AIR TRANSPORT COMPETITIVENESS AND CONNECTIVITY

Social benefits of aviation
- Resilience in the face of extreme weather events
- Makes it easier to visit family and friends

Economic benefits of aviation
- Travel and tourism growth
- Improves competitiveness of all industries

MIXED STORY FOR REGIONAL AVIATION GROWTH

There has been an increase in air traffic and routes into the Region

There is a decrease in traffic within the Region, and no change in the number of routes

This is consistent with an overall increase in global-sourced tourism but a decrease in Caribbean-sourced tourism

RATIONALE BEHIND MIXED RESULTS FOR REGIONAL AVIATION GROWTH

- Increase in low-cost operations to and from North America
- Taxation much higher on intra-regional travel
- Unfavourable operating environment
- Lack of economies of scale
- Inefficient use of infrastructure

ECONOMIC EFFECTS FOR THE REGION

The decline in intra-regional connectivity is a concern for tourism development as it undermines the industry’s growth potential. It also undermines the competitiveness of other sectors.

BENEFITS OF ENHANCED CONNECTIVITY

THE COMBINATION OF:

- Lower taxation
- Improved regulation
- Improved efficiency

= 29% INCREASE IN AIR TRAFFIC

COULD ALSO LEAD TO INCREASES IN GDP AND EMPLOYMENT

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