 units, of which 40 are recognized as monuments of history, architecture and urban planning). In 2022, 1153 objects of cultural, sports and tourism heritage were damaged or destroyed due to hostilities (2.21 billion EUR of damages). Kyiv, Kharkiv, Mykolaiv, and Zaporizhzhia regions were the most affected by the number of destroyed and damaged cultural, sports, and tourism institutions [5]. All destruction has consequences that require recovery, stabilization and reconstruction of the tourism industry in the post-conflict period.

V. Yushchenko et al. [24] proposed a typology of public-private partnership by groups of countries, depending on the intensity of implementation of its mechanisms. This type of cooperation should be considered as a promising direction of interaction, which determines the double effect of generating investment potential for the development of the tourism industry Figure 2.

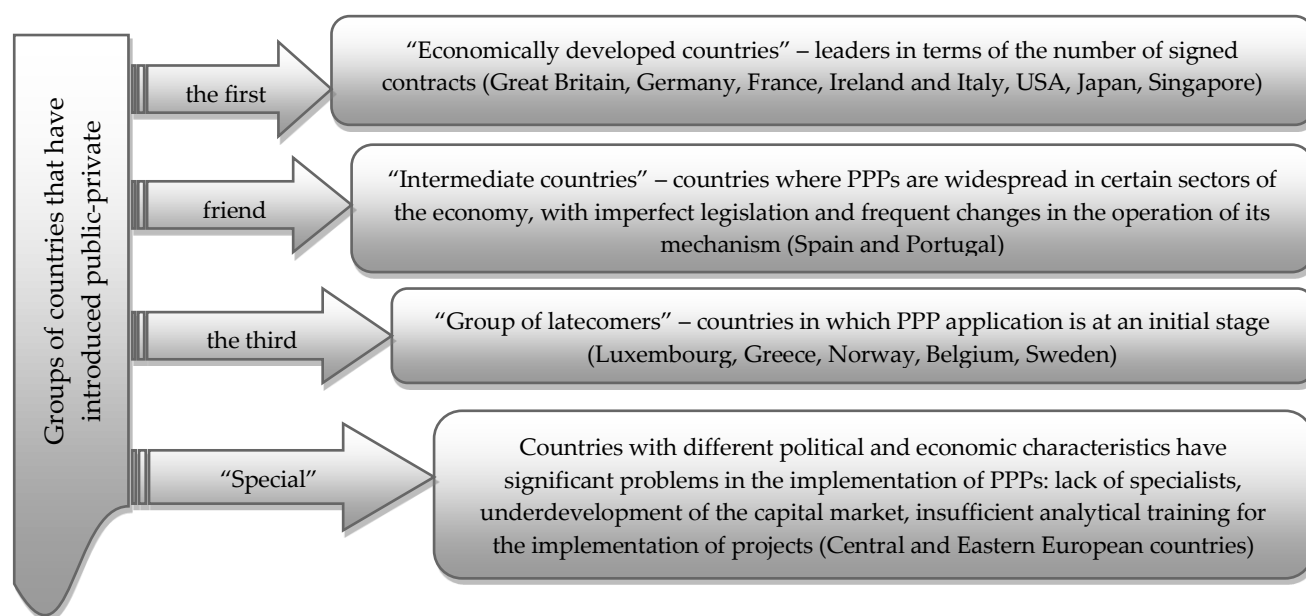
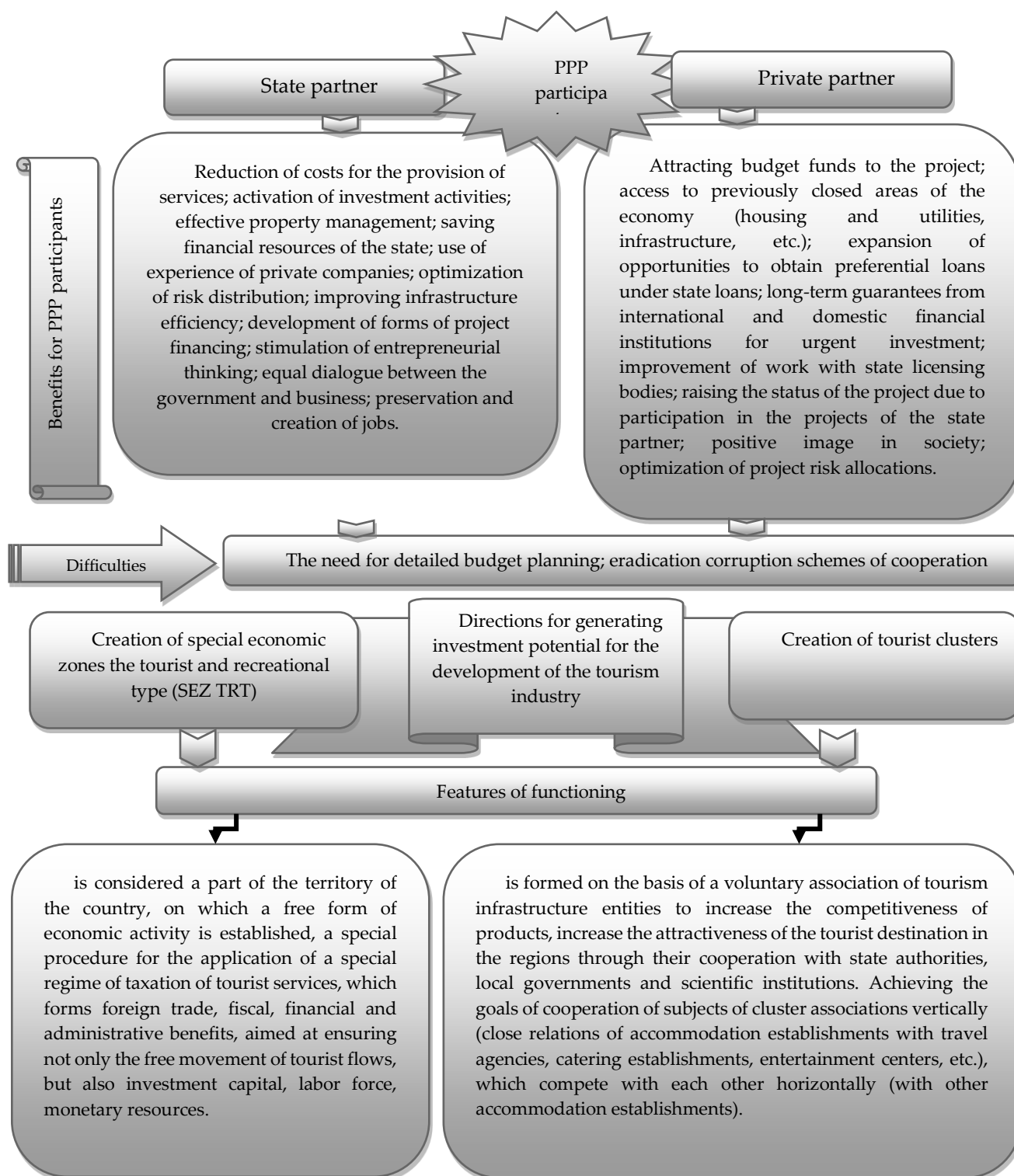


