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Economic Commission for Latin America

REQUIREMENTS FOR CARIBBEAN TRADE FACILITATION AND TRANSPORT INSTITUTION STRENGTHENING

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Introduction

As a result of the growing recognition among the member countries of the United Nations Economic Commission for Latin America (CEPAL) of the benefits that would accrue from the simplification, harmonization and standardization of governmental and institutional procedures, formalities and requirements regarding international trade and transport, these countries adopted resolution 390 (XVIII) at the eighteenth session of CEPAL held in La Paz, Bolivia, from 18 to 26 April 1979. This resolution:

"REQUESTS the Executive Secretary of CEPAL to:

"(a) convene in the principal geographical areas of the region, in consultation with governments, subregional meetings of experts in facilitation matters from both national and regional organizations, to identify the main facilitation problems encountered in each area, set priorities and suggest measures that may assist countries in overcoming these problems, and help the Secretariat to establish a more permanent and stable facilitation action programme".

In response to this resolution, the Executive Secretary of CEPAL has programmed, in collaboration with appropriate governments and national and international organizations, the convening of three subregional meetings of facilitation experts: one in Central America, one in South America and one in the Caribbean.

It should be noted that CARICOM is also working in this area. Moreover, at that same Session the CEPAL member countries adopted resolution 399 (XVIII) -"Activities of the Caribbean Development and Co-operation Committee"- which endorsed the Programme of Activities approved at the Third and Fourth Sessions of CDCC. These activities include the convening of a meeting of CDCC ministers responsible for transport and communications.

The purpose of this paper is to cover the mandates of these resolutions. In doing so, it will briefly describe the current transport situation. This will be followed by a synopsis of the transport activities carried out by the CDCC since its inception and those of other United Nations organizations with which the CDCC has been involved.

As a result of this analysis, problem areas will be highlighted and broad areas where possible action could lead to improvement will emerge. These areas will be elaborated and discussed during the course of the meeting of experts with a view toward the preparation of a plan of action to be considered by the Caribbean countries.

Review of the current transport system

The CDCC countries, with the exception of Belize, Guyana and Suriname, are all island communities in the Greater and Lesser Antilles. The Dominican Republic and Haiti share the island of Hispaniola. In all these cases there has traditionally been little or no traffic with neighbouring States by road.

The region was colonized by four powers -Spain, France, the Netherlands and Great Britain- and the current political status of the countries ranges from full independence to colonial status. While Great Britain is to grant independence to the remaining Associated States during 1981, a number of colonies remain. The region's heritage still clearly influences all transport patterns and especially that of aviation. The former Dutch and British territories maintain strong links

/among themselves

among themselves and with Amsterdam and London, but have much weaker links with Caribbean territories having a different heritage. While the French territories have the status of Departments of France, they reflect this same pattern.

The Bahamas, Belize, the Dominican Republic, Haiti and Jamaica all have much stronger transport links with North America than with the rest of the region, reflecting economic ties, while Cuba, with the exception of infrequent services to Jamaica, Barbados, Grenada, Trinidad and Guyana, has no links with the region at all. The Caribbean trade situation is further diversified by the important role Puerto Rico plays as an interchange point which for all practical purposes is integrated with the continental United States.

With the exception of some cabotage traffic in Haiti, services between Trinidad and Tobago, St. Kitts and Nevis and some services in the Bahamas, all passenger traffic is carried by air.

Most freight is moved by sea, although air freight is increasing in importance, especially in the case of Trinidad and Tobago. Nonetheless, the percentage of total traffic carried by air remains insignificant.

Further details of the air and shipping services will be given later.

Generally, aid funds have been made available to the region so there has not been any undue difficulty in obtaining funds for transport projects. Historically, sources for such funds have been the former colonial powers together with the United States and Canada. Recently funding has also been available from the European Economic Community and from non-traditional donors through the Caribbean Group for Co-operation in Economic Development.

Due to the extraregional nature of Caribbean trade these funds have been utilized on a country-to-country basis and as a result intra-regional transport has not benefitted from integrated national planning. Perhaps this is a result of Caribbean political diversity and any resultant diseconomies are part of the price of such diversity. Most countries appear not to employ national transport planning, and investment decisions are generally made on an ad hoc basis.

