

Air Transport & Tourism: Regional Connectivity and LIAT's role

Presentation
Air Transport Meeting
November
2018

General Overview

- Tourism implies people travelling for fun, business having new and varied experiences both internally in different countries.
- People want to travel and stay in places outside of their normal environment. This cannot be achieved without the help of air transport
- Advances in aviation has meant that today flying for most people is a way of life.
- Tourism and air transport therefore complement each other.
- We know that for us in the Caribbean tourism is vital to our economies.

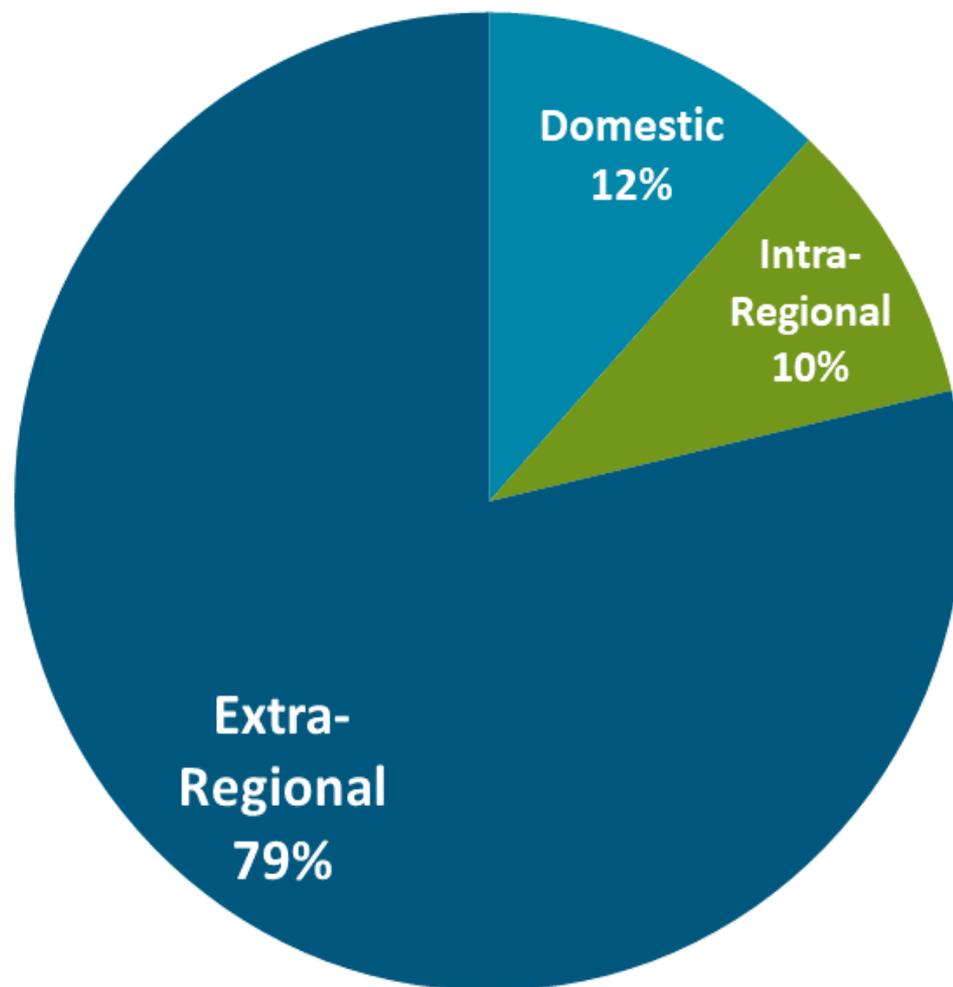
Many Types of Tourism on Offer

- Sun & Sand
- Rest & Relaxation
- Ecotourism
- Sports
- Visiting Friends and Relatives
- Business
- Cultural
- Medical

Regional Perspective

- Many recent studies indicate that Intra- Caribbean traffic has declined but there is growth in international traffic.
- Recent CDB report speaks to 3 components to connectivity;
 - Long haul, intra-regional and domestic
- Decline is very stark in the sub region- 33%.
- As the main provider of intra- regional air services , LIAT and by implication tourism is negatively impacted.
- A smart product mix should combine and link international and regional tourism

Extra-regional connections dominate



Importance of Regional Tourism

- The World Travel and Tourism Council has long documented the vast contribution of domestic and regional tourism. The developed countries embrace this concept whole heartedly.
- In the Caribbean we have been slow to adopt this approach. 99% focus on international tourists.
- Decline in intra-regional travel is a regional problem which must be addressed.
- Studies show that the average spend of the regional traveler is significant. Regional travel tends to complement international tourism by peaking more in the summer months and for cultural events. This can be a boost especially for small hotels in the region.

