

Dear Colleagues,

Argentina is heading to a runoff Presidential Election on November 19 between Sergio Massa, the center-left Economy Minister who surprisingly won the first round with 36.6% of the votes, and Javier Milei, a far-right libertarian who wants to dollarize the economy, who finished with 30% of the vote. Both candidates have caused uncertainty in the financial markets, and airlines continue to approach IATA due to an increased concern about the swift repatriation of funds. We held a proactive briefing call with over 20 airlines this week to update our members on the situation and address any questions. We will continue stay vigilant on the issue and keep you informed on any further developments and anticipated policy proposals.

Besides the political uncertainty, and while passenger demand remains strong (as outlined in the latest below figures), we have been facing many operational challenges across the region: ATC continues to threaten slowdowns and strikes in Chile, delaying take offs and landings. IATA immediately issued a [press release](#) and engaged with the Civil Aviation Authority, resulting in the strike being delayed until the end of November, providing the government more time to find a joint solution. In Argentina, IATA also voiced its [opposition](#) to the one-day strike by the ground handling company at EZE and AEP, highlighting that passengers should never suffer the consequences of unresolved labor disputes. Lastly, we saw a similar situation evolve at GRU in Brazil where NAVBRASIL, the air navigation service provider responsible for GRU, VCP and SDU, threatened to strike but was ruled down by the higher court.

IATA is working closely with the authorities and impacted stakeholders in the above markets to ensure contingency measures are put in place so that operations remain safe, reliable and efficient. IATA's Liaison desk at the FAA Command Center is also closely monitoring these evolving situations, communicating with impacted stakeholders, and issuing ITOP alerts as appropriate to your airlines' respective ops specialists. If you currently do not receive these alerts from IATA and would like to be added to the list, you can register for ITOP alerts by sending your requests to IATAFAA@iata.org.

From a regulatory perspective, the situation is equally challenging with various consumer protection bills under consideration across North and South America. We put together a [high-level regulatory inventory](#) of the most pressing developments in each country. We hope you find it useful and rest assured, our teams are working jointly with the respective local and regional associations to push back on the 86 harmful proposals, to advance the 27 supportive proposals, and to advocate for authorities to follow global regulatory best practices whenever possible.

As usual, please find IATA's most recent activities across the Americas below. Please let me know if you have any questions or suggestions for further action. Thank you for your on-going support.

Best regards,



AIR PASSENGER MARKET IN DETAIL

AUGUST 2023 (%YEAR-ON-YEAR)	WORLD SHARE *1 RPK	ASK	PLF (%PT) *2	PLF (LEVEL) *3	
Total Market	100%	28.4%	24.9%	2.3%	84.6%
Africa	2.1%	24.8%	24.3%	0.3%	76.4%
Asia Pacific	22.1%	73.4%	57.7%	7.4%	82.2%
Europe	30.8%	11.6%	10.2%	1.1%	87.6%
Latin America	6.4%	17.6%	14.5%	2.2%	85.1%
Middle East	9.8%	26.4%	21.6%	3.2%	83.0%
North America	28.8%	12.6%	13.0%	-0.3%	85.8%

(*1) % of industry RPKs in 2022 (*2) Change in load factor (*3) Load factor level

AIR CARGO MARKET IN DETAIL

AUGUST 2023 (%YEAR-ON-YEAR)	WORLD SHARE *1	CTK	ACTK	CLF (%-PT) *2	CLF (LEVEL) *3
Total Market	100%	1.5%	12.2%	-4.4%	42.0%
Africa	2.0%	-4.7%	3.8%	-3.5%	38.8%
Asia Pacific	32.4%	4.9%	28.5%	-9.9%	44.3%
Europe	21.8%	-0.2%	3.6%	-1.8%	48.4%
Latin America	2.7%	6.2%	13.7%	-2.3%	32.6%
Middle East	13.0%	1.4%	15.7%	-5.8%	40.7%
North America	28.1%	-1.2%	2.7%	-1.5%	37.7%

(*1) % of industry CTks in 2022 (*2) Year-on-year change in load factor (*3) Load factor level

