

Reconstruction du transport aérien pour l'avenir de l'accès aux destinations de la Grande Caraïbe

ASSOCIATION DES ÉTATS DE LA CARAÏBE (AEC)

XXXII RÉUNION DU COMITÉ SPÉCIAL SUR LE TOURISME DURABLE

Mercredi 28 juillet 2021, par visioconférence

Rebuilding Air Transport for the Future of Greater Caribbean Destination Access

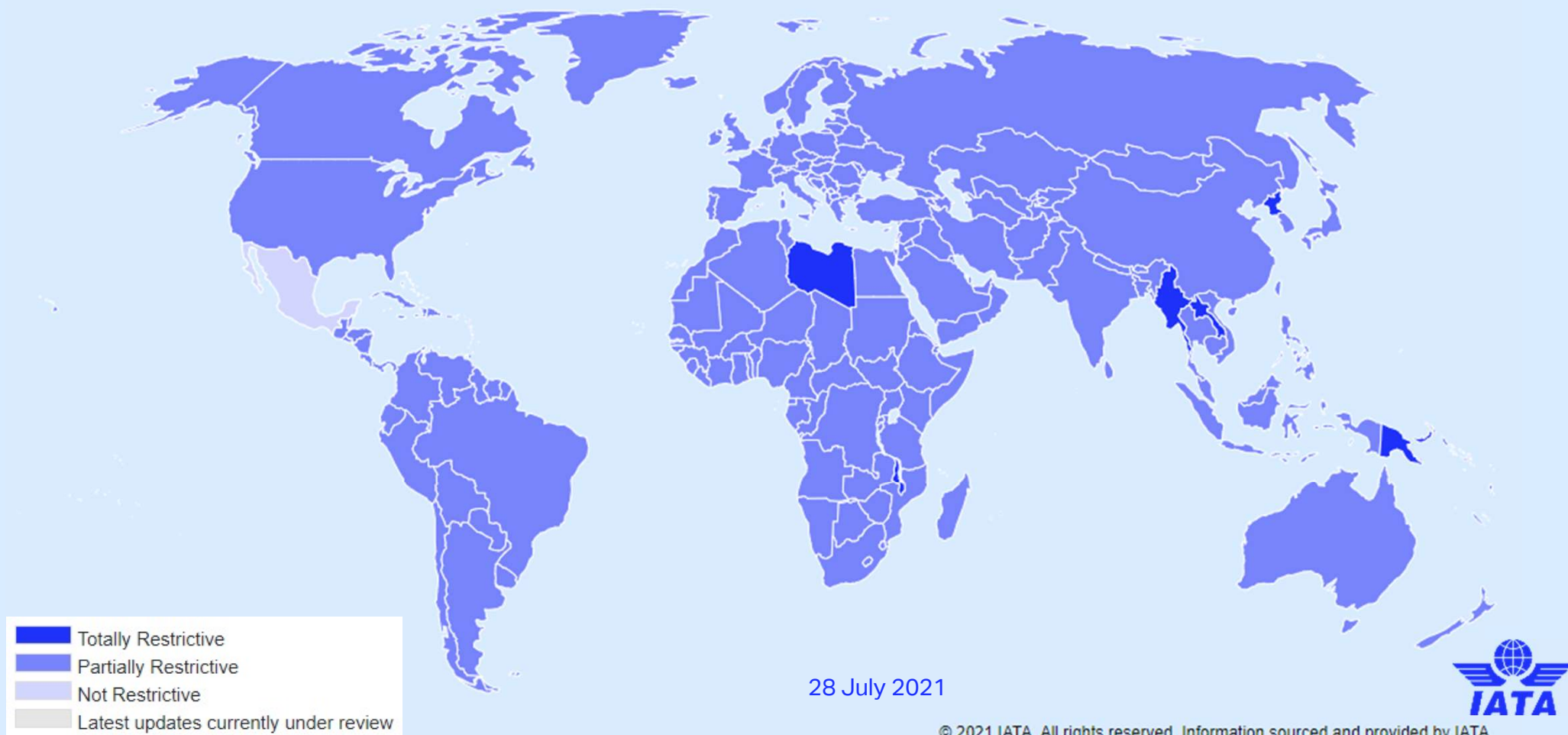
Annaleen Lord

Area Manager, Caribbean



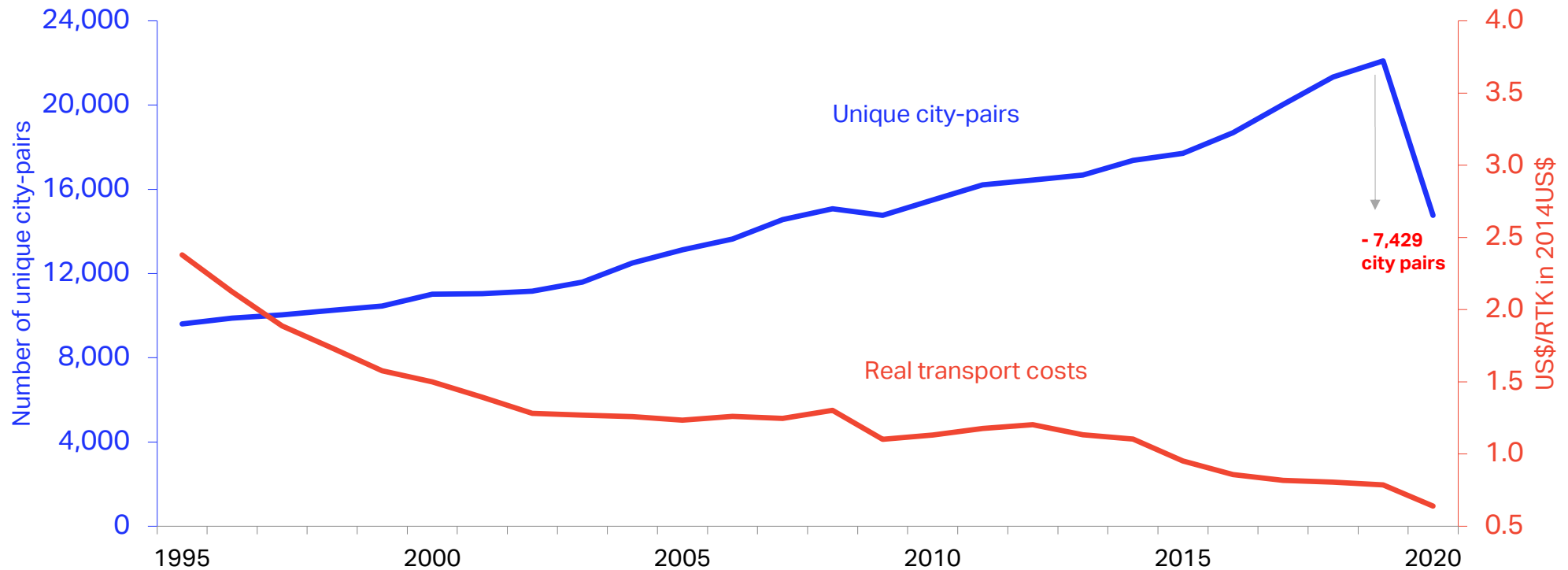


Global Picture: COVID-19 Travel Regulations




Loss of 7,500 global city-pairs amid COVID-19

Unique city-pairs and real transport costs



Source: IATA Economics using data from ICAO, IATA Statistics, SRS Analyzer and our own forecasts, December 2020 update

