

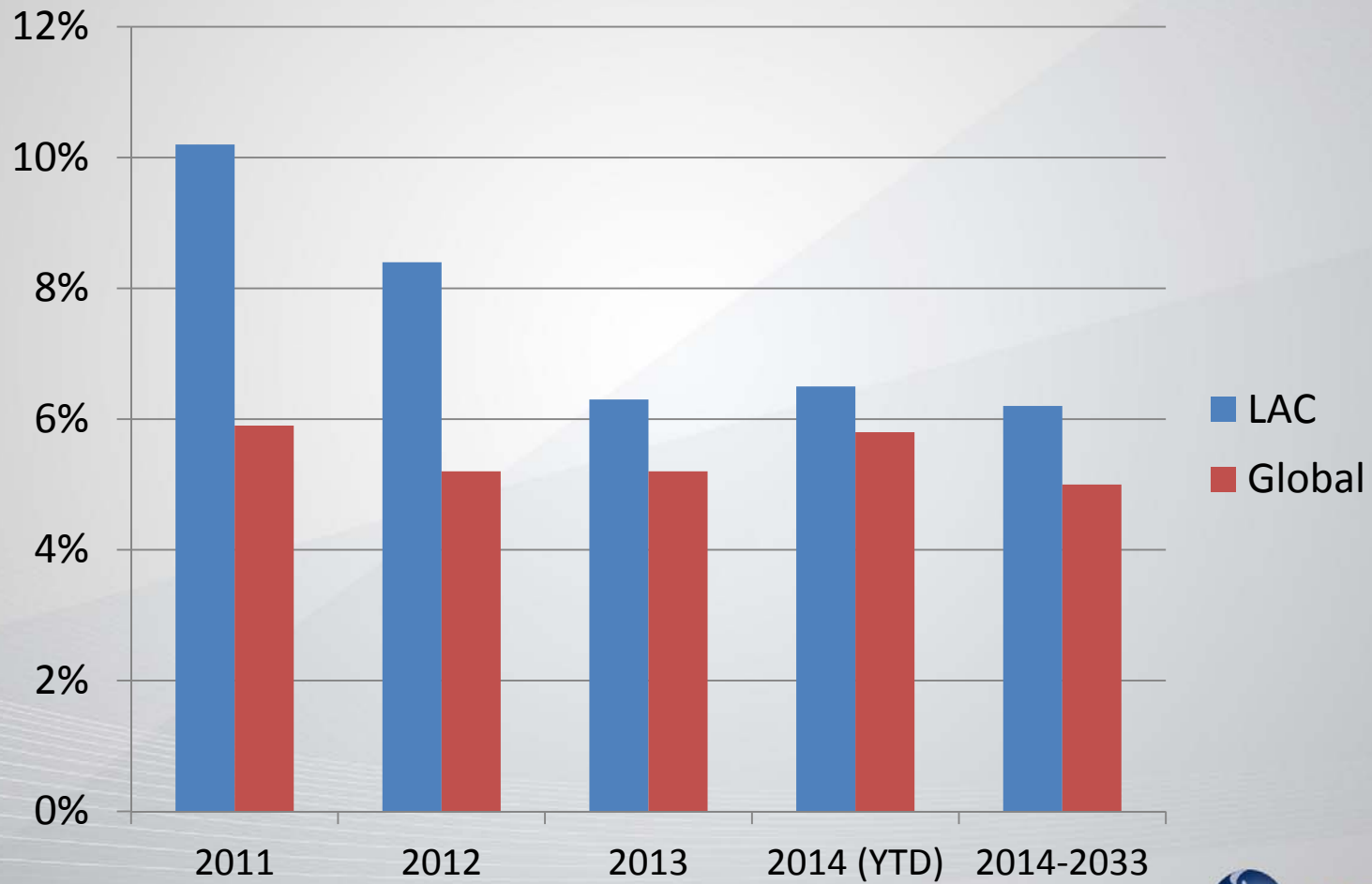


ICAO Regional Air Transport Conference: Setting the Scene

(Montego Bay, Jamaica, 7—9 October 2014)