ARGENTINA: REINSTATEMENT OF TAXES TO BALANCE GAP BETWEEN OFFICIAL AND REAL MARKET EXCHANGE RATES

Argentina's fiscal agency (AFIP) released a new regulation (RG AFIP 5430/2023) reinstating a series of taxes levied on operations requiring foreign exchange, which had been eliminated/reduced three months ago. The measure is adopted as an attempt to try to balance the 160% gap existing between official ROE (ARS/USD 365.50) and the real market ROE (ARS/USD 950) to postpone devaluation of the official currency. In the case of international air tickets issued in pesos in Argentina, this perception (S5 for IATA Ticket Tax Box Service (TTBS) purposes) was originally established at 25%, then reduced to 5% and now, with this new modification, reinstated at 25%. IATA has liaised internally to ensure TTBS releases the corresponding modification. IATA is also closely monitoring the presidential election and potential currency devaluation impacts. For more details, please contact IATA's Country Manager Argentina, [Maria Jose Taveira](#).



BRAZIL: UPDATE ON SDU RESTRICTIONS

As informed previously, the Ministry of Ports and Transport issued a resolution that required airlines to schedule their flights to a maximum distance of 400 km to/from Santos Dumont Airport (perimeter rule) and only for domestic operations. IATA lobbied various authorities and ran a [communication campaign](#), highlighting the need for public consultation with airlines/industry on decisions that affect consumers and airlines. Last week, the Infrastructure Technical Unit of the Tribunal de Contas da Uniao (TCU) issued a technical opinion stating that the Resolution has several irregularities in its text, which would render it null and void. Fortunately, and partially because of joint industry efforts, the unit has taken a precautionary measure inaudita altera pars to suspend its effects. The next step will be for a merit analysis to be undertaken by Minister Benjamin Zymler of TCU (expected by the end of October), who will determine whether to confirm or reject the precautionary measure and/or determine other necessary actions. For more details, please contact IATA's Assistant Director, External Affairs & Sustainability, Brazil, [Marcelo Pedroso](#).



BRAZIL: REIMPOSITION OF VISA REQUIREMENTS POSTPONED TO JANUARY 2024



The government issued decree 11692/2023, postponing the initial date for the reimposition of visa requirements for US, Canadian, and Australian citizens to January 10, 2024. The government also signed an agreement with the Japanese government, releasing citizens from both countries to have a visa for 90-day trips. For more details, please contact IATA's Country Manager for Brazil, [Dany Oliveira](#).

BRAZIL: DCT ROUTING INITIATIVE RESULTING IN SIGNIFICANT FUEL SAVINGS



IATA, DECEA and ABEAR, jointly advanced the DCT routing initiative in Brazil, which aims to optimize the use of airspace. The initiative has two main components: SDR and UPR. SDR allows flights to request direct routes between waypoints, while UPR enables flights to plan their own routes based on weather and traffic conditions. Brazil has the largest SDR airspace in Latin America, and with the introduction of more than 300 UPRs, the flights could follow more direct paths between the departure and arrival airports. This reduced the total distance by 740 thousand kilometers. The combined use of SDRs and UPRs from 2020 to March 2023 enabled savings of 62,164,200 kg of fuel, equivalent to 37,675 flights on the air shuttle between Sao Paulo and Rio de Janeiro, which consumes 1,650 kg of QAV per flight. As a next step, IATA is working with airlines on how international flights can further benefit from UPRs. For more details, please contact IATA's Assistant Director, Safety & Flight Operations, [Julio Pereira](#).

BRAZIL: LAUNCH OF "FUEL OF THE FUTURE" PROGRAM TO SUPPORT INDUSTRY'S NET ZERO BY 2050 TARGET



President Lula da Silva's administration presented a bill to increase the share of ethanol in gasoline blends and set emissions goals for the aviation sector in a bid to accelerate the energy transition and gradually phase out fossil fuels. The so-called Fuel of the Future program was launched in Brasilia and requires the approval of Congress to become law. If approved, Brazil would formally adopt a regulation setting targets for sustainable aviation fuel (SAF) to support its goal of reaching net-zero emissions by 2050 for aviation. The draft bill sets an obligation for air operators to reduce CO2 emissions by at least 1% from 1 January 2027 on domestic flights, using SAF mixed with fossil kerosene, and from there on, this percentage increases by 1% point each year until reaching a commitment to cut emissions by 10% in 2037. If approved, the National Civil Aviation Agency (ANAC) will have the authority to regulate the bill, which also means operators will be able to claim emission reductions with operational efficiencies, new aircraft technologies, and carbon offsets to compensate for the increase in SAF prices and keep the competitiveness of the aviation sector. For more details, please contact IATA's Senior Manager, External Affairs & Sustainability, [Pedro de la Fuente](#).

