

Caribbean's experience – A Case Liberalization

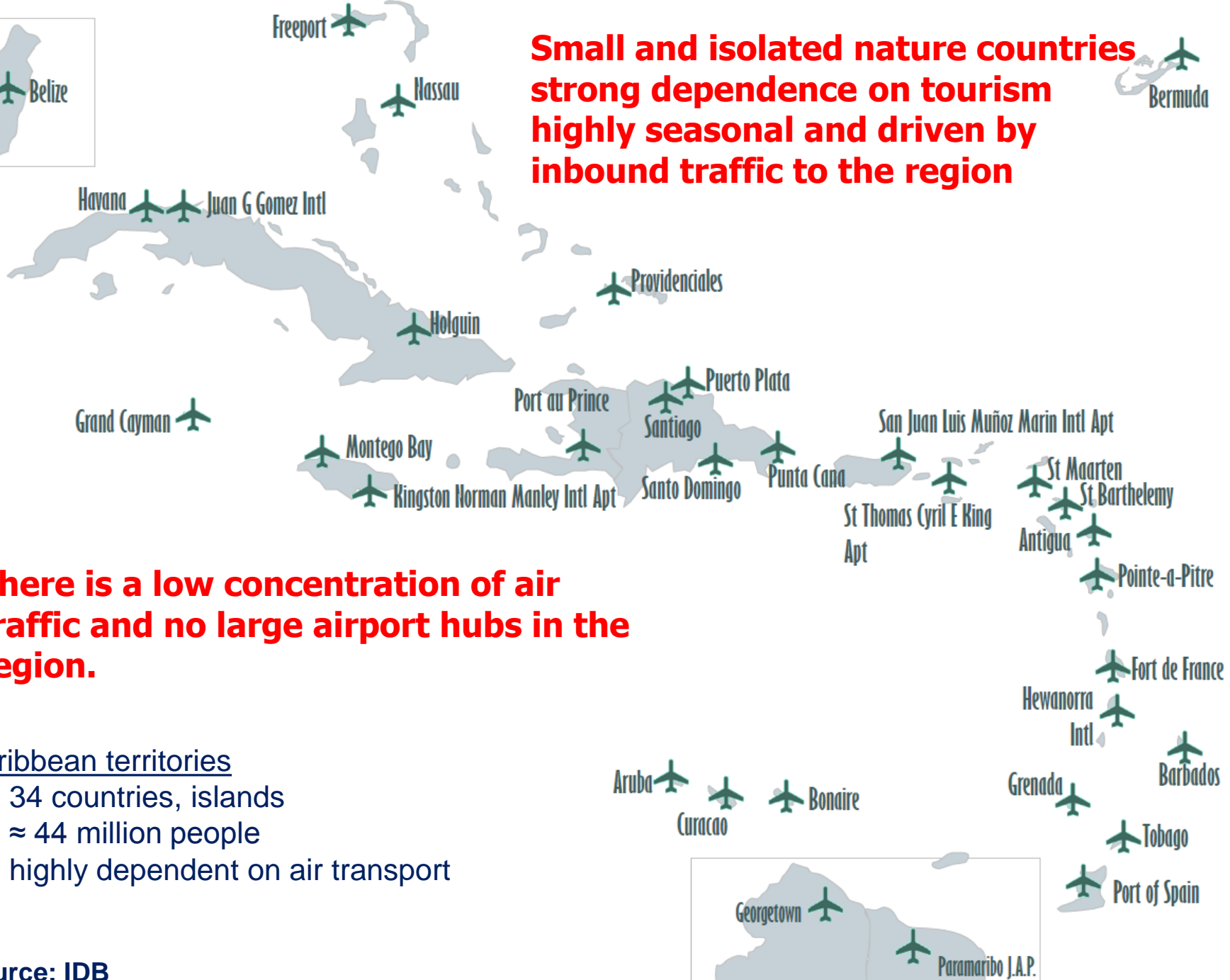
Saheed Sulaman
Director Air Transport
Management, GCAA

May 8, 2019

What shapes and influences the Caribbean air transport market?



