

# LAC Industry Outlook

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# Key topics for today

## TRAFFIC GROWTH



## CHALLENGES

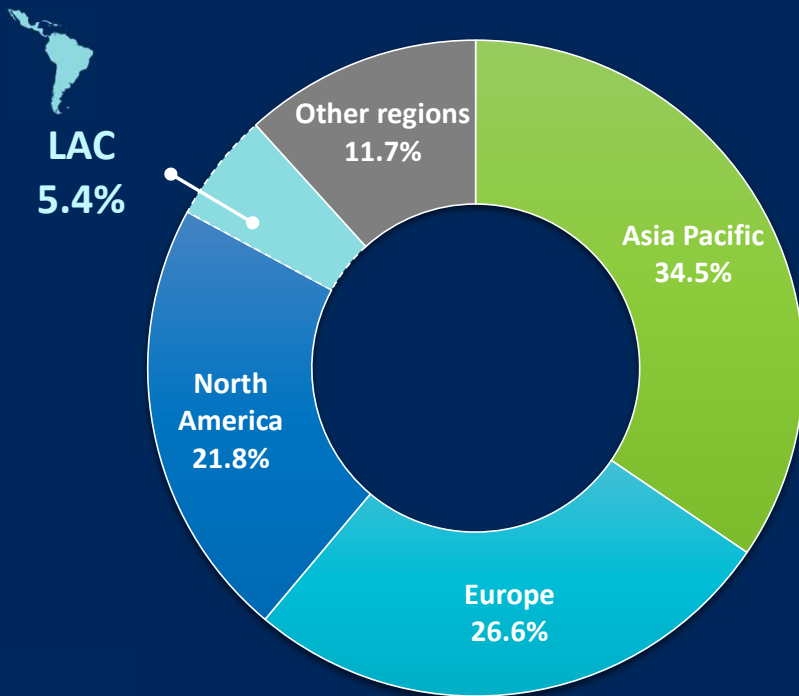


## RISING COST PRESSURES



Latin America remains a smaller aviation region — but still operates at enormous scale  
*Airlines in the region currently operate more than 2,000 active aircraft*

LAC accounts for **over 5%** of global RPKs



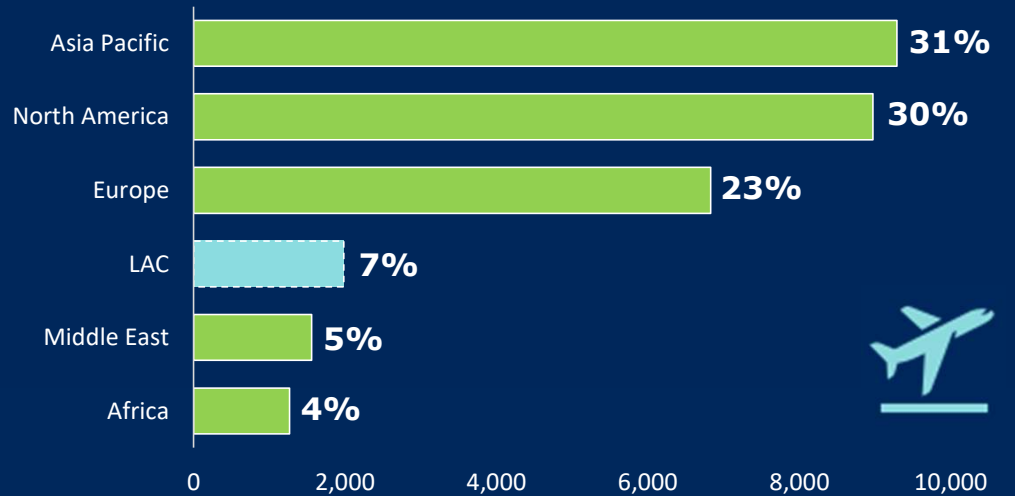
Source: ICAO-World Of Air Transport Statistics

