

Dear Colleagues,

While the calendar year is winding down, the past few weeks have kept our teams very busy across the region, pushing back on harmful policies and practices, while advocating for aviation to be seen as a collaborative partner that can enable economic growth and social development. You will see from the below summary of activities that the majority of work has gone into defending the industry and pushing back on policies that would be harmful to the region's connectivity. One positive story remains Ecuador where we have already established a good relationship with the new Government and provided some industry priorities for even closer collaboration between the industry and the Government. Argentina's new government announced a comprehensive plan aimed at reducing their fiscal deficit, controlling inflation, and stabilizing the exchange rate situation. So far, the process for repatriation of airlines' funds remains unchanged.

From a global perspective, sustainability has been in the spotlight due to the CAAF/3 meeting that took place in Dubai from 20-24 November 2023. The meeting concluded with the adoption of a new ICAO Global Framework for Sustainable Aviation Fuels (SAF), Lower Carbon Aviation Fuels (LCAF) and other Aviation Cleaner Energies. ICAO and its Member States have agreed to strive to achieve a collective global aspirational vision to reduce CO2 emissions in international aviation by 5% by 2030, compared to zero cleaner energy use. IATA will continue calling on governments to deliver the supportive policies needed to enable aviation's decarbonization, as agreed at CAAF/3, and adopt policies to maximize global SAF production as regions like Latin America are simply not ready to produce SAF in the current political environment and significant investments are needed to initiate

and drive SAF production in the years ahead.

Another area of on-going advocacy work is the education of many industry stakeholders and governments to better understand the complex process of slot allocation. To address this topic and educate external stakeholders, IATA has recently released a [documentary](#) filmed during the 152<sup>nd</sup> Slot Conference in Dublin, presenting a deep-dive into the process of slot allocation. Additionally, IATA has published a [special supplement on slots](#) in Airlines magazine, aimed at providing regulators and other stakeholders an in-depth primer into slots. Airlines are encouraged to use these materials in their own slots advocacy where helpful.

Lastly, I would like to wish you and your families Happy Holidays and all the best for 2024. Thank you for your support throughout 2023: We very much appreciate the close collaboration between your respective teams and IATA to change the region's aviation landscape for the better, to allow more people to fly, to support economic change and to improve the overall perception of aviation as a positive contributor to the citizens of the Americas.

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.

