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Media Briefing

# State of Air Transport in the Americas

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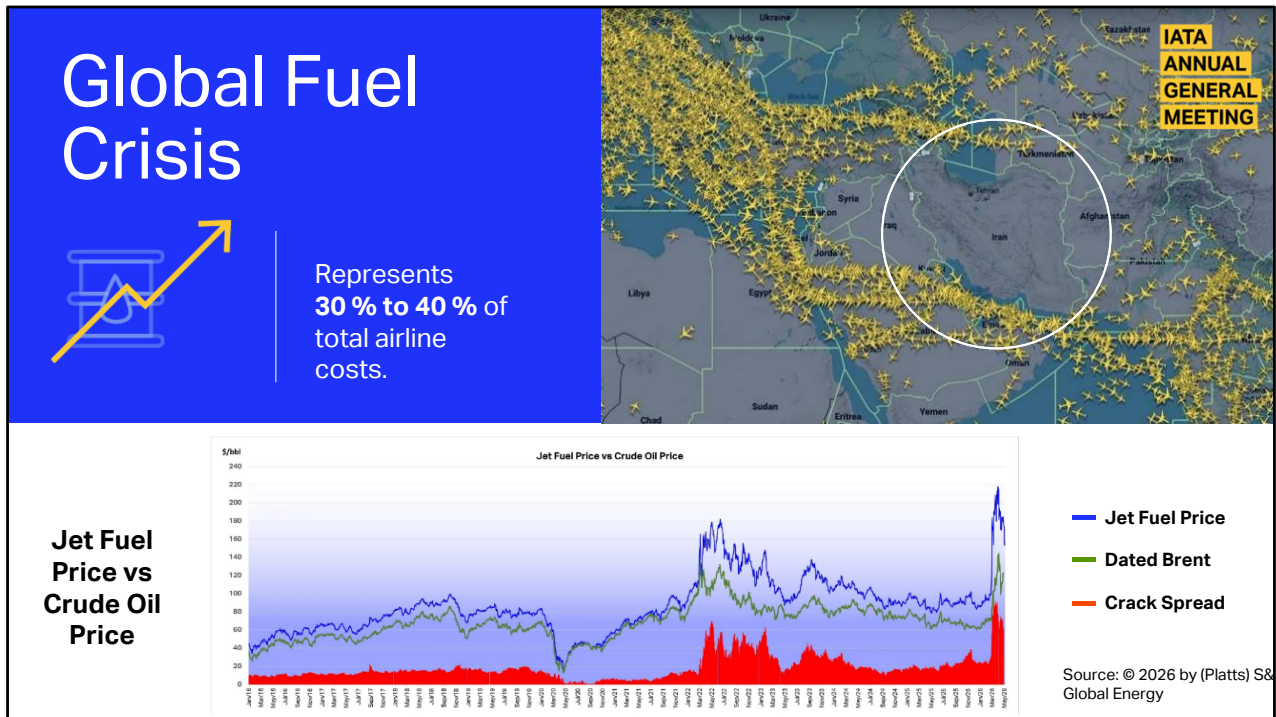
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Good morning and welcome to this year's Americas briefing.

For many of you, this may be your **first IATA AGM in South America.**

The last time we met here in **Rio was in 1999** and *a lot has changed since then.*



Today, aviation is facing **strong headwinds**.

Fuel remains the **single biggest cost challenge** where structural factors make it more expensive.




In many markets, fuel now represents **30 to 40 percent of airline costs** and volatility continues to put pressure on the industry.




# Global Fuel Crisis

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## Airlines

## Passengers

-  Sharp increase in operating costs.
-  Reduced capacity to plan, invest, and grow.
-  Reduced connectivity.

-  Higher airfares.
-  Loss of access to essential air links.
-  Reduced economic competitiveness.

**Airlines are managing global shocks they did not create, and policy decisions should not make the situation worse.**



This is **not just a financial issue.**

It drives **higher ticket prices**, reduces connectivity, and limits investment.

And ultimately **passengers, tourism, and economies suffer.**



But we must not lose sight of the bigger picture.

Across **Latin America and the Caribbean**, aviation connects people, supports trade, and enables opportunity.

It is **not a luxury**, it is **essential service** and a lifeline for the social and economic development of Latin America and the Caribbean.

## Aviation is not a luxury; it is a public service



- ✓ Brazil is the **largest country in South America**.
- ✓ The **fifth largest** in the world.
- ✓ It covers an area of approximately **8.5 million square kilometers**.

