

WELCOME COFFEE

PROUDLY SPONSORED BY



AVIATION -DAY- CARIBBEAN



AVIATION -DAY= CARIBBEAN

MASTER OF CEREMONY

CANDICE KIMMEL

PRESIDENT

Adams
Unlimited
Marketing Communications



AVIATION -DAY= CARIBBEAN

OPENING REMARKS

KERRY SYMMONDS

MINISTER
TOURISM & INTERNATIONAL TRANSPORT

BARBADOS



AVIATION -DAY= CARIBBEAN

THE MAGIC OF AVIATION

PETER CERDÁ

REGIONAL VICE PRESIDENT, THE AMERICAS



AVIATION AS ECONOMIC ENABLER



- LAST YEAR, MORE THAN **US\$27 BILLION IN TOURISM SPENDING** WAS MADE POSSIBLE BY AIR TRAVEL TO THE CARIBBEAN.
- AND AVIATION SUPPORTS MORE THAN **US\$35.9 BILLION IN GDP** AND OVER **1.6 MILLION JOBS**.
- EQUIVALENT TO **14% OF THE TOTAL CARIBBEAN ECONOMY**.



BEAUTIFUL BEACHES, HISTORY & RICH CULTURE



AVIATION AS A LIFE LINE

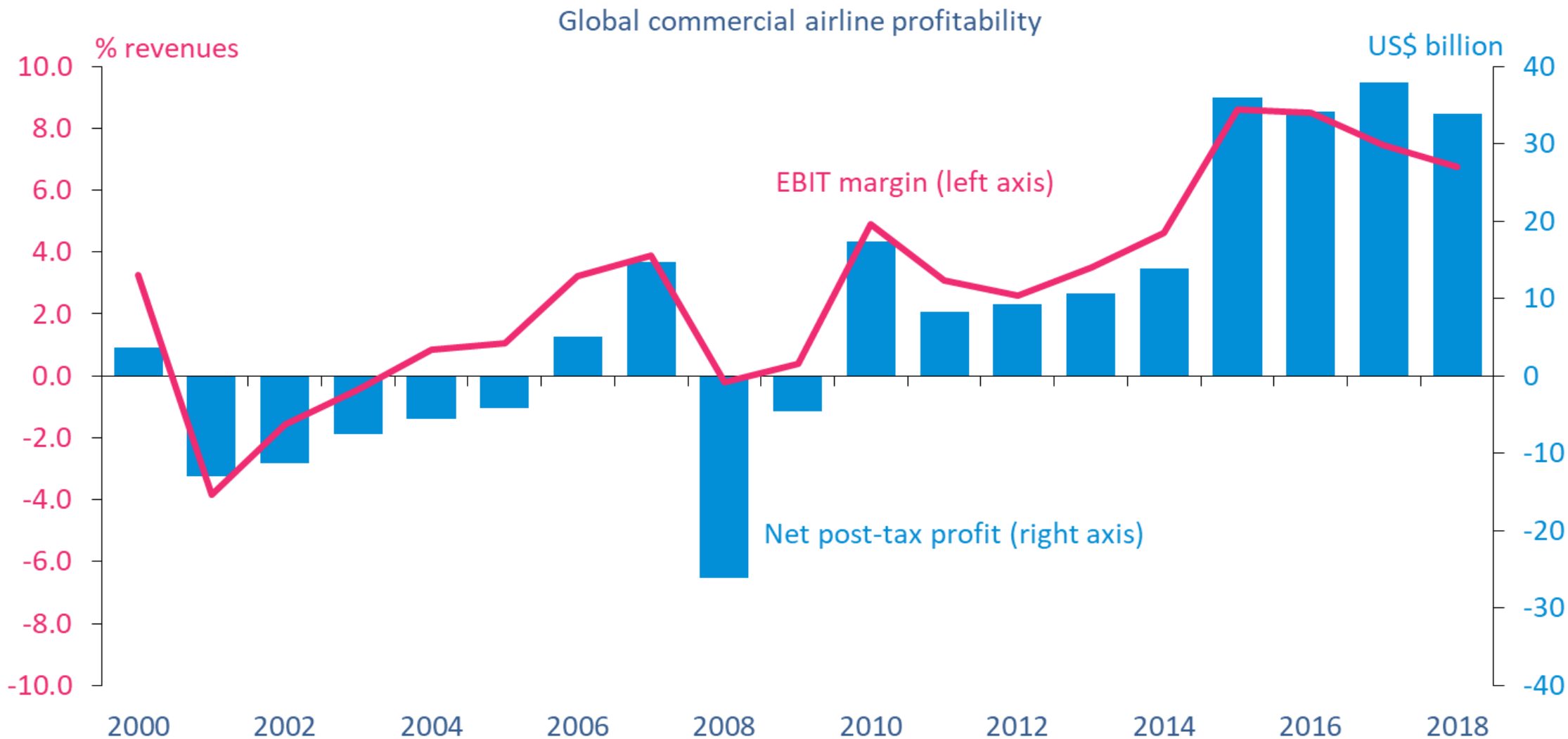


Hurricane Irma Wednesday September 06, 2017 5 AM AST Advisory 29 NWS National Hurricane Center			Current information: ● Center location 17.9 N 62.6 W Maximum sustained wind 185 mph Movement WNW at 16 mph		Forecast positions: ● Tropical Cyclone ○ Post/Potential TC Sustained winds: D < 39 mph S 39-73 mph H 74-110 mph M > 110 mph	
Potential track area: Day 1-3 Day 4-5			Watches: Hurricane Trop Storm		Warnings: Hurricane Trop Storm	



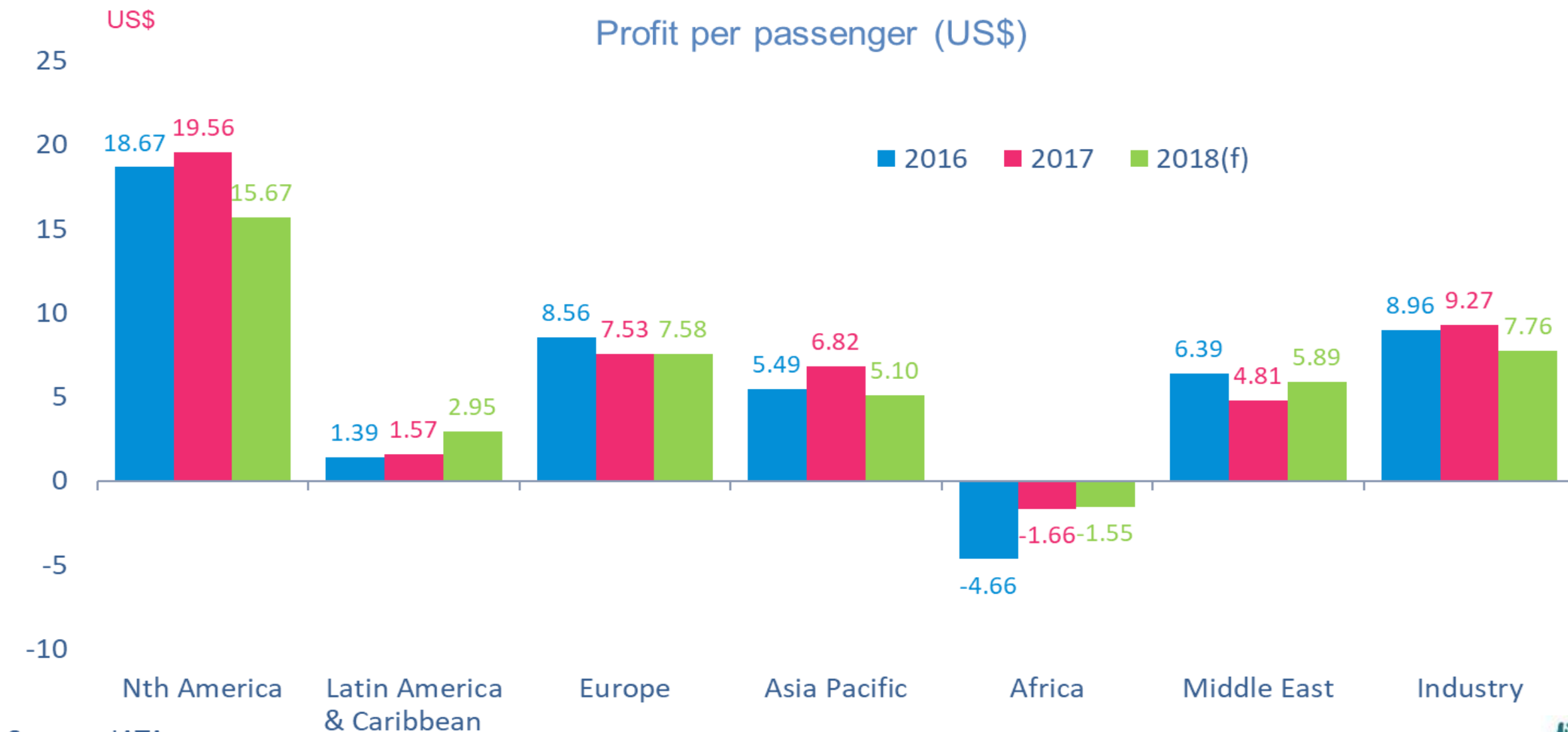
- ❖ RIGHT BUSINESS ENVIRONMENT?
- ❖ OVER-TAXATION?
- ❖ AWARE OF GLOBAL COMPETITION?
- ❖ FOSTER INTRA-CARIBBEAN CONNECTIVITY?
- ❖ TOO MANY AIRLINES IN THE REGION?
- ❖ CONSOLIDATION?

INDUSTRY PROFITS UNDER PRESSURE IN 2018, BUT STILL HIGH



Source: ICAO, IATA

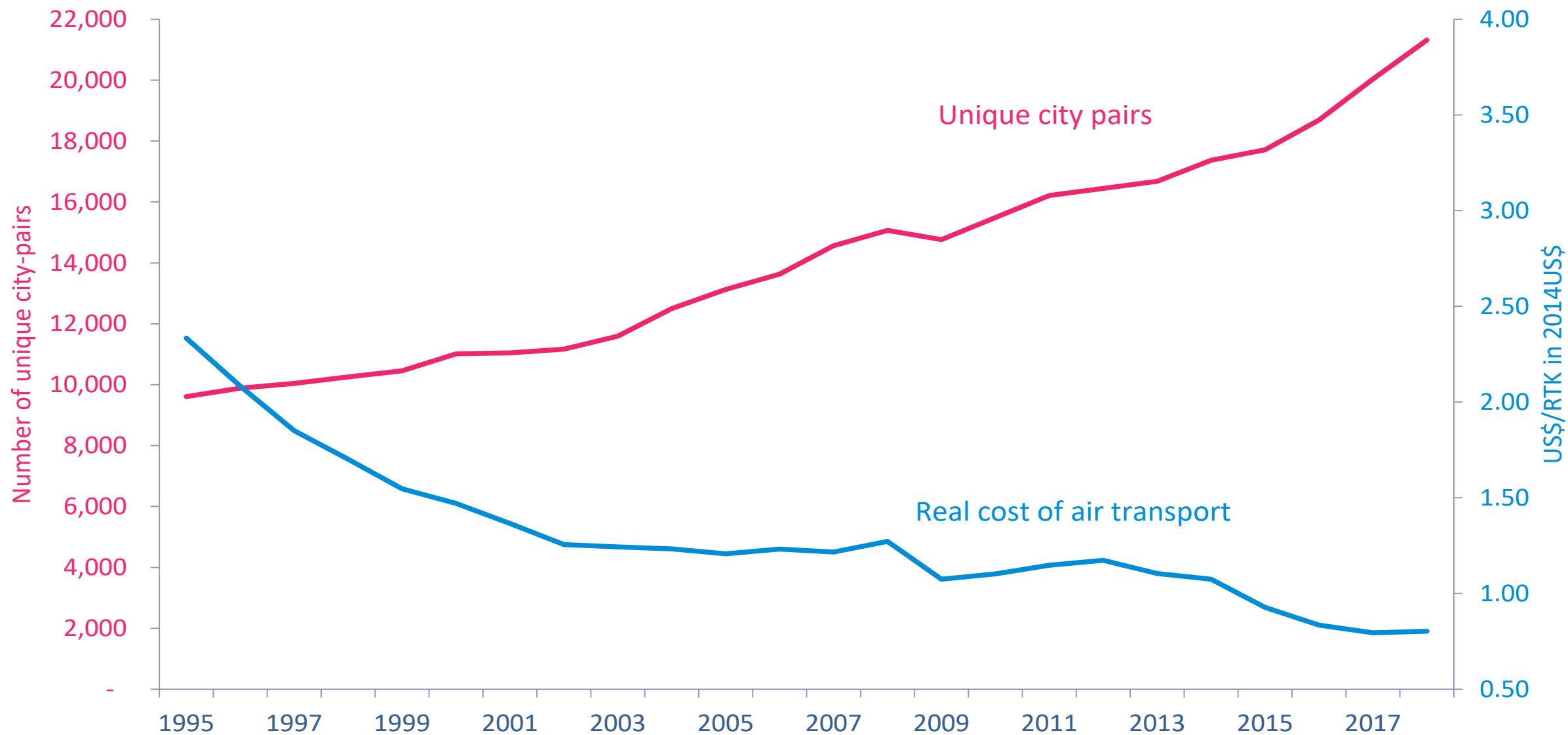
PER PAX PROFIT SHOWS WIDE REGIONAL VARIATION



