

# WORKSHOP ON AIR INTEGRATION

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## Multi-stakeholder Approach to Air Transport Development – Guyana's Experience



SAHEED SULAMAN  
GUYANA CIVIL AVIATION AUTHORITY



# Introduction



- ▶ Area: **214,969 sq.km**
- ▶ Population: **747,884 (2012 Census)**
- ▶ Population Density: **3.5/sq.km**
- ▶ Industries: **Bauxite, Sugar, Rice, Timber and Gold Mining.**

# Introduction



**“Guyana may be the best kept secret of South America” – National Geographic 2014.**

# Overview of Air Transport Sector in Guyana

Air transport industry is divided into two broad groups

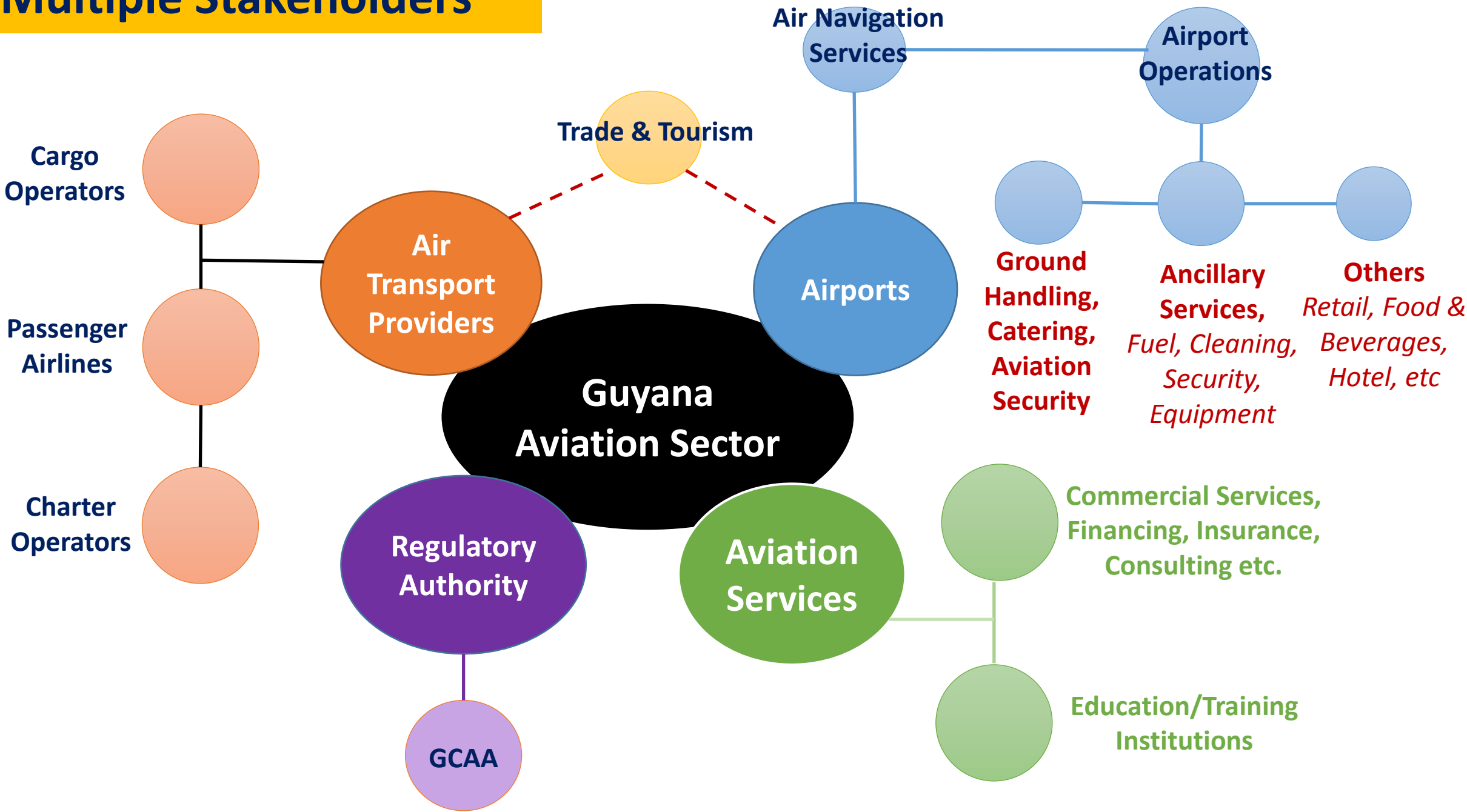
**Domestic Aviation**

**Within border flights  
connecting  
coastland and  
hinterland**

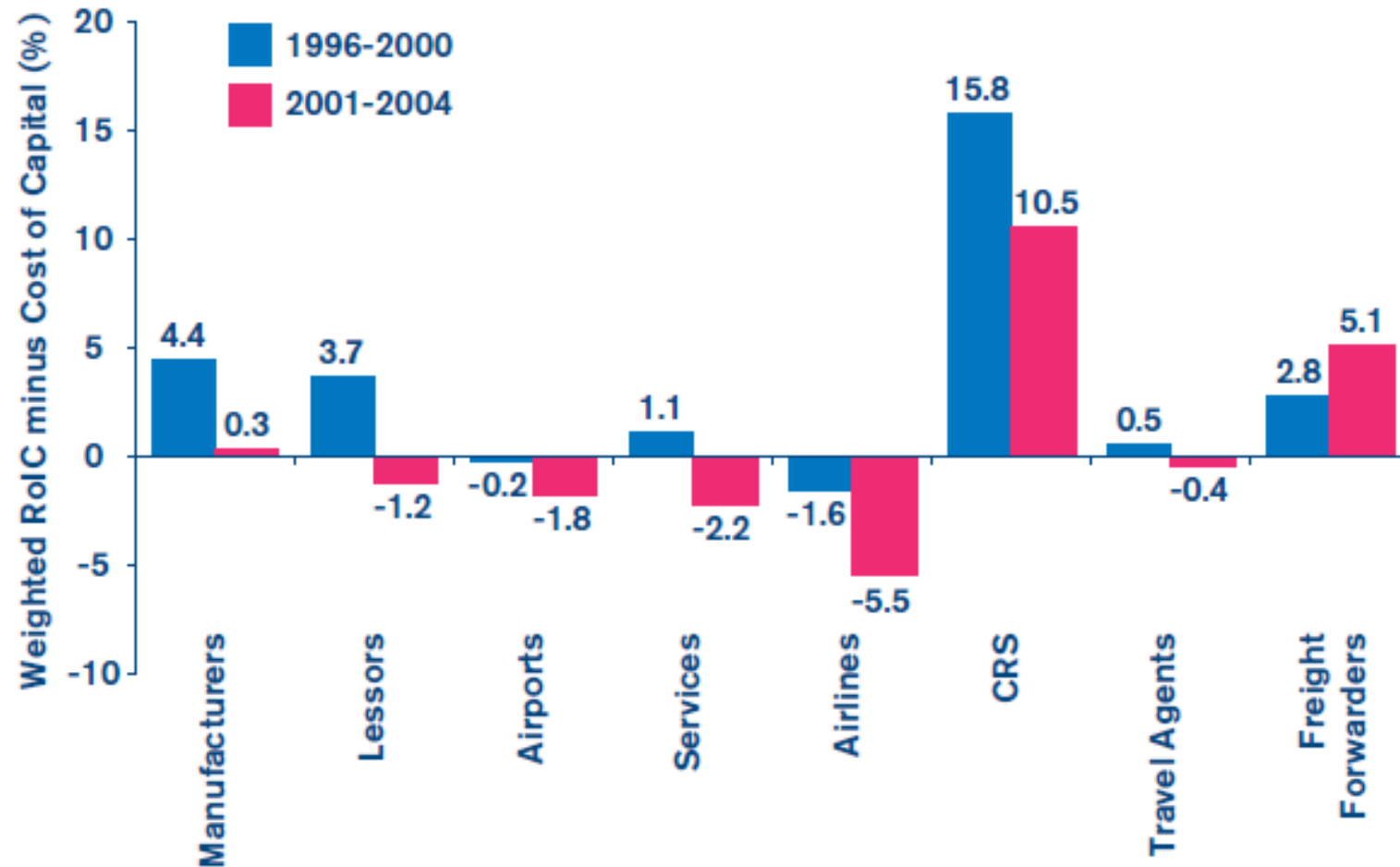
**International Aviation**

**Cross-border flights,  
transporting cargo,  
mail and passengers**

# Multiple Stakeholders



# The Need for Synergy

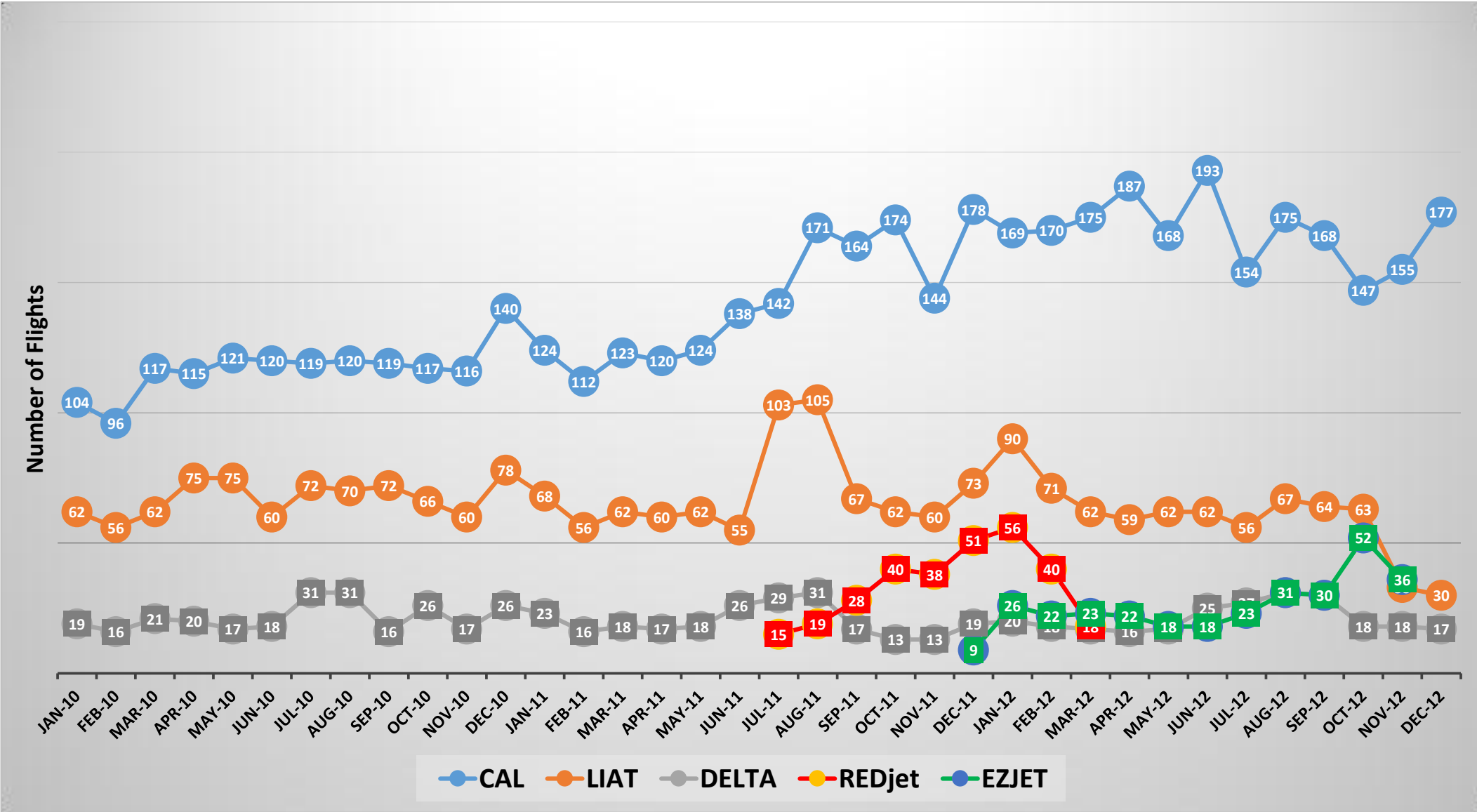


Source: IATA Economics Briefing No 4: VALUE CHAIN PROFITABILITY by Mark Smyth & Brian Pearce, IATA, June 06

# The importance of Synergy for development

- ▶ Synergy reduces the “wastage” of scarce resources and valuable capital.

