



# “Making Intra Regional Travel Affordable, Accessible and Profitable”

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# Our Network

- The network covers most of the Caribbean islands from the Dominican Republic in the North to Guyana in the South
- Twenty two destinations including two French speaking islands (Guadeloupe and Martinique), two Spanish speaking destinations (Santo Domingo and Puerto Rico), the Dutch island of Curacao and the unique French and Dutch island of St. Martin/St. Maarten)

# Route Map





# Network Analysis

- Operate two Main Hubs – Antigua (ANU) and Barbados (BGI)
- Operates an average of 125 flights daily
- Provides an average of 6000 seats per day.
- 2008 moved more than 1m sector passengers.



# LIAT's World

- Small population base.
- Generally low per capita income and limited disposable incomes.
- Economic contraction in most economies since 2008.



# LIATs World

- Traditional emphasis on extra-regional tourism – both inbound and outbound.
- Open skies airline arrangements.
- Operational restrictions at some ports.
- Competition on most routes.  
Competing carriers include AA/Eagle, CAL, Winair, BVI Airways and BA.



# Network Analysis – Notable Statistics

- Almost half of the LIAT flights are below a distance of 100 Nms.
- 95% of the flights are below 400 Nms.
- Over 80% of the flights are below 200 Nms.



# Network overview

- LIAT Route structure based on:
- Facilitating same day connections throughout the airline's network,
- Enabling business, leisure, VFR and Visa travel within the region
- Facilitating connections to Europe, North & South America on international airlines through hubs like Antigua, Barbados, St Marten & San Juan.



## Network overview

- LIAT largest mover of passengers in most of its destinations.
- LIAT provides largest share of airport activity and airport revenues in most of its destinations.

# LIAT.com

The screenshot displays the LIAT.com website interface. At the top, the LIAT logo is on the left, and the URL 'liat.com' is on the right. Below the header is a navigation menu with links for 'Home', 'My Account', 'My Bookings', 'Log In', 'Book Flights', 'Book Hotels', 'LIAT Flights', 'LIAT Hotels', and 'Contact Us'. The main content area is divided into several sections:

- Book Flights:** A yellow sidebar on the left contains a search form with fields for 'From', 'To', 'Departure Date', and 'Passengers'. It includes a 'Book Flights' button and a 'Special Offers' link.
- BOOK:** A central banner with a pink background features the text: 'I FEEL LIKE SIPPING COCKTAILS IN CURAÇAO', 'HOW ABOUT DINNER IN DOMINICAN REPUBLIC?', and 'GOLF IN GRENADA? GREAT!'. Below this is a 'Book Now' button.
- Book Hotels:** A section on the left with a dark blue background shows a 'Special Hotel Offer' for '\$89'. It includes a 'Book Hotels' button and a 'Special Hotel Offer' link.
- JUST GO:** A central promotional area with three cards: '\$62 Round Trip to Curacao', '\$38 Round Trip to Dominican Republic', and '\$114 Round Trip to Grenada'. Each card has a 'Book Now' button.
- LIAT News Updates:** A section on the right with the heading 'LIAT News Updates' and sub-sections for 'Commercial Alliance' and 'Latest Releases'.

On the right side of the page, there is a vertical sidebar with several buttons: 'Travel', 'My Personal Addressing Bookings', 'Compare', 'Travel Agents', 'Reserve', 'Travel Tips', 'LIAT.com', and 'ZING 2009'.

At the bottom of the page, there is a footer with links for 'Home', 'About Us', 'Contact Us', 'Privacy Policy', 'Terms of Use', and 'Site Map'. The copyright notice reads: 'Copyright © 1999 - 2009 LIAT. All Rights Reserved.' The LIAT logo is also present in the footer.



