ALTA

Dear readers,

For each edition of this Traffic Report we share the results of sustained advances in expanding access to air transport in the region. Every month we see how more and more people are traveling by air, but we rarely stop to reflect that mobilizing millions of passengers per month entails a vast logistics involving thousands of highly trained and skilled professionals, safe and efficient processes, state-of-the-art technologies, but also effective management in the face of volatile economies and socio-political scenarios.

Furthermore, whether a passenger manages to take an aircraft also depends on ground transport, weather conditions and many other aspects. Although it seems obvious, we sometimes forget that aviation is connected to so many aspects of daily life, all of them being equally important and able to benefit or decline as much as the aviation industry is thriving or not.

I would like to begin this editorial by making this brief reflection because aviation is an essential public service and, as such, it must be part of State Agendas aimed at promoting more competitive conditions for the growth of this sector, and this is achieved by inviting all participants in the civil aviation ecosystem to discuss, to brainstorm, to reflect together on how to do it better and better.

The figures are significant, but we still have a long way to go to further democratize air transport. In May, passenger traffic in our region grew by 5.3% vs. the same month in 2023. It managed to mobilize 38.1 million travelers and, between January and May, 197.2 million passengers were carried, 8% more vs. the previous year.

This growth proves that 1) the population is increasingly using this means of transport. 2) it is a resilient industry in the face of challenges. 3) the potential is still enormous.

Our domestic market recorded 20.6 million passengers, 2.2% above the 2023 level. The international market reported 17.5 million passengers (+9%), with 4.4 million in the intra-regional segment (+13.2%) and 13 million in the extra-regional (+7.8%).

Another highlight is that the extra-regional markets of North America and Europe reached their highest capacity since 2019 this May. We emphasize that over 71 million seats were offered to and from North America (+15% vs. 2023) and 15.8 million between the region and Europe (+10%). In addition, the load factor to and from Europe was the highest among all regions, at 89%.

Our region is dynamic and we must be as dynamic in the public and private sectors to understand the market, adapt with agility and respond efficiently. In general, the report shows positive signs, but there is still a lot of work to be done on increasing our competitiveness.

Progress is in everyone's efforts, hence the importance of understanding that all sectors are connected and that global vision contributes to our advance as a region.

Thanks for your attention,

I hope you have a good reading.

José Ricardo Botelho

Air passenger traffic in Latin America and the Caribbean grew by 5.3% in May 2024, reaching 38.1 million passengers

In May 2024, passenger traffic to, from and within Latin America and the Caribbean increased 5.3% by achieving 38.1 million passengers, representing 1.9 million additional passengers vs. May 2023. The Colombian and Peruvian domestic markets, along with the extra-regional market between Mexico and the United States, drove were responsible for more than 50% of the growth, contributing 1.07 million passengers to the regional increase. In percentage terms, Venezuela and Costa Rica stood out with increases of 37% and 19%, respectively.

Of the total absolute increase, half corresponded to the extra-regional segment, which expanded 7.8% to 13 million passengers. This growth was driven mainly by significant increases in the Costa Rica-U.S. (+26%) and Panama-U.S. (+22%) markets, with a total of 5,675 additional flights operated between North America and the region.ZZ Traffic between Latin America and Europe grew by 9%, with 828 additional flights, most notably a 43% and 17% increase in passengers to Italy and Spain, respectively. Traffic between these two regions showed a high 89% load factor. In percentage terms, traffic between Latin America and Africa continued to show great dynamism, with the highest percentage increase of 72% and 88 additional frequencies.

Domestic traffic also showed a 2.2% increase, reaching 20.6 million passengers and a total of 183,539 flights operated in the region's domestic markets. Colombia led this growth, representing 43% of the total increase in domestic traffic in LAC.

For cumulative period (January-May 2024), 197.2 million passengers have been carried to, from and within the region, representing an 8% increase. Total demand, measured in passenger-kilometers carried (RPK), grew by 8%. The intra-regional segment stood out with a 20.6% increase. Offer, measured in Available Seat Kilometers (ASK), increased 6.4%, with the intra-regional sector being the most notable with a 14.8% growth. Total load factor reached 82.8%, a 2.3 percentage point increase vs. May 2023. Domestic flights had an 80.5% load factor, while intra-regional and extra-regional flights recorded load factors of 80.5% and 84%, respectively.

