



ST/2021/32/RR/Anexo.004

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Reconstrucción del Transporte Aéreo para el Futuro del Acceso a Destinos del Gran Caribe

ASOCIACIÓN DE ESTADOS DEL CARIBE (AEC)

XXXII REUNIÓN DEL COMITÉ ESPECIAL DE TURISMO SOSTENIBLE

Miércoles 28 de julio de 2021- vía videoconferencia

Rebuilding Air Transport for the Future of Greater Caribbean Destination Access

Annaleen Lord

Area Manager, Caribbean





28 July 2021

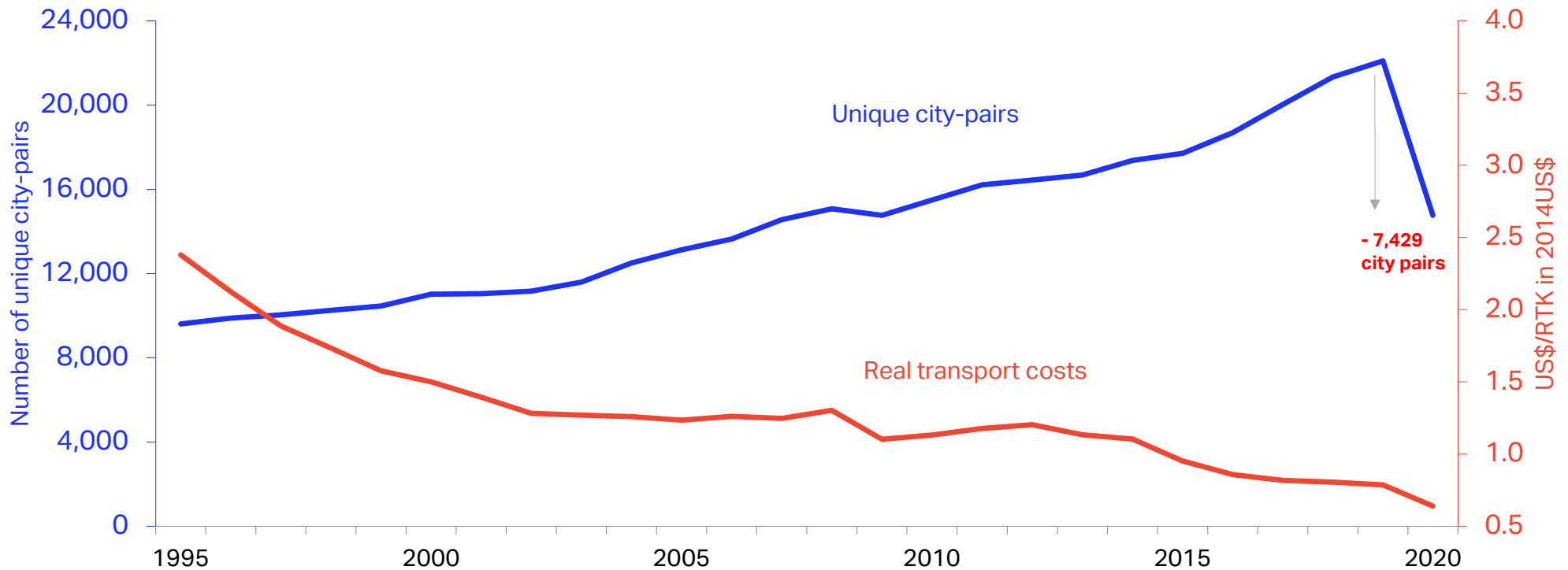
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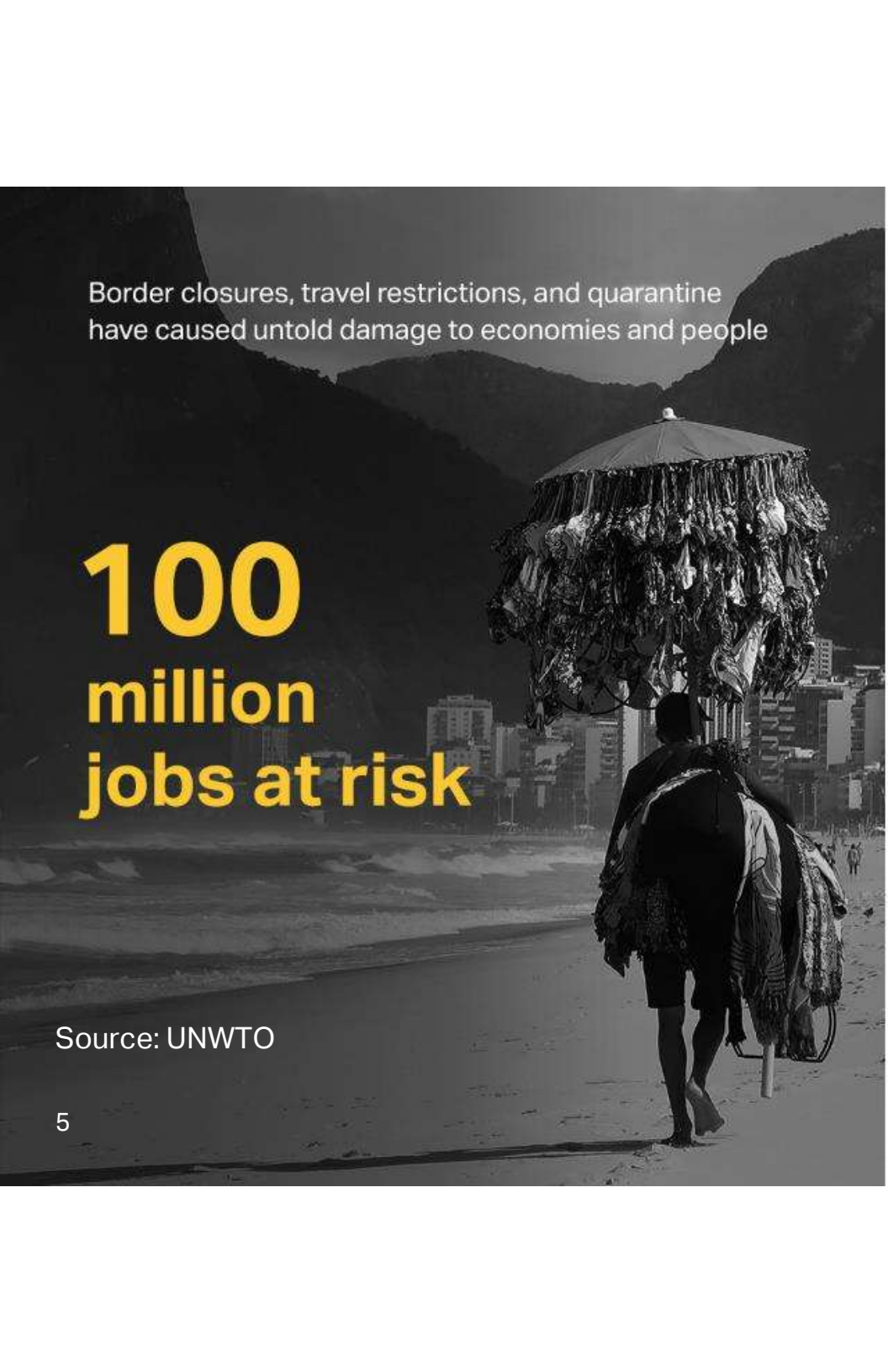