Best regards,



**PETER CERDÁ**

REGIONAL VICE PRESIDENT  
THE AMERICAS

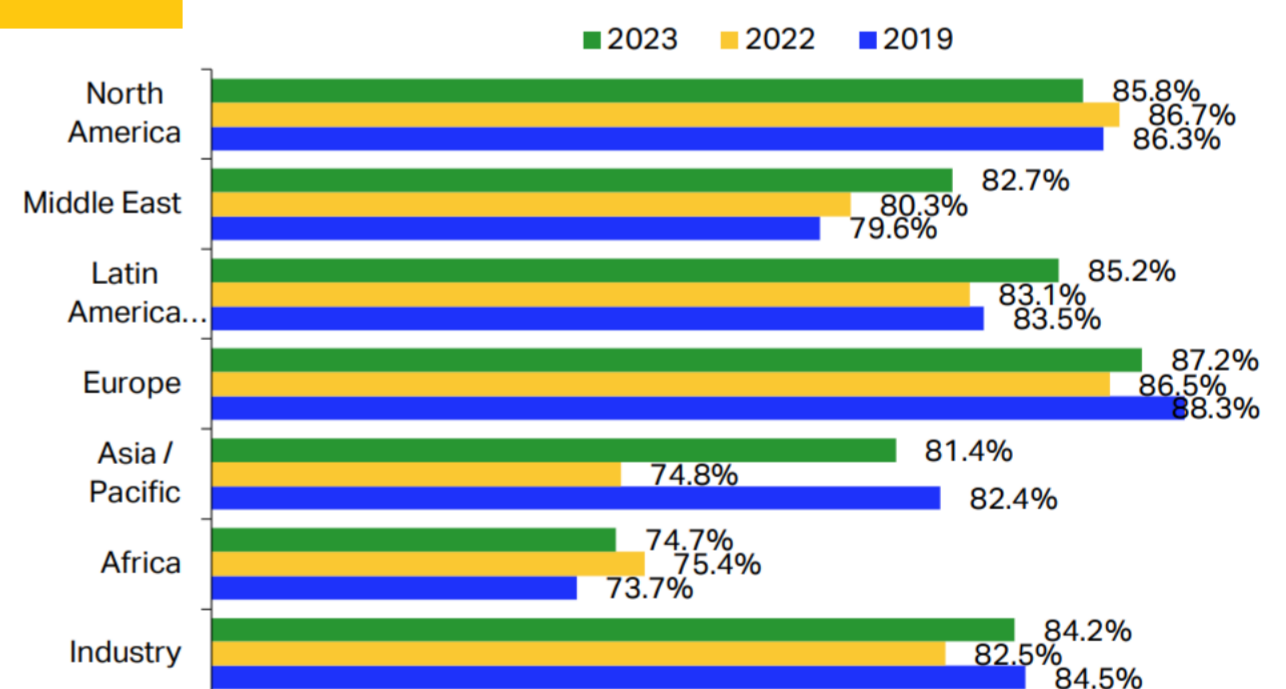


## LATEST FINANCIAL FORECAST BY REGION

System-wide global commercial airlines	EBIT margin, % revenues				Net profit, \$ billion			
	2021	2022	2023E	2024F	2021	2022E	2023E	2024F
Global	-8.6%	1.6%	4.5%	5.1%	-41.0	-3.8	23.3	25.7
Regions								
North America	-5.9%	6.0%	7.0%	6.7%	-2.3	9.1	14.3	14.4
Europe	-8.9%	4.0%	6.5%	6.0%	-12.1	4.1	7.7	7.9
Asia-Pacific	-11.9%	-8.9%	-0.3%	2.8%	-13.7	-13.6	-0.1	1.1
Middle East	-12.0%	5.1%	6.1%	6.0%	-4.9	1.4	2.6	3.1
Latin America	-9.0%	-4.1%	-0.2%	0.5%	-7.0	-3.9	-0.6	-0.4
Africa	-6.8%	-3.3%	-0.3%	0.2%	-1.1	-0.8	-0.5	-0.4

Full analysis available [here](#).

## PASSENGER LOAD FACTOR (PLF), % SHARE OF ASKS (Q3)



## ARGENTINA: FIRST POLICY ANNOUNCEMENTS OF NEW PRESIDENT JAVIER MILEI



Newly elected President Javier Milei took office on December 10 and some first measures to control inflation and stabilize the exchange rate were announced on December 13, including the devaluation of the Argentine peso by more than 50%. Argentina's Central Bank issued Comm A 7917 containing specific norms for external payments for each economic sector. Repatriation of ticket sales remained unchanged. For air freight, a new approval scheme will be put in place where approvals for freight should follow the same payment pattern applicable to the specific type of good transported. Lastly, taxes imposed on international air tickets issued in pesos to Argentinean residents, previously totaling 155% of airfare, have been reduced to 60%. We are closely monitoring the situation closely, specifically related to the repatriation of funds. We have also requested a first meeting with the Transport Minister and respective authorities, and are planning on holding an Aviation Day for Argentina in Buenos Aires, either at the end of March or mid-May. For details, please contact IATA's Country Manager Argentina, [Maria Jose Taveira](#).