Total passenger market in LAC - May 2024

	May		Change	Year To Date		Change
	2024	2023	2024/2023	2024	2023	2024/2023
Passenger	**38,102,618**	**36,186,838**	5.3%	**197,272,632**	**183,132,978**	7.7%
Domestic	20,574,466	20,126,086	2.2%	102,070,970	99,000,414	3.1%
Intra-LAC	4,445,481	3,926,922	13.2%	22,499,716	19,284,636	16.7%
Extra-LAC	13,082,671	12,133,829	7.8%	72,701,946	64,847,928	12.1%
RPK (million)	**78,627**	**73,490**	7.0%	**423,465**	**384,625**	10.1%
Domestic	18,589	18,607	-0.1%	94,315	93,149	1.3%
Intra-LAC	8,639	7,531	14.7%	44,311	37,916	16.9%
Extra-LAC	51,399	47,352	8.5%	284,838	253,560	12.3%
***ASK(millones)**	**95,025**	**89,855**	5.8%	**507,323**	**472,334**	7.4%
Domestic	23,167	23,704	-2.3%	116,088	116,875	-0.7%
Intra-LAC	10,770	9,781	10.1%	55,134	48,485	13.7%
Extra-LAC	61,087	56,371	8.4%	336,100	306,974	9.5%
***Load factor**	**82.7%**	**80.0%**	2.7 pts	**83.5%**	**80.4%**	3.1 pts
Domestic	80.2%	78.5%	1.7 pts	81.2%	79.7%	1.5 pts
Intra-LAC	80.2%	77.0%	3.2 pts	80.4%	78.2%	2.2 pts
Extra-LAC	84.1%	84.0%	0.1 pts	84.7%	82.6%	2.1 pts

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

LAC traffic and seat capacity

LAC passenger traffic growth
month-over-month (% change vs. previous year)

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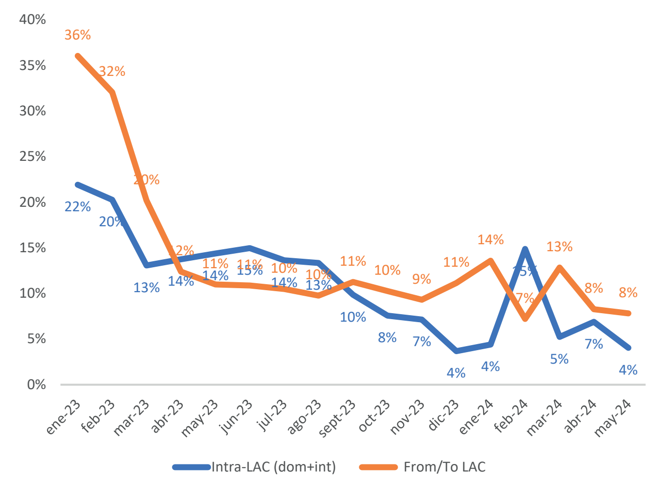
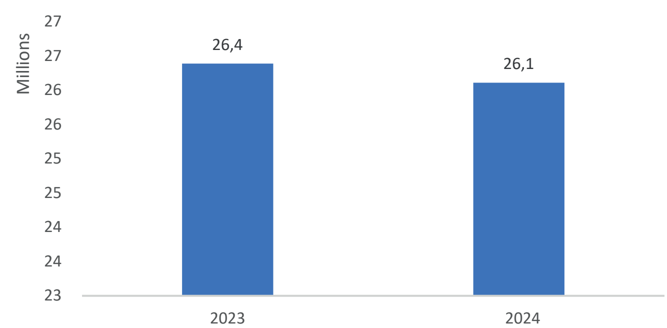


