

## IATA expresses industry concerns on proposed free baggage allowance in Brazil

April 28, 2022 (São Paulo).- The International Air Transport Association (IATA) wishes to raise its concerns regarding the decision of the House of Representatives to approve an amendment to MP 1089/2021, which will force airlines to include a checked-baggage allowance in all airfares sold in Brazil (domestic and international travel).

This decision is a setback in the regulatory evolution of the sector in the country and will directly impact the customer, as airlines will be prevented from offering differentiated products to passengers who will lose the possibility of only paying for services they require. Currently, passengers who opt to check their bags can do so for a fee, while others who do not need to make use of this service are exempted from the fee.

It also lowers the attractiveness of the Brazilian market, especially at a time when the industry is just recovering from the COVID-19 crisis and the country is trying to attract foreign investment in the aviation sector.

Another very important aspect is that this decision violates international agreements that guarantee the status of commercial freedom to foreign companies, such as the open skies treaties, which contain specific clauses protecting against this type of interference. The legal insecurity that this measure causes may represent one more reason to discourage airlines from investing more in the country.

One of the great challenges in Brazil is to ensure that all airlines have a regulatory environment aligned with global best practices, thus avoiding deficiencies in the sector. Countries that have promoted aviation by modernizing the regulatory and legal framework, avoiding overregulation and protectionism, have created ideal conditions for the growth of the industry, benefiting everyone, both socially and economically. Everybody wins: the consumer, the airline, competitiveness, and the country.

IATA works together with the entire industry, companies, associations, and other stakeholders in the sector to act in order to prevent such a setback and damage to aviation and its passengers from happening.

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## Notes for editors:

IATA (International Air Transport Association) represents about 290 airlines comprising 83% of global air traffic.

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