

## Comparative Analysis of International Tourism Development in Ukraine and Slovakia

Oleksandr KOROL, Zhan MAKARENKO, Zdenko HOCHMUTH

**Abstract:** *Tourism is understood as one of the form of population migration, not connected with place of residence or work changes. The necessity of definition of the term "tourism" arouse in the 1<sup>st</sup> half of the XX-th century, caused by growth of tourists' flow, tourism economic significance increase and, as a result, efforts to statistically account the travelers.*

**Key words:** *international tourism, inbound tourism, outbound tourism, tourist arrivals, tourist receipts, tourist expenditure, balance of international tourism,  $\chi^2$ .*

The Committee of Experts in Statistics at the Nations' League was the first to offer definition of the term "tourist" (1937). The term found international acknowledgement and preserved its form till nowadays, with some later amendments. As of our days, a definition, worked out at International Conference for Travels and Tourism Statistics (Ottawa, 1991), is widely used in international practice. A World Tourism Organization (WTO) and the UN Committee for Tourism Statistics approved the definition. According to it, tourist is a visiting person, i.e. "a person who travels and stays in places outside his/her usual environment for not more than one consecutive year with any purpose excluding activities, paid from the sources in the places of visit" (Александрова А.Ю., 2002, p.6).

The definition allowed for more clear outlining of the part of travelers who can be the object of statistical research in tourism. The summary documents of the Ottawa Conference and the WTO technical recommendations refer tourist as a visitor. This definition is recommended for use as a basic one in tourism statistics. Alongside with tourists (overnight visitors), the term is also extended to same-day visitors. Probably, the latter is the reason of absence in definition of the minimal stay outside the usual environment (24 hours), set in national tourism legislation in many countries.

Tourism takes the forms of domestic and international tourism. International tourism presupposes travels outside the country of residence frontiers. It covers visitors who are the non-residents in the country of destination.

Depending upon whether a person is traveling to or from a certain country, international tourism is subdivided into inbound and outbound tourism. From the point of view of the country of residence, the tourist who travels to another country is the outbound one, whereas from the point of view of the country of destination, he/she who is received by a destination country is the inbound tourist. The same tourist can be simultaneously qualified as an inbound and outbound tourist.

The statistics of international tourism comprises two basic sections: statistics of tourists' flow, and statistics of tourist's receipts and expenditures. To ease the inventory, WTO suggests the list of parameters, both informative and those that can be easily measured. The quantity of arrivals is among the most important indicators of tourists' flow.

The quantity of arrivals presupposes the number of registered visitors of certain country who are non-residents of one, per certain period of time (usually, a year). The visitors can be divided into same-day visitors, and tourists (overnight visitors). Measurements are conducted according to the following parameters following the scheme ([www.world-tourism.org](http://www.world-tourism.org)).

**Tab.1:** *Categories of international tourism*

Object	Parameter	Place	Comments
Visitor	Arrival	At frontier	
Tourist	Arrival	At frontier	
		At hotels and similar establishments	Private accommodation excluded.
		At collective tourism establishments	Considered is each new accommodation in each new establishment

According to table 1, all arrival measurements in international tourism are divided into the following categories:

- TF – International tourist arrivals at frontiers (excluding same-day visitors);
- VF – International tourist arrivals at frontiers (including tourists and same-day visitors);
- TCE – International tourist arrivals at collective tourism establishments;
- THS – International tourist arrivals at hotels and similar establishments.

When measuring, preference in international tourism is given to arrivals at frontier.

However, it should be born in mind that not every country has these data at its disposal. Hence, another ways for measuring can be used.

Since a tourist may conduct several trips per year, or he/she may visit several countries within a single trip, the actual number of tourists is less than the number of arrivals.

According to WTO data ([www.world-tourism.org](http://www.world-tourism.org)), the number of arrivals to Ukraine and Slovakia are as follows (*Tab.2*).

