Dear Industry Colleagues,

Last week we held the 10th edition of our Wings of Change Conference in Santiago, Chile under the theme of "celebrating the magic of aviation". I am pleased to share that the event was a big success with over 385 attendees, 35 media outlets and the active participation of our regional airline CEOs, the Ministers of Transport of Chile (Gloria Hutt) and Argentina (Guillermo Dietrich) and ACI-LACs and ACI-World's leadership team. Thank you to each of you for your participation and support. The feedback we received so far was very positive and Alexandre's keynote speech and availability to meet with many of our stakeholders one-on-one was very appreciated. You can access Alexandre's speech here and videos of each session will shortly be available via our regional event site.

Besides the actual conference, we were also able to meet with Chile's newly elected President Sebastian Piñera who committed to have his team look into the concession contract at Santiago International Airport to ensure it follows global best practices. In further positive news for our industry, the Argentine Minister of Transport Dietrich announced that the Intercargo fees will be reduced by 3% and EANA (ATC Provider) by 2%, which has been a long-standing request from all of our members servicing Argentina. In addition, he confirmed that IOSA will be mandatory for any international carrier wishing to operate to Argentina, which is a great development to further improve safety across Latin America, especially in light of Argentina's recent market opening.

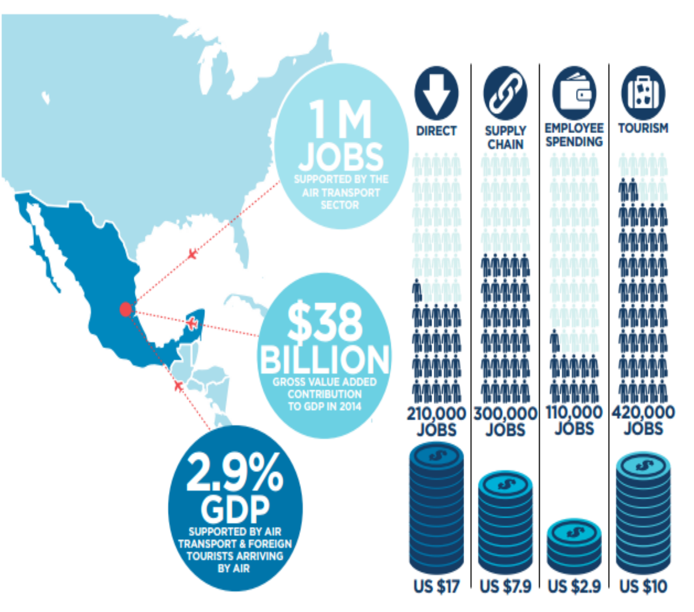
In other regional news, the construction of the new international airport in Mexico City has become a topic of discussion in the Mexican presidential election. IATA therefore issued a press release, emphasizing the need and our strong support for the construction of the new airport as the current Benito Juárez International Airport is bursting at the seams. It serves 47 million passengers, almost 50% over its design capacity of 32 million. Below are some key highlights on how the infrastructure investment in the new airport will enable Mexico to fully benefit from its ideal geographic position linking North America and Latin America. You can view the entire report in Spanish here.

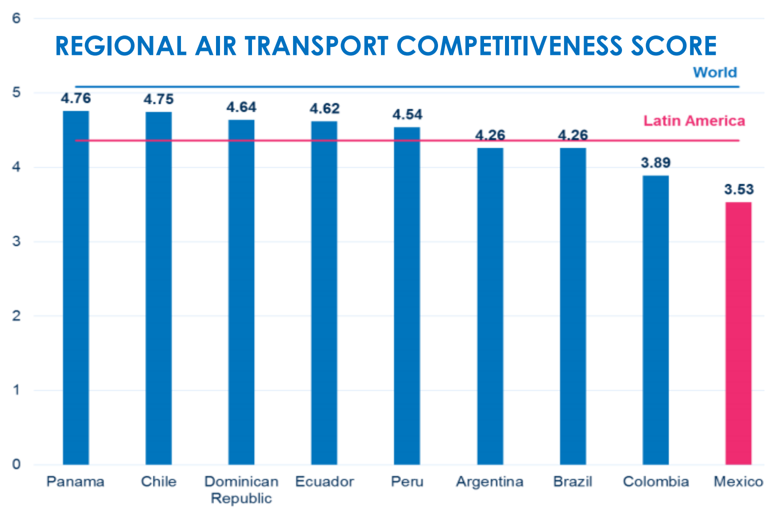
As usual, please find our key activities of March below and please let me know if you have any questions or require further information.

