



Dear Colleagues,

As the year comes to an end, 2022 posed many challenges for our industry: From lifting final COVID related travel protocols, an increase in taxes, charges and fees by Governments, airports or air navigation service providers, to the on-going political instability across the region. Thanks to you and your team's support and engagement, IATA was able to advocate and obtain some key wins for the industry. Most importantly, the region is open for business and almost all travel restrictions have been lifted.

However, we are now moving from the pandemic crisis mode of the past several years to the region's "usual problems" as we have just witnessed in Peru where IATA jointly with ACI-LAC [called on the Peruvian authorities](#) to uphold the integrity of Peru's aeronautical infrastructure to ensure the safe operations of flights to/from and within the country amidst the political unrest and on-going protests. Fortunately, operations at LIM have not been interrupted and operations at CUZ, AQP, JUL and AYP are resuming to normal levels.

We can expect this unstable political and economic environment to continue in 2023, specifically in Latin America and the Caribbean. As IATA released during the [Global Media Day](#), globally, airlines are expected to post a [small net profit](#) of \$4.7 billion (a 0.6% net profit margin) in 2023, which is the first profit since 2019 when industry net profits were \$26.4 billion (3.1% net profit margin). While North American carriers are expected to realize profits of \$9.9 billion in 2022 & \$11.4 billion in 2023, Latin American carriers are expected to post a loss of \$2.0 billion in 2022,

reducing to a loss of \$795 million in 2023. To also ensure future profitability of the industry in Latin America, it is critical for Governments to embrace the importance of air transport and to work with the industry by agreeing on a joint aviation agenda to enhance the region's competitiveness.

Just this week, the Government of Ecuador showed how good industry and government collaboration looks like. Following the IATA Aviation Day held in Quito in March and subsequent advocacy efforts, President Guillermo Lasso met with industry representatives and shared his Government's commitment to a series of measures to promote air connectivity to Ecuador, benefitting airlines operating to the country, including a reduction of the tourism tax, repealing the tax on jet fuel, and the currency repatriation tax.

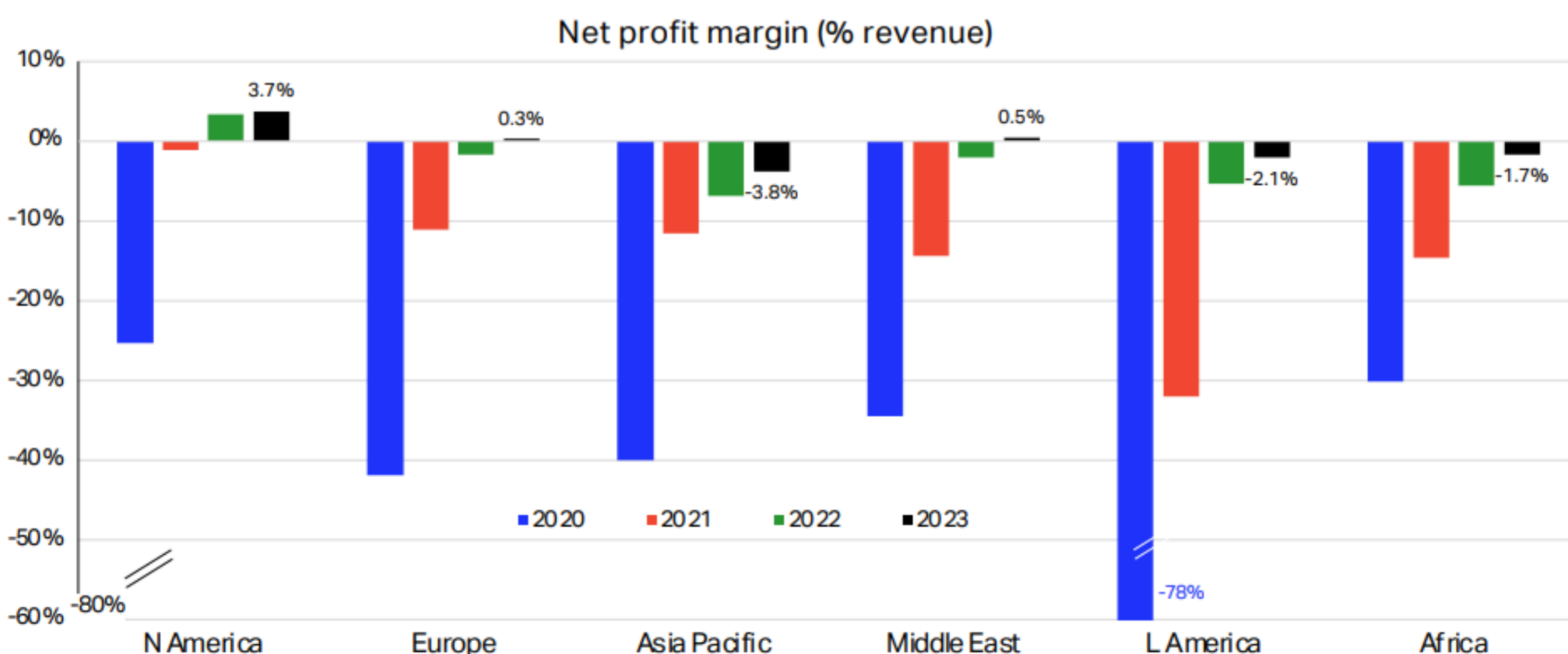
These positive news come at a critical time as Ecuador remains one of the few countries in the region that sees aviation as a valuable partner. We will continue to urge key governments across the Americas to sit down together and to utilize air transport as an engine of economic growth and social development in a post-pandemic world.