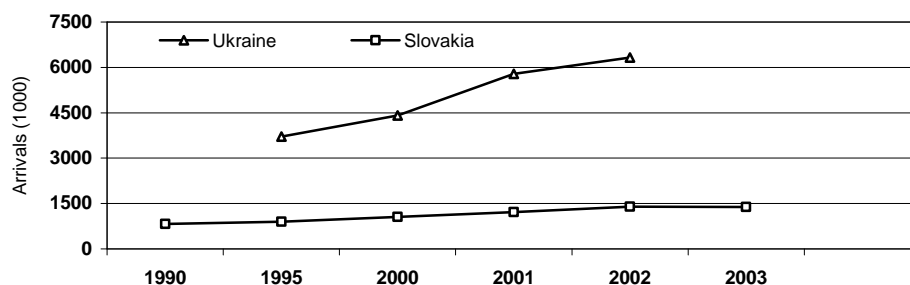
**Tab.2:** International tourist arrivals\* (1000)

	Years					
	1990	1995	2000	2001	2002	2003
<b>Ukraine</b>	-	3716	4406	5791	6326	-
<b>Slovakia</b>	822	903	1053	1219	1399	1387

\* Data are absent for Ukraine as of 1990 and 2003

As it is seen from the table, the average number of arrivals to Ukraine in 1990 – 2003 was 4.4 times higher than that to Slovakia. During the stated period of time, a stable growth of arrivals was observed in both countries, excluding 2003, when a small decrease of -0.9% was fixed in Slovakia. The years 2000 – 2002 showed the most dynamic growth of arrivals, with average annual increment of +20.3% for Ukraine, and +15.2% for Slovakia (*Graph 1*).

Thus, both absolute number of arrivals and its increase in Ukraine are higher than those in Slovakia. However, the picture will become reverse when a population quantity is taken into account. So then, the proportion of arrivals number to population quantity in 2002 comprised 0.13 arrivals per capita for Ukraine, whereas it was 0.26 arrivals per capita for Slovakia.



**Graph 1:** International tourist arrivals

Statistics of tourist receipts includes those in money equivalent (US\$), received by a country of destination from inbound tourism during a certain period of time (usually a year). Tourist receipts consist of visitors' expenditures. Among the most important items of inbound tourists' expenditures in the country of destination are: lodging, food and drinks, internal transport and fuel, excursions, entertainment, shopping, etc. This parameter covers the receipts received from overnight and same-day visitors, which can be substantial if visitors from neighboring countries who seek for beneficial goods and services are considered. These shopping tours may have a regular character, thus making same-day visitors a weighty source of receipts from inbound tourism.

Receipts from tourism exclude expenditures, connected with transportation of inbound tourists by contracted companies from countries of their residence, or from the third countries. These expenditures comprise a separate category as International Transport Receipts. The share of this category in inbound tourists' expenditures is about 18% ([www.world-tourism.org](http://www.world-tourism.org)).

The WTO data prove that the receipts from inbound tourism between Ukraine and Slovakia are as follows (Tab.3) (www.world-tourism.org).

**Tab.3:** Receipts from inbound tourism\* (US\$ million)

	Years					
	1990	1995	2000	2001	2002	2003
<b>Ukraine</b>	-	191	394	573	788	935
<b>Slovakia</b>	70	623	433	641	736	865

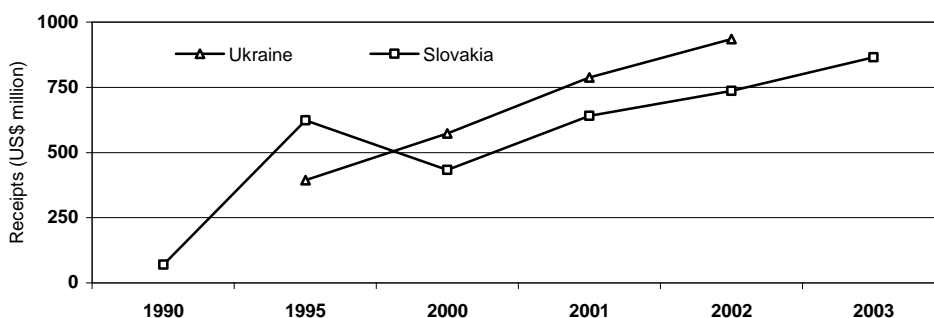
\* Data as of 1990 are not available for Ukraine

As it is evident from the presented data, receipts from inbound tourism prevailed, up to 2001, in Slovakia. From 2001 on, this parameter has become a bit higher in Ukraine (1.07 times).

