



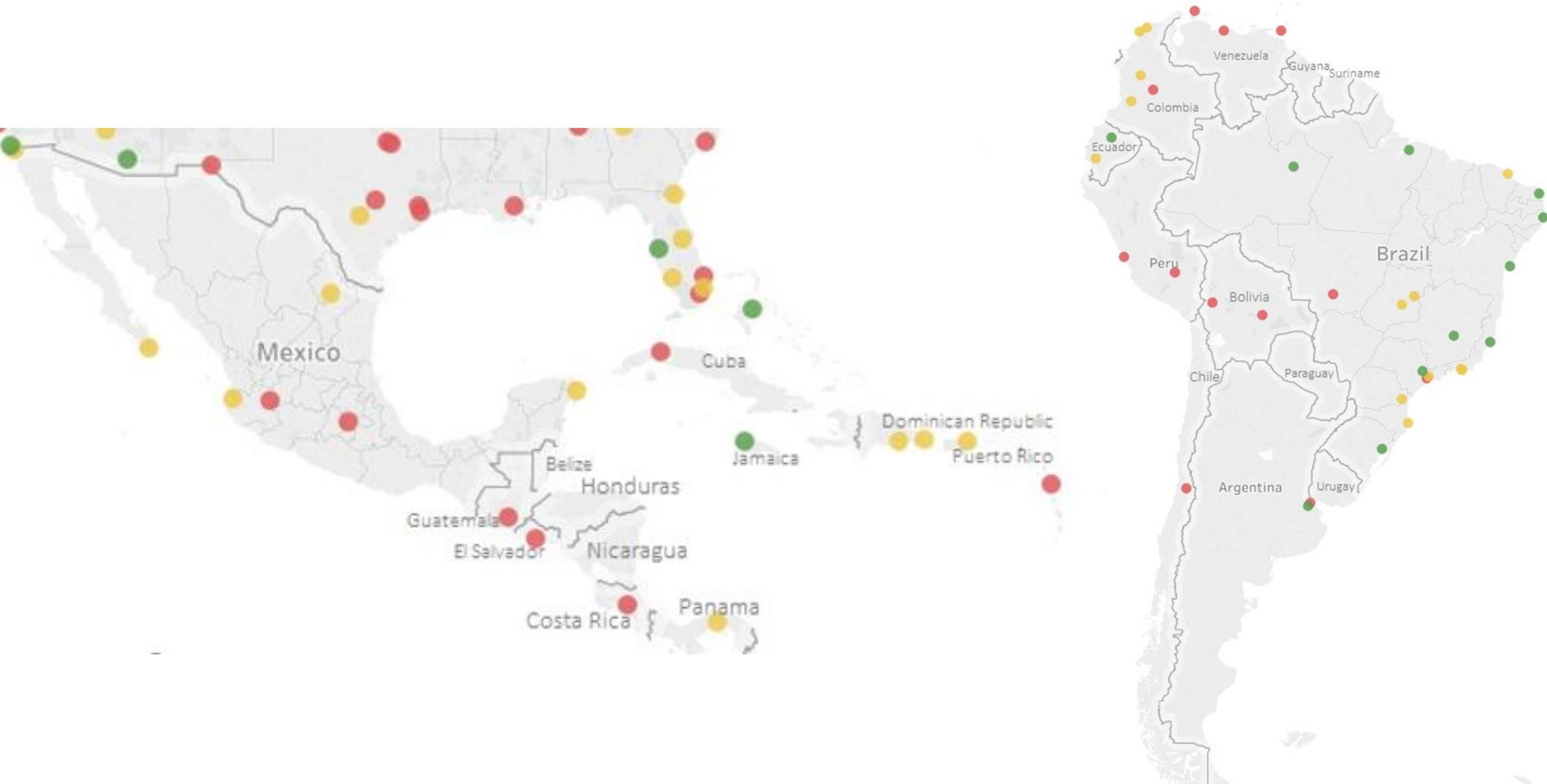
Financing Investment in Aviation Infrastructure

