

# AIR TRANSPORT IN LATIN AMERICA CHALLENGES AND OPPORTUNITIES



Gobierno  
de Chile

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22 States  
members of  
LACAC

630 million  
population  
from Mexico to  
Chile

US\$ 9,300.00  
Average GDP  
per capita 2017

2.6 million annual  
flights connecting  
385 cities in the  
Region and 160 in  
the rest of the world

Larger  
operators:  
LATAM, Avianca,  
COPA,  
Aeromexico

# Benefits of aviation in Latin America and The Caribbean



**260 m. pax  
carried within  
the Region in  
2016**

**334 m. total  
pax carried per  
year**

**8% of total  
global air  
traffic**

**5,3% growth  
rate passenger  
traffic**



# Benefits of aviation in Latin America and The Caribbean



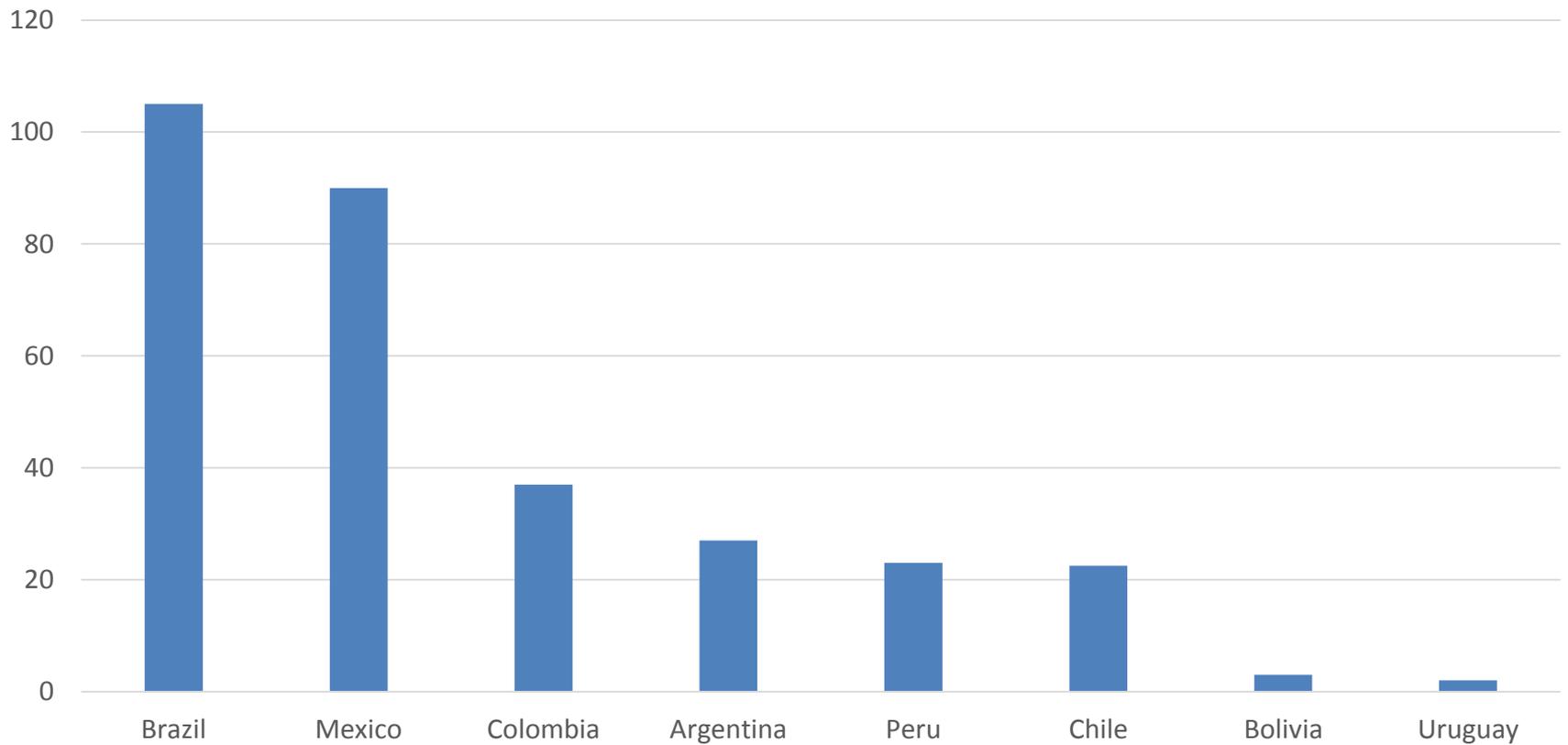
**Direct and indirect jobs  
5.2 millions**

