Dear readers,

This edition of the LAC Passenger Traffic Report again gives us positive news as it shows the results of the daily work of thousands of men and women who strive every day to develop aviation and, in doing so, enable the growth of the economies of our countries.

In June 2023, air transport in the Latin America and Caribbean (LAC) region experienced a significant milestone by outperforming for the fourth time in a row the passenger levels recorded in 2019, prior to the COVID-19 pandemic.

Our region exceeded its 2019 levels by 1.8% and with a total of 29.2 million passengers carried in June 2023 is once again positioned as the one with the highest global recovery in the ranking measured in passengers according to region of origin/destination. This growth compared to 2019 was driven by the domestic market.

The main domestic markets in the region have experienced a near full recovery and continue to outperform their 2019 passenger levels. In particular, Argentina had an outstanding performance in June 2023, recording even higher growth than countries such as Mexico and Colombia.

The domestic market in Argentina reached a 16% growth compared to its pre-pandemic levels. The increase in traffic To/From Bariloche, which in June had six direct domestic routes and operated a total of 982 flights, has a great deal to do with these results. This increase in the air connectivity of Bariloche reaffirms its position as one of the most important tourist destinations in Argentina, where, according to data from the municipality, tourism creates over 40% of total employment.

In terms of specific routes, the Congonhas-Santos Dumont route stood out as the most important in the region during the first half of 2023, with the highest number of flights. Moreover, in the second quarter of 2023, this same route experienced a 5% increase compared to the same period in 2019. On the other hand, the Congonhas-Porto Alegre route showed an outstanding 33% growth during the second quarter of 2023.

These figures make us optimistic and proud because we do see how that momentum in the region is emerging from its local markets. Our region has much to offer and much to gain from air transport and tourism. From ALTA we will continue to support this valuable work coming from an industry that activates economies and supplies needs in remote places.

Thank you for your valuable reading,

José Ricardo Botelho

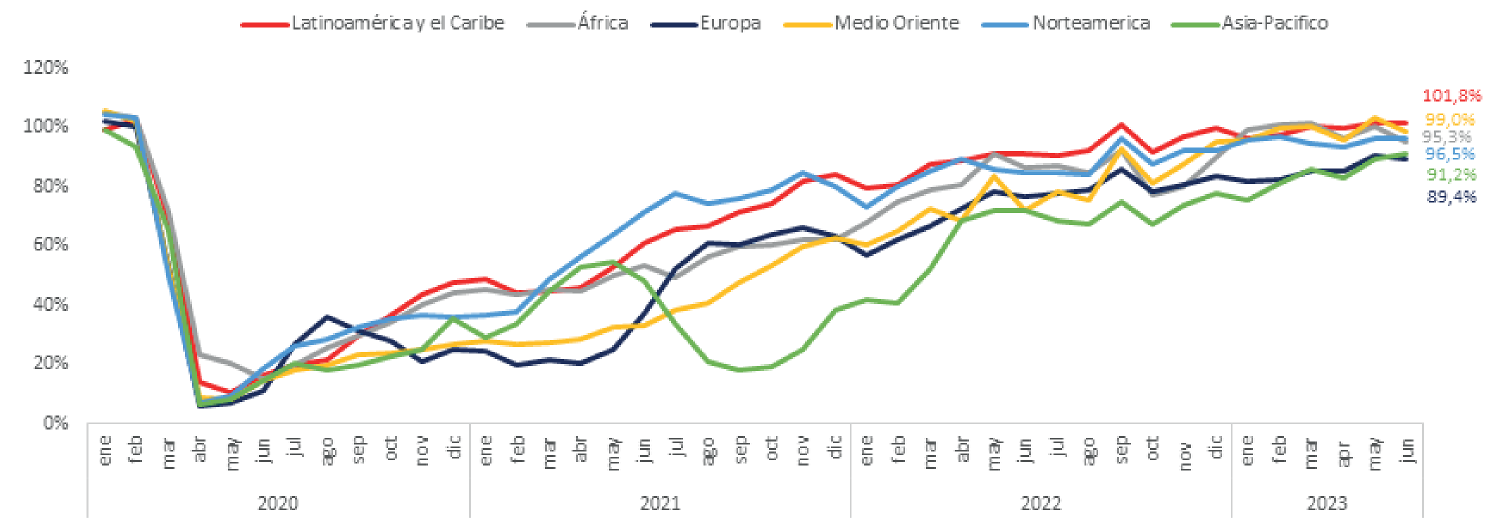
Latin America and Caribbean (LAC) exceeded its pre-pandemic air passenger levels in June for the fourth month in a row

With 29.2 million passengers carried and a 1.8% growth vs. its 2019 levels, the Latin America and Caribbean (LAC) region has once again positioned as the one with the highest global recovery in the ranking measured in passengers according to origin/destination region over June. 100% of this growth compared to 2019 was driven by the domestic market, while the international market kept 2% below its 2019 levels.

The Middle East region saw a decline in its recovery, reaching 99% of its 2019 levels after showing a strong growth in May. North America made a slight advance to 96%, Africa reached 95.3% moving back to fourth place. Southeast Asia made an advance to 91.2% from its 2019 levels and Europe achieved 89.4%. In general, all regions of the world showed a slowdown, except LAC which kept at similar levels compared to May.