FIGURE 2. Groups of countries that have introduced public-private partnerships (PPP)

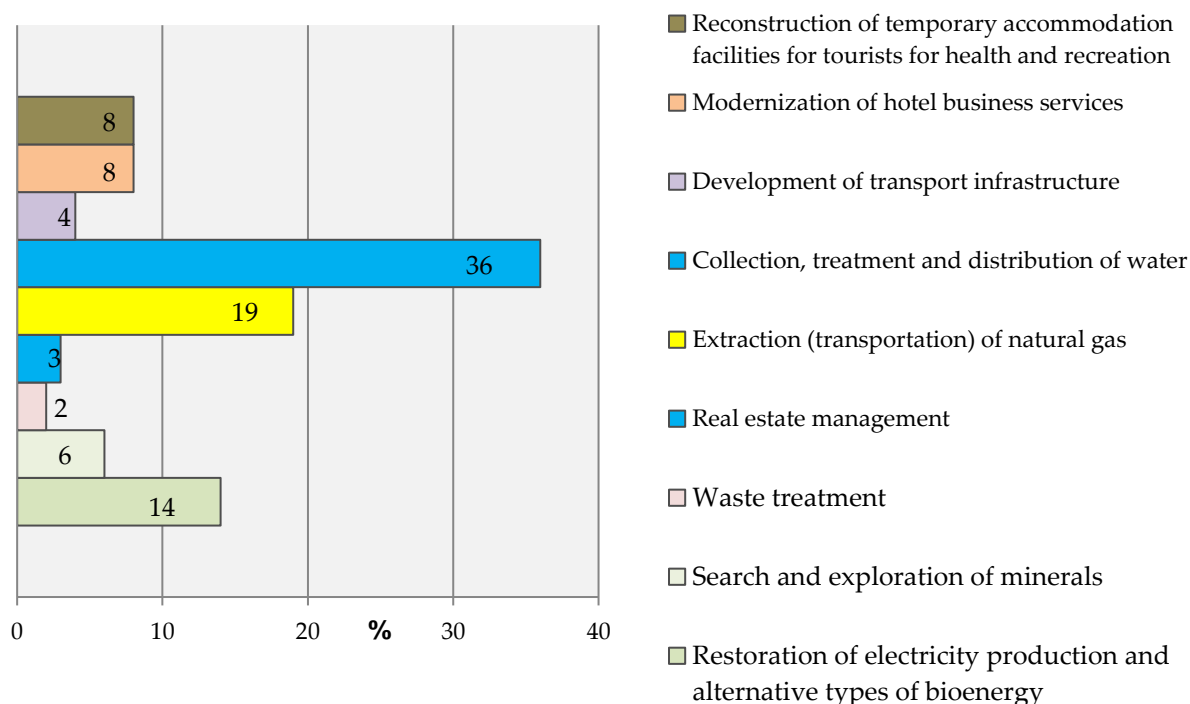
Each participant of the PPP for the generation of investment potential for the development of the tourism industry has its specific advantages in terms of the following elements of organizational and economic cooperation Figure 3. World experience proves that the interaction between the state and private business has the greatest effect of generating investment potential for the development of the tourism industry, primarily in the infrastructure sectors, where the needs and opportunities for investment cooperation in the implementation of large-scale economic projects have arisen [25].

