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Aviation and tourism: the current trends of cooperation

The article is dedicated the study of processes of aviation business and tourism industry cooperation. The factors promoting this co-operation, its mechanisms, market tendencies of tourist air traffics are founded out.

Transport is one of the most important components of the national and global economies and the driving force of social development. The progress in the field of vehicles and infrastructure has allowed individuals to expand their horizons by traveling for more and more distances. Travels have become an integral part of people's lives, the method of restoring their physical and spiritual strength, and the most popular ways of free time spending (weekends, paid leave). Nowadays tourists require for their trips high speeds and comfort. Therefore, exactly development of air transport has been the decisive factor in the of the mass international tourism growth.

Currently, 52% of international arrivals provides by air [7]. Air travel has always been the dominant mode for long distance trip. Aviation allows quickly and comfortably overcome the spatial gap between tourist generating areas and destinations, and also is an important factor of the development tourist centers and zones. Aviation companies around the world stimulate demand for a consolidated service from the tourism business, through paying a commission fee to travel agencies for each booked seat (directly or through the booking and distribution system). On the other hand, the development of tourism may be restricted by the fact that transport systems in operating regions do not meet the world standards in terms of convenience, efficiency, safety.

Thus, developments in aviation are having very major implications for many leisure and business tourism markets. An estimated in 2016 air transport has supported over 36.3 million jobs (15.9 million – direct contribution) within the tourism sector, providing roughly \$892 billion to global GDP [3]. It is projected, that tourism contribution to global GDP facilitated by aviation will growth and reach 1.35 % by 2025 (Figure 1). Air leisure and business travels play crucial role in social and economic advancement of developing countries in particular. In Africa in 2014 5.8 million people were employed in areas supported by the steady influx of overseas visitors, most of whom arrived in the region by air, and contributed \$48 billion to African economies GDP [3]. For small island states, the economic input provided by international tourists is invaluable. These countries, many of which are in remote parts of the world, enjoy tourism-induced economic boosts which would not be available without air links.

In their turn, tourism is an extremely important factor in the development of passenger air transportation. Over the past six decades, tourism has experienced

continued expansion and diversification, becoming one of the largest and fastest-growing economic sectors in the world. Many new destinations have emerged, challenging the traditional ones of Europe and North America. The exponential growth of international tourism in the last decades (from 25 million tourists in 1950 to over 1.322 billion in 2017) very much promotes advances in air transport.

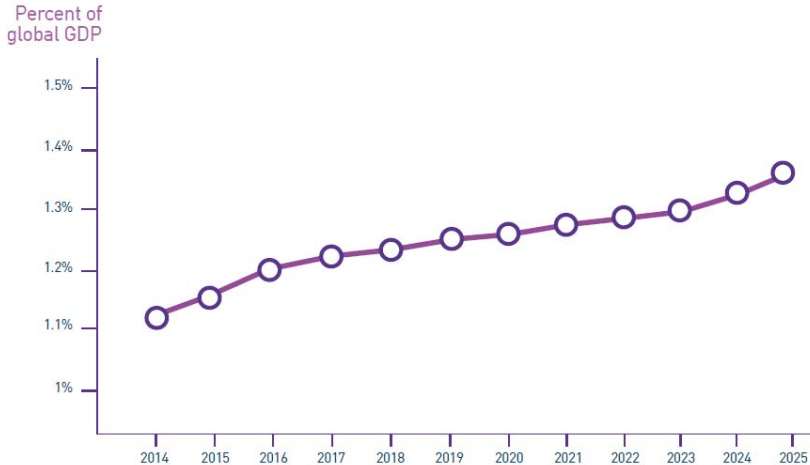


Figure 1. Projected growth in tourism facilitated by aviation, contribution to global GDP, 2014-2025. [3]

The mutual influence of aviation and tourism is multidimensional. Among the factors most influencing the processes of interaction, we distinguish the following.