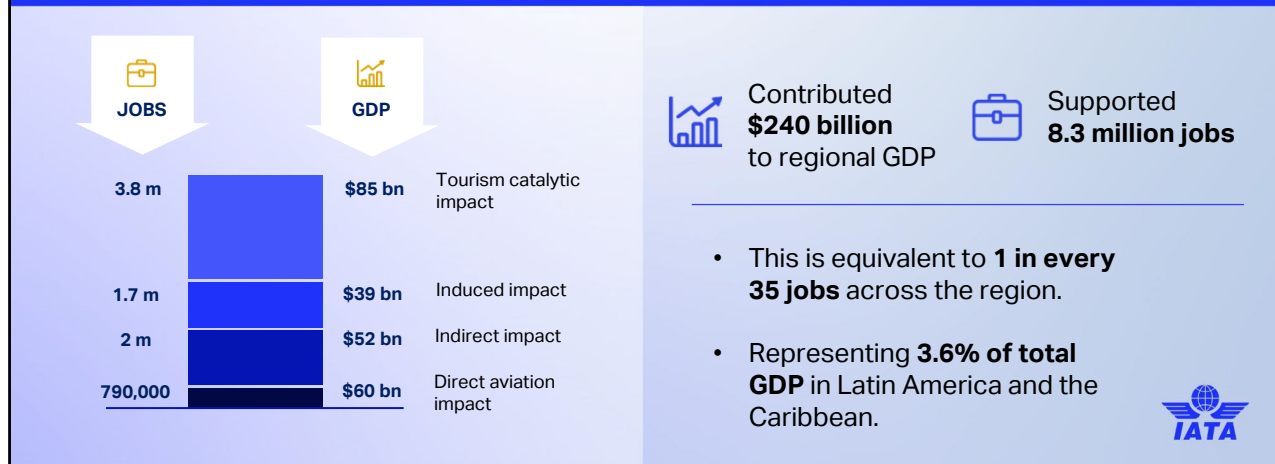


Take **Brazil**, one of the largest countries in the world.

Air connectivity is **critical for national integration**.

There are no viable alternatives to connect cities across such vast distances.

# The untapped potential of Latin America



Aviation supports **8.3 million jobs** in Latin America and the Caribbean and contributes **\$240 billion to GDP**.

In **North America**, that rises to **\$1.4 trillion**.

This is a sector that **underpins economic growth**.

# Air transport connects people, drives trade, and creates opportunities.













Tourism highlights the **untapped potential**.

**Mexico** leads with nearly **48 million visitors**, while **Brazil**, despite a record year, welcomed just over **9 million**.

Countries like the **Dominican Republic, Colombia, Chile, Peru, and Argentina** are growing, but the region still has **significant room to expand**.

# Regional connectivity: 2019 vs 2025

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Country	Routes				Frequencies (in thousands)				Seats (in millions)			
	2019	2025	Diff	Growth vs 2019	2019	2025	Diff	Growth vs 2019	2019	2025	Diff	Growth vs 2019
 Argentina	261	244	-17	-6.5%	193.3	189.3	-4	-2.1%	29.9	31.8	1.9	6.3%
 Brazil	859	774	-85	-9.9%	924.9	883.3	-42	-4.5%	139.7	145.3	5.6	4%
 Canada	1,678	1,515	-163	-9.7%	1,381.3	1,068.8	-313	-22.6%	116	108.7	-7.3	-6.3%
 Chile	129	118	-11	-8.5%	144.1	150.7	7	4.6%	27.1	30.4	3.3	12.2%
 Colombia	233	282	49	21%	353.9	419.1	65	18.4%	44.6	63.6	19	42.5%
 Dominican Republic	205	218	13	6.3%	51.6	69.5	18	34.6%	8.7	12.4	3.7	41.9%
 Ecuador	63	70	7	11.1%	62.8	63.4	1	0.9%	8.1	9.2	1.1	13.4%
 Mexico	975	821	-154	-15.8%	693	677.1	-16	-2.3%	97.5	118.5	21	21.5%
 Peru	104	88	-16	-15.4%	165.2	159	-6	-3.7%	26.2	27.1	0.9	3.5%
 USA	10,809	10,247	-562	-5.2%	12,503	11,055.6	-1,447	-11.6%	1,412.8	1,412.8	-61.6	-4.2%



Recovery is **uneven**.