Under the current conditions of the demographic structure of the resettlement of Ukrainian citizens to the territory of Western tourist destinations (Vinnytsia, Volyn, Zakarpattia, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Khmelnytskyi, Chernivtsi) and tourist destinations in the Central part of the country (Zhytomyr, Kyiv, Kirovohrad, Poltava, Sumy, Cherkasy, Chernihiv). Authors have taken into account the gradual stage of reproduction of economic spheres in the Southern tourist destinations (Kirovohrad, Zaporizhzhia, Dnipropetrovsk, Kherson, Odesa, Mykolaiv) and in the Eastern tourist destination (Kharkiv) in order to form a geo-economic space for the generation of investment potential of European countries-donors in the regional system of Ukraine (countries-recipient) as the core of the development of international cooperation in the post-conflict period. Investment flows will be focused in the following areas of the economy: restoration of electricity production and alternative types of bioenergy; search and exploration of minerals; waste processing; real estate management; extraction (transportation) of natural gas; collection, purification and distribution of water; development of transport infrastructure; modernization of the hotel business, reconstruction of temporary tourist accommodation facilities for health and recreation Figure 4 and Figure 5.



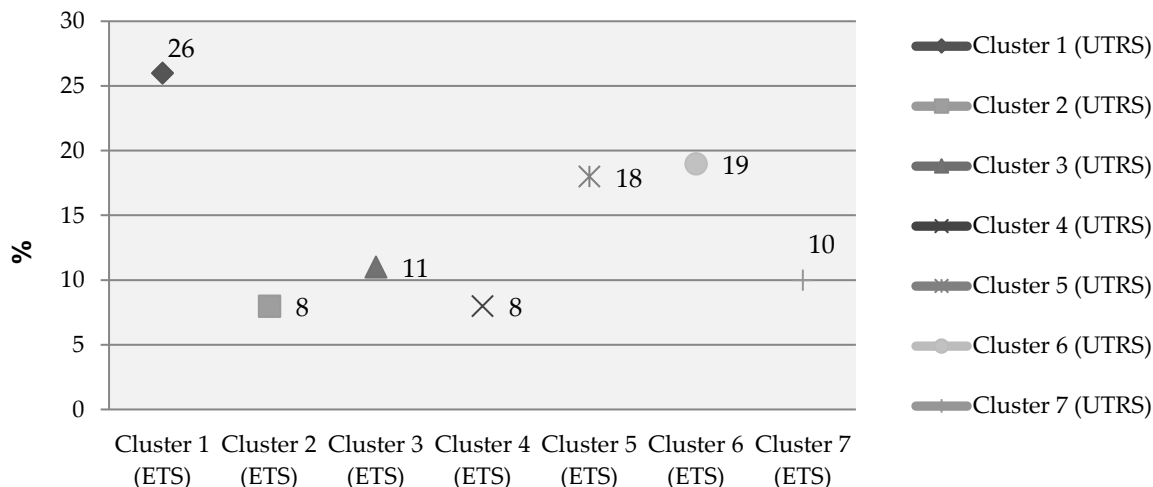


**FIGURE 3.** Functional features of the public-private partnership institute in terms of generating investment potential development of the tourism industry



**FIGURE 4.** Distribution of PPP contracts under the condition of using investment flows of European countries-donors between the spheres of the economy of Ukraine in 2024, %

Source: compiled by the authors based on [20-21].



**FIGURE 5.** Distribution of tourist flows according to international cooperation agreements between European countries-donor and Ukraine for 2024-2025, %

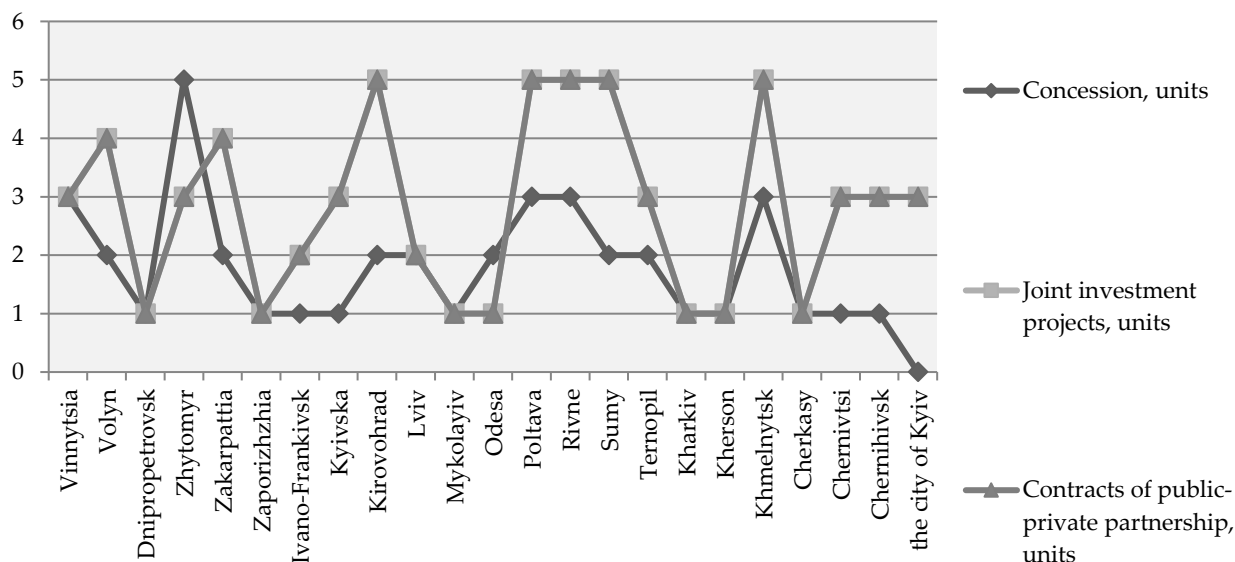
Note. ETS – European tourist system; UTRS – Ukrainian regional tourism system.