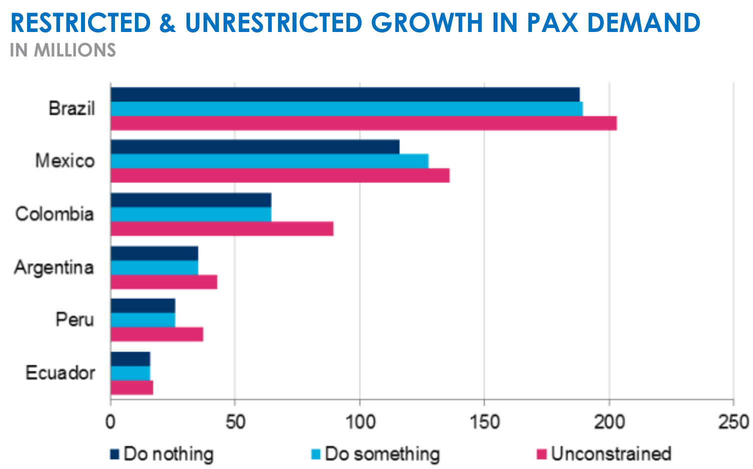
With kind regards,

Peter Cerdá, IATA's Regional Vice President, The Americas

AIR TRANSPORT CONTRIBUTION IN MEXICO







ARGENTINA: SUMMARY OF EZE AIRPORT CONSULTATIVE COMMITTEE WORKSHOP

The 3rd EZE Airport Consultative Committee workshop was held in Buenos Aires in March, attended by EZE concessionaire AA2000 and representatives of IATA's member airlines, with a special focus on reviewing the departures lounge and facilities as well as the transfer and arrivals processes, including commercial areas, boarding gates, bridges and related services, arrivals processes and facilities, and transfers flows. Observations presented by airline reps mainly focused on the best allocation of services and space in order to provide a better passenger experience. Airlines' comments were well received by the regulator and expected to be considered in the new version of the terminal drawings. The next meeting to review airside processes will be in June. For more information, please contact IATA's Assistant Director for Airport Development for the Americas, Mark Rodrigues.

BRAZIL: ADVOCACY FOR FREE BAGGAGE ALLOWANCE CONTINUES

The Brazilian Senate held a public hearing to review proposals submitted by consumer groups requesting the suspension of Article 13 (Free Baggage Allowance) of ANAC Resolution 400. The Senate agreed to evaluate three options: 1) The President of the Lower Chamber to call a vote to suspend Article 13; 2) Establish a Senate Sub-Committee to monitor the current situation; and 3) Schedule additional public hearings to gain further opinions from interested stakeholders. It was agreed to schedule additional hearings before further action takes place. To continue our advocacy efforts, IATA submitted a letter to Senate Members of key committees with arguments in favor of Article 13 and additional media efforts are also underway. For more information, please contact IATA's Country Manager for Brazil, Danny Oliveira.

COLOMBIA: CONCERNS OVER PROPOSED INCREASE IN PASSENGER TICKET TAXES

IATA & ALTA have expressed concerns to the Colombian Government on the initiative by Municipalities to increase the passenger ticket tax to an equivalent of COP 8,000 for domestic tickets and USD 5 for International tickets. The new revenue would be designated to road construction, violating international principles signed by Colombia. IATA estimates that an increase of COP 8,000 in the cost of domestic tickets could result in 766,000 fewer domestic passengers per year while the proposed increase of USD 5 on international tickets could result in 136,000 fewer international passengers. This decrease in passenger demand could reduce Colombia's gross domestic product by USD 35 million and result in a potential loss of 3,200 aviation related jobs. For more information, please contact IATA's Country Manager for the Colombia, Andres Uribe.

