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ANALYSIS OF INTERNATIONAL AIRPORT “KYIV” (ZHULYANY) STATE ATTRACTIVENESS FOR NEW LOW-COST CARRIERS

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Abstract. In this article the general scientific analysis of the International Airport “Kyiv” (Zhulyany) is presented and described its general state for liberalization of aviation transportation market and attractiveness for new low-cost carriers comparing with Boryspil International Airport. All the analysis is based on the existing parameters of facilities and handling performance.

Keywords: International Airport “Kyiv”, “Open Sky” agreement, technological parameter, airline, indicator, check-in, customs, attractiveness.

Introduction

Ukraine always has a great potential for transit transportation between Europe and Asia because of its geographical location. Especially in the sphere of air transport. Starting with the destinations to the East Europe and Russia, some airlines provide long-haul flights (Boryspil International Airport – John F. Kennedy International Airport by Ukrainian International Airlines). There are two airports of civil aviation in the capital of Ukraine. They are Boryspil International Airport (IATA code KBP) and International Airport “Kyiv” (Zhulyany) (IATA code IEV). Both of them are reconstructed and renovated to the European championship UEFA 2012, when Kyiv was one of the hosting cities. New Terminal D was built in KBP, and modern international Terminal A was constructed in the Zhulyany airport.

In November 2013 on the summit in Vilnius the Ukrainian representatives initialed an agreement on “Open Sky” with the European Union. Ukrainian State aviation administration supposes all the restrictions on flights between Ukraine and European Union will be reduced by the beginning of summer schedule (navigation) 2015. Passengers stand to gain the most from the signing of an Open Skies Agreement (OSA) between Ukraine and the European Union. Such an agreement will ensure European safety standards during flights, a high level of passenger services, more flights and more routes,

and a wider range of ticket prices for air travel. Unquestionably, the process of joining OSA has both advantages and drawbacks. Ukraine and its aviation industry will have to undertake serious efforts to prepare for much more serious competition from European airlines.

This policy brief looks at the conditions for Ukraine to join the OSA and the impact of this joining for various stakeholders: airlines, airports, the state, and ordinary Ukrainians.

Our analysis of the air passenger market today suggests that neither domestic airlines nor the country’s airports are prepared for open skies. Serious reforms are needed in the industry, airlines need to upgrade and expand their fleets, airports need to upgrade their aeronautic equipment and infrastructure, demand needs to be stimulated among local travellers, routes need to be expanded, and the monopoly on fuel supplies and ground services needs to be dispersed.

The experience of countries like Poland, which joined the OSA in 2004, demonstrates the importance of strengthening domestic airlines prior to opening a country’s aviation market to European competitors.

Otherwise, Ukrainian carriers could simply find themselves squeezed out by the European giants.

These circumstances are the basic conditions for the opening of low-cost airlines in Ukraine and opening of Ukrainian destinations from Europe. Nowadays 10 low-cost airlines provide services in Ukraine, 6 of which started their activity in 2013 (Policy... 2011).

Tariffs Comparison at IEV and KBP airports

Talking about the capital airports, International Airport "Kyiv" is more likely to the new low-cost airlines than Boryspil International Airport for the next reasons:

- IEV is situated within the borders of the city, while KBP is located 16 km from the city-line;
- because of greater passenger and cargo turnover, KBP has more congested slot schedule comparing with IEV;
- IEV has lower tariffs for Airport charges for maintenance of aircraft and passengers.

The comparison of the last parameter is represented in the table 1 below.

As we can see, Airport "Kyiv" is more rational in economic scope for the entering of new low-cost airlines. So, let's have a look at the currents back-ground of airport facilities.

Characteristics of the International Airport "Kyiv" (Zhulyany)

One of the main conflicts inside the airport is the competition among handling companies. In spring 2013 Ukrainian International Airlines owned all the equipment and personnel from Swissport International LTD in Boryspil, Zhulyany and Kharkiv airports. The company was renamed in Interavia and continued passenger and ground handling. As Interavia is owned by the UIA, the main passenger carrier in Ukraine, some airlines broke the contract with this handling agent. This stressed the internal environment of the airport. For a few days the Swissport check-in system OPAT (Open Platform for Airports and the Travel industry) was closed and passenger check-in was manual. The major low-cost carrier of the airport is Wizz Air Ukraine. This airline passed its passenger and ground handling from Interavia to UHC (Ukrainian Handling Company) in the Fall 2013. Then it changed handler on Avia Handling (airport own handling). All this time Swissport international has had a judicial process with Ukrainian International Airlines for returning their shareholder rights for the personnel and equipment.

To consider the facilities of the given airport it is necessary to investigate it from different points of view.

From technological point of view the main features of the airport are:

- Non-transit airport;
- 18 check-in counters placed in 1 line in international terminal;
- 1 boarding finger gate and 6 gates for bus boarding in for international flights;
- 1 business lounge;
- 2 luggage conveyors at baggage claim area.

Operational features:

- congestion on passport control during peak period (3:00-5:00 hours a.m.);
- VIP and "fast track" passenger handling;
- double channel customs control;
- duty free shops, currency exchange and cafeteria are presented on both floors.

Geographical features are:

- located inside the city-line;
- short connection with Railway Station Kyiv Passazhirsky (7 km) and Boryspil International Airport (38 km);
- difficulties with further expansion and construction of second runway;
- no traffic congestion during rush-hours.