Source: compiled by the authors based on [26-27].

In 2024-2025, the implementation of 65 joint international projects with a total cost of EUR 5.07 billion, which were signed back in 2021, will be reproduced in the tourist destinations of the regional systems of Ukraine with the assistance of private EU partners. The largest volume of investments will be directed to projects carried out

on the basis of PPP in the field of water collection, purification and distribution between tourist destinations, natural gas transportation, restoration of electricity production and alternative types of bioenergy, reconstruction of temporary accommodation facilities for tourists for health and recreation, as well as modernization of hotel business services.

It is predicted that in Ukraine, an active time lag of public-private partnership with European countries-donors will be formed in 2025-2028 with the conclusion of the first joint post-war projects and agreements (a total of 172, including 130 contracts for public-private partnership and implementation joint international projects, as well as 41 concession agreements) to expand investment opportunities in auxiliary sectors of the economy with the aim of reproducing the state's regional tourism systems. The state of implementation of the PPP contract is shown in Figure 6.



**FIGURE 6.** Implementation of international PPP agreements on the formation of investment potential for the development of the tourism industry in the tourism and regional systems of Ukraine with the support of European countries-donors in 2024-2025

Note: Cluster PPP (1) – Vinnytsia and Chernivtsi regions Estonia Latvia, Lithuania; Cluster PPP (2) – Volyn and Zakarpattia regions with Belgium, Bulgaria, Poland, Romania; Cluster PPP (3) – Zhytomyr and Kyiv regions with Great Britain, the Netherlands, France; Cluster PPP (4) – Cherkasy and Chernihiv regions with Spain, Italy, Germany; Cluster PPP (5) – Ivano-Frankivsk, Lviv and Ternopil regions with Ireland, Luxembourg; Cluster PPP (6) – Kirovohrad, Zaporizhzhia, Dnipropetrovsk, Kherson, Odesa, Mykolaiv, Kharkiv, Kherson, Poltava and Sumy regions with Austria, Greece, Denmark, Portugal, Finland, Sweden; Cluster PPP (7) – Rivne and Khmelnytskyi regions with Austria, Greece, Denmark, Portugal, Finland, Sweden.

The volume of direct investment flows from European countries-donors for the development and restoration of tourist destinations in the regional systems of Ukraine in the post-conflict period, to the beginning of the time lag, when their outflow begins (from the beginning of the rhythmic and synchronous inflow of resources from the integrated investment potential of European countries to Ukraine), presented in Table 2.

**Table 2.** Dynamics of foreign direct investment of European countries-donors for the development of tourist destinations in regional systems of Ukraine for 2025-2028

Year	Direct foreign investments of European countries-donors for the development of tourist destinations in the regional systems of Ukraine, billion EUR
I-II quarter 2025	5.07
III-IV quarter 2025	5.84
I-II quarter 2026	5.69
III-IV quarter 2026	4.46
I-II quarter 2027	5.86
III-IV quarter 2027	6.22
I-II quarter 2028	6.25
III-IV quarter 2028	7.02

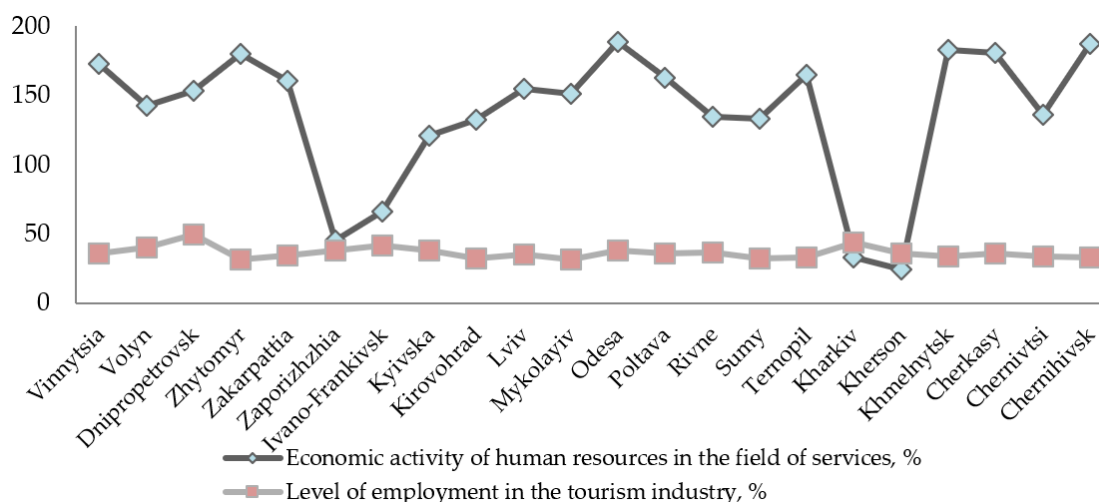
The efficiency of generation of investment potential of European countries-donors for the development and restoration of tourism industry in Ukraine on average for 2025-2028, since each element of the entrance and output investment flow affects the economic capabilities of tourist regional systems of the state, namely: indicators investment, labour resources and fixed capital Table 3, Table 4 and Figure 7.

