

GLOBAL CRISES AND THEIR IMPACT ON INTERNATIONAL HOTELS AND RESTAURANTS

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Summary

The aim of this paper is to analyze the impact of global crises, particularly the war in Ukraine, on the operation and sustainability of the hotel and restaurant industry. The study examines how armed conflicts disrupt tourism flows, supply chains, financial stability, and customer demand in hospitality businesses. The focus is placed on the Ukrainian hospitality sector, which has experienced significant losses due to the ongoing war. The study explores the challenges faced by hotels and restaurants, including security threats, workforce shortages, infrastructure destruction, and financial instability. Furthermore, it evaluates adaptive strategies such as digitalization, crisis management innovations, and the transformation of business models in response to war-induced disruptions. The methodological approach incorporates general scientific methods (analysis and synthesis, induction and deduction), statistical assessment of industry performance, and expert interviews. The findings highlight the urgent need for government support, international aid, and strategic policy adjustments to facilitate the recovery of Ukraine's hospitality sector. The research contributes to a broader understanding of how hospitality businesses can survive and adapt in times of geopolitical instability.

Key words: hospitality industry, global crises, tourism resilience, war impact, Ukraine, hotel business, restaurant sector, crisis management.

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1. Introduction

The hospitality sector is highly sensitive to global crises such as economic downturns, pandemics, and armed conflicts. The war in Ukraine has triggered unprecedented challenges for the country's hotel and restaurant businesses, leading to a sharp decline in tourism, disruptions in supply chains, and financial distress. Many hospitality enterprises have been forced to close, relocate, or repurpose their services to support internally displaced persons (IDPs) and humanitarian organizations (Plzáková & Smeral, 2024).

This study aims to analyze how global crises, particularly war, affect the hospitality sector, with a focus on Ukrainian hotels and restaurants. The research objectives include:

- Identifying the primary economic and operational challenges faced by hospitality businesses during wartime.
- Examining the strategies employed by Ukrainian hotels and restaurants to mitigate crisis impacts.
- Evaluating prospects for recovery and sustainable development in the post-war era.

The methodological framework is based on a combination of qualitative and quantitative approaches, including industry performance data analysis, case studies, and expert interviews.

This research seeks to provide actionable insights for policymakers and hospitality professionals to enhance the sector's resilience.

2. Economic and Operational Challenges in the Hospitality Sector

Prior to the war, Ukraine's tourism industry was experiencing steady growth, with international travelers contributing significantly to the economy.

The main directions of tourism in Ukraine included cultural and historical tourism, which attracted tourists with architectural heritage, museums and festivals in cities with rich history, such as Lviv, Kyiv, Odesa, Chernivtsi, Kamianets-Podilskyi and Uzhhorod. Ski tourism was popular in the Carpathians, in particular in the resorts of Bukovel, Dragobrat and Slavske, among Ukrainian and foreign tourists. Ecotourism and green estates developed in rural areas of Transcarpathia, Polissya, the Carpathians and Podillia, attracting nature lovers. Health tourism was widespread in the resorts of Truskavets, Morshyn, Satanov and Myrhorod, known for their mineral waters and sanatoriums. Until 2014, Crimea was an important sea tourist destination, but after its occupation, the tourist flow shifted to Odessa, Mykolaiv and Kherson regions. Festival tourism was also of great importance, with numerous international festivals such as Leopold Jazz Fest, Atlas Weekend, Zaxidfest, "Fine City" and others.

However, since the outbreak of war, the country has seen a drastic drop in inbound tourism. Hotel occupancy rates have plummeted, especially in conflict-affected regions, forcing many businesses to close or repurpose their operations to accommodate IDPs, journalists, and relief workers (*Marchenko et al., 2024*).

The main reasons for the sharp decline in inbound tourism were the security situation, as constant shelling, destroyed infrastructure, and risks to life made it impossible for foreigners to come for tourism purposes. The closure of airspace since February 2022 caused the suspension of air traffic, which significantly complicated international travel. In addition, the war changed the priorities of Ukrainians – domestic tourism decreased significantly, as people spent money mainly on primary needs.

Restaurants and hotels have faced severe disruptions in food supply chains due to border restrictions, fuel shortages, and damage to transportation infrastructure. Rising food prices and logistical challenges have led to increased operational costs, forcing many businesses to either raise prices or reduce their service offerings (*Zavidna et al., 2025*).

The displacement of millions of Ukrainians has significantly impacted the hospitality workforce. Many employees have either relocated abroad or shifted to other industries, exacerbating labor shortages. The lack of trained staff has further strained the sector, particularly in service-oriented businesses like restaurants and hotels (*El-Said et al., 2024*).

3. Crisis Management and Adaptive Strategies in Hospitality

Adaptation and crisis management are critical for the hospitality industry during wartime due to a number of factors that affect the stability and functioning of the business. One of the main challenges is the sharp drop in demand, as the flow of tourists and business travelers decreases, which leads to a decrease in income from traditional services. Logistical and resource constraints also complicate the operation of establishments, as there are disruptions in the supply of products and goods, and the costs of fuel, energy resources and logistics increase significantly.