Source: IATA

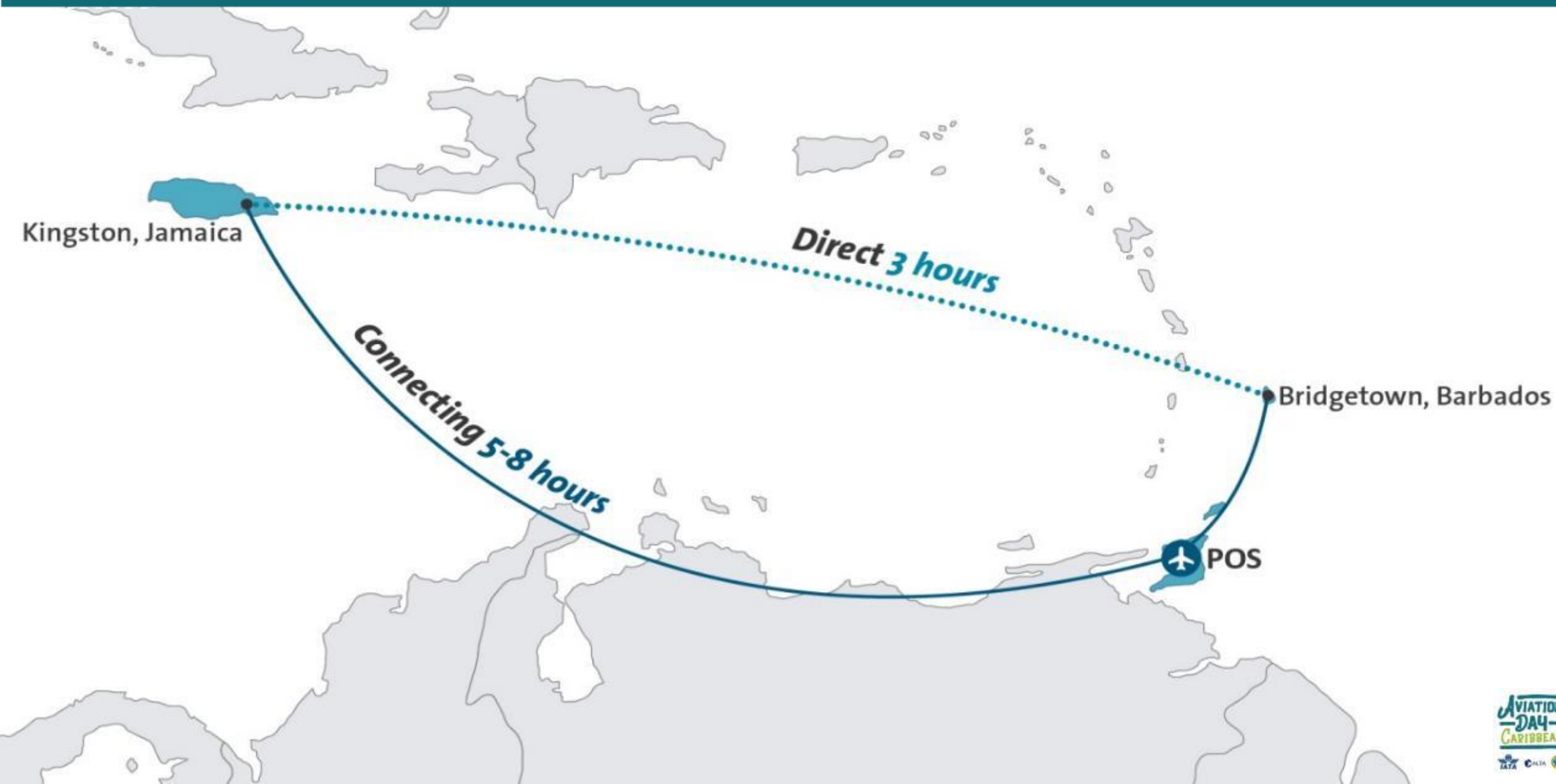


RECORD NUMBER OF CITY PAIRS = MORE CHOICE



Source: IATA Economics using data from ICAO, IATA Statistics, SRS Analyzer and our own forecasts

INTRA-CARIBBEAN CONNECTIVITY

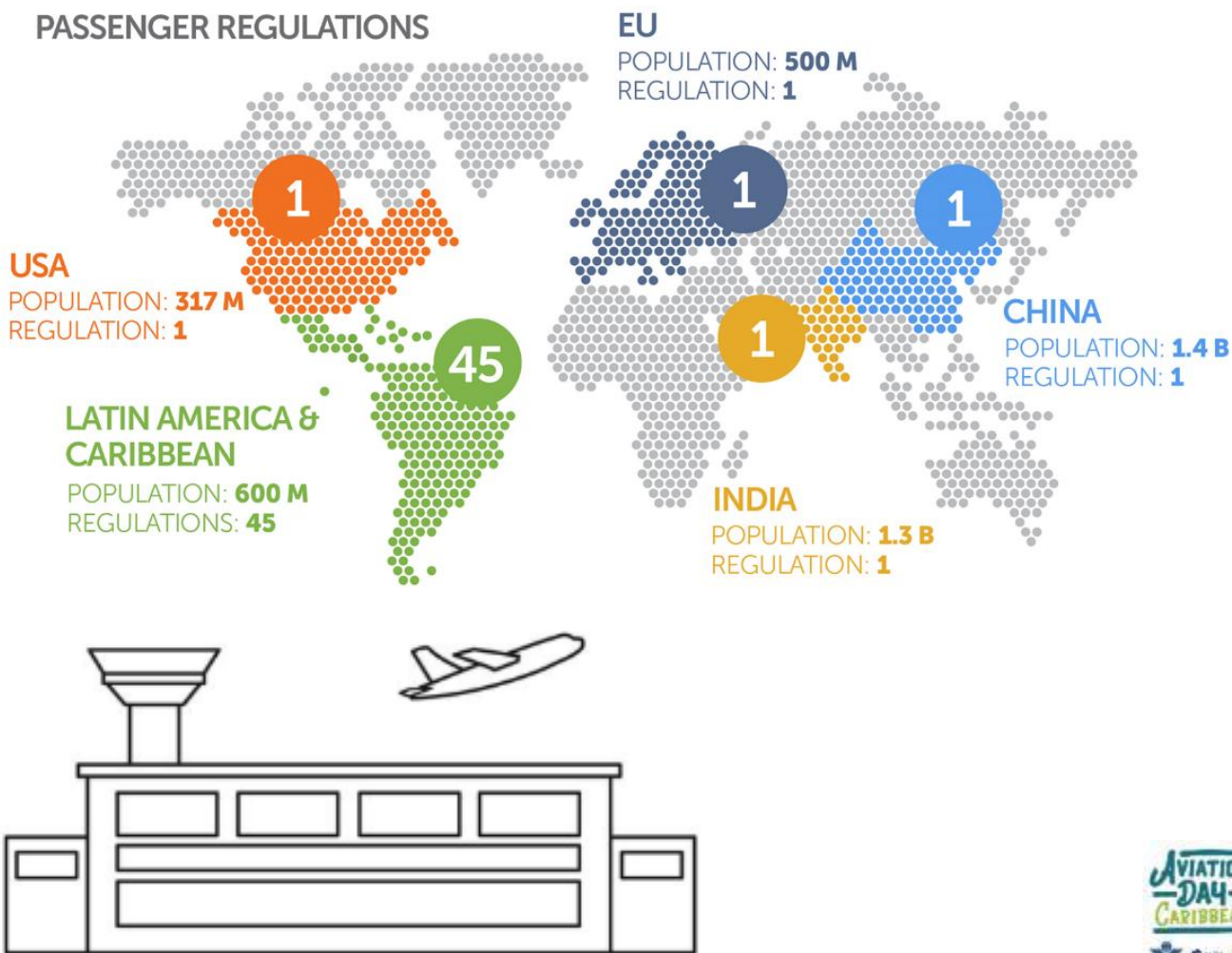


TAXES, CHARGES & FEES



INEFFICIENT INFRASTRUCTURE

REGULATORY BARRIERS





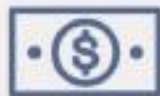
	BASE FARE	TAXES	FEES AND CHARGES	FULL FARE	TFCS/FULL FARE (%)
<i>Intra-Regional</i>					
BGI (BARBADOS) – SVD (ST. VINCENT)	298	52.16	121.7	471.86	37%
ANU (ANTIGUA) – SVD (ST. VINCENT)	210	21	213.9	444.9	53%
POS (TRINIDAD) – KIN (JAMAICA)	400	85	125.79	610.79	35%
NAS (BAHAMAS) – PLS (TCI)	213	98.13	60	371.13	43%
BGI (BARBADOS) – GRE (GRENADA)	198	34.66	136.04	368.7	46%
SLU (CASTRIES, SAINT LUCIA) – BGI (BARBADOS)	150	11.26	182.08	343.34	56%
<i>Extra-Regional</i>					
BGI (BARBADOS) – MIA (MIAMI) USA	640	148.6	58.91	847.51	24%
POS (TRINIDAD) – PTY (PANAMA CITY, PANAMA)	459	158.8	60	677.8	32%
NAS (BAHAMAS) – JFK (NEW YORK, USA)	328	69.7	85.81	483.51	32%
UVF (VIEUX FORT, SAINT LUCIA) – MIA (USA)	665	86.5	124.91	876.41	24%

Source: LIAT, CAL, Bahamasair, AA, Copa



- **EACH \$1 OF TICKET TAX COULD LEAD TO:**
 - **OVER 40,000 FEWER FOREIGN PASSENGERS**
 - **\$20M OF REDUCED TOURIST EXPENDITURE**
 - **1,200 FEWER JOBS**

CARTAGENA: 2015 EXAMPLE



AIRPORT FEE REDUCTION
92 TO 38 dollars



INTERNATIONAL PASSENGERS
↑ 52%



TOURIST ARRIVALS
↑ 47% to Cartagena

*FASTEST GROWING INTERNATIONAL AIRPORT IN COLOMBIA

CTG International Pax

YEAR	Total Pax	% Variation	Additional Pax
2013	388,362	12%	41,610
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Source: Aerocivil

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Source: Migracion Colombia



CARIBBEAN COMPETES AGAINST GLOBAL DESTINATIONS



Google Flights

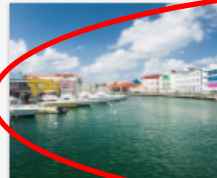





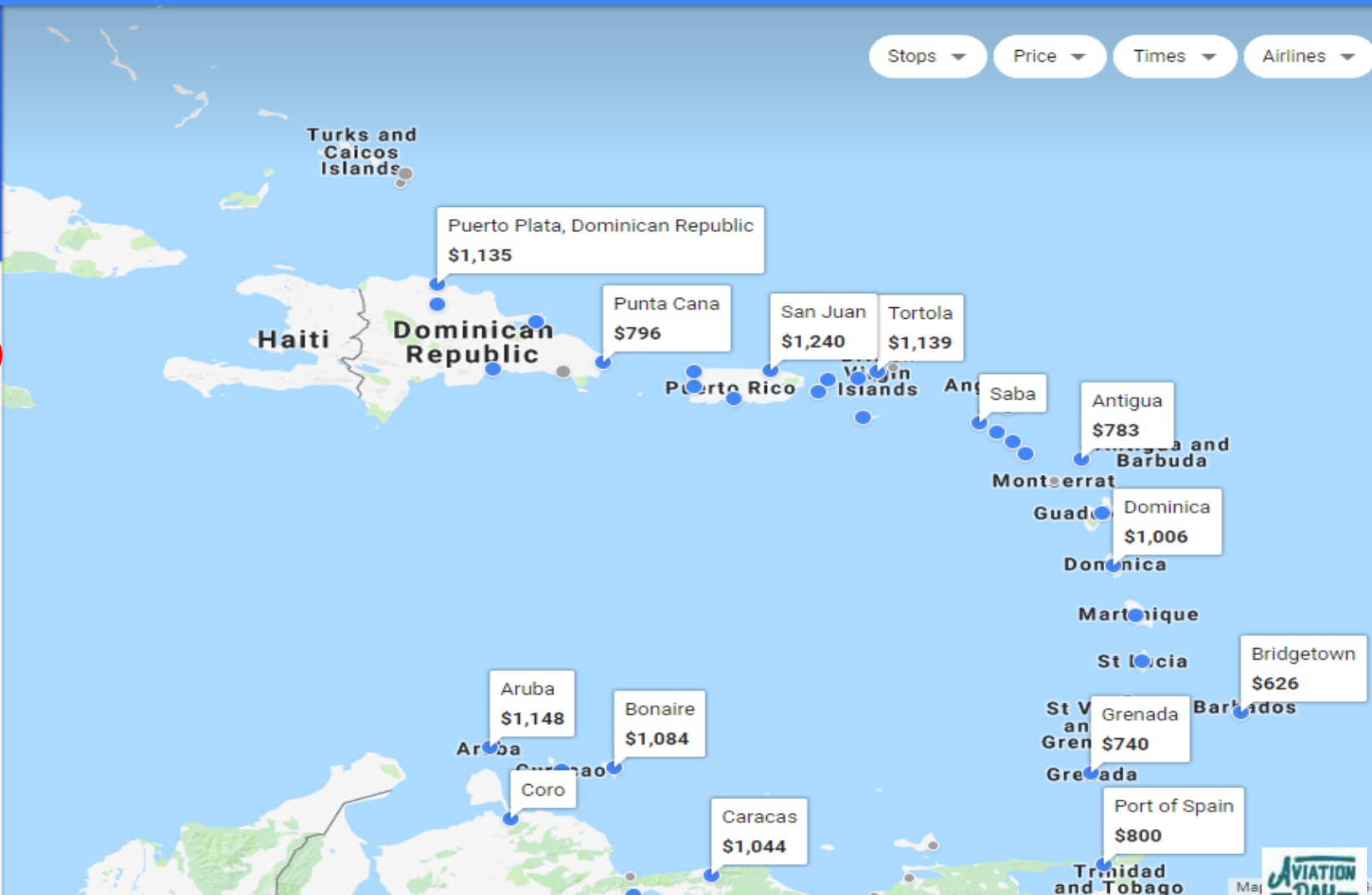
Round trip ▾ 1 passenger ▾ Economy ▾

London Barbados ✕

Wed, Jun 27 Sun, Jul 8

Stops ▾ Price ▾ Times ▾ Airlines ▾

	Bridgetown Nonstop · 8h 40m \$626 Connecting \$783
	Antigua Nonstop · 8h 30m \$900 Connecting \$783
	Punta Cana Nonstop · Details unavailable Connecting · 12h 40m \$796
	Saint Lucia Nonstop · Details unavailable Connecting · 11h 20m \$836