**Contribution to  
GDP  
USD \$167  
billion**

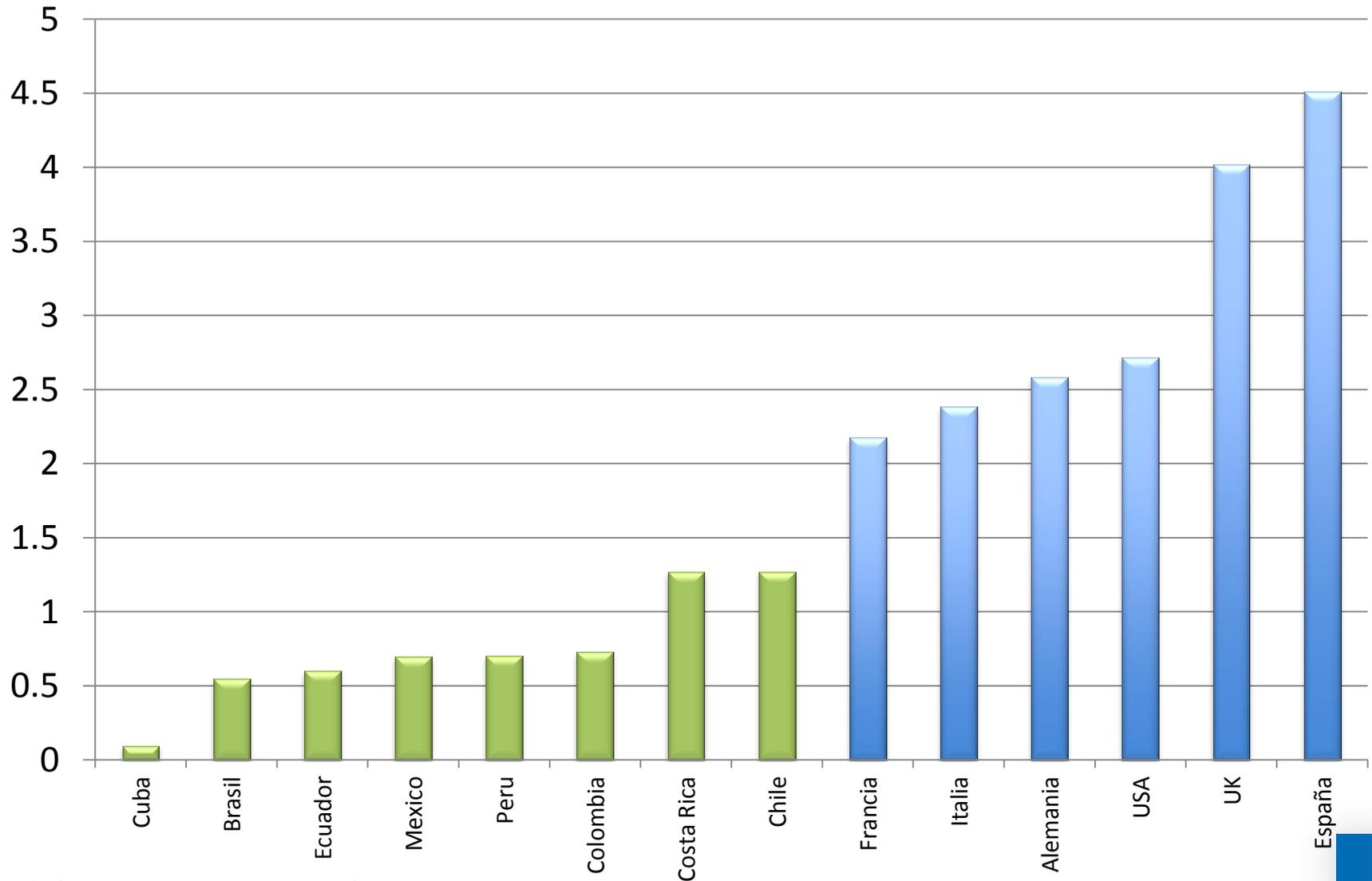


# AIR TRANSPORT GROWTH

## Total passengers regular services 2017



# Flights per person (2017)

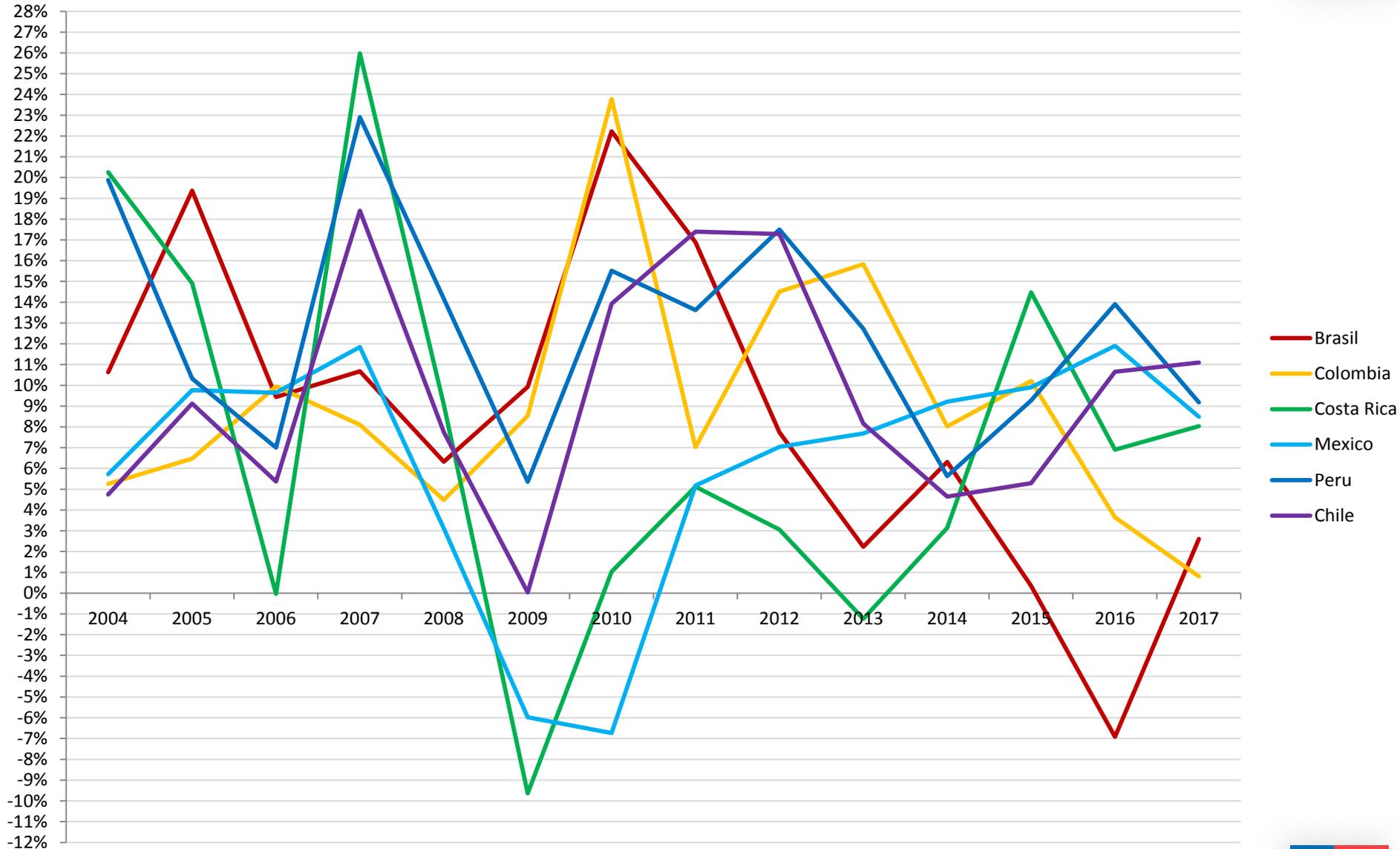


Source: Self elaboration using public data from each country..

# DRIVERS OF AIR TRANSPORT GROWTH IN THE REGION



# Growth rate in main economies in Latin America and the Caribbean (2004-2017)



Source: Self elaboration using public data from each country..