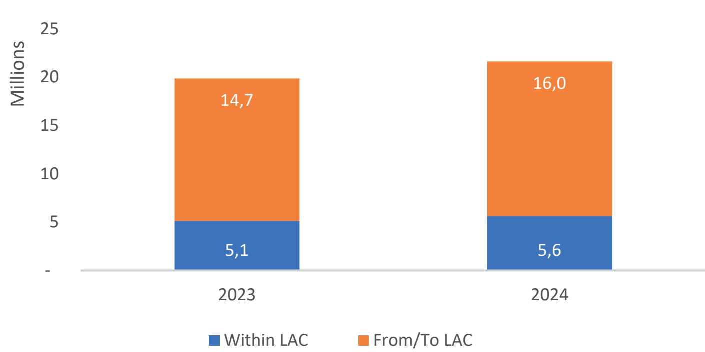
LAC domestic seat capacity (May, 2024)

ALTA



LAC International seat capacity (May, 2024)

ALTA



Source: ALTA analysis, based on data from Amadeus

Domestic market

In May 2024, Brazil recorded a mobilizing of 7.2 million passengers and 61,600 flights, representing a 1.6% and 6% decrease, respectively, vs. May 2023. However, the route between São Paulo (CGH) and Florianopolis (FLN) grew by 8% in frequencies, carrying about 104,463 passengers. The busiest route between São Paulo (CGH) and Rio de Janeiro (SDU) dropped 4% after increasing 9% the previous month.

Colombia continues to show great dynamism with a 20% growth in domestic passenger traffic, reaching a total of 2.7 million and 24,833 operations during May, a 17% increase in operations vs. 2023. It was also the domestic market with the largest increase in absolute terms, with 449,000 additional passengers. The route between Bogotá (BOG) and Pereira (ADZ) stood out again with a 72% increase, recording 1,250 frequencies in May, being one of the routes with the highest percentage growth during this month, along with Medellín (MDE) - Santa Marta (SMR), which increased frequencies by 98%.

In Mexico, domestic traffic remained 1% below 2023 levels. However, this month recorded the highest domestic traffic in the country, 5.2 million travelers; 34,000 less vs. the previous year. In total, 37,331 flights were operated, a 3% decrease. The largest drop was seen on the Cancun (CUN) to Mexico City (MEX) route, with a 22% reduction in flights. In contrast, the route between Saint Lucia (NLU) and Cancun increased 56%.

In Argentina, domestic traffic decreased 23.2% for the second month in a row, equivalent to 138,000 fewer passengers vs. May 2023, reaching a total of 1.3 million travelers and a 21% drop in domestic frequencies, representing 2,228 fewer flights. This decrease is partly due to a 274,000-passenger decline at Aeroparque airport, which was responsible for almost 40% of domestic traffic, with a 26% reduction.

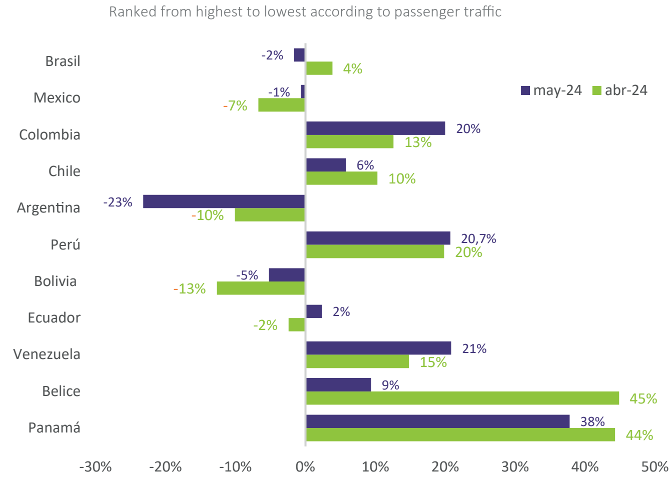
Chile showed a 5.8% increase, reaching 1.2 million passengers and an 11% increase in frequencies. Most notably, the Calama (CJC) to La Serena (LSC) route grew by 99%, almost doubling its number of flights during this month.

Domestic traffic from Venezuela rose 21%, carrying 196,472 passengers, although with a slight 2% decrease in frequencies operated. The increase in passenger traffic was driven mainly by a 73% increase in flights on the Maturin (MUN) to Caracas (CCS) routes.