CANADA: UPDATE ON PROPOSED AIR PASSENGER PROTECTION REGULATIONS (APPR)



The next round of consultation on the proposed amendments to the Air Passenger Protection Regulations (APPR) is expected to begin in January. In IATA's recent meeting, CTA noted that regular reports by airlines to Transport Canada point to safety as a reason for a flight disruption 14% of the time, while the CTA questionnaire completed by carriers in August pointed to mechanical issues in the range of 0.4% - 0.6%. It will be important for airlines to explain this discrepancy during the consultation process. CTA is also proposing to charge airlines when CTA must engage in a dispute resolution process between airlines and passengers on consumer protection issues. We anticipate that CTA will launch a consultation process on this issue in December. For more details, please contact IATA's Vice President, Member & External Relations, North America, [Doug Lavin](#).

COLOMBIA: IATA ISSUED BOG CAPACITY STUDY



IATA issued an [industry capacity study](#) for El Dorado International Airport in Bogota (BOG) with the input and participation of airlines, the civil aviation authority Aerocivil, and airport operator OPAIN to maximize operations, reliability and efficiency. The study outlines optimizing airport processes, including reducing aircraft occupancy times, improving runway usage, and implementing technological tools for decision-making. The study estimates that capacity could reach 100 operations per hour, if a set of 23 recommendations is applied. This would generate a 47% increase in capacity, compared to the number of operations in 2019. As a next step, IATA is working with the Colombian authorities to implement the recommendations ASAP. For more details, please contact IATA's Country Manager for Colombia, [Paula Bernal](#).

DOMINICAN REPUBLIC: EXTENSION OF TOURISM TAX IMPLEMENTATION DATE



The Civil Aviation Board (JAC) issued a letter extending Resolution 217-2022 by another 30 (working) days, bringing the new effective date to November 20, 2023. This follows on correspondence IATA sent to the Minister of Tourism at the beginning of September reiterating the industry's inability to comply with the resolution and urging the government to find a solution for this ongoing issue. IATA continues to follow up with the local tax authority (DGII) on the latter. For more details, please contact IATA's Area Manager for the Caribbean, [Annaleen Lord](#).

EL SALVADOR: GOVERNMENT ESTABLISHES UNPRECEDENTED US\$1,000 PER PAX FEE FOR TRANSIT PASSENGERS



The government of El Salvador announced on October 20 that it has established a transit fee of US\$1,000 charged to airlines for every passenger from nationalities of all African countries and India that arrive in transit to El Salvador. IATA coordinated a strong industry response opposing this unprecedented measure by issuing a joint letter to Airport Authority CEPA and the Ministry of Foreign Affairs, declaring the fee as discriminatory per ICAO recommendations and suggesting the establishment of visas for impacted nationalities as the most effective measure to address the issue. IATA has also requested various meetings to further express the industry's concerns and opposition to the measure. TIMATIC was updated to reflect the fee and airlines started charging passengers at check in / boarding. For more details, contact IATA's Area Manager for Central America, [David Hernandez](#).

UNITED STATES: POTENTIAL NEW IT SYSTEM TO COLLECT & DISSEMINATE PASSENGER COMPLAINTS



The US Department of Transportation (DOT) is planning to introduce a new IT system to collect and disseminate complaints by air passengers. The so-called "Aviation Complaint, Enforcement and Reporting System" (ACERS) would include both a new airline and passenger portal for addressing and reporting on passenger complaints. We are concerned that the new system will result in more passenger complaints and higher costs for airlines. IATA is working with Airlines for America to express our concerns about this new proposal, which will likely come into force in late 2023 or early 2024. For more details, please contact IATA's Vice President, Member & External Relations, North America, [Doug Lavin](#).

UPDATE ON MODERN AIRLINE RETAILING



To ensure that airlines reap the benefits from Modern Airline Retailing, IATA continues to support and mobilize the industry and all its stakeholders in their NDC implementation through educational workshops to sellers. IATA has recently participated in workshops organized by stakeholders in Brazil, Argentina and Chile, as well as collaboration with Travel Agent Associations in Mexico, Costa Rica and Brazil. IATA will continue to foster and support opportunities to educate travel agents and push forward the industry journey towards modern retailing. For more details, please contact IATA's Regional Director, Financial Settlement & Distribution Services, The Americas, [Alicia Lines](#).