



COVID-19 IMPACT ON AIRPORTS IN LATIN AMERICA AND CARIBBEAN

(Prepared by ACI-LAC)

SUMMARY

This paper presents an analysis by ACI-LAC on the economic and financial impact at ACI-LAC member airports and proposes measures that States may apply to support the aviation industry as one of the main generators of economic value and social in the Region and around the World

1. INTRODUCTION

1.1 Daily data collected by ACI-LAC shows that 2020 started with a 3% growth in passenger traffic (January and February). With the progressive imposition of quarantines at world level, as of March 1, traffic began to fall steadily and in the last week of March, passenger traffic in the vast majority of airports was practically non-existent, with a general drop 97%. However, most airports remain open to service air cargo and humanitarian flights. ACI estimates that the region's airports lost 37 million passengers and stopped entering more than \$ 700 million during the first quarter of 2020. We estimate 2020 to see a decrease of -52% in passenger traffic and -5Bn in revenues.

1.2 The collapse of air traffic jeopardizes the financial sustainability of the airport industry in the region. In addition, thousands of jobs depend directly and indirectly on this industry. According to Air Transport Group data, 430,000 people work at airports in Latin America and the Caribbean.

2. ANALYSIS

2.1 In consideration of the above, ACI-LAC recommends that aid measures be explored to support the airline industry as one of the main generators of economic and social value in the region and throughout the world. In particular, we urge regional governments to consider the following measures:

- a. Provide economic, financial and fiscal relief measures to airports and to the aviation industry in general. We urge governments to consider immediate economic, financial and fiscal relief measures to support the industry at this critical time and help it recover and develop.
- b. Flexibility in the payment of airport concession fees: regional governments are urged to relax the conditions of concession payments. This may include: exemptions; delayed payments; or even the extension of the terms of the concessions to allow lost traffic to be recovered.

- c. Reconsider the investment requirements in infrastructure: particularly those development obligations that are not immediately required by the industry.
- d. Temporary relief of compliance with service quality obligations.

2.2 ACI-LAC is actively working with other organizations to develop protocols and practical measures to restore air transport in the region as soon as possible and in a coordinated manner.

2.3 ACI-LAC makes itself available to governments and other interested parties to evaluate and coordinate actions to protect the well-being of the population and support the economic and social sustainability of our nations.

3. **SUGGESTED ACTION**

3.1 The Virtual Meeting of Civil Aviation Directors of the South American Region is invited to:

- a) take note of the information presented in this working paper;
- b) consider the application as soon as possible of the measures presented in section 2.1;
- c) take note that ACI-LAC makes itself available to governments, ICAO and other interested parties to evaluate and coordinate actions to protect the well-being of the population and support the economic and social sustainability of our nations.
