IATA AND LATIN AMERICAN AVIATION

At the end of March IATA announced from Santiago that it was urging governments and other stakeholders in Latin America to unite to give aviation the freedom to succeed by improving aviation safety, making badly needed investments in infrastructure and reducing the heavy tax burden on the industry.

Said IATA Director General and CEO Tony Tyler, “The freedom to succeed depends on having the right conditions in place. Many of those conditions are beyond the control of the airlines—or at least require industry and government to work together with a common vision and purpose.” Tyler urged governments to use aviation as a catalyst for economic growth and development in the region. Aviation supports more than 4.6 million jobs and $107 billion in GDP in the Latin America/Caribbean region. But this could be much more. Americans travel an average of 1.8 times a year. Chile has the region’s highest propensity to travel. But it is still at 0.7 trips per year. He added, “There is great potential to be achieved if we work closely with governments to secure our future.”

Tyler noted that IATA is strongly aligned with the Latin American and Caribbean Air Transport Association (ALTA) to enable aviation to achieve its economic potential. “ALTA is a partner of IATA in this region and we are working in harmony to move aviation forward.” He went on to identify three areas that are vital to enabling aviation to fulfil its economic potential in the region.

On safety: “The freedom to succeed begins with safety because without it success is not sustainable. Earlier this month, we announced our analysis of the industry’s 2011 safety performance. It was a stellar year—the best in history: 2.8 billion people flew safely on 38 million flights.” However, Tyler noted that the picture in the Latin America/Caribbean region was not as bright. “Although Latin American airlines achieved a 32% improvement in the Western-built jet hull loss rate compared to 2010, the 2011 performance was still 3.5 times worse than the global rate. LATAM traffic is 6% of the global total but it accounted for 27% of jet hull losses. If this does not improve, then the current rate of traffic growth means that in six years, carriers here will experience a major accident every eight weeks. Clearly that is not sustainable. If Latin American aviation is to continue to deliver on its immense promise, safety must be addressed as a community working in partnership with government. And global standards must be at the heart of our joint efforts.”

Tyler cited the success of the IATA Operational Safety Audit, which is a condition for membership in both IATA and ALTA, as a means of improving safety. “The
accident rate for non-IOSA carriers in LatAm is five times worse than for those airlines that have met the standards. Chile, Brazil, Costa Rica, Mexico and Panama recognise this and have incorporated IOSA into their safety oversight. Peru is expected to follow in 2014. I cannot understand why all Latin American governments do not do the same. It can only help.”

Following on from IOSA is the IATA Safety Audit for Ground Operations (ISAGO). It is improving safety and helping reduce the $4 billion annual cost of ground damage. Eleven airports and four safety regulators in the region have given their formal support. Four airlines are part of the audit pool with others expected to join shortly.

Tyler noted the importance of information sharing to identify emerging safety trends and take actions to mitigate risks with, “On this, IATA and ALTA are working hand-in-hand, with a landmark agreement enabling all ALTA members to contribute to and benefit from IATA’s Global Safety Information Centre (GSIC).”

**On security:** “A decade after the tragic events of 9.11, we are much more secure but perhaps not equally wiser in the way that we accomplish passenger security. Does the security experience of long lines—which is a particular issue at several large hub airports in Latin America—plus unpacking, disrobing and often intrusive checks, need to be that way?”

Tyler cited IATA’s Checkpoint of the Future that will differentiate screening using passenger information that is already being collected for immigration purposes. This will be combined with technology that allows passengers to walk through checkpoints without stopping, disrobing or unpacking. Tyler cited the need to harmonize passenger data exchange within the region. He commented further, “As with safety, security needs global standards. Many of the LATAM programs for passenger and cargo data require non-standardised data exchange methods that cannot be supported by airlines. And even if they could, the systems would be inefficient and not in harmony with the rest of the world. IATA is working to educate authorities on the need for change and providing alternatives.”

**On infrastructure:** Tyler concluded by saying that aviation’s sustainability is also highly dependent on adequate airport and air traffic management infrastructure. “To be candid, I have big concerns about this region. Infrastructure clearly is deficient in many countries but I do not see a level of urgency among governments to fix it with holistic solutions. Bottlenecks created from neglect and under investment could choke future growth.”
Tyler noted the recent airport privatizations in Brazil are intended to help that country fast track much needed investment in airport infrastructure ahead of the FIFA World Cup and Olympics events. However, the high prices paid by the new airport investors for the concessions are a matter of concern. “The investment must be recouped through efficiency improvements that enable traffic growth, not in higher charges to airlines.”

Tyler also cited the need to open more airspace that is currently restricted to military use and to reduce the heavy fees and user charges imposed on travel and tourism across the region. “At least $4 billion is collected from airlines and their customers. There is very little transparency on what happens to that money. But a best guess is that less than a third stays within the sector. The future is bright for Latin American aviation. Now, governments in the region need to do their part by working with all stakeholders in the areas of safety, security, infrastructure and charges to ensure that the freedom to succeed is not an empty phrase. IATA is a willing and able partner in this effort.”