Overcoming the Hurdles: Making Intra Caribbean Travel Work

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LIAT’s Mission

To provide safe, economic and reliable air transport to the people of the eastern Caribbean.
Basic Stats & Facts

18 Dash8 aircraft
20+ destinations
Approximately 120 sectors daily
Approximately 950,000 passengers annually
Basic Stats & Facts

- A vast network serving markets from Santo Domingo to Guyana. Inclusive of US, French, UK and Dutch territory
- Regional hubs in Antigua, Barbados, and Trinidad
- Connections with transatlantic carriers
- Cargo and courier services
- Full in-house domestic engineering capability
Basic Stats & Facts.

- Existing highly competitive market framework including Caribbean Airlines, American Eagle, REDjet, WINAIR, BVI Airways, British Airways and JetBlue.

LIAT therefore connects the Eastern Caribbean in a number of ways. The goal and challenge is to increase the efficiency of delivery of services.
Hurdles to Regional Travel

- Economic conditions
- Cost of regional travel
- Preferences for extra-regional travel
- Regulatory barriers
- Technical challenges
Hurdles to Regional Travel

Economic conditions
Global and regional economic challenges. Explicit link between economic growth and air travel

Cost of regional air travel
LIAT experience: Caribbean as a high cost region
Lack of economies of scale in an industry dominated by economies of scale
High operating costs – fuel, labour, maintenance, capital costs, regulatory costs, taxation and government charges
Small and fragmented markets
High vulnerability to national disasters
Hurdles to Regional Travel

Preferences for extra-regional markets

Comparative cost-benefits of extra-regional vs. regional travel. Strong family ties to metropoles. Tourism attractions and packages. Competition from cruise packages.

Regulatory barriers

Minimal. Visa and travel restrictions.

Technical challenges

Minimal. Airport restrictions and operating constraints – security, facilitation (immigration cards!), limitations in airport facilities and services.
The Way Forward

Cooperation between all players to resolve main constraints and hurdles. CTO role critical: Intra-Caribbean travel task force?

Costs! – reductions in taxes (accommodation and travel), tripartite approach to industrial relations, inter-airline cooperation

Building a more attractive/competitive Caribbean product: Festivals; shopping attractions etc
Thank you!