The LIAT Network

- LIAT over 60 years old. Majority ownership by the Governments of Barbados, Antigua and St. Vincent.
- We currently serve 15 destinations serve the English, French, Dutch and Spanish Speaking Caribbean .
- We operate a small modern fleet of 10 aircraft; 5 ATR 42-600s and 5 ATR 72-600s. LIAT transports 750k passengers annually. 500 flights/ week. OTP >84%
- Interline with 13 major carriers inc. Air Canada, British Airways, Caribbean Airlines, Delta Airlines, JetBlue, United Airlines, Virgin Atlantic and WestJet.
- Our wide network provides the basis for building a stronger link between international and regional tourism

Link International and Regional Tourism

- Today's tourists want different experiences.
- Caribbean is a unique destination but how much of our marketing is focused on that uniqueness?
- Why not offer a one day trip to see the volcano in Montserrat or a weekend trip to see the Kaieteur Falls in Guyana, the largest fall in the world.
- This type of approach will benefit the entire region.
- Our wide network provides the basis for building this link between international and regional tourism

The Caribbean Airline



Importance of LIAT to the sub region

- LIAT accounts for 25-30% of total tourism arrivals - 40% of Total flight departures.

Territory	LIAT Pax	Tourist Arrivals	% of Total	LIAT Departures	Total Departures	% of Total
Barbados	161,422	632,000	26%	5,589	10,740	52%
St. Lucia	55,922	347,872	16%	2,196	5,769	38%
Dominica	44,128	75,250	59%	1,541	3,533	44%
Grenada	40,790	135,313	30%	1,672	3,319	50%
St Kitts	35,507	115,349	31%	1,908	4,254	45%
Antigua	79,742	265,187	30%	4,204	9,662	44%
Trinidad	76,301	410,000	19%	2,239	20,909	11%
Guyana	30,047	235,000	13%	772	3,542	22%

- In 2017, LIAT provided 75% of all regional capacity within the sub region (45% in 2006)

Factors impacting Connectivity

- Regional view on connectivity is disproportionately focused on international traffic. Must link the two.
- Limited or no policy measures specifically to boost intra-regional travel . Often seen as a LIAT problem.
- Travel is linked to economic growth. Cost a big concern. Find ways to redirect the discretionary spending of our people into holidays in the region.
- Taxes and charges. 3% growth in LIAT base fares- 56% increase in taxes 2009-2016. New airports new charges
- Significant ease of travel issues such as security screening has still not been addressed. We need to make travel in the region easier.