In addition, the hospitality business faces serious security threats, including the destruction of infrastructure and the risk of shelling, which often forces owners to close their

establishments in dangerous regions. An additional challenge is the personnel crisis: many employees go abroad or are subject to mobilization, and the level of staff qualifications is gradually decreasing due to a lack of opportunities for training and professional development.

Financial pressure on businesses is also increasing due to the loss of investors and creditors, while high inflation and volatile exchange rates make it difficult to plan costs and ensure stability. All of these factors require operational decisions, strategic planning and adaptation measures so that businesses can not only survive, but also find new opportunities for development in the face of a crisis.

One of the most effective adaptation strategies has been the rapid digitalization of hospitality services. Hotels have optimized their online booking systems, while restaurants have increasingly relied on food delivery platforms. Contactless payment systems and virtual customer engagement have become essential tools for businesses striving to maintain operations in uncertain conditions (*Plzáková & Smeral, 2024*).

Several hotels and restaurants have adapted by shifting their focus to humanitarian aid. Many hotels have transformed into temporary shelters for displaced families, while restaurants have started offering free or subsidized meals to vulnerable populations. This shift has been supported by partnerships with international NGOs and humanitarian organizations (*Marchenko et al., 2024*).

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The Ukrainian government, along with international institutions, has implemented financial aid programs to support businesses affected by the war. These programs help hotels, restaurants, tourism companies and other businesses that have suffered losses due to the war.

Typically, such programs include preferential loans, grants, tax breaks, as well as support in adapting businesses to new conditions. In addition, businesses can receive funding to restore infrastructure, modernize and develop services to preserve jobs and attract more tourists.

This is part of a broader effort by the government and international partners to rebuild the country's economy after the war and stimulate the development of important sectors, in particular the tourism industry, which is one of the key sources of income for many regions.

However, bureaucratic obstacles and the scale of economic devastation mean that many businesses continue to struggle despite these interventions (*Zavidna et al., 2025*).

4. Future Prospects and Recovery Strategies

Despite ongoing challenges, the Ukrainian hospitality sector has the potential to recover and rebuild through several key strategies.

Table 1

Key strategies that can help in the recovery of the hospitality sector

Strategic direction	Strategic rationale
Development of domestic tourism	After the war, many Ukrainians remain in the country, and this creates opportunities for the development of domestic tourism. Hospitality businesses can target local tourists, creating interesting offers for traveling around Ukraine. It is important to develop unique tourist routes that offer not only natural beauty, but also historical and cultural attractions
Infrastructure modernization	Renovating and modernizing hotels, restaurants, tourist facilities and transport infrastructure is critical to increasing competitiveness. It is also important to invest in innovative technologies, such as digital booking platforms and process automation, which will make service more efficient and convenient
Improving service quality	In the restored hospitality sector, a key strategy should be a focus on service quality, which includes staff training, updating service standards, and adapting the business to modern consumer needs. It is important to preserve the atmosphere of hospitality, which is one of the strong features of Ukrainian culture
Attracting foreign tourists	To do this, it is necessary to work more actively on promoting Ukraine as a tourist destination in international markets, conduct advertising campaigns and cooperate with international travel agencies
Green technologies and sustainable development	Hospitality businesses can implement energy-saving solutions, use local products, and organize eco-tours that will attract conscious tourists

One of the primary approaches is infrastructure rehabilitation and investment, which involves government-led restoration projects aimed at repairing war-damaged hotels and restaurants. Additionally, diversification of services can help the industry expand into new markets, such as business tourism, wellness tourism, and eco-tourism, reducing dependence on traditional tourist flows. Another crucial factor is the establishment of public-private partnerships, fostering collaboration between businesses, government agencies, and international organizations to accelerate recovery efforts. Furthermore, marketing and promotion of domestic tourism can stimulate local travel through targeted campaigns and incentive programs, encouraging citizens to explore domestic destinations. In the long term, Ukraine's hospitality sector must prioritize resilience-building measures to withstand future crises, ensuring sustainable growth and economic stability. These strategies align with the findings of El-Said et al. (2024), who emphasize the importance of crisis-driven innovation and adaptive recovery measures in the hospitality industry.

5. Conclusions

The war in Ukraine has drastically altered the landscape of the hospitality industry, leading to economic losses, business closures, and major disruptions in service delivery. However, even in such conditions, attempts at adaptation are observed: military, volunteer and extreme tourism are developing, and interest in local travel is growing, especially in the western regions. The sector has demonstrated remarkable adaptability through digitalization, humanitarian initiatives, and innovative business model transformations.

After the victory, we can expect a revival of the industry, as many people will want to visit Ukraine for tourism, volunteer work, or business purposes. The development of new routes, restoration of infrastructure, and effective promotion of the country in the international market will be crucial.

Government support, international collaboration, and strategic investments in infrastructure will be crucial for the recovery and future growth of Ukraine's hotel and restaurant industry. Future research should focus on assessing the long-term effects of the war on tourism demand, investment trends, and workforce development in the hospitality sector.

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