



IATA and ALTA classify bill as a historic setback that threatens air connectivity and increases ticket prices

October 29, 2025 (São Paulo, Brazil) – The International Air Transport Association (IATA) and the Latin American and Caribbean Air Transport Association (ALTA) consider the approval of Bill No. 5.041/2025 by Brazil's Chamber of Deputies to be a real step backward. According to the associations, the proposed measure, which mandates free checked and carry-on baggage and restricts other standard commercial practices, represents a serious threat to Brazil's air transport connectivity, competitiveness, and affordability.

If enacted, the law would impose rigid pricing and operational restrictions on both domestic and international flights with Brazil as the origin and destination, thereby undermining the efficiency and flexibility essential for a sustainable air transport system. The approved text may also violate the freedom of pricing provisions in bilateral air service agreements, thereby putting Brazil out of compliance with its international commitments.

"This bill moves Brazil backward at a time when aviation should be helping drive the country's economic growth and regional integration. By reintroducing outdated, one-size-fits-all rules on baggage and seating, the proposal risks reducing competition, limiting access to affordable fares, and ultimately harming the very consumers it seeks to protect. The Bill's proposals are like going to the cinema and being forced to pay for popcorn as part of your ticket", said Peter Cerdá, IATA's Regional Vice President for the Americas and ALTA's Executive Director and CEO.

A Step Backward for Passengers and the Economy

Over the past decade, deregulation and competitive pricing models have allowed Brazil's aviation sector to expand access to air travel, connecting more communities and supporting tourism, trade, and job creation. The new bill, however, reinstates restrictions that have been globally proven to reduce affordability and limit consumer choice.

Under the approved text, airlines would be required to:

- Provide one free checked bag of up to 23 kg on both domestic and international flights;
- Offer free carry-on baggage on domestic flights of up to 12 kg, regardless of aircraft type or route;
- Prohibit charges for standard seat selection;
- Prohibit the automatic cancellation of return flights if the passenger misses the outbound flight, unless expressly authorized;
- Provide up to two additional seats at no cost for passengers requiring special assistance.

These conditions lead to regulatory uncertainty and significant operational costs. In an industry with already narrow margins, such mandatory costs will inevitably translate into higher fares, reduced frequencies, and fewer routes, particularly impacting regional and low-cost operations that have democratized air travel in Brazil.

"The measure compromises the viability of many routes and airlines, especially those serving smaller cities and regional destinations. Instead of promoting consumer welfare, there is a risk of isolating communities and reducing the connectivity that is essential for Brazil's development," affirms Cerdá.

Given that Brazil is the largest aviation market in Latin America, the ripple effects of this legislation would extend beyond its borders. The associations point out that the restrictions on international operations introduce additional complexity for carriers flying to and from Brazil, weakening the country's attractiveness as a regional hub.

"This bill sends the wrong message to investors and international partners. Latin America needs regulatory stability and competitiveness to grow, and measures like this only add cost, reduce efficiency, and discourage new connectivity in a context where we should be expanding it," Cerdá points out.

Call for Reconsideration

IATA and ALTA emphasize the need for the Federal Senate to reconsider the bill, in addition to establishing an open dialogue with the aviation industry to ensure that consumer protection is balanced with economic sustainability and operational feasibility.

"We call on lawmakers to prioritize what truly benefits passengers—affordable, safe, and sustainable air connectivity. Restrictive legislation that raises costs will hurt everyone: passengers, communities, and the broader economy," the associations jointly declared.

Air transport is a pillar of Brazil's economy: in 2023, it generated more than 1.9 million jobs and contributed US\$46.4 billion to the GDP, equivalent to 2.1% of the national total. In 2025, air traffic has grown strongly—9.2% on domestic routes and 17.7% on international routes—but measures like this could reverse that trend, increasing fares and discouraging investment in a country that already faces high levels of litigation in the sector.

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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](#)