

cisely determine phases of an innovative cycle, which need interference and application of measures of public administration and sets of those economic and legal means, which maximally perform functions, particularly a function of a stimulator of innovative and economic activity in a corresponding phase of an innovative cycle. Indication of certain industries, sectors of innovative activity, and development of special regimes based on taking into account peculiarities of subjects, a direction of activity, the interaction with associated spheres of business activity enable to provide efficiency of the national innovative system.

UDC 346:352.07-047.22

*V. S. Veltsen, PhD. Student of the Economic Law Department,  
Yaroslav Mudryi National Law University, Kharkiv*

## **ISSUES OF APPLICATION OF THE ECONOMIC LEGISLATION ON PUBLIC AND PRIVATE PARTNERSHIP IN THE SPHERE OF PROVIDING AIRFARES**

International Airport «Kharkiv» – is one of the most important enterprises of the capital of Slobozhanshchyna region of Ukraine and should be the basis for leading Ukrainian and world aircraft companies. Undoubtedly, transition of Ukraine to a new phase of the sustainable social and economic increase and orientation towards European integration require rapid development of the entire transport system of Ukraine. The Kharkiv airport is advantageously situated. Therefore, the airport can be an air gate of Ukraine and its capital as well as the airport, which fights for a position of an international hub that will provide a transfer service for passengers in the region from the Moscow air cluster in the north to the Istanbul one in the south. Start to this large-scale reconstruction project was given on 1 April, 2008, when the company «New Systems AM» (part of the DCH group, its president – well-known Ukrainian businessman, investor and general coordinator of Kharkiv for EURO 2012 program – Oleksander Yaroslavskyi) won the tender for the rental of a complete property complex of the Kharkiv airport.

The reconstruction project includes the construction of a new terminal, reconstruction of the existing one, construction of a new runway and major repairs of the airport terminal apron facilities. A technological scheme of passenger service was designed by the renowned German company «Airport Research Center», which has extensive experience in designing major airports in Europe. Adjustment of this

design to the Ukrainian regulatory requirements has been carried out by Kharkiv design organization «Arkstone». The company also reconstructed a hotel attached to the International Airport Kharkiv and created a modern parking garage. The project is funded by a private investor – a company «New Systems AM» (DCH group) and by the state budget of Ukraine. A share of DCH – 508.8 million of hryvnias (construction of a new passenger terminal, restoration of the existing terminal, reconstruction of the airport adjacent square, construction of parking lots, construction of a temporary reverse terminal, complete modernization of the airport infrastructure, purchase of special transport). A share of the state at the project equals 1.42 billion of hryvnias (construction of a new runway, apron and aircraft parking areas, a new rescue station, air traffic control tower, replacement of the existing light signaling system and the aircraft landing control system). That is to say, implementation of public and private collaboration and partnership for the purpose of concentration of resources for mixed financing of aviation infrastructure development has become a development instrument.

After reconstruction, the International Airport «Kharkiv» will become the first airport in Ukraine, which will operate a super modern luggage handling system (lhs) (capacity – 960 pieces of luggage per hour for international flights and 600 pieces of luggage per hour for domestic flights) put forward by the world leader in this area – Vanderlande Industries. Distinctive feature of this BHS – mobility, which has an ability to extension and creation of additional points of registration and arrival terminals.

In 2009, a five-year contract between «New Systems AM» and SITA – a leading operator in the market of information and telecommunication solutions for aviation industry was signed. This contract provides an opportunity of delivery and full integration of information and technology solutions for the new terminal.

New terminal will be equipped with a necessary number of state and custom border crossing channels as well as with aviation safety control facilities and facilities securing comfortable movement of disable people.

Nevertheless, beginning of a hybrid undeclared war negatively influenced further implementation of a strategy of development of the international airport «Kharkiv». In turn, this process caused decline of attractiveness of Ukraine for potential passengers owing to conduct of hostilities, a complicated social and political situation in the country, an economic crisis and decline of the purchasing power of the population in contrast to more successive and dynamic development of competing airports. Nevertheless, the international airport «Kharkiv» has strengths, which include beneficial location, possible further annulling a visa regime with the European Union countries, deferred demand for airfares, which may be met after stabilization of a situation in the country, strengthening positions of

Ukrainian aviation companies (particularly the basic aviation companies), existence of an opportunity for extension of infrastructure without considerable additional expenses, etc.

