



# Overcoming the Hurdles: Making Intra Caribbean Travel Work

Presentation to CTO State of the Industry Conference  
St Martin 14<sup>th</sup> September 2011

Brian Challenger  
CEO





# 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 metropolises. 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!