- **Technical progress**, that led to advance of comfort and environmental friendliness of aviation transport, increase flight range and reduced service costs. It has made air transport affordable for serve not only business trips or recreation routes for wealthy tourists and "VIPs", but also for the mass consumer market segment [4].
- **Liberalization of international relations.** The procedure for international travel has been simplified considerably by eliminating many tourist formalities, introducing visa-free regimes and zones. On the other hand, open access to foreign markets stimulated the development of international entrepreneurship, in particular, allowed the aviation business to expand geography, uniting countries and regions of the world into a global network of "tourist destinations" with a high level of transport accessibility [1;8].
- **Deregulation of the air transportation market.** The limitations, regarding the number of airlines that can service flights between pairs of cities, the volume of seats intended for sales and their cost, were removed. The implementation of multilateral agreements, which permitted operating of cabotage flight by foreign airlines, as well as the appearance of private airlines have allowed expanding the supply of services through competition [2;8].

- **Toughening of requirements to reliability and safety of air transportation** in the context of the global terrorist threat and other international destabilizing factors (epidemiological situation, political instability, etc.) [1].

The special phenomenon of air transportation, emergence of which is directly conditioned by the nature of the tourism industry, is charter flights. Charter carriers attract partners in the tourism business with more favorable tariffs by 30-40% lower than those that offered regular airlines. Charter air flight is a part of the tourist package and is carried out in accordance with the geography and terms of the tourist trip. According to the International Air Transport Association (IAATA), Europe is the leader in terms of charter flights, accounting for 88% of all passengers of charter flights (2006), while charter companies operate in 130 countries, uniting 650 airports, passengers, carrying 12% of the total number of international flights (carried out by both regular and charter airlines together) [8]. But the number of charter flights has been declining over the past decade through the inflow low-cost companies. In 2007, their segment's share of all flights in Europe was 6%. Ten years later, there are only half as many charter flights [6].

Unconditional advantages of charter companies in the field of price competition, that could not be realized on domestic flights and routes connecting airports of large business and cultural centers of the world, were used by new type of aviation companies, which have received collectively name Low Cost Carriers (LCCs)[2]. LCCs operate regular air transportation with a limited set of services on board and on land. This gives them the opportunity to significantly reduce prices. They have their own scheme of routes, connecting secondary airports of the capitals and regional centers with advantageous transport and geographical location, bypassing the major airports - hubs. LCCs are the most progressive sector of the air transportation market according to the Civil Aviation Organization since 2000. Low-cost airlines carried an estimated 1.2 billion passengers in 2017, which was approximately 30% of the world total scheduled passengers [6]. This indicated an 11.4 % growth compared to the number of passengers carried by low-cost carriers in 2016, around one and a half times the rate of the world total average passenger growth. In Europe, these companies transported nearly a third of all passengers, a higher proportion than in Asia (31%) or North America (25%). Increasing the role of low-cost airlines leads to significant changes in the system of international regulation of air transportation [6].

The low cost airline phenomena has been one of the most discussed aspects of commercial air services for the past 10 to 15 years. The expansion of low-cost carriers around world has made it cheaper and easier than ever to reach not only closer popular tourist centers but cities that were usually expensive. It led to visitors in record numbers overwhelming and even damaging historic cities and natural sites around the world. As tourists flood into destinations such as: Venice, Dubrovnik, Barcelona, residents are forced out and frustrated to the point of protest. But the same time low cost operations have opened up regional markets for air travel. No longer do travelers have to assume they will first have to travel to their nearest major airport in order to get to their final destination. Instead they can use local airports to travel from and maybe even arrive at regional airport at their destination too, saving time and inconvenience. For example, the region of Murcia on the Mediterranean

coast of Spain showed tourist numbers rise by 62% in the ten year period as low cost carriers added flights. Tourist flows to Asturias grew by 57% over the same 10 year period as low cost carriers opened an opportunity to provide easier access to this less developed, coastal region. Another, perhaps long overdue consequence of the success of low cost operators has been the stimulus given to independent travel [8].

