

Sydorenko K., Sydorenko O. Integration processes in airport sector. Сучасні підходи до креативного управління економічними процесами: тези доп. X міжнар. наук.-практ. конф. (м. Київ, 22 квітня 2019 р.). К., 2019. С. 120-121.

**Sydorenko K., PhD, Senior Lecturer,
Department International Economics,
National Aviation University, Kyiv**

**Sydorenko O., PhD (Technical Sciences), Associate Professor
Aerospace Faculty, Vice Dean
National Aviation University, Kyiv**

INTEGRATION PROCESSES IN AIRPORT SECTOR

The integration of international airports through Global Value Chains and Global Production Networks is the result of the commercialization of airport services and the privatization of international airports, the reduction of state regulation of airlines and the liberalization of the air transport market.

It should be noted that increased competition on the global aviation market contributed to a rapid structural change, the emergence of new features. Firstly, in the airport sector there is both horizontal and vertical integration; secondly, the features of services: aviation services are typical of all international airports, while land-based services and non-aeronautical services are not subject to strict regulation by the state and develop within the framework of policies and strategies of international airports [4].

The main reasons for the consolidation of activities in the airport business are access to infrastructure, the acquisition of excellence in management, the transfer of innovation. A further process of formation of strategic alliances can take place in order to neutralize the imperfection of the market in the case of the monopoly power

of the merged companies [1].

The integration of airport business and the consolidation of international airports takes place either through the formation of strategic alliances, or through the creation of a multi-airport system. Strategic alliances of international airports are a combination of independent airports that coordinate their strategies with other airport alliances. The decisions within the Alliance are taken decentralized, that is, each airport accepts it on its own, but taking into account the strategies of other alliance members. Multi-airports are the union of international airports into a centralized management structure (mainly in the holding system), in which decisions are made for all participating airports. The choice of consolidation form depends on the size of the operating expenses. If operating costs are reduced when combined, the multi-airport is the best form; if operating costs are low, then international airports can choose more attractive and beneficial partners for themselves [2].

To attract significant investments for modernization and expansion of infrastructure, the application of the multi-airport formation scheme will be more appropriate. The advantage of this scheme is a more efficient coordination of investments than individually separate airports, and ownership of shareholdings allows multi-airports to apply a strategy of cooperation within the vertical structure of the market. The formation of such a connection should involve the development of a common strategy for the allocation of slots within the network.

It should be noted that the interdependence of the competitive positions of international airports and airlines using these airports as hubs is indisputable. Indeed, the competitiveness of the international airport is a result of the importance of the competitive position of the basic airline as a generator of passenger traffic coupled with a successful geopolitical location and infrastructure, and access to airport infrastructure is one of the most important competitive advantages of the airline.

The motive for airports to participate in a consortium with airlines is to reduce operating costs, improve service levels, shift responsibility for handling air travel from airports to airlines, switching to airlines for the development of international airports, raising capital for infrastructure renewal [3]. Negative consequences may be

the loss of control over assets and operations at airports, reducing the level of airport service through possible reductions in airline costs, the dominance of individual airlines and a reduction in the likelihood of new market participants.

Thus, on the global aviation market, with the purpose of forming competitive advantages and strengthening competitive positions, its participants actively implement consolidation and deregulation processes. The combined efforts of international airports, airlines and other service companies to provide comprehensive air transport services allow the creation of global service networks, which ultimately enhance the global competitiveness of countries.

References

1. Сидоренко К.В. Формування стратегії розвитку конкурентоспроможності провідних світових аеропортів // Формування ринкових відносин в Україні: зб. наук. праць. – К.: НДЕІ, 2014. – №3 (154). – С. 128-133.
2. Сидоренко К.В. Формування стратегії конкурентоспроможності виробничої інфраструктури на світовому ринку авіаційних перевезень // Науковий вісник ужгородського університету. – 2015. – №46. – С. 21-28.
3. ACRP. A Guidebook for Airport-Airline Consortiums. Report 111. – Washington, D.C.: Transportation research board, 2014.
4. Sydorenko K. Mechanisms of development the competitiveness of international airports in conditions of intensification of the global air transport market // European Applied Sciences. – 2014. – №4. – P. 129-130.