**Table 3.** Indicators of provision of tourist and regional systems of Ukraine by direct foreign investment and efficiency of their use, on average for 2025-2028

Region	The level of security of the tourist-regional system by direct foreign investment, %	The level of realization of foreign investments per tourist enterprise, %	The share of investors' investors from the introduction of foreign direct investment in the development of tourist enterprises of the region, %	The share of tourism in GRP, %
Vinnitsia	3.1	51.6	23.9	3.3
Volyn	2.6	25.9	46.8	1.9
Dnipropetrovsk	4.7	68.2	42.1	9.8
Zhytomyr	3.9	87.9	43.7	2.1
Zakarpattia	2.9	86.2	50.2	1.5
Zaporizhzhia	4.8	47.6	49.7	3.9
Ivano-Frankivsk	7.4	41.2	67.1	2.2
Kyiv	6.3	40.4	69.3	5.5
Kirovohrad	4.4	26.4	58.6	1.8
Lviv	4.1	87.1	57.2	5.4
Mykolaiv	2.8	47.5	68.2	2.3
Odesa	7.7	55.2	64.3	5
Poltava	8	64.6	65.4	4.7
Rivne	3.9	48.7	65.9	1.7
Sumy	3.2	45.4	61.1	1.9
Ternopil	2.3	85.1	53.4	1.4
Kharkiv	4.8	53.4	41.2	6.2
Kherson	2.7	29.9	41.4	1.6
Khmelnyskyi	8.2	77.2	38.4	2.1
Cherkasy	2.8	27.3	54.3	2.6

Chernivtsi	4.9	58.4	48.1	1
Chernihiv	7.4	46.7	30.2	2

Source: compiled by the authors based on [17-20].



**FIGURE 7.** Indicators of provision of tourist and regional systems of Ukraine with labour resources and efficiency of their use, on average for 2025-2028.

Source: compiled by the authors based on [17-20].

**Table 4.** Indicators of provision of tourist and regional systems of Ukraine fixed capital and efficiency of their use, on average for 2025-2028

Region	The level of providing fixed capital of industrial enterprises servicing the tourist and regional system, %	The level of providing fixed capital of agricultural enterprises servicing the tourist and regional system, %	The level of providing fixed capital of small businesses servicing the tourist and regional system, %
Vinnytsia	9.9	2.6	9.3
Volyn	6.1	0.8	5.7
Dnipropetrovsk	30.8	4	29.3
Zhytomyr	7.1	1.1	6.6
Zakarpattia	6.7	1.3	6.4
Zaporizhzhia	15.4	2.7	14.7
Ivano-Frankivsk	8.1	0.7	7.8
Kyiv	20.3	2	19.3
Kirovohrad	8.6	3.2	8.1
Lviv	20.9	1.2	19.8
Mykolaiv	11.5	4	11.1
Odesa	25.5	4.8	24.5
Poltava	11.1	2.5	10.5
Rivne	6.1	0.6	5.7
Sumy	6.1	1.6	4.8
Ternopil	5.1	1.6	23.9



Kharkiv	25.1	1.9	7.8
Kherson	8.2	2.6	7.2
Khmelnytsky	7.7	1.6	7.2
Cherkasy	9.3	1.9	8.8
Chernivtsi	4.2	0.8	4
Chernihiv	6.3	1.1	5.8

Source: compiled by the authors based on [17-20].

Analyzing the above indicators, the tourist and regional systems of Ukraine was rated, using the score scale of 22 points (the tourist-regional system, which occupies the first place under the indicators presented, receives 22 points and 1 point, if the last place). The rating of tourist and regional systems of Ukraine according to the index of investment potential of development of the tourism industry of Ukraine Figure 8 by Equation 1:

$$lip = \frac{\sum I_{ir} + \sum I_{lr} + \sum I_{bc}}{N_i} \quad (1)$$

where, *lip* – index of investment potential development of tourism industry of Ukraine;  $\sum I_{ir}$  – general indicator of providing the tourist and regional system with investment resources;  $\sum I_{lr}$  – general indicator of providing the tourist and regional system of labour resources;  $\sum I_{bc}$  – general indicator of providing the tourist and regional system with fixed capital;  $N_i$  – the number of indices under study.