## BRAZIL: SPECIAL TAX TREATMENT FOR DOMESTIC AIR TRANSPORT DURING TAX REFORM



The Brazilian Senate has approved a major tax reform aimed at simplifying tax regulations and reducing compliance burdens on taxpayers. The reform will revamp the tax code and introduce an array of changes to the credit utilization system on consumption taxes. After strong advocacy of a coalition formed by Brazilian airlines, IATA and other associations, commercial aviation has been included on the list of sectors with special tax treatment – the details of this special treatment will be determined later through supplementary laws. Industry consultants positively influenced the respective legislative stakeholders. According to local studies, the additional costs for Brazilian carriers could be up to USD 2.2 billion annually in case the sector did not benefit from special treatment. However, since the text amending the Constitution was modified in the Senate, it must once again be approved in the lower house before being enacted into law. For more details, please contact IATA's Country Manager for Brazil, [Dany Oliveira](#).

## BRAZIL: VISA IMPLEMENTATION AND LACK OF CREW EXEMPTION



IATA and fellow associations have been opposing the new visa requirement for Brazil that affects citizens of the United States, Canada and Australia which we expect to harm Brazil's overall travel and tourism sector. However, the Brazilian government has insisted on full reciprocity and kept the requirement effective from January 10, 2024. The visa application can be done online and costs US\$ 80.90. The current visa requirement also applies to crew members, which is unprecedented and contradicts the government's previous policy of exempting them from visas. IATA and fellow associations are working extensively on gaining a temporary extension for crews while working on a longer term solution. We hope to have good news to share in the coming days. For more details, please contact IATA's Assistant Director, External Affairs & Sustainability, Brazil, [Marcelo Pedroso](#).

## BRAZIL: LIFTING OF SDU FLIGHT RESTRICTIONS



Following strong lobbying efforts from IATA and fellow associations, Brazil's Ministry of Ports and Airports decided to revoke the resolution of the National Civil Aviation Council that limited operations at Santos Dumont Airport (SDU) in Rio de Janeiro to flights with arrivals and departures within a radius of 400 kilometers. The resolution was detrimental to the sector and Brazil's air connectivity, limiting passenger choice, and constituting a negative precedent for the development of air transport, as it was not aligned with international best practices. For details, contact IATA's Assistant Director, Safety & Flight Operations, [Julio Pereira](#).

## BRAZIL: IATA URGED GOVERNMENT AND PETROBRAS TO REDUCE COST OF JET FUEL



IATA urged the Federal Government of Brazil and state oil company Petrobras to review the pricing mechanism of jet fuel in Brazil, which is one of the main challenges faced by the aviation industry in the country. The price for jet fuel in Brazil is excessively high and does not reflect the reality of an oil producing country. In its press release, IATA highlighted the monopoly position of Petrobras and the additional administrative costs charged by the supplier which result in artificially inflated jet fuel prices. In addition, the government imposes a heavy tax burden on fuel for domestic flights, which further negatively impacts the sector's competitiveness. Consequently, jet fuel represents around 40% of the total costs of national airlines in Brazil. For more details, please contact IATA's Country Manager for Brazil, [Dany Oliveira](#).

## CANADA: IATA VOICED CONCERNS ON GREATER TORONTO AIRPORTS AUTHORITY'S INCENTIVE SCHEME



IATA has received information that the Greater Toronto Airports Authority (GTAA) is offering eligible carriers an Airline Partnership Agreement (APA) that includes rebates as an incentive to deliver high passenger volumes, and improve and maintain operational performance. IATA has objected to this incentive scheme and voiced its concerns to GTAA in a letter as it distorts competition and has an inherent discriminatory effect that contravenes the spirit of Article 15 of the Chicago Convention. IATA suggested a general reduction in the level of charges for all carriers, rather than granting incentives to a limited number of users. If GTAA decides to still pursue this program, IATA requested that the GTAA engage all airlines in a full consultation to review the proposed discounts or incentives and agree on clear and measurable objectives related to these rebates. For more details, please contact IATA's Country Manager for the US and Canada, [Ben Barrocas](#).

