

## Brazil Fears Its Air Transportation May Collapse During 2014 World Cup

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The executive aviation market in Brazil is growing. Today the fleet is of 1,650 aircraft (airplanes and helicopters) and the Brazilian Association of General Aviation (Abag) estimates growth of 10% a year.

"Growth of the economy, company internationalization, appreciation of the Brazilian real and decentralization of the economy cause this growth," said Abag president Rui Thomaz de Aquino, July 23, in São Paulo.

Worldwide, around 5,000 aircraft are sold a year. In Brazil, the fleet is divided into 350 jets, 650 turboprops and 650 helicopters, and in Latin America, the country is the main market for the sector, followed by Mexico, Venezuela, Argentina, Colombia and Chile.

The average price of an executive jet for three people and with a range of 2,000 kilometers, for example, is US\$ 1.5 million. A larger aircraft, in turn, with a capacity for 19 passengers and autonomy for 15,000 kilometers, is around US\$ 60 million.

According to Aquino, expansion of executive aviation, and its greater and greater use by businessmen who need to move from one city or state to another, reflects the low coverage of regular aerial transport in Brazil. Of the 5,563 Brazilian cities, just 140 are serviced by regular commercial flights. However, 50% of the cities possess some kind of landing strip.

Within the sector of executive aviation, the one that has been posting the greatest growth is the helicopter sector and, for Abag, it is also the one that has the greatest potential. In the state of São Paulo alone there is a fleet of 400 helicopters. The state capital has around 250 landing spots. "The city of São Paulo has the largest helicopter fleet in the world," said Aquino. Behind São Paulo are Tokyo and New York.

With a heated market, Abag is optimistic regarding the fifth edition of Labace, the largest general aviation fair in Latin America, to take place from August 14 to 16 at Congonhas Airport, in São Paulo. Last year, Labace generated US\$ 200 million in business and the expectation for this year is to exceed this value.

Over 8,000 visitors are expected in the three days of the fair, which should bring together 98 exhibitors. Among them are the Brazilian Embraer, which makes airplane, and Helibrás, a producer of helicopters. From the United States come Boeing, Cirrus, Cessna and Gulfstream; Bombardier, from Canada, should also be exhibiting, as should the French Dassault and Augusta, an Italian helicopter producer. One of the novelties of the event this year will be an area turned to helicopters. Labace is going to show 40 aircraft.

## More Infrastructure

In 2014, Brazil is going to host the Soccer World Cup and should receive some 500,000 foreign tourists. However, the Abag alerts that the country will not have airports to supply this demand. According to the vice president at the organization, Adalberto Febeliano, during the world cup month, tourists should travel at least four times from one city hosting world cup games to another within the country.

The current movement of airports is around four million departures a month. If foreign and Brazilian tourists who are going to travel to see the matches are added, Brazil should double the number of passengers in the Cup month of, according to Abag. "The system is going to collapse," stated Febeliano.

According to the Abag president, there is not sufficient infrastructure in the country to supply this demand. "We are very late. There is no chance of building an airport in less than three years," he said.

To avoid a crisis, Aquino believes that it would be necessary to build another airport in the city of São Paulo, another runway in Viracopos airport, in Campinas, in the interior of the state of São Paulo, and the airports of Brasília, Belo Horizonte and Rio de Janeiro should be modified.

"Nowadays, government money is not necessary to build an airport. What is lacking is goodwill, as the whole world wants to invest here," said Aquino.

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