Loss of 7,500 global city-pairs amid COVID-19

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, open umbrella that is completely covered in crumpled plastic bags. In the background, there are mountains and a city skyline.

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

**100
million
jobs at risk**

Source: UNWTO

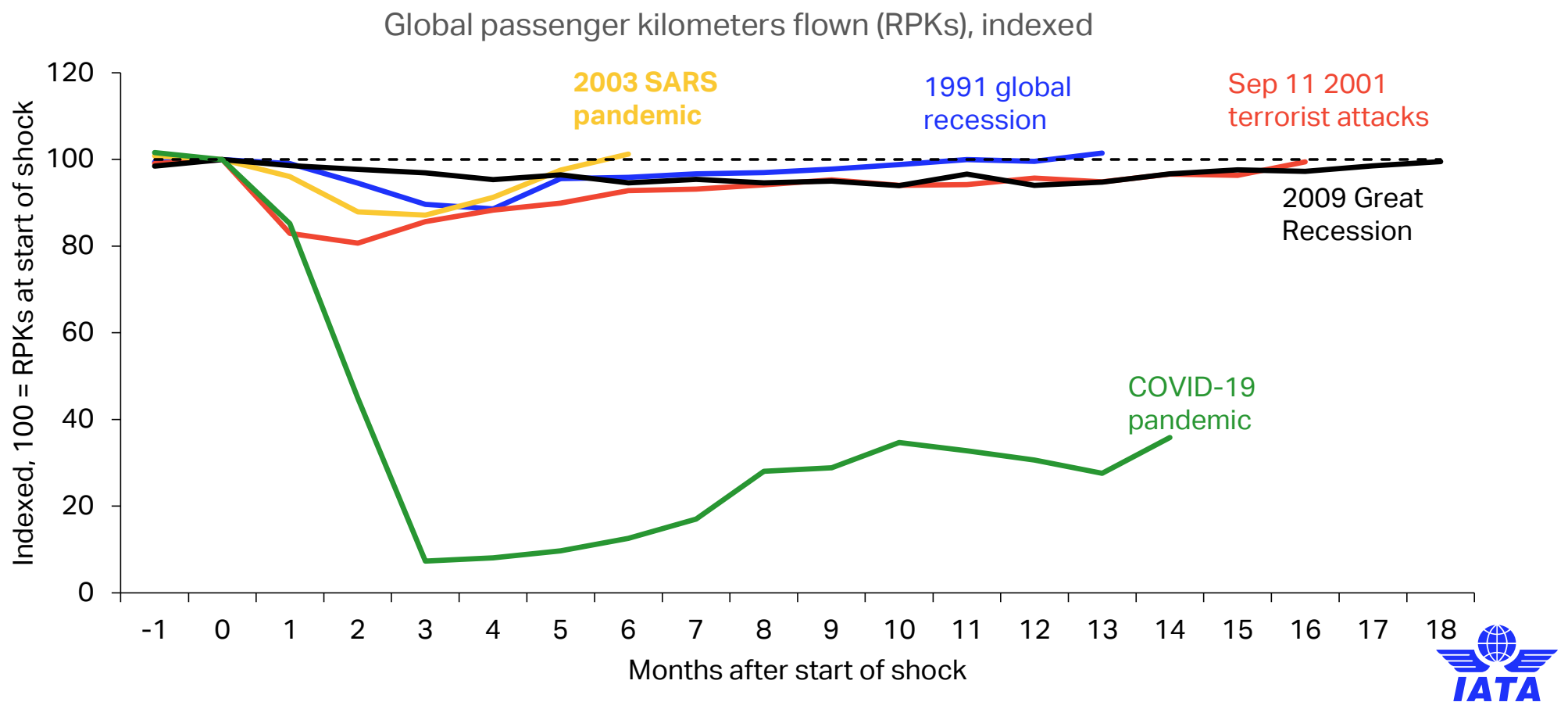
A black and white photograph of a beach with several closed thatched umbrellas standing in a row. The ocean is in the background under a cloudy sky.