# AIR TRANSPORT INTEGRATION EXPERIENCES IN LATIN AMERICA

## Fortaleza Agreement for Sub regional Air Transport 1996

- **Argentina**
- **Bolivia**
- **Brazil**
- **Chile**
- **Paraguay**
- **Peru**
- **Uruguay**

## Andean Nations Community 2004

- **Bolivia**
- **Colombia**
- **Ecuador**
- **Peru**

## LACAC Open Skies Multilateral Convention 2010

- **Brazil**
- **Panama**
- **Uruguay**
- **Chile**
- **Colombia**
- **Guatemala**
- **Honduras**
- **Paraguay**
- **Dominican Rep.**

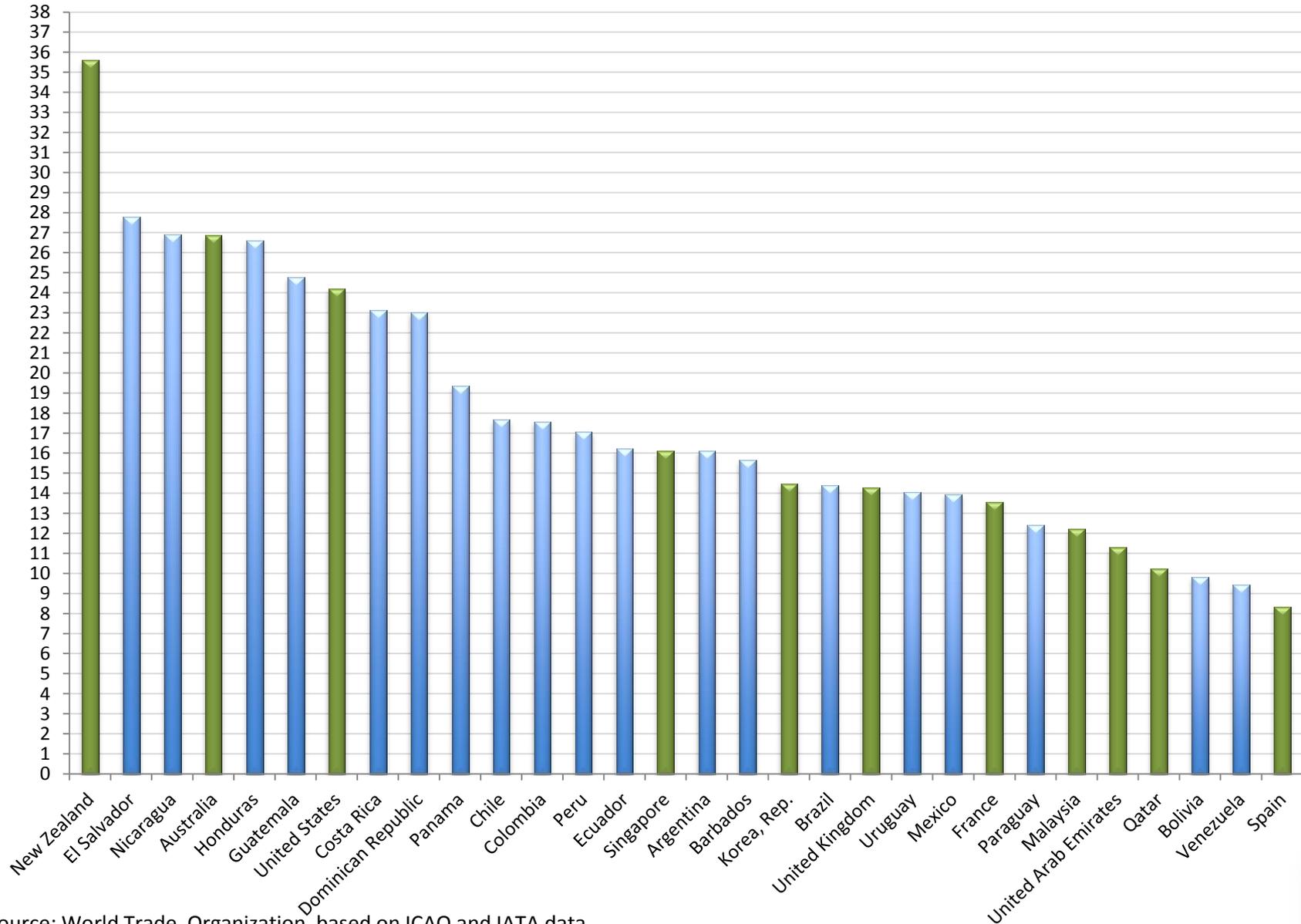
# Air Commercial integration between Chile and the countries of America