Countries like **Colombia, Chile, and the Dominican Republic** are growing strongly.

But **Brazil, Mexico, and Argentina** are still below 2019 levels.

The message is clear: **policy and market conditions matter**.



The Americas have **extraordinary assets**, but unlocking them requires **stronger coordination between governments and industry**.

# Opportunities in The Americas

✓ Regions reallocating capacity to Latin America

✓ Return of international services in Venezuela

✓ FIFA World Cup in the US, Mexico and Canada



There are **encouraging signs**.

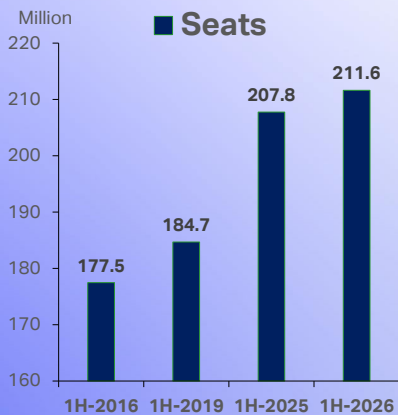
Airlines from **Europe, Canada, and China** are increasing service to the region.

Markets like **Argentina, El Salvador, and Guyana** are growing after opening up.

And the **FIFA World Cup**, across the **U.S., Mexico, and Canada**, will bring **millions of visitors**.

**Momentum is building.**

# The Game Changer: Intra-Regional Connectivity



Panama Joins Colombia and Brazil in a Massive Regional Aviation Expansion as Tocumen International Airport Hikes Available International Seats by Over 10% to Secure Latin American Transit Dominance

Published on May 27, 2026

Airbus: Rising Middle Class To Spur Latin America Air Traffic

INVESTMENT STRATEGY | 5 MINUTE

The future of regional integration: Can Latin America thrive in a new era?



The real game changer is **intra-regional connectivity**.

For years it lagged but now we see airlines expanding into **secondary and tertiary cities**.

Between 2016 and today, capacity has grown significantly, adding 34 million additional seats, supported by new aircraft that make these routes viable.

This is a **clear signal of confidence** and a major opportunity to drive **economic growth and tourism across the region**.

# Constraints to growth in Latin America and the Caribbean



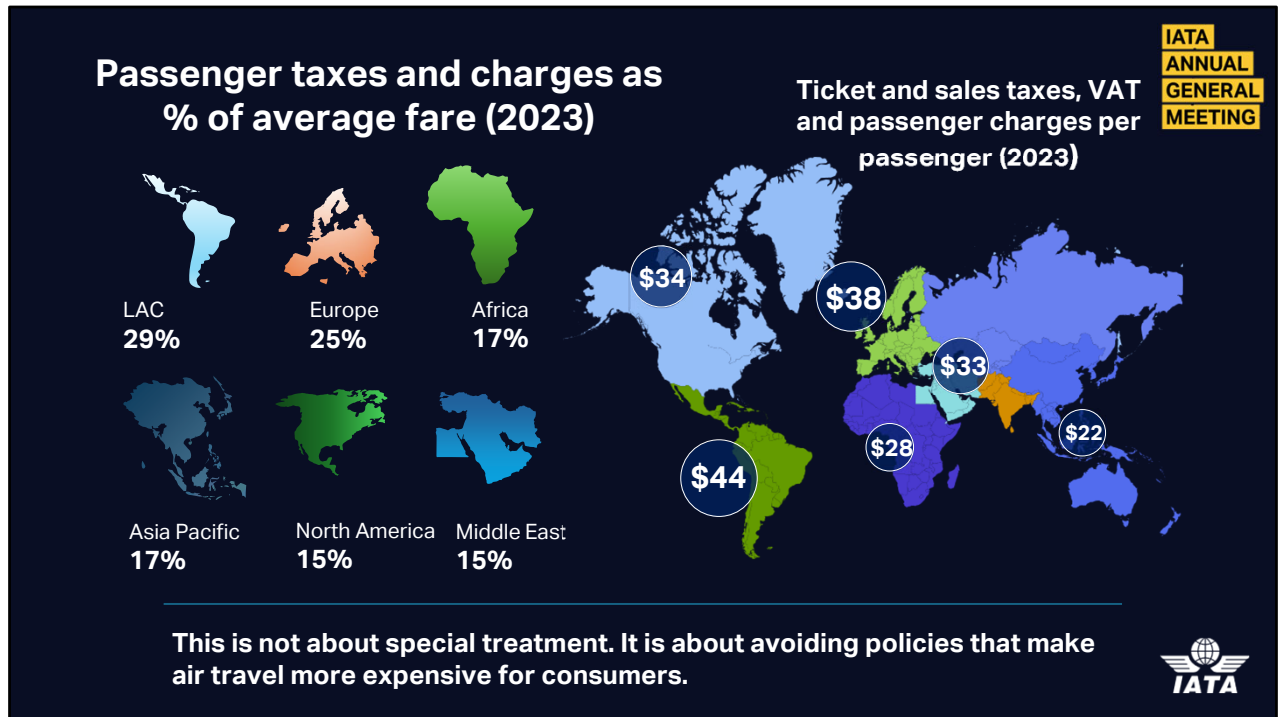
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- > Excessive tax burden
- > Complex regulatory environment
- > Counterproductive public policy proposals
- > Capacity & infrastructure limitations