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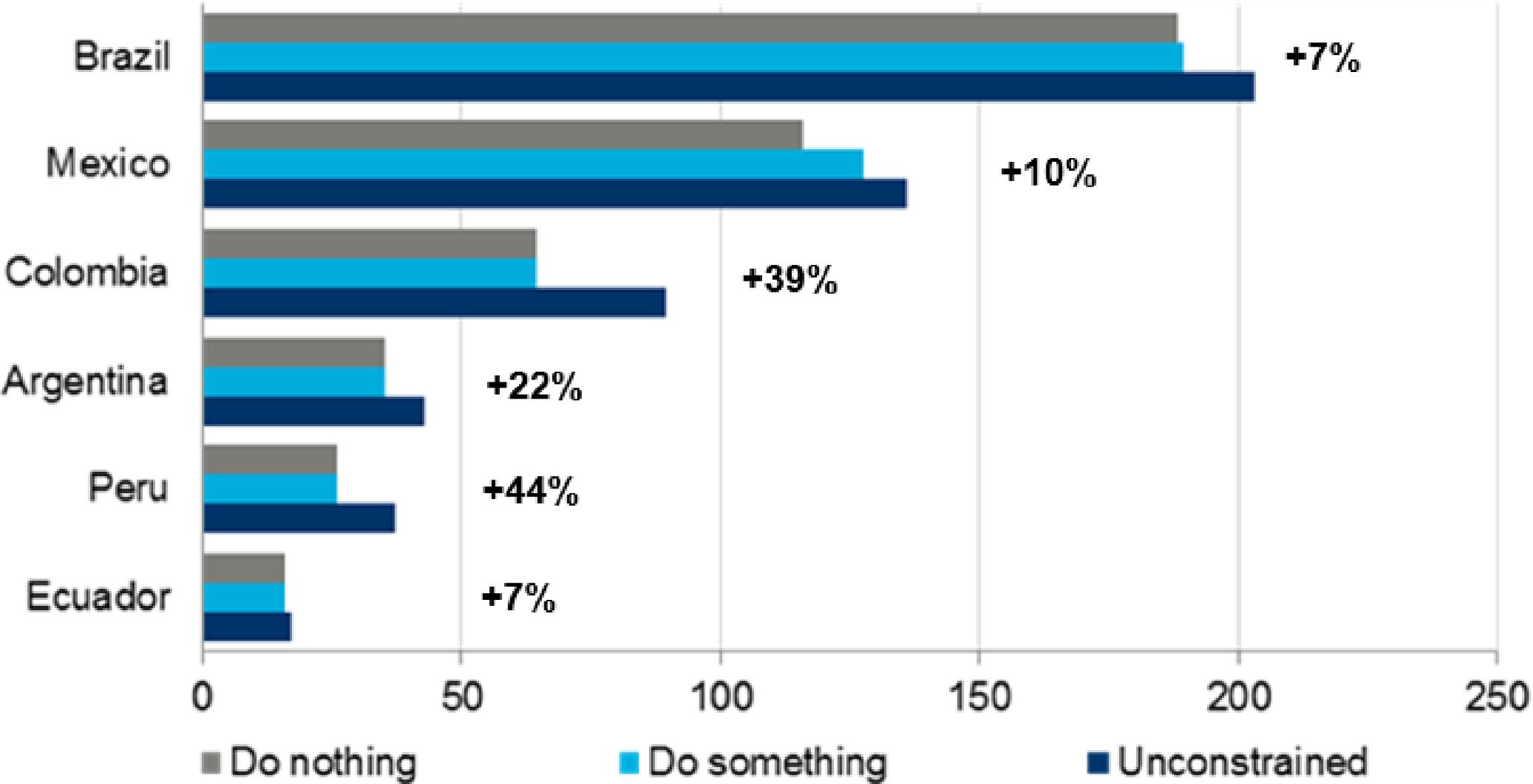
Significant infrastructure requirement in Latin America & Caribbean