A black and white photograph of a person walking away from the camera on a sandy beach. They are carrying a large, makeshift umbrella constructed from numerous plastic bags. In the background, a city skyline is visible at the base of a mountain range.

Border closures, travel restrictions, and quarantine
have caused untold damage to economies and people

**100
million
jobs at risk**

Source: UNWTO

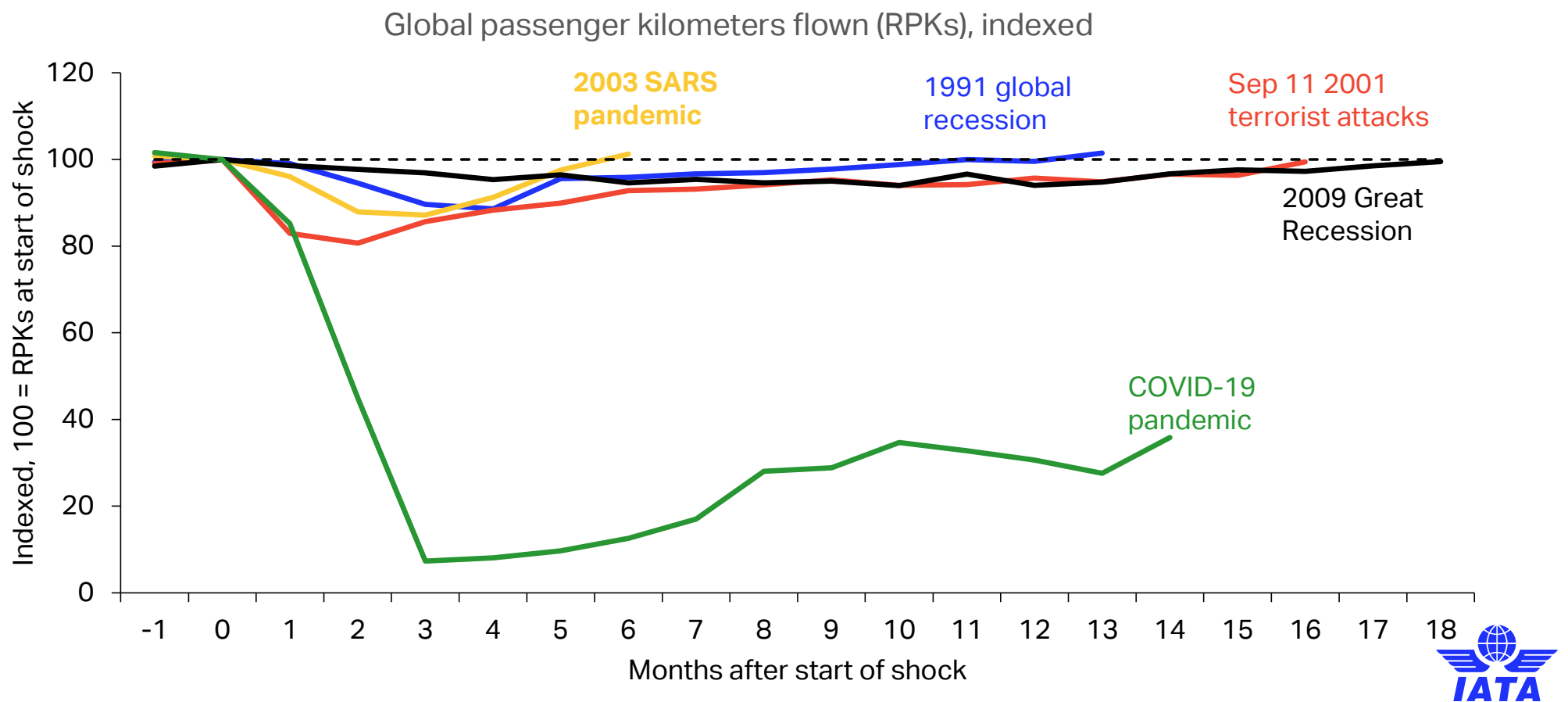
A black and white photograph of a beach with several empty thatched umbrellas standing in a row. The ocean is visible in the background under a cloudy sky.