**Small and isolated nature countries
strong dependence on tourism
highly seasonal and driven by
inbound traffic to the region**

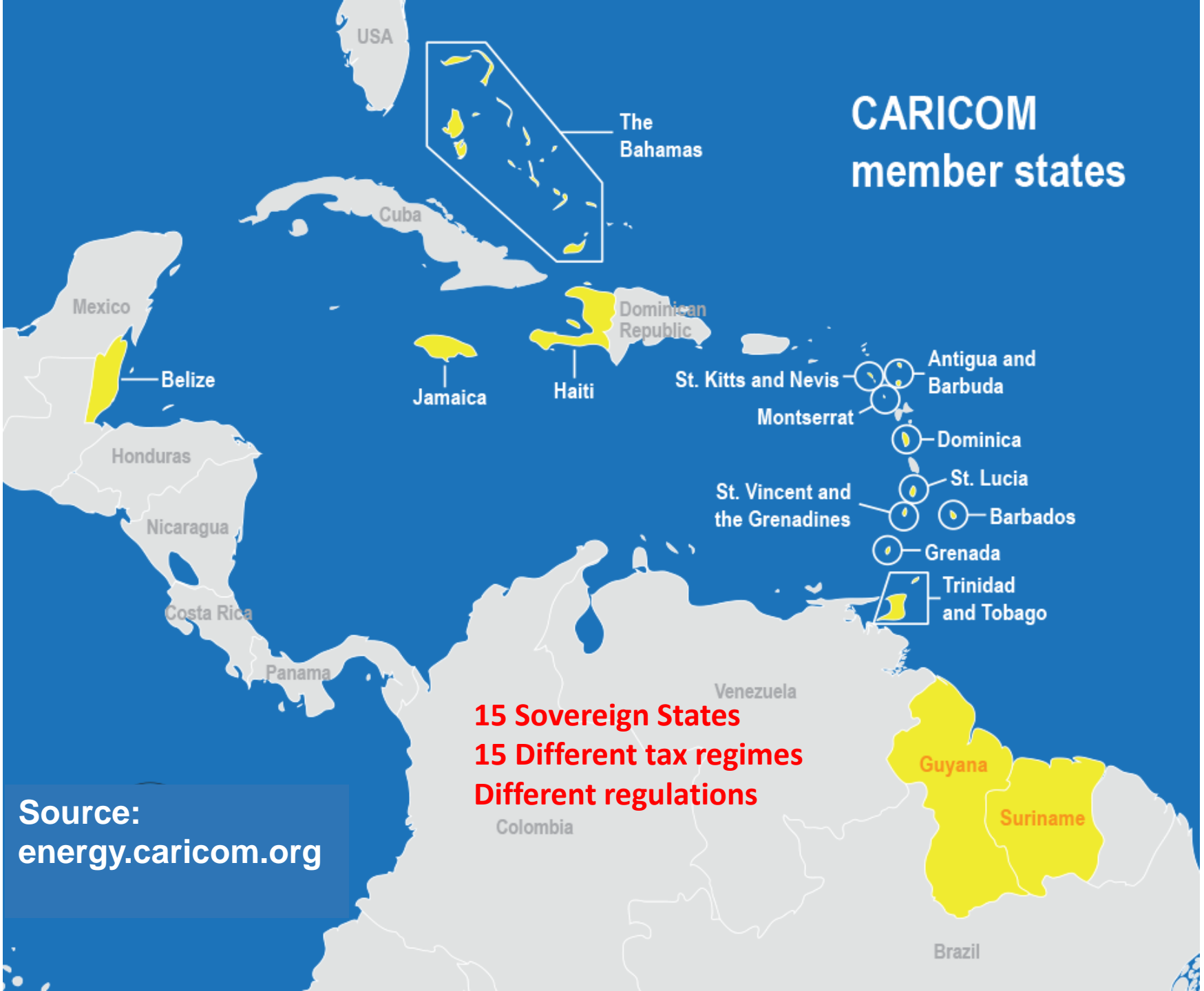


There is a low concentration of air traffic and no large airport hubs in the region.