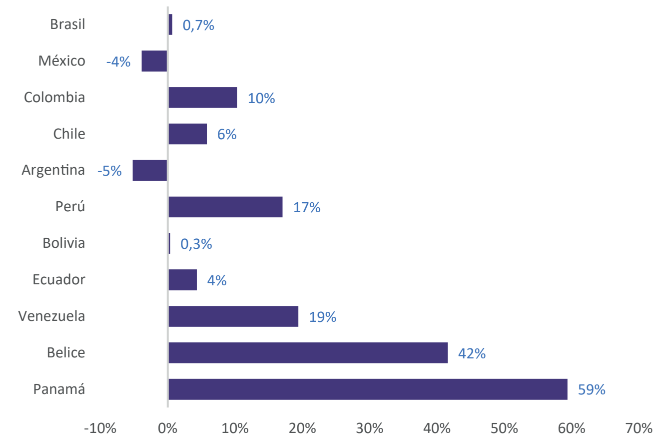
Panama recorded a significant 38% growth in domestic traffic, with 31,125 passengers and a 38% increase in flights operated to and from the country. An impressive 130% increase in flights on the Panama (PTY) to Bocas del Toro (BOC) route stands out.

Belize showed a significant performance with a 9% growth, reaching 140,811 passengers, despite a slight 6% decrease in domestic operations.

Domestic passengers
(vs. the same month in 2023)



% Domestic passenger growth
(cumulative Jan-May vs. 2023)



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

Top 15 domestic routes in the region – May, 2024

According to passenger traffic

Country	City pairs	Passenger May, 2024	Growth % (2024/2023)	Additional Passenger
Brazil	RIO-SAO	556,115	-2%	-10,842
Mexico	CUN-MEX	442,946	-11%	-54,832
Colombia	BOG-MDE	442,851	24%	84,578
Mexico	MEX-MTY	339,536	5%	14,734
Brazil	BSB-SAO	335,003	6%	17,866
Brazil	BHZ-SAO	331,541	-3%	-9,123
Colombia	BOG-CTG	327,148	37%	88,006
Peru	CUZ-LIM	323,657	52%	110,988
Mexico	GDL-MEX	306,936	9%	26,068
Colombia	BOG-CLO	294,626	18%	44,120
Brazil	REC-SAO	287,430	12%	29,926
Brazil	CWB-SAO	274,161	5%	14,029
Brazil	SAO-SSA	237,393	3%	6,681
Mexico	MEX-TIJ	222,080	2%	4,885
Brazil	FLN-SAO	220,541	23%	40,620

Source: ALTA analysis, based on data from Amadeus

International market

In May 2024, Colombia experienced a notable 14.7% increase in international air traffic, adding 233,000 additional passengers with 1.8 million passengers. In total, 11,830 flights were operated, an 11% increase. The Medellín (MDE) - Miami (MIA) route stood out with a significant 91% growth, while frequencies to Guatemala increased 45%.

Brazil also recorded a significant 18% increase in international passenger traffic, carrying 1.9 million passengers during May and adding 563 frequencies. The Sao Paulo (GRU) - Madrid (MAD) route stood out with a 43% increase in flights. In addition, the market between Brazil and Republic showed an impressive 194% growth in frequencies, driven in part by the addition of 35 frequencies between Guarulhos (GRU) and Santo Domingo (SDQ).

The Dominican Republic increased its international air traffic by 9%, with 1.5 million passengers and a 7% increase in flights. The Punta Cana (PUJ) - Atlanta (ATL) route grew by 28%, while flights to Aruba experienced an impressive 153% increase. This increase came about because two airlines began operating routes between Punta Cana, Santo Domingo (JBQ), and Aruba, adding 44 additional frequencies vs. May 2023, when these routes were not in operation. There was also a notable 40% increase in flights to Argentina.

Mexico experienced a 7% increase in international passengers, reaching a total of 4.5 million. During May, international flights grew by 3%, with the Mexico City (MEX) - Chicago (ORD) route standing out, with an 18% increase vs. 2023. Operations to Argentina and Italy increased 40% and 70%, respectively.