Google Flights

Language · English ▾

Country · United States ▾

Currency · USD ▾

Disclaimer





PASSENGERS EXPLORE NEW BEACH DESTINATIONS







Google Flights

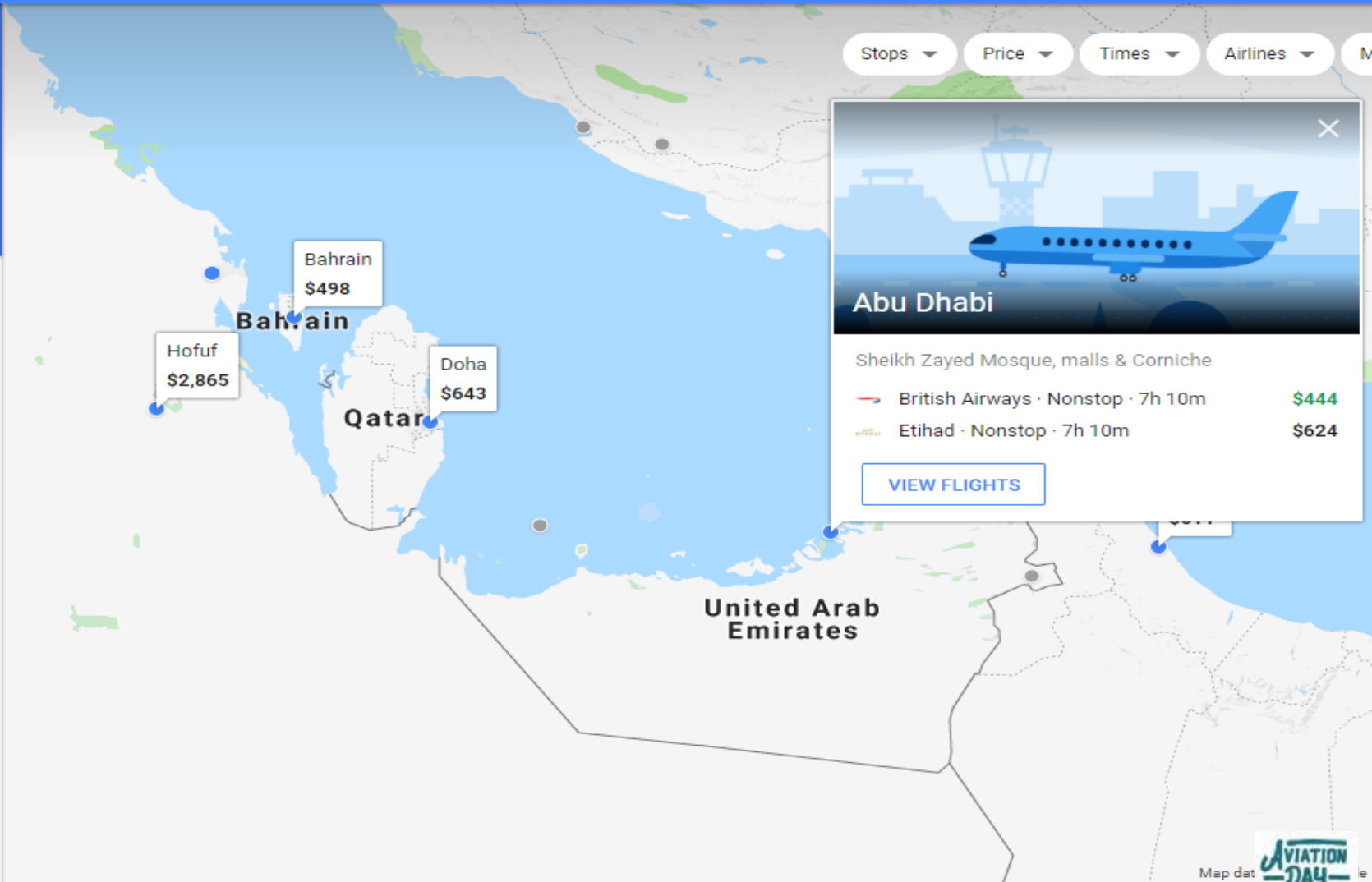


Round trip ▾ 1 passenger ▾ Economy ▾

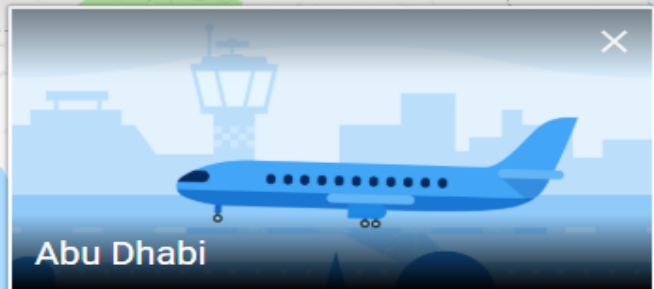
📍 London 📍 Where to?

📅 Wed, Jun 27 | Sun, Jul 8

	<div>Dubai</div> <div>Nonstop · 6h 50m \$481</div> <div>Connecting \$452</div>
	<div>Abu Dhabi</div> <div>Nonstop · 7h 10m \$444</div> <div>Connecting \$465</div>
	<div>Doha</div> <div>Nonstop · 6h 39m \$711</div> <div>Connecting \$643</div>
	<div>Bahrain</div> <div>Nonstop · 6h 20m \$609</div> <div>Connecting \$498</div>



Stops ▾ Price ▾ Times ▾ Airlines ▾



Abu Dhabi

Sheikh Zayed Mosque, malls & Corniche

- British Airways · Nonstop · 7h 10m \$444
- Etihad · Nonstop · 7h 10m \$624

[VIEW FLIGHTS](#)



Google Flights

🌐 Language · English ▾

🇺🇸 Country · United States ▾

💵 Currency · USD ▾

Disclaimer

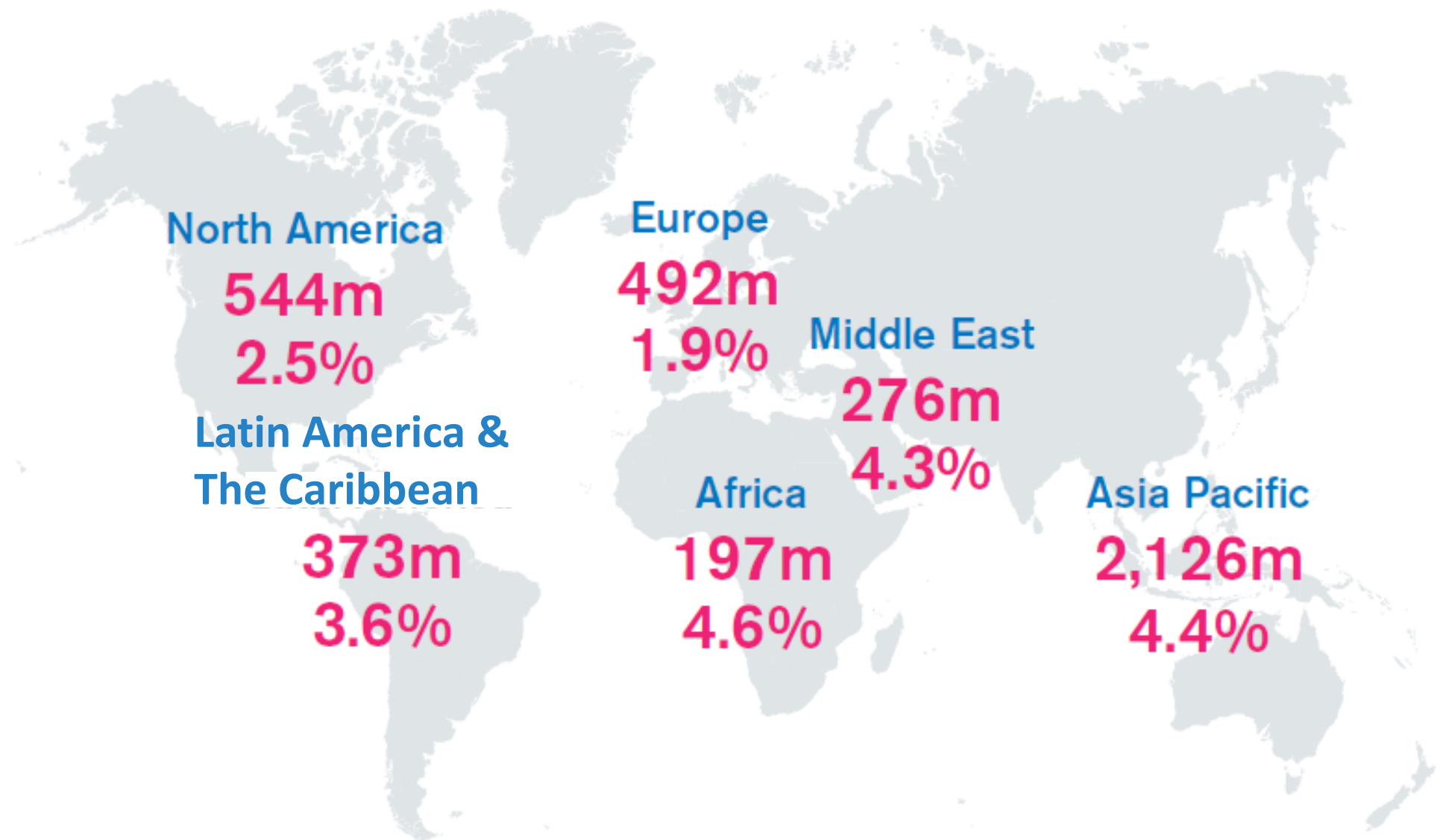




PREPARING FOR TOMORROW



20 YEAR PAX GROWTH OUTLOOK TO 2036



INCREMENTAL PAX TRAFFIC GROWTH (2036 VS. 2016)



THE FUTURE ROLE OF GOVERNMENT



GOVERNMENT
SUPPORT



Efficient Infrastructure



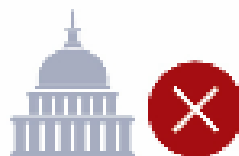
Harmonized and Intelligent Consumer Laws



Competitive Fees and Charges



Harmonized and efficient Regulation



NO SUPPORT



TRAFFIC GROWTH

Dubai



Singapore



Panama





3 PRIORITIES TO ADVANCE CARRIBEAN AVIATION AGENDA

1

REVIEW COST STRUCTURES & EXCESSIVE TAXATION TO GLOBAL AVERAGES TO BE COMPETITIVE.

2

ENSURE GOVERNMENT SEES AVIATION AS A BUSINESS PARTNER AND ECONOMIC ENGINE OF GROWTH.

3

UPDATE INFRASTRUCTURE & ENHANCE SECURITY AND FACILITATION PRACTICES.





THANK YOU



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KEYNOTE SPEECH

DR. WARREN SMITH

PRESIDENT



AVIATION -DAY= CARIBBEAN

WELCOME BY ALTA

LUIS FELIPE DE OLIVEIRA

EXECUTIVE DIRECTOR



ALTA, an association at the service of the industry



Our objective is to contribute to the economic and social development of our nations through a safer, more efficient and sustainable aviation industry in the Latin American and Caribbean region.

To achieve it, ALTA is bringing more companies together to join efforts across the entire industry, from airlines to suppliers, governments and other industry associations.

Executive Committee

PRESIDENT



Hernán Rincón



VICE PRESIDENTS



Andrés Conesa



Tracy Cooper



Pedro Heilbron



Enrique Cueto

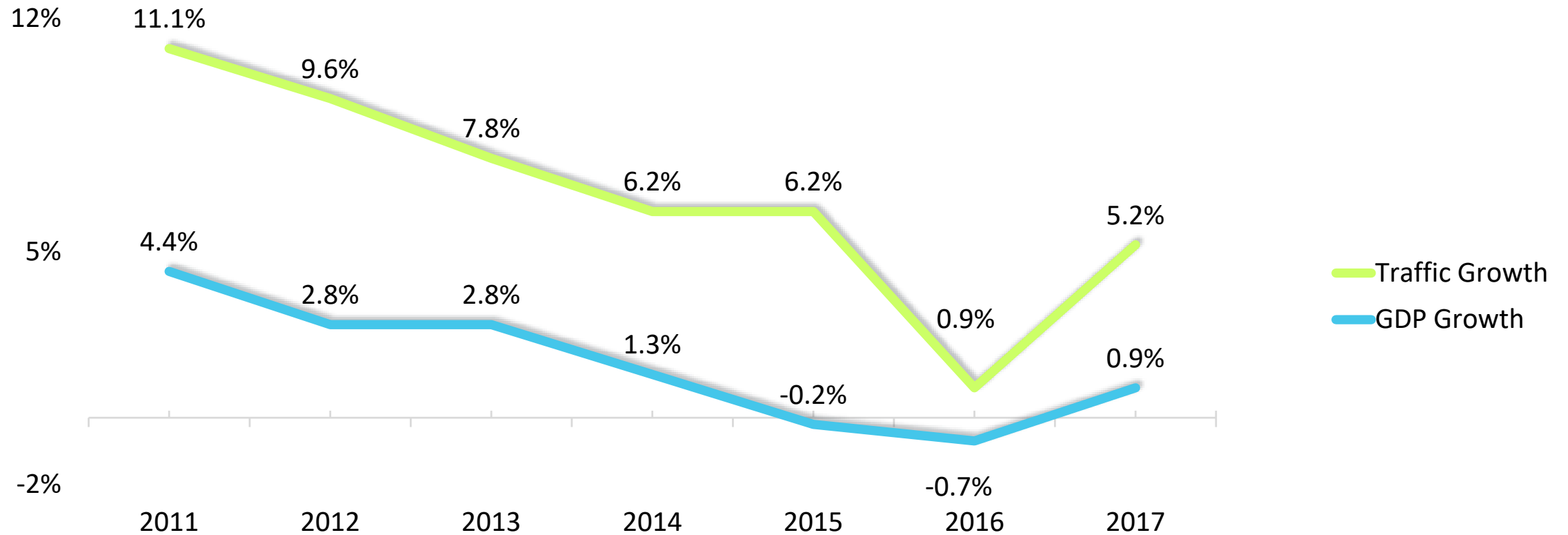


Luis Felipe de Oliveira



EXECUTIVE DIRECTOR

Air Transport continues to outperform Economic Growth in the region



Source: ALTA, World Bank

Latin American and Caribbean carriers have doubled passenger traffic during the last 10 years

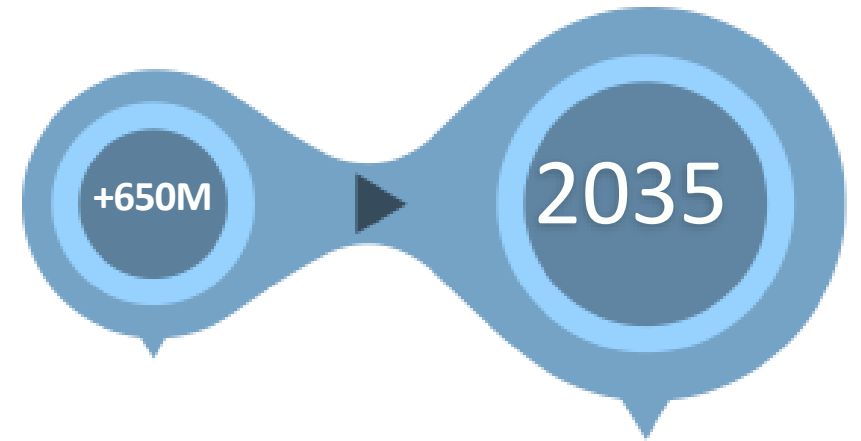


281M Passengers
carried in 2017

7%
of World Total

Source: ALTA

Latin American and Caribbean Passenger Growth



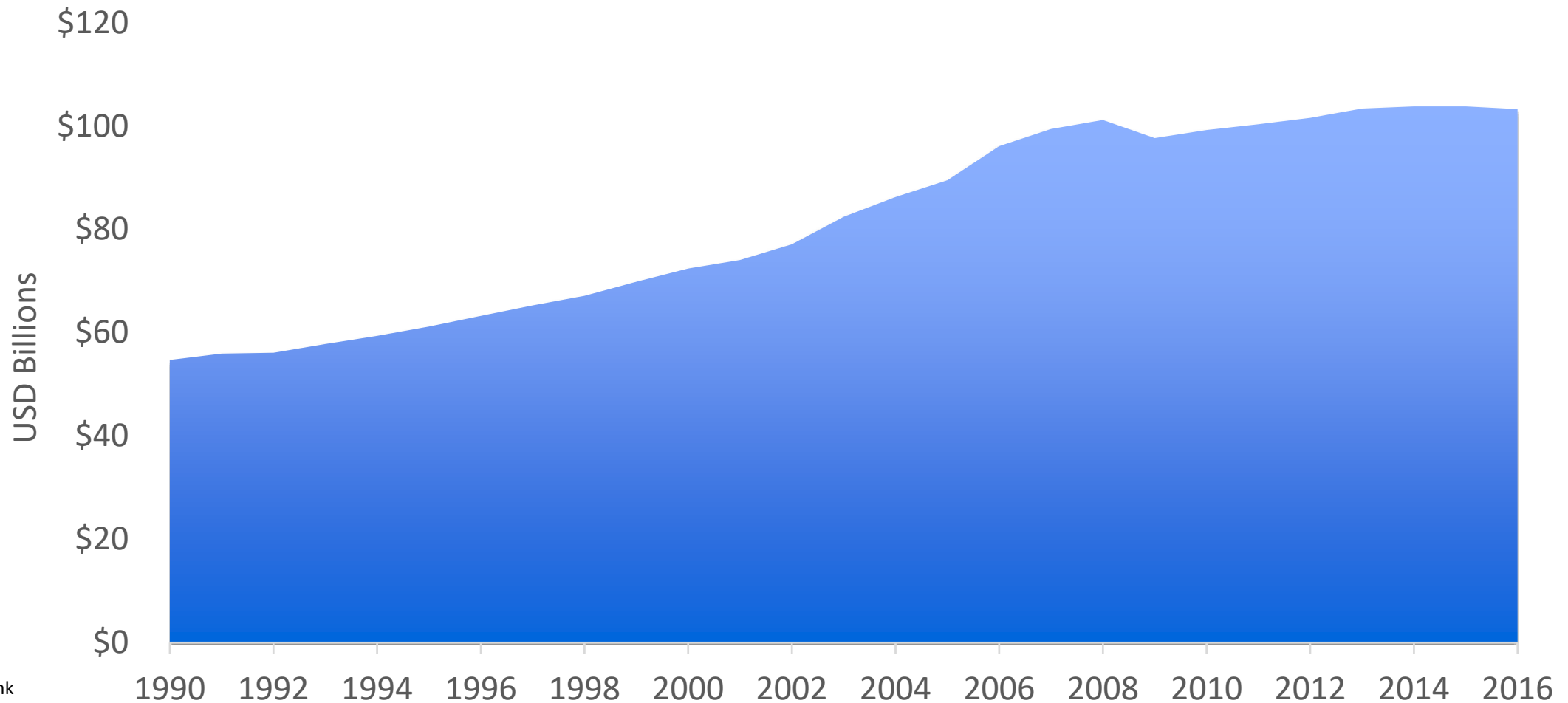
More than 650 million passengers
will travel by airplane in Latin
America and the Caribbean in 2035

