
GTE Meeting on Air Integration

Report

July 26, 2017

Videoconference

On July 26, 2017, a virtual meeting of the Executive Technical Group on Air Integration was held. It was attended by delegations from Argentina, Brazil, Colombia, Ecuador, Guyana, Paraguay, Uruguay, and Venezuela, as well as by representatives of the UNASUR Technical Secretariat, IIRSA Technical Coordination Committee, and company Lufthansa Consulting.

As the Workshop on Air Integration scheduled to be held in Georgetown, Guyana, on July 24 and 25 had been cancelled, this videoconference meeting was convened with the aim of proposing that the Workshop be held in Fortaleza, Ceará state, and of confirming the topics to be dealt with at such event, namely:

- 1) The creation of hubs in the region, especially in northeastern Brazil, and
- 2) How freight air transport services can promote the development of regional airports in South America.

The purpose of the Workshop is to further air integration and, at the same time, to create a level playing field among the member countries. Despite the difficulties in reaching bilateral open skies agreements between all the countries as a result of the different national positions on this issue, it is possible to identify new demands for air services to support decisions concerning the creation of hubs and the opening of new regional airports. To this end, it is necessary to learn about successful experiences, the tools used in them, and also the reasons why other experiences have failed. According to the members, promoting this benchmarking would be essential to further air integration in the region.

Initially, September 26 and 27, 2017, were proposed as preliminary dates for holding the Workshop in Fortaleza. Due to a schedule conflict, Argentina suggested that the event be postponed to October 5 and 6. In principle, the participants of the meeting agreed. The Argentine representative stressed the importance of taking into account the attendance of the greatest number of National Coordinators possible when defining dates. Furthermore, it was decided to keep the focus on the northern region of South America, while the inclusion in the agenda of regional cargo airports in the context of air integration in the Southern Cone would be examined.

The Brazilian representative presented the following preliminary agenda, which was

enhanced by the other participants:

- Presentation by Guyana regarding the impact of air transport on the economy of the country, taking into account the growing oil and gas production in the region;
- Presentations by the aviation companies:

Presentation by Lufthansa Consulting regarding the construction of more hubs, the air connectivity index, and the optimization of the geographical distribution. This presentation would keep the focus on the north of South America and could deal with both freight and passenger transport;

Invite Lufthansa Cargo to present its experience in freight transport in the Latin American airports, leaving the analysis of the airports up to its discretion;

Experience of the other aviation companies and of concessionaire Fraport as the operator of the airport of Fortaleza, the city that would host the Workshop.

- Experience of the development banks –such as the IDB, the World Bank, CAF, the CDB and KfW– as catalysts of regional air integration;
- Roundtable for the exchange of experiences, including the participation of government representatives, the financial sector and private companies from the airline industry. Emphasis should be placed on the integration of isolated regions, such as Guyana and Suriname;
 - The Argentine representative outlined the efforts made to expand air traffic rights; stressed the importance of the 1996 Fortaleza agreement as well as of bilateral agreements; and also presented the start of airport certifications.
 - The representative of the Brazilian National Secretariat of Civil Aviation (SNAC) stated that Brazil is planning to sign open skies agreements with all the countries that wish to do so, and defended the conclusion of more flexible agreements as a premise for integration. Brazil has attempted to remove the limits on foreign ownership of airlines (which at present is only 20%). If there were no bilateral restrictions, the Fortaleza agreement would not be necessary. Brazil has negotiated agreements with the European Union, the United States and the Latin American Civil Aviation Commission (LACAC) (Brazil's approval depends on approval by its National Congress).
 - Colombia was asked to present its experience in transporting flowers to the United States and Europe.
 - Argentina was requested to present its experience with lemons.
- New topic: development of regional airports and cargo airports. The Argentine experience with cargo airports in medium-sized cities:
 - The Argentine experience with cargo airports in medium-sized cities, such as Córdoba, Tucumán, and Rosario;
 - The Rivera Airport, Uruguay, bi-nationalization experience. How to develop binational airports.

At the end of the videoconference, it was agreed that all the member countries should be

consulted on the feasibility of holding the Workshop on October 5 and 6. The representation of Brazil took responsibility for informing the Secretary of International Affairs of Ceará about the decisions made at the meeting.

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