## CHILE: INCREASE OF STAFFING LEVELS TO REDUCE WAIT TIMES & IMPROVE PASSENGER EXPERIENCE AT SCL



IATA complained to Policía de Investigaciones de Chile (PDI) about the lack of staffing levels and the delayed implementation of self-serving passport control kiosks at Santiago International Airport (SCL) where passengers' wait times for immigration processing have exceeded an hour in past weeks. Following the strong industry outcry, PDI has positioned 50 additional immigration personnel at SCL until the end of March to ensure passengers are processed in a timely and efficient manner during the high-season. For more details, please contact IATA's Country Manager for Chile, [Gabriela Peralta](#).

## COLOMBIA: CALLING ON AEROCIVIL TO ENSURE RELIABLE OPERATIONS AT BOG



IATA [urged](#) the Colombian Civil Aviation Authority (Aerocivil) to re-establish reliable and adequate operations at El Dorado International Airport (BOG). Over the past weeks, more than 100,000 passengers have been impacted by flight delays and cancellations due to causes beyond the airlines' control. Aerocivil has been applying ground delay programs for extended periods without operational justification. We highlighted the urgent need to resolve this situation, considering the upcoming holiday travel period. For more details, please contact IATA's Country Manager for Colombia, [Paula Bernal](#).

## DOMINICAN REPUBLIC: AERODOM ANNOUNCED VARIOUS FEE INCREASES WITHOUT INDUSTRY CONSULTATION



Aerodrom has announced a 13% increase in Airport Infrastructure and Baggage Handling Fees from December 1, 2023, and a 4% increase in airport tariffs from January 1, 2024. They also proposed 100% collection of the fee increases from January 15, 2024 regardless of when tickets were sold. IATA expressed the industry's concerns to Aerodrom on the abrupt implementation, lack of consultation, and requested that airlines are invoiced only for tickets sold starting December 1, 2023. IATA has taken similar action about the inclusion of the Baggage Handling Fee in Punta Cana, Cibao, and La Romana Airports. Additionally, IATA and ALA have filed a formal request before Congress requesting additional time to review Aerodrom's 30-year concession contract extension and its possible impact to the industry. Aerodrom operates six airports in the Dominican Republic. For more details, please contact IATA's Area Manager for the Caribbean, [Annaleen Lord](#).

## EL SALVADOR: IATA PRESENTED PROPOSAL TO REPLACE UNPRECEDENTED FEE FOR TRANSIT PASSENGERS



After the government 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 met on 29 November with high level officials of the government of El Salvador to present a proposal to replace the fee by establishing electronic visas for impacted nationalities. The officials agreed to escalate the proposal to the President. For details, please contact IATA's Area Manager for Central America, [David Hernandez](#).

## MEXICO: OPPOSED FEE INCREASE IN AIRPORT SERVICES AT MEX



IATA [strongly opposed](#) the planned increase in airport services by an average of 77% at Aeropuerto Internacional de la Ciudad de México (MEX), starting next year, as this decision will have a negative impact on the passengers, the airlines and the country's overall air transport competitiveness. It is unacceptable that the Government reduced rates at other airports in the country but that at MEX, costs continue to increase: The Airport Use Fee (TUA) at AICM is already one of the highest in the world (503.22 pesos for domestic and 955.49 pesos for international flights, on average in 2023). We urged the authorities to reconsider this increase and to address the serious issues of MEX's aging facilities and service quality, which do not match the high price paid by the airlines and passengers. For more details, please contact IATA's Country Manager for Mexico, [Cintya Martinez](#).

## UNITED STATES: FAA REAUTHORIZATION BILL



The U.S. Congress is currently in the process of passing a new, multi-year bill to reauthorize the funding and programs of the Federal Aviation Administration (FAA). The House of Representatives passed its version of the reauthorization bill in July of this year. However, the Senate has yet to even pass its bill out of committee, primarily due to an impasse over changes to pilot training requirements. The previous authorization for the FAA expired on 30 September 2023 and was temporarily extended by Congress through 31 December 2023. An additional extension through March 8, 2024, is expected to be passed before the Congress adjourns for the year. For details, please contact IATA's Vice President, Member & External Relations, North America, [Doug Lavin](#).