**\$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

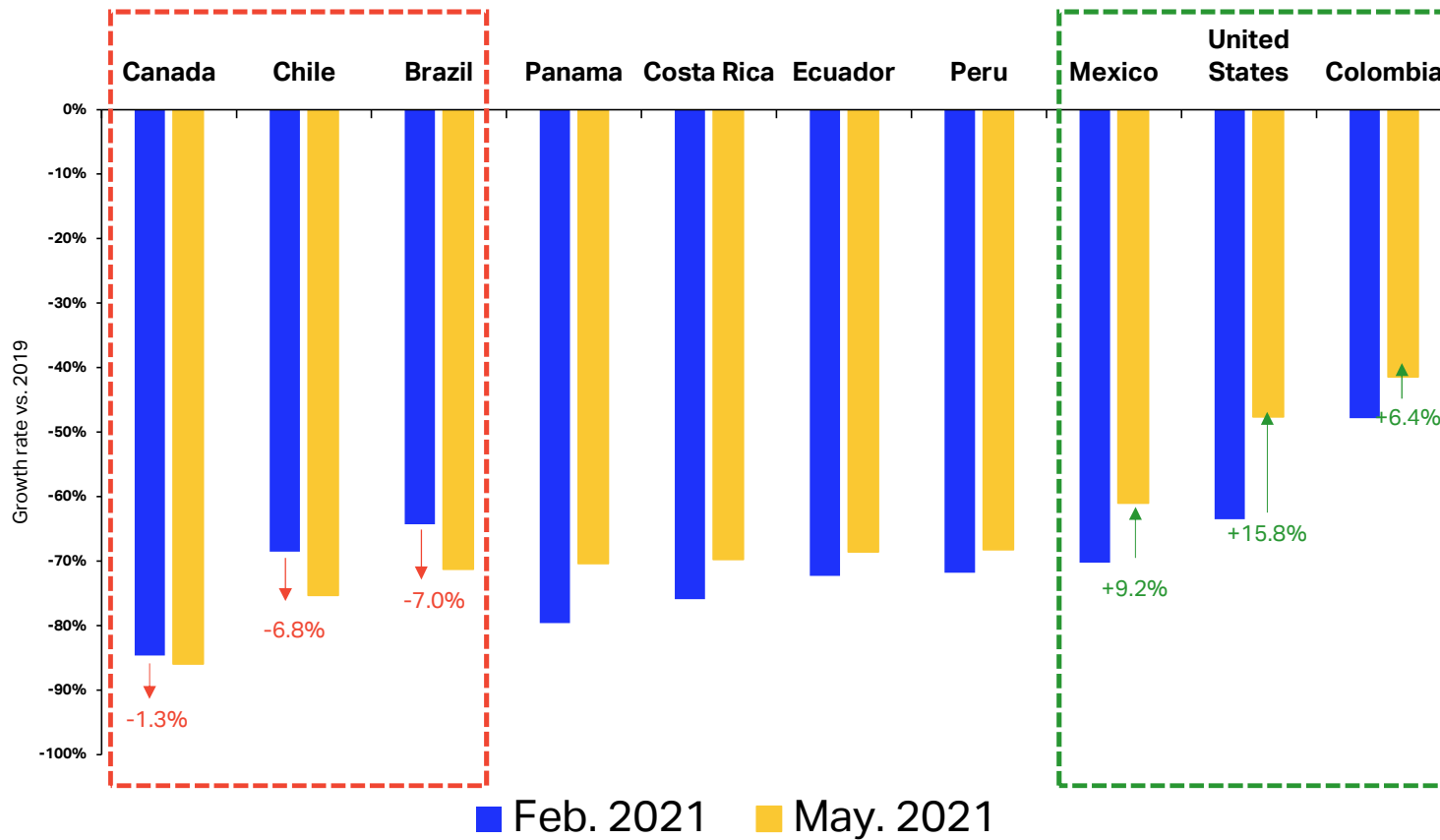
COVID19: Short-term response

- **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

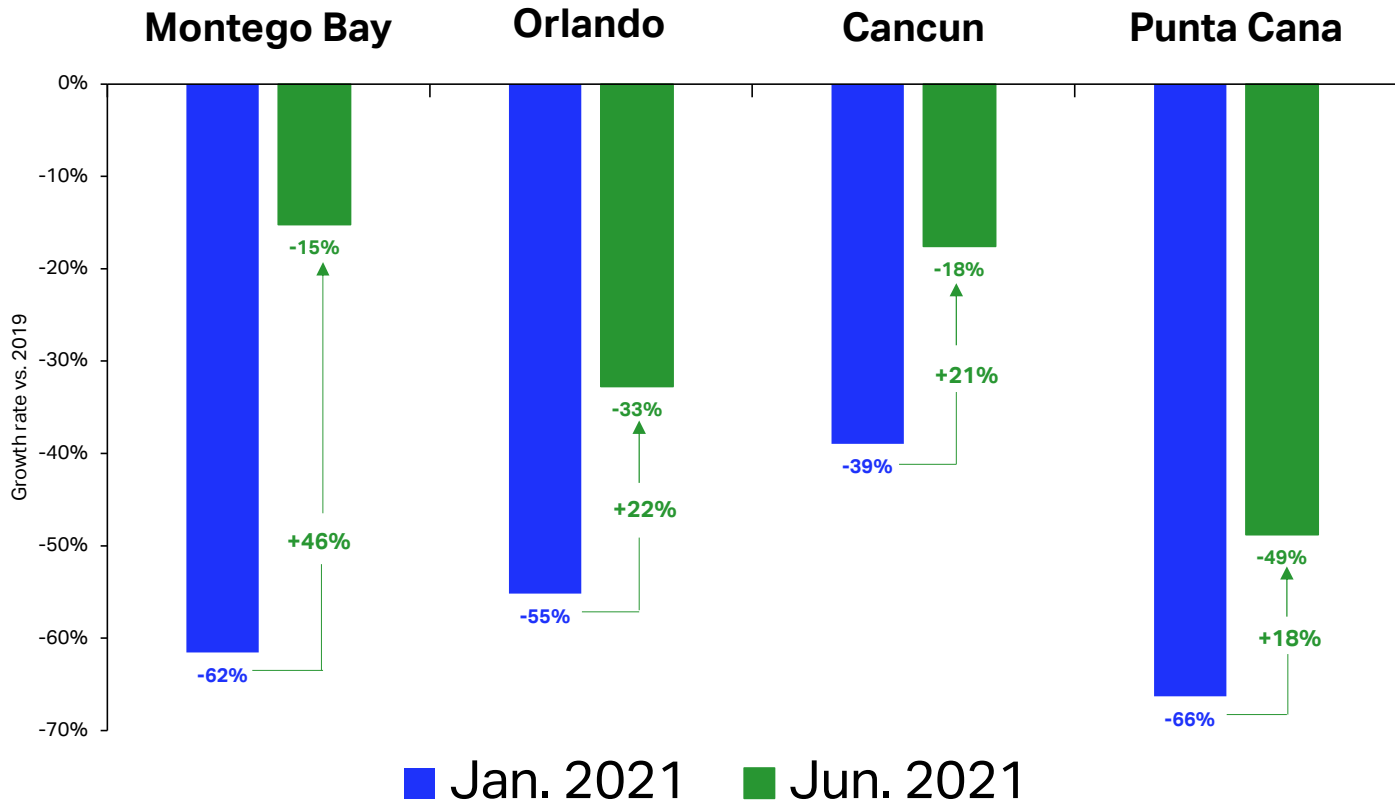


Impact of restrictions on bookings in the region vs. 2019



- 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**.

