

# Managing Operations

# Latin America

The increased need for speed and schedule predictability has resulted in a steady rise in global business aviation over the past decade. And sector growth is expected to continue upwards. An increasingly globalized economy is fueling demand for commercial passenger traffic while infrastructure is racing to catch up. With many major airports operating beyond capacity, business aviation has emerged to relieve the pressure.

**“Time is a non-renewable resource. Business clients are using private aircraft because they cannot risk the pitfalls that business aviation avoids.”**

**Mohammed Husary,**  
UAS Co-Founder and Executive President

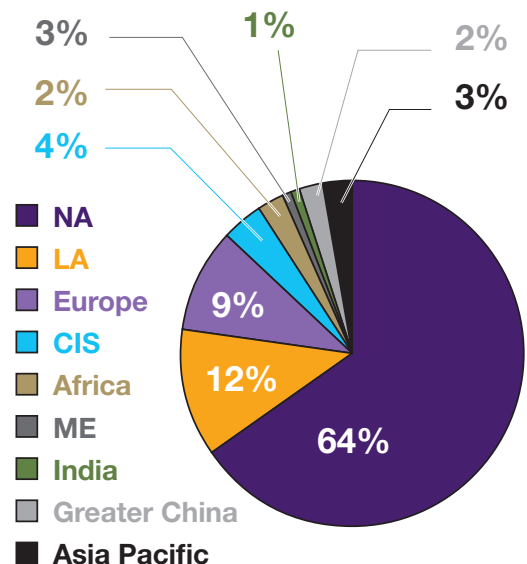
## Latin American and Caribbean Aviation Offers **Abundant Possibilities**

**T**he more than 20 nations of Latin America contain a host of unique topographical challenges, making the region ideally suited for air transport. For example, in Bolivia and Ecuador, building a network of user-friendly roads over the mountainous terrain has proven to be a formidable hurdle that is still being tackled. Aircraft are often the best (and sometimes the only) solution for those needing to get from point A to point B.

Yet across Latin America, commercial airlines serve only a fraction of the destinations, which has made business aviation a particularly dynamic sector. In Brazil, for instance, commercial airlines reach just 300 locations, while business aircraft fly to more than 3,500. Business opportunities are constantly evolving in Latin America, with each iteration making individual markets better positioned to serve the needs of business aviation operators.

This white paper will discuss the complex landscape of aviation in Latin America and how successful trip support in the region depends on careful navigation of key issues, particularly those related to infrastructure, equipment, and fuel costs.

### Business Jet Fleet Worldwide



Source: Bombardier Business  
Aircraft Market Forecast

# Growth in **Emerging** Latin America

Worldwide demand for business jets is frequently correlated with wealth creation and positive economic conditions. And the economic outlook for both Latin America and the Caribbean are looking up. According to the World Bank, growth in the region will strengthen steadily from 2.9% in 2014, to 3.2% in 2015, and to 3.7% in 2016.

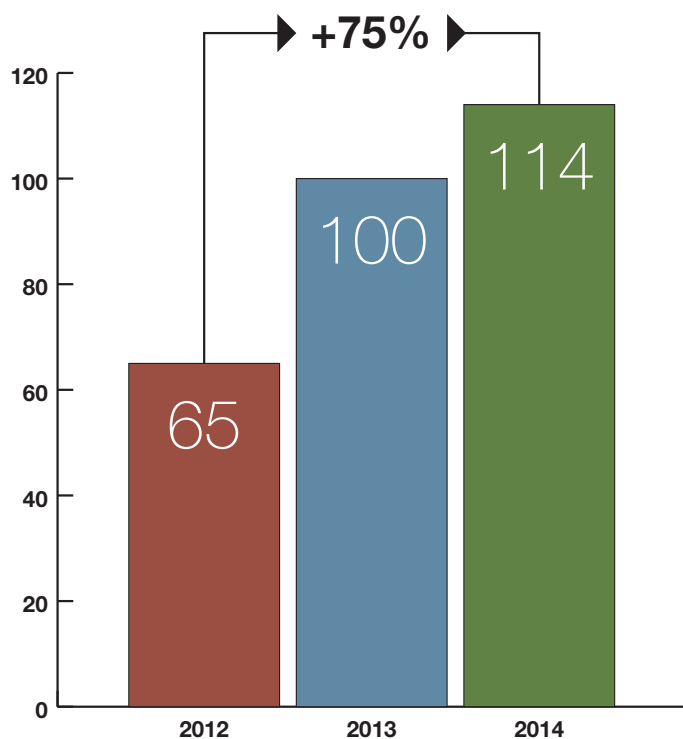
While growth has slowed among the region's economic powerhouses, Brazil is down to 2.4% and Mexico to 3.4%, Panama (7.3%) and Peru (5.5%) are expected to prosper in 2014. Other countries in the region are also seeing robust growth rates between 3% and 5% in 2014.

