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**ANALYSIS OF THE ECONOMIC INDICATORS OF AIRPORTS OF UKRAINE****Davydiuk T. / Давідюк Т.В.***d.e.s., prof. / д.е.н., проф.*

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**Abstract.** *The article analyzes the dynamics of economic activity of Ukrainian airports during 2020-2021 in terms of passenger traffic, cargo transportation by domestic and foreign airlines, analyzes the growth rates of passenger traffic, the number of passengers served by Ukrainian airports during this period, examines the financial statements of domestic airports for 2020-2021 and determines the dynamics of changes in net income from the sale of services, the cost of services provided and the net financial result of Ukrainian airports in the pre-war period.*

**Keywords:** *economy, financial statements, airports of Ukraine, revenue from services, cost, net financial result.*

**Introduction.**

By 2022, Ukraine had an extensive network of all types of transport, but in terms of aviation infrastructure, according to the Global Competitiveness Index 2016-2017, Ukraine ranked 103rd in the world. Development of air transport in the European Union (EU-28) analysis has shown that it has a fundamental role in the European economy, is an important value of economic growth, employment, trade and mobility [2, P. 78]. The largest air transportation centers were Kyiv, Lviv, Odesa, and Kharkiv. Ukraine was connected by air routes to many foreign countries, which contributed to the rapid reorientation of passenger flows from domestic to international flights. According to the Ministry of Infrastructure of Ukraine, since 2016, the passenger air transportation market has been developing quite dynamically, as the number of passengers using the services of Ukrainian airlines has grown by an average of a quarter annually. The economics of the airports services market has its own specification, where are combine services of several provides: aircompany, airport and ground handling company [5, P. 103].

**Main text.**

The statistics provided by the State Aviation Administration of Ukraine indicate a stable development of the aviation industry in 2020-2021. In 2021, airlines operated 74,044 flights, which is 61% more than in 2020. The number of passengers transported in 2021 increased by 51.3% compared to 2020 [1]. Passenger transportation was carried out by 16 domestic airlines, among which the leading position was occupied by Ukraine International Airlines, Windrose, Azur Air Ukraine, and SkyUp. In 2021, they carried 2608.9 thousand people, which is twice as many as in 2020. More than half (75.2%) of all passenger traffic of domestic airlines was accounted for by international scheduled flights. In 2021, 10 domestic airlines operated scheduled international flights to 46 countries, and the number of passengers using the services of Ukrainian airlines increased by 16.4%.



Along with the increase in flight activity, the network of routes of domestic airlines has been developing in many of the mastered destinations. Thus, in 2021, Ukrainian airlines opened 17 new scheduled routes. At the same time, the average seat occupancy rate on domestic scheduled flights of Ukrainian airlines increased by 8.1 percentage points to 70.7%, and on international flights it increased by 6.2 percentage points to 75.2%.

At the same time, foreign airlines expanded their operations in the Ukrainian market, with 29 foreign airlines from 34 countries launching regular flights to Ukraine in 2021. The year 2021 was also marked by the development of the route network of foreign airlines, which started operating 23 new international air lines. Their services were used by 6096.8 thousand passengers, which is 70% of the total volume of scheduled passenger traffic between Ukraine and other countries.

Significant growth was observed in such a sector of the passenger air transportation market as international non-scheduled flights, with 13 Ukrainian airlines carrying 6013.4 thousand passengers in 2021. At the same time, almost 94% of such transportation was carried out by the four aforementioned leading airlines.

In 2021, scheduled transportation within Ukraine continued to intensify. Six domestic airlines operated domestic passenger services on a regular basis, providing air services to 12 cities in Ukraine. In 2021, 713.8 thousand air passengers were transported, which is 41.8% more than in 2020.

Cargo and mail transportation in 2021 was carried out by 19 domestic airlines. It should be noted that the majority of cargo transportation has traditionally been charter flights in other countries as part of UN humanitarian and peacekeeping programs, as well as under contracts and agreements with other customers. The leaders of transportation are Antonov Aircraft Company, Ukraine International Airlines, ZetAvia, and Maximus Airlines. In 2021, these airlines handled 88% of the total volume of cargo and mail transportation.

By 2022, there were 20 airports in Ukraine, but 98% of passenger traffic was accounted for by the 7 largest - Boryspil, Kyiv, Lviv, Odesa, Kharkiv, Dnipro, and Zaporizhzhia. Of all Ukrainian airports, 50% are municipally owned, 15% are state-owned, and 35% are mixed. Compared to the International Council of Airports in Europe, 59% are state-owned and 15.8% are privately owned, with a tendency to increase the share of the latter.

In 2021, almost 98% of total passenger traffic and 99% of mail and cargo traffic were concentrated at 7 Ukrainian airports - Boryspil, Kyiv, Lviv, Odesa, Kharkiv, Zaporizhzhia, and Dnipro.

