



WORKING PAPER

**SEVENTH WORLDWIDE AIR TRANSPORT CONFERENCE
(ATCONF/7)**

Montréal, HQ, 16 to 20 November 2026

- Agenda Item 3: Strengthening regulatory and institutional frameworks**
3.2: Enhancing air connectivity through progressive economic and regulatory aviation frameworks for international air transport

**ECONOMIC DEVELOPMENT OF AIR TRANSPORT: ALAS – A SOUTH AMERICAN AIR
LIBERALIZATION AGREEMENT TOWARDS A SINGLE SOUTH AMERICAN SKY**

(Presented by Paraguay and supported by 18 LACAC Member States²)

EXECUTIVE SUMMARY

This paper presents the South American Air Liberalization Agreement (ALAS), established through a Memorandum of Understanding signed in 2026 by Argentina, Brazil, Chile and Paraguay and subsequently joined by Bolivia (Plurinational State of), and Uruguay. It was conceived with a view to evolving into a multilateral instrument for advancing a Single South American Sky. Unlike other regional initiatives, ALAS is not limited to the liberalization of traffic rights; rather, it seeks to promote regulatory harmonization among the contracting States, encourage fair competition and ensure that aviation authorities provide the necessary support to foster airlines' participation.

Its progressive liberalization approach, culminating in the Ninth Freedom of the Air, will be implemented within agreed timelines, combining the harmonization of aviation standards, practices and procedures with coordination with other regulatory authorities in the relevant regional forums. In this way, ALAS seeks to reduce regulatory divergences, protect users' rights and adapt to new interregional commercial approaches, while consolidating a replicable model that, with the International Civil Aviation Organization's (ICAO) technical support, can demonstrate the feasibility and benefits of integrating regional air transport and opening regional skies.

ALAS is well suited to the region's institutional circumstances and seeks to advance harmonization in a manner consistent with the legal frameworks and capacities of each State through gradual and flexible approaches to establish priorities, organize implementation phases and define timelines. With ICAO's support, ALAS can become a practical and sustainable tool for consolidating a more modern, competitive and resilient air transport market.

Action: The conference is invited to:

¹ Spanish version provided by Paraguay.

² Argentina, Belize, Bolivia (Plurinational State of), Brazil, Chile, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Nicaragua, Panama, Peru and Uruguay.

a) note ALAS as evidence of the political and legal commitment of South American States to advance a process of progressive liberalization and comprehensive facilitation, developed in accordance with the region's institutional circumstances and the legal frameworks of each State; b) recommend that the Council task the Air Transport Regulation Panel (ATRP) with developing a model global instrument, voluntary in nature and supplementary to existing agreements, to address the liberalization of combined services, as well as institutional facilitation and the gradual harmonization of regulations. The instrument should incorporate analytical elements to demonstrate the feasibility and the tangible benefits of regional integration and the opening of regional skies, through gradual and flexible approaches to establish priorities, organize implementation phases and define timelines adapted to the capacities of each region; c) invite ICAO, through its South America Regional Office and in coordination with the Air Transport Bureau and the Capacity Development and Implementation Bureau, to consider a voluntary capacity-building initiative for States interested in the regional liberalization of air transport; d) encourage such an initiative to include, as appropriate, voluntary readiness assessments, training activities, peer-to-peer cooperation, economic and regulatory analysis and technical assistance tailored to each State; and e) invite States with relevant experience in regional liberalization agreements to share their expertise, lessons learned and best practices.	
<i>Strategic Goal:</i>	This working paper relates to Strategic Goal: <i>The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All.</i>
<i>Financial implications:</i>	N/A
<i>References:</i>	N/A

1. INTRODUCTION

1.1 The South American Air Liberalization Agreement (ALAS) emerged in 2026 as a joint initiative of Argentina, Brazil, Chile and Paraguay, later joined by Bolivia (Plurinational State of), and Uruguay, through a Memorandum of Understanding expressing the political will to advance towards a Single South American Sky. This initiative is envisaged as a progressive multilateral instrument to integrate the liberalization of air services with institutional facilitation and regulatory harmonization.

1.2 Unlike other regional frameworks, ALAS is not limited to the liberalization of traffic rights; rather, it seeks to promote regulatory harmonization among the contracting States, encourage fair competition and foster airline participation, including through the support of aviation authorities.