**\$1 trillion
in economic
activity lost**

28 July 2021

Demand shocks do not usually have long-lasting impacts

Previous shocks cut 5-20% from RPKs but recovered after 6-18 months



Source: IATA Economics using data from IATA Monthly Statistics. Data is adjusted for seasonality.

Travel and Tourism will return to the Americas. But when and how fast?



Impact of COVID-19 on Air Transport in the Americas

North America



Latin America & Caribbean



Recovery will depend on Industry Collaboration

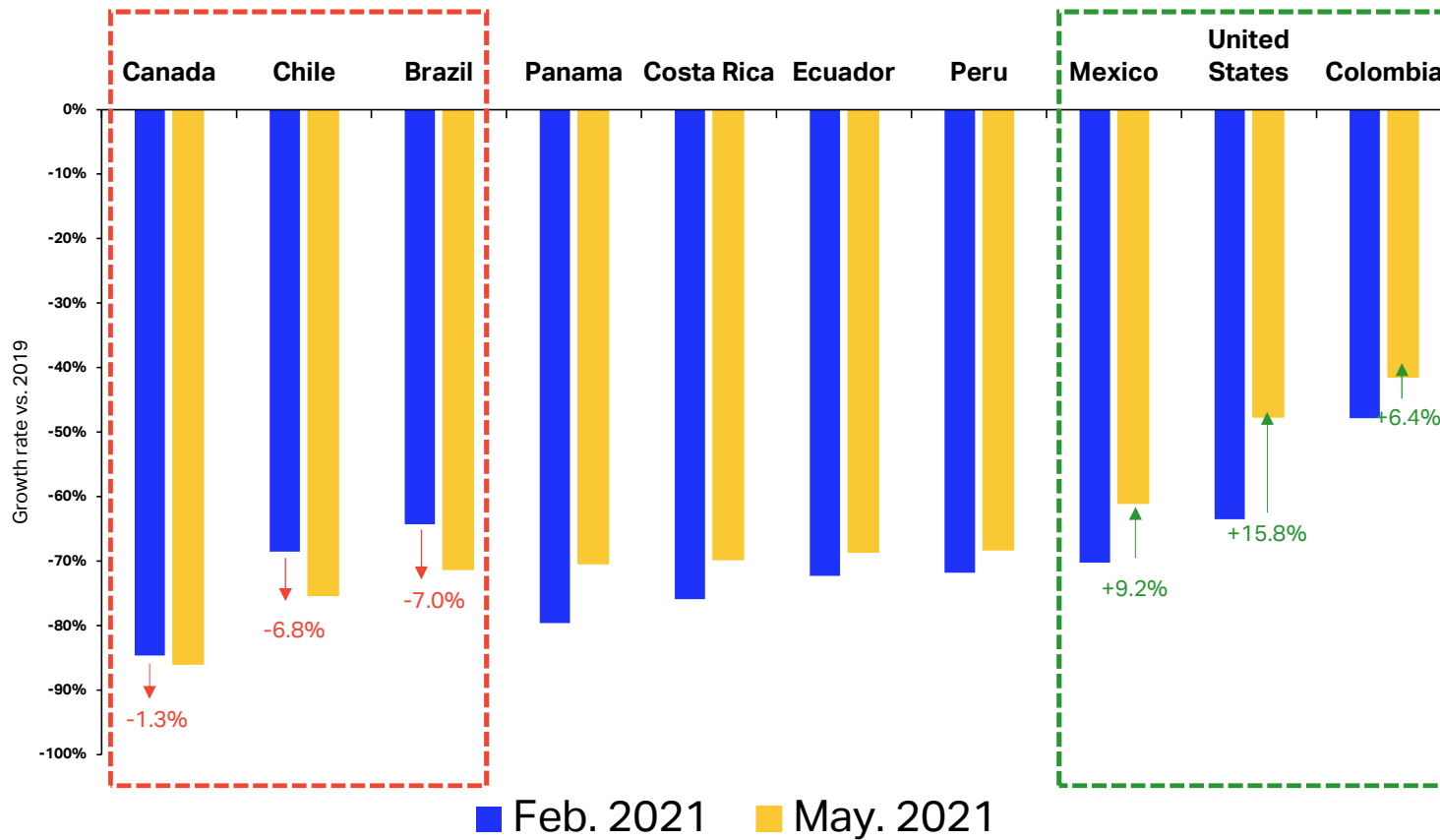
COVID19: Short-term response

- **Implementation of biosafety measures**
 - Following global best practices (ICAO CART)
- **Joint Restart Roadmaps**
 - Provide planning certainty to industry
- **Systematic testing**
 - Acceptance of antigen testing
- **Vaccination roll-out plans**
 - Exemption of vaccinated passengers from entry restrictions regardless of nationality
- **Global standard for health passport**
 - IATA Travel Pass & others