COLOMBIA: LAUNCH OF FIRST NATIONAL COORDINATION COMMITTEE

The Colombian Civil Aviation has shared with the local representatives of airlines operating to Colombia a draft of the Statues of the Coordination Committee (CC). These proposed rules will govern the constitution of the CC but also the operation of the CC including the voting rights. IATA and some SPWG members commented on these proposed rules in order to ensure that Civil Aviation or the Slot Coordinator do not have a voting right as originally proposed. We also encouraged the final Statute to allow a vote per airline and not one vote for the group of airlines. Thanks to IATA and airlines' requests, CAA agreed to call for another meeting specifically to discuss about the Estatutos of the CC on April 13. For more information, please contact IATA's Head of Member & External Relations for Latin America & The Caribbean, Oracio Marquez. Andres Uribe.

DOMINICAN REPUBLIC: TOURIST CARD TAX TO BE INCLUDED ON AIRLINE TICKET

IATA has been working closely with the local authority in the Dominican Republic (DGII) on the implementation of including the current tourist card tax on airline tickets, projected to be effective on April 24th. Historically, this tax has been paid by passengers at a booth upon landing at Dominican airports, resulting in a poor passenger experience, specifically during peak times. As eight countries are currently exempt from the tax and the method of the tax collection between airlines and the authority is yet to be determined, IATA continues to work closely with DGII and is providing the authority with global best practices and industry standards. For more information, please contact IATA's Area Manager for the Caribbean, Annaleen Lord.

JAMAICA: REMOVAL OF FLIGHT LEVEL RESTRICTIONS

Over the past months, Jamaica's Air Navigation Service Provider (ANSP) imposed extreme air traffic flow management (ATFM) measures to flights crossing their airspace. As a result, IATA's member airlines were impacted with significant delays on the ground in their respective countries of departure, and in some cases had no other option but to avoid the affected area altogether, having to fly longer routes, resulting in additional operational expenses. During one month, one member was impacted with 270 hours of additional flight time, 327,000 gallons of additional fuel and USD 850,000 of additional operational expenses. After several engagements with authorities and ICAO, IATA was able to liaise with Jamaica's ANSP and other stakeholders and proposed several air traffic management alternatives. Because of these engagements, the Jamaican authorities adopted some of IATA's proposals and removed all flight level restrictions. For more information, please contact IATA's Manager, Safety & Flight Operations for the Americas Marco Vidal.

MEXICO: NEW WEBSITE FOR SLOT COORDINATION AT MEX

The Slot Coordinator for MEX airport, AICM, launched a dedicated webpage available in English and Spanish related to slot allocation and availability. Airlines can check their historical schedules for summer 2018 (slot occupation by hour, by day and week) and slots updated during the summer 2018 season. The AICM has also uploaded information related to previous seasons. IATA has been informed that the WSG Calendar of slot coordination activities will be followed for Winter 18 and it will be uploaded to the webpages soon. For more information, please contact IATA's Country Manager for Mexico Cuit Gutierrez.

PANAMA: INCREASE IN AIRPORT CHARGES UNDER DISCUSSION

Airlines operating at Tocumen International Airport were informed of a planned increase in waste disposal charges at the airport terminal. IATA has worked closely with the local BAR in order to challenge the methodology used to establish the new rates through a benchmark of charges in airports across the region with similar traffic volumes. A meeting with airport authorities was held at the end of March to express the carriers' disagreement with the planned increase. For more information, please contact IATA's Area Manager for Central America, David Hernandez.

USA: NO INCREASE TO PASSENGER FACILITY CHARGE IN FISCAL YEAR 2018

In 2017, the United States Senate proposed to increase the passenger facility charge (PFC) cap from $4.50 to $8.50 for the fiscal year 2018 (FY18). IATA and A4A lobbied against such increase and as a result, the FY18 spending package did not include an increase to the PFC. Savings to the industry are estimated to be around USD 3 Billion. Looking ahead, there are several fee increases proposed for fiscal year 2019, including: 1) A $2 increase to the immigration inspection user fee; 2) A $2.75 increase to the customs user fee; and 3) A $1 increase to the TSA fee for FY19 and an additional $1.65 beginning in FY20. IATA will continue to work towards the avoidance of these proposed increases and be proactive in maintaining the PFC unchanged. For more information, please contact IATA's Vice President, Member & External Relations for North America, Doug Lavin.