Passengers by origin/destination region vs. the same month in 2019

ALTA



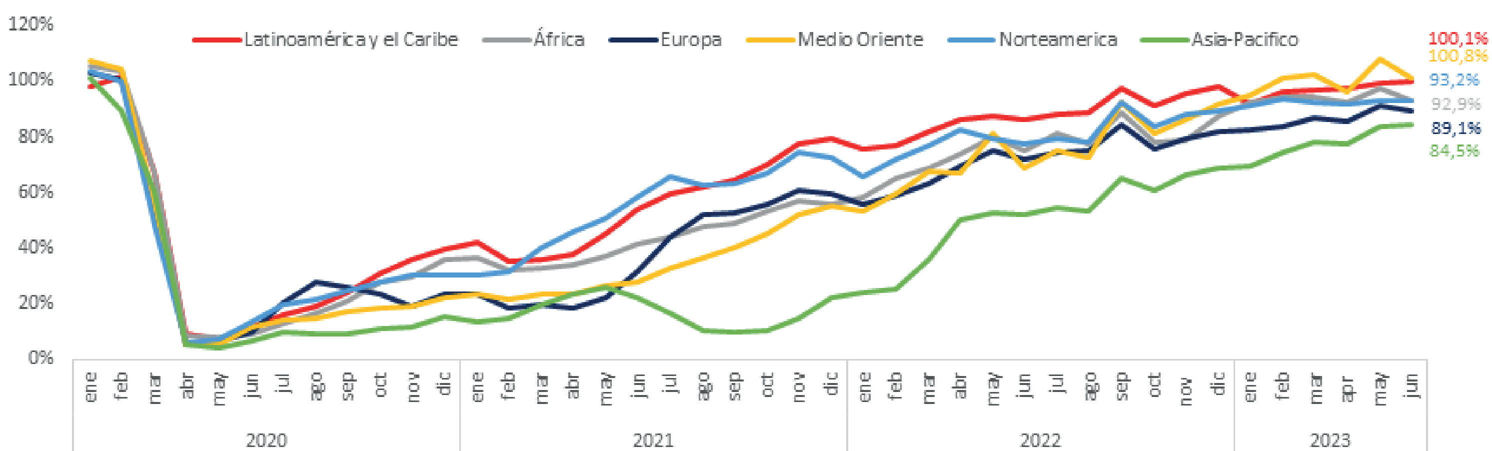
Note: The LAC region includes Mexico.
Source: ALTA analysis, based on data from Amadeus.

Passenger traffic by region measured in RPKs

In June 2023, in the global RPK (Revenue Passenger Kilometer) recovery, LAC marginally exceeded (0.1%) its 2019 levels, being overtaken by the Middle East which placed first, exceeding 0.8% its pre-pandemic levels. Africa reached 92.9%, down from May, North America 93.2%, Europe 89.1% and Southeast Asia 84.5%.

RPK by origin region/destination vs. the same month in 2019

ALTA



Source: ALTA analysis, based on data from Amadeus.

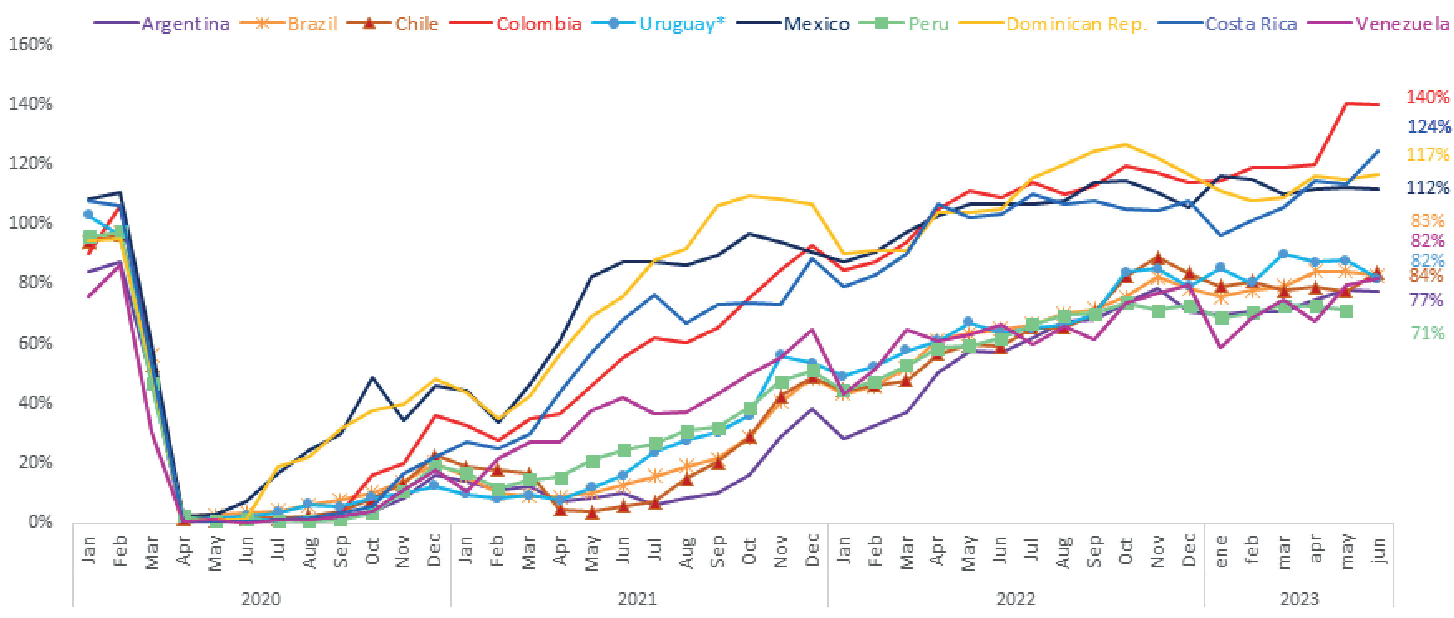
International pax

In June 2023, Colombia stood out with a 40% growth (483,000 additional international pax) vs. its 2019 levels, driven by growth in flight numbers vs. June 2019, on the Bogota-Santo Domingo (+108%), Cali-Miami (+50%), Bogota-Quito (+49%) and Bogota-Madrid (+48%) routes. In total, To/From Colombia, 10,800 international flights were operated, 13% above June 2019.

Meanwhile, Mexico had a 12% growth in international pax, driven mainly by the increase in frequencies in the markets To/From Spain (+36%), Costa Rica (+36%). and Colombia (+15%), The most important international route in Mexico was Cancun-Dallas Fort Worth, which grew by 49% in the total flights offered. The Dominican Republic grew by 17%, driven by three international markets that doubled their flight numbers vs. 2019. Venezuela (80%), Colombia (+49%) and Mexico (+39%).

Among the largest international markets still lagging behind June '19 are Chile (84%) Brazil (83%) and Argentina (77%) respectively.

