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## **PUBLIC-PRIVATE PARTNERSHIP IN TRANSPORT INFRASTRUCTURE OF TOURIST BUSINESS**

*The article describes the peculiarities of implementation of public-private partnership in the transport infrastructure of tourism. It is substantiated that the cooperation of the state and the private sector in the sphere of transport support of the tourist business creates favorable conditions for efficient use of available and attracting investment resources for the sustainable development of priority sectors of the economy of the country. The specificity, subjects and forms of public-private partnership in the projects of development of transport of tourist infrastructure have been revealed.*

**Keywords:** *tourism, transport, transport service, public-private partnership, transport infrastructure.*

### **Relevance of research topic.**

Tourism business in the late XX – early XXI centuries has become one of the largest and fastest growing sectors of the world economy. 2017 has become the International Year of Sustainable Tourism Development. In total, travel and tourism generate 7.6 trillion. \$ US (10.2% of world GDP) and 292 million jobs, the equivalent of 1 to 10 jobs in the world economy. This sector accounts for 6.6% of total global exports and almost 30% of total services exports [2]. It is tourism that is one of those sectors that will ensure the sustainable development of the Ukrainian economy and therefore requires implementation of qualitatively new infrastructural shifts, in particular their transport component.

### **Formulation of the problem.**

Development of transport infrastructure, improvement of quality of transport services, acceleration of development of international transport corridors is a necessary condition for activation of tourism. This requires the mobilization of large internal financial resources and the mobilization of external resources. This is impossible without active participation in these processes of the state, without the use of new methods and mechanisms of public administration. The current approach in domestic

and international practice to the utilization of the resource potential of individual regions and the country as a whole is the introduction of a public-private partnership mechanism. At the legislative level in Ukraine, this is enshrined in the Law on Public-Private Partnership[3].

It identifies priority sectors of the economy that, with significant investment, can ensure sustainable development and sustainable social impact, both in individual regions and in the country as a whole. These include energy, energy, mining, transportation and tourism. Effective implementation of public-private partnerships in the transport infrastructure of the tourism business requires exploration of world experience and identifying the features and specifics of the process.

### **Analysis of recent researches and publications.**

The results of studies of problems of transport service and transportation of tourists, the organization of transport trips are outlined in the works of such specialists as Babaritskaya V., Gerasimenko V., Zamkova A., Butko I., Gulyaev V., Ilyina O., Senin V., Chudnovsky V. and others.

Issues of reform and the tourism sector based on public-private partnerships were reflected in the scientific literature of Brusyltseva T., Ivashova L., Zima O., Mykhailychenko G. and others.

Theoretical problems and practical aspects of solving the problems of development of tourism and its infrastructure are presented in the scientific works of Arion O., Dombrovskaya S., Novikova A., Pashchenko Yu. However, there remain a number of unresolved issues that hinder the development of PPP in this area and require further research.

### **Main aim of research**

The purpose of the article is to summarize the world experience of using public-private partnership in the transport infrastructure of the tourism business and to develop proposals for the activation of these processes in Ukraine.

### **Presenting main material.**

The interaction of the transport complex with the tourism business is an integral process: 80 - 90% of the revenue from passenger transportation by transport is received in the tourism business, in the structure of the value of tourist products a significant part belongs to such component as transport service, transport is one of the most important components of the tourist infrastructure activities.

Transport (rail, air, water) provides tourists with a communication link between the place of residence and the place of temporary stay, allow you to move freely and profitably within the tourist territory and have access to specific tourist sites. The need for a highly developed transport system in Ukraine is further exacerbated by the processes of integration into the European and world economy, and the transport system becomes the basis for our country's effective entry into the world community.

But undeniable is the fact that Ukraine's transport infrastructure does not meet current trends in international tourism. This is evidenced by the lack of adaptation to

meet the demand of travelers in both quantitative and qualitative parameters. The development of tourism transportation support requires considerable investment, with private sector and government funding attracting sources. Analyzing the role of the state in the organization and development of transport support for tourism activities in different countries of the world, we can identify three types of models of state participation in regulating this important component of the national economy.

The first model (valid in the US) is based on the absence of a central state transport administration. All issues are resolved locally on the basis and principles of market «self-organization». This approach can be applied when tourism is not very much needed by the national economy at all, or when the positions of transport market actors are strong enough to solve their problems without state participation.

