

GURINA

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## BASIC ELEMENTS FORMING THE STRATEGIC POTENTIAL OF THE AVIATION INDUSTRY OF UKRAINE

### ОСНОВНЫЕ ЭЛЕМЕНТЫ ФОРМИРОВАНИЯ СТРАТЕГИЧЕСКОГО ПОТЕНЦИАЛА АВИАЦИОННОЙ ОТРАСЛИ УКРАИНЫ

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*The article deals with the process of formation of the export potential strategy of the aviation industry. The article describes the peculiarities of aircraft manufacturing and the building blocks which reflect the general potential of the aviation industry of Ukraine.*

*Статья описывает этапы формирования и реализации стратегии экспортного потенциала авиационной отрасли. В статье охарактеризованы производство авиационной техники и составляющие современных тенденций рынка, влияющих на общую потенциальную ситуацию в авиационной отрасли Украины.*

**Keywords:** aviation industry, potential, strategy, aviation complex

**Ключові слова:** авіаційна промисловість, потенціал, стратегія, авіаційний комплекс

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## INTRODUCTION

The process of formation of an enterprise potential is generally characterized by one of the directions of its economic strategy and lies in creating, providing and organizing the system of recourses and competences in order to make the result of their cooperation one of the ways to success in accomplishing the mission and meeting the targets of the enterprise performance.

The strategic potential of an enterprise is characterized not only by the existing recourses but also by the potential opportunities of an enterprise to increase the efficiency of their usage. As such opportunities we can identify the qualifications of employees, the existence of recourses, minimizing risks at fulfilling the set tasks etc. Managing the process of the strategic potential formation of an enterprise in a volatile and unforeseeable environment is extremely important, as it gives a possibility to analyze the influence of extrinsic and intrinsic environment factors and to predict the existence of potential dangers and ways of their elimination. Currently an enterprise encounters more and more ambiguous risky situations which directly influence the general strategy of its performance. These factors can be outlined, defined and minimized by their risk factors while conducting external economic activities.

The factors which have an impact on the development of an enterprise are seen as such persistent changes in the productive forces, technologies, organization and the social and economic conditions of manufacturing, that boost the efficient usage of the strategic potential.

Ukraine belongs to several countries of the world which have the full cycle of aircraft creation, and takes the leading place on the world market, that has been proved not once in the both civil and military aviation. Ukraine is on the list of the most developed countries by the level of aircraft manufacturing development. Only about five or six countries have such a manufacturing industry and they implement innovative technologies in

the full cycle of aircraft manufacturing. For today Ukraine may be proud of some plane models, such as AN, which now are successfully competing with the world examples. However our aeronautical engineering has some competitive advantages in comparison with its foreign analogues. The recent news about renewing the aviation equipment for the army needs testify the considerable potential of the aircraft maintenance industry as an element of the air complex of Ukraine. The aviation industry is one of the most profit-making, but at the same time one of the most capital-intensive industries of engineering technologies, involved in the international economic affairs, and we can also point out the budget creating function of the aviation industry in general.

The general potential of the aviation industry is a combination of internal possibilities and external economic markers and resources, which create the background for the sustainable development and meet the targets, strategic and tactic goals of an enterprise in the area of aviation activities.

The potential of the industry is enabled not only by aircraft plants and air carriers, but also by the availability of the skilled workforce and the highly developed scientific background. We should also note that not the last role in growing the potential of aircraft plants is played by some shifts and changes in the legislation and by launching programs of the industry development. The ultra efficient usage and the combination of science and manufacturing - is a goal that will help to build the cooperation in the industry and enter the international markets with the competitive products. The potential implies the smoothly-running cooperation with overseas partners. At the modern stage of reengineering and development of the aviation industry is raised a question of refusing from the traditional partnership in manufacturing the aircrafts of an AN family, but it shall not damage the further search of partners in other countries, as the independent entry into the new markets

has a certain range of complications and risks. It is no question that is just a temporary situation of uncertainty, that will change under the influence of positive shifts in the political and economic area.

**THE AIM OF THE ARTICLE**

The aim of the article is to research the modern ways of building-up the export potential in the aviation industry, which has a significant value for the further development. Although the main reasons of slowing down the development pace of the aviation industry can be defined as the shortage of aviation inventions and the intellectual resources, as well as the absence of the active international collaboration with the strategic partnership countries.

**METHODS OF RESEARCH**

The methodological and informational background are the scientific works of national and overseas scientists, internet resources devoted to the aviation industry, statistic data of the National Institute of the Strategic Research. While making the research of the export potential of an enterprise are used the methods of generalization, comparison, structural and logical analysis.

**RESULTS**

The main reasons of slowing down the pace of development of the national aviation complex are the shortage of technological innovations and intellectual resources, and also the absence of active international collaboration. There is observed the worsening of the age structure of the workforce potential of the domain that threatens its perspectives. The ways of accomplishing the potential of the industry lie in strengthening the material and technical background of national enterprises, implementing new forms of providing services on carrying passengers, building and placing in service new terminals on the base of some airports. The infrastructures, technological equipment, the methods of management on the serial aircraft manufacturing sites don't meet the modern market requirements. Consequently, with the aim of further developing the aviation potential we have to form a strategy of aircraft manufacturing taking into account the state of the external market, the existing in Ukraine scientific and technical, manufacturing and the financial potential. Business entities should implement some steps for improving the renewal of the fixed assets, scientific research funding, the cooperation with businesses that are engaged in foreign economic activities and investment promotion.

National enterprises, although being not ultra efficient and productive by the modern standards, however may become pioneers in the development of not only the investment attractiveness of the industry, but also of the scientific and research potential of the country, international affairs, grants, etc. The aviation potential of Ukraine if used efficiently and developed is able to provide the steady position of the country among the

leading aviation countries of the world. Ukraine will have the leading positions in the aircraft manufacturing not only on the internal, but on the world market as well, and will be able to compete with leading countries in this industry on the world stage.

The strategic potential of an enterprise is a special economic category, as it reveals not only the maximum possible volumes of production with the uttermost and the most optimized resources usage, but also defines the ability of an enterprise to foresee the potential changes and threats in the external surroundings and to be ready to react in accordance with these changes.

**OUTCOMES**

The conducted research shows the insufficient efficacy of the state regulation and protection to the aviation industry, as this market is unsteady and low competitive. As a result, for today the Ukrainian aviation market isn't fully ready for working under the "open sky" conditions and the adapted to the European standards regulatory legal acts don't take into account the market state of aviation services in Ukraine and the needs of national companies. With the aim of improving the mechanisms of the state regulation in certification, insurance, the state control and surveillance of the security of the civil aviation a range of regulatory affairs projects has been prepared, that will enable the improvement of technical conditions of aircrafts, airfields and airports, the customer service level of business entities of ground service companies at airports, the development of air connection in Ukraine and the increase of attractiveness of the air transportation market. All these markers are essential elements of the export potential of the industry, and their consideration should be of complex nature and enable the development in all areas of cooperation. The demands of integration into the world economic area dictate the necessity of union of the technical background and technologies which are used on the market of air transportation. The majority of Ukrainian enterprises need time and the direct investment for meeting the requirements in line with European norms and standards.

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