International Pax (vs. the same month in 2019)



Source: Aviation authorities from each country. *Airports in Uruguay

Domestic Pax

Argentina was one of the leading countries, with a 16% growth compared to its pre-pandemic levels. For the Argentine domestic market, it is worth noting the impact of the increase in traffic To/From Bariloche, where in June there were 6 direct domestic routes and a total of 982 flights were operated. There was a 43% increase in flights on the Aeroparque-Bariloche route, while on the Ezeiza-Bariloche route the increase was 89%. This growth in Bariloche's air connectivity reaffirms its position as one of the most important tourist destinations in Argentina where, according to data from the municipality, tourism creates over 40% of total employment.

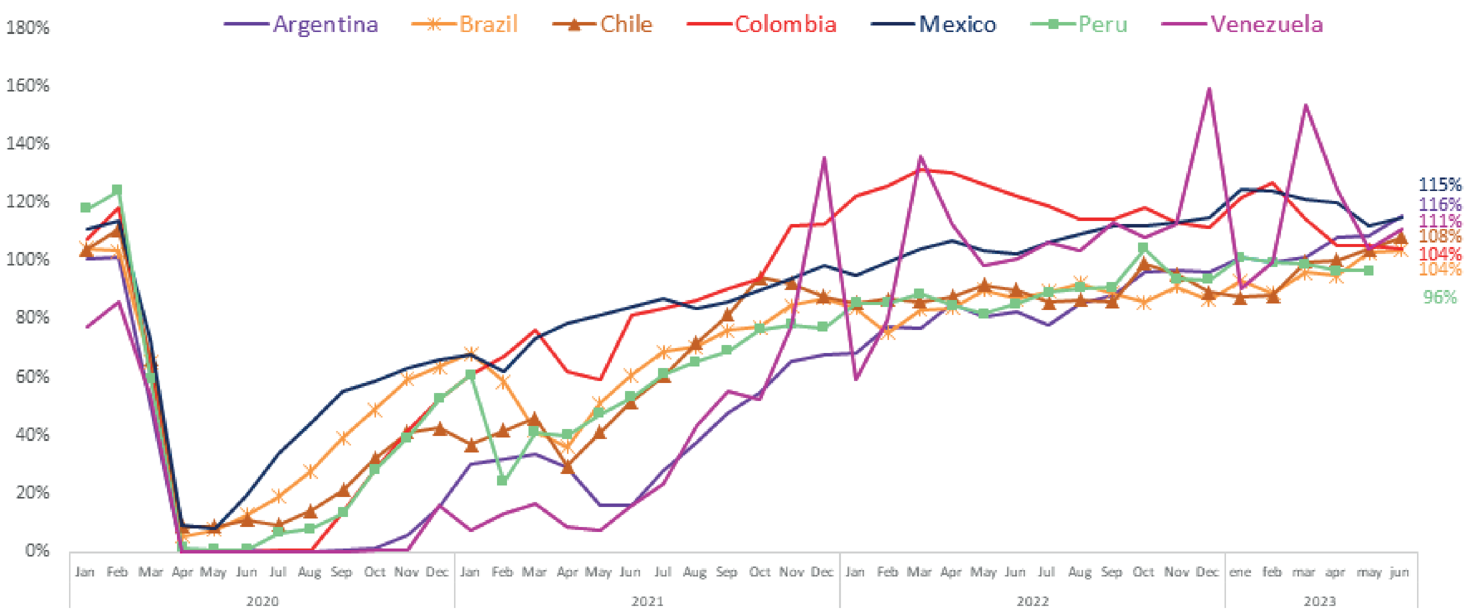
Thus, Argentina was the fastest growing domestic market in June, overtaking Mexico and Colombia, which exceeded 15% and 4%, respectively, their 2019 levels. the domestic performance of Venezuela and Chile was very positive, making a 11% and 8% advance, above 2019, respectively.

Brazil accumulates two months in a row exceeding its domestic pre-pandemic levels; this time with 4% above 2019. The Congonhas (SP)-Santos Dumont (RJ) route consolidated its position as the most important domestic route in the region with 3,158 flights operated in June between the two airports, representing a 24% increase over 2019.

The domestic recovery shown in the graph below is highly relevant, as the seven countries that make up the sample represent 94% of the total domestic traffic in the entire region.

Domestic Pax (vs. the same month in 2019)

ALTA



Source: Aviation authorities from each country. *Airports in Uruguay

Total passenger traffic by country in the second quarter (2Q) 23 vs. 2Q 19

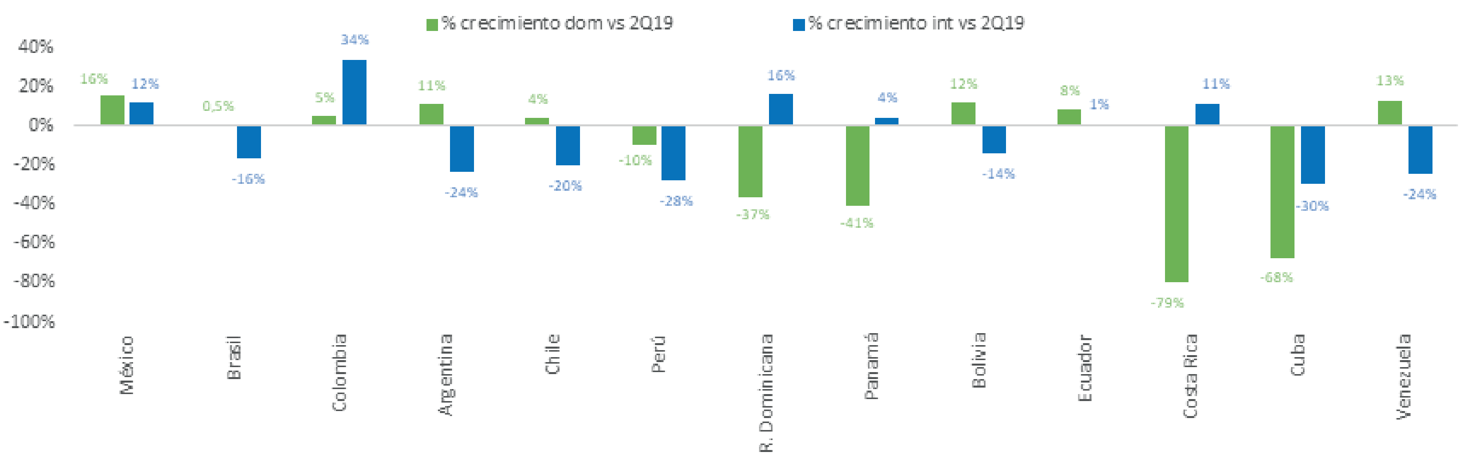
In 2Q 2023, the region carried a total of 87.2 million passengers which represented a 1% increase over those in the same quarter of 2019.