STATE OF THE REGION: THE AMERICAS

MARCH 2018

Economy

GDP growth, selected countries

%change on a yr ago	2016	2017Q2	2017Q3	2017Q4
United States	1.5	2.2	2.3	2.5
Brazil	-3.5	0.4	1.4	2.1
Mexico	2.7	3.1	1.7	1.5
Canada	1.4	3.7	3.0	2.9
Argentina	-2.2	2.9	4.2	--
Colombia	2.0	1.7	2.3	1.6
Chile	1.5	1.4	2.2	--
Peru	4.0	2.6	2.9	2.2
World*	**2.4**	**2.9**	**3.2**	**3.2**

Source: Datastream   * Market exchange rate basis   † Estimate

Exchange rates

end of period, # per US$	2017	Dec-17	Jan-18	Feb-18
US$ broad index	120.0	120.0	117.2	117.6
Brazilian real (BRL)	3.31	3.31	3.18	3.24
Mexican peso (MXN)	19.66	19.66	18.62	18.82
Argentine peso (ARS)	18.62	18.62	19.64	20.12
Colombian peso (COP)	2985	2985	2831	2864
Chilean peso (CLP)	615	615	601	594

Source: Datastream, XE

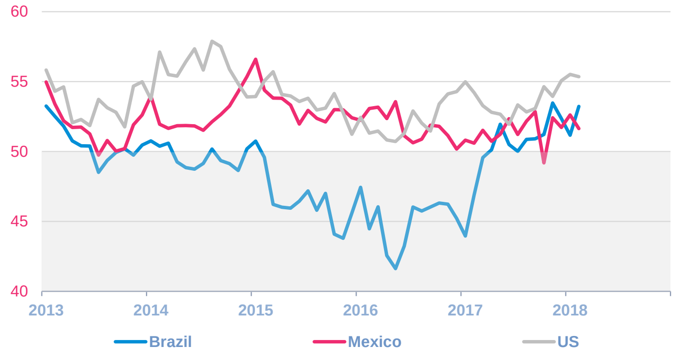
World oil and jet fuel price

US$/barrel (period ave.)	2017	Dec-17	Jan-18	Feb-18
Crude oil (Brent)	54.2	64.4	69.1	65.3
Jet fuel	65.6	76.3	82.0	77.7

Source: Platts, EIA Monthly average data

Business confidence - manufacturing PMIs

50=no change, seasonally adjusted



Source: Markit

- Business confidence in Brazil rebounded strongly this month, supported by a further lift in economic activity & the fastest jobs growth in ~7yrs. Sentiment in Mexico eased on slower demand, while the US measure was broadly unchanged this month, at an elevated level.
- On a trade-weighted basis, the US$ rose a modest 0.3% in Feb, after consecutive monthly declines. The ARS & BRL fell by 2-2.5% vs the US$ this month while the CLP went against the trend, gaining 1.2%.
- Brent crude oil & jet fuel prices retraced some of their recent gains in Feb, easing by close to 5.5% in the month. However, the broader picture is that both are currently ~20% higher than their level of a year ago.

Market

Revenue passenger kilometers (RPKs)