Source: IATA Economics

Capacity gap greatest in largest markets

Millions

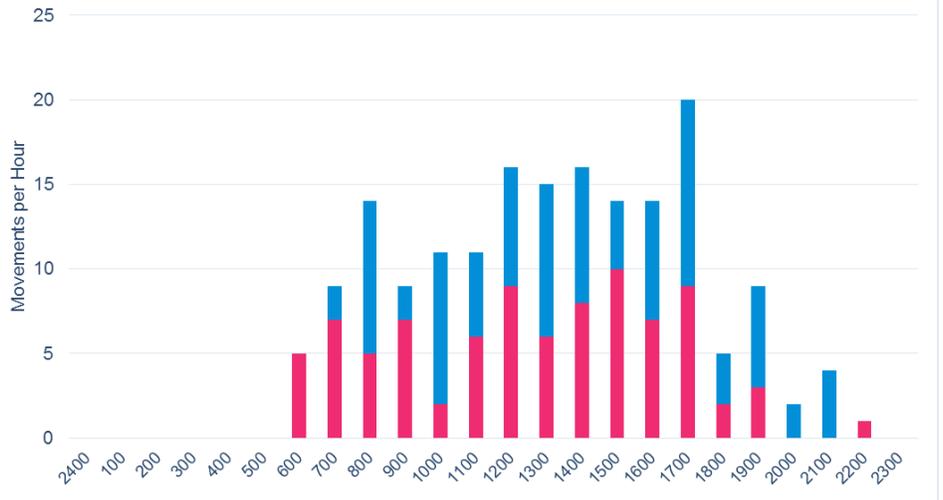


Source: Oxford Economics

Many Caribbean airports have significant spare capacity

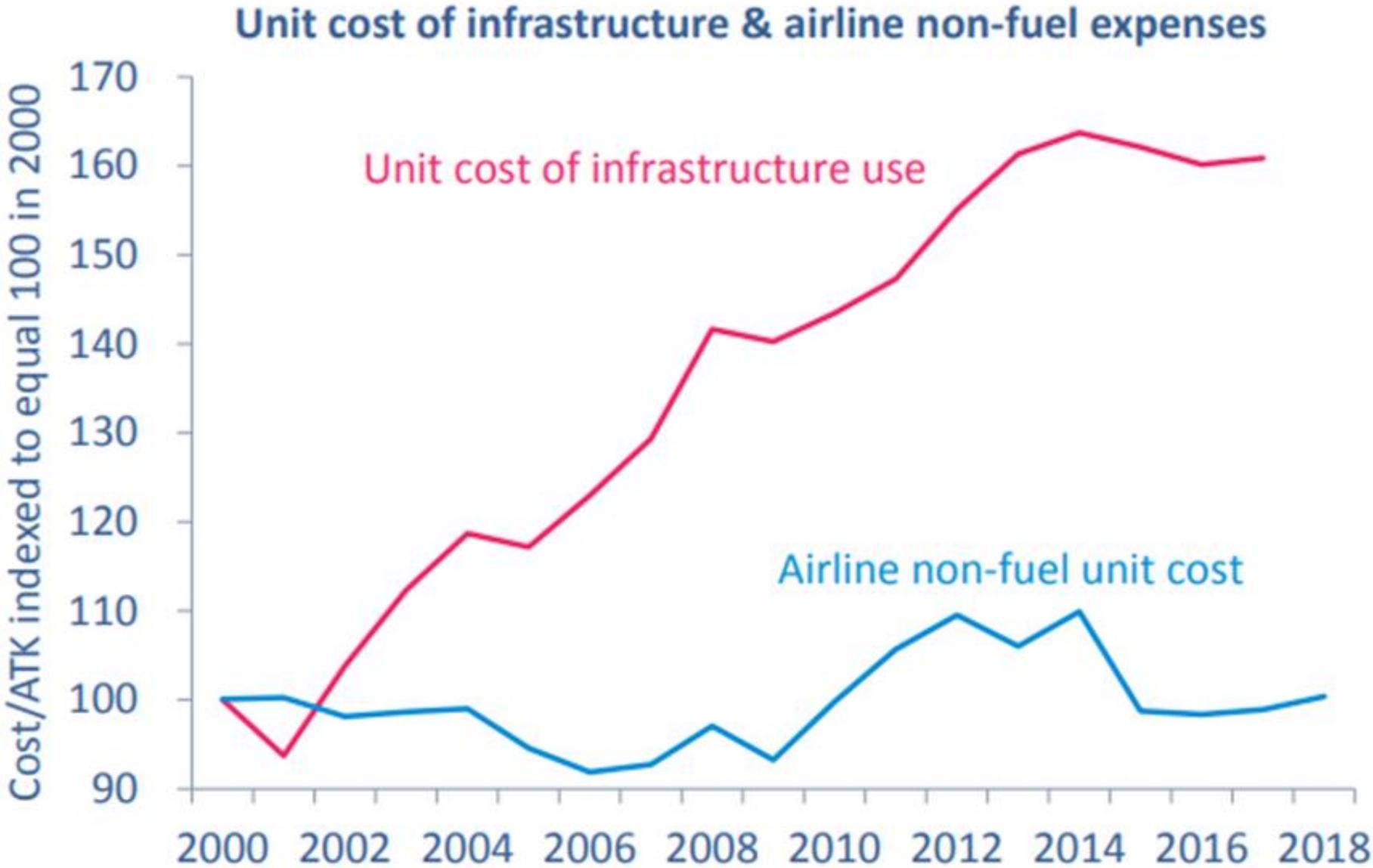
