

I.I. Nabok, PhD,
(National Aviation University, Kyiv, Ukraine)

Features of aviation industry of Ukraine and international cooperation at the present stage

The main trends of development of the market of aviation services in Ukraine has been analyzed. There are a number of key issues that hinder the development of the domestic aviation industry. The ways of improvement of the Ukrainian aviation industry on the basis of international cooperation are determined.

Air transport is an essential element of successful development of the country. The competent organization and combination of work of passenger, cargo, light engine and business aviation certainly contribute to the development of regional economies. National Transport Strategy of Ukraine till 2030, approved by the government allows for simultaneous development in all areas of the aviation industry. Therefore, the existing problems of aviation are not private or industry - these are the problems of development the whole country.

Since 1944, when the Chicago Convention on International Civil Aviation was adopted, the role of aviation in the development of any country was determined, as well as the fact that without the active participation of the state, the development of aviation is impossible: it is a kind of public business. Due to the trends of globalization of the world economy and the increasing role of transnational corporations, in recent years the struggle of alliances of airlines, aircraft manufacturers and airports for the capture of consumer markets has intensified. This is evident in the example of Ukraine: in 2018 82% of all air transportation in the country was carried out on foreign aircraft, which directly points to the loss of air sovereignty.

Over 2018 passengers, cargo and mail were carried by 34 domestic airlines, which made 100.3 thousand commercial flights (in 2017 - 93 thousand flights).

At the same time, the number of passengers carried increased compared to 2017 by 18.7% and amounted to 12529 thousand people. At the same time, volumes of freight and mail traffic by air transport of Ukraine increased by 19.7% and amounted to 99.1 thousand tons (Table 1) [1].

More than half (54.2%) of all passenger flights of domestic airlines make international regular services. In 2018, according to the approved schedule of the flights, regular international transportation were carried out by 10 domestic airlines to 46 countries of the world, the number of passengers using the services of Ukrainian air carriers increased by 16.4% and amounted to 6796.2 thousand people.

Table 1

The main indicators of development the market of aviation services of Ukraine in 2017-2018 [1]

	Units of measurement	Total			including international		
		2017	2018	%	2017	2018	%
Airline activities							
Passengers transported	thousand people	10556,3	12529,0	+18,7	9614,9	11446,1	+19,0
including by regular lines	thousand people	6768,2	7867,6	+16,2	5837,2	6796,2	+16,4
Passengers-kilometers completed	bill.pas. km	20,3	25,9	+27,6	19,9	25,4	+27,6
including by regular lines	bill.pas. km	12,6	15,6	+23,8	12,1	15,1	+24,8
Cargo and mail transported	thousand tons	82,8	99,1	+19,7	82,6	98,8	+19,6
including by regular lines	thousand tons	19,2	21,1	+9,9	18,9	20,8	+10,1
Realized tonne-km (freight + mail)	million tkm	275,3	339,7	+23,4	275,2	339,6	+23,4
including by regular lines	million tkm	70,5	92,0	+30,5	70,4	91,9	+30,5
Completed commercial flights	thousand units	93,0	100,3	+7,8	78,1	84,1	+7,7
including by regular lines	thousand units	63,3	67,0	+5,8	49,9	52,3	+4,8
Activities of airports							
Airplanes sent and arrived	thousand units	159,9	182,8	+14,3	125,6	145,6	+15,9
including by regular lines	thousand units	121,4	140,3	+15,6	95,0	111,5	+17,4
Passengers flows	thousand people	16498,9	20545,4	+24,5	14591,1	18357,5	+25,8
including by regular lines	thousand people	12646,1	15811,1	+25,0	10770,3	13658,7	+26,8
Postage and freight flows	thousand tons	52,3	56,4	+7,8	51,1	55,2	+8,0
including by regular lines	thousand tons	47,3	51,3	+8,5	46,0	50,1	+8,9

Network routes of domestic airlines developed simultaneously with increasing intensity in many possessed flight destinations. Thus, during the year 2018, 17 new regular routes were opened by Ukrainian air carriers. At the same time, the average occupancy rate of passenger seats on international regular flights of Ukrainian airlines increased from 77.7% in 2017 to 78.8% in the reporting year.

At the same time there was an expansion of foreign airlines into the Ukrainian market, 5 new international airlines started performing regular flights to

Ukraine. 2018 also saw the development of the route network of foreign airlines which started operating 27 international routes. In general, during the year 2018, 38 foreign airlines from 37 countries of the world operated in our country. Their services were used by 6857,3 thousand passengers, which is by 37,8% more than in 2017 and is 50,2% of the total volume of regular passenger transportation between Ukraine and countries of the world.

Significant growth (by 23.1%) was observed in such a sector of the passenger air transport market as international flights on an irregular basis; in 2018, the 16 Ukrainian airlines carried 4649.9 thousand passengers. Thus, almost 84% of transportation was carried out by five aforementioned airlines - leaders.

During 2018, the intensification of regular traffic within Ukraine continued. The domestic passenger transportation on a regular basis was performed by 4 domestic airlines providing air services to 10 Ukrainian cities. In 2018, 1071.4 thousand air passengers were transported, which is 15.1% more than in the previous 2017. At the same time, the average occupancy rate of passenger seats on domestic regular flights grew from 73.5% in 2017 to 79.3% in 2018 [2].

Commercial flights of domestic and foreign airlines serviced 20 Ukrainian airports and airfields, during the reporting period, the total number of shipments and arrivals of aircraft amounted to 182.8 thousand units, which is 14.3% more than the figure for 2017.