Caribbean Region in Perspective



GDP

Caribbean GDP, PPP (constant 2011 international \$)

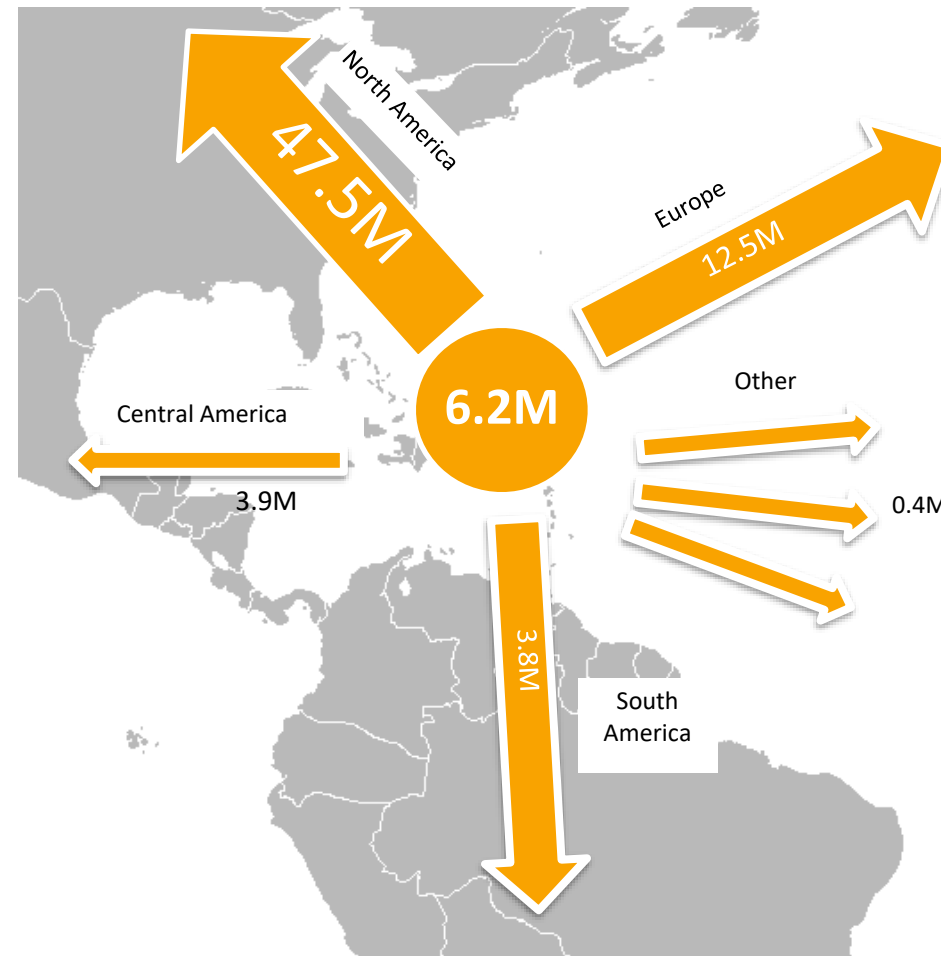


Source: World Bank

Caribbean Region

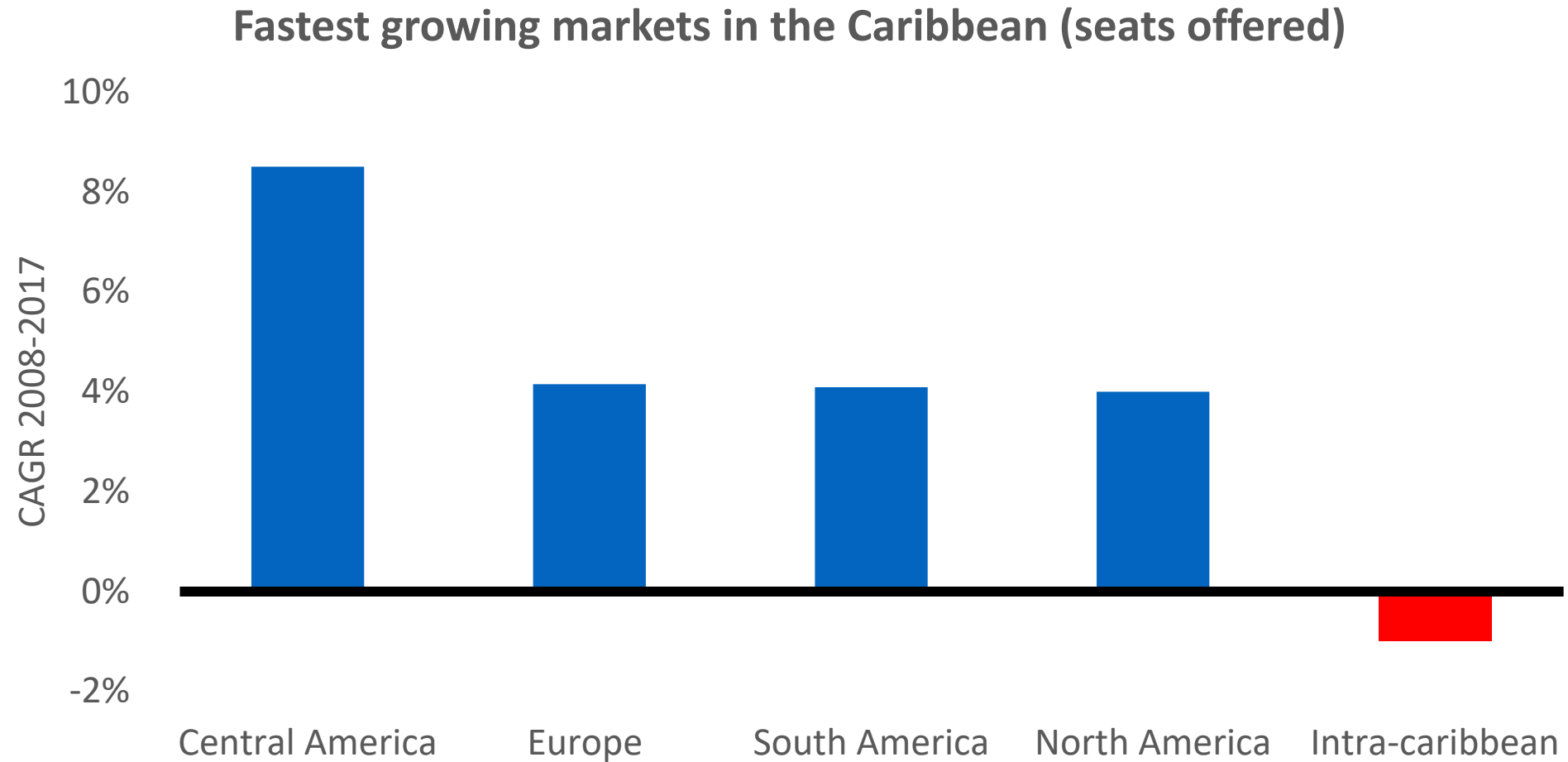
- Travel & Tourism total contribution to GDP is around 15% (highest in all regions worldwide)
- Tourism accounts for 1 in every 8 jobs
- 4 times more dependent on tourism than any other region in the world
- Lowest growth rate in Latin America and Caribbean 2,5%
- 30.1M tourist arrivals in 2017, equivalent to 65%+ of total Caribbean population
- Tourist arrivals to the Caribbean represent 2.3% of Global International Tourist arrivals

Caribbean Capacity Breakdown



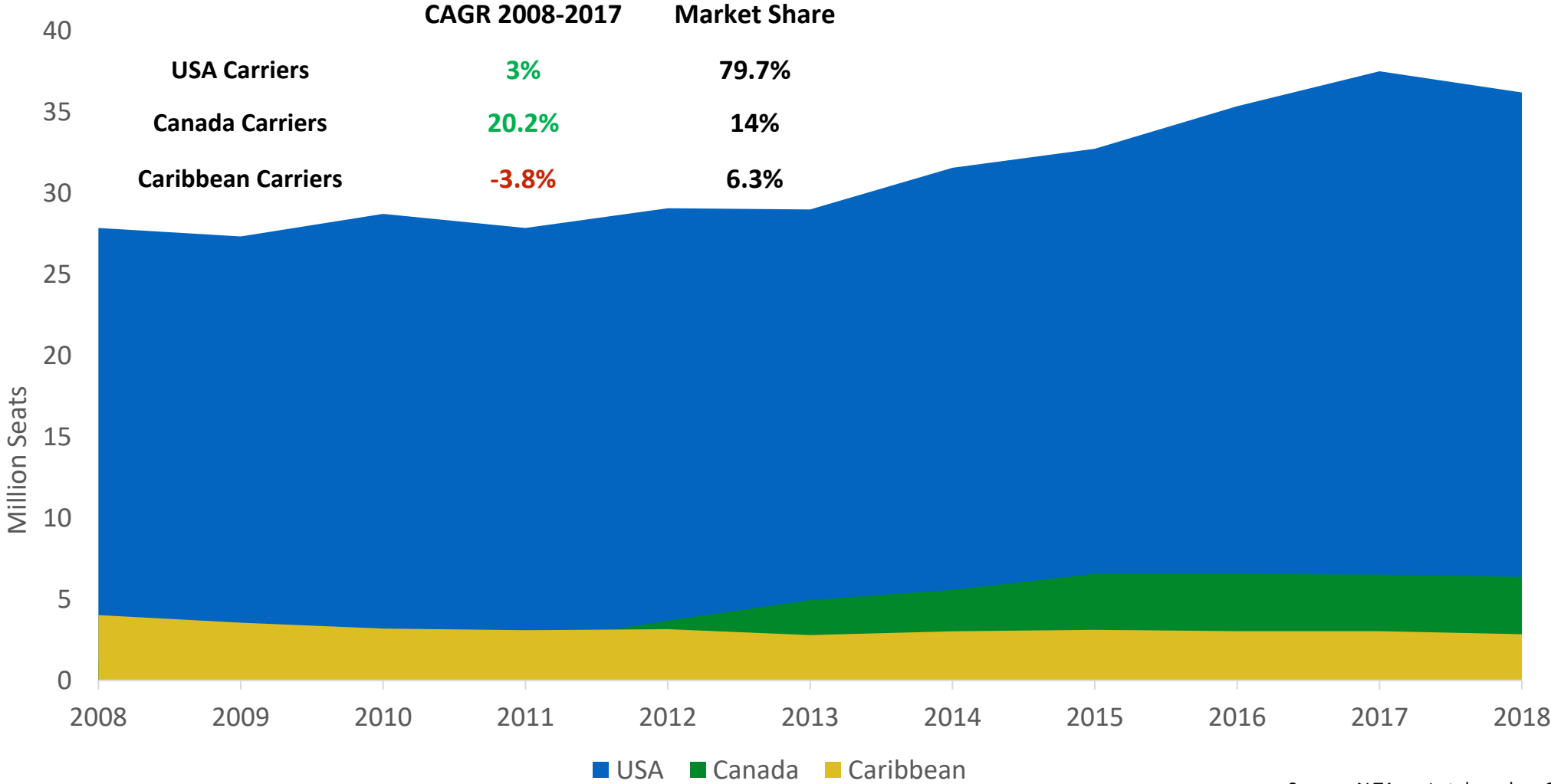
Source: ALTA Analysis based on OAG data

Caribbean Region Capacity



Source: ALTA Analysis based on OAG data

Caribbean NA - Capacity



Source: ALTA Analysis based on OAG data

Challenges & Opportunities



Challenges

- Limited Inter-Region Connectivity
- High Government Taxes and ATC Costs
- Fragmented Market
- Gaps in Infrastructure
- Regulatory Fragmentation
- Lack of Consolidation

Connectivity

- **No true Caribbean Hub** (over 93% of the Region's Inter-Traffic is non-stop)
- **Intra-Caribbean connections** are mostly dominated by outside carriers