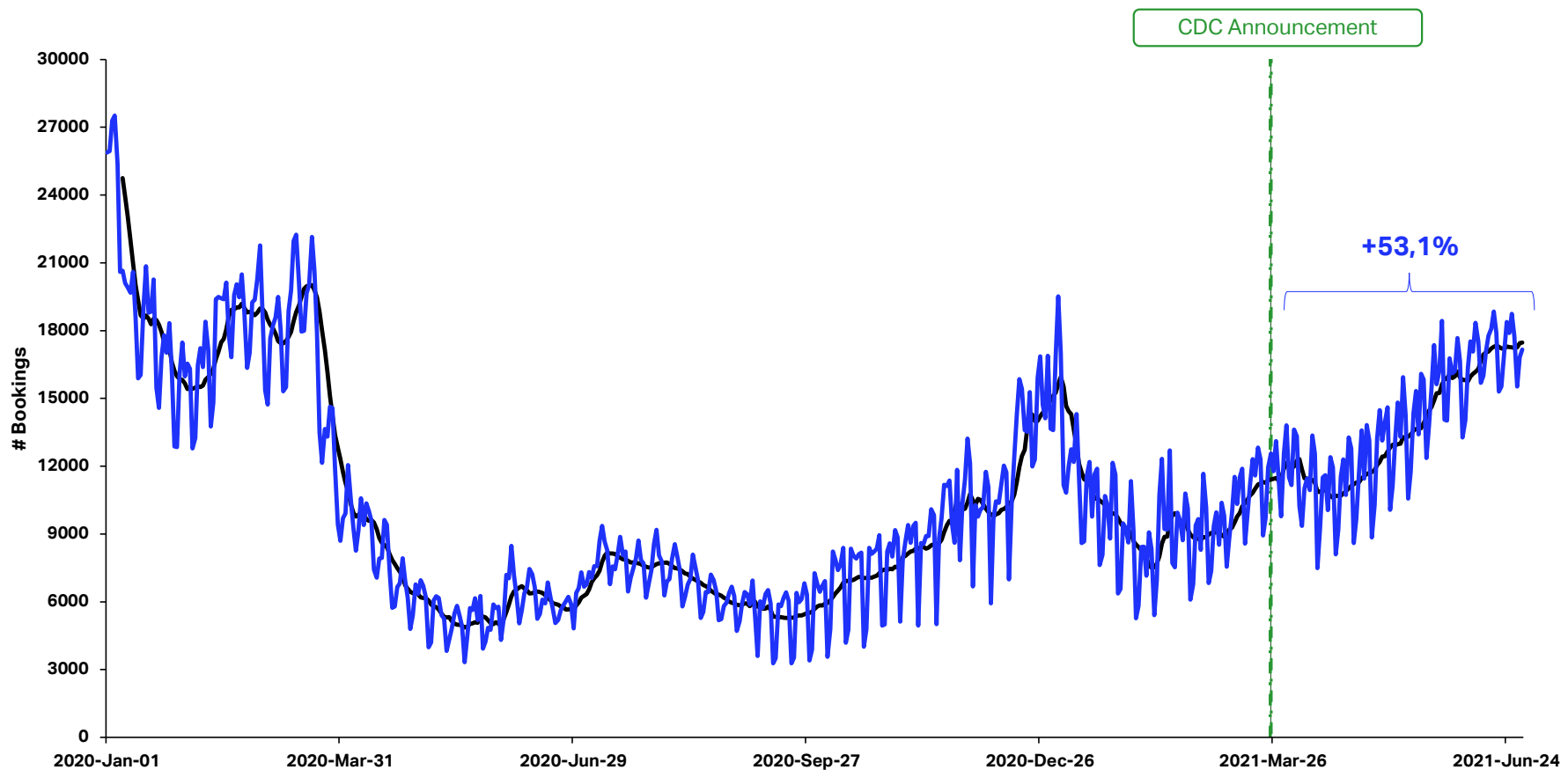
Recovery of Tourism Destinations across the region