Movements per hour, by airport

■ Departures ■ Arrivals



Source: IATA Economics using data from SRS Analyser

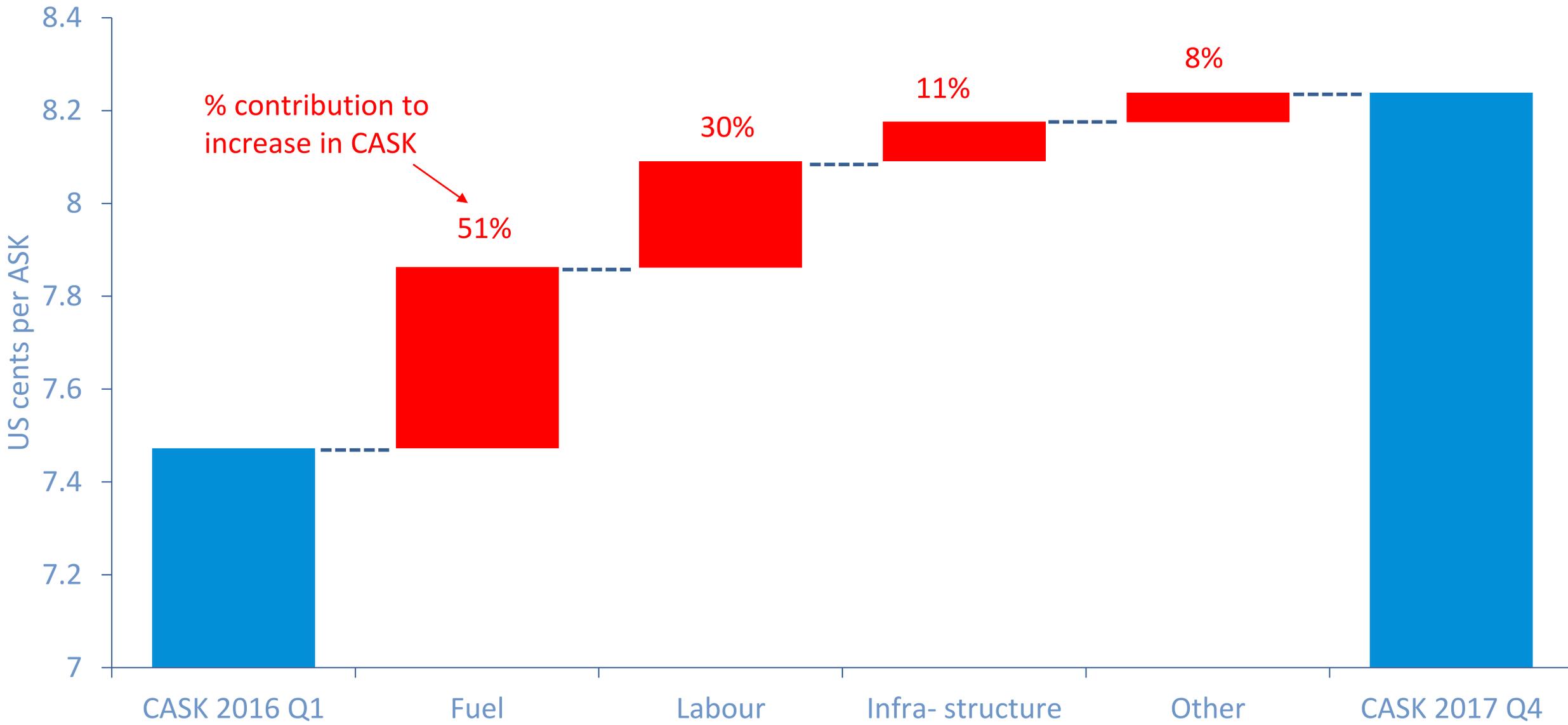
Infrastructure costs increasing as a share of air fares



