

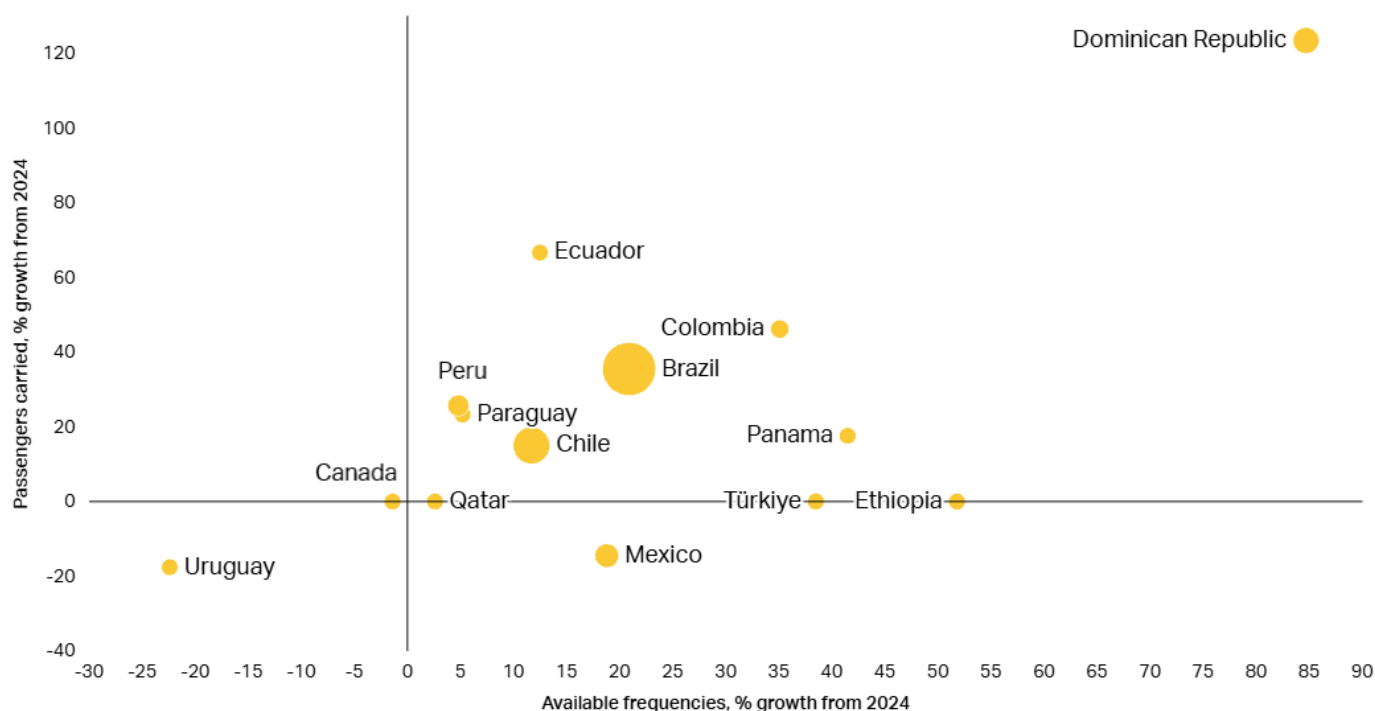


Chart of the Week

18 July 2025

Argentina's Open Skies boosts the international market

Flight frequency and traffic evolution with Open Skies signatory countries in May 2025



Source: IATA Sustainability and Economics based on data from OAG and DDS

Note: The size of the bubbles represents the passenger market share in 2025.

- Argentina introduced an "Open Skies" policy in 2024, by signing over 14 new or revised international air service agreements, opening its airspace to greater competition and connectivity. Open Skies agreements are bilateral or multilateral treaties that liberalize international air travel by reducing restrictions on airline routes, capacity, and pricing, aiming to create a more competitive environment.
- Countries engaging in the newly established air service agreements have reported strong passenger traffic growth. In May 2025, the Dominican Republic more than doubled its flight frequencies compared to the same month in 2024, resulting in an 84.7% increase in passenger demand. Colombia, Panama, and Türkiye also showed notable gains of over 35% from a year ago. Passenger volumes between Argentina and Peru increased by 17% thanks to the opening of the New Lima Airport, which enabled flight frequencies to rise by 12.7%. Even Latin America's largest market, Brazil, saw passenger demand rise by 9.9% year-on-year in May 2025.
- The Open Skies policy has been coupled with other economic reforms under President Milei. Argentina's GDP is now projected to grow between 4.5% and 5.5% in 2025. Moreover, inflation fell by a staggering 232.4 percentage points in May 2025 compared to a year ago. Investors are increasingly optimistic, as reflected in a lower country risk premium.
- Argentina's strategic decision to include an Open Skies policy in its economic reform packages has thus greatly boosted traffic. This will support the country's broader economic policy goals, which in turn might encourage other countries in the region to follow.

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