This problem was recognized by the Governments of Canada, Great Britain and the United States, which initiated the Tripartite Study of 1966 to determine how aid funds might best be utilized. One result of that study was the establishment of the Caribbean Development Bank (CDB), through which aid was intended to be channelled. In practice, the three donors divided the aid programme between them and continued on an ad hoc bilateral basis as before in addition to contributing to the CDB. This happened largely at the insistence of the individual Caribbean governments themselves.

As a result, there was no indication of how much aid was to be provided for each sector in the region over ensuing time periods, and the opportunity for system planning on a more rational basis was lost. In the decade from 1966 large amounts were spent on transportation in the region, despite which a number of infrastructural deficiencies persisted. This could have been rectified with proper planning in a regional perspective if the total amount available for transportation had been known in advance.

Shipping services

There are adequate links between the subregion and major trading partners, using a variety of vessel types. The World Bank estimated in the Caribbean Regional Transport Review that more than 50 steamship lines operated in Caribbean extraregional trade.

/Four major

Four major conferences serve the region. They are:

(a) The Association of West Indies Trans-Atlantic Steamship Lines (WITASS);

(b) The United States Atlantic and Gulf - Jamaica Conference;

(c) The Leeward and Windward Islands and Guyana Conference;

(d) The Japan-Latin America Eastbound Freight Conference.

There are moves towards the establishment of subregionally owned services to extraregional destinations. Several countries are studying the UNCTAD Code of Conduct for Liner Services and considering the possibility of either entering a joint venture or establishing a new line. In the bulk trade several joint operations already exist.

Shipping services within the subregion

These are operated by two Caribbean-owned shipping companies, WISCO and NAMUCAR; a fleet of small vessels generally under 500 net register tons, confined mainly to the Eastern Caribbean, and by extraregionally owned shipping services.

In 1977/1978 it was found that CARICOM intra-regional traffic amounted to about 500 000 tons annually (see table 1 of Shipping Statistics of CDCC Countries (CEPAL/CARIB 80/9)).

It is not possible to ascertain the precise breakdown of traffic between the three types of operations, but there are no indications that it would be significantly different from previously found ratios. Previous studies have found that small vessels carry up to 60% of the traffic in the Eastern Caribbean, with extraregional shipping carrying more than 20%, the balance being carried by WISCO.

Civil aviation services

Virtually all passengers in the Caribbean, both from inside and outside the region, are carried by air.

There are a large number of airlines based in the region operating in competition with extraregional carriers based in North, Central and South America and Europe. Extraregional operators are based in Trinidad, Suriname, the Netherlands Antilles, Barbados, Bahamas, Guyana, Jamaica, Cuba, the Dominican Republic and Belize. There has been little attempt to consolidate these operations. Charter traffic from North America and Europe is also important.

Intra-subregional operators are based in Martinique, Guadeloupe, Puerto Rico and the British Virgin Islands (all outside the CDCC area), as well as in Antigua, Haiti and St. Maarten.

There are also a number of small charter operations scattered throughout the region.

Maritime transport infrastructure

Most islands have or plan to have deep water port facilities capable of handling ocean vessels, and it would appear that due to over-investment there will be underutilization of these facilities. Up to April 1977, loans from the Caribbean Development Bank amounting to US$ 20.5 million had been approved for this purpose. This amounted to 17.6% of all loan disbursements made by the CDB up to that time.

The CDB had to accede to demands made by members in its formative years, despite the fact that strenuous efforts were made to scale down the proposals and restrict the loans. The need to eliminate lighterage in port operations was an important source of pressure. When the deep water facilities are completed and the loans have to be repaid, it may be judged on the basis of underutilization observed if it was necessary to provide facilities for ocean-going vessels at all ports. The maintenance of physical infrastructure and port handling equipment will give rise to expenditures that will be difficult to recover from users, which implies government subsidies or early deterioration and obsolescence.

/Aviation infrastructure

Aviation infrastructure

The region is characterized by the close proximity of airports capable of handling the largest commercial aircraft. This has led to underutilization of its own airport facilities.