# Connection Points To/From Various Airlines

- British Airways
  - ANU, BGI, POS
- Air France
  - FDF, PTP, SXM
- Virgin Atlantic Airways
  - ANU, BGI
- Air Caraibes
  - PTP, SXM



# Connection Points To/From Various Airlines

- American Airlines
  - ANU, BGI, SLU, SXM, SJU, SDQ
- Continental Airlines
  - ANU, SXM, SJU, POS
- Delta Airlines
  - ANU, BGI, SJU
- Caribbean Airlines
  - BGI, POS



# Connection Points: Various Airlines

- Jet Blue
  - BGI, UVF, SDQ, SXM, SJU
- Air Canada
  - BGI, ANU
- West Jet
  - BGI, ANU, SXM
- US Airways
  - SJU, BGI, ANU, UVF



# Connections from some of the Caribbean 'Hub' Points

- San Juan (SJU)
  - ANU, BGI, DOM, GND, NEV, SKB, SLU, SVD, POS
- St. Maarten(SXM)
  - ANU, DOM, EIS, NEV, SKB
- Antigua (ANU)
  - AXA,DOM, EIS, NEV, SKB, SXM, SLU,
- Barbados(BGI)
  - CIW, GND, SLU, SVD, POS, GEO



# Accessibility

- Interline e-ticketing arrangements with eleven carriers including Air Canada, British Airways, Caribbean Airways, Virgin Atlantic.
- Code-share ?



# Affordability

- Aviation sector characterized by high fixed and operating costs.
- LIATs route network with large number of short flights particularly capital intensive per seat mile.
- Primary costs include labour, maintenance, fuel, and airport charges.



# Affordability (cont'd)

Airline costs also affected by:

- Virtual monopoly supply lines.
- Regulatory requirements for safety and security e.g. training and technology requirements.



## Affordability (cont'd)

- Efforts to address high costs requires partnership among all tourism stakeholders.
- Critical players are airlines, hotels, tourism and airport authorities.
- Various models exist for cooperation including revenue guarantee agreements.



## Affordability (cont'd)

- LIAT consistently partners with national tourism authorities and others to foster reduced fares where possible.
- LIAT also partners to facilitate reduced travel costs for promotional activities.
- LIAT “Just Go” Fares featured on LIAT.com provides travelers with available low fare options on specific flights.



## Affordability (cont'd)

- Successful examples of partnership arrangements within the region.
- Present economic crisis restricts participation/involvement?
- Greater efficiency in aircraft performance can contribute to enhanced cost efficiency. Fleet renewal?



## Profitability (cont'd)

- Airline industry globally and regionally characterized by high degree of commercial difficulties.
- Airlines in all regions – including traditionally strong “flag” carriers - have faced and/or continue to face major financial challenges.
- Estimated 30+ carriers have disappeared from Caribbean landscape over last thirty years- from Prinair to EC Express to Caribbean Star to Air Jamaica to BWIA.



## Profitability (contd)

- Shareholder expectation that LIAT fulfill its twin mandate to provide safe and reliable transport + operate profitably.
- Route to profitability followed restructuring efforts begun in 2006/2007 including take-over of certain assets of Caribbean Star.



## Profitability (cont'd)

- LIAT a private company with mixture of public and private sector ownership.
- Primary ownership – BGI, ANU, and SVD
- Airline has recorded operating profits in 2008 and 2009 and net profit in 2009.



## Profitability (cont'd)

- LIAT fare structure presently composed of base fare, fuel surcharge and government taxes and charges.
- Aim to simplify fare structure.
- No intention for further de-bundling of fares.



# Profitability

- Plans for diversification of revenues through ancillary and related services – dedicated aircraft for cargo service, QUIKPAK, mail-box – to reduce present dependence on passenger travel.



# Specific Regional Initiatives

- LIAT obliged to pay government charges via IATA in US currency.
- Use of a single E.D. card.
- Review of security procedures for transiting pax at hub airports.
- CTO sponsored consultation on inter-regional facilitation?



# Conclusion

- LIAT the principal airline for inter-regional Caribbean travel.
- Commercial philosophy which embraces meaningful partnership and cooperation with travel industry partners including tourism authorities, hotels, and airlines.
- Long term genuine commitment to sustainable development of Caribbean communities and peoples.



**THANK YOU**