

### **Innovative projects in tourist air transportations in Ukraine**

*The current state and opportunities of innovative projects are analysed in relation to air tourist transportations in Ukraine; projects strengths, weaknesses, possibilities and results of their implementation are described.*

According to the Aviation transport strategy of Ukraine on a period to 2030 considerable attention is paid to realization of innovative infrastructural projects [1]. In Ministry of infrastructure of Ukraine the project office was formed, that not only plans such projects but also engages in the search of investments for their real implementation. Among such projects an important role belongs to the projects related to maintenance of tourist sphere.

For a long time air transportations of the Ukrainian tourists were handled mainly by charter flights. Those are single or seasonal flights carried out by the airlines to the order of tour operators or others interested in flights [3, P. 136-138]. A key difference of charter flights from regular ones is periodicity. Thus, a regular flight is carried out the whole year and the only thing that changes is the frequency of flights. On the contrary, charter flight is executed only within the particular date or season and with the periodicity that is determined by a customer. According to statistics for 2017, more than 90% of the total volume of tourist traffic was made by five leading air carriers. In addition to the airline "International Airlines of Ukraine", the leadership is maintained by such companies as "Wind Rose", "Azur Air Ukraine", "Atlas" Ukraine "and" Bravo "[5]. Basic charter flights directions in Ukraine are mass tourist routes - Turkey, Egypt, Tunisia, Bulgaria, Greece, Croatia, Malta and others. However, a negative situation with charter maintenance of tourists especially in summer 2018 points out the necessity of search of alternatives for Ukrainians, who want to travel by air.

In recent years at the collaboration of Ministry of economic development and trade, Office of support of reforms at Ministry of infrastructure, and international partners a number of project suggestions that will be profitable for the economy of Ukraine were prepared. In particular, they will positively influence the development of tourism. Among such projects is the attraction of budget carriers (lowcosters).

Creation of favourable terms for development lowcost air connections in Ukraine will stimulate airlines (both home and foreign) to increase the volumes of activity and price-cutting on an air carriage. According to the European countries experience, the segment of budget airlines in EU makes 234 million passengers or 33% of all air transportations. And their part in the EU countries with the developed tourist infrastructure makes 43-54 %. It is the highest in Poland (55 %), Spain (55 %), Great Britain (54 %) [2].

An air transportation in a lowcost segment is an opportunity for Ukrainians who wish to travel, but do not have enough money for this purpose. Budget airlines

trips are appropriate for families with children, students, and others. Introduction of low cost carriers in sky of Ukraine will give an opportunity to increase the foreign tourists flow, that would never fly by a regular flight to an unknown country paying 500 and more dollars for a one way ticket.

Presently the amount of regular low cost flights increases to/from Ukraine. Thus, in 2015 lowcost airlines carried out flights on 18 air-tracks, in 2017 the amount doubled - 38 air-tracks served by 10 carriers.

The positive consequences of introduction of low cost carriers in Ukraine can be seen on the example of Lviv. Thus, in 2017, the amount of flights in "Airport "Lviv" increased by 37%, and the passengers flow - by 50%. At the end of 2017 the International airport "Lviv" named by Danylo Halytskyi served a millionth passenger. The last time the millionth passenger was recorded was in 1991 [2].

Introduction of lowcosters is also considered in other international airports of Ukraine. The top-priority is the project of reactivation of Uzhhorod and Kherson airports. Thus, Kherson is presently considered as a hub on the south of the country for transportation mainly vacationers. According to the experts forecasts, the demand for tourist transportations will constantly grow in Kherson and not only in peak seasons. Two lowcost carriers are already planning to operate flights to Kherson: Irish Ryanair and Hungarian Wizz Air.

Lowcosters is a key factor that will stimulate development of regional and local airports. Among the regional level airports, that are worth developing in the nearest future for lowcost passengers flights, are the airports of Ivano-Frankivsk, Chernivtsi, Vinnytsya, Poltava, Tcherkasy, Sumy; the local level airports are Hostomel, Bila Tserkva, Zhytomyr, Nizhyn and others. Airports in these locations are perspective for budget air transportations from the point of view of their successful geographical location and forming of tourist flow. The reconstruction and renewal of these airports will encourage the increase of tourist transportation volumes, promote the tourist attractiveness of the regions and, as a result, stimulate their economic development.

According to current forecasts, introduction of budget airlines for tourist transportations will stimulate the substantial increase in amount of passengers-tourists (by 25 million up to 2030), that will positively influence the forming of tourism proportion in the country's GDP (an increase by 22,4 billion hrn.) and the number of jobs in tourism (by 308, 000 in 2030 ) [ 2] .

The development of lowcosters must provide the swift increase in annual passengers flow in regional and local airports to 14 million, including 8 million owing to budget airlines. It will encourage the change of regional structure of passengers flow and provide the considerable increase in GDP in regions (by 0,765 billion hrn. up to 2030).

An important long term innovative project in Ukraine is the development of transit international transport corridors and transformation of our state to a powerful logistic hub of Eastern Europe on the way of passenger, in particular, tourist flows between Europe and Asia [1]. For this purpose it is necessary to extend the network of flight connections, to develop a modern transit infrastructure, to apply the flexible approach to attraction of air carriers of different business models and to increase the proportion, volume and type of non-aviation revenues of airports [4].

This project implementation strengths are: attractive geographical location of the Ukrainian airports in relation to world tourist flows, considerable transit potential, the existence of accompanying infrastructure and a full range of services. Its weaknesses and threats are a low level of passengers flow in most airports, underdevelopment of internal air transportations, a low level of transfer infrastructure development, relatively high primecost of airports services, competition intensifying from the side of air infrastructure of neighbour countries and others.

Regardless the above mentioned, there is a real opportunity for the project implementation through the conclusion of treaty with the world countries about "Open-skies", airports certification in accordance with the EU requirements, intensive recent development of the international routes network, increase in demand on tourist air traffics together with the rise in purchasing power of citizens. Implementation of public-private partnership (PPP) is a priority for implementation of innovative projects. Experience from other countries shows that the implementation of PPPs is the most effective way of attracting private investment in modernizing aviation tourism travel.

Thus, introduction of budget air tourist transportations in Ukraine and further liberalization of air services market will assist an increase in tourist and business flow to the country and will provide the economy growth of its regions. Among other important consequences of these projects implementations are providing of high tourist mobility of population of Ukraine at the level of EU countries average figures, forming the regional aviation clusters, increase in competitiveness of Ukrainian aviation transport, creation of the country's positive image.

### **References**

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