Solid economic growth has helped drive the rapid expansion of business travel.

Like many large emerging markets, Latin America has a number of challenges that business aviation firms must tackle head on for growth to take place. Being familiar with the terrain is crucial for international trip planners and the clients they serve.

"As Brazil is Latin America's most robust economy, it is still the anchor of our operations in South America. However, we have seen some unlikely success stories emerge in previously underdeveloped areas such as Peru, Uruguay, and Panama. Factors like improved open international trade and foreign investment policies have contributed to the boost and are underpinning business aviation growth across South America."

**Ryan Frankhouser,**  
UAS Regional Director, Americas



## Number of Billionaires — Latin America

**+75% growth in number of billionaires between 2012 & 2014**

With an emerging class of high net worth individuals (HNWI) and positive economic outlook it's no wonder that operators around the world are looking at the region as a budding business aviation hotspot.

Source: *Forbes.com*  
March 2012, 2013 and 2014

# Unique Geomorphic Challenges

South America has many of the world's highest international airports. Bogota's El Dorado International airport is 8,361 feet above sea level; Quito's Mariscal Sucre is 7,910 feet above sea level; and La Paz's El Alto, at 13,314 feet, is the world's highest international airport. Many of the region's airports are also tucked into valleys and have mountains, tall buildings, or both, in close proximity.

The terrain and thin air impacts runway length, wind speeds, temperature, and performance, making flight planning to these airports exceptionally challenging. Experienced dispatchers and flight support teams are crucial for event-free navigation and travel throughout South America.

"Some of our clients need to fly to fairly remote locations. We once provided flight support for a Gulfstream traveling from the U.S. to Ushuaia, Argentina. Ushuaia sits on Tierra Del Fuego, near Cape Horn, making it the southernmost city and airport in the world. Our in-house operations team has over 500 years of combined aviation industry experience, so they were well-equipped to get the job done."

**Jay Ammar Husary,**  
UAS Executive Vice President, Americas

# Linguistic Barriers in the Air and on the Ground

Trip support to Central and South America must include proficiency in the local language. Many airports in the region employ only Spanish-speaking air traffic controllers. Local agents that are available to set up services and credit are usually monolingual as well, speaking only Spanish. And local authorities often speak only Spanish.

"Our multilingual staff includes on-site supervisors and agents that speak Spanish, Portuguese, and English, so we have you covered no matter where you fly in South America."

**Carlos Vieira,**  
UAS Business Development Manager, South America



# Underdeveloped Infrastructure

When it comes to air travel, Latin America is facing a serious infrastructure crunch, as passenger traffic growth has far surpassed the ability of airports to scale up capacity. ATC and ground equipment in the region is outdated and often in short supply. And even when equipment is available, maintenance can be an issue, bringing the viability and safety of on-site equipment into question.

Until the region consistently adheres to international standards, it is largely up to operators and their international trip supporters to be vigilant against unsafe operations. Business aviation operators therefore need to ensure their trip support providers are fully certified and have an established track record of taking precautions. But knowing their reputation and history is just the first step. Operators must demand transparency in terms of practices, processes, and the frequency of auditing.

“Our local agents and on-site supervisors assist the operating crew with services such as expedited passport, customs control, and check-ins. We collect all crew and passenger passport details in advance to coordinate and accelerate customs and immigration clearance whenever possible.”

**Carlos Vieira,**  
UAS Business Development Manager, South America

## Aviation infrastructure ratings for select Latin American countries: 2007 vs 2011 Source: ALTA, World Economic Forum

Country	Ranking 2007	Ranking 2011
Argentina	84	155
Brazil	57	93
Colombia	53	89
Costa Rica	68	80
Ecuador	71	73
El Salvador	25	33
Maxico	55	65

Source: ALTA, citing World Economic Forum

# Business Aviation Facilities Often Lacking

Due to progressive markets such as Brazil, business aviation clients have come to expect world-class service when traveling to Latin America. But other countries in the region are still playing catch up, and service levels are far from standardized. In some airports, there may not even be a designated GA ramp or FBOs, which means clients have to line up with commercial passengers when going through customs, an often time-consuming process.

“At UAS, we have a strict selection process for our preferred local handlers. They must meet IATA safety and quality standards. Our global network is a distinct advantage in this respect, as it enables us to verify that essential equipment is actually on the ground, in working order, and available to the operation. It also lets us source equipment and relocate it whenever necessary.”