The steady integration of Ukraine into the world community has led to a gradual increase in the volume of tourist trips, which was reflected in the change in status and expansion of Ukraine's participation in the international tourism market. The first decade of the 21st century was marked by an increase in the flow of international tourism, which caught the maximum in 2008 [1]. In the second decade stagnation of growth indicators and their decline were noted. Negative trends in recent years (2014-2015) were caused by a political crisis, armed aggression from side of the Russian Federation, a long and exhausting material and human resources struggle with the aggressor. In 2016 and 2017 years the gradual revival of the international tourism market was noted.

The national aviation industry was developing in similar way. In the mid-1990s there was a sharp decline in the volume of air traffic: the number of passengers was reduced by 11.5 times (from 15 million in 1990 to 1.3 million in 1999) [1]. This was due to the economic crisis in Ukraine in this period, reduction in real incomes of the population, a break in economic ties with the CIS countries. In 2000-2013 it was stable growth in the volume of air passenger traffic (local recession was in 2009), which reached a maximum of 8.1 million in 2013. In 2014-2015, the air transport indicators have fallen significantly and while despite of the resumption of growth in 2016 and in 2017 volumes not compensated [5]. The main reason for the low availability of passenger air travel for Ukrainian citizens is the low solvency of the population. However, it is necessary to distinguish between the economic and geographical aspects of the availability of passenger air travel. In parallel with the strategic course for raising the level of incomes of citizens, it is necessary to stimulate the development of regional airports in order to avoid excessive concentration of passenger traffic in the capital of the state.

There are 425 airports in Ukraine. The largest: Boryspil, Odessa, Kyiv (Zhulyany), Lviv, Kharkiv, Dnepro, Zaporizhzhya, Herson in common have served 99,5% of the total volume passengers traffic in 2017 [5]. The facilities and equipment of majority ukrainian airports do not meet the requirements, established for the proper maintenance of modern aircraft. It restrains not only the increase in traffic volume, but also the development of regional tourist services markets. So, for a harmonious growth in traffic volumes and ensuring the development needs of the national tourism industry, it is necessary to invest primarily in regional airports. The share of Boryspil airport in the total volume of passenger air traffic was 67% in 2016, 64% in 2017; airport "Kiev" (Zhulyany) 9 and 11%, respectively [5]. That is $\frac{3}{4}$ of the total passenger traffic of the state falls on the capital's airports. This leads to unnecessary time and cost charges of air passengers from the regions of Ukraine to overcome the spatial gap between the place of permanent residence and Kiev. It is no accident, that the main aviation forum of Ukraine – Aerocongres-2016 – was included in the program of the large-scale tourist exhibition UITM-2016. The focus of the discussion was the effectiveness of cooperation between tourism and aviation.

An example of strategic partnership between the airport, a popular resort and the airline is the cooperation of the Ivano-Frankovsk airport, Bukovel and the air carrier "International Airlines of Ukraine". A significant contribution to the growth of tourist business in the Odessa region is provided by the airport "Odessa".

Conclusions. The exponential growth in international tourism wouldn't have been possible without the innovation and expansion in the air transport industry, which today accounts for more than half of cross-border tourist arrivals worldwide. The role, which airlines and airports have played in opening up new destinations, has been massive. Without airlines some continents, many countries, regions and islands would have remained inaccessible for most of us, and even popular destinations would have had far fewer tourists. Over the last few decades, innovations in aviation — wider, more efficient jets and the rise of low-cost airlines — significantly reduced the cost of flying, that in turn facilitate growth in air travel. But in order to effectively using of opportunities and disregard the restrictions associated with current trends in the aviation transport development, it is necessary the aviation and tourism communities to work closer together for the benefit of the global travel and tourism industry as a whole. A successful collaboration between “the golden triangle” of airports, airlines and tourism authorities should be ground on the sharing of information and effective destination marketing, based on clear strategies for future sustainable development. The infrastructure of air transport plays an important role in the development of tourism business in the regions of Ukraine. The expansion of air connectivity network, reconstruction and modernization of regional airports could increase the tourist attractiveness of the territory, provide growth of volume of tourist flows, and attract valuable recreational resources to active use.

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