The Caribbean Airport Maintenance and Operations Study carried out by ICAO for CGCED found that "some of the following factors cause concern to a greater or lesser degree at almost all the airports visited during the course of the study:

(1) Underutilization.
(2) Failure to give sufficient attention to the financial aspects of airport operation, to relate revenues and expenditures, and in extreme cases even to accumulate financial data.
(3) Failure to budget in sufficiently precise detail: in particular failure to budget for preventive maintenance and to plan for large-scale renovative work which recurs only at long intervals of five to ten years.
(4) User charges are too low: in some cases unchanged for as long as seventeen years.
(5) Passenger Service Charges, Departure Taxes or other titles are not regarded as airport revenue.
(6) Non-payment of user charges by national airlines.
(7) Lack of imagination in developing revenue from non-aeronautical sources".

"It is taken as axiomatic that every State will have an international airport, but the size of that airport and the type of aircraft it is required to take are matters for careful consideration."

There is a clear need for the rationalization of airtransport in regard to the duplication of large airports, especially in the Eastern Caribbean. Referring to the airports, the President of the CDB wrote in 1974: "The distances between the countries are short and it is clearly wasteful to spend millions of dollars to duplicate such facilities. Even if the funds come from external soft loans and grants, resources are wasted and the governments have to spend money on maintenance and, what is more, the aid funds involved could have been used to better advantage on other projects in the various countries and in the region. It is very much to be hoped that the trend towards this wasteful pattern of competitive expenditure will be corrected immediately". 1/

In part this proliferation of facilities has been caused by the donors' attitudes. It has been felt that there is more security in granting loans for fixed infrastructure than for transport equipment.

The CAMOS study found in 1980 that US$ 40.5 million was required immediately for safe operation of existing airports, while the planning and construction of further facilities was still proceeding. More details are given later. However this raises an extremely interesting point. While small island communities need aviation facilities and wish to encourage tourism to enhance foreign exchange earnings, the high cost associated with maintaining expensive infrastructure can be a considerable drain on scarce economic resources. The CAMOS report clearly indicates that standards are not being maintained, thus suggesting that the individual governments are unable or unwilling to maintain these assets obtained mainly through soft loans and aid.

1/ William G. Demas, West Indian Nationhood and Caribbean Integration, Barbados, CCC Publishing House, October 1974, p. 72.

/Transport activities

Transport activities initiated since the formation of the CDCC

Since the inception of the Caribbean Development and Co-operation Committee (CDCC), it was recognized that there were problems in transportation which might restrict economic growth. The Constituent Declaration of the CDCC states the intention to "carry out joint activities for increasing and improving national transportation facilities within the subregion and with other countries".

At the same time the importance of the maritime sector was recognized. It was noted that efficient shipping services were an indispensable prerequisite for the success of any integration effort (see E/CEPAL/1010; E/CEPAL/CDCC/8/Rev.1, Section H, p. 49).

Before describing the work carried out in each sector by the CDCC, it is necessary to explain the relationship between the CDCC and the Caribbean Group for Co-operation in Economic Development (CGCED).

The World Bank has long shown a keen interest in the Caribbean and sent a Regional Mission to assess the workings of CARICOM in 1973. The findings of this mission were published as a World Bank Country Report entitled "The Commonwealth Caribbean - The Integration Experience" which contains a detailed appraisal of the then existing transport system (see pp. 96-116).

In 1977, the World Bank established the CGCED which brought together donors (both new and traditional), international donor agencies and the Caribbean countries in an attempt to consolidate efforts for economic development. All CDCC members were invited to participate. Initially Suriname declined but subsequently indicated that it wished to participate, so that by 1980 the CGCED included all Caribbean countries except Cuba, on the grounds that that country is not a member of the IMF or World Bank.

At the first meeting of the Caribbean Group in Washington in June 1978, the Caribbean Regional Transport Review (Report No. 2004a-CRB) was considered. This report assessed the ongoing and proposed transport projects in the Caribbean, identified major transport needs and gaps in pre-investment work, and made proposals for subregional and country projects to assist development in the maritime and aviation sectors.

Prior to this meeting the Group had established a Technical Assistance Steering Committee (TASC) chaired by UNDP to review the proposals made in the Transport Review and to prepare projects for financing by the Caribbean Group.