Latin American & Caribbean Air Transport Association

Traffic Growth

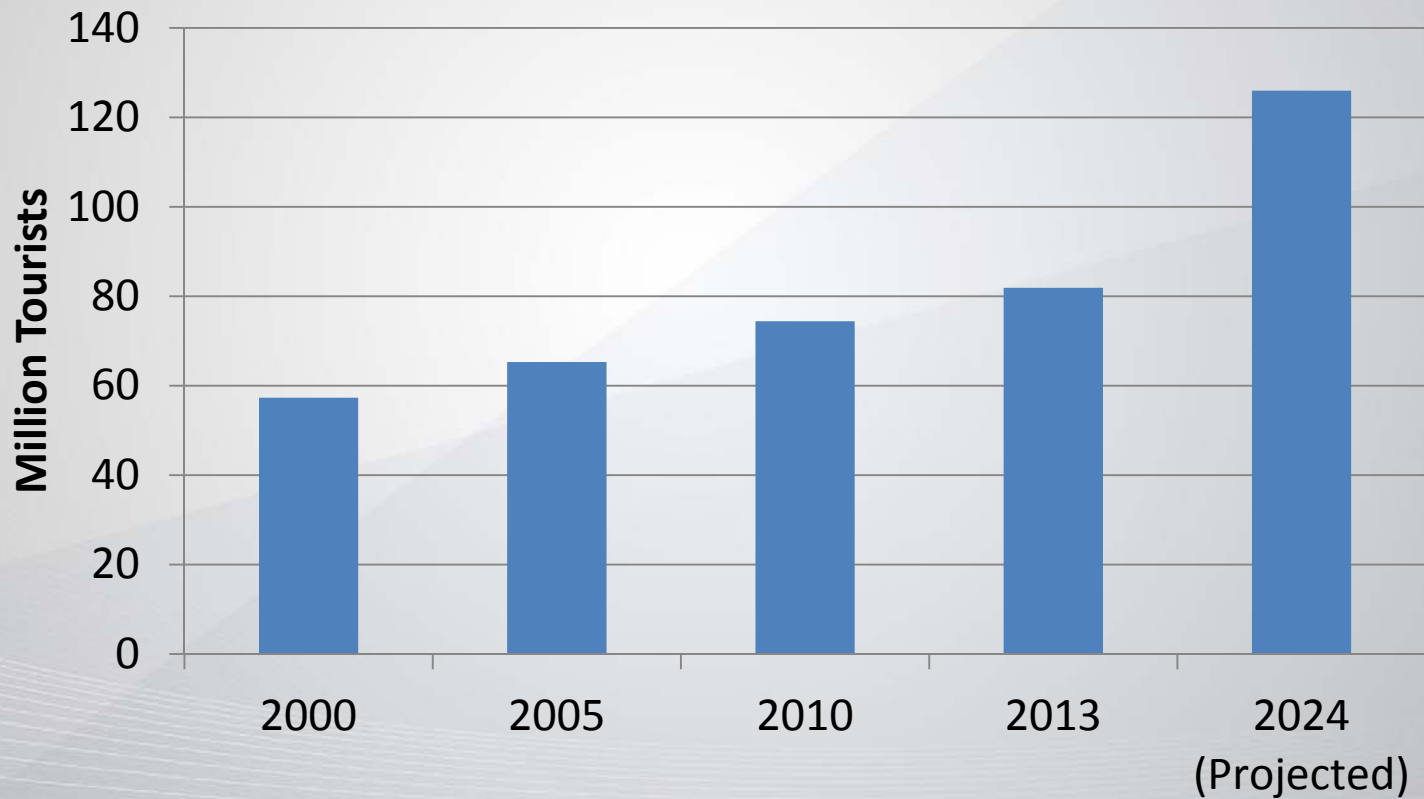


Aviation's Economic Contribution

- \$153 Billion USD to region's GDP
- 840,000 Direct Jobs
- 4.9 Million Total Jobs
- Tourism represents 8.9% of the region's GDP