Opportunities

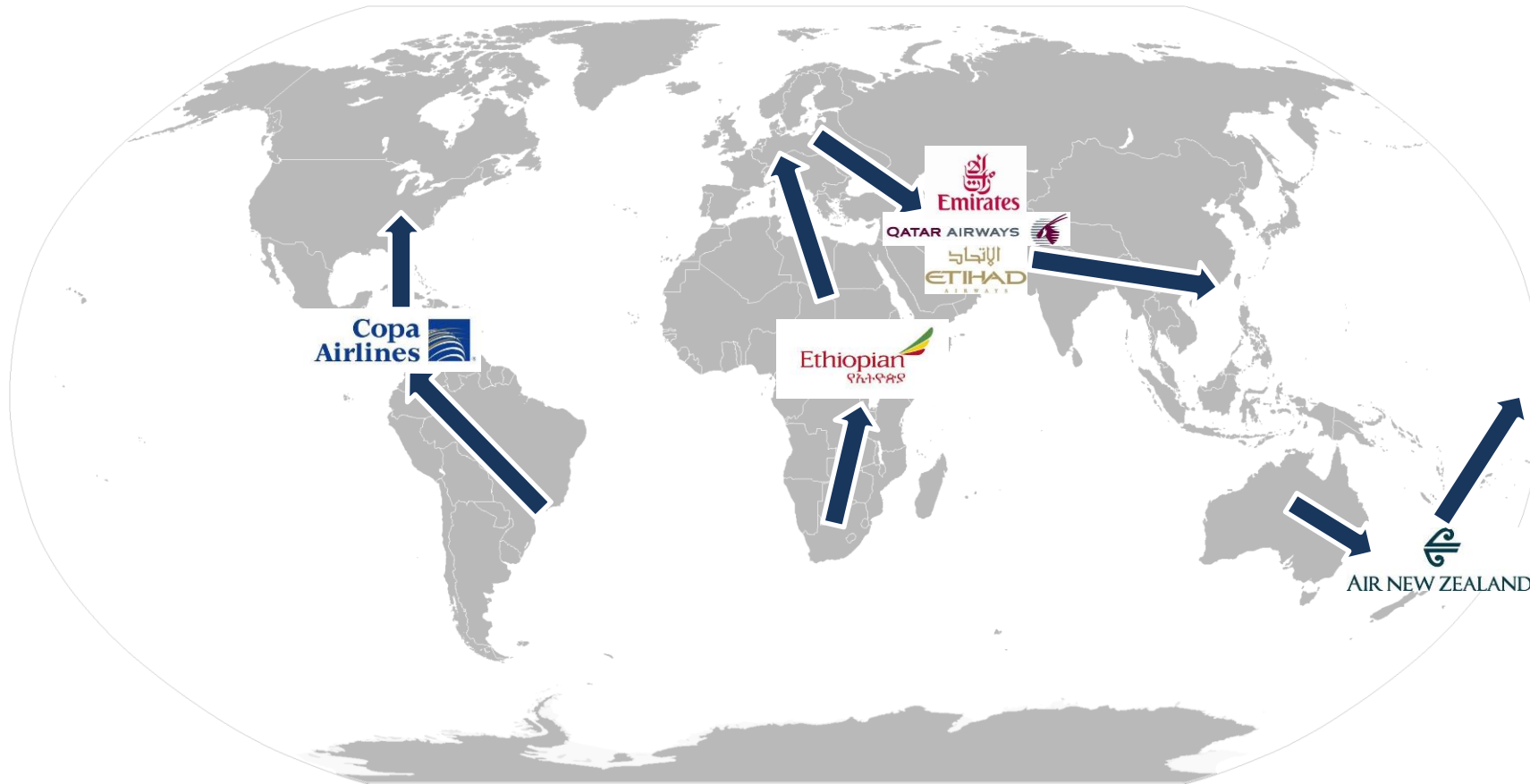


SAM-NAM Market

- Caribbean is located in the middle of a population of 736M people
- 9 Million Annual Passengers
- Strong Growth: 8.0% CAGR
- 21 Competing Carriers

Source: ALTA Analysis

Positive Examples



ALTA/IATA ISSA program for Latin America and Caribbean





Financial Park building, office 23G, Costa del Este, Panama City - Panama

<http://www.alta.aero>



ALTA Latin American and Caribbean Air
Transport Assoc.



@ALTA_aero



REGULATORY PANEL: RECOGNIZING AVIATION AS ECONOMIC DRIVER

CHRISTOPHER BARKS

FAA



PAULINE YEARWOOD

CARICOM

MAURICIO NICHOLLS

RUBIS

VINCENT VANDERPOOL-WALLACE

BEDFORDBAKER GROUP

NARI WILLIAMS-SINGH

JAMAICA CIVIL AVIATION AUTHORITY



NETWORKING COFFEE BREAK



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Princess Juliana
International Airport

AVIATION -DAY-

CARIBBEAN





KEYNOTE PRESENTATION:

AIR TRANSPORT, COMPETITIVENESS & CONNECTIVITY

DAMIEN REEVES
ECONOMIST



JAMES WILTSHIRE
HEAD OF POLICY ANALYSIS



- ❖ CONNECTIVITY IN THE CARIBBEAN
- ❖ CAUSES OF LOST CONNECTIVITY
- ❖ CONSUMER IMPACTS OF LOST CONNECTIVITY
- ❖ ECONOMIC IMPACTS OF LOST CONNECTIVITY
- ❖ CONCLUSIONS & POLICY RECOMMENDATIONS

AVIATION AS AN ECONOMIC ENGINE



5.2 MILLION JOBS IN
LATAM AND CARRIBEAN
SUPPORTED BY AIR TRANSPORT



385 CITIES SERVED IN
LATAM AND CARRIBEAN



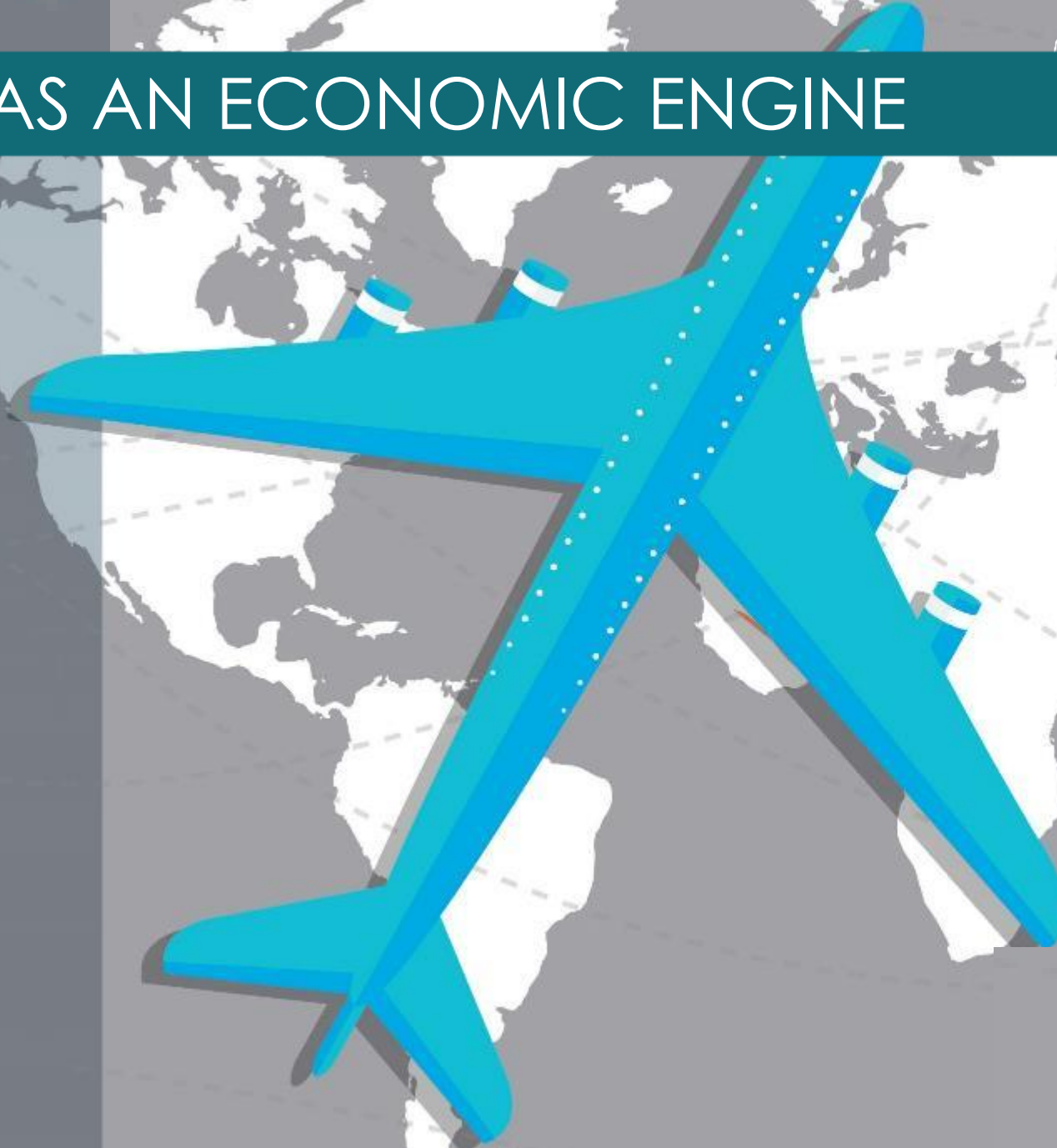
\$167 BILLION
LATAM - CARRIBEAN GDP
GENERATED BY AIR TRANSPORT



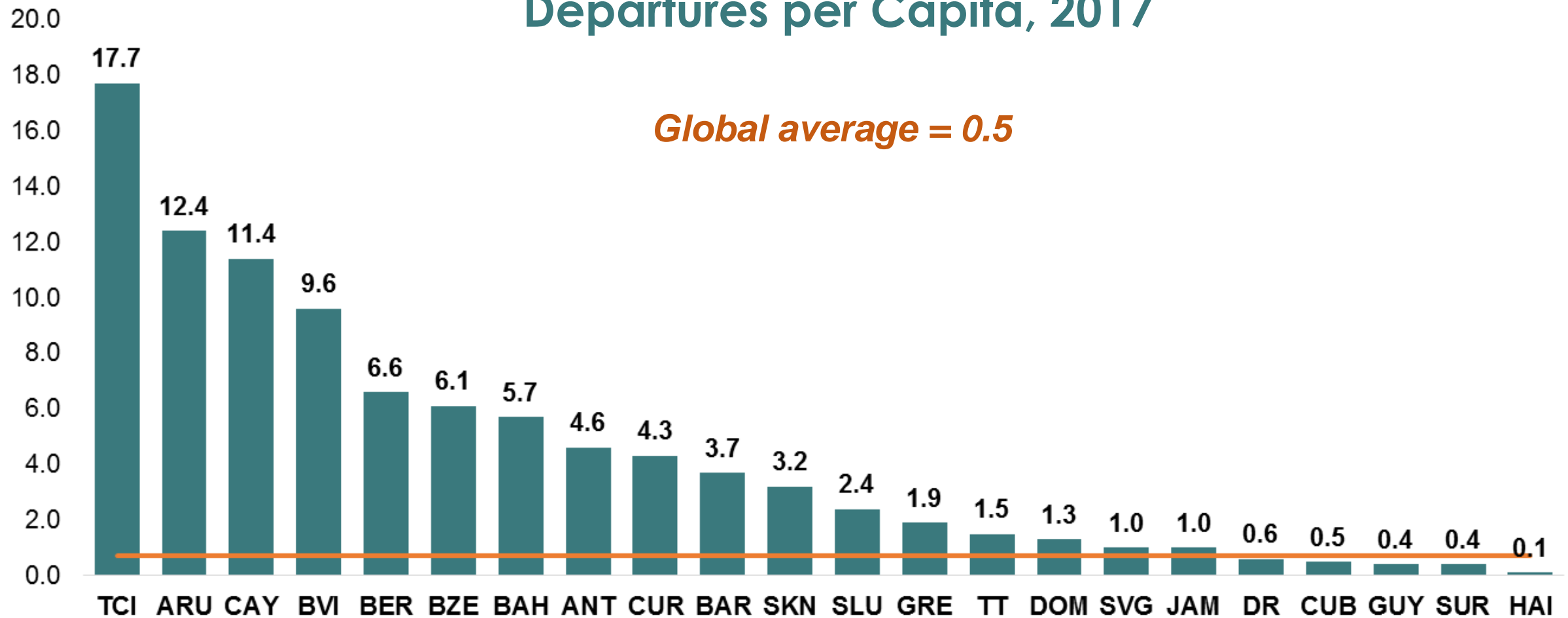
300 FLIGHTS EVERY HOUR IN
LATAM AND CARRIBEAN
2,600,000 FLIGHTS/YR



160 GLOBAL CITIES
CONNECTED WITH
LATAM AND CARRIBEAN



Departures per Capita, 2017



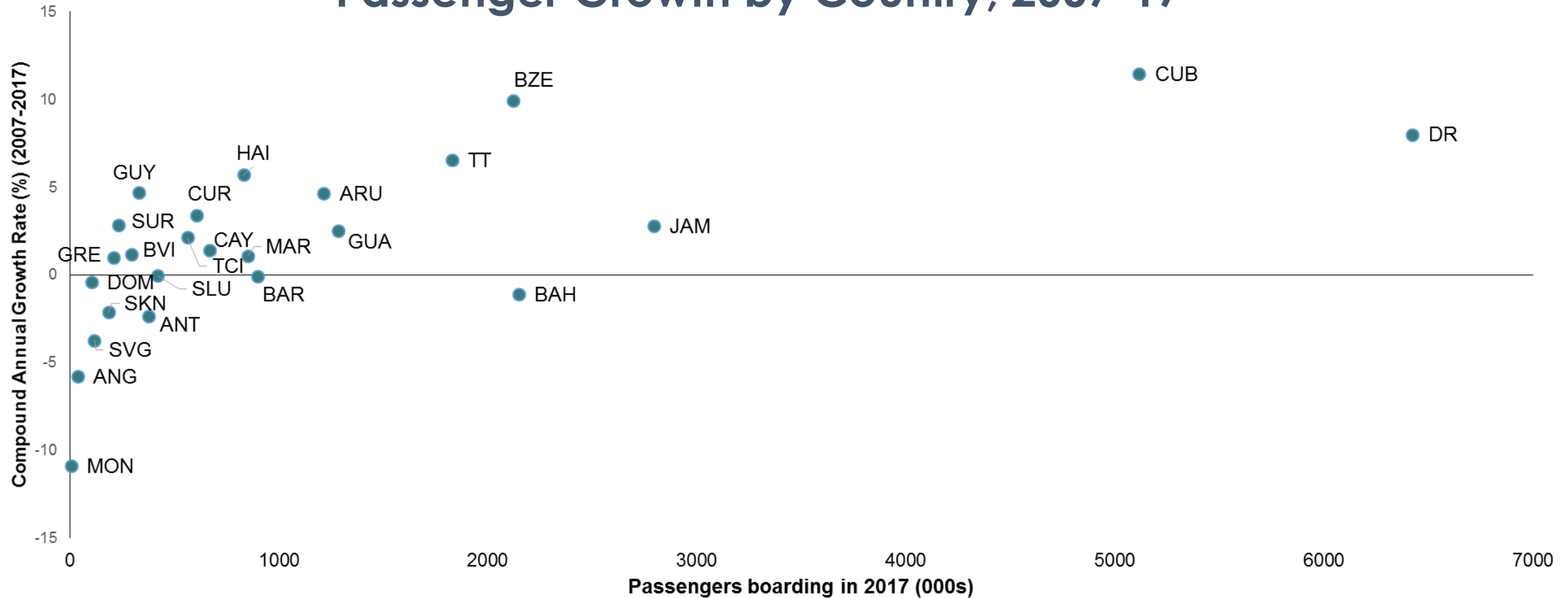
Source: IATA Economics based on PaxIS, World Bank



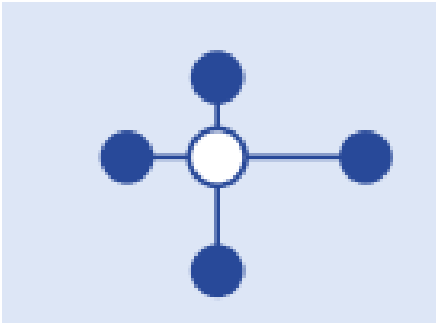
GROWTH RATES VARY WIDELY ACROSS THE REGION



Passenger Growth by Country, 2007-17

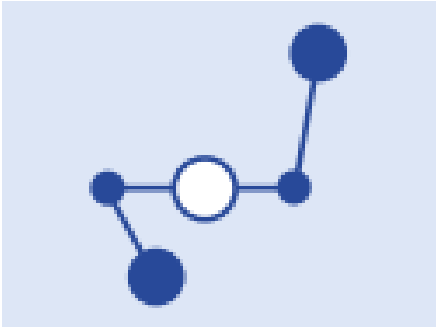


Source: IATA Economics based on DDS



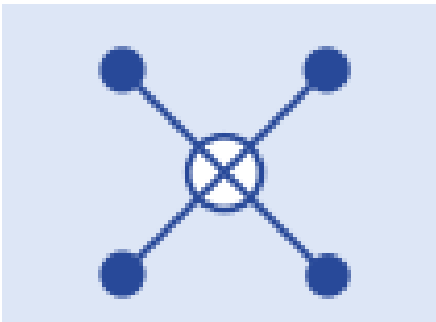
Direct Connectivity

- Reflects direct services available from a given airport;
- Measured by number of destinations and/or destination importance;
- Can also consider frequency.