With that, I would like to share IATA's latest activities across the Americas below and wish you Happy Holidays and all the best for 2023. Please let me know if you have any questions and continue to count on IATA's support in the new year.



PETER CERDÁ
REGIONAL VICE PRESIDENT, THE AMERICAS

Net Profit Margins by Region: 2020 - 2023



BRAZIL: SUMMARY OF TECHNICAL VISIT TO GRU

IATA led an operational visit to Guarulhos International Airport (GRU) with ANAC and member airlines to assess and discuss operational shortcomings and airline requirements to improve on. The focus in 2023 will be on improving the passenger experience through the reduction of wait times at immigration and overall improvement of passenger flows. Airlines and GRU Airport agreed to create a working group to look at operational needs, which will also provide inputs for the upcoming master plan review. For details, contact IATA's Country Manager for Brazil, [Dany Oliveira](#).



BRAZIL: INDUSTRY MOU WITH THE ASSOCIATION OF BRAZIL'S MAGISTRATES (AMB):

IATA signed an MoU with AMB and other associations representing the airline industry to conduct an independent survey to identify the reasons for the excessive number of lawsuits in Brazil, root causes as well as profile of litigants to address possible solutions. For details, contact IATA's Assistant Director, External Relations, [Marcelo Pedroso](#).



COLOMBIA: TAX REFORM INCLUDES CARBON TAX FOR INTERNATIONAL FLIGHTS

Colombia's tax reform was approved and signed by President Petro, including a carbon tax on international flights. The text does not exempt fuel uplift for international flights from being charged. However, there is a new exemption for some domestic flights to specific regions in Colombia. IATA met with tax authority DIAN to re-emphasize concerns with the carbon tax on international flights and explained its violation with international treaties. IATA is pushing for a follow up meeting with DIAN. For details, please contact IATA's Country Manager for Colombia, [Paula Bernal](#).

COLOMBIA: ALIGNMENT OF SLOT REGULATION TO WASG

IATA met with the newly appointed CAA Director and Vice Minister of Infrastructure to stress the need to maintain the current slot regulation in Colombia which is aligned with the WASG. The Government officials acknowledged that the regulation in Colombia has not been fully implemented and that they intend to take any measure to secure that the allocation and monitoring processes are completely implemented. However, they also mentioned that they will not discard the possibility of a modification to the existing regulation if they consider it necessary. For details, please contact IATA's Assistant Director External Affairs & Sustainability, Latin America & Caribbean, [Alejandro Munoz](#).

DENICE: CALL ON DENMARK AND ICELAND TO REVOKE PLANNED ATC RATE HIKES

IATA [called](#) on both the Danish and Icelandic Air Navigation Service Providers (ANSP) to revoke the planned increases in air traffic charges set to come into effect on 1 January 2023. On average, the fees paid by airlines for crossing the airspace managed by these two ANSPs on the North Atlantic routings will rise by up to 30%. The increase was announced unilaterally by the two ANSPs without any user consultation, user input or justification. In response, IATA has written to the Danish Transport Authority and Isavia ANS, calling for the plans to be scrapped. In their response, the authorities stated that they cannot cancel or delay the rate changes due to their obligation to Joint Financing Agreements. We have also escalated the concerns to the respective Ministries of Transport of both countries and are awaiting their official response. For details, contact IATA's Chargers Manager for the Americas, [Guillermo Rodriguez](#).