According to the financial statements of Ukrainian airports for 2020-2021, the analysis of net income from sales of products (goods, works, services), cost of sales of products (goods, works, services) and net financial result was carried out. The analysis of net revenue from sales of services in 2020-2021 shows an increase in the analyzed airports of Ukraine, except for Odesa International Airport and Poltava Airport. In particular, an increase in net income from the sale of products (goods, works, services) of more than 50% is observed at Boryspil International Airport, Danylo Halytskyi Lviv International Airport and Rivne International Airport, and more than 20% - at Kyiv International Airport (Zhulyany) and Vinnytsia Airport.



Considering the Ukrainian agents, the airports show better financial performance, including solvency and profitability, while the air carriers and the aircraft equipment manufacturers has not reached high levels of financial stability [4].

The cost of services provided at airports is growing rapidly by more than 10%: Danylo Halytskyi Lviv International Airport, Kyiv International Airport (Zhuliany), Kryvyi Rih International Airport, Rivne International Airport, and Vinnytsia Airport. A significant percentage of the airports' cost structure is occupied by labor costs (in the cost structure they can fluctuate in the range from 25% to 46%), depreciation of fixed and intangible assets (in the cost structure they can fluctuate in the range from 8% to 58%).

Only such Ukrainian airports as Boryspil International Airport and Danylo Halytskyi Lviv International Airport proved to be profitable in 2021. Due to the improved quality of passenger service and high level of service, developed service infrastructure of these airports, the number of flights and passengers is increasing. The management of services' users loyalty in Ukraine airports' activity will increase the efficiency of airport complexes, will promote attract the airlines to execute flights from the airports of Ukraine, will improve the quality of provided services to passengers and airlines and improve the airport infrastructure as well [3, P. 34].

Due to the introduced system of reduction coefficients at Boryspil International Airport and Danylo Halytskyi Lviv International Airport in 2021, there was an increase in traffic on existing routes, new air routes were opened and additional passengers were attracted to the airport. The developed system allowed these airlines in 2021 to build their operations in clear and predictable operating conditions and contributed to an increase in passenger traffic that had not previously flown through the airport. «The majority of customer-centric innovations contribute further cost reductions to ground handling agents, as well as benefits to the customers through time savings, improved service quality and transparency» [1, c. 25].

Thus, the analysis of the main financial indicators of Ukrainian airports shows that only Boryspil International Airport and Danylo Halytskyi Lviv International Airport pursue an effective profitability management policy that ensures an increase in financial results (revenues and profits) and passenger traffic (satisfaction of public needs and economic demand for air transportation).

### **Conclusions.**

In the modern world, transport ensures sustainable infrastructure development and serves dynamic international relations. One of the key factors in the development of the modern global economy in the context of internationalization of markets and the formation of an economic space is air transport. With the entry of low-cost airlines into the domestic passenger air transportation market, airfares have become more affordable for domestic passengers. In addition, traditional airlines started offering seasonal and other discounts. These changes have brought air transportation much closer to potential passengers and ensured an increase in the level of competitiveness.

The analysis of the financial and economic indicators of Ukrainian airports shows that only two of them, namely: Boryspil International Airport and Danylo Halytskyi Lviv International Airport have an extensive network of routes. The



synergy of efforts of airlines and these airports creates a common product (air transportation) that is competitive in terms of price and quality and ensures stable growth of revenues of these airports and profitability of their activities in the context of cheaper air transportation.

It is established that the growing trend of growth of total expenses of airports in 2020-2021 compared to the growth of total revenues, the increase in the cost of their services forced to resort to modern methods of cost management to improve the efficiency of airports, which was an important factor in maintaining competitive advantages and ensuring sustainable development.

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**Анотація.** У статті проаналізовано динаміку економічної діяльності аеропортів України протягом 2020-2021 рр. з точки зору пасажирських перевезень, перевезень вантажів вітчизняними та іноземними авіакомпаніями, проаналізовано темпи приросту пасажиропотоку, кількості обслугованих пасажирів летовищами України протягом зазначеного періоду. Встановлено, що в аналізований період мало місце зростання інтенсивності польотів, виконаних як міжнародними, так і вітчизняними авіакомпаніями з українських аеропортів, про що свідчить зростання коефіцієнту зайнятості пасажирських крісел, зростання міжнародних повітряних ліній. В той же час аналізований період свідчив і про зростання вантажних перевезень, як внутрішніх, так і міжнародних, виконаних в рамках миротворчих програм ООН, а також згідно з контрактами та угодами з іншими замовниками. Проаналізовано діяльність найбільших в Україні летовищ, таких міжнародних аеропортів як: «Бориспіль», «Львів» ім. Данила Галицького», «Київ (Жуляни)», «Кривий Ріг»,



*«Одеса», «Рівне», а також комунальних підприємств «Аеропорт Полтава» та «Аеропорт Вінниця» в частині вивчення показників їхньої фінансової звітності за 2020-2021 рр. та визначено динаміку змін чистого доходу від реалізації послуг, собівартості наданих послуг та чистого фінансового результату цих вітчизняних аеропортів у довоєнний період.*

**Ключові слова:** економіка, фінансова звітність, аеропорти України, дохід від надання послуг, собівартість, чистий фінансовий результат.

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