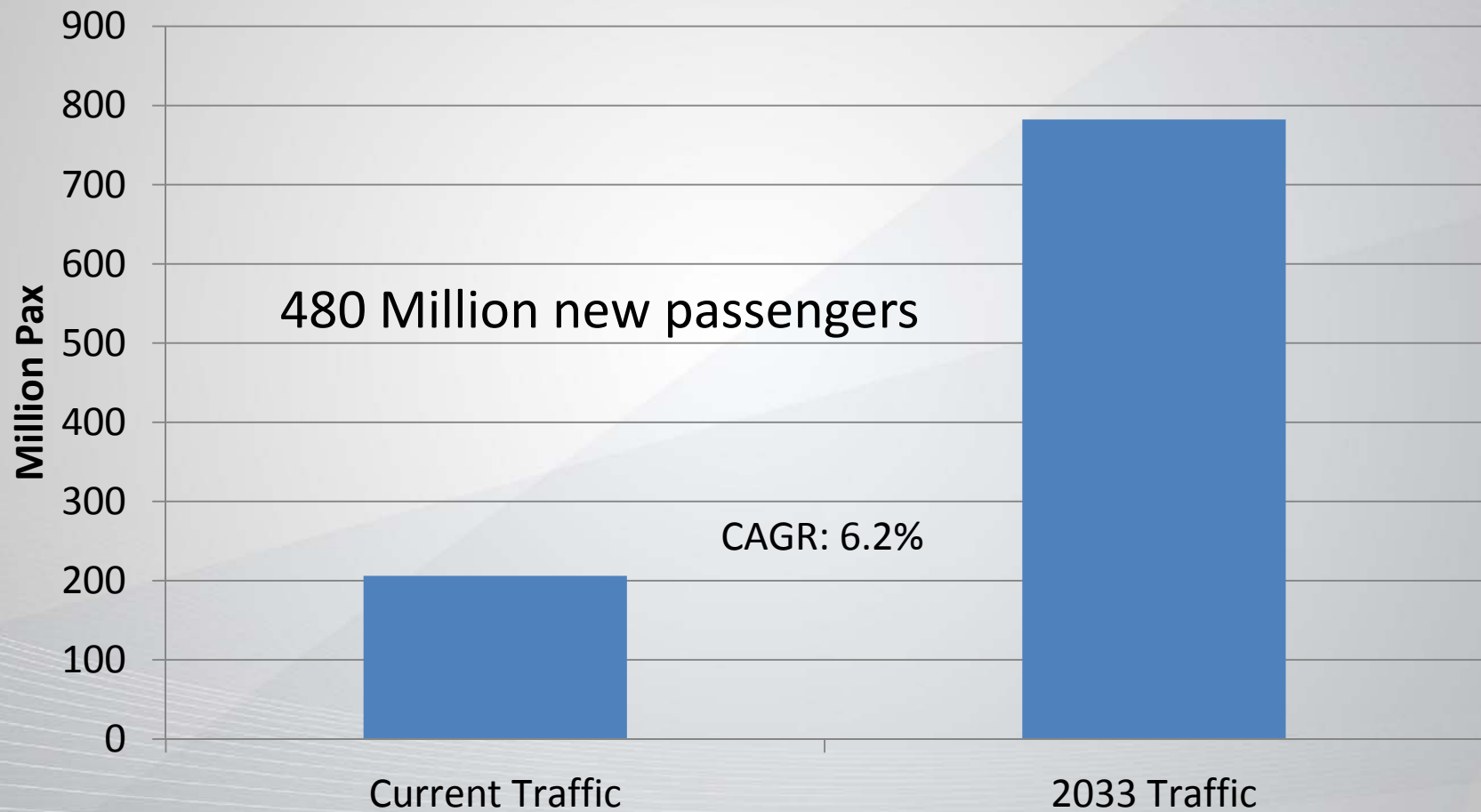
LAC Tourism

Tourist Arrivals

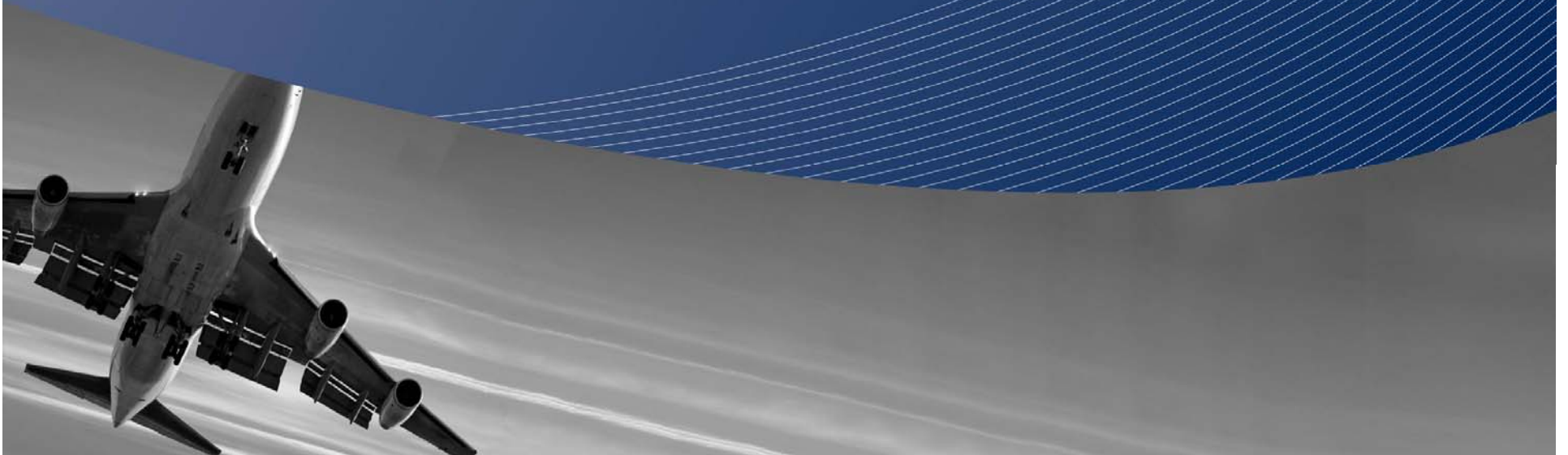


Source: WTO, Includes Intra-LATAM traffic.

LAC Passenger Traffic



Challenges Ahead



Challenges

- Traffic Rights Restrictions
- Ownership Control
- Infrastructure
- Process Inefficiencies

