



FILE
Minister of Tourism Edmund Bartlett (left) makes the case for a revision of the Air Passenger Duty during a meeting of Caribbean tourism ministers and British Members of Parliament at the House of Commons, London, on November 11. Supporting the cause are secretary general of the Caribbean Tourism Association, Hugh Riley (centre), and St Lucia's minister for tourism and civil aviation, Allen Chastanet.

■ REGIONAL BUSINESS

Region disturbed by British government's position on Air Passenger Duty

THE BARBADOS-BASED Caribbean Tourism Organisation (CTO) Tuesday said it is "deeply disappointed and surprised" by the British government's decision to continue discriminating against the Caribbean as it relates to the controversial Air Passenger Duty (APD) system.

In a 26-page document published

Tuesday, London said that APD rates to Caribbean destinations will continue to be considerably higher than those to some competitor destinations.

The detailed tax tables published to coincide with the Chancellor's statement show that the tax on economy long-haul flights of more than 6,000 miles will rise from £85 (US\$132) to £92 (US\$143) per

person.

"Furthermore, the fact that premium economy passengers will continue to be charged the same APD as first class passengers is a blow for those customers wanting to upgrade," the CTO said in a statement, adding that "over a period of three years, the Caribbean and its community in the UK have consistently sought to

raise the issue of APD at all levels of the British government and with the UK parliament".

CTO Chairman Ricky Skerit said the British announcement on the APD "is a slap in the face for all Caribbean people".

"It dismisses all of the research and information CTO has provided to the British government over the past three years, and it contradicts the message sent by the UK Chancellor, George Osborne, MP, in March 2011, when he cited the discrepancy between the USA and Caribbean APD rates as one of the reasons for holding a consultation on reform of UK APD.

"The Caribbean is the most tourism-dependent region of the world and the British government's decision totally ignores the negative effect that APD is having on our economies and the Caribbean's business partners in the UK travel industry," said Skerit, who is also the minister of tourism in St Kitts and Nevis.

Last week, the Caribbean Hotel and Tourism Association (CHTA) also expressed its disappointment at the decision of the British government.

FALLING ARRIVALS

CHTA president Josef Forstmayr said data suggest that APD increases in the past two years have contributed significantly to falling arrivals from the UK, a prime source market for visitors for many Caribbean destinations.



FORSTMAYR

"Any failure by the British government to address the discriminatory nature of the banding system will be deeply concerning and will justify the strongest possible condemnation by Caribbean governments," Forstmayr said.

British media reports last Friday said that more than seven million people who have already booked flights departing after April 1, next year, will be hit retrospectively by the rise, with the hikes set to catch 74 million people in total over the year.

CTO said that while the Caribbean understands the challenge faced by the UK in respect of revenue raising, "the Caribbean does not believe that APD should be imposed at the expense of the Caribbean economy or its community in the UK".

CTO recalled that the Caribbean made a formal response to the APD consultation in June, making it clear "we require parity in banding with the US" and that "a move to a two-band system would address the Caribbean's requirement if this resulted in equal treatment of all long haul destinations".

The region said that no other option set out in the consultation addresses the concerns of the Caribbean.

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