



SAVINGRAM

FROM: Secretary-General, Caribbean Community

TO: Minister of Foreign Affairs, Antigua and Barbuda
Minister of Foreign Affairs, The Bahamas
Minister of Foreign Affairs, Barbados
Minister of Foreign Affairs, Belize
Minister of Foreign Affairs, Dominica
Minister of Foreign Affairs, Grenada
Minister of Foreign Affairs, Guyana
Minister of Foreign Affairs, Haiti
Minister of Foreign Affairs, Jamaica
Hon. Premier, Montserrat
Minister of Foreign Affairs, St. Kitts and Nevis
Minister of Foreign Affairs, Saint Lucia
Minister of Foreign Affairs, St. Vincent and the Grenadines
Minister of Foreign Affairs, Suriname
Minister of Foreign Affairs, Trinidad and Tobago

COPIED: Hon. Chief Minister, Anguilla
Hon. Premier, Bermuda
Hon. Premier, British Virgin Islands
Hon. Premier, Cayman Islands
Hon. Premier, Turks and Caicos Islands
Ministers of Finance and Planning
Ministers with responsibility for CARICOM Affairs
Ambassadors of Member States Accredited to CARICOM
High Commissioner for Jamaica to Trinidad and Tobago, Barbados,
Guyana and the Eastern Caribbean States and Ambassador to Suriname
High Commissioner for Trinidad and Tobago to Jamaica
Director-General, Organisation of Eastern Caribbean States

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**LAUNCH OF THE CONSULTANCY FOR THE FORMULATION OF A REGIONAL
AIRLIFT POLICY AND STRATEGY FOR MEMBER STATES OF THE CARIBBEAN
COMMUNITY**

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COMMUNITY**

1. The Caribbean Community (CARICOM) Secretariat wishes to advise Member States that a Consultant has been engaged to formulate a Regional Airlift Policy and Strategy for the Caribbean Community. The consultancy will be undertaken by the El Perial Management Services based in Trinidad and Tobago.
2. Member States might recall that the Twenty-Seventh Meeting of the Bureau of the Conference of Heads of Government of the Caribbean Community (CARICOM) established a Commission on the Economy in October 2013 to advise on a Growth Agenda for the Community. In pursuit of its mandate, the Commission determined that its work would involve *inter alia* addressing issues relating to the achievement of microeconomic efficiencies in respect to information communication technology (ICT), energy, air and maritime transportation, trade facilitation and logistics. Specifically, the Commission noted that given their inherent geographic characteristics, CARICOM Member States are reliant on sustainable and affordable air services which are in turn dependent on the viability of air service providers. Member States have therefore attempted to address the challenge of sustainability of air services through aggressive diversification of airlift sources and, to a decreasing extent, through ownership of airlift capacity. The diversification emphasis has been on international airlift by extra-regional carriers with increasingly shared route performance risks thereby reflecting the traditional importance placed on single destination, external source-driven tourism. On the other hand, the approach to intra-regional air services has been somewhat less liberal and the sharing of route performance risks has been rejected for the most part, resulting in high air fares, service complacency and a somewhat dampened demand for such travel. However, the lack of fiscal space in Member States will increasingly affect the scope for the sharing of route performance risks for international travel which, along with the application of higher taxes and fees by governments could negatively impact on both extra- and intra-regional travel and trade.
3. Against this background, the Commission recognised the critical importance of sustained airlift as a growth driver for many CARICOM economies. Airlift (aviation) policy is a key determinant of the price and availability of air services, as well as the level and pattern of flows of tourist arrivals by air. It has however been observed that the current airlift policy being pursued by Member States is not aligned to Article 138 of the Revised Treaty of Chaguaramas which requires: ***the development and expansion of air transport capabilities in the Community...through the promotion of cooperative arrangements*** as against individual national efforts. The Thirty-Seventh Regular Meeting of Heads of Government (*Guyana, July 2016*) therefore endorsed the Commission's recommendation for the formulation of a **regional airlift policy** for adoption by

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the Community as a discrete element of the proposed Community Transport Policy.

4. The consultancy which has been recently launched will undertake the technical reviews and analytical work along with stakeholder consultations in Member States to inform the formulation of a regional airlift policy and strategy. The objective of this initiative is to harmonize aviation policies in the Community and support the expansion of the tourism sector as a major contributor to sustainable growth in Member States through increased tourist arrivals from non-traditional source markets.
5. Additional information and any queries regarding this communication should be forwarded to:

The Secretary-General
Caribbean Community

for the attention of -

Ms. Evelyn Wayne
Director
Economic Policy and Development
Caribbean Community (CARICOM) Secretariat
Tel No: 592-222-0143
Fax No: 592-222-0155 or 222-0171
Email: evelyn.wayne@caricom.org; copied: roger.roopchand@caricom.org

*Original signed by -
Evelyn Wayne, Director
Economic Policy and Development*
/s/SECRETARY-GENERAL