**We need better coordination  
and more predictable  
regulatory frameworks.**

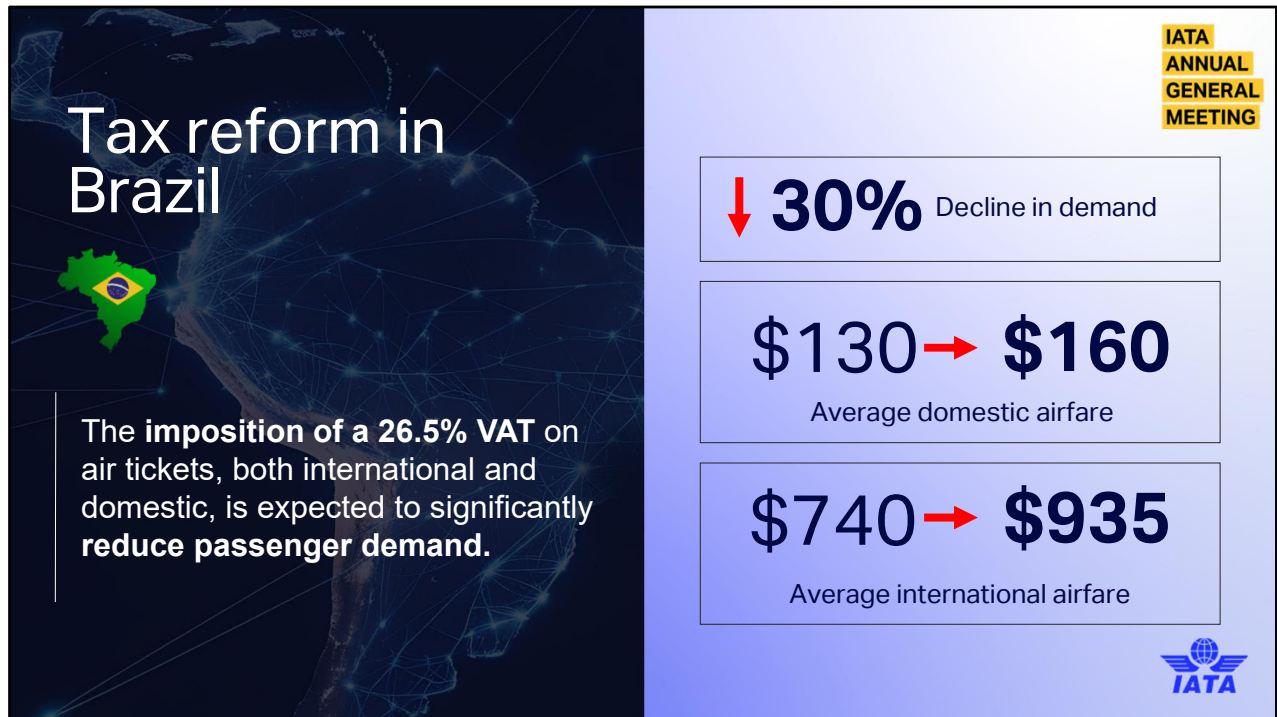
But challenges remain:

**High taxes, infrastructure constraints, and complex regulation** continue to limit growth.



Taxes and charges account for about **29% of ticket prices** in Latin America, compared to **15% in North America**.

Our message is clear: **no new taxes** because this directly impacts **affordability for passengers**.