Source: IATA Aviation Charges Intelligence Center

Infrastructure contributing significantly to unit cost increases

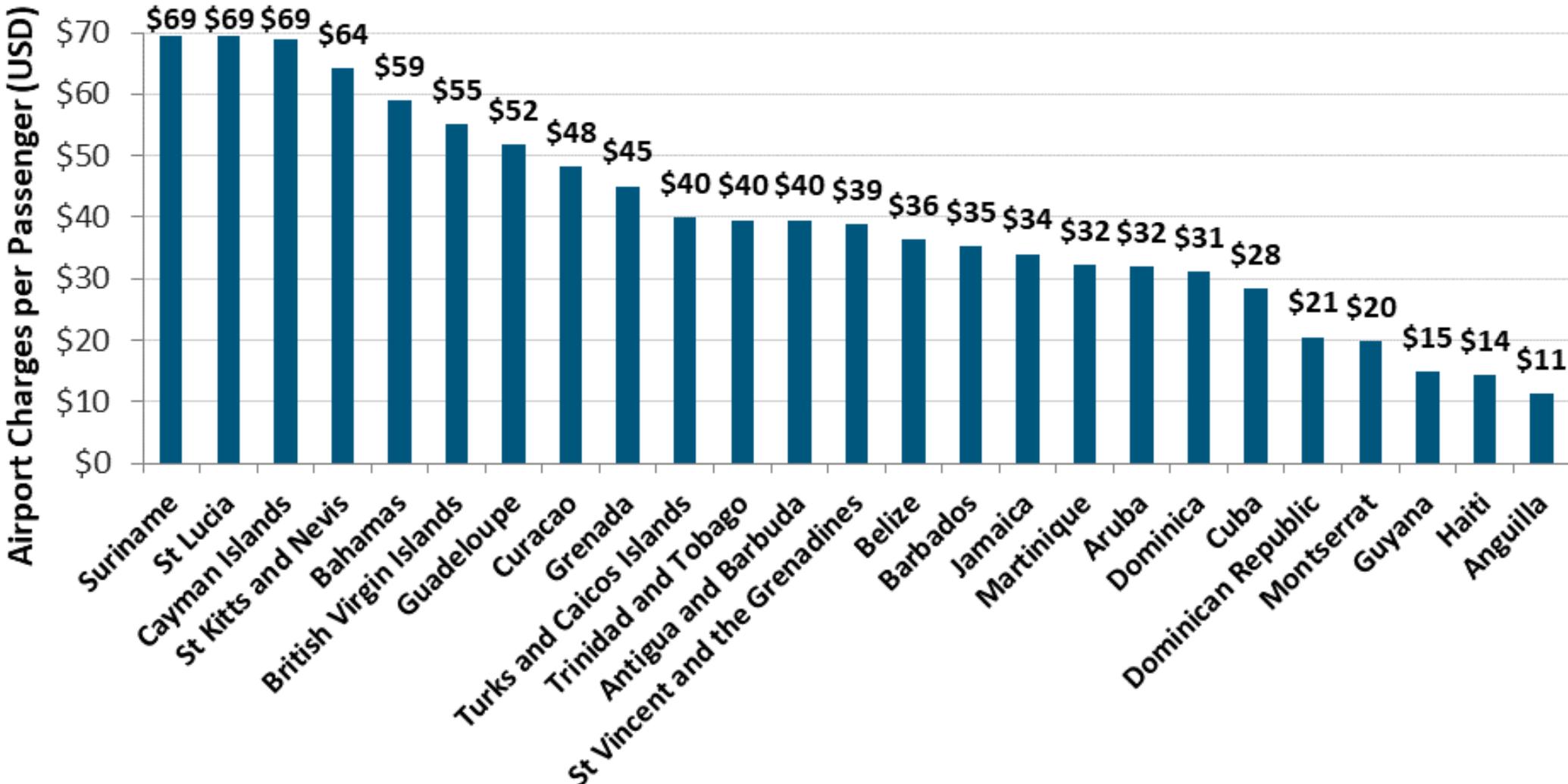
Unit cost changes between 2016 Q1 and 2017 Q4



Source: IATA Economics using data from the Airline Analyst

Airport charges within the Caribbean can be as high as US\$70

Average airport charges per passenger (one-way)

