The evolution of aviation in our beloved Latin America

A couple of weeks ago, I attended the Airline Leaders Forum in Buenos Aires… and I got big surprise. ALTA, the Latin American and Caribbean Air Transport Association, presented me with the Alas de América award at a lovely gala dinner. I was truly honored to receive this incredible industry recognition, but even more importantly I accepted this award on behalf of those who have been part of our great team in Latin America over the years.

This award represents more than selling nearly 2,000 airplanes — still well below the 16,000 my boss John Leahy has sold! It is also a reflection of the evolution of aviation in our beloved Latin America.

When I started at Airbus in 1983 (after a brief stint at Boeing, believe it or not) the company looked nothing like it does today. Neither did the industry. At Airbus, we were just over 600 people, compared to 55,000 today. It was the year of the A310! Airbus had sold slightly over 300 aircraft and there were only seven in service Airbus aircraft throughout Latin America, operated by Cruzeiro do Sul and VASP airlines.

While we were a very small sales team of five in Latin American and were as enthusiastic and dynamic as we are today. In those days, many of the small airlines we visited had no idea what Airbus was. Thinking that Airbus would grow to dominate the Latin American market was simply unimaginable… a utopia!

Looking back through the aviation history of our beloved region...

- In the 1980s, many Latin American airlines were government owned or controlled. Fleets were small and aircraft were old; and foreign carriers dominated the market. But the passenger market would start to show signs of change. Airlines were beginning to mature and Airbus was already well placed to embrace the opportunities of this emerging market.

- In the 1990s, airline privatization spread throughout the region and carriers began to gain control of their destiny. At this time, Airbus market share didn’t
But in March 1998, things changed. After several months of negotiation and fierce competition, during the Le Bourget airshow when Airbus developed a game changing idea that allowed a purchase agreement between TAM, LAN and TACA to renew their fleet: 90 A320 Family aircraft and options for 90 more. This historic order for Airbus was a breakthrough as it was the first time in the region, and probably in the world, when more than one airline came together to buy airplanes. These airlines were private, profitable and controlled by its founding families and, therefore, they were ready to take decisions quickly. This milestone also hailed the beginning of tremendous growth for Latin American carriers.

The late 90s and the first decade of 21st century was an era of expansion and fleet modernization, with many legacy carriers such as LAN, TAM, Avianca, COPA, GOL, Aeroméxico, Mexicana, and others, growing their fleet with new and more efficient aircraft. This trend has continued to the present day, with the fleets of Latin American airlines being among the most modern in the world. It was also the era of consolidation and alliances, allowing airlines like LATAM and Avianca wider presence in the market, helping them become the strong players they are today and compete with foreign carriers worldwide.

Today, with over 1,200 aircraft sold and a backlog of nearly 650, more than 650 Airbus aircraft are in operation throughout Latin America and the Caribbean, representing a 53 percent market share of in-service fleet. Airbus has secured more than 65 percent of net orders in the region and in the past 10 years has tripled its in-service fleet.

While we feel nostalgic when think about simpler times, the industry has never been more exciting and fast changing.

The fleet in Latin America and the Caribbean will more than double in the next 20 years, but we need to ensure that the proper transportation infrastructure and aviation reform are part of that growth too. This is why Airbus remains grateful to ALTA and IATA for working to improve the aviation landscape in our region.

In spite of the many economic cycles and crises I’ve seen throughout my career, the region’s prospects remain very promising. Latin America's economy is predicted to grow significantly in the next two decades.
thanks to well established democracies, increasing urbanization and improving infrastructure.

We have also seen multiple waves of low cost carriers reinvent aviation and making it accessible to remote communities, attracting those who have never flown before. And we are seeing a growing middle class that will more than double to surpass 500 million by 2036, resulting in an increase in passengers traveling for holidays and business trips.

As you can see, we are facing new challenges, but I am confident our industry will continue to embrace these future opportunities.

Accepting this award from ALTA is not only a fantastic opportunity to reflect on how far we have come as an industry, but also a wonderful occasion to inspire the many of you —our readers — that are already writing the aviation history of the future.