



MEDIA RELEASE

ATAG study outlines air transport's contribution to the Latin American/Caribbean economy – and calls on governments to stimulate the regional market

25 April 2002 – “The current economic downturn together with the tragic events of 11 September 2001 have led the Latin American air transport industry into a crisis situation which calls for a fundamental reflection on civil aviation policies” stated Philippe Rochat, Executive Director of the Air Transport Action Group (ATAG) during his address at FIDAE 2002 in Santiago de Chile.

Mr Rochat insisted on the need for government action to further **liberalise the regional Latin American air transport market**. Protective air transport policies have limited the industry's ability to generate trade and tourism while greater competition on routes within Latin America will help create more traffic and consolidate the region's position versus more powerful markets.

According to ATAG's findings, charges and taxes imposed on the aviation sector in the region are among the highest in the world and severely impact regional carriers' revenues. In this context, Mr Rochat called on governments to adjust their fiscal policies and to stimulate the market through more efficient infrastructure pricing, such as marginal cost rather than full cost recovery. ATAG believes that **pricing for airport and air navigation facilities should be used as a tool to maximise air transport benefits rather than maximising short-term profits**.

These recommendations are formulated in the ATAG study launched at FIDAE: ***The Contribution of Air Transport to the Latin American & Caribbean Economy***. This study, the first of its kind, aims to ensure that air transport's social and economic benefits are maximised.

It highlights the vital contribution that airlines and airports make to local, national and regional economies and the pivotal role they play in the industrial expansion and economic growth of all nations. More specifically, it illustrates that:

- more than 225,000 persons are directly employed in airlines and airports while the total workforce generated by air transport in the region is close to two million jobs;
- air passenger growth in the Latin American/Caribbean region has outpaced world average since 1991, although carriers in the region have experienced a significant decline in their traffic share to and from North America and Western Europe since 1997;
- over the past decade, the region's income from tourism – which is now considered the first world industry – has grown at a stronger pace (7.9%) than the world average (6.2%);

cont./...2

- the 83 main airports in the Latin American/Caribbean region served a total of 146 million passengers in 2000, including nine hubs with more than five million annual passengers; and
- passenger traffic is expected to increase at an annual rate of 3.9% in the coming years. This will represent 113 million additional passengers in 2015, by which time the region will account for 15% of world international traffic.

This study can be ordered, free-of-charge, from: information@atag.org

For further information, please contact
Anna Stewart, Communications Manager, ATAG
Tel: +41 22 799 2097
Email: stewart@atag.org

The Air Transport Action Group (ATAG) is an independent coalition of organisations throughout the air transport industry that have united to support aviation infrastructure development and capacity improvements in an environmentally-responsible manner. Its members include airports, airlines, manufacturers, air navigation services, airline pilot and air traffic controller unions, chambers of commerce, travel and tourism organisations, ground transportation and communications providers. Its funding members are Airbus, Boeing, CFM, IATA and Rolls-Royce.

