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## PROBLEMS OF ACTIVITY OF ENTERPRISES IN THE HOSPITALITY INDUSTRY IN MODERN CONDITIONS

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**Introduction.** Domestic enterprises in the hospitality industry have suffered heavy losses due to the COVID-19 pandemic, full-scale war and martial law in the country. Hotel and restaurant enterprises bear losses, the pace of their development is reduced. Many domestic enterprises of the restaurant and hotel industry that found themselves in the areas of hostilities were forced to move or to stop their activities altogether. The full-scale war affected the reduction of occupancy in hotels. There have been changes in the offer of restaurant products, which are associated with problems with logistics and a decrease in the income of the population. In addition, the destruction of the energy infrastructure slows down the recovery of the economy and causes the deterioration of the expectations of enterprises in all spheres of activity. It is difficult to overestimate the complexity of the situation of the hotel business in the current conditions. The main problem is the specificity of the provision of hotel services, since they cannot be preserved, produced and sold when the situation becomes more stable and economically profitable. The majority of enterprises in the hospitality industry are forced to operate at the level of the break-even point. Therefore, it is **relevant to study** the current state of enterprises of the hospitality industry and determine the ways of their preservation, existence and development in the current conditions of martial law in the country.

**The results.** The hotel business in Ukraine developed strongly before the start of the COVID-19 pandemic. But due to quarantine restrictions, hotels and restaurants in Ukraine (as well as all over the world) suffered significant losses, and some were forced to temporarily stop their activities or close altogether. An innovative breakthrough, a way out of this difficult situation was the active introduction of computerization, IT technologies, Internet services, which contribute to the preservation and implementation of the hotel and restaurant business, opens up new opportunities for promoting the product to the market, in particular, creates comfortable and safe conditions for consumers of services. The gradual transition from classic forms of hotel and restaurant services to modern ones, and then to innovative ones, provided an opportunity for revitalization and further development of enterprises in the industry.

However, the state of war in the country caused the presence of new restrictions for the development of enterprises of the hotel and restaurant industry at a sufficient level of profitability. Depending on the location, the demand and supply of hotel and restaurant services have changed in

the country. Enterprises located in the east, south and central region suffered the greatest losses. This was caused by the destruction of the hotel and restaurant business enterprises due to military operations, a sharp reduction in demand for services, a shortage of personnel (they left for other regions or abroad), in some places the cessation of operations altogether, disruption of supply chains, etc. The opposite situation is observed in the west of Ukraine. Displaced persons provoked a high demand for means of accommodation at the beginning of the war. However, by the summer, this demand decreased (due to the return of displaced people home) and there was no traditional growth due to domestic seasonal tourism.

The market of hotel services has radically changed. There are absolutely no tourist and cooperative market segments. The demand for hotel services is formed by ordinary people who have relocated and businesses and diplomatic institutions that have moved their personnel to safer regions. The reduction in demand for hotel and restaurant services also caused a decrease in the solvency of the population of Ukraine. People don't plan vacations, it's about economy and savings, not entertainment and recreation.

The restaurant business reduced the volume of services provided. However, service tariffs did not increase. Accordingly, this led to a reduction in the revenues and profits of enterprises. A small restaurant business, compared to a large one, has less resources to stay on the market in difficult times, so a large number of small businesses were forced to stop their activities due to unprofitability. Ways out of such a situation can be: reducing the amount of use of imported raw materials and reorientation towards domestic producers and more traditional cuisine. Also, you need to reduce the rental rate as much as possible, reduce optional expenses, you need to be delivery-oriented.

**Conclusion.** After the end of martial law, the above-mentioned trends in the market of hotel and restaurant services will be maintained for several more years. The further development of the enterprises of the industry will depend on the following factors. First, from the region where the enterprises are located, the degree of destruction, reconstruction of the infrastructure. Secondly, from what security measures for guests and staff will be taken by enterprises. Hotels and restaurants are already setting up shelters, providing guests with emergency suitcases, increasing the number of security personnel, additionally checking guest data when booking, etc. It is also important to preserve the professional staff of enterprises. Thirdly, from state business support (providing cheap loans, preferential taxation, creating favorable conditions for attracting foreign investments, etc.). The recovery of the domestic restaurant business will be influenced by future foreign investments in the country, the use of innovations and the adjustment of food chains.