Status of International Operations in the Americas



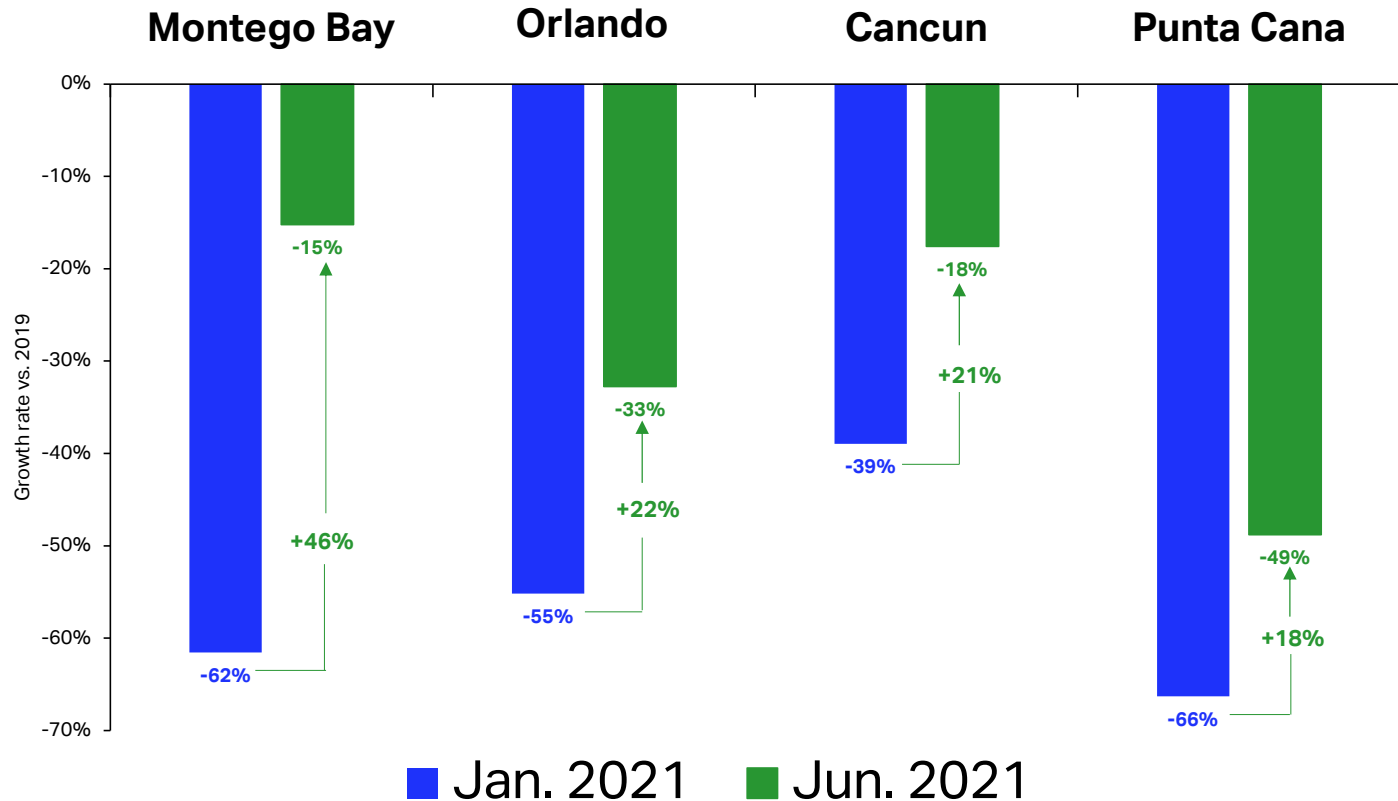
Impact of restrictions on bookings in the region vs. 2019



- The **more open borders are, the more dynamic** the recovery of demand
- Countries that test have seen a **gradual recovery** of demand over the past months
- Countries that tighten restrictions **have underperformed**.



