



CARIBBEAN HOTEL ASSOCIATION BOARD COMMENDS IATA REPORT ON THE NEED FOR REGIONAL AVIATION POLICIES

PARADISE ISLAND, Bahamas (Jan. 15, 2008) – The Board of Directors of the Caribbean Hotel Association (CHA), at their meeting during Marketplace 2008 here, heard and commended a report from the International Air Transport Association (IATA) on the need for a regional approach to aviation policies.

In his report on the state of the aviation and airport industries in the Caribbean, Cyriel Kronenburg, Assistant Director Airport & ATC Charges for IATA, urged governments to “remove obstacles such as fragmentation and undue taxation in order to become profitable.”

Complaining that the airline industry is unfairly taxed at higher rates than the cruise lines with the average airline passenger paying \$30 versus the cruise passenger tax of \$1, he said that “the Caribbean needs to ensure independent economic regulations.”

He also noted that “airports need to work together with the airlines on long term strategies,” and added that the airports need to “create commercial revenue opportunities.” He also suggested implantation of cost-cutting efficiencies such as installation of kiosks at airports in the Caribbean.

He urged the Caribbean airport authorities to establish a “harmonization of services, standardization of infrastructure and reduce the number of providers as the key to reduced costs.”

Peter Odle, president of CHA and the Board strongly endorsed the IATA report and joined in the call for new aviation policies across the region.

It was noted in the Board report that in 1993, Stephen Wheatcroft, in his paper entitled “Aviation and Tourism Policies: Balancing the Benefits” said “a sound aviation policy for the Caribbean is critical for the future development of the tourism industry.”

“Tourism must be accorded a status in policy making commensurate with the importance of the industry in the national economy to ensure that the proper balance is found between the interests in aviation and tourism sectors,” Wheatcroft said at that time.

The new IATA report presented to the CHA Board this week noted that the air transport industry is a \$450 billion industry and that the Caribbean competes with all the regions of the world while, at the same time, the airlines have limited resources.

He also noted that the Caribbean is often expensive to operate and the lack of intra Caribbean cooperation and lack of economic regulations prevents further growth in the airline sector in the Caribbean.

CHA, appreciating the dire consequences of the state of the aviation industry intends to continue to work with IATA to further the issues discussed in the report.

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