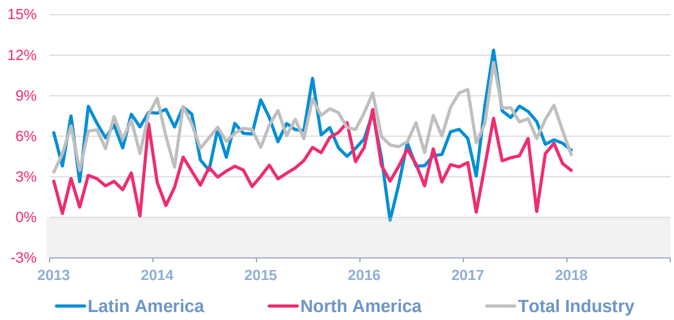
%change on a yr ago	2017	Nov-17	Dec-17	Jan-18
Region (registration basis)				
N America	4.2	5.5	4.0	3.5
Latin America	7.0	5.7	5.5	5.0
World	7.6	8.3	6.4	4.6
Routes (segment basis)				
US domestic	3.8	4.9	3.9	3.4
Brazil domestic	3.5	5.8	5.7	2.9
Nth America-Europe	4.1	2.7	0.4	0.4
Nth America-Asia	4.9	5.4	3.3	0.3
Nth-Sth America	0.9	2.9	1.7	5.1
Sth America-Europe	6.1	8.1	8.7	8.7
Within Sth America	10.5	4.9	8.8	8.1

Source: IATA Statistics   Note: historical data may be subject to revision

- Industry-wide RPKs grew by 4.6%yoy in Jan, down almost 2pp from Dec & its slowest pace in nearly four years. However, the later timing of Lunar New Year (LNY) appears to account for a good part of this result & a rebound could reasonably be expected next month.
- At the regional level, RPK growth dipped by ½pp for both the NthAm & Lat.Am carriers, to 3.5% & 5.0%yoy, respectively, straddling the industry-wide outcome.
- The region's two main domestic markets – Brazil & the US – are showing modest growth in pax volumes, with RPKs for both currently up 3-3½%yoy.
- Outcomes are mixed across the key international markets for the region. The two largest markets (NthAm to both Europe & Asia are showing subdued RPK growth of just 0.3-0.4%yoy. In contrast, the main markets for the SthAm carriers are growing more strongly; the Within SthAm & Sth-Am-Europe markets both have RPK growth of above 8%yoy in Jan.

Growth in air passenger volumes

RPKs, % Growth year-on-year



Source: IATA Statistics

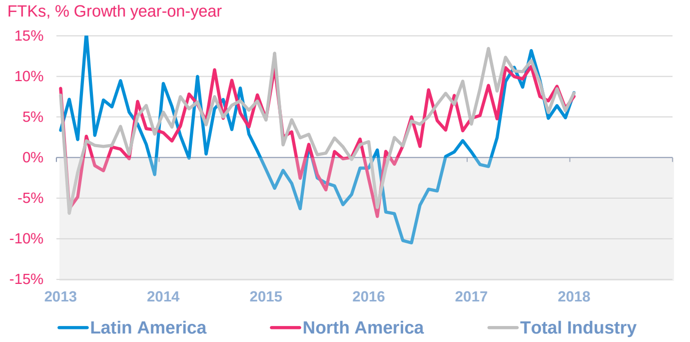
Freight tonne kilometers (FTKs)

%change on a yr ago	2017	Nov-17	Dec-17	Jan-18
Region (registration basis)				
Nth America	8.0	8.8	6.1	7.5
Latin America	5.7	6.4	4.9	8.0
World	9.0	8.5	5.8	8.0
Routes (segment basis)				
Nth America-Asia	8.8	8.0	6.4	7.5
Nth America-Europe	9.9	9.2	2.8	6.1
Nth-Sth America	0.6	3.7	2.5	9.9
Sth America-Europe	6.9	11.6	11.7	15.6
Within Sth America	3.2	0.2	-1.1	17.3

Source: IATA Statistics Note: historical data may be subject to revision

- Although mindful of the potential LNY distortions for annual air freight outcomes also at year-start, industry-wide FTKs stepped up in Jan, increasing to a robust 8.0%yoy, from 5.8% in Dec.
- At the regional level, FTK growth also increased this month, with the carriers of both Nth & Latin America currently growing broadly in line with the overall industry pace, at 7.5% & 8.0%, respectively.
- Of the main international markets for the region, Within Sth America & SthAm-Europe are performing strongest, with double-digit yoy FTK growth. Nth-Sth America isn't far off, at 9.9%yoy. The sharp increase in the growth rate for Within SthAm primarily reflects events of a year ago.
- The two largest markets, NthAm to each of Asia & Europe are showing robust growth in freight volumes, at 7.5% & 6.1%yoy respectively.