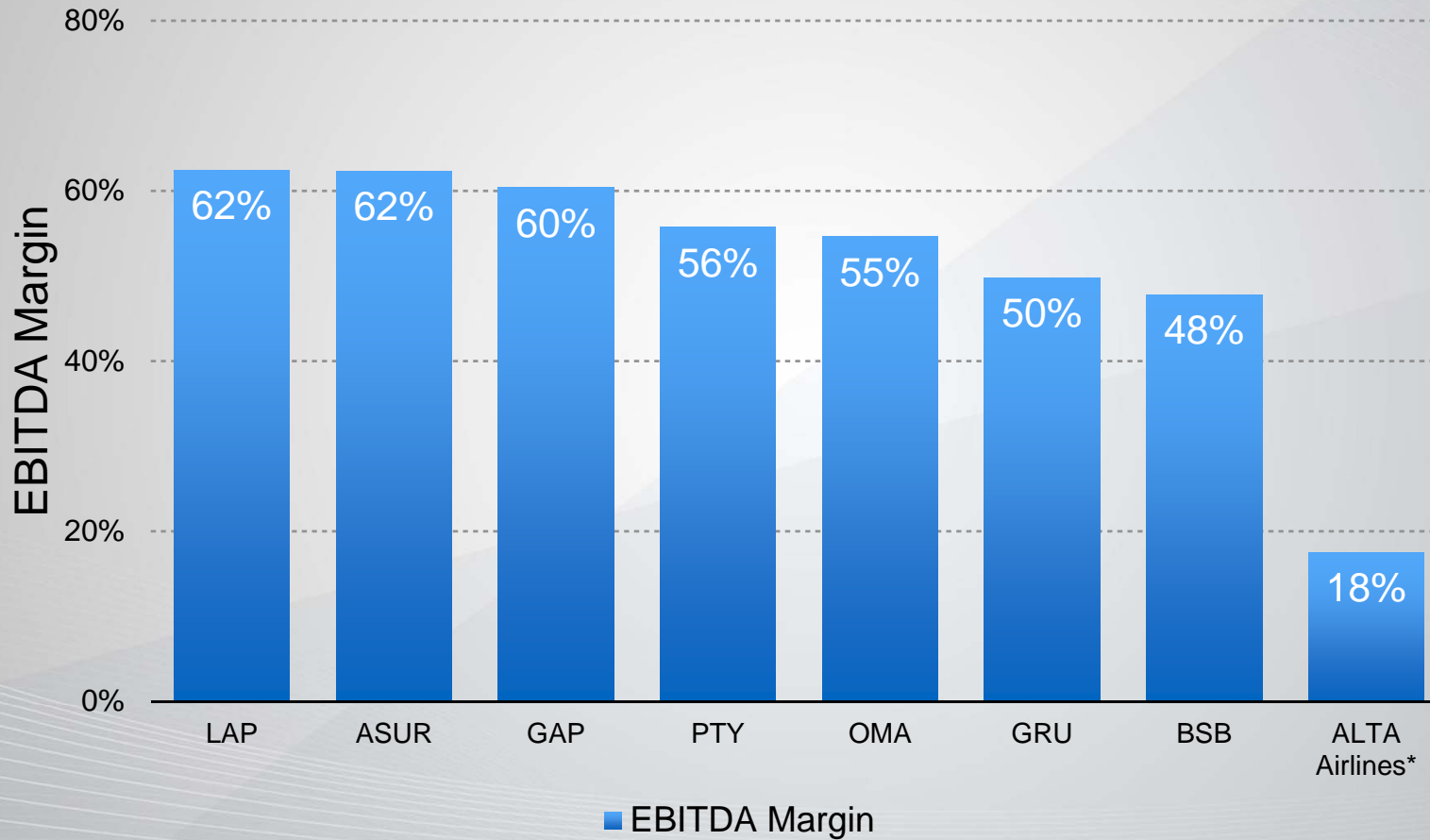






Airport Concession Challenges

Margin Comparison



* ALTA Listed Carriers



Congested Airports

- Highly Congested
- Congested

35% of all departures
in the region



Airport Charges

Do	Don't
<ul style="list-style-type: none">• Have a consultation process with the users• Stimulate the efficiency of the operator and have competitive prices• Ensure complete independence between the operator and the regulator• Follow ICAO recommendations and guidelines• Long amortization periods for investments	<ul style="list-style-type: none">• Make the users pre-finance the investments• Allow the operator to extend its monopoly to ancillary services• Award the contracts with direct cash generation goals

Some Negative Examples

- No transparency in costs when setting fees and charges (LIM, UIO, BOG)
- No consultation with airlines regarding real operational needs (LIM, SAL)
- Very short amortization time for investments (BOG fuel farm)