Indirect Connectivity

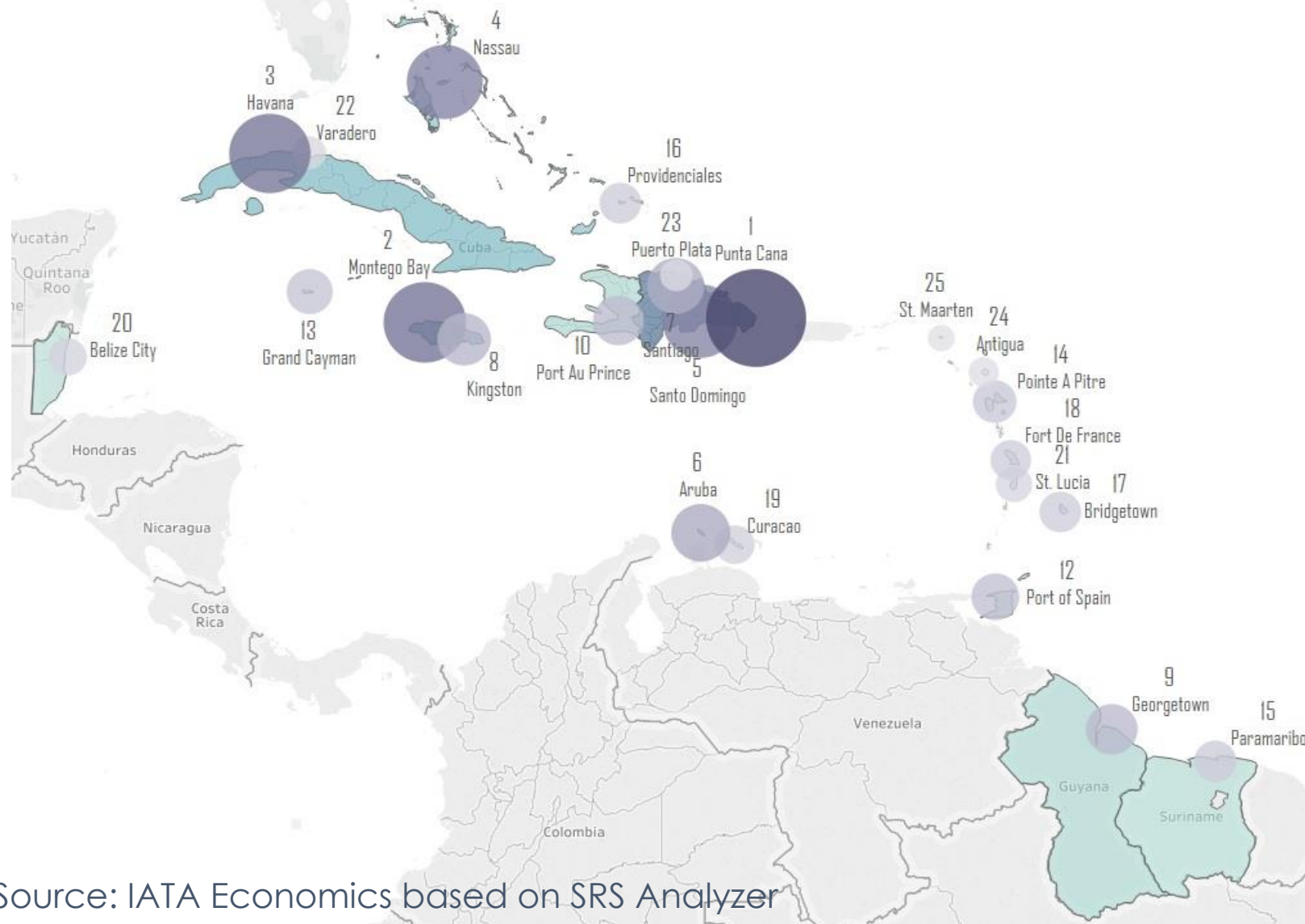
- Reflects destinations that only be reached with one or more stops;
- Connections weighted in terms of their quality;
- Key factors: connecting time and relative diversion.



'Hub' Connectivity

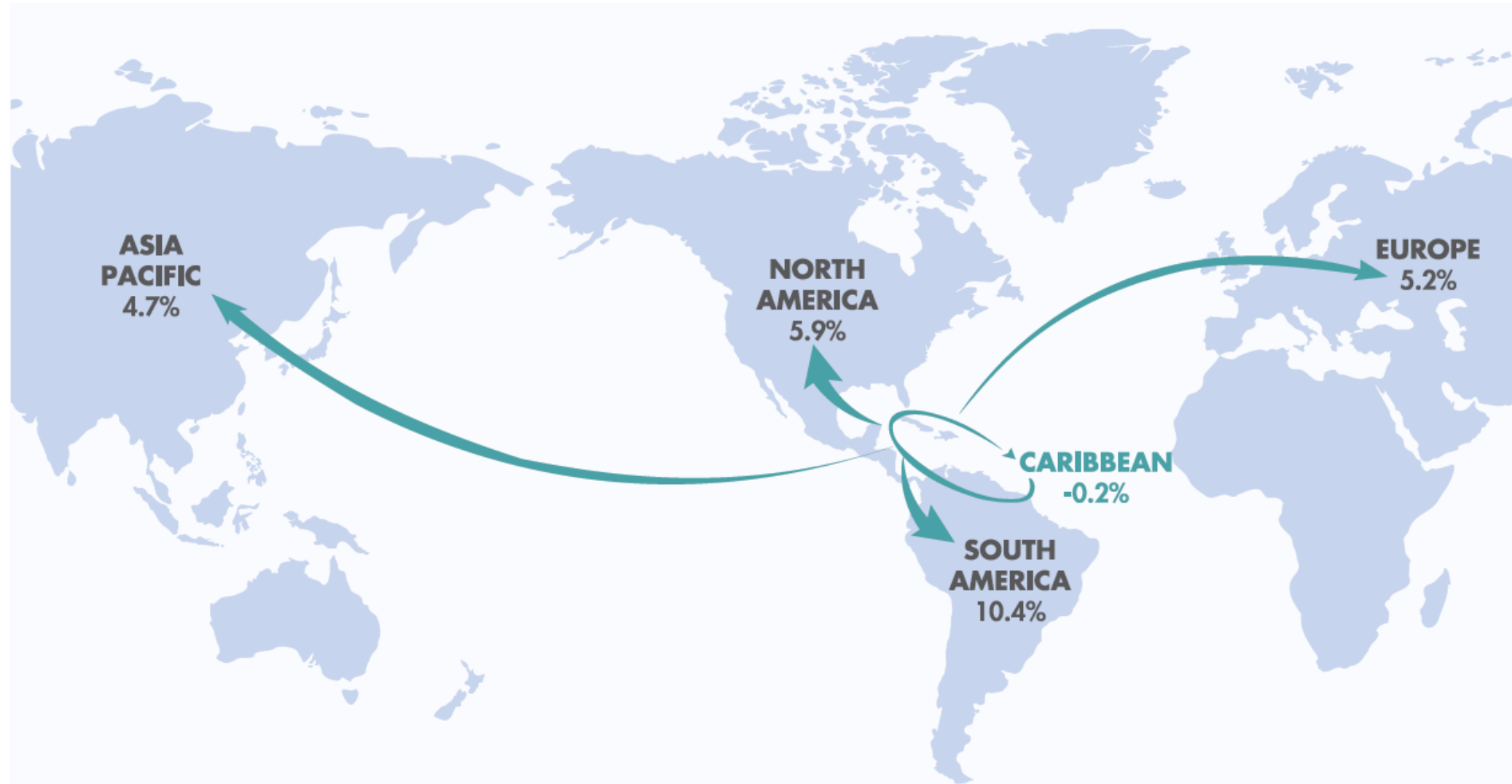
- For hub airports reflects the number of flight pairs that can be connected taking into account minimum and maximum connecting times.
- As with indirect connectivity, connections can be weighted by quality in terms of diversion factor and connecting times

Global Air Connectivity at City Level, 2018

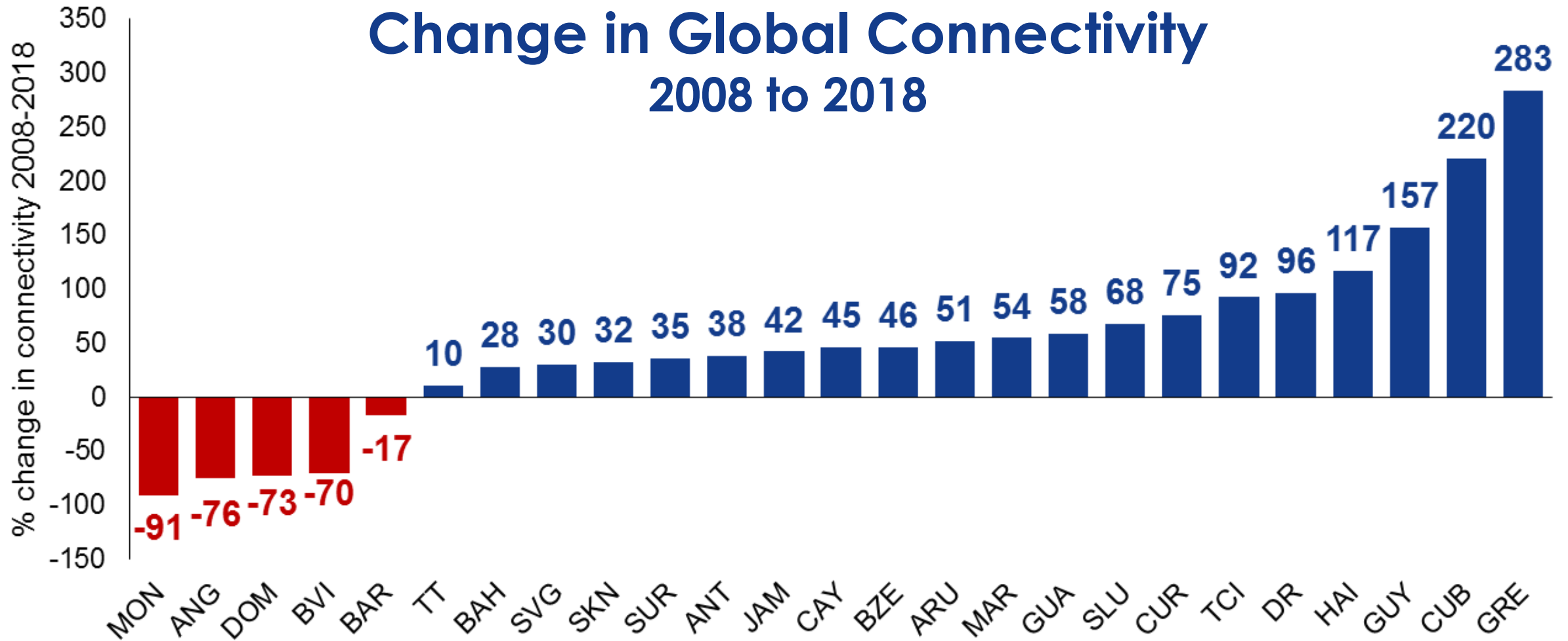


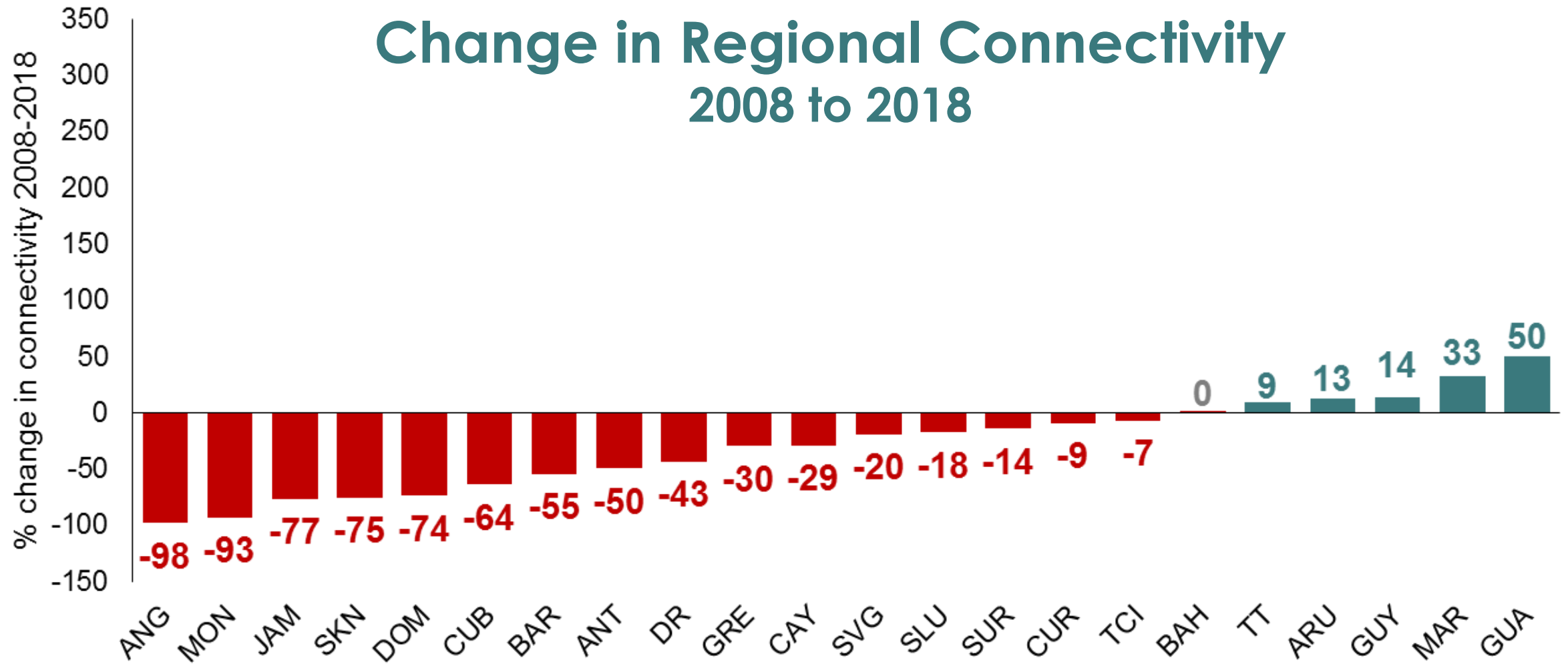
Source: IATA Economics based on SRS Analyzer

