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**Agenda Item 16: Environmental Protection – International Aviation and Climate Change
LATIN AMERICAN AND CARIBBEAN CONTRIBUTION TO LTAG AND CORSIA:
BALANCING SUSTAINABILITY, GROWTH, AND CONNECTIVITY**

(Presented by Latin American and Caribbean Air Transport Association (ALTA))

EXECUTIVE SUMMARY

Aviation in Latin America and the Caribbean (LAC) is essential for connectivity and social cohesion due to the vast distances and diverse geography of the region, which limit ground infrastructure. The lack of efficient transportation alternatives underscores the need to strengthen and expand aviation, thereby facilitating travel and commerce, including tourism. It is crucial to develop innovative and collaborative strategies to enhance the advantages of aviation and overcome its limitations, ensuring sustainable and equitable growth.

LAC is committed to reducing its carbon emissions and advancing toward net-zero emissions in alignment with the Long-Term Aspirational Goal (LTAG) and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) of ICAO. Identifying the most appropriate measures to achieve emission reductions is essential, involving all stakeholders in the ecosystem—governments, airlines, aircraft manufacturers, fuel producers and distributors, civil society, among others—and determining the optimal timing and locations for implementation. This approach aims to ensure that the sector's development is environmentally, economically, and socially sustainable, through a strategy that leverages its strengths and acknowledges its limitations.

The transition to net-zero emissions will require significant investments and must be cost-efficient. To this end, it is vital to implement measures that preserve the accessibility of air transport, especially in regions with lower per capita income and high fiscal burdens on airfares.

The development of Sustainable Aviation Fuels (SAF) and Nature-Based Solutions (NBS) is fundamental to the region's future. It is recommended to strengthen regulatory frameworks and implement fiscal incentives to overcome existing barriers, with the goal of accelerating the transition to more sustainable aviation in LAC. Additionally, there is an opportunity to invest in airport infrastructure, technology, aviation personnel, and improvements in production processes to enhance capabilities, optimize operations, and maximize benefits for the region, enabling the implementation of improvements with an efficient and low-cost approach.

<i>Strategic Goals:</i>	This information paper relates to the Strategic Goal – <i>Aviation is Environmentally Sustainable</i> .
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<i>Financial implications:</i>	N/A
<i>References:</i>	ICAO Report on the Feasibility of a Long-Term Aspirational Goal (LTAG) for International Civil Aviation CO ₂ Emission Reductions

1. INTRODUCTION

1.1. The aviation industry is undergoing a transformation to reduce its carbon footprint on a global scale. In 2022, the International Civil Aviation Organization (ICAO) established the LTAG, aiming to achieve net zero emissions by 2050, while recognizing the unique circumstances of each State (CBDR). To make progress towards the established objectives, it is essential to foster the creation of enabling conditions at the regional level, promoting technical cooperation and facilitating access to financial incentives that will allow for the fulfilment of the commitments undertaken.

1.2. ALTA values the agreement reached on the LTAG at the most recent ICAO Assembly and recognizes the CAEP's effort to provide accessible technical analysis. Within this framework, it is considered essential that public policies in the region are tailored to local socioeconomic, institutional, infrastructure, and environmental conditions to ensure the sustainable development of the sector. In line with this approach, ALTA collaborates with multiple stakeholders in the design and implementation of emission reduction strategies, including operational improvements, use of SAF, and new technologies. Through its technical committees, it promotes policies that strengthen both environmental sustainability and socioeconomic development, in coordination with CLAC, the ICAO regional offices (NACC and SAM), and the States.

2. DISCUSSION

2.1. In Latin America and the Caribbean, aviation is an essential service that significantly contributes to the regional economy, representing 3.6% of GDP and adding approximately USD 240 billion to the development of the countries. It also provides 8.3 million direct, indirect, and induced jobs, according to data from ATAG (2023)¹, or 2.9% of employment in the region. Furthermore, aviation is vital for connectivity and social cohesion in LAC, given the limited ground infrastructure and complex regional geography. In this context, the region acknowledges the importance of progressing in line with the global objectives established by ICAO, including LTAG and CORSIA.