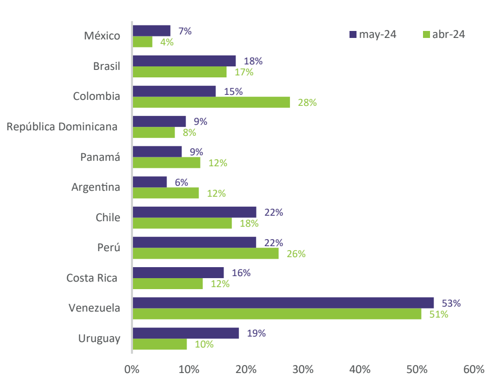
Argentina recorded a 6.1% increase in international traffic, with 949,000 passengers and an 8.1% increase in flights. Among the most important connections were Buenos Aires (AEP) - Santiago (SCL), with a 24% increase, and Mendoza (MDZ) - Santiago (SCL), with a 44% increase. Likewise, routes to Spain showed a solid 23% growth.

Chile experienced a strong 21.8% growth in international air traffic, reaching 837,000 passengers and a 21% increase in frequencies. The Santiago (SCL) - Madrid (MAD) route stood out with a 44% increase in flights, while connections to Australia and Spain showed significant 110% and 65% increases, respectively.

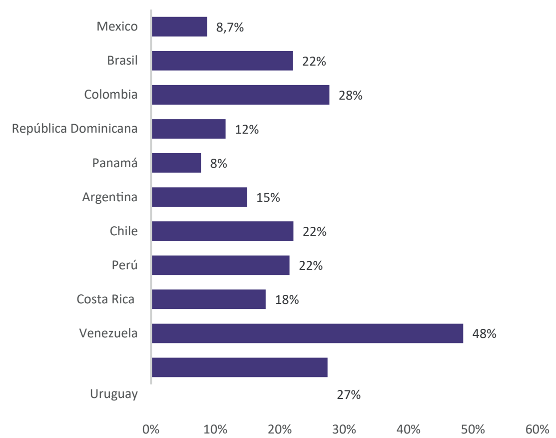
Venezuela led international percentage growth with a 53% increase in passengers carried, reaching a total of 238,113 passengers and a 26% increase in frequencies. This increase was driven by a 105% increase in flights between Caracas (CCS) and Madrid (MAD) airports, a route operated by three additional airlines this month vs. 2023. Likewise, the Maracaibo (MAR) - Panama (PTY) route increased 42%. For the cumulative period, Venezuela stands out with a 48% growth in air traffic, totaling 1.05 million passengers.

International passengers (vs. the same month of 2023)

Ranked from highest to lowest according to passenger traffic



% International passenger growth (cumulative Jan-May vs. 2023)



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

Top 15 international markets in the region – May, 2024

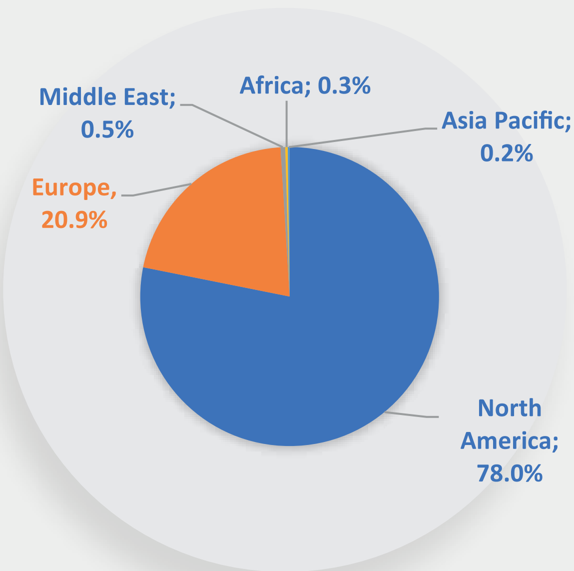
According to passenger traffic

Top intra-regional markets			
Market	Passenger May, 2024	Growth % (2024/2023)	Additional Passenger
AR-BR	266.393	17%	37.821
CO-PA	262.852	13%	31.094
BR-CL	**203.816**	**70%**	**83.628**
AR-CL	154.394	-1%	-1.175
CO-MX	152.084	1%	1.150
CL-PE	128.843	13%	15.211
CO-PE	108.850	32%	26.324
MX-PA	106.965	-5%	-5.213
BR-PA	93.464	0%	256
DO-PA	88.192	-5%	-4.572
CO-DO	84.412	0%	394
CO-EC	83.429	-11%	- 10.662
EC-PA	80.076	6%	4.485
AR-PE	75.718	22%	13.647
CR-PA	75.444	13%	8.719