In **Brazil**, proposed VAT increases of around 26.5% would reduce demand by around 30% and add \$195 to the average international fare of \$740.

Higher costs always translate into **fewer passengers and less connectivity**.

# Additional connection fee at Lima's Jorge Chávez Airport



**USD 11.88 per pax**

New international transfer passenger charge (TUUA).

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## IMPACT ON CONNECTIVITY



**8 international routes canceled**  
11 new routes will bypass Lima as a hub



**-1.8 million seats**  
(domestic + international)



**-US\$ 85 million** in tourism spending



In **Peru**, a new transfer fee at **Lima Airport** has already led to **route cancellations and lost capacity**.

This shows how quickly **policy decisions impact connectivity**.



# Argentina

The imposition of **new fees** and charges **without industry consultation** go against ICAO principles and have a **direct impact** on ticket prices.

## Overflight and Landing Fees

- + **15%** international
- + **355%** domestic

## Security Fees

- + **12-13%**  
Regional + International Flights



**Argentina** has made important progress opening its market but recent increases in **navigation and security fees** are concerning.

Unilateral decisions without consultation risk **reducing competitiveness**.

**Barbados**

These lower fees aim to **reduce travel costs and stimulate intra-regional tourism.**

**Paraguay**

**Reduction in Tourism Fee**

**- USD 15**

**Reduction in Mandatory Fee**

**- USD 6**

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There are also positive stories.

**Paraguay** eliminated a **6% ticket fee** and **Barbados** reduced intra-Caribbean travel charges.

These policies make travel more accessible and **stimulate demand.**

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## Regulatory proposals in the Americas 2025

**159 Legislative Proposals**

↓

**113 with negative impact on the industry**

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**Colombia**  
Ticket overbooking.  
Imposition of fare caps.

**Perú**  
Free seat selection.  
Transferability of tickets.

**Chile & Brazil**  
Free luggage allowance.

The Americas have **strong aviation potential**, but it requires **smarter and more coordinated public policy**.

Across the region, we see over **150 regulatory proposals** including fare caps in **Colombia**, passenger mandates in **Peru**, and baggage discussions in **Chile and Brazil**.

Well-intentioned but often **counterproductive**.

Policy must be **balanced and sustainable**.



Brazil remains the most **litigious aviation market in the world.**

Almost **all global aviation lawsuits are concentrated here** adding significant cost to tickets.

But there are positive steps:

**ANAC's revision of Resolution 400** and action by the **Supreme Court** to harmonize rulings.

Progress is happening but **we must stay vigilant.**

# Constrained infrastructure



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## +54%

of flights in Latin America and the Caribbean take off or land at congested or severely congested airports.



Infrastructure remains a constraint.

Over **half of flights** operate from **congested airports** like **São Paulo, Mexico City, Bogotá, Lima, Cancun, and Miami.**

But investments in places like **Argentina and El Salvador** show what is possible.



Slot management is critical.

We must adhere to **global standards under the WASG**.

Encouragingly:

**Mexico** is aligning with global practices

**Colombia** has reinforced its commitment and is implementing **80/20 monitoring at El Dorado**

This improves **predictability and efficiency**.

# United States: Removing CBP officers from EWR would threaten int'l travel

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## DHS Threatens International Travel to U.S. as World Cup Looms

DHS chief wants to halt immigration to "sanctuary" cities that won't cooperate with federal authorities.

By Olivier Khoo | June 1, 2026, at 4:00 p.m.

*Pulling Customs From 'Sanctuary' City Airports Would Cause Chaos, Business Groups Say*

US travel warns removing CBP officers from Newark Airport would devastate industry

Story by Patrick Clarke  
May 29 • 2 min read • Updated 4d ago



And lastly, we are closely monitoring developments in the **United States**, especially ahead of the **FIFA World Cup**.

Any reduction in border processing at **Newark**, which handles over **100,000 international flights a year**, have **serious global consequences**.

It would disrupt passengers, increase costs, and impact trade and tourism.