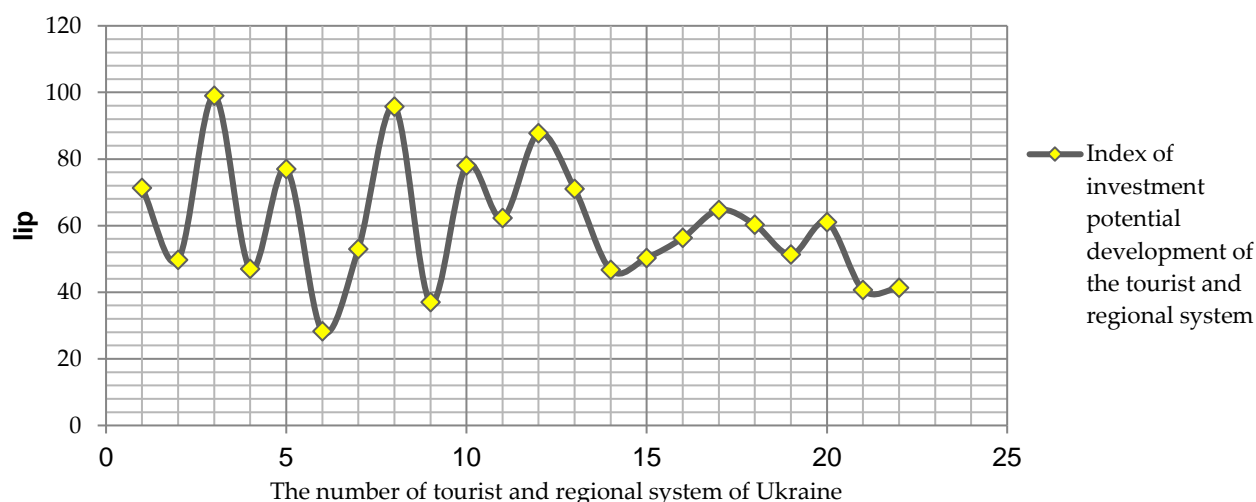
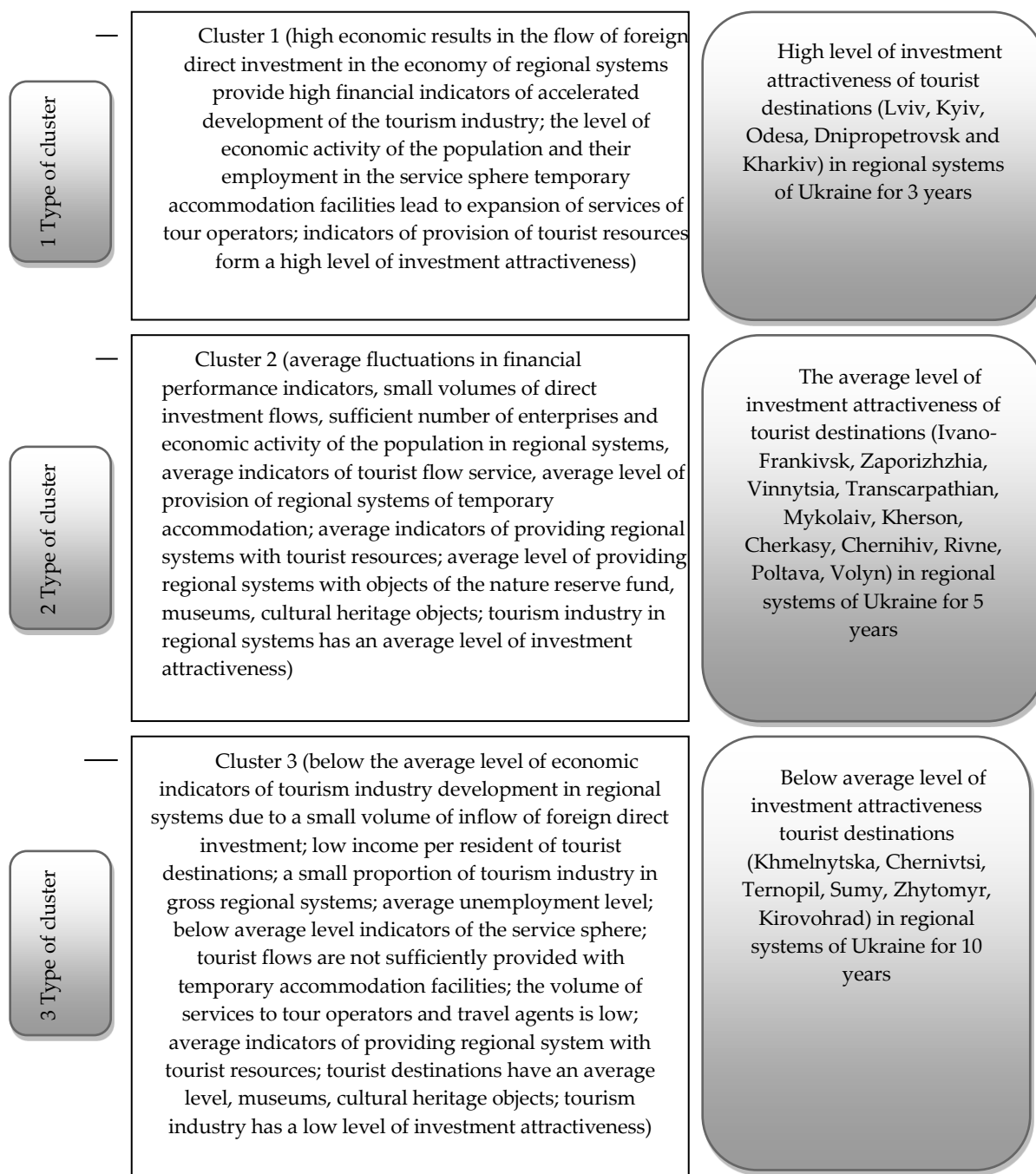


FIGURE 8. Index of investment potential of development of tourist and regional systems of Ukraine, on average for 2025-2028

According to the calculations in Figure 9 reflects the types of modification of clusters of tourist destinations, their characteristics of investment attractiveness in regional systems of Ukraine, which will be part of international cooperation on public-private partnership with European countries-donors for 2025-2034.