2.2. Access to air transport in the region remains low, with 0.66 trips per capita compared to more than two in the United States². This also points to an opportunity to enhance connectivity through air transport, and the sector is expected to grow faster here than in other regions, together with higher rates of access. Since 1970, the number of passengers transported by airlines based in the region has increased eighteenfold, from 18 million to over 316 million in 2023 (a 40% increase in the last decade)³.

2.3. According to the Boeing Commercial Market Outlook 2024–2043, passenger traffic within Central America is expected to grow at an average annual rate of 2.4%, while in South America the rate is projected at 5.6% between 2023 and 2043. Furthermore, traffic between South America and Central America is anticipated to register an even higher average growth rate of 6.1% during the same period. These projections, expressed in revenue passenger kilometers⁴, represent a growth approximately 10 times higher

¹ <https://atag.org/industry-topics/supporting-economic-social-development>

² <https://ourworldindata.org/grapher/air-trips-per-capita>

³ <https://www.icao.int/sustainability/WorldofAirTransport/Pages/presentation-of-2023-air-transport-statistical-results.aspx>

⁴ Boeing. (2024). *Commercial Market Outlook 2024–2043: Executive Summary*. The Boeing Company.
<https://www.boeing.com/content/dam/boeing/boeingdotcom/market/assets/downloads/2024-cmo-forecast-on-a-page-web.xlsx>

than that of the regional population, which is estimated by ECLAC to increase by only 0.3% to 0.4% annually⁵. This underscores the growing role of aviation in regional mobility.

2.4. According to the OECD, the region accounted for approximately 4.8% of global aviation CO₂ emissions between 2013 and 2023. Brazil and Mexico are the main emitters in the region⁶. Based on estimates from S&P Global provided to ALTA, emissions from the aviation sector in Latin America and the Caribbean are projected to grow by 0.65% annually between 2019 and 2050, representing a 21.8% increase compared to 2019 levels. The transition to net-zero emissions will require investments that transform aviation, driving innovation without losing sight of accessibility. The significant disparity in per capita income between Latin America and other developed regions—averaging US\$10,240 in Latin America and the Caribbean, compared to US\$44,220 in the European Union and US\$89,110 in the United States (IMF, 2025)⁷—constitutes a critical structural variable that must be considered in emission reduction efforts.

2.5. It is recommended to review the fiscal burden in LAC, where, in 2023, passengers paid an average of 44 USD per ticket (29% of the average ticket price), the highest percentage globally, compared to 25% in Europe (38 USD), 17% in Asia-Pacific (24 USD), and 15% in North America (34 USD) and the Middle East (33 USD). This review is essential in a region with limited alternative transportation options, a tax structure dominated by indirect taxes, and a fiscal contribution (9%) disproportionate to its share of the global passenger market (7%)⁸.

2.6. As a result of operational improvements, fleet renewal, and technological innovation, aviation in Latin America has succeeded in reducing its emissions intensity over the past decade. This is reflected in significant investments by airlines, which have enabled a 28% reduction in fuel consumption per 100 RPK and have resulted in fleets that are 37% and 22% younger than those in the United States and Europe, respectively⁹.

2.7. The development of SAF presents a strategic opportunity for LAC, given its abundant biomass and experience in biofuels. To realize this potential, it will be essential to establish clear regulatory frameworks, appropriate incentives, and collaborative financing schemes that can help overcome the high initial production costs. Additionally, it is necessary to ensure the sustainability of production pathways, considering the environmental impact on ecosystems globally. In this process, financial support for airlines will be crucial to offset the additional cost of SAF during its scaling phase, without affecting the accessibility or competitiveness of air transport in the region.

2.8. The optimization of flight routes and improvements in air traffic management can significantly and more immediately reduce emissions compared to other technological solutions. Implementing these measures requires investment and leadership from States and key stakeholders as part of their contribution to environmental matters¹⁰. In this regard, it is crucial to recognize regional disparities in infrastructure investment. Between 2018 and 2022, five countries that account for more than 70% of LAC's air traffic (Brazil, Mexico, Colombia, Peru, and Argentina) jointly allocated only 0.032% of their GDP to airport infrastructure¹¹. In contrast, during the same period, other countries devoted significantly higher

⁵ [Population Growth in Latin America and the Caribbean Falls Below Expectations and Region's Total Population Reaches 663 Million in 2024 | Economic Commission for Latin America and the Caribbean](#)

⁶ OECD (2024), *Air and climate: Air Transport CO₂ Emissions (Edition 2023)*, OECD Environment Statistics (database), <https://doi.org/10.1787/74a7d106-en> (consultado el 12 de septiembre de 2024).

