

Air freight services between Canada and the Caribbean are of a high quality. The presence of wide body capacity on most routes allows aircraft to carry large containerized shipments, and provides airlines with considerable scope for incentive rates to high volume accounts. Jamaica, Trinidad, the Leeward and Windward Islands and Barbados are particularly well served by frequent, year-round wide body flights offering containerized capacity. Airborne trade with Cuba and the Bahamas is presently constrained by the lack of widebody services. The Dominican Republic receives widebody capacity throughout the year, but total uplift is relatively low. As a result of these factors, routes to Canada from these nations have less scope to support airborne trade than those to the United States and Western Europe. Cargo charters see limited use in the Caribbean because of poor backhaul prospects, the abundance of wide body aircraft on many routes, rate pressures, and Canadian regulations barring split charters for dry goods and charter of aircraft by forwarders.

Despite Canada's proximity to Caribbean markets, and her high penetration in the Region, she has been increasingly challenged by exports from Japan and Western Europe. For example, although trading with Cuba is significant, this large market may offer long term growth opportunities. Major items exported from Canada by air include commercial telecommunications equipment, machinery, personal effects and medical equipment. Foodstuffs and textiles move in large quantities northbound. The best opportunities for additional airborne exports to the Caribbean are Jamaica, Trinidad and the Leeward - Windward Islands. The Bahamas and Cuba are particularly well positioned to boost their air freight exports to Canada.

Air cargo tariffs between Canada and the Caribbean are higher than those which involve the United States. The additional distances do not explain the discrepancy. Despite this, many rates between Canada and specific points in the Caribbean are less than those applying to the New York gateway. Cargo charters provide potential shippers with considerable cost savings, but only for very large volumes of traffic moving at discreet intervals. The cost savings resulting from charters are heavily dependent on backhaul opportunities.

Although air freight facilities at most Caribbean airports are not fully adequate, they are not a factor in limiting air cargo throughput. There is a serious need for better refrigeration facilities in the Caribbean, so that perishables such as fruit, cut flowers and seafood can be shipped more efficiently. Only Santo Domingo was found to have serious and potentially traffic-limiting constraints resulting from an inadequate infrastructure.

Although Caribbean airports are seeing increasing use as staging points for illegal drug shipments, this will not prevent legitimate cargo from attaining its full potential. Airlines are anxious for additional traffic and are already exposed to risk whether or not cargo volumes increase sharply. Illegal drugs in air freight shipments are not now an overriding concern on Caribbean-Canada flights. There is, however, a distinct possibility that the problem will worsen substantially, particularly if US Customs is able to curtail the importation of illegal substances through the Miami airport. US pressure for a tougher Canadian stance on drug traffic is likely if Canadian cities emerge as important gateways to the American streets. Although costs for air freight will increase, and service levels may decrease, all nations will be affected and persons involved in Canada-Caribbean trade will not necessarily be placed at a competitive disadvantage.