The first cluster will include Lviv, Kyiv, Odessa, Dnipropetrovsk and Kharkiv regional systems with high economic results, by introducing streams of foreign direct investment, which will provide high financial indicators of the economy as a whole. This will accelerate the level of economic activity of the population and employment in the service sphere of tourism entities. At the same time, tourist flows will be provided with sufficient temporary accommodation facilities with sufficient tour operators and travel agents.



**FIGURE 9.** Changing the type of clusters of tourist destinations in regional systems of Ukraine provided the introduction of international cooperation with European countries-donors –generators of investment potential for the development of the country-recipient for 2025-2034.

## V. DISCUSSION

The development of the tourism industry depends on a number of factors, both objective and subjective. Accordingly, the scientific doctrine explores various approaches and tools to ensure the activation of investment potential in various tourist regions. This question is common, since tourism is an important component of the state economy of many countries [28-32]. That is why the development of the tourism industry, including in the post-war period, deserves special attention from researchers. R.F. Mubinovna [33] studied the specifics of investment potential in the tourism sector. She managed to establish that a key indicator in the process of increasing the investment potential of the tourism industry of a specific region is the efficiency of resource placement in it. This affects the activities of various enterprises aimed at meeting the needs of tourists, namely providing them with quality tourist services. The joint result of both works is proof that the exchange of investment resources between tourist vectors is caused by an indirect or direct flow of investment funds. Accordingly, in this way there is an increase in the volume of tourist and recreational areas, as well as an increase in demand for specific popular places for temporary accommodation of tourists. T. Pencarelli [34] believes that any actions of the subjects of the tourism industry are aimed at realizing the material and spiritual interests of a person. At the same time, they require financial expenses from both sides, for example, for persons who provide services: for the maintenance of tourist facilities, accommodation and food for tourists, and for tourists: for cultural and entertainment events. Common between the works is the conclusion that the investment needs of tourist enterprises should be provided with state support, both in the context of preparing tourists for the trip, and during direct recreation.

The European integration process also has an impact on the activation of tourism potential. O. Olshanska and P. Puzyrova [35] came to this conclusion in their work. They established that the process of improving the investment climate in the territory of a separate tourist region is multifactorial. This was also mentioned in this article. The researchers established that the successful activity of tourism business entities in crisis conditions is determined by their desire for stable and long-term development. Both works have in common that in conditions of economic instability in the country, the stage of forecasting the investment attractiveness of tourist destinations is mandatory. It was established that the effectiveness of the implementation of individual tourism projects on certain time and territorial horizons depends on this factor [36-38]. Common between the works is the approach, which consists in involving tools of foreign economic activity. According to T. Zakharova [39], foreign investments are one of the most promising resources for ensuring economic development in crisis conditions. In addition, the researcher proved that they contribute to macroeconomic stabilization. Common to both works is that they describe the practical significance of foreign investments and modern technologies in the process of overcoming the economic crisis. Accordingly, attention was focused on the specifics of investments allocated by donor countries and provided to recipient countries. The joint conclusion of the works is that the attraction of foreign investments is ensured by the state in order to support national interests and priority areas of the economy.

As a rule, the main part of foreign investments is directed to developed industrial countries. However, A. Burlea-Schiopoiu et al. [40] note that a certain part of these investments falls on developing countries, given the attractive conditions created in them. The researchers carried out a classification of foreign investments that coincides with the results of this article. They focused on direct and portfolio investments. As for the first category, it means foreign enterprises that invest in the organizations of the recipient countries and, accordingly, receive a share of control over them and participate in their management. At the same time, this article emphasized portfolio investments [41]. These should be understood as those provided by investors in the form of loans or those that invest in financial instruments such as stocks and bonds. The general conclusion of both works is that foreign direct investment has numerous advantages, as it provides an increase in the level of efficiency of the recipient country's economy. Thus, they contribute to the implementation of information and communication technologies in production. In addition, there is a common position that these investments do not increase the external debt, but, on the contrary, contribute to its reduction.

Special attention should be paid to the restoration and expansion of clusters of various tourist destinations in European donor countries. Y.J.A. Lee et al. [42] revealed this very question in their article. They found that the economic recovery of recipient countries in the post-conflict period is based on the integrated creation of investment potential. A similar conclusion was drawn in this paper and it was also stated that it promotes the use of foresight results. The latter are an important element of the economic policy research process, as well as the determination of resources for joining the efforts of subjects of territorial integration of tourist clusters. This

was also emphasized in the work of the researchers, who noted that the determination of priorities, as well as the development and implementation of investment strategies for the development of tourism should take place taking into account the current economic and social conditions in the country. So, common to both works is the conclusion that the determination of methodological foresight approaches regarding the investment attractiveness of tourist destinations plays an important role in forecasting the economic revival and development of the state. At the same time, it was emphasized the priority of analysing various investment flows for timely decision-making and precautionary measures regarding investment in the development of tourist and recreational places and clusters [43-44].