Top extra-regional markets			
Market	Passenger May, 2024	Growth % (2024/2023)	Additional Passenger
MX-US	3 171.012	7%	194.657
DO-US	829.222	6%	43.805
CO-US	457.141	14%	55.856
JM-US	362.611	-10%	- 40.431
PA-US	337.079	22%	60.184
CR-US	**324.989**	**26%**	**66.914**
BR-US	313.520	-0.3%	- 823
BS-US	309.546	9%	26.824
SV-US	266,781	17%	38,604
CA-MX	234,755	-14%	-37,521
BR-PT	211,115	2%	4,660
PE-US	173,245	18%	25,993
AW-US	166,769	8%	12,287
ES-MX	162,373	9%	13,838
GT-US	159,500	11%	15,296

Source: ALTA analysis, based on Amadeus data.

Distribution of international traffic To/From LAC – May, 2024



Source: ALTA analysis, based on data from Amadeus

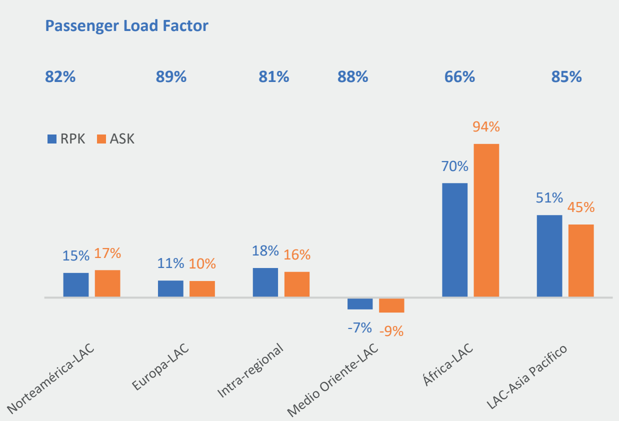
During May, 13.1 million extra-regional passengers traveled to and from the region. 78% of these international passengers originated in or were destined for North America, representing the market with the most significant growth in absolute terms, with an estimated growth of 712,438 additional passengers.

In percentage terms, the market that experienced the greatest growth was Africa, with a 72% increase, equivalent to 14,610 additional passengers vs. May 2023. This increase was mainly due to traffic between Brazil and Angola, particularly on the Guarulhos (GRU) - Luanda (LAD) route, which experienced a 63% increase in frequencies operated.

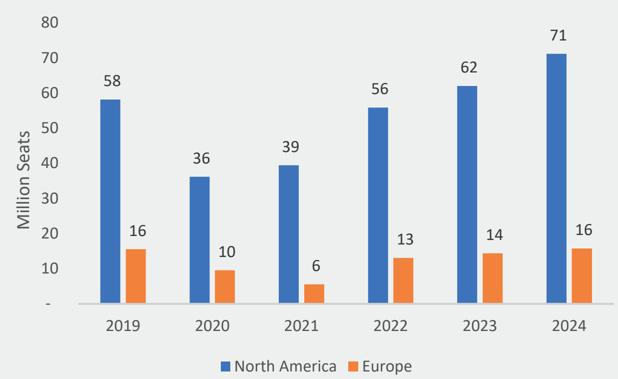
In contrast, passengers to and from the Middle East continued to show a 7% decrease, with 5,344 fewer passengers vs. May 2023.

The highest seat capacity since 2019:

RPK's and ASK's growth by region pairs (cumulative January-May)



Seat capacity offered To/From North America and Europe (Jan-May)



