

# Redefining Competitiveness of Air Transport in the Americas

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# Impact of COVID-19 on Air Connectivity in the Americas

North America

Air connectivity before COVID 19

5,450  
city pairs

Apr 2019

Air connectivity decimated  
by COVID 19

3,490  
city pairs

Apr 2020



4,890  
city pairs

Dec 2020

Latin America & Caribbean

Air connectivity gaps even  
before COVID 19

1,780  
city pairs

Apr 2019

Air connectivity decimated  
by COVID 19

680  
city pairs

Apr 2020

Air connectivity coming back  
but less frequencies

1,415  
city pairs

Dec 2020

# Impact on Jobs and GDP in the Americas

North America

2019: Pre-COVID



**8.8 Million**

Jobs supported by air transport



**US\$1.1 trillion**

GDP supported by air transport

**-49%**



**-50%**

2020: COVID Impact



**4.5 Million**

Jobs supported by air transport



**US\$553 billion**

GDP supported by air transport

Latin America & Caribbean

2019: Pre-COVID



**7.6 Million**

Jobs supported by air transport



**US\$187 billion**

GDP supported by air transport

**-52%**



**-50%**

2020: COVID Impact



**3.7 Million**

Jobs supported by air transport



**US\$93 billion**

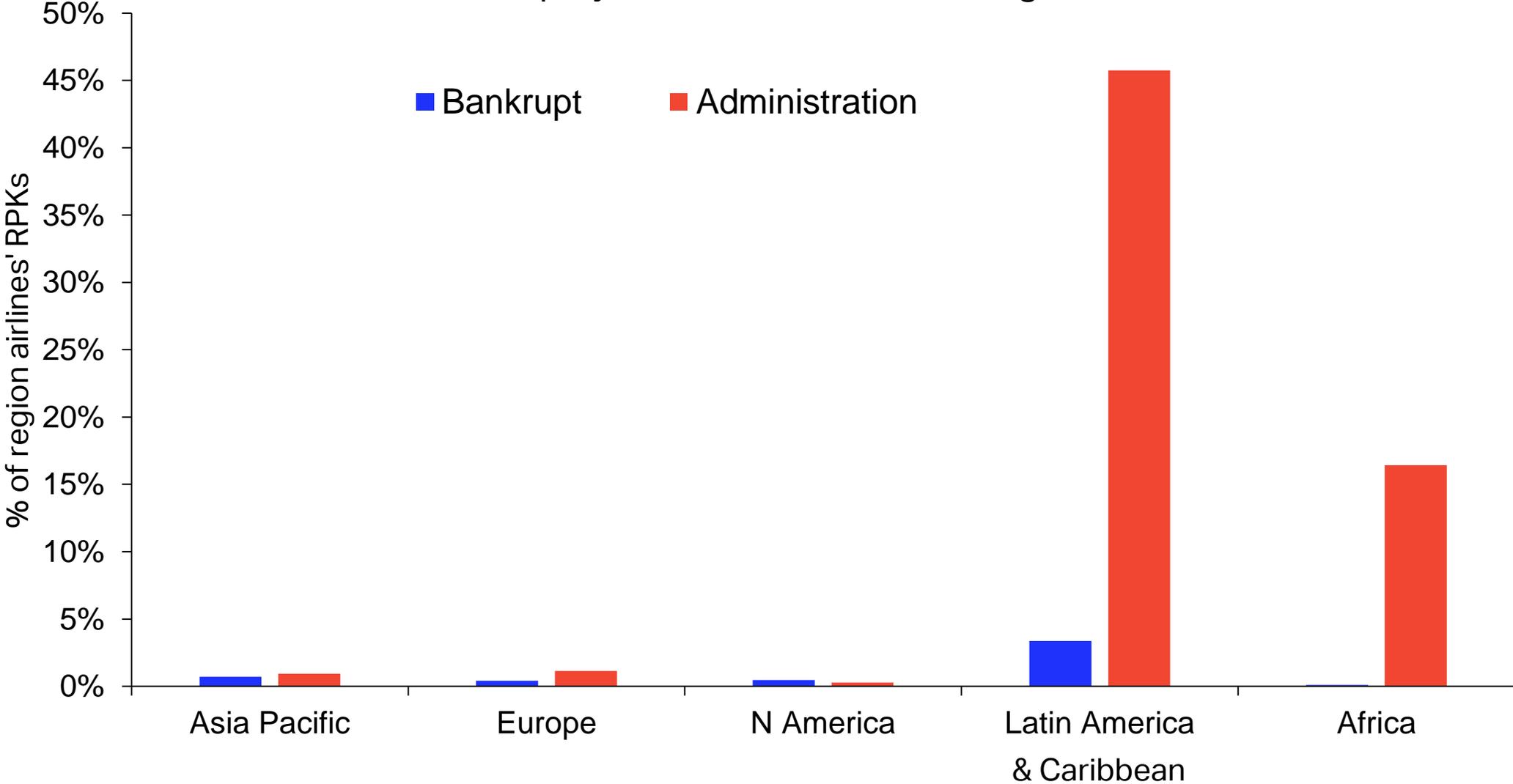
GDP supported by air transport



# Airline failures in 2020 very unevenly spread

Government aid preventing some failures where provided

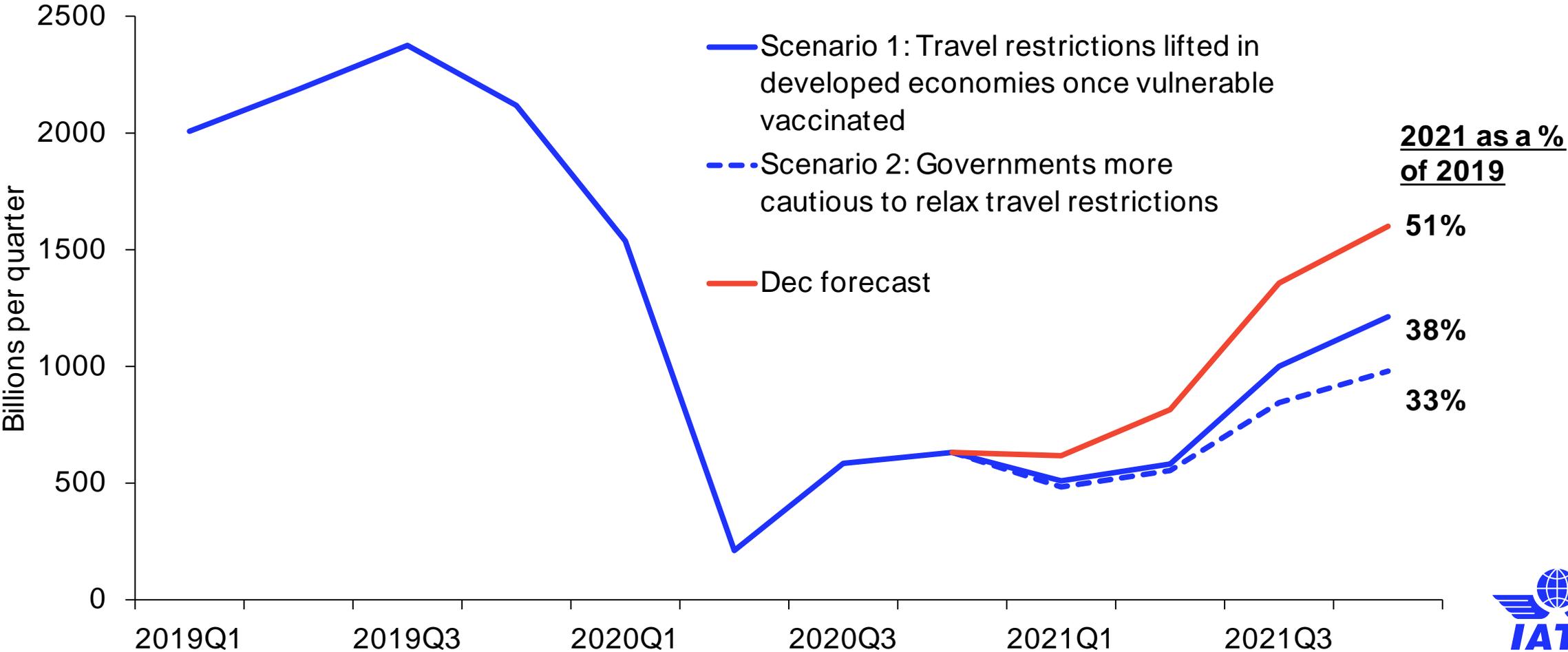
Airlines in bankruptcy or administration, % of region's RPKs