- = First level (open skies in 9 freedoms of the air, including cabotage)
- = Second level (open skies in 3rd, 4th, 5th, 6th, and 7th freedom in cargo, without geographic limitations)
- = Third level (open skies up to 5th and 6th freedom without geographic limitations)
- = Fourth level (open skies up to 5th and 6th freedom with geographic limitations, and/or number of flights limited in 5th freedom)
- = Fifth level (open skies only in 3rd and 4th freedom, and/or limited number of flights in 3rd and 4th freedom, also in 5th freedom)



# Openness of bilateral Air Service Agreements (2011)



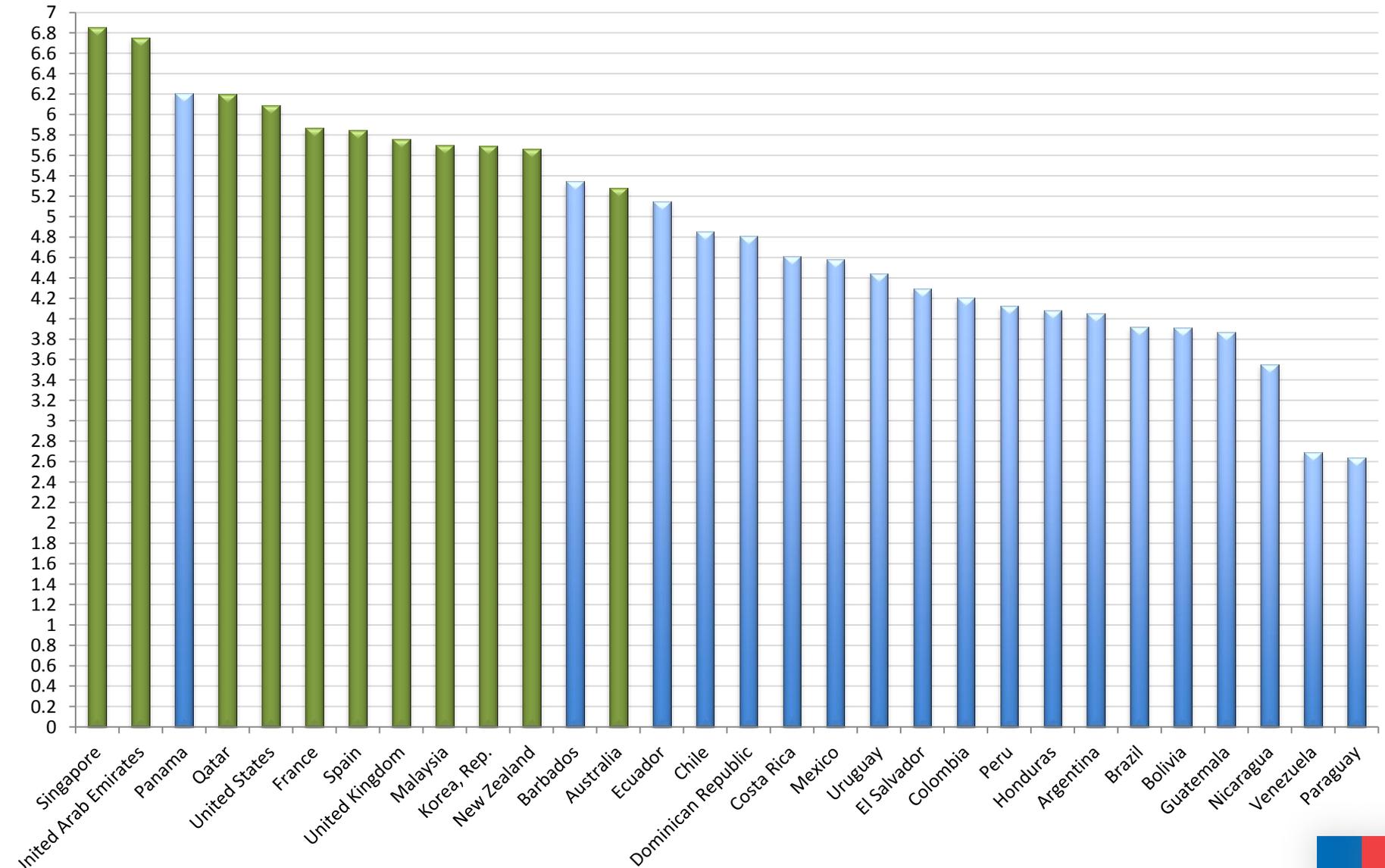
Source: World Trade Organization, based on ICAO and IATA data.

