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*National Aviation University, Kyiv***PROBLEMS AND PROSPECTS FOR DEVELOPING OF THE AIR PASSENGER CARRIER MARKET IN UKRAINE**

The purpose of this report is to identify state policy issues regarding the air passenger carrier market in Ukraine that need to be resolved on a priority basis.

The air passenger market is one of the fastest-growing in Ukraine today. The development of both domestic and international transport keep on developing and growing, regardless of the slowdown of economy.

Ukraine's national interests in the sphere lie in:

Increasing the revenues of domestic enterprises and the tax revenues of the State Budget;

Ensuring that the country's population gets the best service for the best price;

Ensuring national security in air passenger transport.

Two strategic state policy objectives can ensure the national interest:

Taking advantage of Ukraine potential as a transit country more efficiently by transforming Boryspil International Airport into a modern hub for Central and Eastern Europe;

Lobbying the interests of domestic air lines and companies on this market in international negotiations.

Ukraine can continue to significantly increase its volumes of both passenger and cargo air traffic. Firstly, the country is geography location and has several international airports, particularly Boryspil International Airport, which would allow Ukraine to attract serious transit traffic. Even if air transport has only a small share of the country overall transport sector today, the potential for air transit is comparable to the potential of its transit pipeline networks. Secondly, the long tradition of a developed aviation industry and air transport ensures the presence of qualified professional workforce and necessary technical and professional educational facilities.

What should be done. Priority actions:

1) Taking advantage of Ukraine's potential for transit traffic by transforming Boryspil International Airport into a modern hub for Central and Eastern Europe.

2) Make technical and economic regulation more effective.

3) Reduce legislative and other barriers to renewing domestic air fleets, especially by creating easy conditions for leasing and buying modern air equipment.

4) Arrange sufficient financing and regulatory control over the system of professional training in the sector, especially through certified specialized educational institutions.

5) Institute EU legislative norms regarding the demonopolization of certain airport services, especially runway and terminal services.

6) Introduce the international practice of public debate and hearings with interest groups in the process of developing policy around changes to the regulatory system or to the direction of development in civil aviation. In particular, this means establishing a strong feedback system between the government and aviation market participants.

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