**2,000+ ACTIVE AIRCRAFT**

**7% OF GLOBAL ACTIVE FLEET**

**ACTIVE OPERATING FLEET BY DOMICILE REGION**

% OF GLOBAL TOTAL

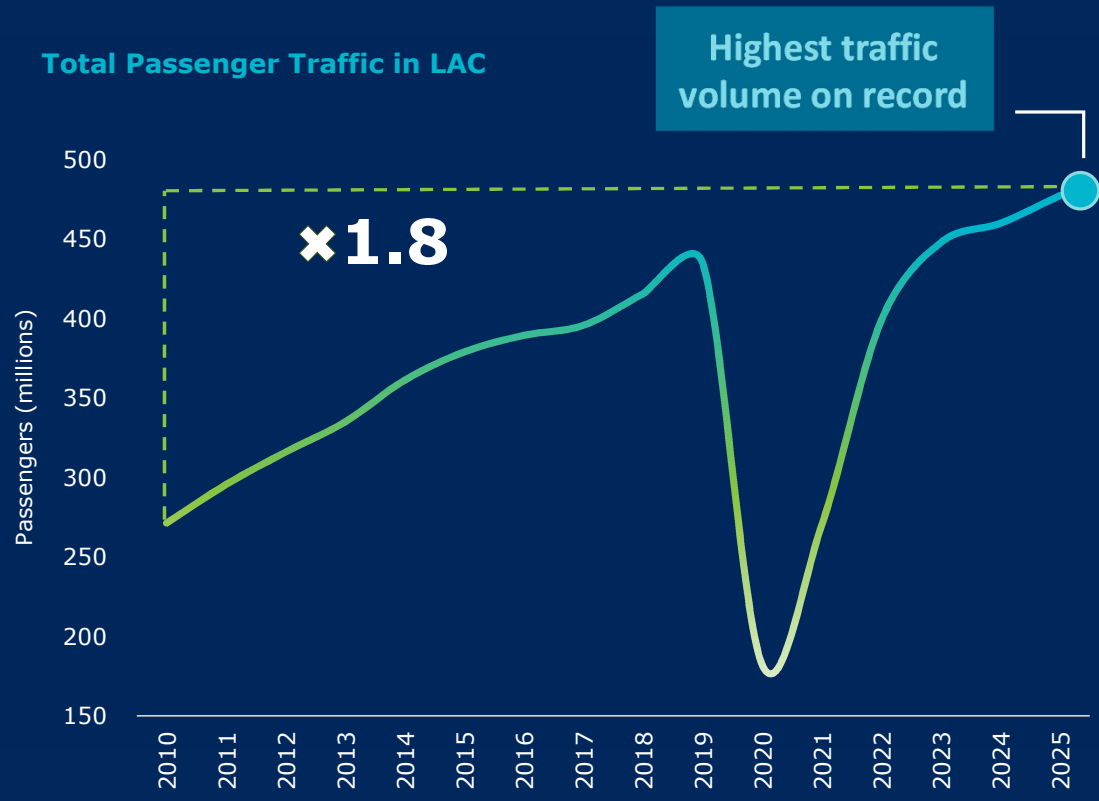


Source: CIRIUM fleet data as of April 30, 2026. Data includes active Western-built jet and turboprop aircraft in primary service for passenger or cargo operations. Aircraft in storage, secondary use, or non-commercial roles are excluded



# 2025 became the strongest year on record for aviation in LAC

Growth momentum remains strong entering 2026



**+6.3%**

Passenger Growth  
Q1 2026 vs. Q1 2025



**30+**

new routes added in Q1



**+3%**

Air Cargo Growth  
Q1 2026 vs. Q1 2025

Source: ALTA Analysis based on Civil Aviation Authorities Reports and Member Airlines Reports

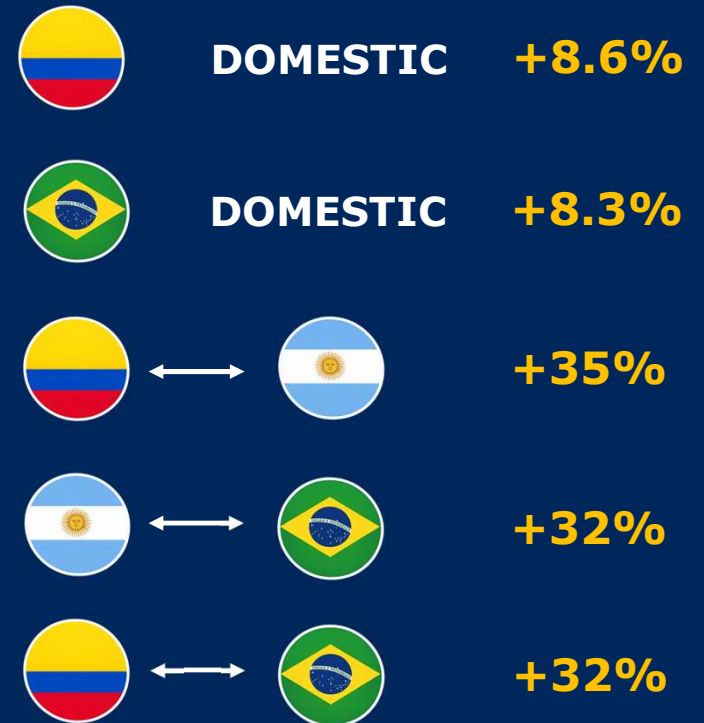
# Intra-Regional markets drive most of LAC's traffic growth in 2026