MEXICO: ELIMINATION OF DAYLIGHT SAVINGS TIME & CAPACITY REDUCTIONS AT AICM

In October, Mexico's Government issued a decree eliminating Daylight Savings Time (DST) effective as of April 2023 and will apply to most of the country. Mexico City International Airport (AICM) subsequently issued a notice to airlines that for the NS23 season flight schedules at AICM would be managed in local time and not in UTC, affecting numerous international flights that were previously scheduled and marketed at different times. The notification also states that capacity at AICM will be reduced to undertake infrastructure work that has been delayed and poses possible safety hazards. IATA promptly contacted authorities in Mexico who were receptive to IATA's outreach and urging in relation to retaining UTC timings so foreign airlines can better manage the adjustments and reduce the possible effects to airlines' network connectivity, and work with each airline as appropriate to address specific re-timings as may be necessary. In its notice, AICM also seeks to encourage airlines to voluntarily "temporarily" return some slots to address needed service reductions, or face proceeding with a compulsory process for the reduction of capacity. For more details, please contact IATA's acting Area Manager for Mexico, [David Hernandez](#)

PANAMA: FORUM TO PROMOTE SAF POLICY DEVELOPMENT AND PRODUCTION

In the context of the annual conference of the Latin American Energy Association (OLADE) in Panama, IATA held a forum titled "[The Road to Carbon Neutral Aviation](#)", featuring key authorities, experts, aircraft manufacturers, and fuel producers to discuss opportunities towards aviation's goal of net carbon zero by 2050. IATA continues to urge authorities and all stakeholders to work together towards policy frameworks that support and incentivize the development of SAF. As part of the forum, IATA and OLADE [signed an MOU](#) that includes the implementation of a series of actions in OLADE countries, focused on the development and implementation of research and dissemination programs in various areas of collaboration, with emphasis on aviation fuels and new energy technologies for the aviation industry. For details, contact IATA's Senior Manager, External Affairs & Sustainability, [Pedro de la Fuente](#).

THE BAHAMAS: UPDATE ON BAHAMAS FIR CHARGING SCHEME

IATA and A4A have jointly written to the Deputy Prime Minister of the Bahamas requesting a meeting with our respective members to discuss our inclusion on the BANSAs internal review audit and restated our concerns on the timeframe of the next consultation cycle scheduled for Q2 2023. Additionally, A4A on behalf of their members, submitted a joint complaint against the Commonwealth of the Bahamas before the US Department of Transportation under the International Air Transport Fair Competitive Practices Act (IATFPCA) of 1974 citing violation of the Air Transport Agreement between the Government of the United States and the Government of the Bahamas. In parallel, IATA followed up with the respective departments of transport in Canada and the UK who have also committed to look into the issue. For more details, please contact IATA's Area Manager for the Caribbean, [Annaleen Lord](#).

USA: NOTICE OF PROPOSED RULEMAKING (NPRM) ON ANCILLARY FEES

The US Department of Transportation (DOT) recently issued a [Notice of Proposed Rulemaking \(NPRM\)](#) entitled "Transparency of Airline Ancillary Service Fees" which calls for fundamental changes in airline distribution, the costs of which would far exceed any benefits to consumers. Under the NPRM, airlines and agents would need to display passenger specific or itinerary specific information on three "critical ancillaries" (baggage, change and cancellation fees and family seating fees) at the initial search (either online or via telephone). Neither airlines nor travel agents are able to meet the NPRM requirements within the 6-month implementation period proposed by DOT. IATA, Airlines for America, other regional associations and travel agent associations all oppose this proposed rule as an unnecessary interference with airline business practices. IATA is encouraging our members and partner associations to file comments to the [docket](#) or submit a letter in support of IATA's comments. Deadline for comments is 23 January 2023. For details, please contact IATA's Vice President, Member & External Relations for North America, [Doug Lavin](#).

VENEZUELA: LIFTING OF PCR REQUIREMENT AFTER MEETING WITH AUTHORITIES

IATA met with government officials and addressed the following key areas: Repatriation of funds, removal of COVID-19 restrictions, and operational safety and oversight. While the government has expressed its desire to work with IATA and airlines to increase Venezuela's connectivity, the topic of unrepatriated funds still remains a sore point. IATA will stand firmly on the need to establish mechanisms to recover the unrepatriated monies. In positive news and as a result of the meeting, the Venezuelan authorities announced the lifting of its PCR test requirement to enter the country, effective 31 December 2022. For details, contact IATA's Area Manager for Central America, [David Hernandez](#).