Caribbean territories

- 34 countries, islands
- ≈ 44 million people
- highly dependent on air transport

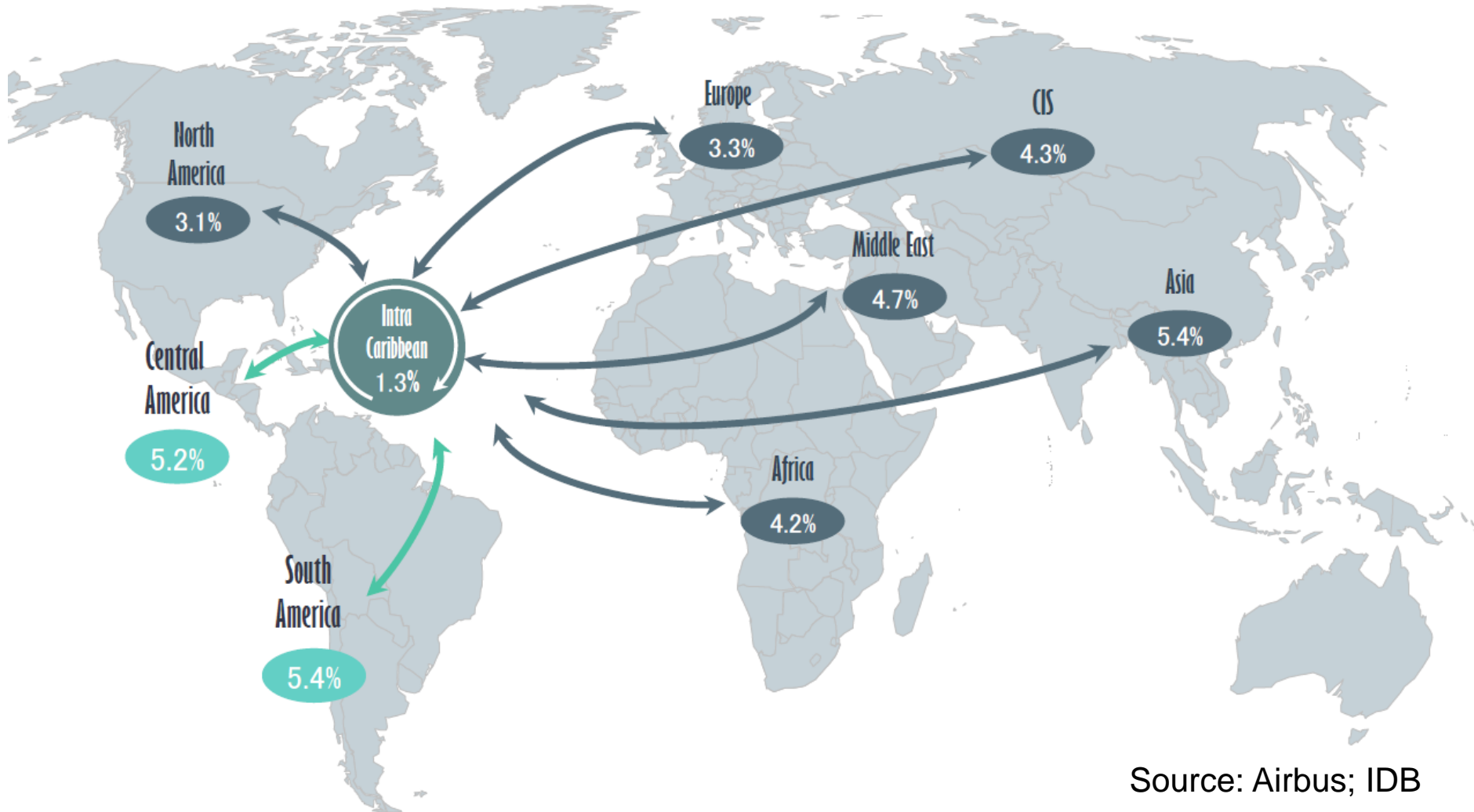
CARICOM member states



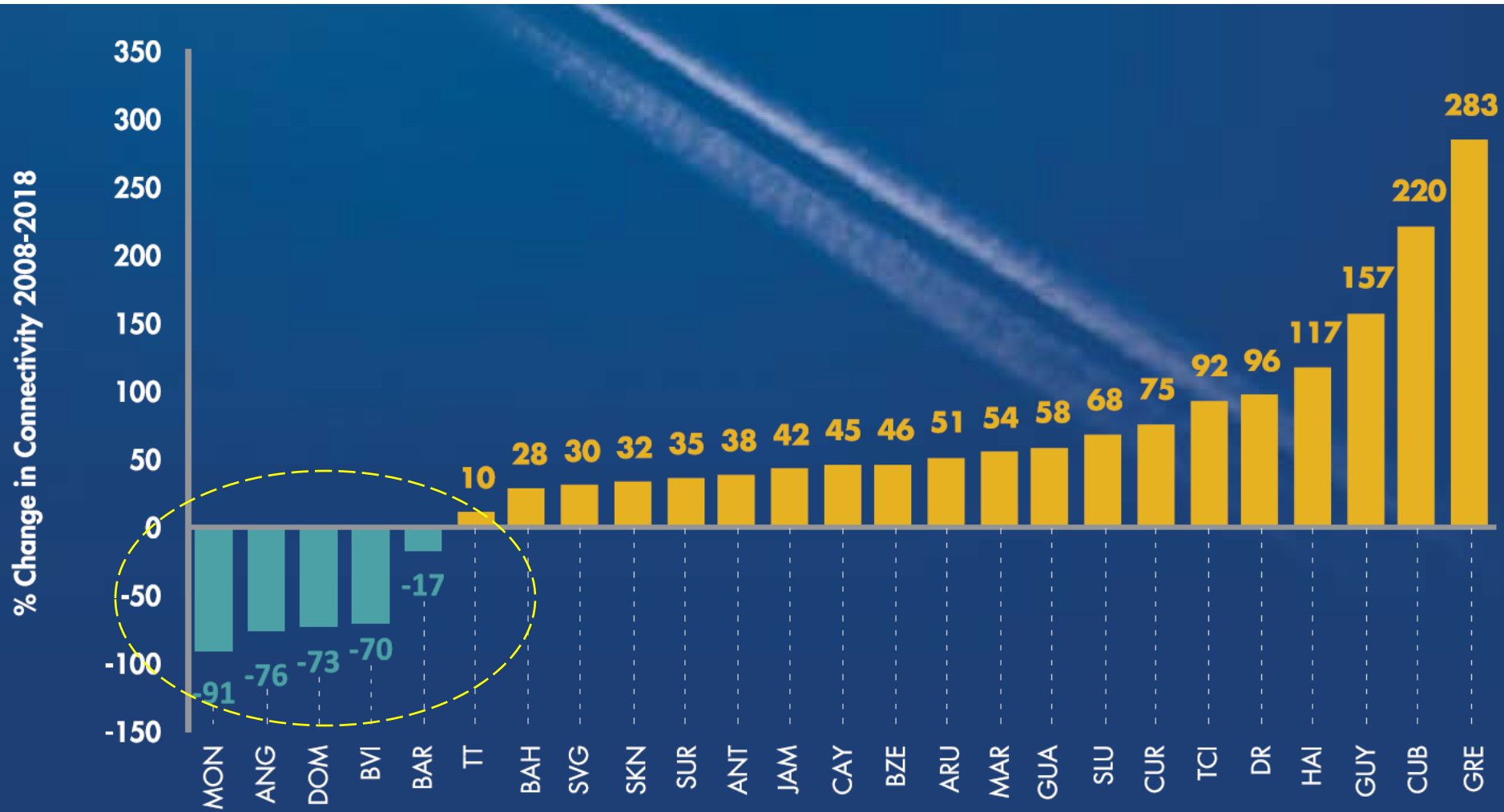
15 Sovereign States
15 Different tax regimes
Different regulations

Source:
energy.caricom.org

Traffic forecast: Average annual growth rates 2013-2032 between Caribbean (traffic growth CAGR 2013-2032, %)