**Aviation must remain predictable and reliable.**

# Opportunity: Air Cargo

Growth in exports and e-commerce

## 2.9%

Total CTK growth in Latin America and the Caribbean, YoY (%)

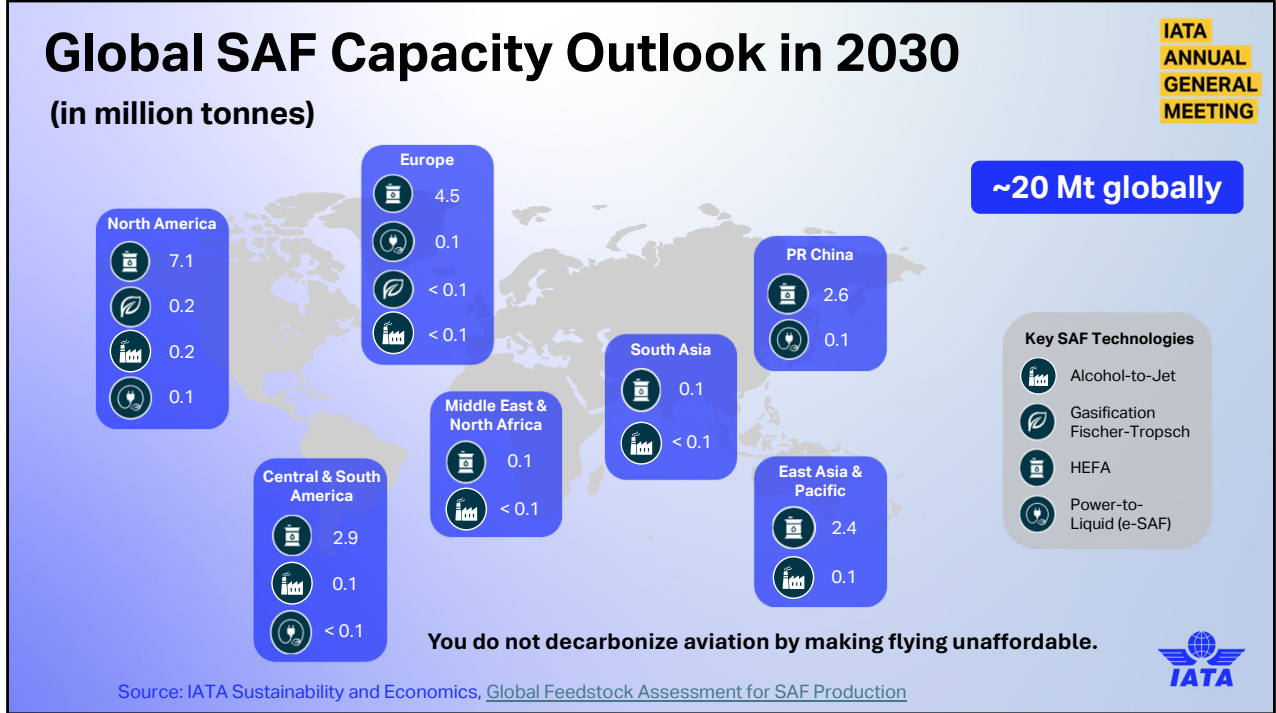
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Cargo is a major opportunity.

Countries like **Brazil, Colombia, Ecuador, Chile, Peru, and Mexico** are expanding exports from perishables to high-value goods.

Air cargo is **critical for global supply chains**.



