



WOCA 2026 – Opening Speech

Peter Cerdá, IATA Regional Vice President for the Americas

- Good morning. It is a pleasure to be back in Santiago, the birthplace of this conference.
- I would like to thank LATAM for hosting us, and extend my appreciation to the authorities present, our industry partners, and all attendees joining us today.
- I would also like to congratulate the newly appointed authorities of the Government of Chile.
- Your presence today is essential, at a time when Chilean aviation is facing significant challenges.
- In 2025, traffic grew by just **0.8%**, and the domestic market recorded its **first decline since the pandemic**.
- We look forward to working closely with you to help the industry regain momentum and unlock its full potential.
- Through collaboration, Chile can once again consolidate its position as a regional benchmark for connectivity and economic dynamism.
- Let me start with the issue that is top of mind for airlines.
- That's fuel—its the substantial rise in price of jet fuel and the risk of its scarcity as a result of the war in the Middle East.
- Prior to the war's outbreak crude was trading at around \$70 a barrel . Now it is over \$110.
- For jet fuel, the rise was steeper, from around \$90/barrel pre-crisis we are now seeing prices in the \$180-\$220 range.
- Fuel normally accounts for about a third of an airline's operating costs.

- With expected net profit margins of less than 4% for 2025, it is simply not possible for airlines to absorb such increases. We are already seeing fares increase.
- A rise in the cost of connectivity has potential implications beyond the profitability of the airline industry.
- As we all watch developments in the Middle East it is important that governments fully understand the implications of the current fuel situation for airlines—and also have clear contingency plans for its broader economic implications should it deteriorate further in terms of supply and price.
- We are not asking for any “special favors” but it is imperative that aviation be given as much consideration by governments as other modes of traffic reflecting that aviation has such a critical role in linking the people and economies of this vast continent.
- A role for which alternatives do not exist outside of some rare exceptions.
- The dislocations in energy markets has been described by the International Energy Agency (IEA) as unprecedented.
- So as we all work to deal with the gravity of the situation, our history as an industry does offer some much-needed hope.
- Aviation is resilient. We have proven that through many challenges in the past. Airline CEOs will be looking at every lever that they can adjust to help their businesses adapt.
- Governments should be doing the same to support their people and economies through these challenging times. And we all hope for a resolution to the war and a durable peace.
- But as we face this crisis, we must not lose sight of the bigger picture.
- In Latin America and the Caribbean, aviation is **far more than an industry**.
- A region defined by long distances and complex geography, air transport connects people, drives trade, and creates opportunities.

- That is the positive force we are committed to protecting.
- This is especially evident in **Brazil**.
- A country of continental dimensions, larger than Europe, where aviation is the link that holds the nation together.
- It connects people, boosts tourism, supports strategic industries, and keeps the logistics network operating.
- And the momentum is real.
- In 2025, Brazil surpassed **100 million domestic passengers** and welcomed **9.3 million international visitors**, a record figure that reflects the country's enormous potential and the central role of aviation in making it possible.
- That same year, **Mexico received 45 million tourists**.
- This comparison is not meant to discourage us, but to highlight the vast untapped potential that still exists in our region.
- It shows how much more we can achieve by strengthening connectivity and improving tourism competitiveness.
- We are already seeing progress in countries such as **Argentina, Colombia, Costa Rica, and Panama**.
- But with an average of just **0.6 trips per capita** in the region, it is clear how much room remains for growth.
- Looking ahead, global change and uncertainty can also create opportunities.
- Airlines from **Canada, China, and Europe** are already reallocating capacity to Latin America, accelerating their growth plans and strengthening international connectivity across the region.
- We are also seeing encouraging signs in **Venezuela**, with the gradual return of international services.

- Still, opportunity alone will not resolve our structural challenges.
- An excessive tax burden that increases the cost of operating in the region, combined with regulatory complexity, continues to constrain growth in Latin America and the Caribbean.
- Legislative initiatives on ticket overbooking and fare caps in **Colombia**, changes to fuel policy in **Mexico**, and the debate on tax reform in **Brazil**, all point to the same issue:
- We need better coordination and more predictable regulatory frameworks.
- The transfer fee at **Jorge Chávez Airport** represents another setback, weakening its competitiveness and diverting connecting passengers to other hubs.
- The impact is real: the **TUUA** has already contributed to the cancellation of **eight international routes**, and if it is not modified, traffic will simply shift to other connecting hubs.
- Speaking of airports, today **54% of flights in Latin America and the Caribbean operate from or arrive at congested or severely congested airports**.
- To remain competitive, airlines, airports, and authorities must work together in a coordinated manner, addressing congestion structurally and committing to long-term investments that ensure capacity, efficiency, and future growth.
- Despite these pressures, **air cargo continues to represent a major opportunity**.
- Driven by exports and e-commerce, it is becoming one of our strongest growth engines.
- Just consider that a large share of the world's roses comes from **Colombia and Ecuador**; **Chile** ships cherries and salmon worldwide; and that **Mexican avocados and Peruvian blueberries** reach millions of consumers thanks to aviation.

- This momentum is reflected in the sustained growth of air cargo in the region over the past three years.
- And the outlook for the sector is very positive, with **annual growth of 3.7% expected over the next 14 years.**
- To achieve this, we must strengthen cooperation between governments and industry, align regulations with global standards, reduce unnecessary costs, invest in infrastructure, and support sustainability.
- **Aviation is not a luxury: it is a strategic engine of development and integration.**
- Every flight in the Americas carries the ambition of a region determined to go further.
- And over the next two days, our discussions will help turn that ambition into concrete action.
- I now invite you to watch a short video that reflects the extraordinary energy of our region and the impact of aviation.
- **[VIDEO PLAYS]**
- Thank you very much, and I wish you an excellent conference.