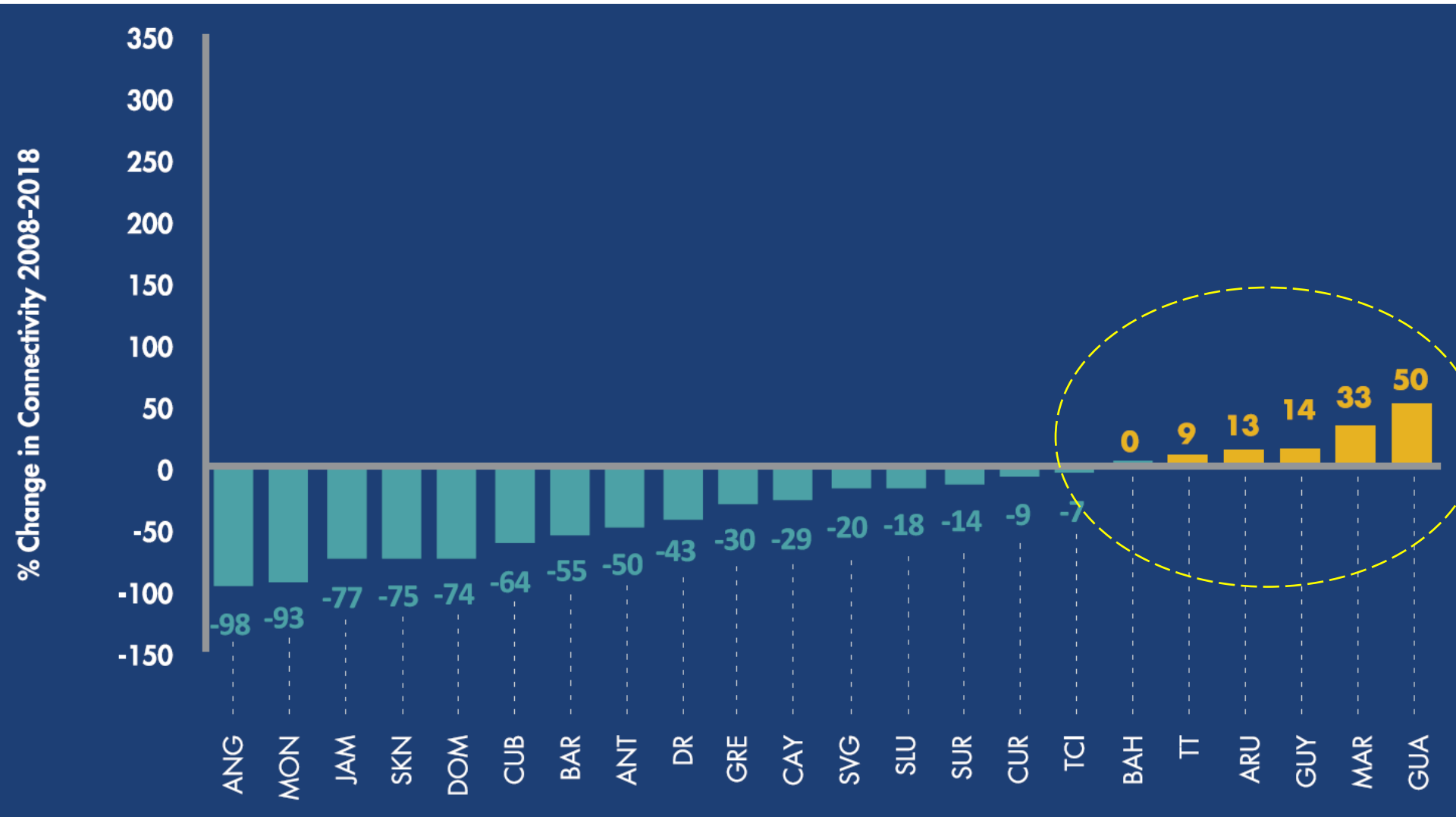


Change in Global Connectivity (2008-2018)



Source: IATA

Change in Regional Connectivity (2008-2018)



Source: IATA

Challenges



1. Small economies;
2. Small local airlines and airports;
3. Heavily dependent on tourism;
4. International traffic through air transport;
5. Very volatile to external shocks and natural disasters;

6. High Fuel –the region’s fuel price is 14% more than the world average (IATA);
7. High Fares – (intra and inter Caribbean)
8. Virtually non-existent international airline alliances
9. Different Regulations

Report No. 31725-LAC

A Time to Choose Caribbean Development in the 21st Century

April 7, 2005

Caribbean Country Management Unit
Poverty Reduction and Economic Management Unit
Latin America and the Caribbean Region



Abstract

“The Caribbean region is at a development crossroads and its member nations must take **significant and concrete steps** to improve productivity and competitiveness and **face up to global competition** if they are to accelerate or even maintain past growth, says a new World Bank report. By taking such steps, they will **reposition themselves strategically** as an emerging trading bloc for goods and services; without such action, they risk growing **economic marginalization** and erosion of many of the social gains of the last three decades.”