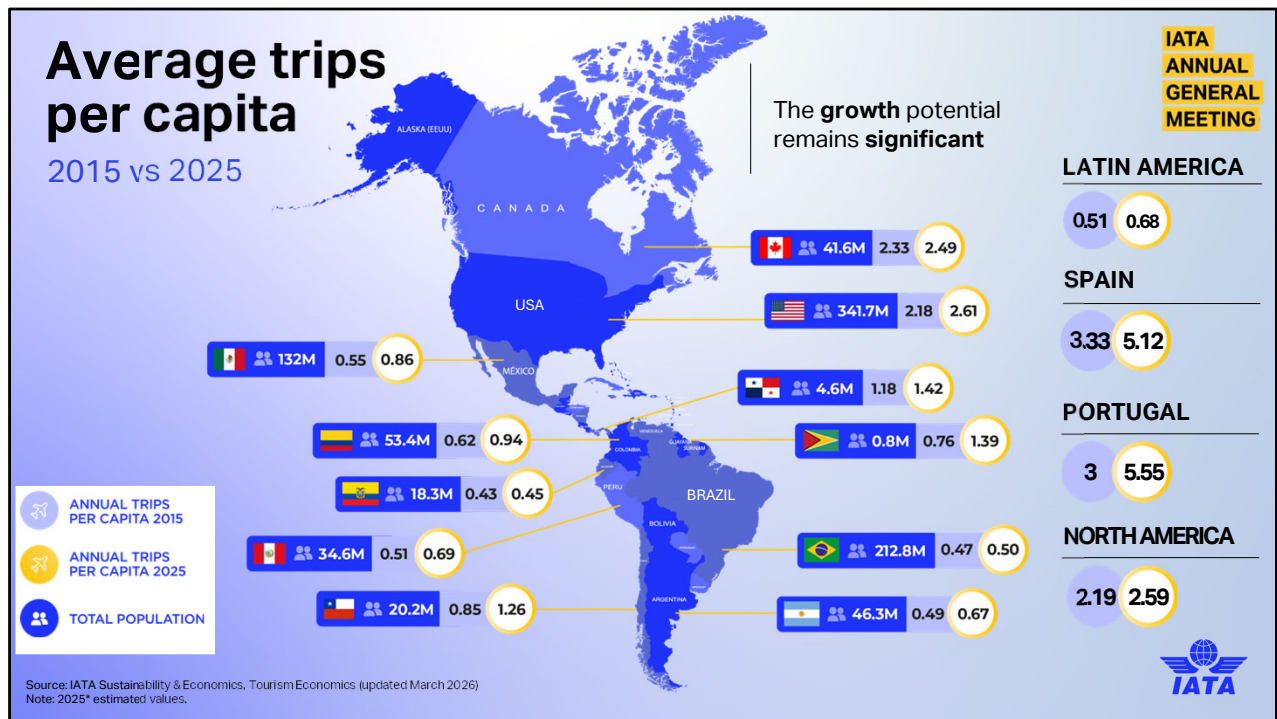
Sustainability remains a priority.

The Americas could produce **nearly half of global SAF** in the future.

But today, production, especially in **Latin America**, remains limited.

We need **government support to scale production** not policies that simply **increase costs**.

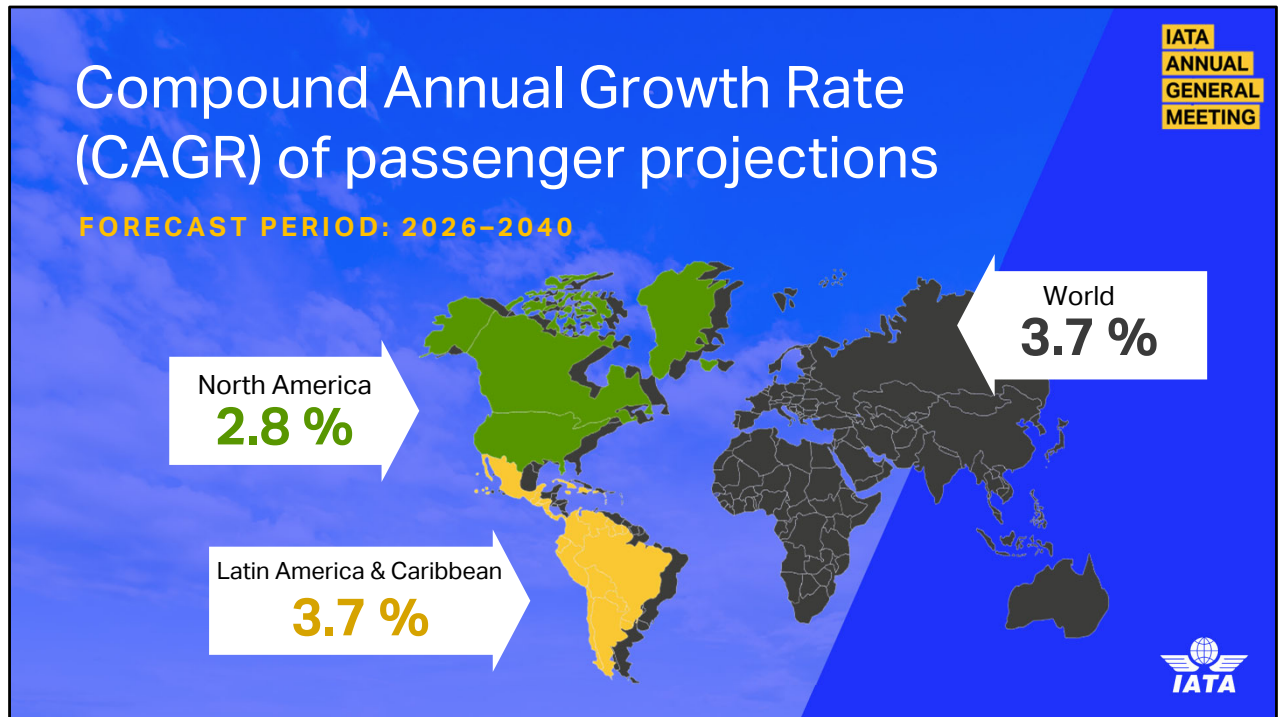
**You do not decarbonize aviation by making it unaffordable.**



Demand is one of the biggest opportunities.