At the same time, passenger traffic through Ukraine's airports, exceeding the 20-millionth milestone, reached 20545.4 thousand people, which provided a growth of 24.5%. Mail and cargo flows increased by 7.8% and amounted to 56.4 thousand tonnes.

According to the statistics by the results of 2018, there was a significant increase in the number of serviced passengers at all major airports: Kyiv (Zhuliany) (51.9%), Lviv (47.9%), Boryspil (19.4%), Kharkiv (by 19.3%), Odesa (by 17.8%), Zaporizhzhia (by 14.9%) and Dnipro (by 8.1%). Also, a significant increase in passenger traffic was recorded at the airports of Chernivtsi (53%) and Kherson (41.8%) [1].

It should be noted that today almost 98% of total passenger traffic and 99% of mail and cargo flows are concentrated at seven airports in the country - Boryspil, Kyiv (Juliani), Lviv, Odesa, Kharkov, Zaporozhzhia and Dnipro.

The development of passenger transportation in the country prevents:

- a) restrictions on the capacity of airports;
- b) the weakening of competition at the airlines, the development of high-speed rail transport;
- c) excessive use of foreign aircrafts.

Accordingly, the development of freight traffic inhibits:

- a) lack of logistic operators;
- b) problems of airports' infrastructure, lack of terminals' development;
- c) inappropriate policy of air transportation prices.

Of course, one of the key issues the domestic aviation industry as a whole and for its individual components (airlines, aircraft plants, airports, etc.), is the attraction of necessary funding.

The world's centers of aircraft construction are the United States, the European Union and Russia, recently added Brazil, India and China. Compared to the positive experience of other countries (Germany, China, Singapore, the United Arab Emirates, Brazil, etc.), the methods and tools for attracting funding in addition to government programs are poorly used in Ukraine. This is due to the fact that, as a rule, officials who make decisions are either not interested or incompetent in these matters. Foreign experience shows that the participation of private, including foreign capital, both individually and in combination with the state, tends to contribute not only to more efficient involvement of the project, but also to more thorough control and efficiency of their use, including temporarily free cash. In the Ukrainian aviation industry work with private capital is unsatisfactory.

In terms of annual support resource limitations airline weight becomes important strengthening intersectoral cooperation and promoting the participation of enterprises in the regulatory activities of the authorities. A common practice of solving such problems is the creation and support of associations. Creation of associations is a widespread European practice: combining the technological and production capabilities of organizations and enterprises, gaining benefits for each of them. For example, you can mention the European Association of Aerospace and Defense Industries (ASD), the German (BDLI), the French Association of Aerospace Industries (GIFAS).

A promising area of Ukrainian-French cooperation is the development of joint initiatives in confronting hybrid threats and military-technical cooperation. The implementation of an agreement between the governments of Ukraine and France about the purchase of 55 helicopters in the amount of more than EUR 0.5 billion to create a unified aviation security system, which is one of the largest joint projects in the history of relations between two countries, will be an important stage in the development of partnership and alliance relations between Ukraine and France.

The new strategic partnership relations between Ukraine and the People's Republic of China have become new. Ukraine has beneficial cooperation with China in the space industry, since it allows us to rationally realize the Ukrainian space potential. In Ukraine, there are narrow sources of funding in this area, while the PRC is becoming one of the leading investors in space exploration. The most promising bilateral aero-space cooperation between Ukraine and China can be considered engine building and the development of units and outfits. The People's Republic of China is one of the leading places among the countries where Ukraine exports aircraft production to, and the Chinese aviation market is developing the most dynamically in the world.

The successful participation of the Ukrainian delegation to the EXPO-2017 in Astana has shown that innovative technologies in the field of aviation engineering, space technology should become a real platform for interaction of both countries and in the international dimension.

In the sectoral line among the reforms of the transport sector of Ukraine it is necessary to note in the aviation sphere:

1) according to the project "Aviation Transport Strategy of Ukraine for the period till 2030", the model of low-cost transport is actively developing. The implementation of this model is aimed at creating transparent conditions for the

operation of the air transport market and should ensure free competition between carriers by providing them with non-discriminatory access to the operation of air services and terrestrial services (In 2017 WizzAir re-established its activity in Ukraine; in October 2018 started flights from Kyiv and Lviv, the second largest in the world and the first in Europe in terms of the number of passengers carried by the low-flying company Ryanair DAC. The possibility of starting work in Ukraine on other budget airlines, such as EasyJet and Eurowings, is considered);

2) registered and entered into the register of civil aircraft national budget airline SkyUp Airlines. It is planned that it will provide affordable services on both domestic and international routes [3].

Conclusions

Despite these successes in reforming Ukraine's transport sector, there are also numerous problems that hinder its further development. Thus, in particular, the development of the aviation industry is hampered by the absence of a signed Agreement between Ukraine and the EU as for a common aviation space, which should harmonize national legislation in the field of civil aviation, promote industrial cooperation and liberalization of the aviation markets of Ukraine and the EU.

The solution of these problems, which negatively affects both the functioning of the aviation transport sector and the overall development of the country's economy, will strengthen the integration of Ukraine and the EU's transport markets, promote more full utilization of the potential of air transportation, improve its quality and safety, and promote the development of transit potential of Ukraine.

References

1. avia.gov.ua – official site of the State Aviation Service of Ukraine
2. mtu.gov.ua – official site of the Ministry of Infrastructure of Ukraine
3. Analytical report to the Annual Message of the President of Ukraine to the Verkhovna Rada of Ukraine "On the Internal and External Situation of Ukraine in 2018". - K.: NISS, 2018. - 688 p.