Growth in air freight volumes



Source: IATA Statistics

Industry

Capacity growth and load factors

ASK/AFTK: %ch on a yr ago, LF: %of ASK/AFTK		2017	Nov-17	Dec-17	Jan-18
Passenger					
Nth America	ASK	4.1	4.7	4.2	4.2
	PLF	*83.6*	*83.5*	*82.7*	*79.3*
Latin America	ASK	5.5	4.6	5.0	5.0
	PLF	*81.8*	*82.3*	*81.6*	*83.2*
World	ASK	6.4	6.4	5.8	5.3
	PLF	*81.5*	*80.4*	*80.8*	*79.6*
Freight					
Nth America	AFTK	1.6	3.7	2.5	4.2
	FLF	*36.5*	*40.1*	*37.2*	*36.3*
Latin America	AFTK	3.1	4.6	11.6	5.4
	FLF	*34.2*	*37.8*	*34.8*	*30.5*
World	AFTK	3.0	4.4	3.6	4.2
	FLF	*45.5*	*48.8*	*46.7*	*43.3*

Source: IATA Statistics. Note: LF=seasonally adjusted load factor. ASK=available seat kilometers. AFTK=available freight tonne kilometers

- Industry-wide, annual pax capacity grew faster than demand for the first time in 15 months in Jan. The industry-wide PLF slipped below 80%, to 79.6%, broadly aligned with that of NthAm carriers (79.3%). Lat.Am airlines *increased* their PLF, to 83.2% this month.
- The overall industry FLF also eased somewhat in Jan, to 43.3%, but even so, still easily outdoes the region's performance of 36.3% (NthAm) & 30.5% (Lat.Am).

Airline operating (EBIT) margins*

%revenues	2015	2016	2016Q4	2017Q4
Nth America	14.8	13.2	10.7	10.3
Latin America	1.5	4.2	8.5	10.1
Industry	8.5	8.8	8.9	8.6

Source: Airline Analyst * constant sample basis, not seasonally adjusted

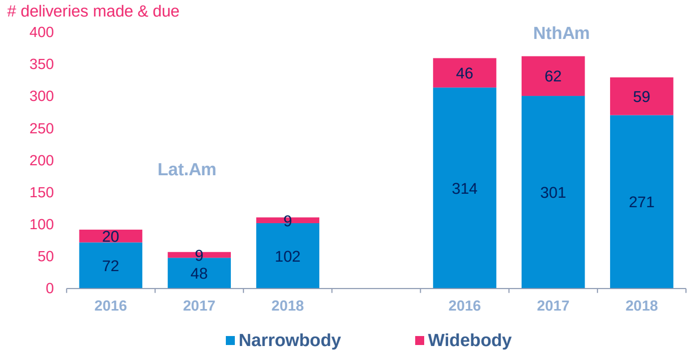
- The latest financial data for Q4 show a slight moderation in the EBIT margin for the NthAm airlines vs a year ago (down 0.4pp to 10.3%) but an increase for the Lat.Am carriers (up 1.6pp to 10.1%). Both sit above the current 8.6% result for the industry as a whole.
- Industry-wide passenger yields continue to broadly trend sideways as they have done for more than 12 months now. For the region's key markets, however, all yields are now higher than their level of a year ago, albeit only just in the case of NthAm-Asia (+0.7%).

Passenger yields (US$, excl. surcharges & ancillaries)

%change on a yr ago	2016	Nov-17	Dec-17	Jan-18
Nth America-Europe	-8.5	5.6	6.2	8.2
Nth America-Asia	-7.3	-2.9	-3.6	0.7
Nth-Sth America	-17.5	12.2	9.3	8.3
Sth America-Europe	-17.2	14.0	14.8	15.6
Sth America-Asia	-9.2	-4.0	3.7	2.8
Within Sth America	-13.4	2.7	3.4	2.1

Source: IATA PaxIS Note: historical data may be subject to revision

Aircraft deliveries to the Americas (1Q18 data)



Source: Ascend