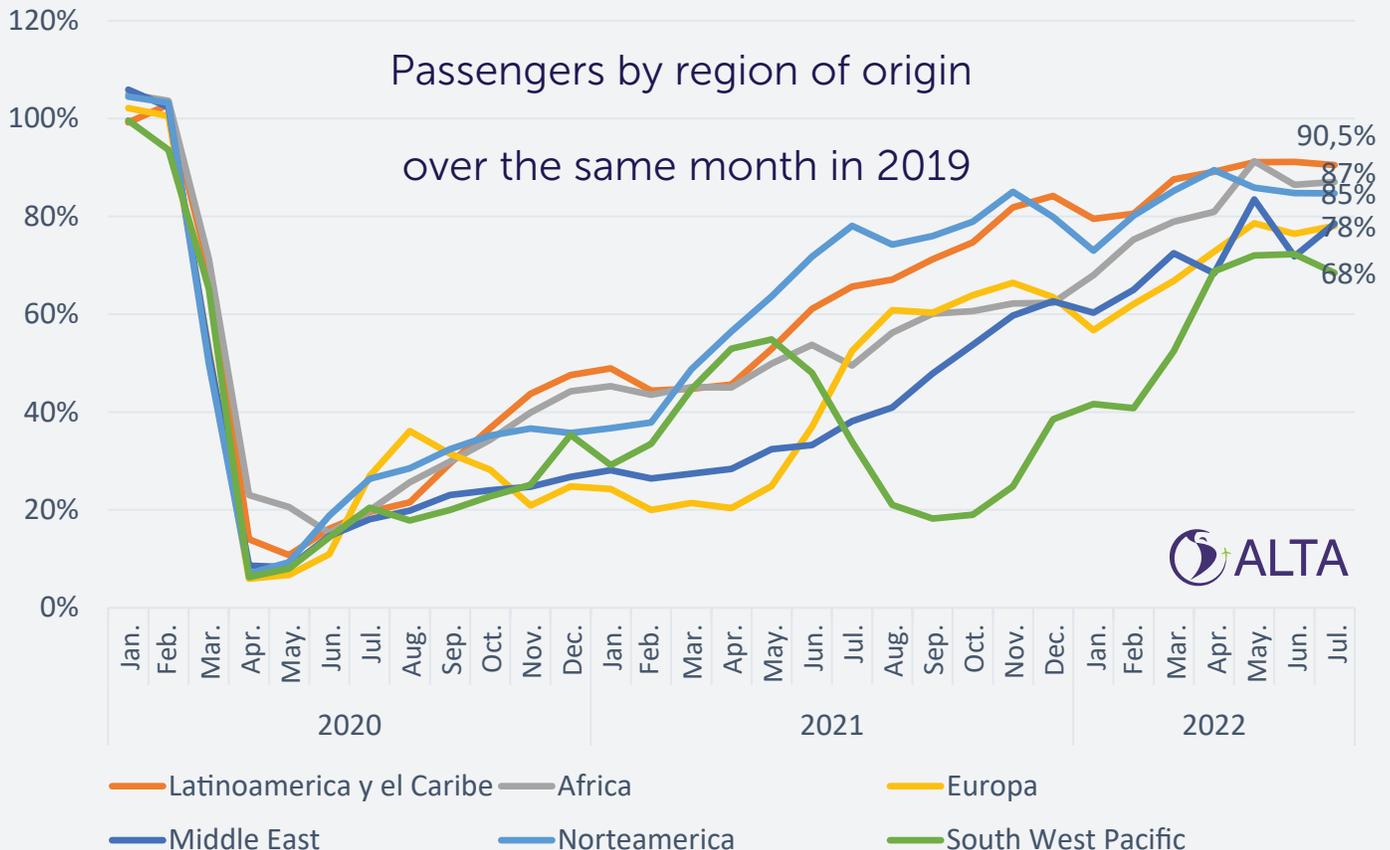




Publish date: August 2022

Passenger traffic in Latin America and Caribbean reached 90.5% in July vs. the same month in 2019

As of July 2022, Latin America and Caribbean is the world region with the highest passenger recovery, followed by Africa with 87% and North America with 85%.