With a total of 29.1 million passengers, Mexico kept its leadership as the country with the highest traffic in the region during 2Q23, with domestic and international levels well above 2019. Meanwhile, Brazil remained 3% below its pre-pandemic levels with 26.2 million passengers carried in 2Q 2023. Brazil faces different realities in its domestic and international market, while domestic traffic has exceeded 0.5% its 2019 levels, in the international case it remains 16% below 2019 levels.

On the other hand, the air market in Colombia carried a total of 11.4 million passengers in the second quarter, exceeding 2019 passengers by 13%. International growth in Colombia stands out, exceeding 34% its levels in the same quarter of 2019. Countries such as the Dominican Republic (+16%) and Costa Rica (+11%) also stand out in international traffic growth.

Argentina, Peru and Cuba (the most lagging country, both in domestic and international traffic) still remain below their 2019 levels, however, in Argentina, domestic traffic is fully recovered compared to 2019 (+11%). Venezuela, on the other hand, has exceeded its total traffic levels by 12%, thanks to its domestic traffic growing by 13%; yet, for the international market, Venezuela is still lagging behind compared to 2019, although a notable improvement is expected in the coming months, thanks to the reopening of flights with Colombia.

Total passenger traffic growth by country in LAC vs. 2Q19
Ranked from left to right according to the total market size in 2Q23



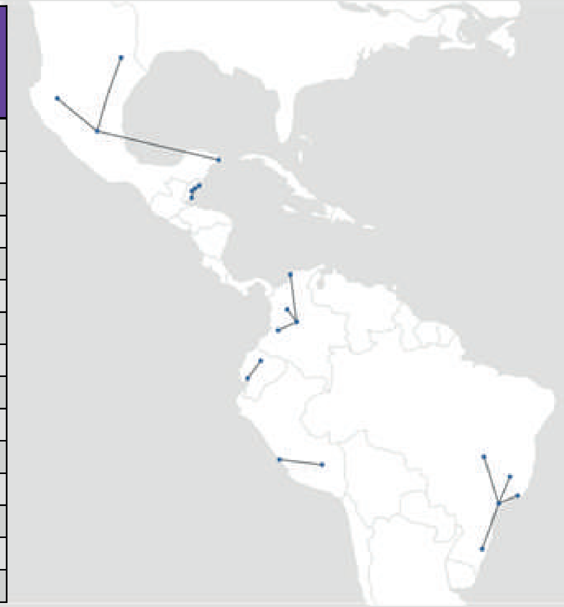
Source: ALTA analysis, based on data from aviation authorities from each country and Amadeus.

Top 15 domestic routes in the first half and second quarter vs. 2019

In the first half (1H23) the Congonhas-Santos Dumont route was the most important route with the highest number of flights in the region, overtaking the Bogota-Medellin and Cancun-Mexico City routes. In the second quarter (2Q23), it was the route with the highest number of flights, exceeding by 5% its levels for the same period in 2019.

In 2Q23, out of the first 15 routes, the fastest growing was Congonhas-Porto Alegre (+33%) and in 1H23 it was Belize-Dangriga (+27.3%). Among the most lagging was the Cuzco-Lima route (-41%) for 2Q22, which in turn is also the one with the lowest recovery (-48.3%) in 1H23 vs. 2019

Route	Total Flights 2Q23	Total Flights 1H23	Growth 2Q23 vs 2Q19	Growth 1H23 vs 2019
CGH-SDU	9,498	18,768	5%	-0.03%
BOG-MDE	7,404	15,365	-5%	1.5%
CUN-MEX	6,646	13,246	-14%	-12.7%
BZE-SPR	6,409	11,508	22%	2.0%
BOG-CLO	5,771	11,716	9%	15.5%
BOG-CTG	5,545	10,981	4%	-1.0%
MEX-MTY	5,302	10,506	-23%	-22.9%
BSB-CGH	5,200	8,962	29%	10.5%
GDL-MEX	5,072	10,164	-22%	-18.7%
CUZ-LIM	4,682	8,444	-41%	-48.3%
CGH-POA	4,541	8,308	33%	22.1%
CGH-CNF	4,210	7,765	11%	3.7%
BZE-DGA	4,042	7,763	31%	27.3%
GYE-UIO	3,935	7,890	-4%	-3.3%
BZE-PLJ	3,916	7,381	23%	11.7%

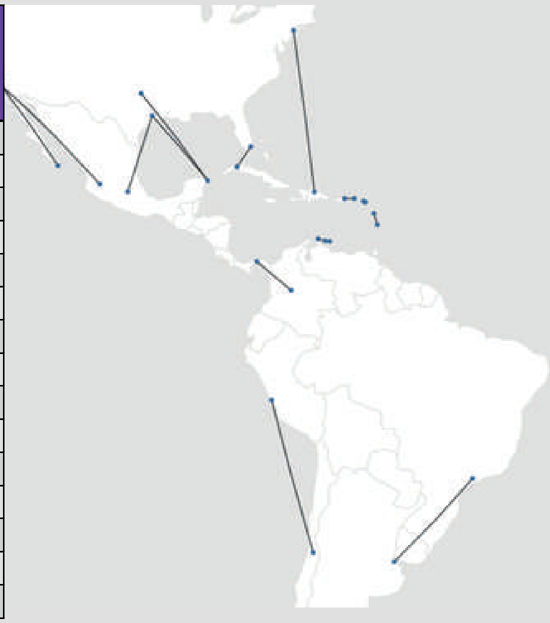


Source: ALTA analysis, based on data from Amadeus. Note: ranked from highest to lowest according to the total domestic flights in 2Q23.

