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| Speaker: | The Honourable Kenneth Valley, Minister of Trade and Industry and Minister in the Ministry of Finance |
| Date: | July 25 th , 2002 |
| Subject: | Ceremony hosted by BWIA West Indies Airways Limited to mark its inaugural flight to the City of Manchester, United Kingdom at the BWIA VIP Lounge |

***"TRINIDAD AND TOBAGO:
BWIA'S CONTRIBUTION TO NATIONAL DEVELOPMENT"***

Mr. Chairman, Distinguished Ladies and Gentlemen,

It is indeed a pleasure to address you on the occasion of this official ceremony to mark the commencement of BWIA's scheduled air service to the City of Manchester in the United Kingdom. This venture in my view, holds much promise for developing linkages between the Caribbean region and Europe since Manchester has not only emerged as an excellent commercial and industrial base but also provides crucial air links to the hinterlands of Europe.

Manchester in the United Kingdom is new territory in the context of our tourism thrust, but it is old territory when viewed from the perspective of our history. Centuries ago Bristol and the Midlands were important locations as the British ventured out on their expeditions of conquest and economic exploitation of distant lands, including those of the Caribbean.

Today, the relationship is vastly different. BWIA, the flag carrier of Trinidad and Tobago is going in search of new markets, or rather developing a market for tourism and other services. The Government of Trinidad and Tobago welcomes this step.

I am aware that this new service represents a key component of BWIA's business planning framework which is geared not only to strengthen its financial capability but also to position the company strategically in the international aviation market which is consistent with the policy drive of the Government to development Trinidad and Tobago into a transportation hub - both air and sea.

It is in this light that I wish to place on record my Government's commendation to you and your Board for undertaking this new and important initiative.

Mr Chairman, I am sure that you are aware that this strategic undertaking by BWIA is crucial to the future of Trinidad and Tobago, in particular in the country's quest to take advantage of the opportunities posed by current globalization trends. But Mr. Chairman, there is a perception that small nation states like Trinidad and Tobago are unable to determine their own destinies in the face of what seems to be a relentless attempt at worldwide economic integration. You will no doubt appreciate that the response by Governments worldwide has varied from full enthusiasm to outright rejection of the concept of globalization, particularly in the areas of trade and financial liberalization.

However Mr. Chairman, as world circumstances have shown, the process of globalization is inevitable and irreversible. We have little choice about whether to follow this path since the expansion of trade, the diffusion of information and technology, the advances in communications and the developments in finance are making integration an unavoidable process.

In fact, as our economies have become increasingly integrated into one world economy, we have witnessed an increase in the free flow of ideas, people, goods, services and capital, and this as you know would lead, in the long run, to further integration of our economies and societies.

We have witnessed the benefits - rising prosperity, improved literacy, boosted incomes and improvements in the living standards in many parts of the world, particularly in those countries that have taken a pro-active role in participating in the process.

While developing countries such as Trinidad and Tobago may be too small to determine the rules of the game, we do have an obligation to our citizens to strategize to find a niche in the global environment that will allow us not only to survive but moreover to compete successfully.

Trinidad and Tobago has opted to create its own hinterlands to provide market space for our manufacturers and attractiveness as a location for inward investment. Overall, our basic objective is to establish Trinidad and Tobago as a major manufacturing platform, a transshipment hub and the business and financial centre of the region.

You would recall that it was under my watch that BWIA was freed of what had become the weight of public sector participation. Let me hasten to add, less my remarks be misconstrued, that there is a role for State participation in the provision of goods and services in the market place.

We here in Trinidad and Tobago have had a reasonable record in the promotion of state enterprises. However, as important as it is for the state to intervene, it is equally important for the state to recognize when its tutelage of corporations no longer adds value and to withdraw appropriately.

We have demonstrated through BWIA that we can do it when that time comes. BWIA has been able to survive in an era of increasingly hostile environment of mergers and mega-mergers in the airline business. Moreover, it has been able to deepen the process of regional co-operation by creating new relationships with LIAT.

Let me use this opportunity to congratulate BWIA and LIAT for at last realizing the strategic alliance, which was contemplated at the time of the privatisation of LIAT, some seven years ago.

That BWIA and the Government hold 30% of the equity of LIAT since that privatisation provided the base for a hub and spoke arrangement through the alliance. Conceptually, one envisaged that BWIA would concentrate on the long hauls – flights to extra Caribbean destinations, if you prefer, while LIAT would fly intra- Caribbean. It is my hope that this vision will now be realized through the strategic alliance.

Moreover, one yearns for the day when the Caribbean airlines, the Governments of the region and the Caribbean Hotel Industry will implement a joint strategy to exploit the markets of South America. BWIA alone cannot and should not be expected to finance the cost of developing these new markets. The gains will accrue to all the parties, but there are costs and risks in the early years which must be shared.

Wisdom suggests that all those involved in the Caribbean sector should use the fallout of September 11 as the impetus for a South American tourism initiative. The fact that winter is on the other side of the calendar makes such an initiative all the more feasible.

In this connection, BWIA must be congratulated for its recent thrust into Suriname and its plans for the Dominican Republic and Costa Rica. Clearly, BWIA recognises that its viability depends on strengthening itself in its home base – the Caribbean – and helping the economies of this region to develop their own modes of access to major source markets for the vital tourism sector. However, these initiatives require the active support of the Governments in the region and the tourism sector. I repeat, BWIA cannot do it alone.

While a substantial part of BWIA's clientele will remain visiting friends and relatives, its growth prospects depend on its ability to fill more of its seats with business and holiday travelers from such markets as is now contemplated from Manchester and the Midlands of the United Kingdom.

It is a bold move and it is our fervent hope that just as is happening with the major airlines, you will measure up to the responsibility to extend into the area of market development. The airlines of today are deep into the other areas of the travel business – tour operations, charters etc. As old as BWIA is, you are still a new kid on the block where this kind of business is concerned.

As the Minister responsible for Industry, I cannot but be concerned about the development and survival of a Trinidad and Tobago company in this challenging environment.

You are updating your equipment and modernizing your operations at the same time as you fashion new collaborative measures on both sides of the Atlantic and in the Caribbean itself, with Governments, hoteliers and other airlines.

Spreading your wings is one part of the effort, but make sure that this is supported with considerable market intelligence on the ground in your new markets.

Your growth since the Government of Trinidad and Tobago gave you the room to fly, demonstrates that you are well versed in strategizing in a very competitive environment. We have every confidence in your ability to succeed against all the odds.

Let me extend the congratulations of the Government and people of Trinidad and Tobago to you and wish you every success in the development of this new route. We are very proud of you. Keep flying high,.... and full.

I thank you.