

The Virgin Islands Consortium

Closure Of Liat Is 'Imminent,' Its Chairman Says

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The closure of Liat, an airline synonymous with the Caribbean but whose operations has long needed major reforms, is imminent, said Dr. Ralph Gonsalves over the weekend, current prime minister of St. Vincent and the Grenadines and chairman of the Liat.

The closure of Liat would be a major loss for Virgin Islanders with roots in the Eastern Caribbean, many of whom depend on the airline, which has weekly flights between Antigua and St. Thomas, for travel.

Mr. Gonsalves's gloomy prediction came after at least half of the Caribbean islands with ownership stake in the carrier were mum on their decision, or unwilling to assist in

providing the \$5.4 million that the airline needed by March 15 to stay afloat, a deadline long past. Liat is majority owned by four Caribbean governments, with Barbados being the largest shareholder with 49.5 percent, followed by Antigua and Barbuda with 13 percent, St. Vincent and the Grenadines with 12 percent, and Dominica with less than 10 percent.

The countries have been asked to contribute not necessarily based on their stake in the struggling carrier, but rather the frequency of Liat's flights to their destination. Barbados, for example, is being asked to contribute \$1.6 million, as it has 116 weekly Liat departures from its airport, while Antigua, with 69 departures, is being asked to commit \$960,310. St. Vincent and the Grenadines, with 52 weekly departures, has been asked to contribute \$723,711, while Grenada has been asked to commit \$487,133. Grenada has 35 weekly Liat departures.

Dominica, the country with the smallest stake and least flights -- 25 weekly departures-- has been asked to contribute \$347,9238 to save the airline.

But Mr. Gonsalves said only his country had adhered to Liat's desperate call for financial help, setting aside \$1 million to help the carrier. Without funding from the other stakeholders, the airline will collapse, he predicted. (On Tuesday, Antigua said it had met its \$1 million obligation to the airline.)

Barbados Minister of Tourism Kerrie Symmonds bluntly stated in March that Barbados, the majority shareholder in Liat, was not Liat's ATM machine. He said this while at the same time expressing interest in keeping the airline alive.

"The governments have not been responding so the shareholders are reaching a critical point now and if you ask me, what is likely to happen ... there will be a transitional restructuring leading to a closure of LIAT," Mr. Gonsalves said.

According to news reports from around the Caribbean, Liat stakeholders will meet in Barbados at the end of April to address the worsening crisis.

"We can only pray that Ralph Gonsalves's prediction does not come true and that Liat will be saved," said Lionel Hurst, chief of staff of the Antigua and Barbuda government, on Tuesday. "Now on the 30th of this month the directors will first gather in the morning and the shareholders will gather in the afternoon in Barbados, and it is our hope that we can come away on the 30th with Liat still being a carrier of the region."

While the Government of the Virgin Islands is not a shareholder of Liat, the airline serves as a crucial link between the territory and the Caribbean islands. During a press conference on July 3, 2018, where the airline announced its return to the USVI, then-Dept. of Tourism Assistant Commissioner, Joyce Dore-Griffin, said D.O.T. would assist the airline in making its return to the territory successful by including LIAT in D.O.T.'s marketing plan. The strategy entailed posting information about Liat on D.O.T.'s various social media platforms; news releases, feature stories, banner advertising, deals, press luncheons and local media events. The plan also included travel industry reception for local travel agents, the development and promotion of vacation packages, the offering of sponsorship opportunities for local events and festivals, regional media familiarization visits, reverse travel familiarization, and USVI features in in-flight magazines, Mrs. Dore-

Griffin said. Campaigns to help bridge the gap between the U.S. Virgin Islands and the wider Caribbean, along with destination tourism, meetings and conventions, business travel and association media, were also planned, according to Mrs. Dore-Griffin.

Liat travels three times weekly to the territory's capital from Antigua: On Mondays, Wednesday and Fridays, leaving the V.C. Bird International Airport in Antigua at 11:20 a.m. and arriving at the Cyril E. King International Airport at 12:20 p.m. The same flight leaves CEKA at 1:20 p.m., and arrives in Antigua at 2:20 p.m. The aircraft being used for the Antigua/St. Thomas route seats 48 passengers, and is said to be one of Liat's newer planes offering a high level of comfort.

The airline reaffirmed that it would not be continuing flights to St. Croix, but did not rule out the possibility of resuming flights to the island in the future. LIAT further explained that it had canceled flights to the territory originally to focus on profitable routes and to fine-tune its connections between islands. The airline didn't fully detail why it found St. Croix to be particularly unprofitable, however.