A moderate average annual receipts increment (+15.6%) was observed since 1995 till 2000 in Ukraine, alongside with its decrease (-7%) in Slovakia (see Figure 2). A stable trend towards inbound tourism receipts growth in both countries is formed from 2000 on. Annual increments during that period are stated in table 4.

**Tab.4:** Annual receipts increase from inbound tourism (%)

	Years		
	01/00	02/01	03/02
<b>Ukraine</b>	45.0	37.5	18.6
<b>Slovakia</b>	48.0	14.8	17.5



**Graph 2:** Receipts from inbound tourism

Having the data on the number of arrivals and the receipts at one's disposal, profitability of inbound tourism can be defined by dividing the second parameter by the first one.

In 1995 WTO has conducted a research concerning profitability of tourism flow directions. The average figures there comprised \$708 per arrival, though the sum was significantly different in different countries. Receipts from arrivals were lower in the countries (Canada, Mexico), which have common ground borders with the countries – principal tourist suppliers (the US in this case), as well as in the socialist (or former socialist) countries (e.g. China). High level of receipts from arrivals is observed in the countries located far from big seller's markets, which have considerable customs obstacles, are characterized by a high cost of life, or oriented towards tourists' elite. (Александрова А.Ю., 2002, p. 53).

Profitability of inbound tourism in Ukraine in 1995 was estimated at a rate of \$51 per arrival and \$689 correspondingly in Slovakia. In 2002 these figures had the values of \$124 per arrival in Ukraine, and \$526 per arrival in Slovakia.

The situation is explained by the structure of inbound tourism and the duration of tourists' stay (the higher the tourist's receipts are and the longer he/she stays within the destination, the more money he/she leaves at this destination).

Ukraine has an extensive ground border and visa-less regime with Russia, which is characterized by a small level of population incomes and is a country – tourists supplier. As a result, tourists from Russia in 2004 took the first place within the structure of inbound tourism, rating at 38%. The majority

of Russian tourists (80%) visited Ukraine with private purposes. Tourists from Moldova, which is the second in the structure of inbound tourism (18.5%), had also visited Ukraine primarily with private purposes (92%). Private tours, spread between the neighboring countries, are not durable and possess regular character, which significantly decreases receipts from one arrival.

Decreases in profitability of inbound tourism in Slovakia can be connected with the country's orientation towards Europe. Lifting of customs obstacles for citizens of the European countries could have led to the increase of the number of short-stay trips from neighboring countries. Transitional passengers' flow could have also added to the situation. The above stated reasons could form the situation when the increase of the arrivals number outstrips the receipts increase. However, high level of European tourist's solvency provides for sufficiently high level of inbound tourism profitability in Slovakia.

A value of receipts from inbound tourism per one resident of destination country is another important indicator of its (tourism) efficiency. This value for Ukraine was estimated at a rate of \$19.6 per capita in 2003, and \$159.7 per capita for Slovakia.

Statistics of tourists' expenditures covers expenditures in money equivalent (US\$) made by residents of a certain country for outbound tourism during a certain period of time (usually a year). Expenditures include those made by both tourists and same-day visitors.

WTO data show that tourists' expenditures for outbound tourism in Ukraine and Slovakia are as it follows from table 5 (www.world-tourism.org).