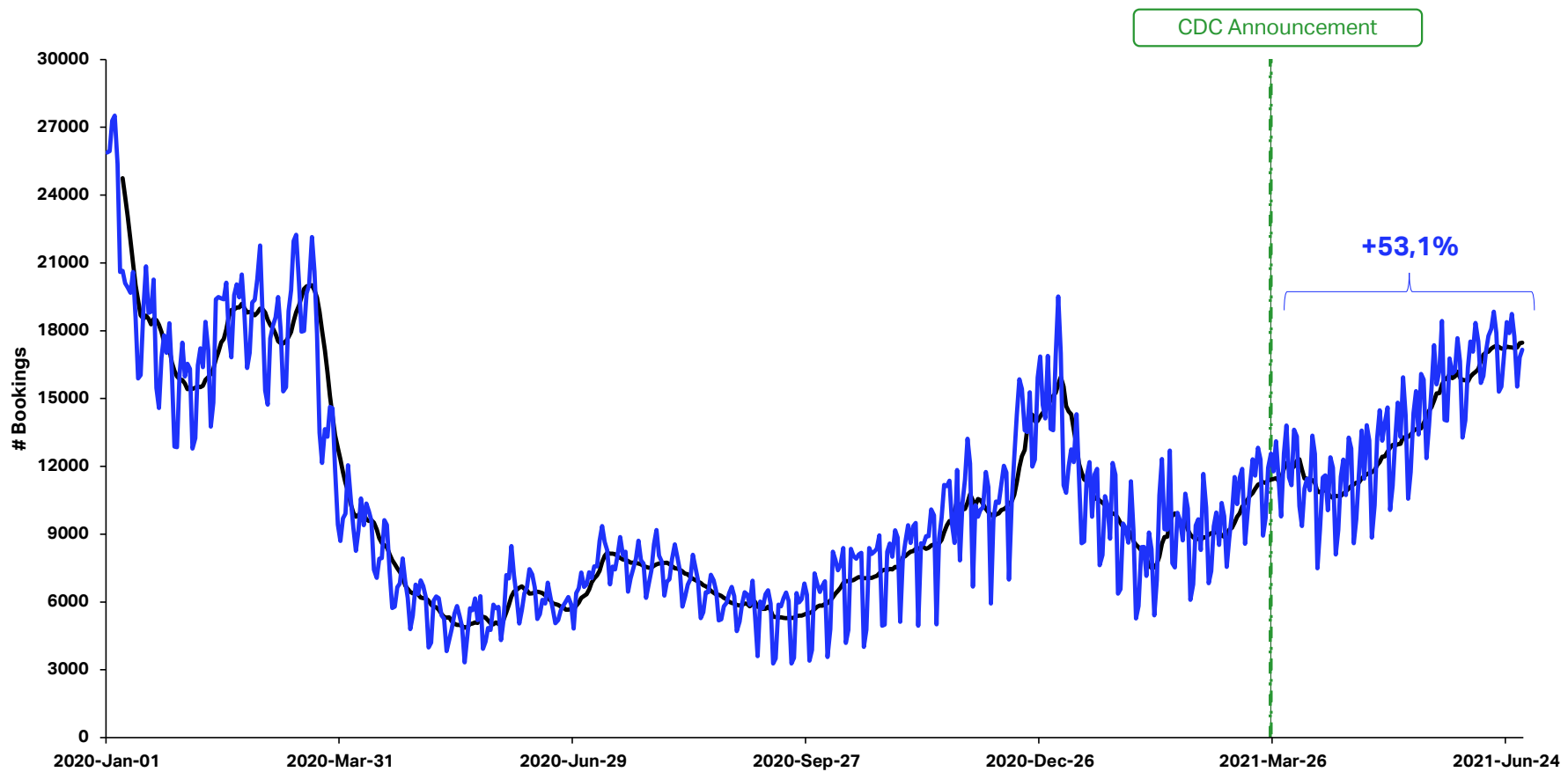
Recovery of Tourism Destinations across the region



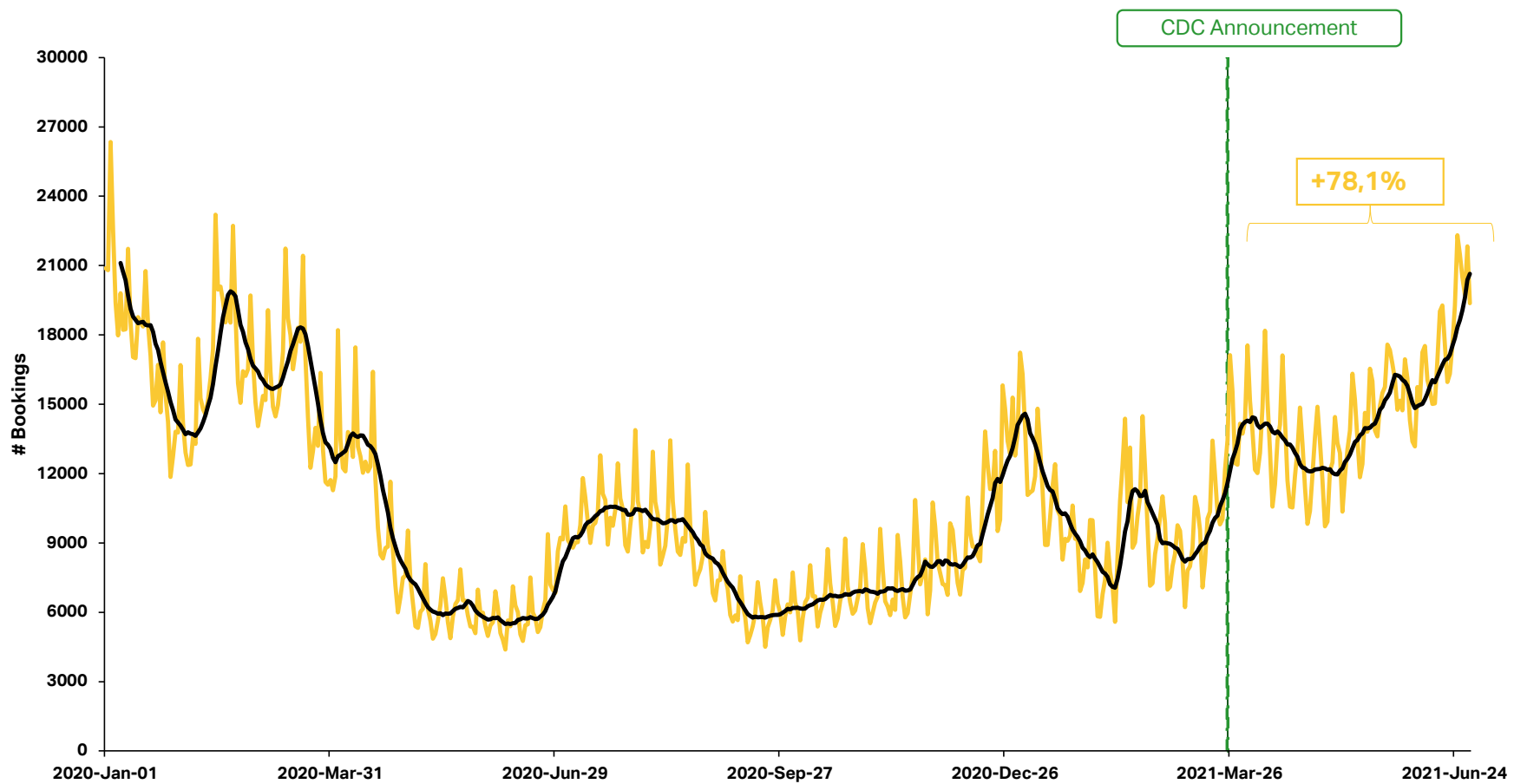
- **Tourism destinations** are increasing their bookings.
- **Pent-up demand plus lower restrictions** in the selected countries, have been a key variable for boosting the demand.