Top 15 international routes in the first half and second quarter vs 2019

In the first semester (1H23) the Saint Barthélemy (SBH) - Sint Maarten (SXM) route in the Caribbean was the most important with the highest number of international flights in the region, surpassing the Bonaire-Curacao and Fort-de-Curacao routes. France-Pointe-a-Pitre. Of the 15 routes with the most international flights in the region, 5 are Intra-Caribbean routes.

Route	Total flights 2Q23	Total flights 1H23	Growth 2Q23 vs 2Q19	Growth 1H23 vs 2019
SBH-SXM	3,913	7,551	-20.8%	-23.3%
BON-CUR	3,195	6,163	88.2%	80.0%
FDF-PTP	2,496	5,041	-1.8%	-0.3%
AUA-CUR	2,108	4,481	115.1%	115.1%
LIM-SCL	2,044	4,186	-23.1%	-27.5%
CUN-DFW	1,992	3,540	40.6%	39.3%
EIS-SJU	1,942	3,785	-24.8%	-25.2%
HAV-MIA	1,758	3,174	38.2%	27.1%
JFK-STI	1,729	3,228	5.0%	2.4%
IAH-MEX	1,697	3,628	-7.4%	5.1%
LAX-SJD	1,635	2,922	31.2%	25.2%
GDL-LAX	1,626	3,213	-5.2%	-3.4%
BOG-PTY	1,617	3,338	-6.4%	-6.3%
CUN-IAH	1,586	2,729	33.1%	27.2%
AEP-GRU	1,570	3,169	n/a	271.1%



Fonte: Análisse da ALTA, elaborado com dados de Amadeus.

Pax, RPK, ASK & load factor

	junio					Crecimiento				Acumulado (enero-junio)					Crecimiento			
	2019	2020	2021	2022	2023	2020/2019	2021/2019	2022/2019	2023/2019	2019	2020	2021	2022	2023	2020/2019	2021/2019	2022/2019	2023/2019
Pasajeros	**28,680,626**	**4,637,063**	**17,525,218**	**26,134,864**	**29,196,442**	**-83.8%**	**-38.9%**	**-8.9%**	**1.8%**	**178,453,491**	**94,149,155**	**88,451,246**	**154,212,391**	**177,850,770**	**-47.2%**	**-50.4%**	**-13.6%**	**-0.3%**
Domestico	18,676,249	3,777,740	12,136,959	17,915,540	19,344,280	-79.8%	-35.0%	-4.1%	3.6%	114,808,619	63,635,098	64,656,923	106,053,143	117,802,213	-44.6%	-43.7%	-7.6%	2.6%
Intra-LAC	4,078,586	408,916	1,067,215	2,966,924	3,750,157	-90.0%	-73.8%	-27.3%	-8.1%	25,779,387	12,483,210	5,498,593	16,379,007	22,905,756	-51.6%	-78.7%	-36.5%	-11.1%
Extra-LAC	5,925,791	450,407	4,321,044	5,252,401	6,102,004	-92.4%	-27.1%	-11.4%	3.0%	37,865,484	18,030,847	18,295,729	31,780,241	37,142,801	-52.4%	-51.7%	-16.1%	-1.9%
RPK(millones)	**48,865**	**5,639**	**26,179**	**42,219**	**48,935**	**-88.5%**	**-46.4%**	**-13.6%**	**0.1%**	**312,057**	**157,741**	**129,202**	**256,732**	**301,754**	**-49.5%**	**-58.6%**	**-17.7%**	**-3.3%**
Domestico	16,427	3,552	11,657	16,700	18,183	-78.4%	-29.0%	1.7%	10.7%	103,319	58,066	63,316	101,025	110,800	-43.8%	-38.7%	-2.2%	7.2%
Intra-LAC	7,866	311	1,836	5,908	7,187	-96.0%	-76.7%	-24.9%	-8.6%	50,401	23,432	10,272	32,583	44,750	-53.5%	-79.6%	-35.4%	-11.2%
Extra-LAC	24,571	1,776	12,686	19,610	23,566	-92.8%	-48.4%	-20.2%	-4.1%	158,337	76,244	55,614	123,124	146,204	-51.8%	-64.9%	-22.2%	-7.7%
***ASK(millones)**	**59,637**	**8,648**	**33,400**	**51,632**	**58,445**	**-85.5%**	**-44.0%**	**-13.4%**	**-2.0%**	**374,328**	**214,951**	**185,982**	**319,604**	**370,597**	**-42.6%**	**-50.3%**	**-14.6%**	**-1.0%**
Domestico	19,960	5,464	15,501	21,070	22,577	-72.6%	-22.3%	5.6%	13.1%	126,153	79,001	83,973	125,825	138,718	-37.4%	-33.4%	-0.3%	10.0%
Intra-LAC	9,711	493	2,484	7,488	9,006	-94.9%	-74.4%	-22.9%	-7.3%	57,866	32,499	15,516	41,525	56,990	-43.8%	-73.2%	-28.2%	-1.5%
Extra-LAC	29,965	2,691	15,415	23,074	26,862	-91.0%	-48.6%	-23.0%	-10.4%	190,309	103,451	86,492	152,254	174,890	-45.6%	-54.6%	-20.0%	-8.1%
***Factor de Ocupación**	**81.9%**	**65.3%**	**78.6%**	**81.0%**	**82.9%**	**-16.6 pts**	**-3.3 pts**	**-0.9 pts**	**1.0 pts**	**83.3%**	**73.4%**	**68.1%**	**80.2%**	**80.8%**	**-9.9 pts**	**-15.2 pts**	**-3.1 pts**	**-2.5 pts**
Domestico	82.3%	65.0%	75.2%	79.3%	80.5%	-17.3 pts	-7.1 pts	-3.0 pts	-1.8 pts	81.9%	73.5%	75.4%	80.3%	79.9%	-8.4 pts	-6.5 pts	-1.6 pts	-2.0 pts
Intra-LAC	81.0%	63.2%	73.9%	78.9%	79.8%	-17.8 pts	-7.1 pts	-2.1 pts	-1.2 pts	87.1%	72.1%	66.2%	78.5%	78.5%	-15.0 pts	-20.9 pts	-8.6 pts	-8.6 pts
Extra-LAC	82.0%	66.0%	82.3%	85.0%	87.7%	-16.0 pts	0.3 pts	3.0 pts	5.7 pts	83.2%	73.7%	64.3%	80.9%	83.6%	-9.5 pts	-18.9 pts	-2.3 pts	0.4 pts

Source: ALTA analysis, based on data from Amadeus *ALTA estimates based on reported by member airlines.