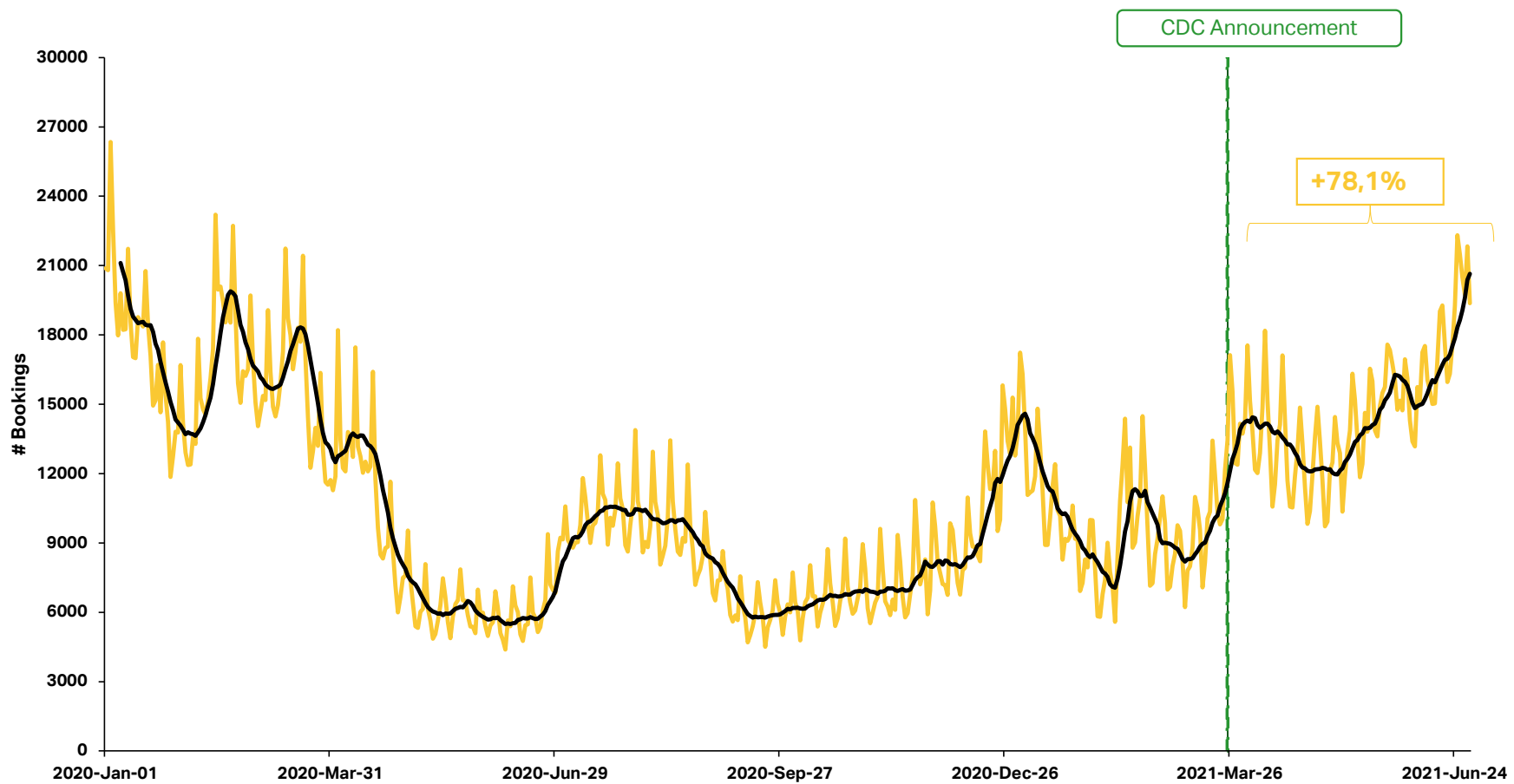
- **Tourism destinations** are increasing their bookings.
- **Pent-up demand plus lower restrictions** in the selected countries, have been a key