Bookings increased by % from the Caribbean to Florida



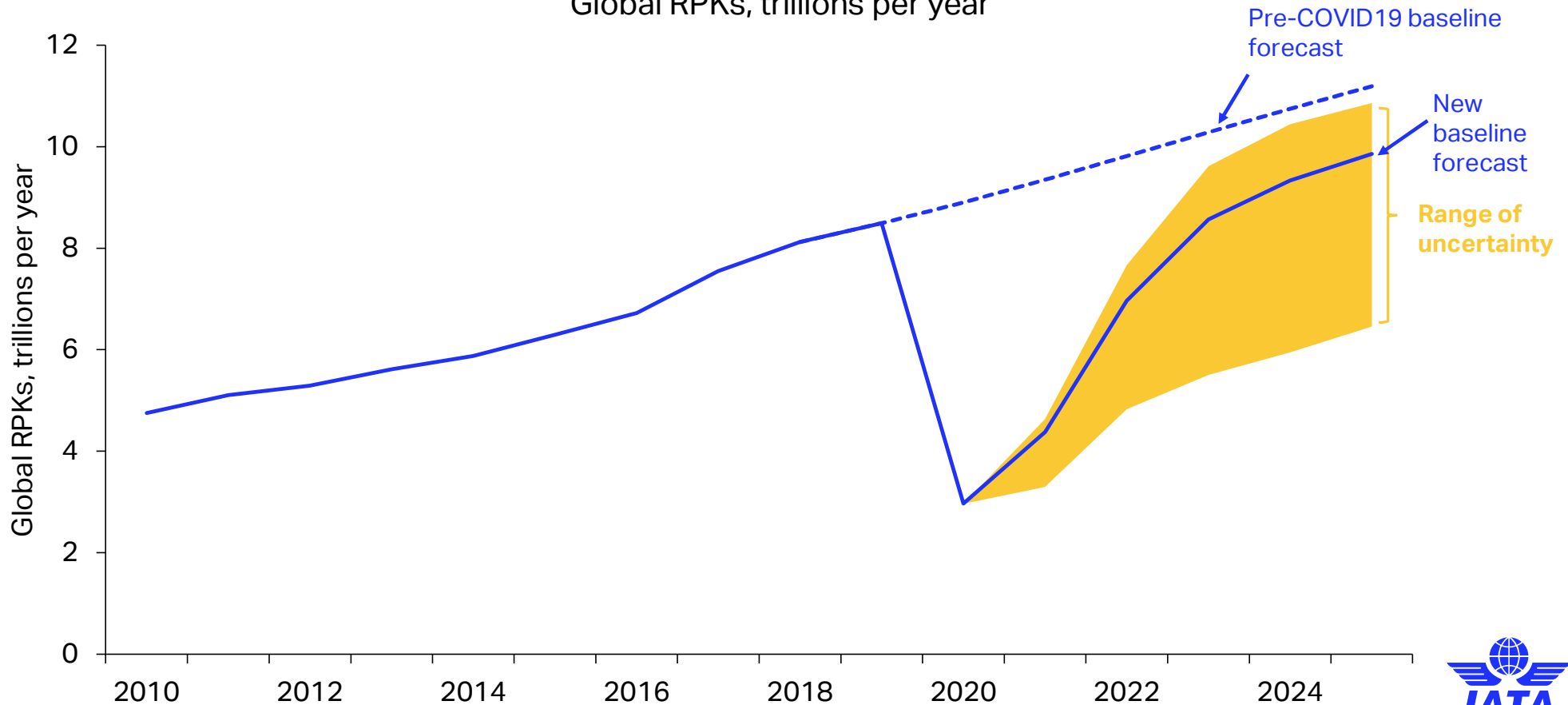
Bookings increased by 78% from the Caribbean to New York