To carry out this mandate, the TASC organized a series of technical meetings of transport specialists, attended by representatives from UNDP, CDB, CARICOM, IDB, CEPAL, UNCTAD, ICAO and IBRD. During these meetings discussions were held on the conclusions and regional project proposals set out in the Review. In addition, other relevant material was examined, including a proposal on maritime transport prepared jointly by IMCO/UNCTAD/CEPAL.2/

It was generally agreed among participants at these technical meetings that a prerequisite for future investment in maritime facilities was rationalization of intra-Caribbean maritime transport. Furthermore, there was a broad consensus on the need for strengthening regional co-operation and harmonization of national policies for maritime and air transport. It was felt that in order to exploit the full potential of the physical infrastructure constructed over the past decade by donors, there was also a need for a relatively modest investment in transport equipment.

2/ See Maritime section for further details.

/As a

As a result of these deliberations, seven proposals were submitted to the Caribbean Group for preparatory assistance and projects, four in the maritime sector and three in civil aviation. These are described in the Maritime and Aviation sections below.

Maritime sector

Despite the efforts which have been made to develop genuine Caribbean shipping fleets and to improve port facilities, the Caribbean region is still largely dependent on foreign shipping services. Both the intra and extra-Caribbean trades need to be improved in order to reduce transport costs, enhance the quality of shipping services, foster the development of regional co-operation and protect shippers' interests.

A large amount of technical co-operation has been provided to the region, and maritime transport has been given significant attention by the CDCC Secretariat. Due to the importance of the maritime sector and the relationship between it and other sectors, it was felt that the efforts being made by agencies involved in maritime matters should be consolidated. With this aim in view, and following discussions between the CDCC Secretariat, IMCO and UNCTAD, a joint plan of action was prepared for submission to the third session of the CDCC in Belize in 1978 (see E/CEPAL/CDCC/35). The joint plan of action was accepted and given a high priority. Funding was provided for this programme by UNDP through the CGCED, and it is known as Regional Co-operation in the Development of Shipping, Including Support for Small Vessels and Schooners.

It is a comprehensive project in the maritime sector, executed by UNCTAD/IMCO and located in St. Lucia. The Project has a duration of three years with funding of US$ 846 000 from UNDP through the CGCED.

The project will constitute a maritime centre which will provide a focal point for analysis, decision-making and upgrading of shipping in the Caribbean. The initial thrust of the work programme will cover the upgrading of the small vessel fleet in the Eastern Caribbean, the development of the maritime sector, the provision of information systems and maritime safety.

Initially, this project will concentrate on the small vessel fleet in the Eastern Caribbean. In 1978 a study by CARICOM showed that the fleet consisted of more than 150 vessels which carried 60% of the intra-CARICOM trade. This amounted to about 230 000 tons, with an annual freight revenue of about EC$ 6 million.

The effectiveness of the fleet could be significantly improved by a tighter control of cargo loading patterns and sailings, with faster port turnaround. Currently there is some overtonnage which prevents a fully effective commercial operation.

General standards of safety are unsatisfactory. Officers and ratings are not always qualified and owners appear to have little regard for maritime safety. Ships are often seriously overloaded and some have been known to sail with decks awash. The majority of the ships and their equipment are neither maintained in a serviceable condition nor regularly inspected. This results in a high loss rate of both vessels and crew as well as cargo.

As a result, hull and cargo insurance is unobtainable for a substantial part of the fleet, and even for well-maintained vessels rates are as high as 14% of the ship's value, compared to a more normal 4%.

The project aims to provide a set of guidelines on the appropriate function, size and technical standards of the small-vessel fleet, alternative routes and tariff structures, and its role as part of the shipping network for the area. The

/project will

project will include the definition of a group insurance scheme, financing for repairs and improvements, regulations governing safety, maintenance and quality of service, training of officials to enforce the standards adopted, recommendations for ship repair facilities, recommendations for appropriate navigational aids and the possible establishment of a vessel owners' association.

The project team will consist of four experts, three United Nations volunteers and a number of consultants together with regional and national counterparts.

In promoting the co-ordination of maritime activities in the Caribbean for the purpose of enhancing the efficiency of such operations and improving the level of service, advisory assistance on managerial and operational aspects will be provided, on request, to governmental and intergovernmental shipping enterprises.

During the course of the project, the requirements for further activities will be defined. Priorities for longer-term undertakings may include greater emphasis on the protection of shippers' interests, the development of merchant marines (both liner and bulk trades), and the strengthening of national maritime administrations to cover not only safety but also the whole range of governmental maritime responsibilities.