⁷ Fondo Monetario Internacional (FMI). (2025). *World Economic Outlook – April 2025: GDP per capita, current prices*. [World Economic Outlook \(April 2025\) - GDP per capita, current prices](#)

⁸ https://www.iata.org/contentassets/06c4cf2ba09649008de86be7898af8fa/14.00-14.20_andrew-matters_the-cost-of-taxation-an-iata-economics-study_approved.pdf

⁹ <https://alta.aero/wp-content/uploads/2025/01/Ruta-de-la-sostenibilidad-LATAM-Caribe.pdf>

¹⁰ <https://alta.aero/wp-content/uploads/2025/01/Ruta-de-la-sostenibilidad-LATAM-Caribe.pdf>

¹¹ Estimaciones propias a partir de datos de INFRALATAM (<https://www.infralatam.info/>) y la base de datos PPI del Banco Mundial (<https://ppi.worldbank.org/>), consultados el 21 de mayo de 2025, para el período 2018–2022.

proportions: China 0.2%, New Zealand 0.17%, Turkey 0.1%, and Canada 0.07%¹². Meanwhile, airports within the U.S. national system received an annual average of 15 billion dollars between 2013 and 2017, representing approximately 0.082% of U.S. GDP during that period¹³.

2.9. Natural ecosystems in the region, through nature-based solutions (NBS) such as reforestation and afforestation, offer significant carbon capture potential and are key components in climate mitigation strategies. LAC is home to some of the world's most important carbon sinks. According to the World Resources Institute, regional reforestation and afforestation efforts could capture up to 2 gigatons of CO₂ annually by 2050¹⁴.

2.10. The incorporation of nature-based solutions (NBS) and clean energy offers the regional aviation sector an additional pathway to contribute to global net zero emissions goals, adapting to local conditions. While clean energy projects are included in CORSIA, NBS are not part of the core framework of LTAG, which focuses on technological and operational improvements. Nevertheless, NBS can serve as complementary measures, provided they are implemented under rigorous frameworks that ensure their environmental integrity and alignment with international climate commitments.

3. CONCLUSION

3.1. The transition towards sustainable aviation in Latin America and the Caribbean (LAC) can be strengthened through a realistic approach that considers its structural conditions, promoting operational improvements, investment in infrastructure, and the development of SAF, clean energy, and nature-based solutions (NBS). This must be supported by appropriate regulatory frameworks and incentives, as well as financial support for airlines in coordination with ecosystem stakeholders, coherent regulations, and updated scientific data to guide decisions adapted to local markets. In this way, the sector can contribute to global emission reduction goals without affecting economic development or the essential connectivity provided by aviation in the region.

3.2. ALTA recommends evaluating the reduction and harmonization of passenger fees and taxes to facilitate the transition towards net-zero emissions. Likewise, it is essential to promote enabling conditions that allow States to contribute to global targets, supporting the identification and implementation of operational efficiencies (such as the release of military airspace in the region), reaffirming the commitment to SAF development and adoption—taking into account the assessment for the allocation of funds and financial incentives, including market integration and a “Book & Claim” system—strengthening compensation mechanisms by increasing eligible units for CORSIA and voluntary markets, and providing technical support to States.

— END —

¹² International Transport Forum – OECD. The Future of Infrastructure: Comparing National Investment Approaches, 2022. Disponible en: <https://www.itf-oecd.org/future-infrastructure-comparing-national-investments>.

¹³ United States Government Accountability Office (GAO), Airport Infrastructure: Information on Funding and Financing for Planned Projects, GAO-20-298, febrero de 2020, pág. 12. Producto Interno Bruto según U.S. Bureau of Economic Analysis, Table 1.1.5. Gross Domestic Product (Billions of Dollars). <https://www.bea.gov/data/gdp/gross-domestic-product>, consultado el 21 de mayo de 2025.

¹⁴ Austin, K.G., Baker, J.S., Sohngen, B.L. et al. The economic costs of planting, preserving, and managing the world's forests to mitigate climate change. *Nat Commun* 11, 5946 (2020). <https://doi.org/10.1038/s41467-020-19578-z>