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HOTEL AND RESTAURANT BUSINESS OF UKRAINE IN THE CRISIS REALITIES OF WARTIME

ГОТЕЛЬНО-РЕСТОРАННИЙ БІЗНЕС УКРАЇНИ В КРИЗОВИХ РЕАЛІЯХ ВОЄННОГО ЧАСУ

Even after the beginning of the russian aggression against Ukraine in 2014, the destructive impact of pandemic restrictions on the industry in 2020, and the full-scale invasion of the occupiers in 2022, the hotel and restaurant business of the state continues to maintain the position of one of the most stable sectors of the national economy, capable of actively responding to challenges, including mechanisms of adaptation and self-regulation of the market, as well as showing trends in infrastructure innovation and service progress [1; 3; 4].

In the realities of russian aggression, Ukrainian business is doing everything to survive and maintain its own market niche. The situation in different regions of Ukraine today is developing differently, because the factor of distance from the front line in 2022–2025 is decisive for the success of the hotel and restaurant business. However, today the main business strategy has become one and only – survival and work for the victory of Ukraine.

The factor of military geography determines four areas with different trends in the functioning of the hotel business of Ukraine in the realities of wartime:

1. The Frontline regions – a trend of further winding down the network of operating establishments in the realities of periodic military destruction of hotel (and resort) infrastructure (“Reikartz Zaporizhzhia”, “Odesa”, etc.).

2. The capital of the country – a trend of maintaining occupancy, ADR, RevPAR indicators within relatively stable limits of low profitability.

3. The Central region – a trend of maintaining occupancy, ADR, RevPAR indicators on the verge of self-sufficiency.

4. The Western region – a trend of gradual increase in occupancy, ADR and RevPAR indicators of operating establishments, as well as the development of the infrastructure of hospitality and recreation establishments as a result of private investment activity.

According to SATD, the tourism and hospitality industry in total continues to stably provide the state budget with tax revenues at the level of about UAH 1.5 billion annually. In 2024, industry entities paid UAH 2.938 billion (EUR 68.3 million) to the budget, which is +30.2% more than in 2023. More than two-thirds (80.6%) of tax revenues to the state budget, as in the previous two years, are provided by hotels, hostels and other temporary accommodation establishments.

The chronicle of physical destruction of hotel and restaurant infrastructure facilities in frontline regions is being replenished with new losses (among the latest: “Optima River Mykolaiv”, 04/28/2024, “Pridesniansky” Chernihiv, 04/17/2024, etc.). On the other hand,

large investors, despite the risks, are completing ambitious projects in 2022–2025 and opening more and more new hotel and restaurant complexes in the western regions of the country. The epicenters of investment business activity in the hotel and restaurant segment are Bukovel and the surrounding areas, Lviv and Uzhhorod. For example, in Lviv, construction projects for 12 new hotel and restaurant complexes are currently under consideration. The Bukovel resort welcomes vacationers with a network of new complexes opened in 2022–2025.

Both in the regions and in the capital, active processes of privatization of property complexes are underway. For example, in 2024, The State Property Fund has put up for sale at very affordable prices elite real estates on Maidan Nezalezhnosti (Kyiv): hotels “Ukraine” and “Kozacki”.

Statistical data on the industry’s activities require critical reflection, as not all enterprises submit reports on time. In such conditions, the information content of alternative sources of statistical analytics is growing, in particular, the modern POS system for accounting of HoReCa establishments Poster. The latest report on the structural transformations of the Poster ecosystem (which includes more than 16,000 establishments in Ukraine) in the realities of wartime showed the following scale of changes:

- the number of most types of catering establishments continues to decline (by -32% for bars, -17% for restaurants, -17% for food delivery, -16 for pubs, -13% for cafes);

- only two types of small enterprises are successfully competing and growing in the market: small coffee shops (+35%) and fast food restaurants and establishments (+15%).

The decrease in the number of establishments is not fatal against the background of the growth in profitability and attendance of operating HoReCa establishments in Ukraine. Poster-analytics recorded the following positive trends in the realities of wartime:

- the average attendance of catering establishments shows a steady growth trend. In particular, in the second half of 2023, the attendance of bars increased by 15%, hookahs – 9%, coffee shops – 9%, cafes – 7%, fast food – 5%, compared to the 2nd half of 2022;

- the revenue of catering establishments showed a comparable growth trend, in particular, coffee shops – by 31%, bars – 28%, hookahs – 28%, fast food – 27%, cafes – 26%, compared to the 2nd half of 2022;

- the average check for ordering a range of dishes and drinks in HoReCa establishments also showed significant growth, in particular, in fast food – by 21%, coffee shops – by 20%, hookah bars – by 18%, cafes – by 17%, bars – by 12%, compared to the 2nd half of 2022 [2].

The global trend towards eco-friendly recreation has led to the further development of camping and glamping networks in the safest western recreation areas of Ukraine. Active PR by popular travel bloggers and social media channels continues to promote the fashion for glamping holidays. In 2024, their number increased by 16.8%, and the average cost of accommodation – by 50–250 euros compared to 2023. Tax deductions to the budget from the glamping segment have more than doubled (to 0.11 million euros). The financial and infrastructural development of the Ukrainian glamping industry is so dynamic that, compared to 2021, tax revenues from this industry to the state budget in 2024 doubled (from 0.05 to 0.11 million euros) [1].

Domestic demand for hotel and restaurant services in tourist destinations in Ukraine (especially in the Carpathian region) is recovering the fastest, which is associated with the growing psycho-emotional fatigue of citizens from isolation, anxiety, pessimism and the horrors of martial law. Therefore, it should be expected that in 2025–2026 in regions remote from the front line, the demand for hotel and restaurant services will gradually approach the

levels achieved by 2022, and in some centers of domestic tourism it will even grow dynamically.

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