# Case Study of Redjet & Ezjet



Number of flights conducted by Airlines (2010-2012)



## Role of Government

- ▶ **In 1993 Government initiated a National Development Strategy (NDS).**
- ▶ **The NDS identified the challenges in the air transport sector and proposed strategies to mitigate the challenges and grow the sector.**

# Air Transport Challenges

Public service  
bureaucracy

substandard  
physical  
facilities at  
Ogle  
Aerodrome

No Air Services  
Agreements  
exist between  
Guyana and  
most countries  
in the world.

Limited  
International  
air  
connections

Major  
international  
conventions on  
civil aviation  
have not been  
ratified.

Limited runway  
length at Cheddi  
Jagan  
International  
Airport

Lack of  
coordination  
among  
stakeholders

Weak  
Legislation

No effective  
and  
equipped  
Search and  
Rescue Unit

substandard  
quality of  
airfields

# Strategies implemented since 2000

Revised and update  
Legislation and Regulations

Autonomous Civil Aviation  
Authority

Autonomous Airports  
Authority

Invest to improve the physical  
facilities at Airports

Establish and renegotiate  
ASAs

Encourage & Promote Private  
Airlines

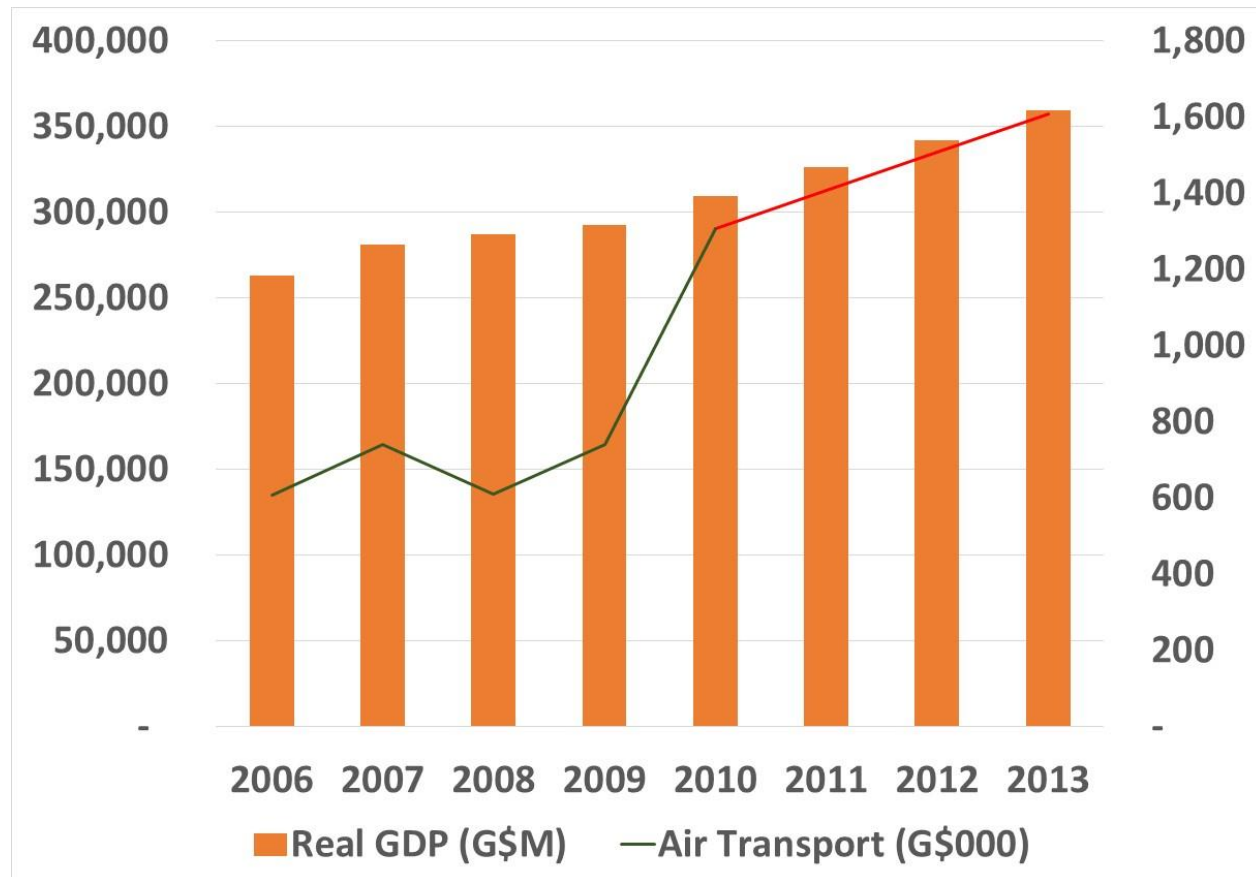
Increase frequency of  
international flights