2022/23 should see much stronger rebound of revenues

Large pent-up demand and savings to spend

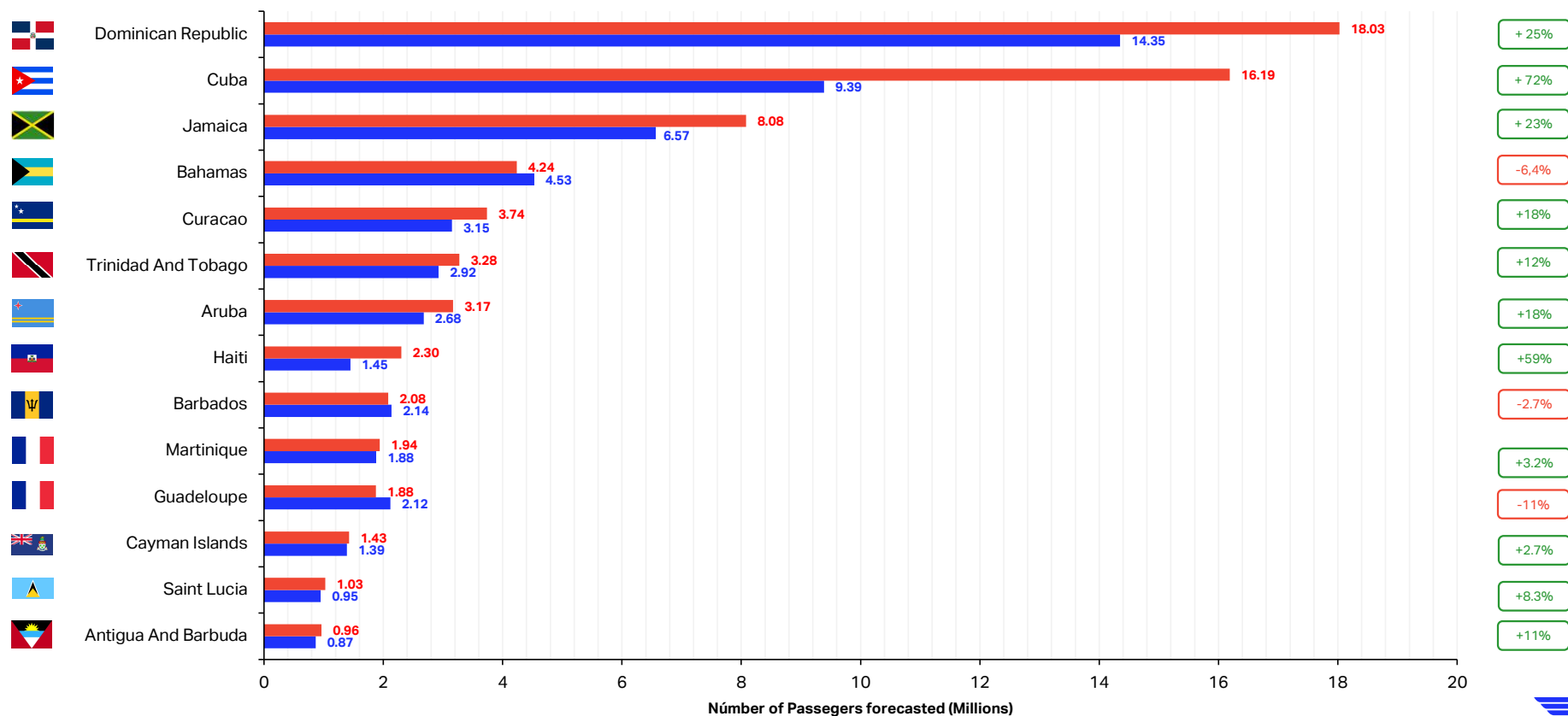
Global RPKs, trillions per year



Source: IATA/Tourism Economics 'Air Passenger Forecasts' January 2020

Traffic forecast for key markets across the Caribbean

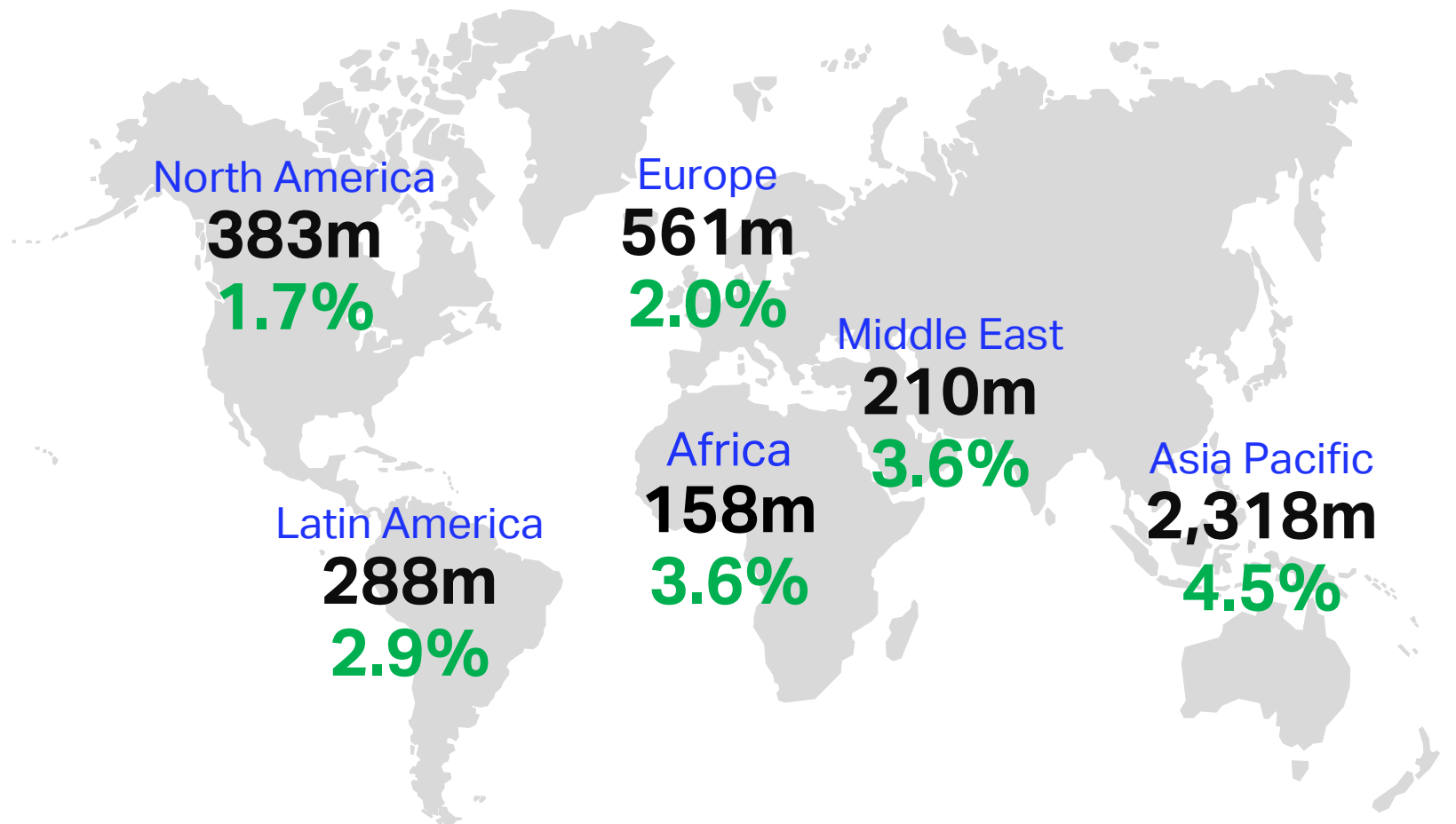
Number of passengers and growth rate, 2019 vs 2025



Source: IATA/Tourism Economics, April 2021 forecast.



20 Year Global Growth Forecast



2021 will still see global losses of ~ USD50B

System-wide global commercial airlines	EBIT margin, % revenues							Net profit, \$ billion						
	2015	2016	2017	2018	2019	2020	2021F	2015	2016	2017	2018	2019	2020	2021F
Global	8.6%	8.5%	7.5%	5.7%	5.2%	-28%	-9.4%	36.0	34.2	37.6	27.3	26.4	-126.4	-47.7
Regions														
North America	14.4%	13.7%	11.2%	9.1%	9.6%	-30%	-2.7%	21.7	17.0	17.8	14.5	17.4	-35.1	-5.0
Europe	5.5%	6.1%	7.9%	6.2%	4.8%	-30%	-19%	7.1	8.5	8.9	9.1	6.5	-34.5	-22.2
Asia-Pacific	6.9%	7.4%	6.3%	4.7%	3.7%	-27%	-12%	7.5	7.4	10.5	6.1	4.9	-35.0	-10.5