The second model (valid in Egypt, Mexico, Tunisia, Turkey) envisages the existence of a strong and authoritative central body – a ministry that controls the activities of all transport enterprises in the country. Its implementation requires appropriate conditions, namely: significant financial investments in the transport industry, in particular in advertising and marketing, investing in tourism infrastructure and more. A similar model for the organization of transport infrastructure management is appropriate in countries for which tourism, and therefore transport, is one of the main sources of foreign exchange budget revenues.

The third model is prevalent in such developed countries of the world as France, Spain, Great Britain and Italy. It stipulates that the problems of development of transport infrastructure in the country are solved in the middle of a certain multi-sector ministry at the level of the relevant branch. At the same time, the department of the ministry responsible for its development in the country conducts activities in two directions: resolves or regulates general issues of state regulation (development of legal framework, coordination of activities of regional representative and executive power, international cooperation at the interstate level, collection and processing statistical information) [1].

We believe that the third model is the most acceptable for Ukraine. Its peculiarity is the need for close interaction between local authorities and private businesses. And, as the experience of countries using such a model shows, such a scheme of work is highly productive for the cooperation and interaction of administrative bodies at different levels of state and regional government, as well as for attracting private sector financial resources to fulfill relevant public tasks.

The maximum effect in the development of transport provision of tourism can be achieved only in the conditions of cooperation of executive authorities, local self-government, public and professional organizations and business structures. It is this complex of relations that foresees a public-private partnership aimed at the creation of infrastructural objects, and should now become the main vehicle for the development of Ukraine's transport infrastructure.

For example, central roads were constructed in Finland, airports and regional routes were reconstructed in Portugal, water supply networks and highways were upgraded in France. In countries with low levels of socio-economic development, these projects are implemented primarily in the areas of transport infrastructure and utilities on the basis of concession agreements.

In such a system of relations the resources and potentials of the state and business are combined, the effect of synergy is triggered, which helps to increase the efficiency of the use of available resources, the sharing of risks between the public and the private sector and their minimization.

The peculiarity of the transport segment of the tourist business infrastructure allows to distinguish subjects of PPP, which can be: from state institutions - government committees, ministries, departments, councils, administrations, bodies of regional power and territorial communities; from the private sector - tourist service providers, transport enterprises, sightseeing establishments, transport and tourism enterprises. The main form of PPP is concession. The areas of application of the concession mechanism should be: reconstruction and expansion of the network of transport routes; development of modern infrastructure, its service and improvement of transport quality; participation in the cross-border cooperation process at the regional level; integration of Ukraine into the international transport system. Combining individual modes of transport into a single transport system, they greatly influence the socio-economic development of the country.

Ukraine has a rather extensive transport system, which presents all modes of transport. The geographical location of Ukraine, the historical features of its development have created the preconditions for building one of the dense and powerful transport networks in Europe and the world. According to UNWTO [4], in 2019 the share of rail transportation in the total volume of tourist transportation by all modes of transport amounted to 2%, the share of transportation by water transport – 4%, the share of transportation by road - 37%, the share of transportation by air – increased to 58%.

Ukraine has great potential in increasing the tourist flow. Active involvement of different types of transport in tourist services will allow to effectively develop various spheres and types of tourism business, to diversify the range of tourist services provided.

### **Conclusion.**

Transport and tourism have a decisive impact on the country's economy. Of all sectors of the economy, transport has the strongest link with tourism. In today's context, the development of tourism and transport should be seen as interdependent processes.

To improve transport services for tourists, the transport system of Ukraine requires significant investments, which should be directed to the upgrading and modernization of rolling stock, the creation of transport networks, improving the quality of passenger services, optimization of transportation rates, improving the management of transport enterprises in all modes of transport.

One way to address these challenges is to use a public-private partnership mechanism. It is necessary to create the right conditions for the private sector to receive investments in the development of the infrastructure of the transport system, and to pay attention to the use of the right regulatory instruments to facilitate private sector financial participation. Successful transformation of the transport sector is possible only through the introduction of a modern and adapted legal framework.

Further research should focus on the development of the scientific basis for future concession legislation and its adaptation to specific conditions of transport activity in Ukraine.

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