Passenger Growth by Region, 2007-17



Source: Intervistas based on data provided by IATA







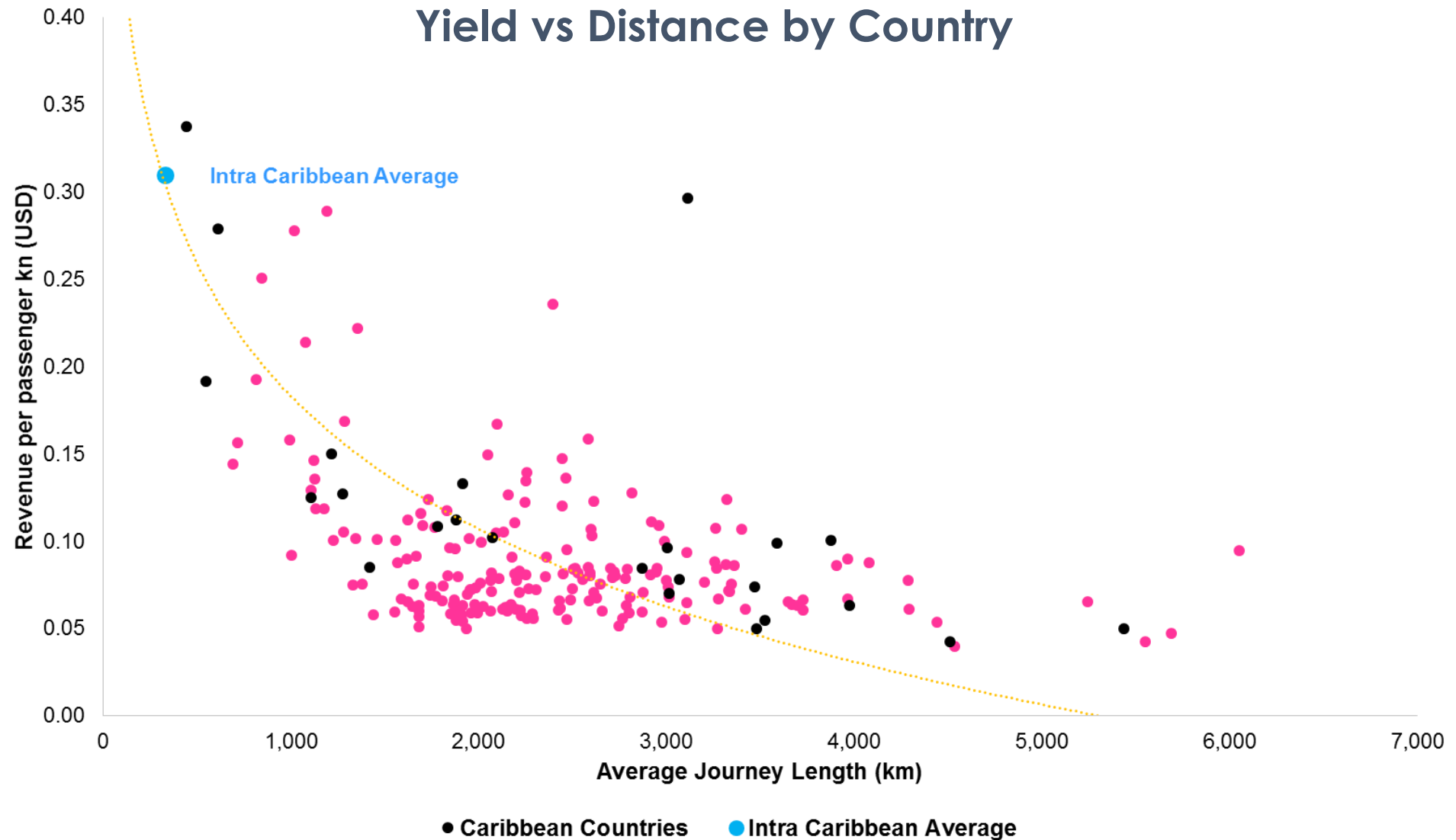
High costs, taxes,
and fees



Lack of
regulatory
harmonisation



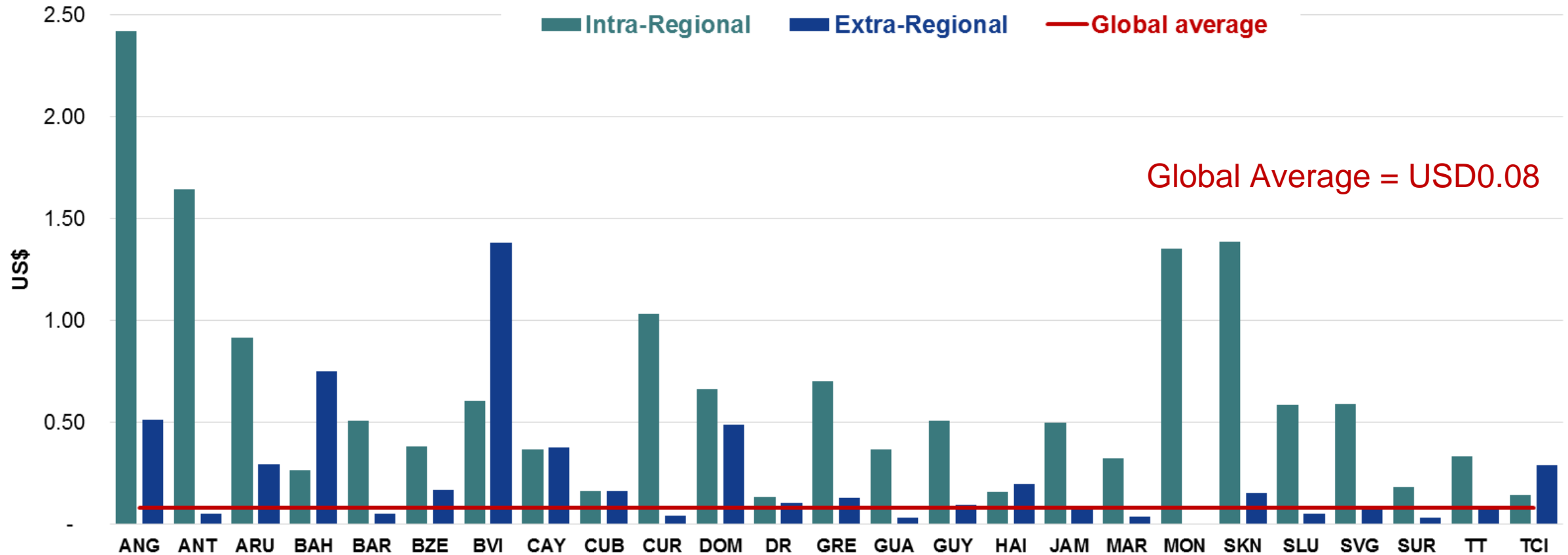
Inefficient
operations



Source: IATA Economics based on PaxIS

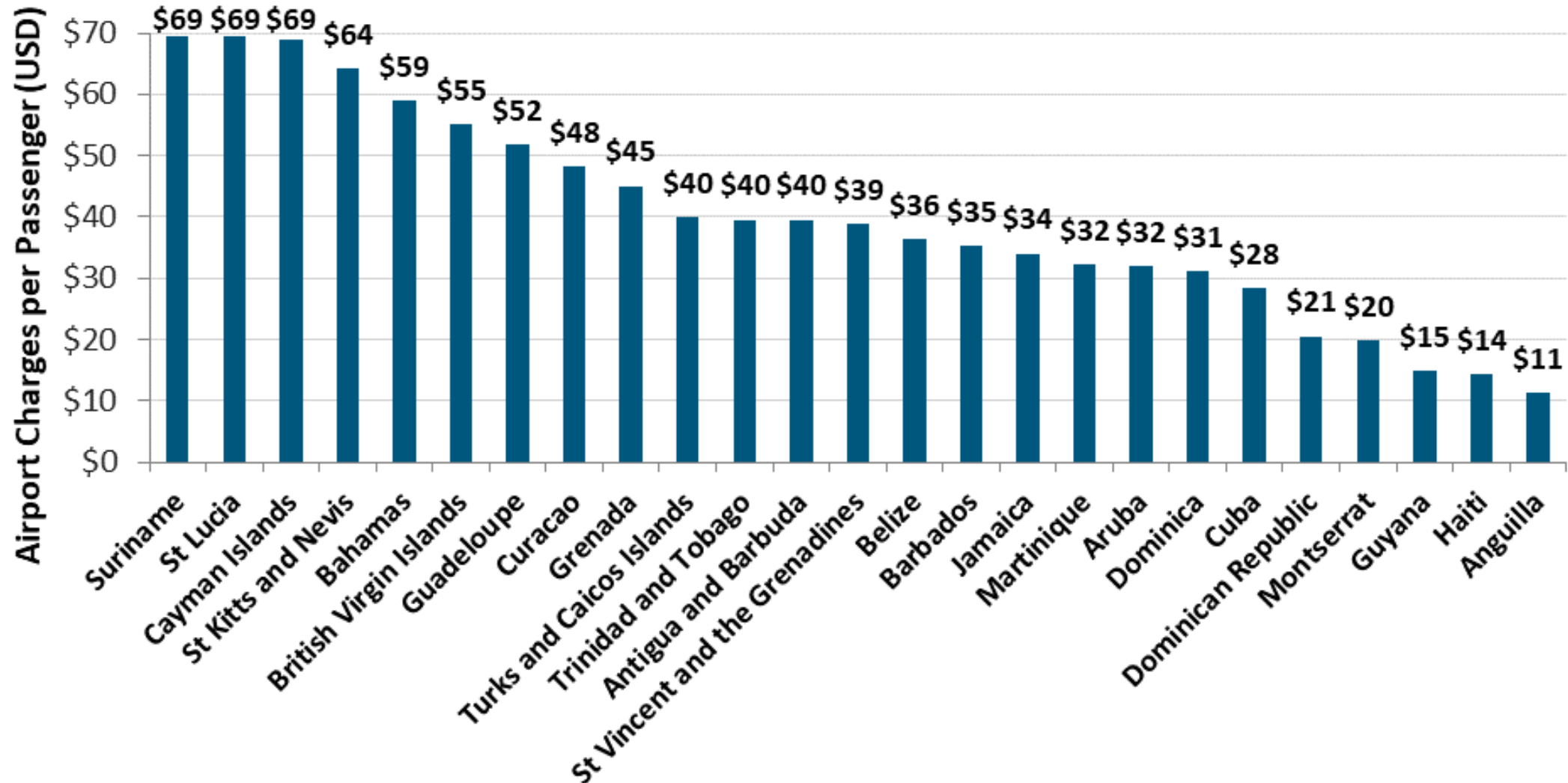
SHORT ROUTES CHALLENGING COMMERCIALLY

Average Revenue Per Passenger Per Kilometre, 2016



HIGH COSTS ADD TO THE CHALLENGE

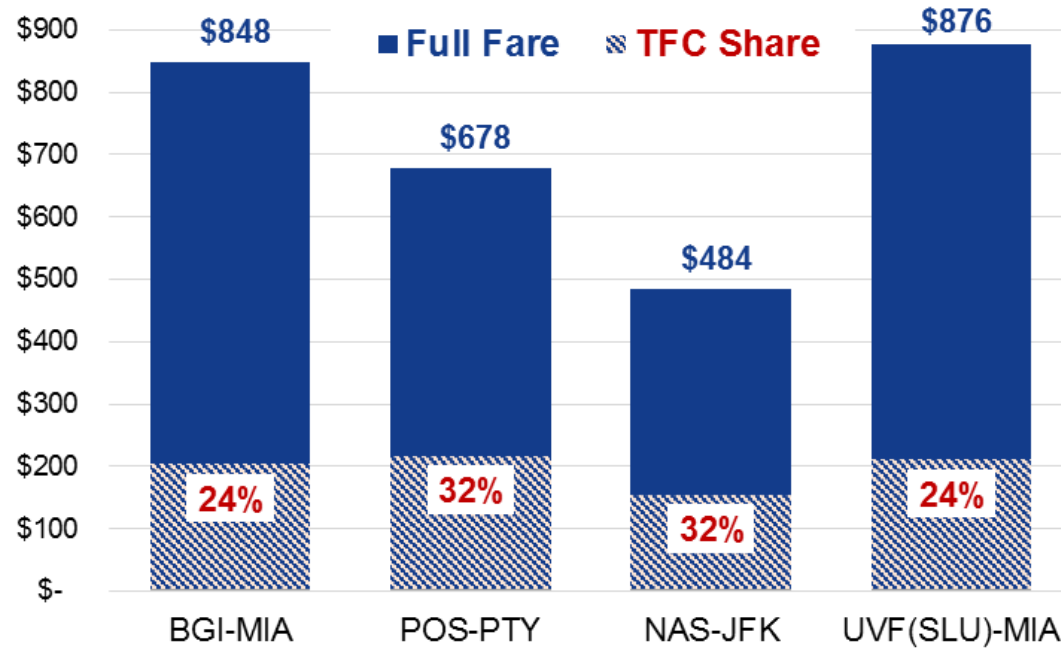
Average airport charges per passenger (one-way)



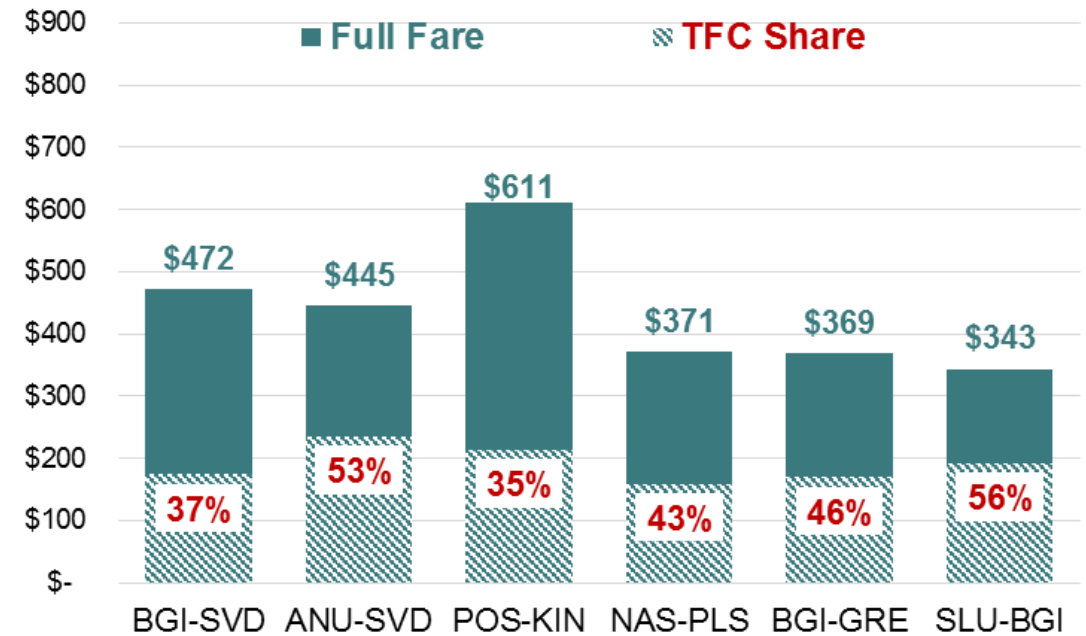
Source: IATA Aviation Charges Intelligence Center