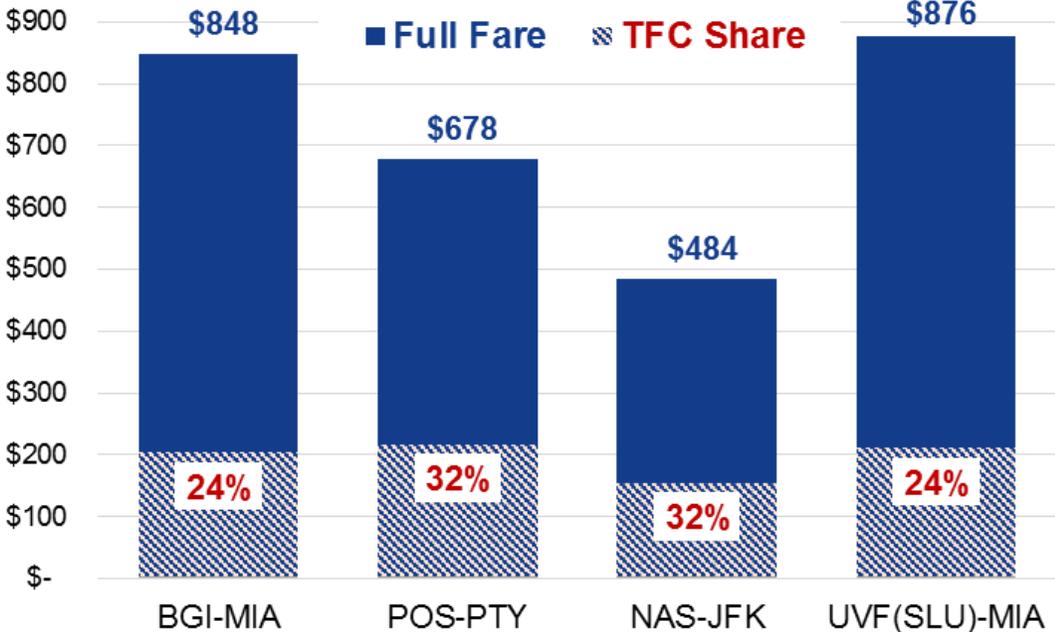


Source: IATA Aviation Charges Intelligence Center

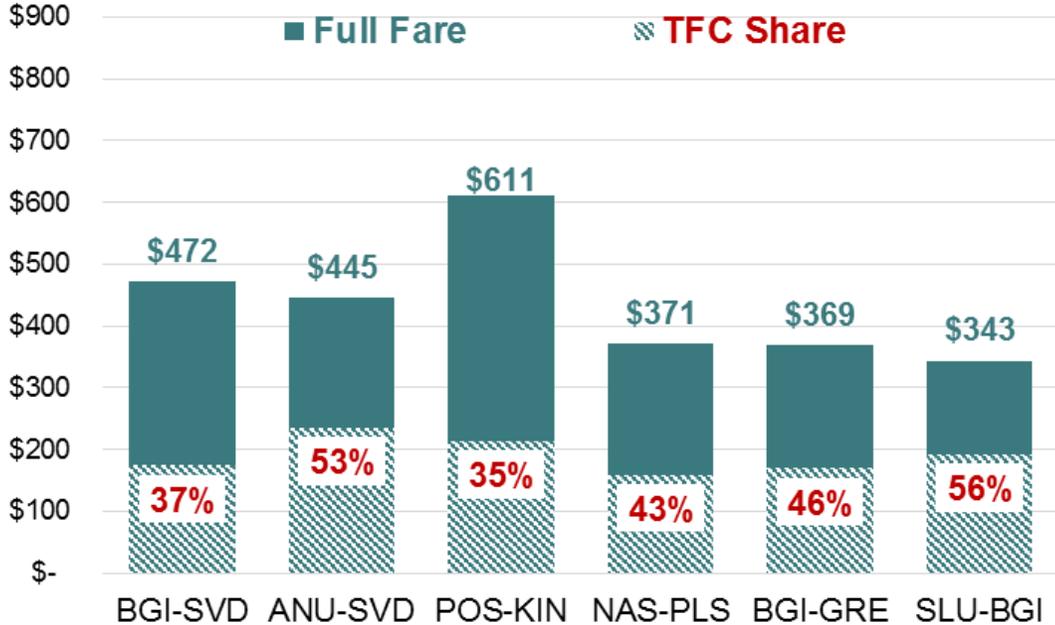
Levies on tickets can make up half the air fare

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

Extra-Regional



Intra-Regional



Source: CDB based on LIAT, CAL, BahamasAir, AA, Copa

Cartagena case shows connectivity benefits of reducing costs



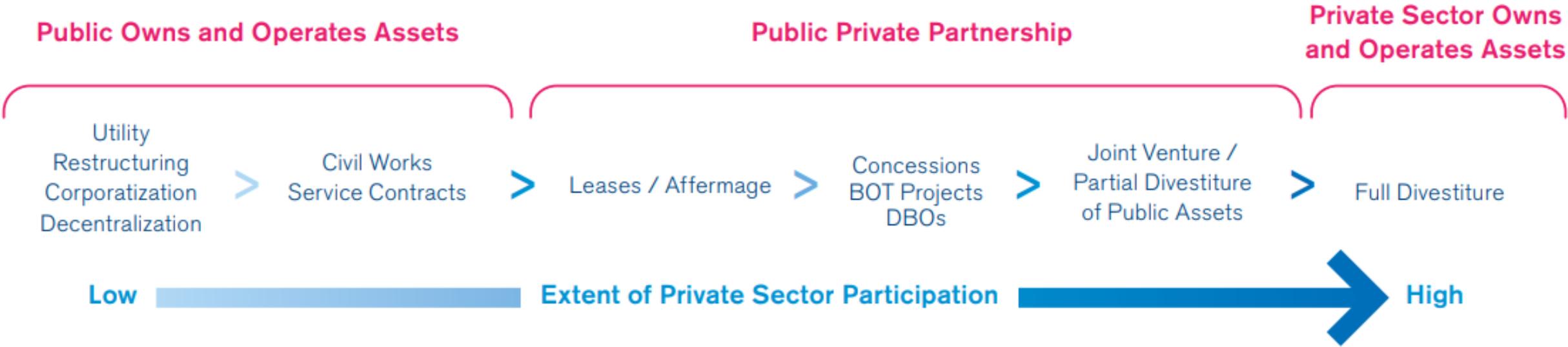
CTG International Pax			
YEAR	Total Pax	% Variation	Additional Pax
2013	388,362	12%	41,610
2014	439,491	13%	51,129
2015	534,786	22%	95,295
2016	671,966	26%	137,180

Source: Aerocivil

CTG International Tourists Flow				
YEAR	Air Travel Tourists	Variation Vs Previous Year	Total Tourists	Variation Vs Previous Year
2014	211,874	6%	255,155	12%
2015	280,675	32%	325,221	27%
2016 (Jan-Oct)	312,344	38%	361,717	37%