All listed above features are the main ones for providing airlines perform their flights. Sure, when a new airline decides to locate at certain airport, they should first evaluate all the parameters and factors that will further influence the operating performance. All the advantages of the airport improve the operations of the flight preparing, check-in, boarding and departure. But still some disadvantages are present and they are connected with the expanding volume of operations. Mainly they occur during peak periods. For example: the peak period for morning activity is 3:00-6:00 hours a.m. because low-cost airlines like Wizz Air Ukraine has 3 fights every morning with departure at 6:05 a.m., 6:10 a.m. and 6:15 a.m. Besides other airlines has the same time of departure for their flights because of slot scheduling, meaning that slots are rights allocated to an entity by an airport, government or independent agency granting the slot owner the right to schedule a landing or departure during a specific time period.

Table 1. Aircraft Landing-Take-off Charge Paid by Carrier in KBP (Airport Charge for Aircraft and Passenger Handling, from Boryspil...)

| Total number of flights carrier sent and arrivals from / to the airport per month, units | | For international flight, U.S. \$ 1 tonne Maximum Take-Off Weight |
|--|------------------------------------|--|
| period from April 1 to October 31 | period from November 1 to March 31 | |
| to 300 | from 250 | 10.50 |
| from 301 to 400 | from 251 to 350 | 9.45 |
| from 401 to 500 | from 351 to 450 | 8.40 |
| from 501 | from 451 | 7.35 |

Table 2. Aircraft Landing-Take-off Charge Paid by Carrier in IEV (Airport Charge for Aircraft and Passenger Handling, from International...)

| Total number of flights carrier sent and arrivals from / to the airport per month, units | to 64 | from 65 to 127 | from 128 to 192 | from 193 to 255 | from 256 to 319 | from 320 to 383 | from 384 to 447 | from 448 to 511 | More than 512 |
|--|-------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| For international flight, U.S. \$ 1 tonne Maximum Take-Off Weight | 14.00 | 12.60 | 11.20 | 9.80 | 8.40 | 8.00 | 7.60 | 7.30 | 7.00 |

So, the first trouble is distribution of check-in counters (as a rule check-in for 1 flight needs 3 counters). In the peak period there could be 2 per 1 flight.



Fig. 1. Baggage Claim Area at Zhulyany Airport in A Terminal

The congestion at the Aviation security and Passport controls are also significant troubles because the often cause the delay of the passengers at boarding and respectively the delay of the flight. As low cost airlines do not use boarding finger, they use gates for buses, there is an uneven distribution of the buses because of their limited quantity. At arriving there also some restrictions at bag-

gage claim area. There are only 2 luggage conveyors with screens above them, so when there are more than 2 boarding at the nearest time, passengers have to wait for their baggage to come and it is mixed with previous flight ones (time for baggage arriving should not exceed 12 minutes after boarding, as a matter of fact, there were cases when passengers waited up to 40 minutes). The X-ray RapidScan Detector at Customs clearance is only one, so sometimes there is a queue at Customs control.

Service indicators at Zhulyany Airport

Despite these negative cases in airport performance, other service parameters are met with all responsibility. The table of meeting some service indicators at Zhulyany Airport is shown below (Table 3).

Conclusion

International Airport "Kyiv" (Zhulyany) is more likely to meet new low-cost carriers in the capital of Ukraine. For the improvement of the airport performance such changes should be provided: increasing quantity of check-in counters, passport control windows, boarding buses. The conflicts among handling companies should be solved as soon as possible.

Table 3. Service Indicators Characteristics

| | Indicator | Recommendations |
|---|---|--|
| 1 | Parking area | Availability and control standard for airport parking. Access to the airport terminal from its parking of vehicles does not exceed 5min, the availability requirements of the airport and control their execution. |
| 2 | Simplicity of the orientation of passengers at airport | Accordance of the signs and pictograms in the airport according to the ICAO recommendations doc. 9636, the availability of standard airport to the icons and informational signs to guide passengers at the airport and monitoring its implementation. |
| 3 | Availability and accessibility of luggage carts at the airport | Presence of standard airport services on the organization of baggage carts and enforcement. Not less than 159 carts at 1 million passengers per year. |
| 4 | A sufficient number of retailers and their availability for passengers at the airport. | Requirements in relation to service providers, security and quality of service, minimum range and price segment (accessibility for passengers). A system of accreditation and monitoring of suppliers. |
| 5 | Ensure free access of passengers to the toilets in all areas of the airport regime, sufficient number of toilets in the zones, toilets for the disabled | Availability of toilets in the arrivals area before passing inspection procedures and control. Latrines in areas of high comfort for passengers. Latrines in the baggage claim area Latrines in the area of passenger service and welcoming people. Latrines in the area of passport control on arrival. Latrines in areas for disabled passengers. |
| 6 | Sufficient area and the number of seats in the zones | Availability of airport standard to ensure space and sitting places in the waiting areas in accordance with the maximum capacity and the airport area. Providing not less than 1.9 sq. meters of space per person for passengers and greeters in waiting areas. |
| 7 | Performing the standard requirements of the corporate culture airport personnel screening services. | Availability of standard requirements of airport to the appearance and culture of communication services personnel, inspection and control. A system of training and certification of personnel services. |

Besides this, the airport should construct additional Security control at the entrance of the airport to prevent accidents. All these improvements are connected with territory expansion and financing. But still they should be met and solved in order to increase attractiveness of the airport for new low-cost carriers and stabilize the competition of airlines at Ukrainian national market. Also a

good variant for increasing potential flights though the airport is create a transit zone in Zhulyany airport, since it is non-transit airport now. For all of these changes the next stage in investigation is development of a special program on investments attractiveness from foreign capital basing on the conducted scientific analysis.

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