variable for boosting the demand.



Bookings increased by % from the Caribbean to Florida



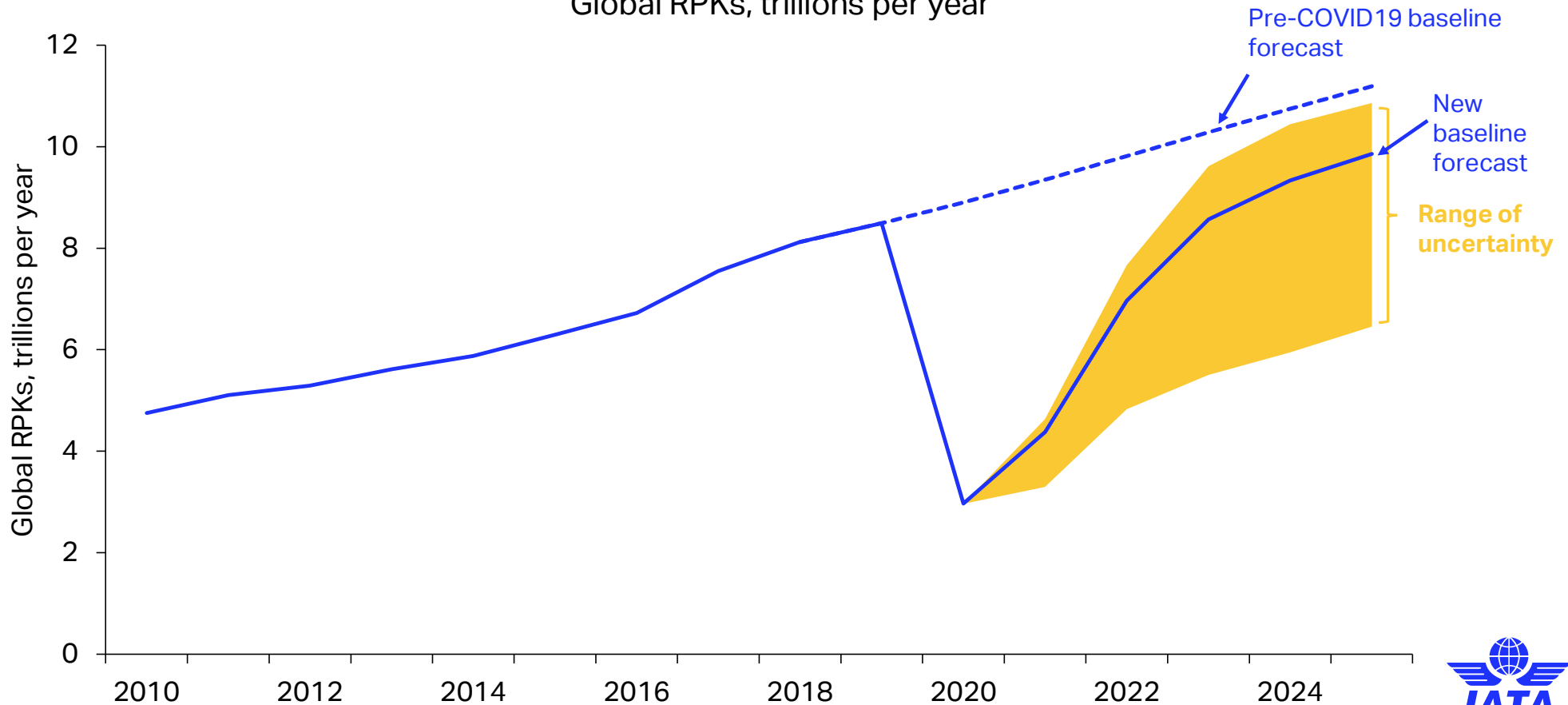
Bookings increased by 78% from the Caribbean to New York