People in Latin America take **less than one trip per year on average** far below other regions.

This means **huge growth potential**.



Looking ahead, demand will grow by around **3.7% annually**.

The region will remain a **key driver of global aviation growth**.

# Aviation is a strategic driver of development and integration.

- ✓ Strengthen cooperation between governments and industry
- ✓ Align regulations with global standards
- ✓ Invest in infrastructure
- ✓ Support sustainability



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To unlock this potential, we must:

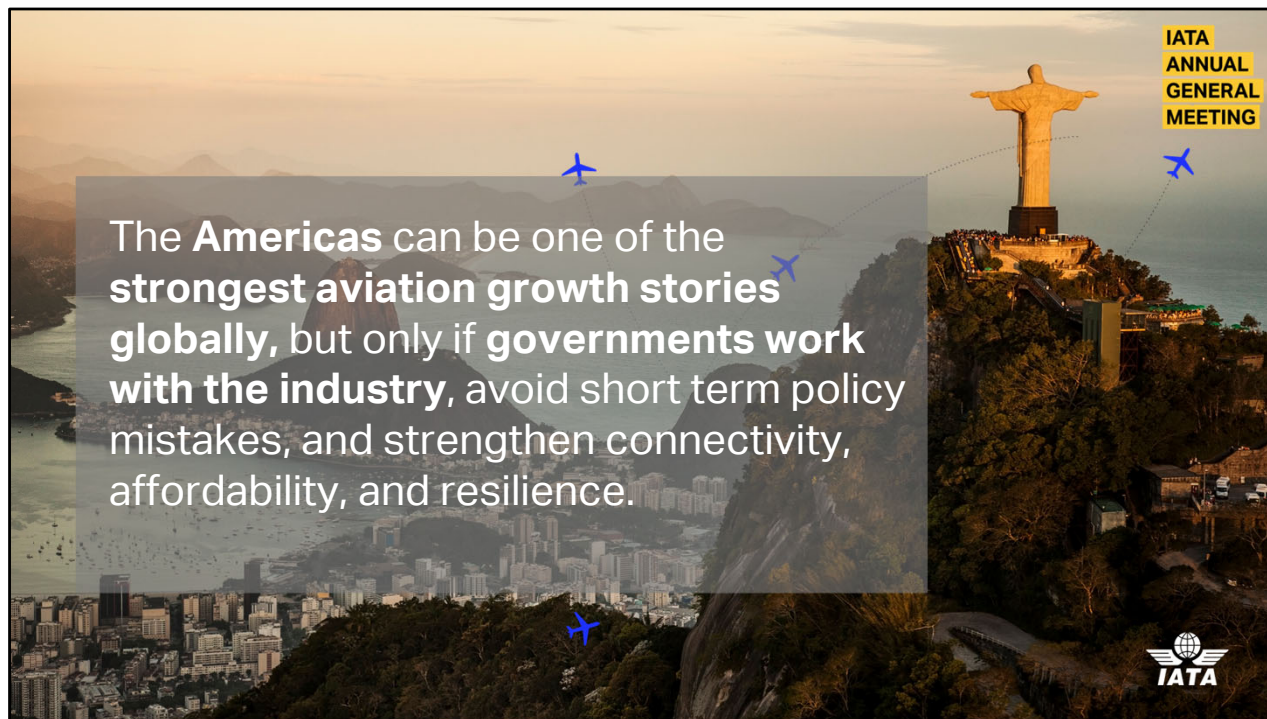
**Work together**

**Align with global standards**

**Invest in infrastructure**

**Support realistic sustainability**

**Keep aviation affordable**



Aviation is **essential**.

Without it, sectors like **tourism, agriculture, and trade cannot grow**.

The opportunity is clear but success depends on **collaboration**.

If we get this right the Americas can become one of the **strongest aviation growth stories globally**.

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# Thank you

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Regional Vice President, The Americas

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Thank you —  
and I look forward to your questions.