Source: ALTA analysis, based on data from Amadeus

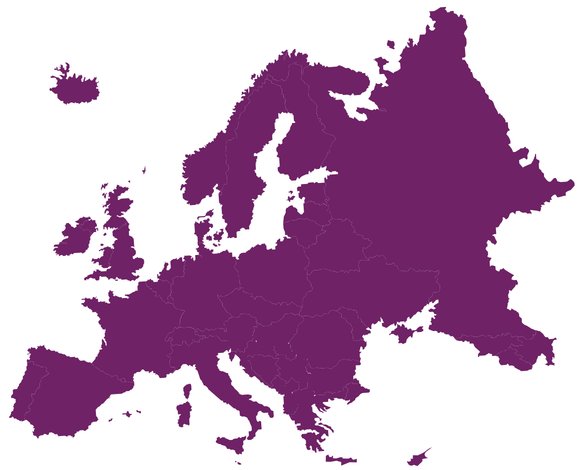
North America

71.2 M seats

+15% vs. 2023

+22% vs. 2019

Europe



15.8 M seats

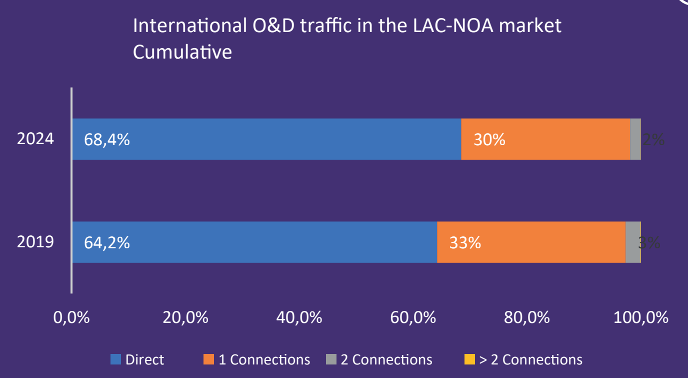
+10% vs. 2023

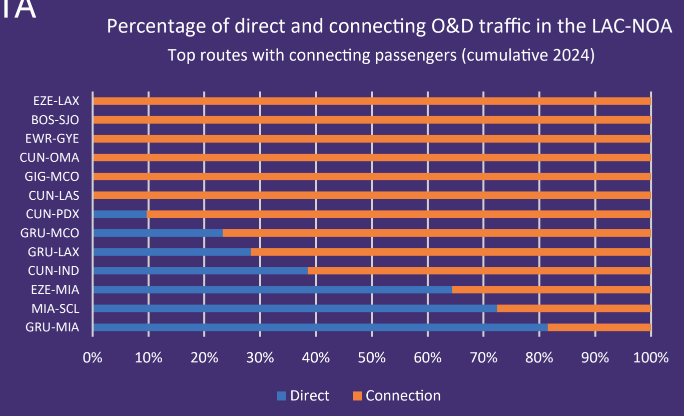
+1% vs. 2019

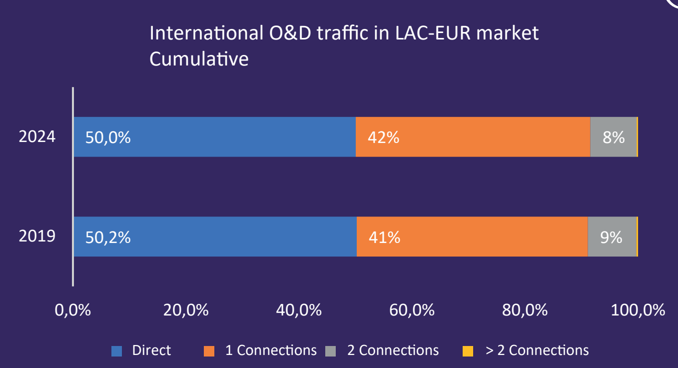
Source: ALTA analysis, based on data from Amadeus

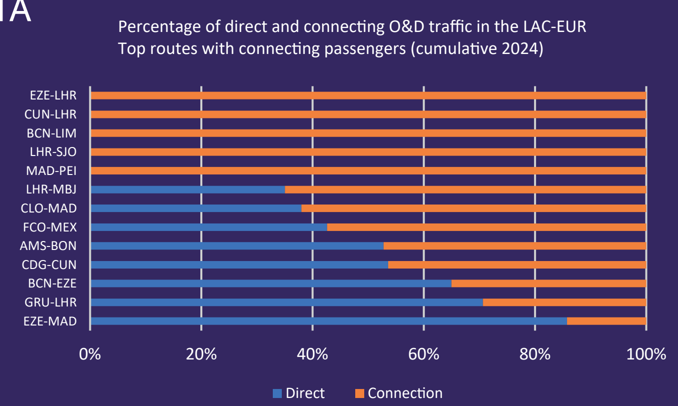
Between January and May, the North American and European markets achieved their highest seat capacity since 2019. Over 71 million seats were offered to and from North America, representing 15% growth vs. 2023 and a solid 22% advance vs. 2019. On the other hand, 15.8 million seats were offered between LAC and Europe, up 10% from 2023, though with more modest growth from 2019. The load factor for flights between Latin America and Europe was the highest among all regions, reaching 89%.