In June, 29.2 million passengers were carried in the region, representing 1.8% above pre-pandemic levels. Domestic traffic grew by 3.6% above its 2019 levels, extra-LAC international traffic grew by 3%, while intra-LAC international traffic kept as the slowest recovering market, being 8.1% below its 2019 levels. For the January-June cumulative period, 177.9 million passengers were carried, 0.3% below 2019.

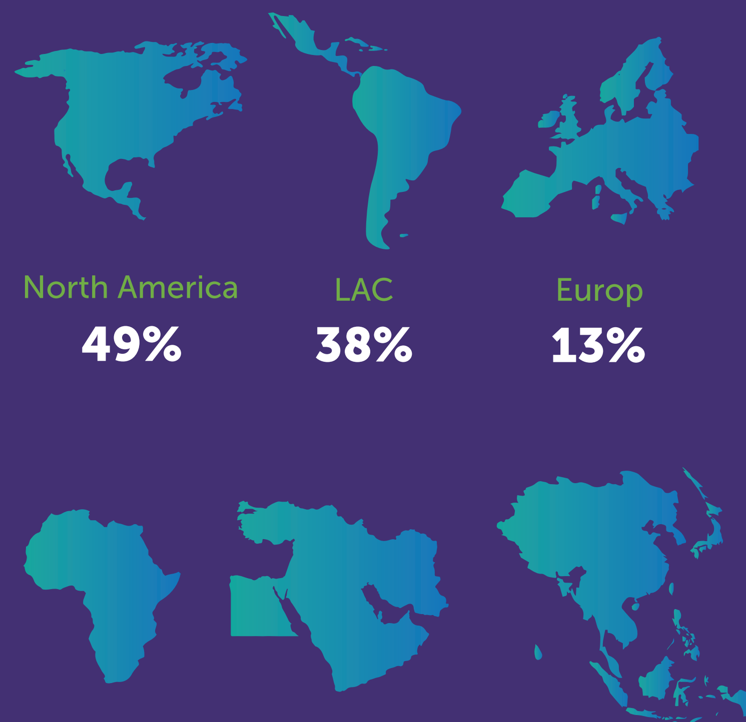
RPKs in June, for domestically, have recovered the fastest with 10.7% growth compared to their 2019 levels. Something similar happens in cumulative RPKs which, for domestically, grew by 7.2% above 2019.

In terms of relative capacity, i.e. available seats kilometer (ASK), the domestic market has been growing faster, reaching 13.1% above its 2019 levels for June and 10% for the cumulative January-June.

Total RPKs in June, grew by 0.1% above 2019 and the cumulative kept 3.3% below, while the total ASKs exceeded their pre-pandemic levels by -2.0% for June, and in the cumulative were 1% below.

In June, total load factor reached 82.9%, 1 percentage point above 2019 levels. The domestic load factor was 80.5%, the intra-regional was 79.8% and the extra-regional was 87,7z%. Cumulatively, the total load factor was 80.8%, 2.5 percentage points below 2019 levels.

Distribution by destination region of international pax originating travel in LAC



North America	LAC	Europ
49%	**38%**	**13%**

África	Middle East	Asia-Pacific
0,1%	**0,3%**	**0.1%**

49% of total international pax in LAC were destined for North America, 38% for another country in LAC (intra-regional) and 13% for Europe.

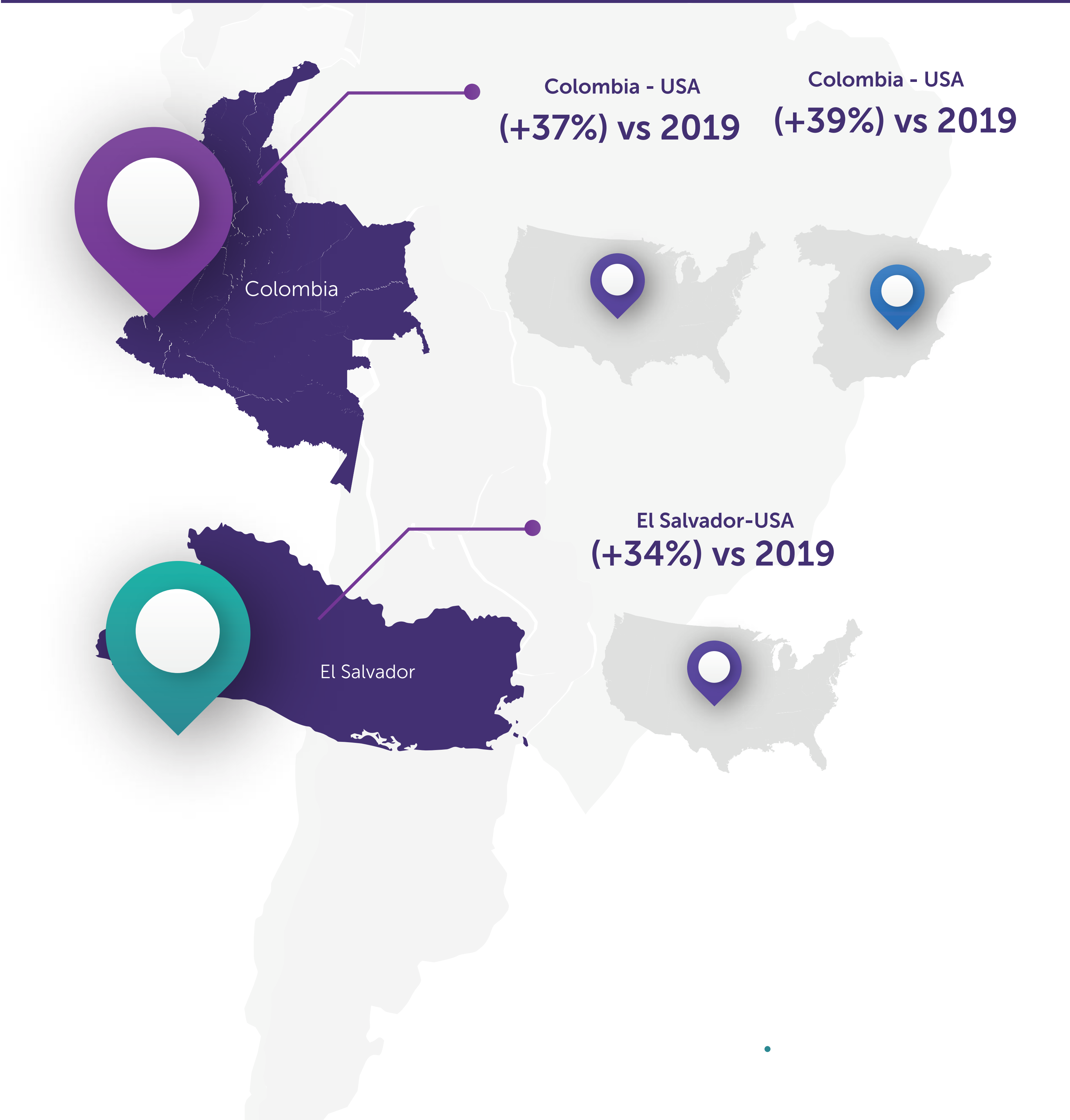
Source: ALTA analysis, based on data from Amadeus