**8 in every 10** additional passengers in Q1 traveled within the region



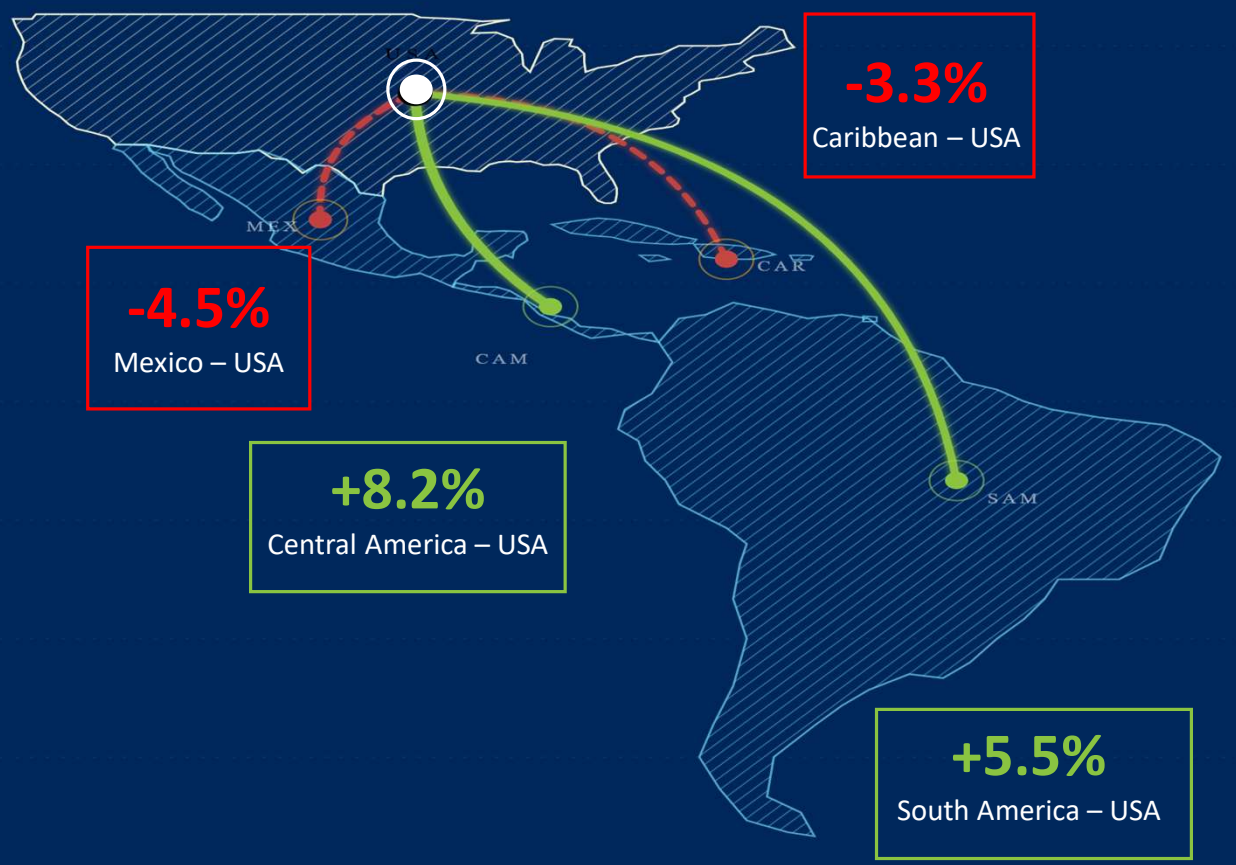
Source: ALTA Analysis based on Civil Aviation Authorities Reports and Member Airlines Reports

## Examples of fast-growing intra-LAC markets Q1 2026 vs. Q1 2025




# While intra-regional traffic remains strong, U.S.–LAC demand has weakened

U.S. – LAC traffic  
~20% of total traffic  
**-0.4%**  
Q1 2026 vs. Q1 2025



Source: ALTA Analysis based on US International Trade Administration



Demand fundamentals remain solid.  
But airlines are now operating under significantly higher cost and operational pressure.