Middle East	6.3%	2.2%	-3.0%	-4.6%	-5.2%	-19%	-11%	2.1	1.3	0.1	-1.5	-1.5	-7.9	-4.2
Latin America	5.0%	5.6%	6.2%	2.7%	2.9%	-33%	-10%	-1.6	0.4	0.5	-0.8	-0.7	-11.9	-4.0
Africa	-2.1%	1.1%	0.8%	1.5%	1.0%	-19%	-11%	-0.8	-0.4	-0.2	-0.1	-0.3	-2.0	-1.7

2021 Forecast  **North America: \$5B in losses**
Latin America: \$4B in losses → Last profitable year: 2017

Urgent need to make air transport more competitive in the Americas

➤ **Conditions of 2019 are unacceptable**

INFRASTRUCTURE



- Capacity Constraints
- Airspace Optimization
- Slots
- **Invest in Aging Infrastructure**

COMPETITIVENESS



- Cash Cow Industry
- Taxes & Charges
- Lack of Transparency
- **Need to Decrease Taxes**

REGULATORY FRAMEWORK



- Politically Motivated
- Passenger Rights
- Harmonized Policies
- **Follow Global Best Practices**

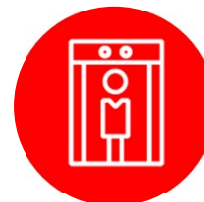
ENVIRONMENTAL SUSTAINABILITY



- Lead Policy Development of Sustainable Aviation Fuels (SAFs) and fuel R&D
- **Invest in new Technologies**



INDUSTRY FINANCIAL RESILIENCE



SAFETY & SECURITY





Thank you

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