**Tab. 5:** Expenditures for outbound tourism\* (US\$ million)

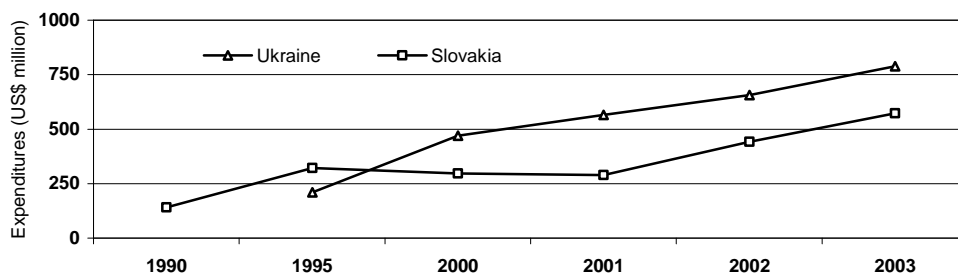
	Years					
	1990	1995	2000	2001	2002	2003
<b>Ukraine</b>	-	210	470	566	657	789
<b>Slovakia</b>	141	321	296	289	442	572

\* Data as of 1990 are not available for Ukraine

Expenditures related to international tourism were continuously increasing in Ukraine. During the years of the new millennium the annual increment fluctuated within the limits of +16.1% (years 2002/2001) and +20% (years 2001/2000 and 2003/2002). Expenditures' increase in Slovakia in 1990 – 1995 is followed by an insignificant decrease during 1995 – 2001, and a stable trend towards a growth from 2001: +53% (2002/2001), +29.4% (2003/2002) (Graph 3).

Having the data on receipts and expenditures, one can make a balance of payment and calculate the balance of international tourism, which is a difference between the first and the second parameters.

Balance of international tourism is of great importance within the system of the country's balance of payment. Inbound tourists provide for currency receipt, whereas outbound tourists remove it from the country. Positive balance, i.e., excess of receipts over expenditures, makes tourism to be an active form of payment, whereas negative balance makes it to be passive.



**Graph 3:** Expenditures for outbound tourism

As we see from table 6, international tourism is active in both countries throughout the last years, though the fact that the rates of expenditure increment exceeded those of receipts in 2003 causes certain anxiety.

Thorough analysis of international tourism development indices in both Ukraine and Slovakia allows for putting forward a hypothesis that international tourism in these countries possesses peculiarities of their own and does not depend upon each other in its development. Mathematical statistics is therefore offered to help prove or refute these statements.

**Table 6:** Balance of International tourism\* (US\$ million)

	Years					
	1990	1995	2000	2001	2002	2003
<b>Ukraine</b>	-	-19	-76	+7	+131	+146
<b>Slovakia</b>	-71	+302	+137	+352	+294	+293

\* Data as of 1990 are not available for Ukraine

To ascertain (refute) co-ordination in distribution of the parameters of arrivals, receipts and expenditures in Ukraine and Slovakia, a research was conducted, based on the  $\chi^2$  criterion.

The  $\chi^2$  criterion assesses the level of independence in distribution of parameters, co-ordination (correspondence) between the actual and theoretically expected distributions, and distributions homogeneity. The  $\chi^2$  criterion is therefore also called a criterion of independence, co-ordination and homogeneity (Горкавий В.К., Ярова В.В., 2004, p.113).

The criterion is calculated following the formula:

$$X^2 = \sum \frac{(O - E)^2}{E}, \quad (1)$$

where: O – stands for empirical, and E – for theoretically expected values.

In the result of study of empirical distributions, theoretically expected values of arrivals, receipts and expenditures in Ukraine and Slovakia were calculated. Following the formula (1), the  $\chi^2$  values for the above-stated parameters were obtained, as well as their totalities calculated (Tab.7).

Special tables are created for  $\chi^2$  criterion, where its decisive values are presented provided for certain number of freedom degrees (df), and chosen level of significance (P). In our case, if actual  $\chi^2$  values are lower than the decisive ones at corresponding number of freedom degrees and the level of significance, that would mean that the divergence between actual and theoretical distributions is casual and international tourism development in Ukraine and Slovakia is co-ordinate. In case that actual  $\chi^2$  values exceed the decisive values, that would witness that the divergence between actual and theoretical distributions is not casual, but conditioned by the countries under study.