# Fuel price volatility is becoming a major industry risk

Jet fuel prices in LAC are currently ~80% above the 2025 average

## FUEL PRICE SHOCK



Source: IATA Jet Fuel Price Monitor

# 30%

FUEL SHARE OF LAC  
AIRLINES OPERATING  
EXPENSES IN 2025

# 3.8%

PROJECTED NET MARGIN  
FOR LAC AIRLINES  
IN 2026 → \$88 US/barrel  
(IATA, DEC 2025 OUTLOOK)



**THIN MARGINS + HIGH FUEL COSTS**

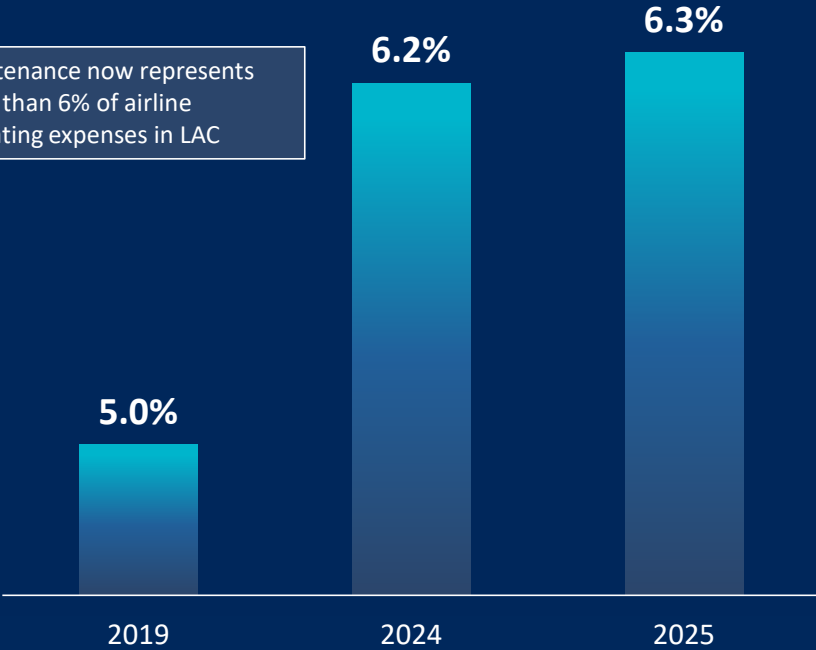
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**profitability at risk**

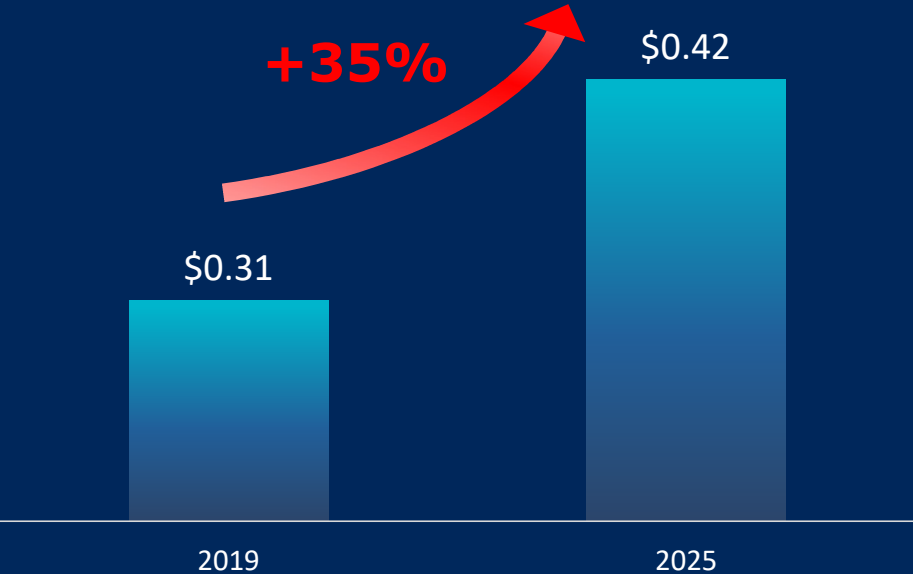
# Maintenance costs are becoming structurally higher across the industry

Maintenance as a % of Operating Expenses

Maintenance now represents more than 6% of airline operating expenses in LAC



Maintenance Costs per Available Seat Kilometer



Source: ALTA analysis based on airline financial reports covering 85.2% of LAC ASKs