Distribution of O&D traffic to North America and Europe







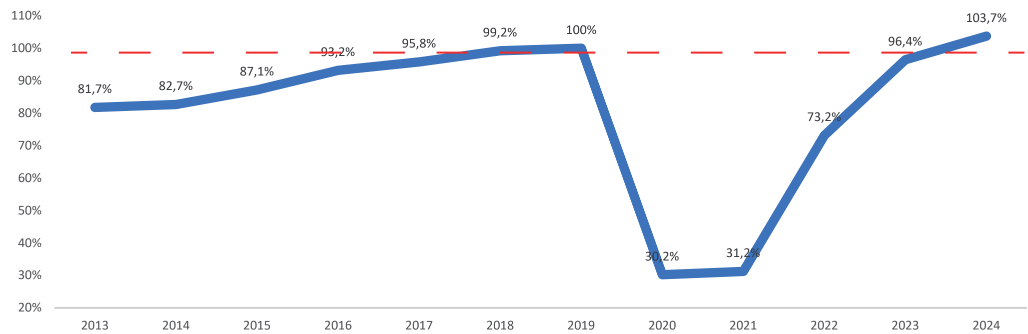


Source: ALTA analysis, based on data from Amadeus

Growth of the international intra-regional market

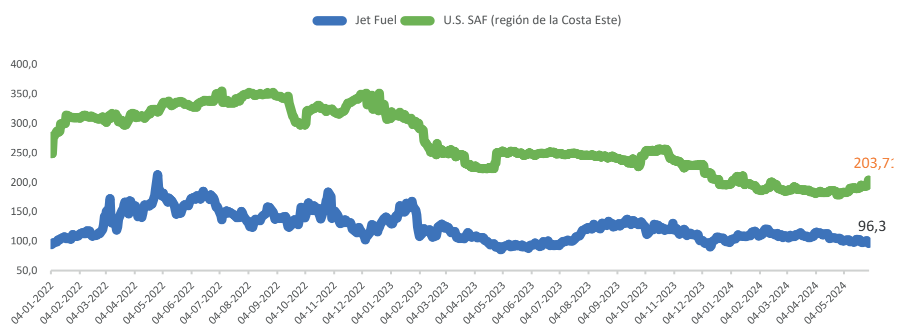
The international intra-regional market had the highest percentage growth in May 2024, reaching 4.45 million passengers, a 13.2% increase vs. the same period of the previous year. In the cumulative period from January to May, this market also recorded the highest percentage growth, with an increase of almost 17%. It is important to highlight this achievement, as the international intra-regional market was the only one that, in 2023, had not managed to exceed pre-pandemic levels, while the domestic and international extra-regional markets had managed to do so. This growth reflects a robust recovery and increasing demand for connections within the region, where there is a strong potential for growth.

Intraregional International Passengers compared to 2019



Fuel prices 2024

Sustainable Aviation Fuel (SAF) vs. regular Jet Fuel price US$/Barrel



Source: S&P Global Commodity Insights y US Energy Information Administration

During May, the jet fuel price averaged US $100.15 per barrel, reaching a high of US $103. This represented a 10% decrease from the previous month and a 10% increase vs. May 2023, when the average price was US $91.4.

In the same period, the Sustainable Aviation Fuel (SAF) price was more than double that of regular fuel, with a monthly average of US $190 per barrel. On May 30, the SAF price exceeded US $200 per barrel, reaching US $203.7, a barrier it had not exceeded since February 2023. Despite this, the SAF price showed a 25% reduction vs. the same month of 2023 and a month-on-month variation of 2% vs. April 2024.