**Jay Ammar Husary,**  
UAS Executive Vice President,  
Americas



# Sky High Fuel Prices

Latin American airports have some of the highest fuel prices in the world. Even in Latin American countries that are oil producers, the prices are significantly higher than in countries that import fuel. Prices may also vary from state to state or airport to airport within the same country.

**The right international trip support provider is crucial to controlling and planning for fuel costs, engaging in:**

- Large-scale fuel tenders for Jet A-1 fuel and AVGAS supply that put downward pressure on cost
- Centralized fuel procurement with direct contacts with suppliers
- Optimized flight planning that helps reduce fuel consumption
- Benchmarking of fuel costs and assessment of market trends in Latin America

“By leveraging our market intelligence and our exclusive fuel network, we offer you price advantages gained through economies of scale in high-volume fuel procurement. Our FQS in-house computer system updates several times per day, allowing quick responses to queries about fuel availability and prices.”

**Ryan Frankhouser,**  
UAS Regional Director, Americas

## Global Average Price Paid at the Refinery for Aviation Jet Fuel on July 25 2014

25 Jul 2014	Share in World Index	cts/gal	\$/bbl	\$/mt	Index Value 2000= 100	vs. 1 week ago	vs. 1 month ago	vs.1
<b>Jet Fuel Price</b>	100%	289.3	121.5	957.5	332.1	1.5%	-3.2%	-1.6%
<b>Asia &amp; Oceania</b>	22%	283.4	119.0	940.3	340.1	0.2%	-4.0%	-2.6%
<b>Europe &amp; CIS</b>	28%	293.5	123.3	971.4	332.1	1.0%	-2.9%	-0.9%
<b>Middle East &amp; Africa</b>	7%	282.0	118.5	934.6	353.8	0.5%	-3.6%	-1.8%
<b>North America</b>	39%	289.6	121.6	959.6	323.3	2.7%	-3.1%	-1.5%
<b>Latin &amp; Central America</b>	4%	301.4	126.6	974.7	350.6	2.7%	-2.7%	-1.2%

Source: Platts \*\* 100 in 2000 (87 cts/gal)

When you partner with a trusted international trip support provider, you have the support you need, when you need it most.

Your **Local Partner** with global reach

# Ask the Expert:

## Five Tips to Operating in Latin America

**Know the airport.** Airport requirements vary not just by region, country, and city. They can also vary within a given city. For example, in Buenos Aires, if you land at the San Fernando airport, you can expect typical customs and security procedures for international business flights. This is not true for SAEZ, where luggage must be removed from the plane until you again depart. Make sure your international trip support provider has up-to-date NOTAMS and ATC news for you and the ground team. This will help you navigate the fragmented regulatory environment so common across Central and South America.

**Local support is a must.** Quality third-party services for in-flight catering, security, crew and passenger transportation, and helicopter charters can be arranged at major airports. To avoid any issues, we strongly advise that operators arrange these services through a local handler who can assist and supervise third-party suppliers. Your international trip support provider should have an extensive global network of on-site supervisors and local handlers that can be called upon with minimal delay.

**Allow for lead time.** Most South American countries need 24 hours for overflight permit applications and 2-3 days for landing permits. Venezuela needs 3-5 days for overflights, and pre-payment is required for navigation fees. Your international trip support provider should be able to settle all navigation fees on your behalf and, most importantly, should be able to secure essential permits on short-notice.

**Be cautious with cash.** Whenever possible, avoid cash and use credit cards for purchases. Also deploy prepaid ground transportation when available. Your international trip support advisor should offer you global credit facilities to minimize cash transactions.

**Use local intermediaries to communicate.** Communications can be a big issue at most locations in Latin America. We do not encourage operators to make direct flights without the assistance of a local handler or a trip support provider that you can rely on. Do not forget to download travel apps for your phone (e.g., currency converter, Google Translate). These small things make a difference.



International Trip Support

## About UAS:

UAS International Trip Support is a leading global trip support provider, trusted by royals, WVIPs, Fortune 500 companies and business jet operators worldwide. With a global network that includes continental headquarters in Houston, Johannesburg, Hong Kong and Dubai, regional offices in Lagos, Nairobi, Beijing and New Delhi and ground presence in 37 countries, we offer clients unrivalled connectivity. Award winning ground service means our record of operational excellence for our clients is unparalleled.

## Services Include:

### Trip Support Services

Flight Plans | Weather Services | Overflight and Landing Permits | Ground Handling | Catering | Fuel | Crew Services

### Aircraft Charter Services

Private Jet | Group Jet | Commercial Aircraft | Air Ambulance | Helicopter

### Executive Travel Services:

Hotel Booking | VIP Transportation | Airport Meet and Assist | Air Ticketing | Visa Assistance | Security Services | Concierge Services

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