Therefore, it is important for the airport to resume further implementation of the strategy in order to achieve the status of a developed international hub, the increase of passenger and cargo traffic in Kharkiv region, and growth of income. The main factors of implementation of the strategy encompass: a) a powerful basic air carrier following the hub strategy; b) a flexible motivation system of air carriers aimed at development of new directions, a long-distance program, transfer passenger flow; c) development of a sphere of non-aviation activity; d) providing operational efficiency in the process of servicing transfer passengers, providing minimal time of docking. Prior directions of further development consist of the following: collaboration with aviation companies in the context of stimulation of opening new directions of flights and maintenance existing routes in order to renovate a passenger flow and to increase a share of a transfer passenger flow; development of infrastructure for servicing transfer passengers; implementation of measures concerned with enhancement of a level of passenger servicing, primarily in the context of providing non-aviation services; strengthening measures regarding support of a security level; cost cutting, including the decrease of costs of services; approximation to a profile of successful foreign airports without growth of the debt burden (application of outsourcing).

Implementation of progressive transport technologies contemplates streamlining a scheme of a cargo flow on the basis of transport logistics and construction of national and international logistic systems, which enable to coordinate traffic of material, information, and financial flows according to principles «door-to-door» and «exactly on time»: formation of a network of interrelated logistic centers and multimodal terminals; formation of legal frameworks for mixed (combined) transportations and the interaction between various types of transport and other structures related to capacity in transport junctions; implementation of modern information technologies of data exchange, a system of exchange of trade and transport documentation, electronic workflow; implementation of navigation technologies, including satellite technologies, means of radar navigation and identification of a vehicle location based on the Galileo Global European System, et al.

Active investment activity is an instrument of stable development of the transport industry. Ways of providing investment activity are as follows: implementation of public and private partnership in order to concentrate resources for mixed funding development of aviation infrastructure, implementation of mechanisms of providing long-term subsidiary loans for investing.

A mechanism of public and private partnership was already applied in reconstruction of the international airport «Kharkiv». In this case, there was a peculiar form of partnership with participation of three parties: a government, bodies of local self-governance (on the side of the state) and a private partner. In turn, existence of two subjects on the side of the state complicate public and private partnership and requires more regulation. This experience was applied in the case of the international airport «Kharkiv». It can be also applied for reconstruction of airports in other cities of Ukraine, particularly in Vinnytsia, Cherkasy, and Kherson.

Today, the Law of Ukraine «On Public and Private Partnership» does not take into account peculiarities related to objects of aviation transport. Therefore, this basic law should be modernized and considerably amended. In addition, there is a need to create a number of special laws, which should regulate relations in certain sectors of the economy, including in airfares.

UDC 346.543:330.341.1

*K. M. Vrublevska, PhD. Student of the Economic Law Department,  
Yaroslav Mudryi National Law University, Kharkiv*

## **PURPOSES OF A STATE LEGISLATIVE POLICY IN THE SPHERE OF REGULATION OF INNOVATIVE INVESTING**

Under modern conditions of development of a market economy in Ukraine, the considered issue assumes significant importance. On the one hand, there is a need to modernize and improve the technological basis of the domestic industries. On the other hand, the domestic market of innovative products is in the phase of development. Its mechanisms do not sufficiently conduce to effective distribution of intangible resources.

There is strong pressure for responding to scientific and technical achievements and its effective application in favor of national interests. National interests needs prompt and effective measures, which will be aimed at preservation of scientific and technical potential and its effective usage for overcoming crisis phenomena in economic development.

Nowadays, investing should be considered as an important element of market and economic turnover together with organizing production and selling goods and services. At the same time, the necessary legislative basis has not been developed. Particularly, there is a need for systematization and codification of investment