# 2021 H1 will be weaker than expected in December

There is also a risk to H2 from policy response to new virus variants

Global RPKs, billions per quarter



Source: IATA Economics

# On-going COVID-19 Response

## Short-Term: COVID Response

- **Systematic testing** and adequate contact tracing is required to keep borders open with no quarantines in place
- **Biosafety measures** coupled with testing remain effective to reduce risk of importation of virus
- **Standardized global approach to health credentials:** [IATA Travel Pass](#) – intergovernmental recognition of test and vaccine certificates
- **Financial relief** by States to ensure viability of the operation despite airlines continuous cash burn, including access to credit lines, routes incentives and travel vouches.
- **Country vaccination roll-out plans** and consideration of aviation workers as essential



# Urgent need to make air transport more competitive in Latin America and the Caribbean



## Conditions of 2019 are unacceptable

### INFRASTRUCTURE



- Capacity Constraints
- Airspace Optimization
- Slots
- **Invest in Aging Infrastructure**

### COMPETITIVENESS



- Cash Cow Industry
- Taxes & Charges
- Lack of Transparency
- **Need to Decrease Taxes**

### REGULATORY FRAMEWORK

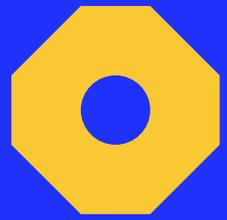


- Politically Motivated
- Passenger Rights
- Harmonized Policies
- **Follow Global Best Practices**

### ENVIRONMENTAL SUSTAINABILITY



- Lead Development of Sustainable Aviation Fuels (SAFs) and fuel R&D
- **Invest in new technologies**



# Thank you

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