TOP 15 country pairs (capacity measured in seats) in June

In June 2023, air transport supply in the region (measured in seats) was 37.9 million seats. This was 7% above its 2019 levels. In domestically, 10% more seats were supplied compared to 2019, while the international supply of seats exceeded pre-pandemic levels by 1%.

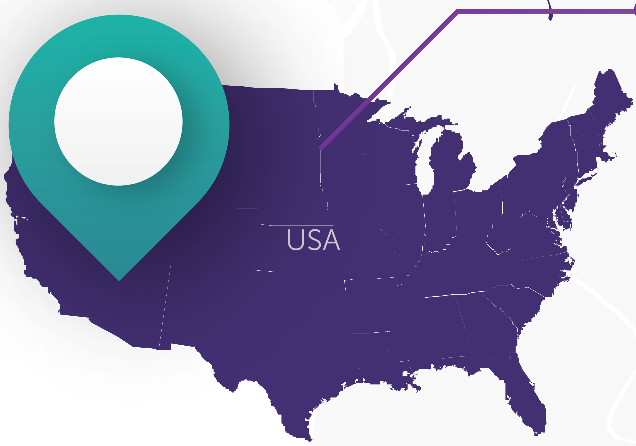
In international supply, the country pair with the highest number of seats supplied From/To LAC was USA-Mexico, with a total of 1.5 million. In this month, the growth in seats compared to 2019 for the country pairs stands out:

On the other hand, the growth in capacity vs. May 2023 also stands out for the country pairs:



Costa Rica-USA

(+17%) vs May 2023



USA-Jamaica

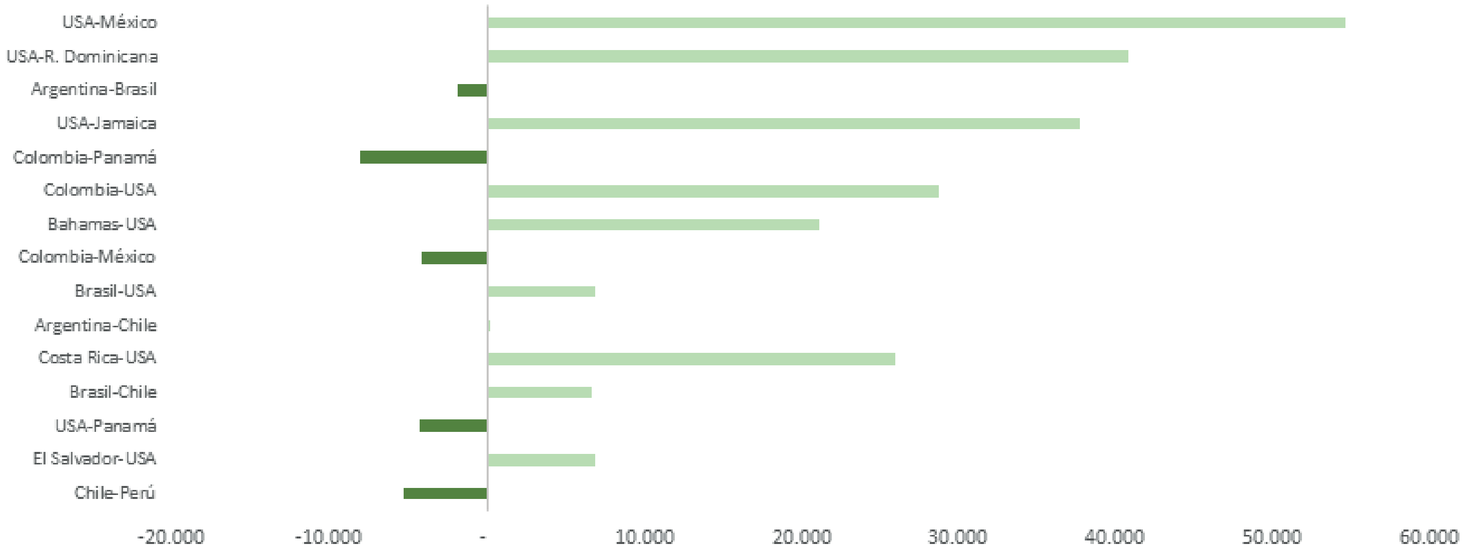
(+15%) vs May 2023

Colombia

(+12%) vs May 2023

These increases have a great deal to do with seasonality and peak summer demand.