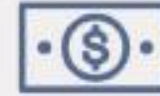
Taxes, fees and charges (for return travel in June 2018)

Extra-Regional



Intra-Regional





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TOURIST ARRIVALS
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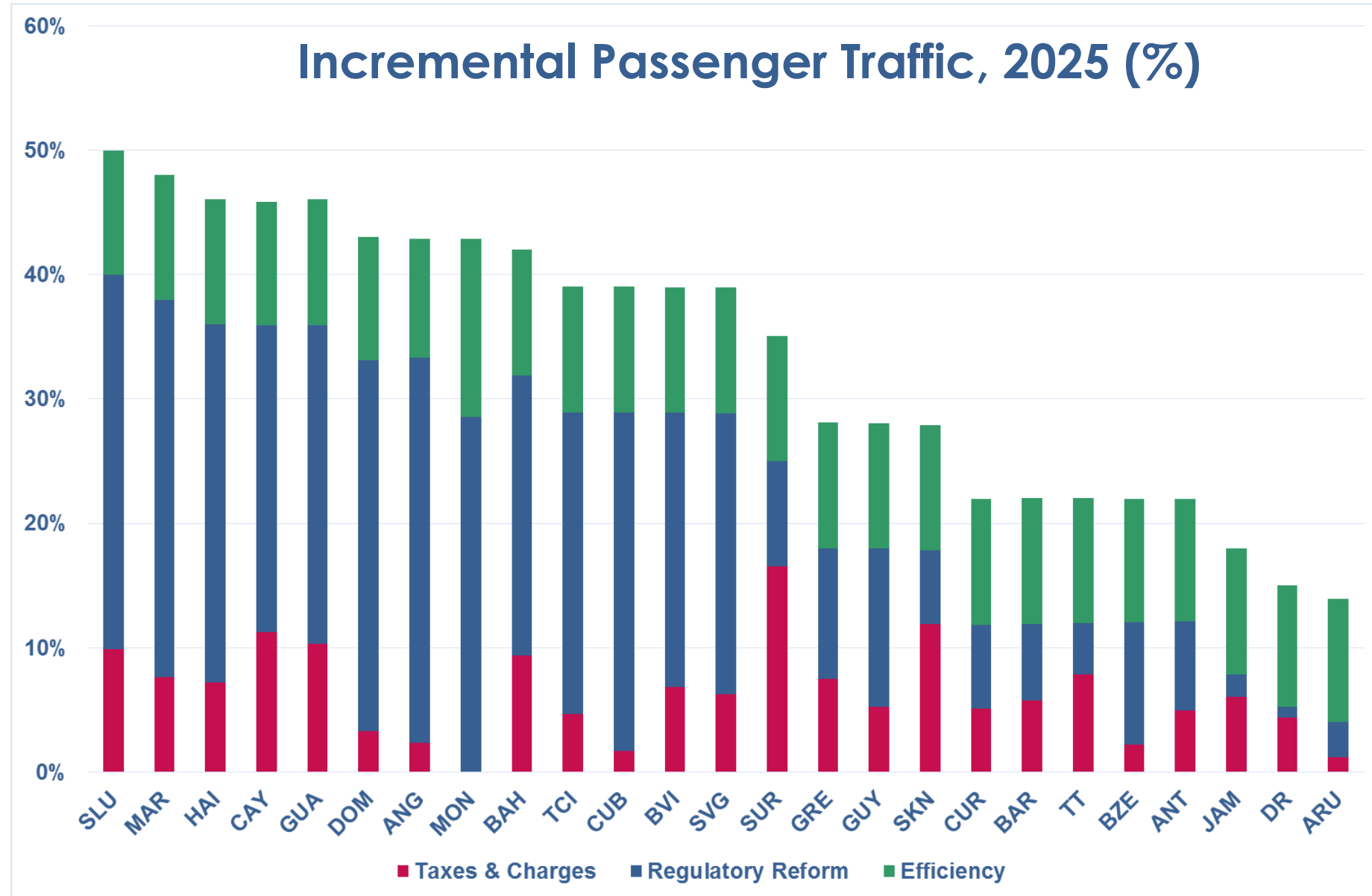


Lack of
regulatory
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Inefficient
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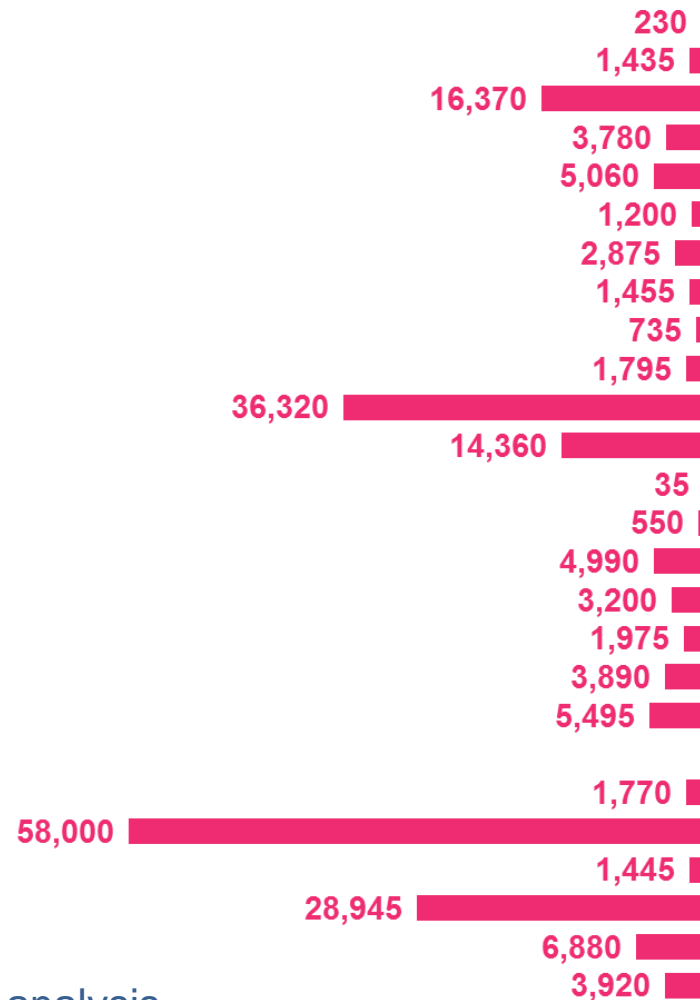




Source: InterVistas analysis

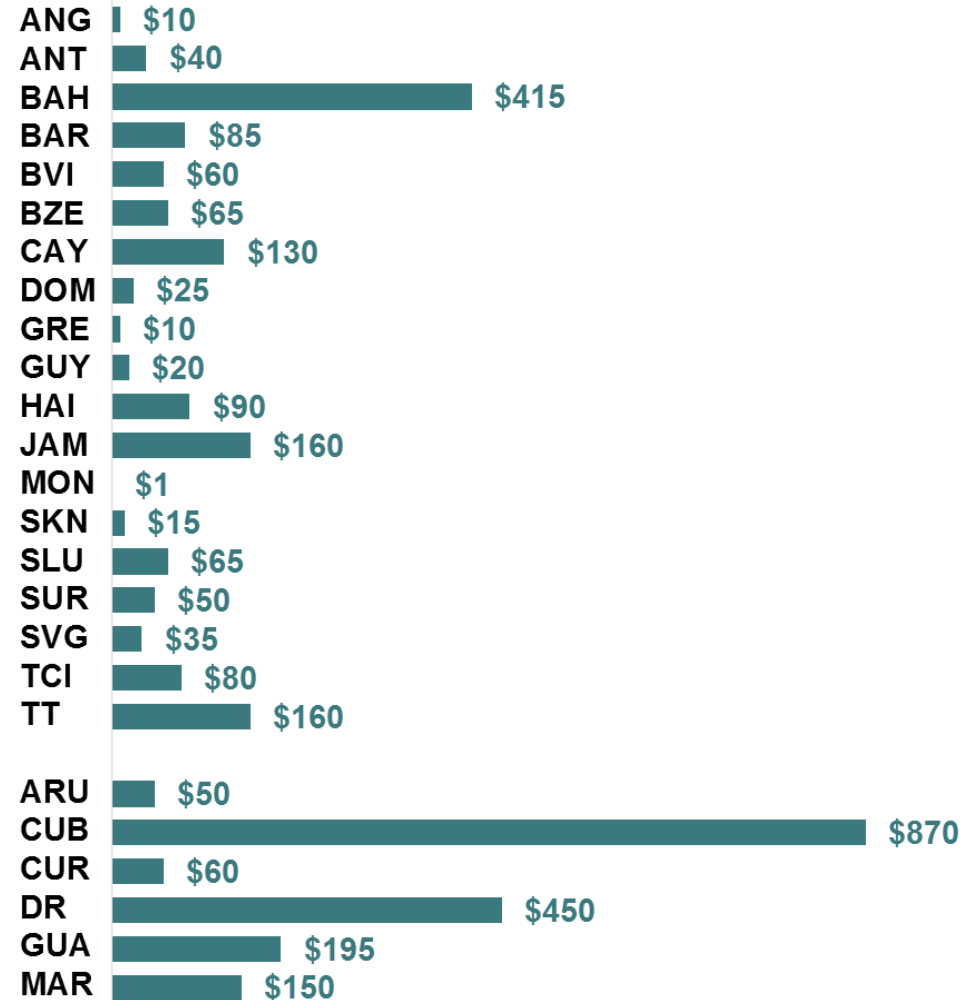
Total Incremental Employment

BMC Total: 106k; All total: 207k



Total Incremental GDP (USD mn)

BMC Total: \$1.5 bn; All total: \$3.3 bn



Suggested Strategies: Reduce Costs Harmonise Regulations Enhance Efficiency



INCREASED AIR TRAVEL DEMAND

E.g., a 25% reduction in taxes may increase traffic in BMCs by 13% by 2036



CONNECTIVITY & TIME SAVINGS

E.g., the Bridgetown to Kingston travel time could reduce from 5 - 8 to 3 hours



ECONOMIC IMPACTS

E.g., Policy changes could provide additional 140K jobs in the sector by 2036

ACTIONS FOR CONSIDERATION BY GOVERNMENTS:

- ❖ STIMULATE DEMAND AND CONNECTIVITY BY REDUCING TAXES & CHARGES TO MAKE AIR TRAVEL MORE AFFORDABLE
- ❖ STRENGTHEN EFFORTS TOWARDS REGULATORY HARMONIZATION, INCLUDING ENHANCED MARKET ACCESS
- ❖ ENHANCE EFFICIENCY E.G. CUSTOMS & BORDER, INFRASTRUCTURE, AIR TRAFFIC MANAGEMENT
- ❖ INCREASE COLLABORATION BETWEEN COUNTRIES AND BETWEEN AIR TRANSPORT AND TOURISM SECTORS, INCLUDING THROUGH INTEGRATED DEVELOPMENT STRATEGIES
- ❖ TARGETED MEASURES TO SUPPORT DEVELOPMENT OF NEW ROUTES



THANK YOU!

LOOKING FOR INSIGHTS INTO AIR TRANSPORT MARKETS AND ISSUES?

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Available for  iOS and  Android

NEW IATA ECONOMICS RESEARCH APP

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- ✈ Reports
- ✈ Charts
- ✈ Presentations
- ✈ Videos and more.

To find out more visit:
www.iata.org/econapp





EXECUTIVE PANEL:

CHALLENGES FACING THE CARIBBEAN AVIATION GROWTH & INTRA-ISLAND CONNECTIVITY

JULIAN ROGERS

ROGERS MEDIA HOUSE



RAVI DARYANANI

PRINCESS JULIANA INTERNATIONAL AIRPORT

HUGH RILEY

CARIBBEAN TOURISM ORGANIZATION

JULIE REIFER-JONES

LIAT

TRACY COOPER

BAHAMASAIR



NETWORKING LUNCH



PROUDLY SPONSORED BY



AVIATION -DAY- CARIBBEAN





Once, we were close, real close. Then we drifted apart.



CARIBBEAN MINISTERIAL ROUNDTABLE

JULIAN ROGERS

ROGERS MEDIA HOUSE



DIONISIO D'AGUILAR

GOVERNMENT OF BAHAMAS

ANNETTE FERGUSON

GOVERNMENT OF GUYANA

DOMINIC FEDEE

GOVERNMENT OF SAINT LUCIA

ZITA JESUS-LEITO

GOVERNMENT OF CURACAO

KERRIE SYMMONDS

GOVERNMENT OF BARBADOS



NETWORKING COFFEE BREAK

PROUDLY SPONSORED BY

Caribbean Airlines
the warmth of the islands



AVIATION -DAY-

CARIBBEAN





PANEL DISCUSSION:

PREPARING CARIBBEAN AIRPORTS TO MEET TODAY'S DEMAND & TOMORROW'S GROWTH

BRIAN SAMUEL

CARIBBEAN DEVELOPMENT BANK

GEORGE ANDLER

TSA

JAMES FAZIO

ARUBA AIRPORT AUTHORITY

ALVARO LEITE

AEROPUERTOS DOMINICANOS

AUDLEY DEIDRICK

JAMAICA AIRPORT AUTHORITY

PEDRO ALVES

VISION BOX





KEY-TAKEAWAYS & CLOSING REMARKS

ANNALEEN LORD

AREA MANAGER, CARIBBEAN





PRIZE RAFFLE

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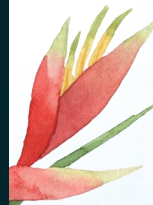
Princess Juliana
International Airport

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AVIATION -DAY= CARIBBEAN

PRIZE RAFFLE





AVIATION -DAY- CARIBBEAN

2X

BLUETOOTH
CAR KITS

PRIZE RAFFLE



**Rockwell
Collins**



**AVIATION
-DAY-**
CARIBBEAN

**6X
FITBITS**

PRIZE RAFFLE





Princess Juliana
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**AVIATION
-DAY-**
CARIBBEAN

5 NIGHTS @
SIMPSONBAY RESORTS

&

3 NIGHTS
**OYSTER BEACH
BAY RESORT**

PRIZE RAFFLE





AVIATION
-DAY-
CARIBBEAN

2X2
ROUND TRIP
TICKETS

PRIZE RAFFLE



Caribbean Airlines

the warmth of the islands



**AVIATION
-DAY-**
CARIBBEAN

2X2

**ROUND TRIP
TICKETS**

PRIZE RAFFLE





AVIATION
-DAY-
CARIBBEAN

2X
ROUND TRIP
TICKETS

PRIZE RAFFLE



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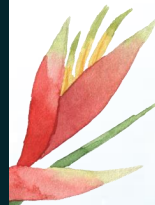
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