**Tab.7:** The  $\chi^2$  parameter values for international tourism in Ukraine and Slovakia and its decisive values

Years	Arrivals			Receipts			Expenditures		
	Ukraine	Slovakia	$\Sigma$	Ukraine	Slovakia	$\Sigma$	Ukraine	Slovakia	$\Sigma$
<b>1995</b>	-	-	-	93.65	81.8	175.4	32.23	45.18	77.41
<b>2000</b>	0.71	3.12	3.82	0.18	0.2	0.34	1.17	1.64	2.81
<b>2001</b>	0.49	2.17	2.66	0.09	0.1	0.16	8.98	12.59	21.57
<b>2002</b>	0.94	4.15	5.09	8.44	7.4	15.81	0.38	0.53	0.90
<b>2003</b>	0.10	0.44	0.54	10.92	9.5	20.46	0.04	0.05	0.09
<b>Total</b>			12.11			212.2			102.7
<b>Decisive values</b>			7.81			9.48			9.48

The obtained totalities of  $\chi^2$  were compared to decisive values at df = 3 for arrivals, df = 4 for receipts and expenditures, and P = 0.05 (see Table 7). Since actual  $\chi^2$  values for each of the three parameters exceed the decisive values, the hypothesis that international tourism in Ukraine and Slovakia has its own peculiarities and is developing independently, is confirmed.

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## **Porovnávací analýza rozvoja medzinárodnej turistiky na Ukrajine a na Slovensku**

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**Zhrnutie:** V príspevku sa zaoberáme skúmaním pojmu turista podľa štandardov Svetovej turistickej organizácie (WTO): „turista – je návštevník, resp. osoba, ktorá cestuje a vykonáva svoj pobyt na území, ktoré sa nachádza mimo jeho obvyklého prostredia na čas nie viac ako 12. mesiacov s nejakým účelom, činnosťou mimo zamestnania, ktorá predpokladá zárobok“.

Podľa údajov WTO za obdobie rokov 1990, 1995, 2000 – 2003 sme uskutočnili porovnávaciu analýzu príchodov, príjmov a výdavkov na Ukrajine a na Slovensku. Cestou porovnávania príjmov a príchodov je možné definovať užitočnosť prichádzajúcej turistiky. Ako rozdiel medzi príjmami a výdavkami sa vypočítalo saldo medzinárodnej turistiky.

Vychádza sa tu z rozdelenia turistiky na vnútornú a medzinárodnú (international tourism), ktorá sa v prvom rade rozdeľuje účastníkov na dve formy – prichádzajúcich (inbound) a vychádzajúcich (outbound). Je možné stanoviť isté ukazovatele, ktoré poskytnú možnosť ohodnotiť medzinárodnú turistiku podľa množstva príchodov (arrivals) čo je počet evidovaných návštevníkov nejakej krajiny, ktorí nie sú jej obyvateľmi. Príjmy (receipts) sú v peňažnom vyjadrení (US\$) tie príjmy, ktoré získala príslušná krajina z príjazdovej turistiky. Tieto sa skladajú z nákladov návštevníkov, ktorí uskutočnili príchod do krajiny. Výdavky (expenditure) v peňažnom vyjadrení (US\$) sú náklady účastníkov nejakej krajiny na zahraničnej turistike. Tieto zistenia sme realizovali pomocou metód matematickej štatistiky – kritérium  $\chi^2$ .

Podľa analýzy vyššie spomenutých ukazovateľov možno vyjadriť domnienku o tom, že medzinárodná turistika na Ukrajine a na Slovensku má svoje zvláštnosti a rozvíja sa nezávisle jedna od druhej.

preklad z ukrajinského jazyka do slovenčiny  
Žan Makarenko

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