1.3 At present, South America's air transport policy landscape is heterogeneous: while some States have moved towards more open and liberalized regimes, others maintain more restrictive frameworks based on traditional bilateral agreements. This disparity hinders the consolidation of a truly integrated regional market and creates gaps in connectivity, competitiveness and user protection.

1.4 In this context, ALAS is positioned as a strategic tool for closing those gaps by offering a progressive model tailored to the institutional circumstances of each State, capable of promoting regulatory harmonization, encouraging fair competition and guiding the region towards a more modern and sustainable Single South American Sky. States that join ALAS will be required to implement internal mechanisms to align their open-skies policies, ensuring that integration is pursued in an orderly and gradual manner and in a way that is consistent with their national legal frameworks.

1.5 ALAS also seeks to enhance regional connectivity as an essential driver of economic and social development, strengthening South American integration and enhancing the region's position in emerging interregional trade negotiations.

2. DISCUSSION

2.1 ALAS is based on a framework of gradual market opening, culminating in the Ninth Freedom of the Air and implemented within timelines agreed upon by the participating States. This reflects a political and technical commitment to the orderly integration of regional commercial aviation.

2.2 Within their respective areas of responsibility, civil aviation authorities undertake to harmonize technical regulations, regulatory requirements and other operational procedures. At the same time, coordination with immigration, customs and other border control authorities is taking place in the relevant regional forums with a view to achieving comprehensive harmonization beyond the aviation sector. This model seeks to reduce regulatory divergences, protect users' rights and adapt to new interregional commercial approaches, while consolidating a framework that encourages fair competition and strengthens the resilience of air transport networks during crises affecting service supply and even fares.

2.3 However, South America's air transport policy landscape is heterogeneous: while some States have moved towards more open and liberalized regimes, others maintain more restrictive frameworks based on traditional bilateral agreements. This disparity hinders the consolidation of a truly integrated regional market and creates gaps in connectivity, competitiveness and user protection.

2.4 In this context, ALAS is positioned as a progressive model tailored to the institutional circumstances of each State, aimed at harmonizing regulations and procedures, encouraging fair competition and guiding the region towards a more modern and sustainable Single South American Sky.

2.5 For States that still need to adjust their legal frameworks, ALAS allows for a gradual transition enabling them to align their internal mechanisms, while ensuring that integration is pursued in a manner consistent with their national regulatory frameworks.

2.6 In addition, it is important to draw on the International Civil Aviation Organization's (ICAO) technical expertise to assist Member States in adapting those mechanisms. To that end, the Organization should consider establishing an initiative aimed at developing the regulatory, organizational and implementation capacities of Member States so that, in due course, they can integrate their markets at the regional level.

2.7 In this regard, a voluntary capacity-building initiative could include, as appropriate and in accordance with the needs and priorities of each State, voluntary readiness assessments for regional liberalization processes, training activities, economic and regulatory analysis, peer-to-peer cooperation and specialized technical assistance. With this approach it would be possible to identify institutional and regulatory gaps and develop phased roadmaps tailored to national capacities.

2.8 ICAO's participation is therefore essential to provide the technical and methodological analyses required to demonstrate the feasibility and benefits of opening regional skies. These analyses would provide States with objective evidence of the impact this could have on connectivity, competitiveness and resilience, thereby facilitating decision-making and its gradual adoption.

2.9 Furthermore, the exchange of experiences among States and regions that have made progress in liberalization processes can help identify best practices, regulatory challenges and implementation mechanisms applicable to different contexts. Peer-to-peer cooperation can supplement ICAO's technical assistance and facilitate more informed and sustainable transition processes.

3. CONCLUSION

3.1 ALAS constitutes a strategic opportunity for South America to advance towards a Single Regional Sky, integrating air services liberalization with institutional facilitation and regulatory harmonization. Its progressive nature and adaptability to the circumstances of each State make it a viable and sustainable instrument for consolidating a more modern and competitive air transport market.

3.2 The heterogeneity of air transport policies across the region highlights the need for a gradual transition model enabling States that still need to adapt their legal frameworks to establish priorities, organize implementation phases and develop internal mechanisms to align their open-skies policies.

3.3 With ICAO's technical and methodological support, ALAS can demonstrate the feasibility and benefits of opening regional skies, providing objective evidence of the impact this could have on connectivity, competitiveness and resilience.

3.4 As such, ALAS serves as a replicable model focused on South American integration, the harmonized protection of users' rights and the strengthening of the region's position in emerging interregional trade negotiations, consolidating a more sustainable and resilient air transport market in the face of global challenges.

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