Shipping Traffic Data Survey

It has long been recognized that the lack of adequate information on the volume of freight moving through the ports of the Caribbean severely hampers planning for both port facilities and shipping services.

In 1977 an attempt was made to redress this situation when as part of an investment study for the West Indies Shipping Corporation, carried out by the Caribbean Development Bank with funding provided by the Canadian International Development Agency, the CEPAL Office for the Caribbean and CARICOM worked together to produce shipping statistics on WISCO routes. This work was published as the Inter-Island Shipping Survey (CEPAL/CARIB 77/1).

When the Caribbean Group was formed, UNDP agreed to provide funds to update the previous exercise and the data collection and processing was again undertaken by CEPAL/CDCC.

In an exercise such as this, difficulties can be anticipated and this work proved to be no exception. However, most of the difficulties were of an administrative nature and the survey method (extracting data from ships' clearance documents) proved to be basically sound. Some manifests were found to be incomplete, details requested for the commodity description were probably overelaborate with 275 classifications, and it was not possible to obtain the desired level of detail for the types of containers used in the area.

It had been hoped to complete a full year's census, but this was only achieved in Suriname, Trinidad and Tobago, Barbados, Grenada, St. Vincent, St. Lucia, Dominica, Antigua, St. Kitts-Nevis-Anguilla, Montserrat and Belize. About 80% of the data was obtained in Jamaica and 50% in Guyana and Haiti. For the Bahamas, Nassau was covered 100% and summaries were obtained for Freeport and the other Bahamian ports.

The results of this work have now been published as Shipping Statistics of CDCC Countries (CEPAL/CARIB 80/9). This report gives details of the methodology used and the problems encountered and also provides sample tabulations from the data collected.

It is proposed that this work shall now be continued by the earlier-mentioned UNCTAD/IMCO Development of Shipping Project. A maritime statistics expert together with two United Nations Volunteers will continue the initial efforts to produce an annual statistical publication on Caribbean shipping. The team will also assist

/participating governments

participating governments in developing national capability in this field. At the end of the project, recommendations will be made concerning the desirability of establishing a method for producing this type of statistics on a permanent basis, including methods of financing the work programme.

Port authority legislation, functions and management structure for the CARICOM LDC's

A pre-feasibility study has recently been completed by a joint UNCTAD/IMCO team funded by CDB. The mission found three common problems:

(i) A shortage of the technical skills needed to operate and repair new facilities efficiently, especially in relation to modern shipping technologies.

(ii) General limitations in the administrative structures that have been established, which needlessly restrict management's freedom of action and prejudice the efficient use and development of existing facilities.

(iii) A general lack of management skills, for instance, with respect to delegation of authority, staff development and labour relations.

These common problems have resulted in higher than necessary operating costs, including significant cargo losses through damage and theft. These costs are borne by consumers and producers and not directly by the port or the government. At times, such costs may even be so high as to nullify the benefits anticipated by changing from lighterage to alongside-quay operations.

There is a need for advice on technical and management aspects of port operations. There is also a longer term need for training whereby officials can acquire those skills which it has not been possible for them to assimilate through experience. Since the administrative structures are a direct government responsibility, the advice and training might be most usefully extended beyond port management to Boards of Directors and government officials.

While the number of experts required, time frame and total funds needed for the proposed project remain to be worked out, a draft project document has been produced. Preliminary estimates in this draft suggest that funding for the project will be approximately US$ 600 000.

Caribbean container distribution and loading centre port study

It was proposed to carry out a detailed analysis of existing and planned developments in container handling facilities and services. The European Economic Community indicated that it was prepared to consider funding for such an examination if CARICOM indicated that it was a priority item.

This matter was duly considered, but as there was no container development planned by CARICOM States at that time, CARICOM did not designate container handling as a priority area. It is interesting to point out that at the present time both Aruba and Curaçao (neither of them CARICOM members) have requested financing from the Netherlands to construct container handling facilities in the Netherlands Antilles.

Maritime training

Governments in the English-speaking Caribbean are concerned about the absence of facilities within the region for training seagoing personnel, particularly in subregional trade, and the CARICOM Secretariat has given the highest priority to the establishment of maritime training facilities.

Subsequently, under a bilateral agreement with Norway, Jamaica established a maritime training facility and would like to co-operate with other governments in the region to solve their maritime training needs.

