

ACILAC and ASUTIL release a joint statement urging governments to support travel retail

Latin America & Caribbean (ACILAC) and ASUTIL (Asociación Sudamericana de Tiendas Libres) are advising governments to take urgent measures to all affected aviation industry stakeholders in due to the current COVID-19 pandemic.

The entire aviation ecosystem revenues and the financial sustainability of the industry have been affected. ACI-LAC has called the governments of Latin American and Caribbean, urging for the implementation of economic, financial and fiscal relief measures to the airport and all affected aviation industry stakeholders under the key principle that no measure should benefit one actor at the expense of another one.

According to the Economic Impact of Duty Free and Travel Retail in the Americas published by World Duty Free Council in 2018, these airport commercial activities support in Latin America and the Caribbean approximately 41,800 jobs and US\$4.1 billion in GDP.

Besides the need for minimal operational capabilities, airport operators and other service providers at airports will also need to be in a condition to restore full operations when travel bans will be withdrawn and air traffic will restart.

Says ACI LAC and ASUTIL : “Together with their staff, they are as important as airlines and their staff in the delivery of air connectivity. The governments of Latin America and the Caribbean to adopt balanced and non-discriminatory supportive measures targeted at safeguarding airports’ operational & business continuity and preserving the economic and financial resilience of airports and their business partners such as restaurants, Free Shops, etc; to allow airports and business partners to return to normal operations as soon as possible and support the recovery of the wider economy.”

“Airports act as engine of local and regional economic growth and employment. Many of them are indeed the largest employment site in their region and/or country. This means that their own standing and capabilities directly support that of their communities. In particular, we urge governments to consider the following:”

- Waive concession fees for airports. Where applicable, governments are urged to relax conditions of payment of the concession fees companies must pay for the operation of airports. Concession fees can represent a significant cost for airport operators.
- Delay infrastructure investment requirements. This will provide temporary relief in the requirement to develop infrastructure, particularly in order to comply with level of service obligations or projects which are not immediately required by the industry.
- Temporary relief from compliance with quality of service obligations. Airports are experiencing unprecedented operational circumstances which are putting undue pressure on operators. Consequently, regulators should relax quality of service obligations until operations return to normal.
- Financial measures for short-term reductions in operating costs of airport operators as well as other service providers at airports (like Duty Free and retail shops) to address liquidity risk and ensure operational & business continuity. This should include postponing the payment of bank amortizations and access to credit lines with subsidized interests rates.

- Suspension or deferment of social security contributions as well as corporate and other taxes (including VAT, excise duties) for at least six months for airport operators and other service providers at airports.
- Relaxation of local government taxes payments for airport retailers for 2020. The aviation industry is highly interdependent and any relief measures should be considered on a non-discriminatory basis with no sectors benefitting at the expense of another.

The joint statement concluded that “States have now a key role to play to ensure the sustainability of the entire aviation system. Airports make themselves available to support governments and other stakeholders to evaluate and coordinate actions to protect the wellbeing of the population and to support the economic and social sustainability of our countries.”