# CHALLENGES



- Move forward in liberalization
  - Remove some barriers (charges, pricing, monopolies)
  - Regulatory uniformity
  - Need for infrastructure
  - Investment incentives
  - Public policies oriented to transport
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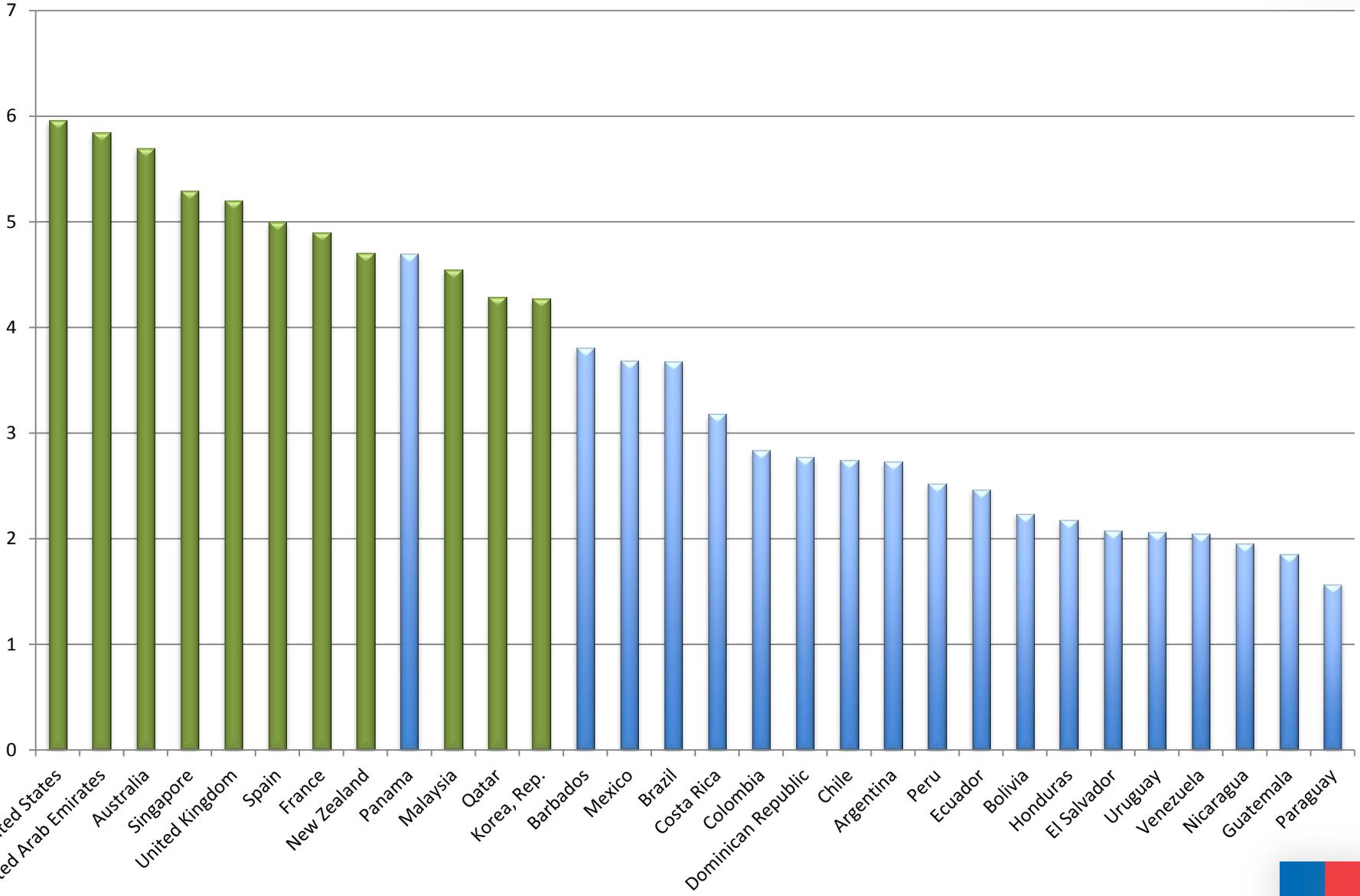
# Quality of air transport infrastructure, 1-7 (2016)



Source: World Economic Forum (WEF).