IMCO preparatory assistance, financed by UNDP, is being provided in order to update information on maritime training needs and give technical advice on ways and means of meeting those needs under a regional approach.

/In particular,

In particular, the following data will be provided:

(1) Detailed cost (capital and recurrent) of establishing and maintaining a school for ratings and another for officers at potential locations.

(2) Estimates of the minimum and maximum number of students which would permit the staff and facilities of the two institutions to be efficiently utilized with cost estimates for each level of operations for each institution.

(3) Estimates of the total number of students to be sponsored by each participating member government for the next ten years and for the following five years.

(4) Syllabuses of courses to be undertaken at each institution, based on current international standards.

(5) Figures on the cost of training the same categories of seamen and officers outside the region.

The main outputs will consist of a realistic and integrated approach to maritime training which will be presented for approval to the next meeting of the CARICOM Standing Committee of Ministers of Transport, due to be held later in 1981. It is hoped that this re-examination might also provide an assessment of the number and types of vessels owned by Caribbean interests upon which Caribbean nationals might be employed; of the potential for growth of such a fleet; and the annual turnover of personnel on these vessels.

A seminar had been planned on Search and Rescue, but this was cancelled in 1978 due to insufficient response from CDCC member countries. A number of events have recently occurred, however, which have reinforced the need for such a seminar to determine a Caribbean position in this area:

(a) Two supertankers collided near Tobago, fortunately with little damage to the environment.

(b) The USCG informed the region that they could no longer be relied upon to respond to all requests for assistance in SAR.

(c) A number of countries are considering the formation of joint coastguard services.

As a result of the renewed interest in the subject, it is planned to conduct a seminar in Barbados in December 1981. Training for search and rescue personnel is also being arranged at the USCG Academy in New York State.

With respect to facilitation, UNCTAD/FALPRO has carried out a review of the problems in the CDCC area. Three missions have been undertaken to evaluate the commercial practices of different member States. The reports of the UNCTAD/FALPRO expert include an assessment of the current situation and remedial measures needed to correct the deficiencies which have been found to exist. On the basis of these missions, UNCTAD/FALPRO has prepared a specific document which, inter alia, outlines a subregional facilitation work programme.

Civil aviation

At the second session of the CDCC, held in the Dominican Republic, a joint ICAO/CDCC proposal for the study of air transport was approved (see E/CEPAL/CDCC/19/Add.1). The work undertaken involved the collection of basic data and the convening of two meetings of CDCC Experts in Civil Aviation to consider alternative strategies for the region. A number of recommendations were presented to the fourth session of the CDCC in Suriname and accepted (see Annex 1). To date three studies have been initiated concerning aviation problems under the auspices of the Caribbean Group and will be considered by the Ministers of Transport of the CDCC countries.

/Caribbean airport

Caribbean airport maintenance and operations study

The objective of the study was to determine what was needed in terms of improvement in maintenance and operations and equipment in order to bring 35 Caribbean airports up to the standards needed for safe and efficient handling of the current and expected traffic levels.

From a maintenance viewpoint, two aspects stand out clearly. First, airport pavements in nearly all cases need some attention. Inspections are not undertaken on a regular basis and consequently there is a steady deterioration. Second, buildings and facilities are not inspected regularly, with the result that buildings deteriorate, especially when they are occupied by personnel who are only assigned from other governmental units for airport duty. An evaluation of the funding required to correct this situation is presented in Annex 2.

Similarly, a serious situation has been identified concerning fire and rescue services. The fire and rescue services at Caribbean airports are generally below recognized safety standards. All appropriate national airport authorities appear to be aware of this problem. Some authorities have been continuously trying to take remedial action, but others are faced with severe financial restraints and cannot undertake needed work programmes. In nearly all cases fire and rescue equipment has been supplied by aid programmes.

The general situation can be summarized as follows:

(a) Lack of knowledge and understanding of firefighting and rescue requirements;
(b) Inadequate equipment;
(c) Almost total lack of spares and lack of stores;
(d) Inadequate maintenance of equipment;
(e) Inadequate emergency organization;
(f) Lack of training;
(g) Almost total lack of funding to maintain efficiency.

In view of the serious safety implications contained in this report, the CGCED, the donors and the individual countries concerned are giving urgent consideration to this situation. It is hoped that the Caribbean Group meeting in June 1981 will be in a position to indicate measures being taken.