Factors impacting Connectivity

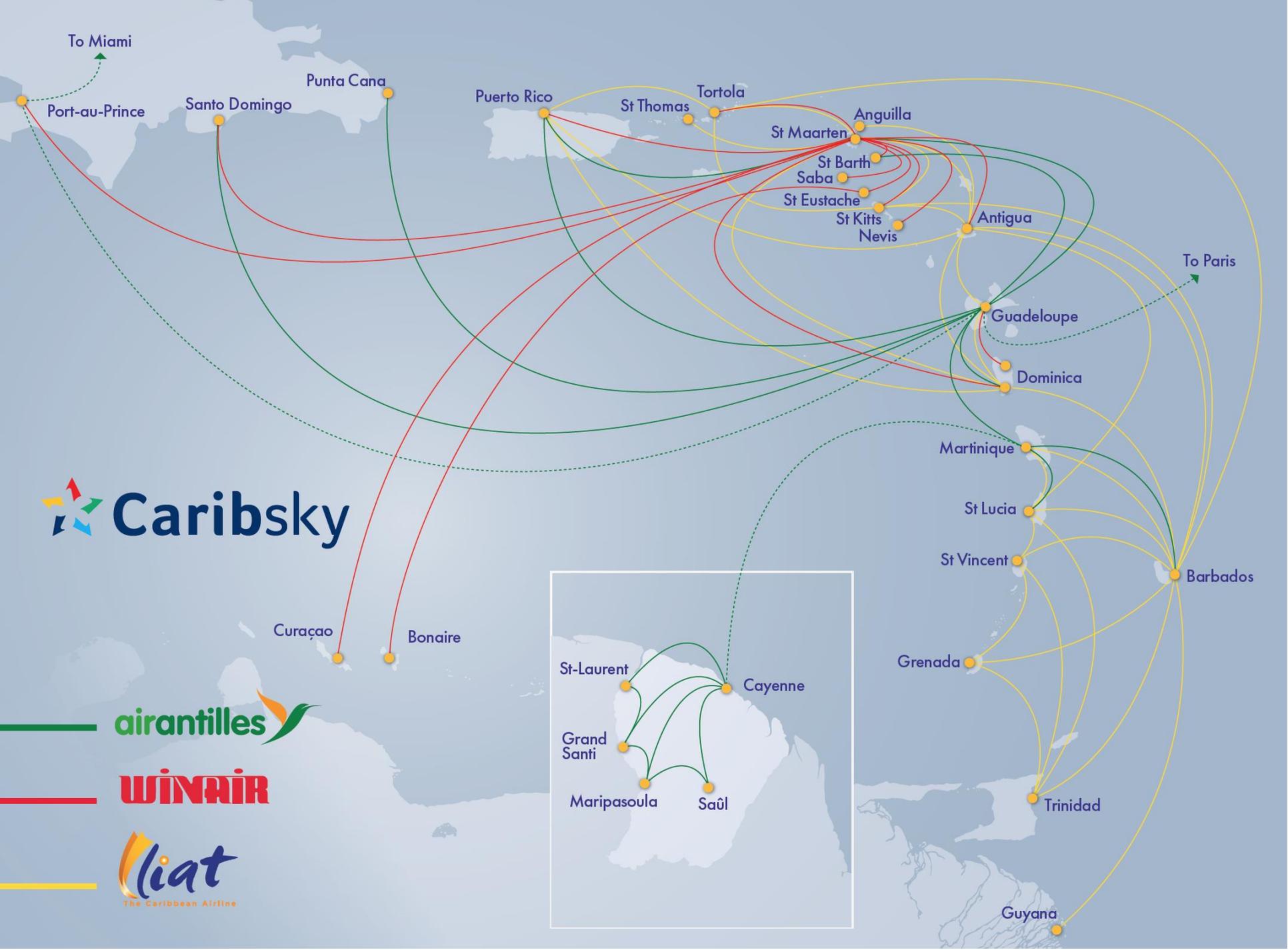
- **International carriers will not meet the region's need for inter-island connectivity.- small markets.**
- Economies of scale a challenge for regional airlines
- Since intra-regional connectivity is fundamental Governments have to be prepared to support it Support can be direct funding or marketing support.
- We need a broader approach in linking regional air transport and tourism. This will be beneficial to all territories.
- Multi-destination travel should not be an idea but an action item. Visitors to the region want it.

Key Recommendations

- **Acknowledgement that intra-regional travel contributes to tourism growth in the region. small markets- require policy and financial support. Similar markets in Europe and elsewhere offer support of US\$20/passenger. For LIAT US\$30M annually**
- **Modernize LIAT- Investment in aircraft and institutional improvements required- technology and skills**
- **Support from all the territories. 4 Governments should not be expected to shoulder what is a regional economic and social requirement..**
- **Remove barriers to intra-regional travel. Measures to improve ease and cost of travel. Reduction in taxes essential.**
- **More commercial cooperation by regional airlines**

Regional Co-operation-Caribsky Initiative

- In an effort to improve air connectivity between English, French and Dutch Caribbean.
- Early stages of the project.
- Cooperation between LIAT, Air Antilles and Winair
- Funded by European Union Interreg Programme.
- The project will connect 35 islands 50 airports and with combined population of 4 million people
- Expect to establish codeshare arrangements- technology improvements required



Caribsky

airantilles

WINAIR

liat
The Caribbean Airline



To Miami

To Paris

Port-au-Prince

Santo Domingo

Punta Cana

Puerto Rico

St Thomas

Tortola

Anguilla

St Maarten

St Barth

Saba

St Eustache

St Kitts

Nevis

Antigua

Guadeloupe

Dominica

Martinique

St Lucia

St Vincent

Barbados

Curaçao

Bonaire

St-Laurent

Cayenne

Grand Santi

Maripasoula

Saül

Grenada

Trinidad

Guyana