CARICOM
Multilateral Air Services
Agreement (MASA)

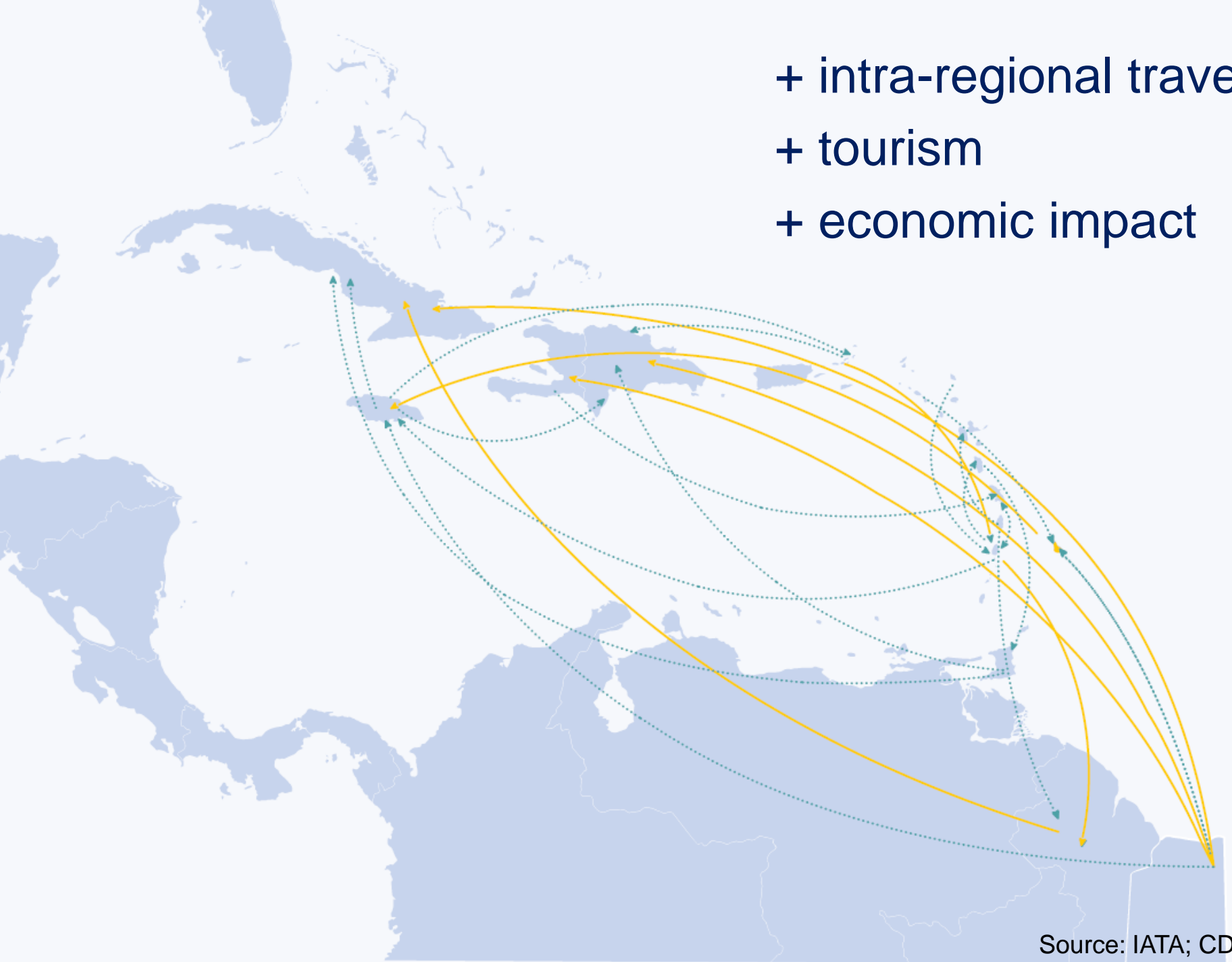


The MASA is a fully liberal
(open skies) Agreement that
allows all nine freedoms of
the air.

- Full market access for CARICOM Air Carriers;
- No restriction on:
 - Domestic and regional markets
 - Tariff/Price setting.
 - Frequency
 - Capacity

- Multiple designations;
- Cooperative marketing arrangements;
- Multiple ownership among Member States

- + intra-regional travel
- + tourism
- + economic impact



A sunset scene with a bright sun low on the horizon, casting a golden glow across the sky. The sky is filled with soft, wispy clouds. The foreground is dark, showing the silhouettes of trees and a fence. The text "Take the opportunity!" is written in a bold, blue, cursive font, centered in the upper half of the image.

*Take the
opportunity!*

Thank You

