



PRESS STATEMENT

20 June 2019

IATA WELCOMES BRAZIL'S GOVERNMENT DECISIONS IN FURTHER ALIGNING WITH INTERNATIONAL AVIATION STANDARDS

Foreign Ownership Approval improves market attractiveness

The International Air Transport Association (IATA) welcomes the recent developments in Brazil by which the government is seeking to closer align the country with international aviation standards.

The government this week took the decision to allow 100% foreign ownership of airlines in the country, including the provision of chargeable ancillary services. The National Congress had originally approved Provisional Decree 863/18 on 22 May this year, but with the caveat that airlines needed to include a free checked-baggage allowance in their fares.

President Bolsonaro passed the provisional decree into law (No. 13,842) on 17 June, however removing the free checked-baggage allowance by means of a line-item veto. Hence, airlines in Brazil can continue to offer a wider choice to passengers, as these can individually decide which additional services they would like to pay for or not.

This decision increases the attractiveness of the Brazilian market, closer aligning the country with global best practices.

"The positive decisions on foreign ownership and ancillary services taken by the Brazilian government support the continued development of the country's airline industry and further align it with international standards. Continuing along these lines is essential for the sector to reach its full potential and contribute to the economic development of the country. Operating costs, fuel pricing formulas, capacity management and the regulatory framework for passenger rights are all examples of areas which must be brought in line with international standards. This will create the right environment for aviation to contribute more than the current US\$ 18.8 billion to Brazil's annual GDP, while at the same time forging a market where passengers will benefit from more choice, a better experience at a competitive pricing level", said Peter Cerdá, IATA's Regional Vice President, The Americas.

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Notes for Editors:

- IATA (International Air Transport Association) represents some 290 airlines comprising 82% of global air traffic.
- You can follow us at <http://twitter.com/iata> for announcements, policy positions, and other useful industry information.