Based on the findings of the study, several key implications emerge that underscore significant opportunities and challenges for Ukraine's economic recovery and development, particularly within the tourism sector. First, leveraging investment tools from European donor countries presents a promising avenue for economic revitalization post-conflict. This suggests that strategic international partnerships and investments can play a crucial role in rebuilding Ukraine's economy, with a specific focus on enhancing the tourism industry's infrastructure and offerings. Second, the study highlights the potential revitalization of public-private partnerships (PPPs) through European investment mechanisms. This implies a shift towards more sustainable funding models for infrastructure and tourism projects, potentially transforming how these initiatives are funded and managed in the aftermath of conflict.

Regional tourism development emerges as another key implication, indicating that targeted investments can foster the development of tourist clusters across diverse regions of Ukraine. This approach aims to create a more balanced and resilient tourism landscape, reducing dependency on a few main destinations and spreading economic benefits more broadly. Moreover, the research underscores the importance of risk mitigation strategies supported by European countries, which could involve the establishment of special investment funds. This suggests enhanced resilience in the tourism sector, mitigating risks associated with rebuilding efforts and supporting a more stable recovery process. International cooperation emerges as critical, not only for financial support but also for knowledge transfer and strategic partnerships in tourism development. Strengthening ties with European donors could facilitate innovation in Ukraine's tourism offerings, potentially positioning the country competitively in global markets.

The study also points towards sustainable development practices, emphasizing long-term planning and environmental considerations in tourism development strategies. This implies a shift towards more sustainable tourism practices that balance economic growth with environmental conservation, reflecting a broader commitment to responsible tourism. Policy implications are evident as well, suggesting a need for targeted policies to attract and manage foreign investments effectively. This may involve reforms in Ukraine's investment policies to streamline processes and create a more attractive environment for international investors interested in the tourism sector. Furthermore, increased investment in tourism is anticipated to stimulate economic activity and employment, particularly in service-related industries. This could have significant implications for local communities, fostering economic growth and improving livelihoods in various regions of Ukraine.

Infrastructure development is also highlighted, with investments expected to improve essential infrastructure such as electricity, water, and transportation networks. This broader infrastructure improvement could enhance overall quality of life beyond the tourism sector, supporting sustainable development goals across the country. The study's emphasis on data-driven decision-making processes underscores a move towards more informed planning and investment strategies in tourism. This shift is crucial for optimizing resource allocation and ensuring effective implementation of development initiatives. Finally, cultural heritage preservation emerges as a critical consideration, reflecting the study's recognition of the importance of protecting and restoring Ukraine's cultural assets amidst the challenges of post-conflict recovery. This aspect underscores a commitment to preserving national identity and historical richness as integral parts of Ukraine's tourism appeal. In conclusion, the implications drawn from this study suggest significant potential for shaping Ukraine's economic recovery strategy, particularly in the tourism sector. These findings are poised to influence policy-making, international relations, and development practices in post-conflict Ukraine, paving the way for sustainable growth and resilience in the years ahead.

## VI. CONCLUSION

Thus, the use of investment tools of European countries-donors to restore relations with the institution of public-private partnership of Ukraine, in the post-conflict period, will allow to change the economic determinant of the investment potential of tourism industry development in regional systems. Ensuring the activation of investment capabilities of tourism entities is due to the specific features of the introduced a multi-index, that accumulates the resource component of the investment potential in the capital of tourist enterprises of the service sector, as well as gradually distributes it into tourist destinations, which have the average level of providing the objects of the nature reserve fund, museums, cultural objects.

Despite the difficulties of implementing the Institute of Private Partnership of Ukraine during wartime, strengthening agreements on the future international community in the tourism industry and establishing budget investment in the post-war period will allow to restore preferential subsidies of auxiliary industries. At the same time, there may be a significant impact of threats and risks on the restoration of sources of investment flows that will be offset by the support of European countries through the creation of a special investment fund, in order to expand the investment platform of regional systems in the geo-economic space of the tourism market. Diversification of tourist services and control over the targeted use of investments by the institution of public-private partnership will help to strengthen the value derivative assets of each tourism entity and from the standpoint.

The study's reliance on theoretical frameworks without empirical data analysis limits its practical applicability. Future research could address this limitation by incorporating primary data collection methods to provide a more nuanced understanding of the factors influencing investment potential in the tourism industry. Additionally, extending the timeframe for forecasting beyond the short-term period of 2024-2025 would allow for a more comprehensive analysis of long-term trends and potential shifts in the post-conflict landscape, thus enhancing the relevance and reliability of the study's findings for guiding investment strategies in similar contexts.

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## Author contribution

All authors made an equal contribution to the development and planning of the study.

## Conflict of Interest

The authors declare no conflicts of interest.

## Data Availability Statement

Data are available from the authors upon request.

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