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## **HOTEL AND RESTAURANT BUSINESS IN WARTIME: CHALLENGES AND WAYS OF RECOVERY**

### *Summary*

Analysis of the financial results of large and medium-sized enterprises in the "temporary accommodation and catering" sector was analyzed in the article. And it was established that in 2017-2018 there was a recovery in the economic activity of large and medium-sized enterprises in the hotel and restaurant sector, profits increased by almost 30% in 2018 as well amounted to UAH 0.7 billion. However, this positive trend continued until September 2021, and then the trend improved by 11% in 2020 and by 55.79% in 2021, which amounted to UAH 4.5 billion. The problems and challenges of the hotel and restaurant business were identified in the article. They include: migration of a significant number of employees, lack of labor force; inconvenient working conditions in accordance with the labor legislation, complicating the work of the staff; dependence on imported products, violation of raw material supply logistics; lack of labor force due to migration, proximity to hotspots; alienation of property for the needs of the army; lack of electron carriers and significant dependence on electricity; blackout; use of hotels on a free basis as accommodation for internally displaced persons; insolvency of visitors, volunteering.

On the basis of the conducted research, directions for the restoration of hotel and restaurant activity were determined by: optimizing the costs of hotel and restaurant business enterprises, reorienting the activities of enterprises to the needs of the existing market, implementing public procurement programs, expanding access to financing, providing insurance, introducing tax reform that could reduce burden on temporary accommodation companies and catering establishments, introduction of reforms regarding property rights, judicial system and corruption. It is necessary to create and to implement programs for the restoration of infrastructure and to modernize labor legislation. Besides it, important issues also include European integration fulfillment, sectoral analysis of support for hotels and restaurants as priority branches of service provision, use of foreign experience.

*Keywords:* hotel and restaurant business, temporary accommodation facilities, blackout, wartime, internally displaced persons, food establishments, costs, financing, European integration, investments.

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