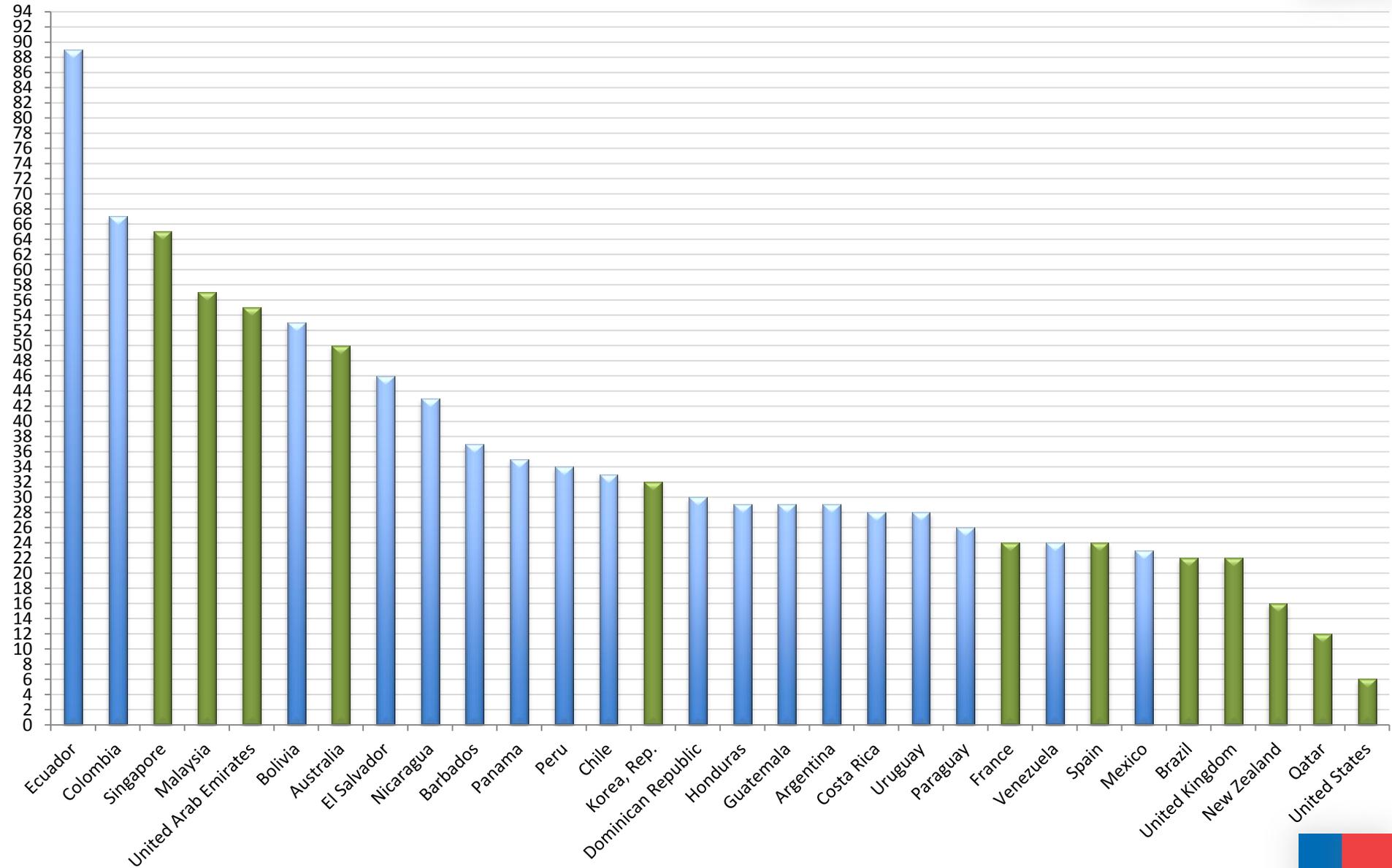
# Air transport infrastructure, Pillar



Source: World Economic Forum (WEF).



# Visa requirements (2015)



Source: World Tourism Organization (UNWTO).



**Thank you!**



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