2022/23 should see much stronger rebound of revenues

Large pent-up demand and savings to spend

Global RPKs, trillions per year

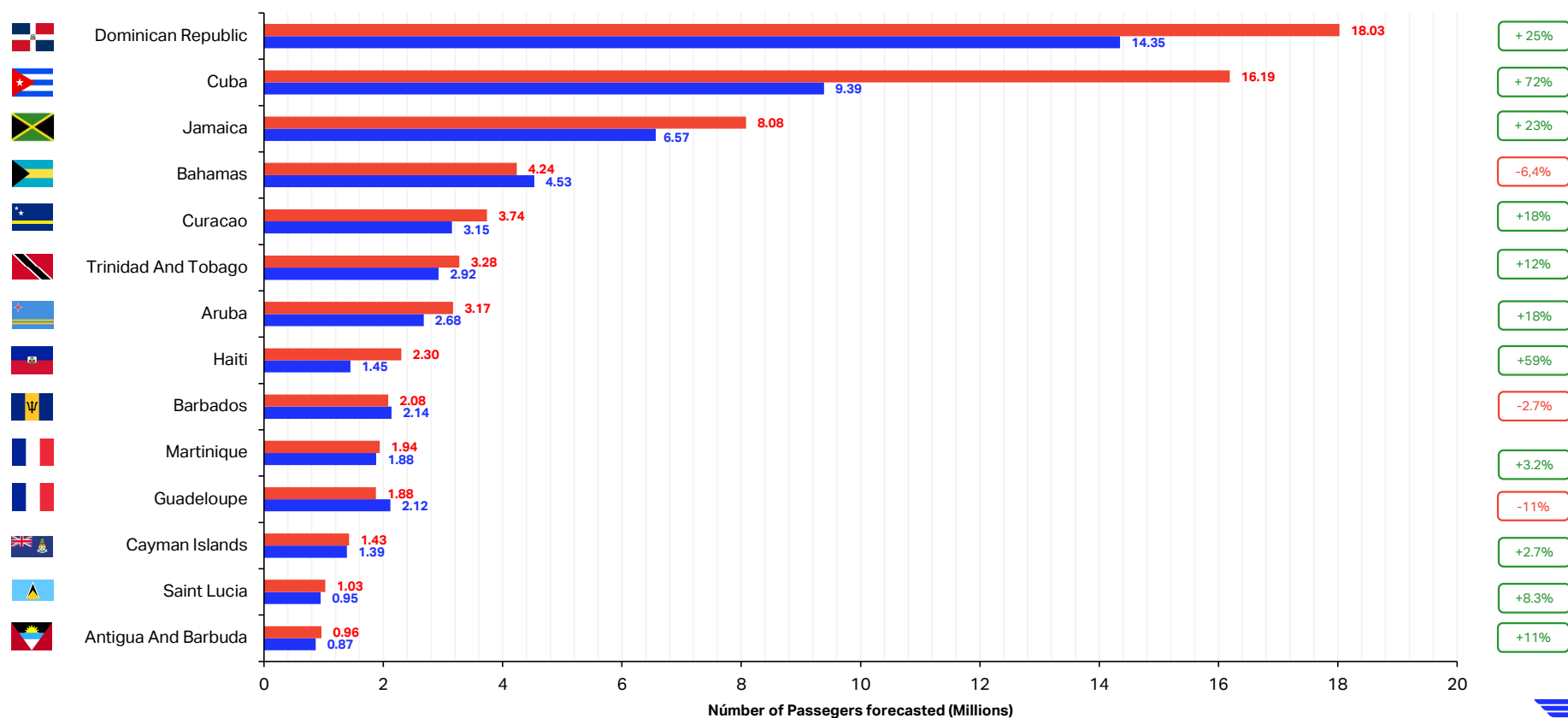


Source: IATA/Tourism Economics 'Air Passenger Forecasts' January 2020



Traffic forecast for key markets across the Caribbean

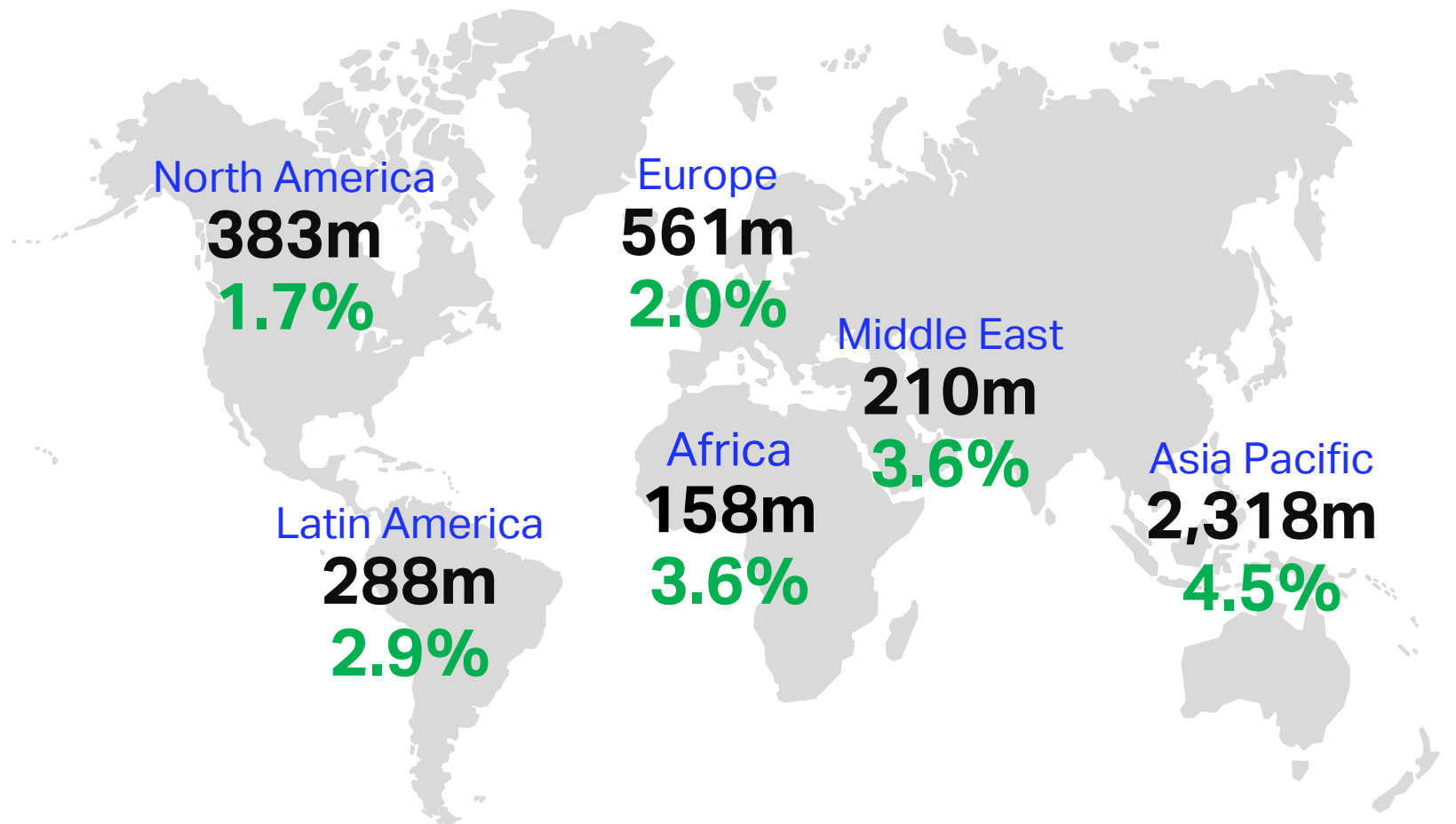
Number of passengers and growth rate, 2019 vs 2025



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**

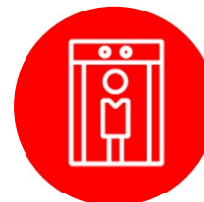
ENVIRONMENTAL SUSTAINABILITY



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



INDUSTRY FINANCIAL RESILIENCE



SAFETY & SECURITY





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