LIAT fleet requirements and routing structure

EDF is funding a seven-month consultancy through CDB to define the aircraft replacement programme and service improvements that will permit the company to attain viability. The operating costs and revenue that would be produced with both existing and alternate route structures will be examined. This study is to be circulated by the CDB when finalized.

Establishment of a Caribbean air transport council

This proposal, originating from the Transport Review, has been considered by the CARICOM Standing Committee of Ministers of Transport although no decision was taken. It is also due to be considered as one of a number of alternatives by the meeting of CDCC Ministers of Transport.

Postal affairs

At the Belize Meeting a proposal was considered which called for the establishment of national and regional Post Office Users' Councils (see E/CEPAL/CDCC/37). It was agreed that national councils could be established where individual governments deemed them appropriate and once these were established there could be a co-ordinating regional council. Subsequently, member governments indicated that there was little requirement for this type of organization and no further action

/was taken.

was taken. However, member governments remained concerned about mail services. It was suggested that the establishment of a Restricted Postal Union could provide several advantages, including agreed preferential postage rates, co-ordinated training facilities, simplified accounting, and the abolition of surface mail. The Committee agreed that the Secretariat should explore with member governments the advantages of establishing a Restricted Postal Union, and asked the UPU to assist CDCC member countries in its establishment as required.

With the help of the UPU, the CEPAL/CDCC and CARICOM Secretariats have worked together and produced a draft convention and detailed regulations for the Caribbean Postal Union. Membership would include CARICOM States, CDCC States and non-independent territories, the latter being included to avoid potential difficulties with international mail service resulting from the anticipated action of UPU Congress in withdrawing UPU membership from non-independent States. Jamaica has offered to host the Caribbean Postal Union in the first instance, and it is hoped that it will be finally established during the latter half of 1981.

Recommended areas of action

As the development of appropriate transport systems is a prerequisite for economic development, and accepting that inefficiency in the transport sector, either from over-provision of infrastructure of sub-optimal use of equipment, is wasteful and harmful, it would appear that there are three main areas where action can be concentrated.

1. Facilitation

This is defined as the rationalization of trade procedures and the simplification and standardization of external trade documents through the establishment of standard international terminology and a uniform system of coding for the automatic processing and transmission of trade information in order to facilitate international trade and transport operations.

As the Caribbean countries have only just begun to formulate the bases for interfacing with the modern trade and transport infrastructure and related business practices developed in Europe over the space of many years, it would seem advisable that the successful European facilitation experience be given careful consideration. This matter is fully developed in the paper presented by UNCTAD/FALPRO.

It should be noted that studies in other areas have clearly shown that significant cost reductions in international trade can be achieved by the simplification of documentation.

2. Development of regional and national plans for transportation policy

Each country needs to develop its own national plan indicating the priority areas in transportation that will provide the optimum benefit for the national development strategy.

Where these individual plans overlap or impinge on a wider area, a regional plan of action needs to be developed.

For example, if one country decides as a matter of national policy to develop a national airline or shipping company which can offer to provide services to and from other countries in the region, then it would be economically wasteful for the other countries to similarly develop national airlines or shipping companies to perform the same function unless there is sufficient demand or the level of services offered is inadequate.

/There are

There are a number of areas where co-operation of this nature can be of benefit to the Caribbean region by improving service levels and reducing total transport costs.

3. International conventions

There are a number of international conventions designed to improve the operation of transport services. These need to be examined by individual governments and by the regional groupings of countries in order to ascertain the benefits to be derived by acceding to the established conventions.

There would appear to be the following groups of conventions:

(i) IMCO conventions for the operational aspects of the maritime sector;

(ii) UNCTAD conventions for the trade aspects of transportation and economic development: (a) liner code of conduct; (b) international multimodal transport;

(iii) Other conventions that have been developed in other areas that might provide benefit to the Caribbean such as TIR (1975).

Detailed evaluation of these conventions will be part of the deliberations over the course of the meeting.

/Annex 1

Annex 1

Recommendation 1

That the CDCC Ministers Responsible for Civil Aviation (hereinafter referred to as the Standing Committee) should meet on a regular basis to discuss matters of common interest in the field of civil aviation.

