

# PM gives CAL management 2 years to ‘sort out mess’



File: Passengers wait in line at the Caribbean Airlines domestic terminal at the ANR Robinson International Airport in Crown Point, Tobago.

BRENT PINHEIRO REPORTER BRENT.PINHEIRO@GUARDIAN.CO.TT

Prime Minister Kamla Persad-Bissessar has given the management of Caribbean Airlines (CAL) two years to “sort out the mess” or find themselves new jobs.

Speaking at the UNC’s Monday Night Report in Couva, Persad-Bissessar accused the airline’s management of failing in its job. She said CAL had paid \$60 million to EY and Price water house Coopers (PwC) for audits despite having a large internal financial team, failed to submit audited financial statements and operated unprofitable routes.

Since 2023, CAL has added several new destinations, including Puerto Rico, Martinique, Guadeloupe and Tortola, as part of its 2023–2027 strategic plan approved by the then-People’s National Movement government. The airline transported more than two million passengers in 2023 and 2024, but Persad-Bissessar said none of the routes made money.

Addressing this, Persad-Bissessar said, "To date, Caribbean Airlines has not submitted an audited financial statement for the last nine years. Do you know not one single Caribbean Airlines route is profitable? Not one route is profitable. Yet, plane filling up every day, going and coming," Persad-Bissessar said.

"Not one single route of Caribbean Airlines is bringing a profit. But we are spending millions of dollars there. I am giving the management of Caribbean Airlines two years max. They have to sort out the mess.

"Otherwise, everyone there will have to look for a new job. Everyone will have to look for a new job. Your future is in your hands."

While some routes have maintained high passenger loads, others have struggled. A Jamaica service between Kingston/Montego Bay and Fort Lauderdale has routinely seen poor load factors. Data from the US Department of Transportation's Bureau of Transportation Statistics showed that in some months, CAL carried only 160 passengers one way despite offering 1,600 seats on a Boeing 737-800. Contacted for comment yesterday, CAL chairman Reyna Kowlessar said, "I am unable to comment at this time."

CAL's finances have been unclear for several years. In 2021, the airline released unaudited results showing an operating loss of US\$48 million for the first half of the year, consistent with the same period in 2020. At the time, it blamed a 44.8 per cent drop in passenger numbers on the COVID-19 pandemic.

In 2024, then-finance minister and CAL line minister Colm Imbert said the airline moved from an operating loss of US\$36 million, excluding debt service, in 2022, to an operating profit of US\$24 million in 2023.

In 2024, he reported an operating profit of US\$12.1 million, a 51 per cent drop, which he attributed to increased maintenance, handling and security operations costs.

Imbert said his 2023 figures came from CAL and not his ministry, as the airline had not submitted audited financial reports for nine years.

CAL confirmed this in response to a Freedom of Information request from UNC activist Ravi Balgobin.

Imbert said his Investments Division had written to CAL for years.

"They had some issues with the auditors, apparently, so they get letters frequently, and they have promised to do better and to bring the financials up to date," he said then.

Pressed on who was responsible, Imbert said he wrote to then CAL chairman Ronnie Mohammed but ultimately held CEO Garvin Medera accountable.

At a post-Cabinet news conference in May, Persad-Bissessar had said, "They were in a lot of problems.

Caribbean Airlines took a loan for \$260 million, a loan that has been rolled over year after year after year.

Today, we had to agree to roll over this loan. Not a cent has been paid on this loan.

"Caribbean Airlines is in the red but every time they speak, they're talking about the great gains they're making, the profit they're making; none of that is true. These boards have to go."

Imbert responded, “When the UNC is in power, the media publishes any unsubstantiated nonsense they say. Case in point is Kamla’s false allegation that CAL ‘lied’ about its profitability under PNM.”