Source: Migracion Colombia

Range of different ownership and governance models



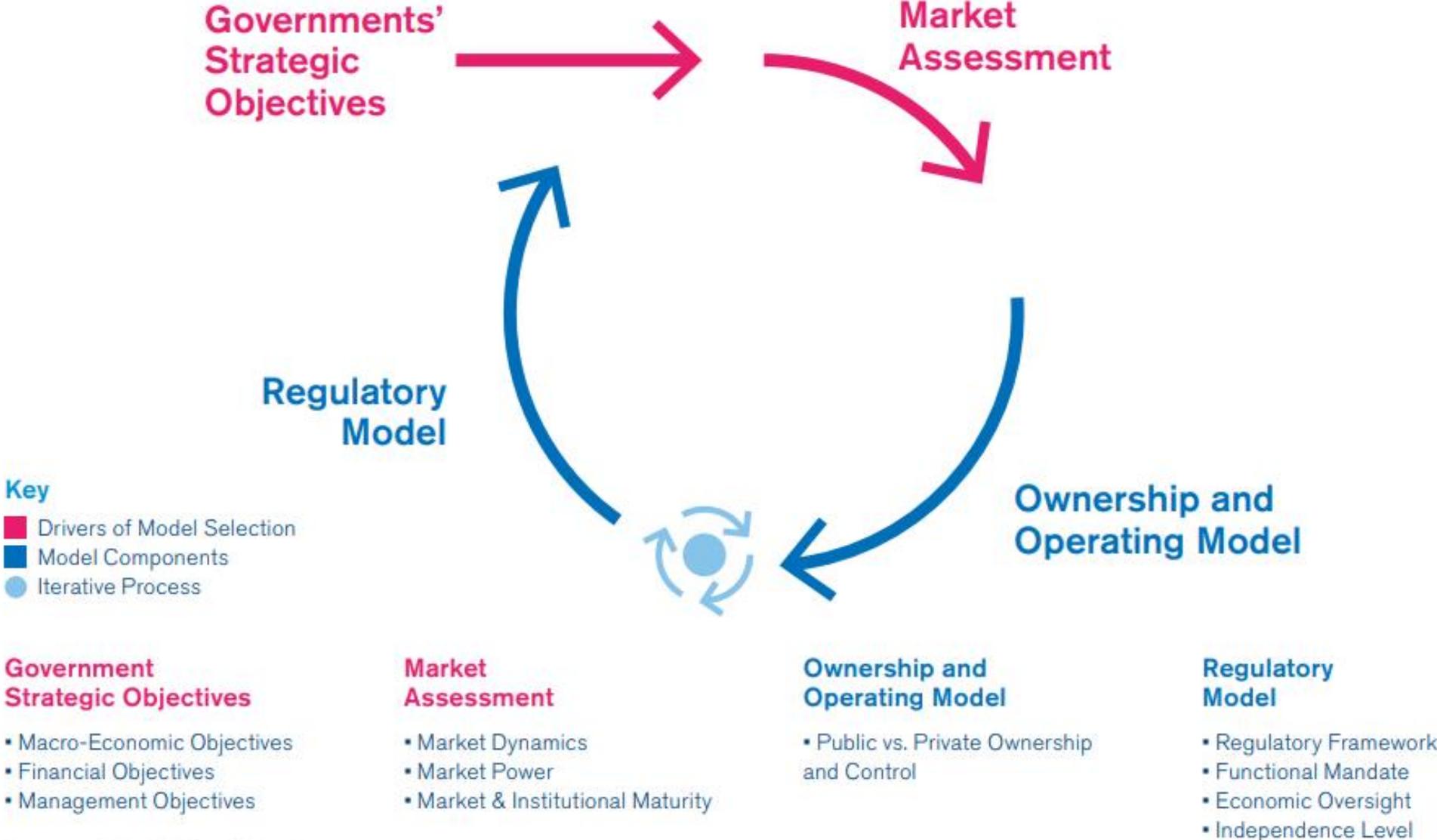
Source: Deloitte

Government decision on ownership and governance is complex



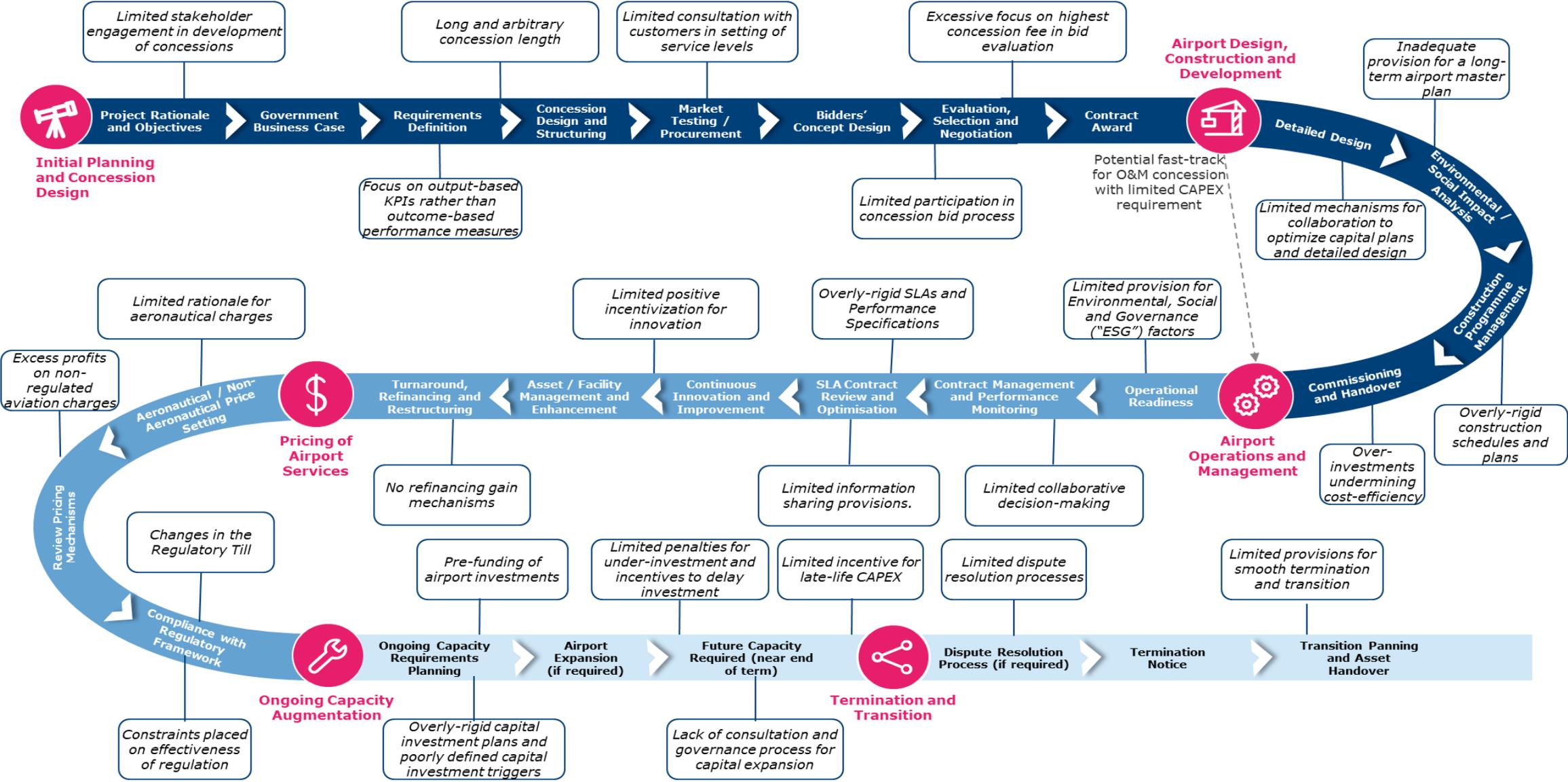
Source: Deloitte

Regulatory model needs to be decided alongside ownership model



Source: Deloitte

Concessions model complex, with plenty of potential points of failure



Source: Deloitte

Collaboration key to securing successful outcomes for all stakeholders



Source: Deloitte

Summary

- Infrastructure investment is needed – but not everywhere
- Cost control is key to ensuring consumer benefits
- Private sector involvement in infrastructure investment is not a free lunch
- Ownership, governance and regulation need to be considered holistically

THANK YOU!

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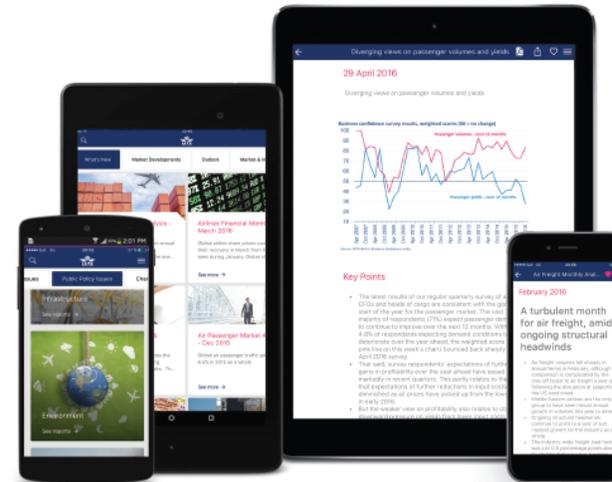
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