Establish and strengthen  
Search and Rescue Systems

# Liberal Approach

**The strategies followed an “Open Skies Policy” and Liberal Approach for the development of the air transport sector.**

# Result: Air Transport Sector



- ▶ **CAGR = 14% (2006-2013)**
- ▶ **Direct contribution of the Air Transport Industry accounts for approx. 1% of Guyana's Real GDP.**
- ▶ **Provides an estimated 3,000 Direct jobs**

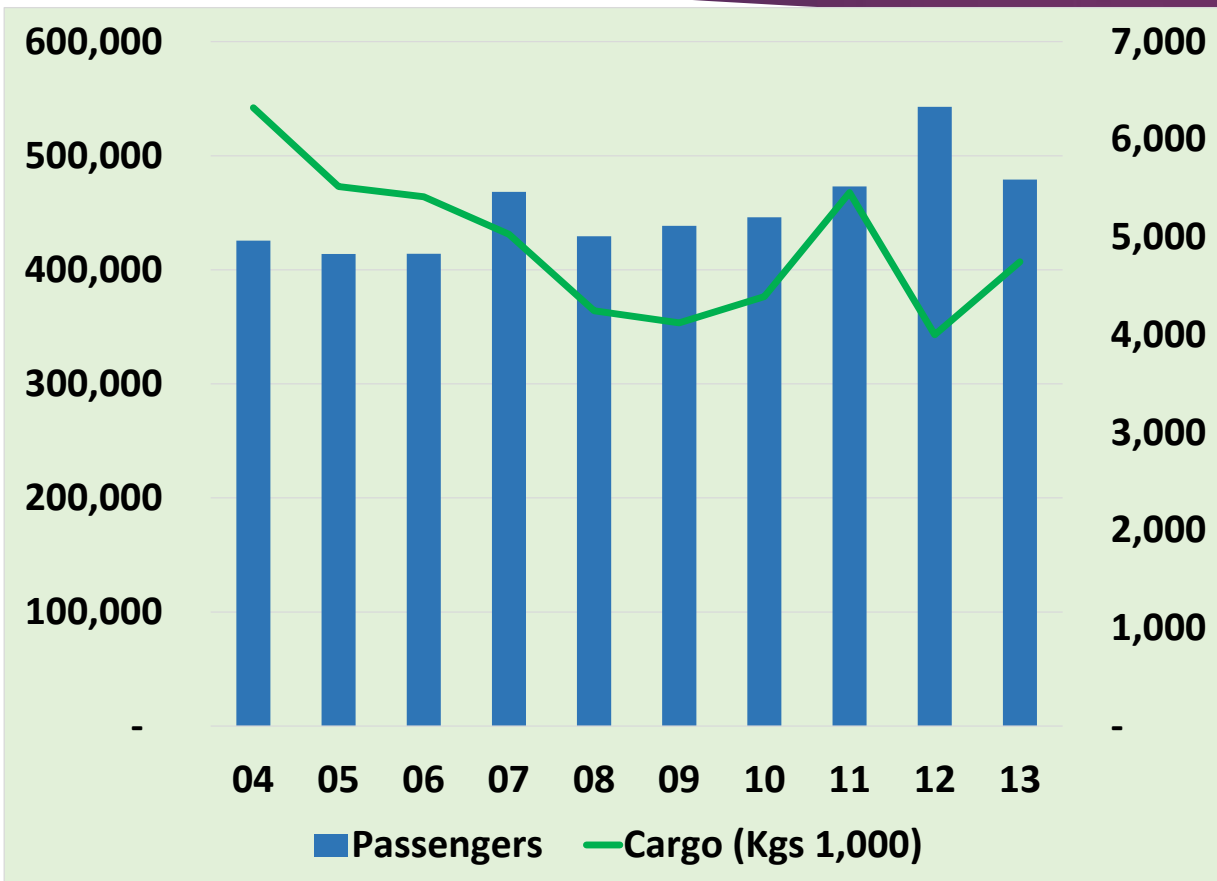
# Result: Domestic Aviation



► Pax CAGR = 15.6%

► Cargo CAGR = 14.2%

# Result: International Aviation



▶ Pax CAGR = 1.3%

▶ Cargo CAGR = -3.1%

# Public-Private Partnership in Air Transport

- **The Government of Guyana has adopted a Public-Private Partnership (PPP) model in promoting the development of the country.**
- **Private investment brings efficiency and increased productivity while public involvement brings stability.**
- **The PPP model has been used in the development of the Ogle Airport.**



# Result: Ogle Airport



## 2013 data

- ▶ **130 flights daily**
- ▶ **445 passengers daily**
- ▶ **50,300 kgs of cargo daily.**

# Building a Hub

In 2012 the Government took a decision to deliberately make the Cheddi Jagan International Airport into a Hub serving as a major transit point for African, Latin, South and North American traffic.



Source: <http://gifsec.com/funny/air-traffic-over-the-world-gif/>

# Road Map to Hub Development



ICAO ICAN



**Airport Investment & Infrastructural Development**

**Hub Study by  
IKEW UK LTD**



**Strengthening  
Institutional & Regulatory  
Capacity**

# Passenger Growth Projection

- ▶ With the expected improvement in airport capacity, additional routes, additional airlines and growth in the tourism sector; annual passenger movement is projected to grow at:
  - ▶ **3% in 2015**
  - ▶ **4% in 2015~2020**
  - ▶ **5% in 2020~2030**



# Guyana's Air Connectivity with Brazil



# Regional Connectivity

- ▶ **With all the infrastructural development in the region, there is still a need to improve regional connectivity.**
- ▶ **There is a need to move away from the dependence of flying North to reach South.**

# Regional Connectivity

- ▶ **Guyana still does not have Bilateral Air Services Agreement with most South and Latin American countries, this is now changing and must change quickly.**

# Regional Connectivity

- ▶ **Less developed countries should be able to benefit from the growth of stronger economies with better hub network. This will help to improve the air transport infrastructure within the region.**



# Recommendation

- ▶ Technical Study be done to improve the air connectivity between the Guiana Shield (Venezuela, Guyana, Suriname, Brazil) and the rest of South America.



# Recommendation

- ▶ **The objective of the study is to create a simulation if certain variables are changed, how will air connectivity improve.**
- ▶ **Funding to be sought through collaborative effort.**

**Thank You**