Recommendation 2

The Standing Committee should initiate a programme of work encompassing the following areas:

(a) Technical co-operation and manpower development;

(b) Regional service improvements and regulation;

(c) Policy co-ordination and promotion.

In more detail, these objectives could include the following:

(i) Improved standards of airline operation within the region and, concomitant with this, improved standards of safety.

(ii) The necessity of supporting the regional airlines so that they may achieve greater economy and overall stability in their operations and provide better air services within the region, with greater choice of schedules, higher frequency of service and adequate regularity and convenience for the public.

(iii) The need to extend civil aviation to a wider catchment area for overseas tourists with a greater overall rate of increase in tourism throughout the region, resulting, hopefully, in an increased market share for long-haul regional charters.

(iv) The impact of improved air services on a possible extension of the tourist season and a greater spread of tourism among member States.

(v) Improving standards of professionalism in all aspects of the air transport sector of the Caribbean and greater stability in employment.

(vi) Decreasing dependence on overseas expertise in civil aviation during the next decade.

(vii) A louder voice in the international aviation forum, with greater recognition world-wide of the special problems and needs of the Caribbean.

The Standing Committee should consider the establishment of the necessary machinery for carrying out the above duties, including possibly a permanent secretariat.

Recommendation 3

The Directors of Civil Aviation of the CDCC should meet on a regular basis to review and possibly resolve matters of common interest such as technical and operational problems.

Note: Secretariat service for the initial meetings of the Standing Committee and the Directors of Civil Aviation could be provided jointly by CDCC and ICAO.

/Recommendation 4

Recommendation 4

In order to improve the operation of regional air transport services, CDCC governments should:

(i) Seek to conclude air services agreements among themselves;

(ii) Consider entering into multilateral agreements for the operation of air services among the territories of CDCC member States.

Recommendation 5

Recognizing the need for the improvement of air freight services in the CDCC member States, CDCC governments should consider the liberalization of their regulations relating to non-scheduled operations with respect to air cargo.

Recommendation 6

Taking into consideration the need to facilitate the movement of aircraft, crew, passengers and cargo within the CDCC region, States should consider simplification and reduction of clearance documents; acceptance of the international E/D Card; improvement in terminal facilities; improvement of handling arrangements for in-transit passengers; standardization of regulations concerning agricultural products; and harmonization of security and facilitation programmes.

In order to achieve these facilitation improvements, member States should support fully their National Facilitation Committees and ensure that these meet at least twice a year.

Recommendation 7

CDCC Governments should encourage regionally-based airlines to explore methods of commercial and technical co-operation including matters such as pooling of traffic, joint use of computers, maintenance agreements and any other form of co-operation.

/Annex 2

Annex 2

Following a comprehensive review of the airports in the region, the recommendations have been categorized according to four degrees of priority:

(1) Essential for safe operation.
(2) Desirable for speedier and more efficient handling of aircraf.
(3) Desirable for speedier and more efficient processing of passengers.
(4) Considered necessary by airport authorities or users to accommodate known and planned short-term (5 years) future requirements: only to be considered after feasibility and cost benefit studies.

The total cost of these recommendations amounts to US$ 89.6 million, which comprises US$ 66.6 million for engineering, US$ 16.5 million for fire and rescue and US$ 6.5 million for navigation aids and communications.

In the first group, i.e., measures essential for safe operation and thus required to be made effective immediately, the total requirement is for US$ 40.5 million, comprising US$ 19.6 million for engineering, US$ 16.5 million for fire and rescue and US$ 4.4 million for navigation aids and communications.

Every airport visited needed expenditure in this category. The following table shows the thirteen airports needing the most attention:

		US$ Million
TIMEHRI	- Guyana	5 481
NORMAN MANLEY	- Jamaica	4 368
FRANÇOIS DUVALIER	- Haiti	2 272
ROCK SOUND	- Bahamas	2 252
DR. PLESMAN	- Curaçao	2 024
NASSAU	- Bahamas	1 926
SANGSTER	- Jamaica	1 962
BELIZE CITY	- Belize	1 858
GRANTLY ADAMS	- Barbados	1 679
OWEN ROBERTS	- Cayman	1 384
LAS AMERICAS	- Dominican Republic	1 322
SOUTH CAICOS	- Turks and Caicos	1 148
COOLIDGE	- Antigua	1 147