Seats added/withdrawn in June vs. May 2023

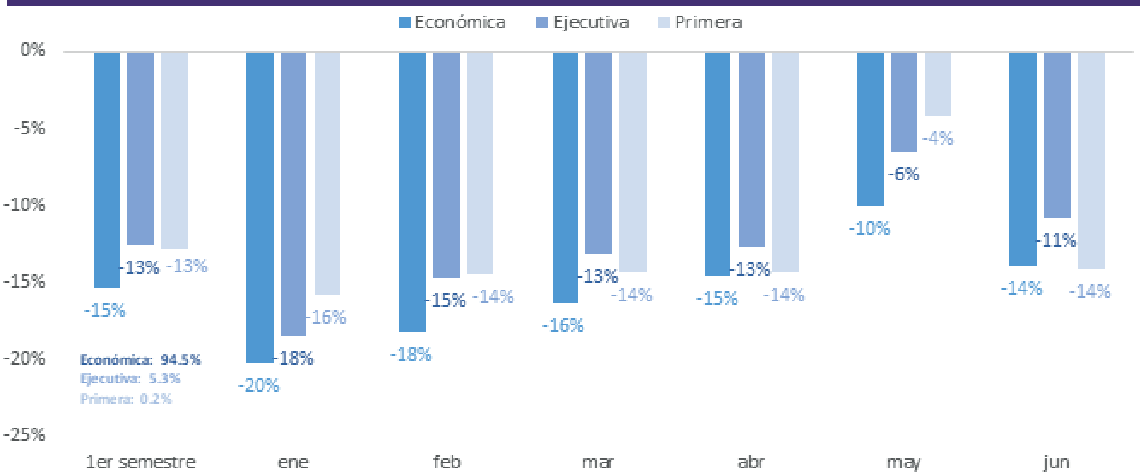


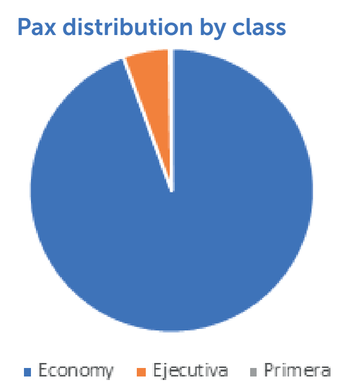
Source: ALTA analysis, based on data from Amadeus

International pax by class type and recovery vs. 2019

Air transport that refers to first and executive class or Business Class has recovered a little faster than economy class as shown from January to May. Despite the fact that in May the 3 classes reached their greatest recovery, in comparison with the 1st semester of 2019, the executive and first classes were both found to be 13% below. Therefore, the economy class is the one that remains furthest behind with respect to 2019, both monthly (14% below) and in the first semester (15% below), despite the fact that it represented 95% of total international traffic in the 1st semester of 2023. While the executive represented 5.3% and the first only 0.2% of total international traffic.

International passengers by class (1st semester 2023 vs 2019)



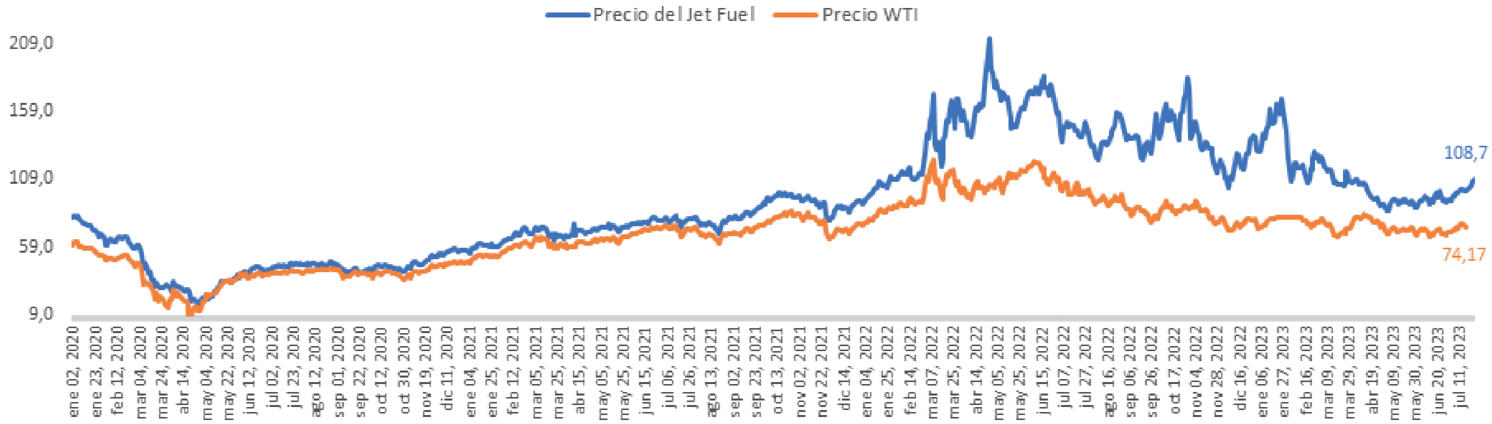


Economy	Executive	First
94,50%	5,30%	0,20%

Source: ALTA analysis, based on data from Amadeus

Fuel prices
Jet Fuel y WTI (West Texas Intermediate)

Jet Fuel & WTI Crude Oil Prices (Dollars per barrel), July 24



Source: US Energy Information Administration

By July 2023, the average jet fuel price was 27% above June 2021 and 31% below the July 2022 average price. On the other hand, the average WTI crude oil price was 3% above 2021.

Throughout July, the jet fuel price had a slight increase compared to the average price in June (US$ 94.5) reaching a peak price of US$ 108.7, which in June had decreased to US$ 90.8 per barrel. The differential between an oil barrel and jet fuel prices continues to be high, such that, while in July 2021, the jet fuel price was 11% higher than the oil price; by July 24, 2023, this price differential was 35%.