



ALTA and IATA Underscore Importance of Preserving Consumer Choice and Competitiveness of Airline Industry in Dialogue with Brazil's Congress

24 October 2025 (São Paulo, Brazil) – The Latin American and Caribbean Air Transport Association (ALTA) and the International Air Transport Association (IATA) are highlighting the negative implications of Bill 5041/2025, which mandates the inclusion of free carry-on baggage on domestic and international flights, and is currently being fast-tracked through Brazil's Chamber of Deputies.

The associations warn that the proposed measure will reduce consumer choice, impact various business models—including those of low-cost airlines—and does not fully consider the adverse economic, operational, and social effects. The fare segmentation model, widely practiced in the United States, Europe, and Latin America, allows consumers to choose the services they want to pay for when traveling, promoting pricing freedom, alignment with international standards, and more affordable airfares.

Pricing freedom benefits passengers and the industry

“The mandatory inclusion of services that passengers must pay for, even if they do not make use of them, limits flexibility and increases costs. The airline industry remains committed to protecting passenger rights and choice with transparency and respect for regulations, but policies must also ensure the economic sustainability of airlines, already operating in a high-cost environment, especially related to fuel, infrastructure, and tax”, said Peter Cerdá, IATA Regional Vice President for the Americas and CEO and Executive Director of ALTA.

Pricing freedom, a globally accepted practice, allows passengers to choose to pay only for the services they will utilize, thereby widening access to air travel. By limiting this flexibility, Bill 5041/2025 could, paradoxically, increase average ticket prices and negatively affect the most price-sensitive consumers.

The airline industry emphasizes that commercial freedom is essential for innovation and for offering more affordable fares, aligning Brazil with the best global aviation practices. In addition, managing the limited cabin space is crucial for flight punctuality. “Charging for larger carry-on baggage is also an efficiency measure. When the volume of hand luggage exceeds cabin capacity, boarding delays occur, crew stress increases, and items sometimes need to be checked at the gate, impacting the experience of all passengers”, Cerdá added.

Economic and regulatory impacts

The airline associations warn that introducing these obligations without clear operational guidelines could increase regulatory uncertainty, a long-standing challenge for Brazilian aviation. Frequent and costly changes discourage investments and international operators, while neighboring countries with more predictable rules attract low-cost carriers, expanding connectivity, competition, and options for consumers.

[Air transport plays a key role in Brazil's economic development](#) and growth. In 2023, the industry supported 1,9 million jobs in the country and generated USD 46.4 billion of economic contribution, equivalent to around 2.1% of the country's total Gross Domestic Product (GDP).¹

Following a challenging 2024, marked by severe flooding in southern Brazil, the country's air transport industry has shown notable resilience and is now on a path to recovery. Between January and September 2025, domestic passenger traffic rose by 9.2% compared to the same period in 2024, while international traffic in the mentioned period surged by 17.7%.

Despite the market's good performance, analyses conducted in other countries, suggest that measures, such as Bill 5041/2025, may lead to increases in base fares, which could jeopardize future market growth, and constrain the sector's potential contribution to Brazil's economy.

The industry argues that the legislative debate should be inclusive and data-driven, taking into account all economic and social impacts. "Ensuring a balance between consumer protection and the sector's sustainability is essential to maintain air travel that is accessible, efficient, and competitive, supporting Brazil's economic development," concludes Cerdá.

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¹ Taken from IATA's Value of Air Transport to Brazil published in December 2024, available in the following link <https://www.iata.org/en/iata-repository/publications/economic-reports/the-value-of-air-transport-to-brazil/>

Notes for Editors:

- IATA (International Air Transport Association) represents some 350 airlines comprising over 80% of global air traffic.
- You can [follow us on X](#) for announcements, policy positions, and other useful industry information.
- [Fly Net Zero](#).