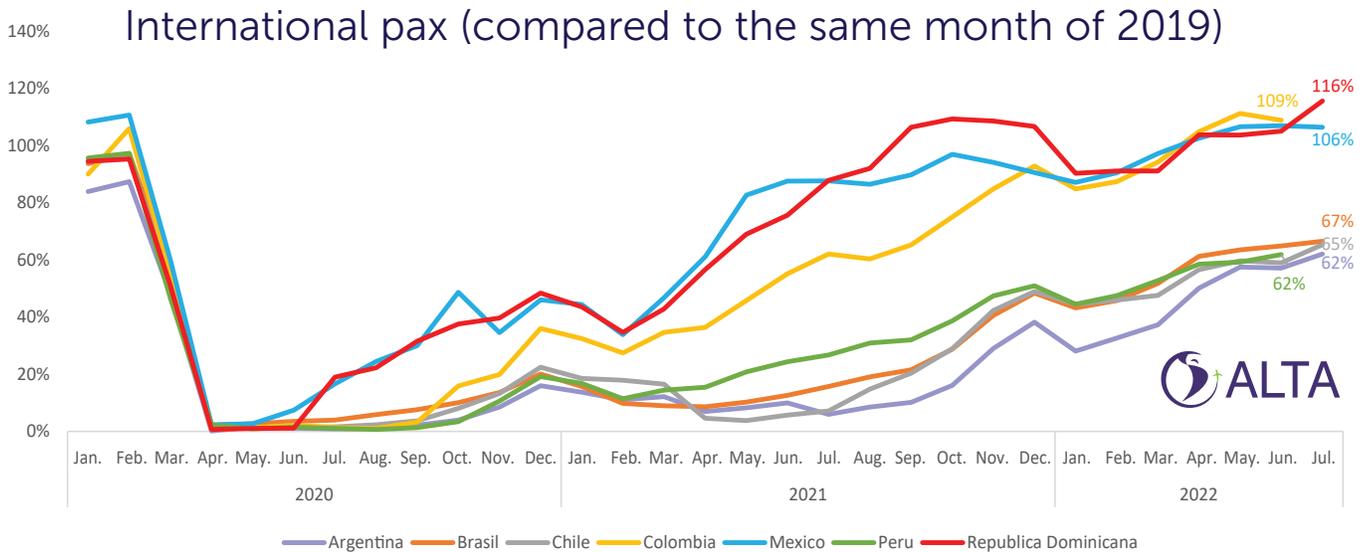


Note: The LAC region considers Mexico.
Source: Amadeus



International passengers

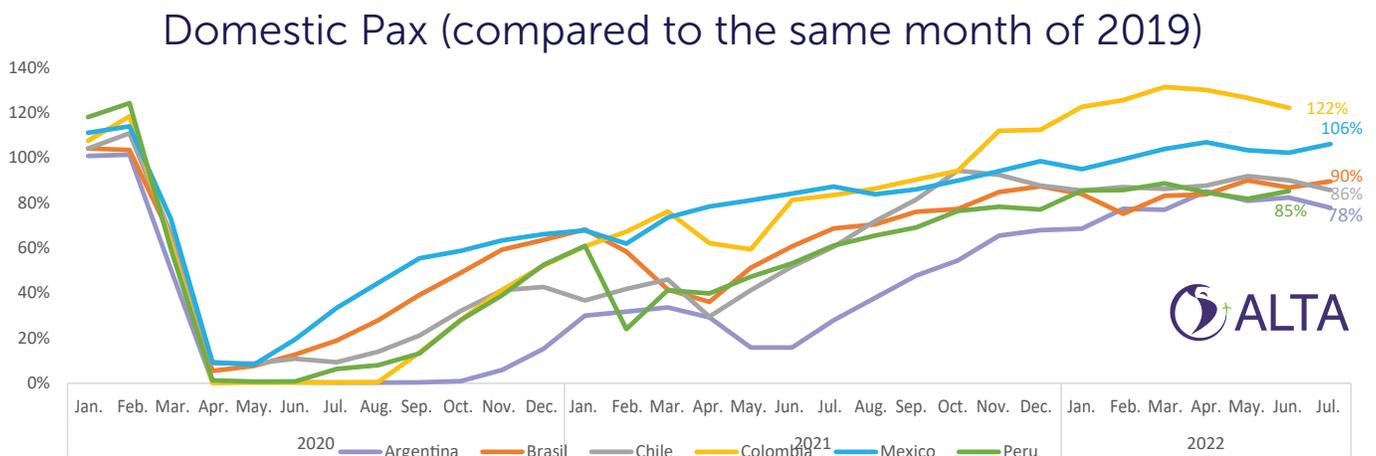
By July 2022, for the international market, three countries stand out as having surpassed the levels achieved in 2019. The Dominican Republic, which reached 116% compared to 2019, i.e. a 16% growth rate. Followed by Colombia and Mexico.



Source: Aviation authorities from each country.

Domestic passengers

Domestic air transport, not being impacted by international traffic constraints, has recovered at a faster rate. By July 2022 Mexico reached 106%, Brazil reached 90%, Chile and Argentina 86 and 78%, respectively, out of passengers carried in 2019.



Source: Aviation authorities from each country.



Passengers, RPK, ASK, load factor



	July				Growth			Cumulative (January-July)				Growth		
	2019	2020	2021	2022	2020/2019	2021/2019	2022/2019	2019	2020	2021	2022	2020/2019	2021/2019	2022/2019
Passengers	32,800,614	6,436,480	21,543,426	29,681,067	-80.4%	-34.3%	-9.5%	211,254,104	100,585,634	109,994,672	183,893,457	-52.4%	-47.9%	-13.0%
Domestic	21,639,829	5,145,857	15,185,734	20,377,148	-76.2%	-29.8%	-5.8%	136,448,448	68,780,955	79,842,657	126,430,291	-49.6%	-41.5%	-7.3%
Intra-LAC	4,515,734	328,215	1,311,281	3,411,759	-92.7%	-71.0%	-24.4%	30,295,122	12,811,425	6,809,874	19,790,766	-57.7%	-77.5%	-34.7%
Extra-LAC	6,645,050	962,408	5,046,412	5,892,160	-85.5%	-24.1%	-11.3%	44,510,534	18,993,254	23,342,141	37,672,401	-57.3%	-47.6%	-15.4%
RPK (millions)	55,412	8,843	32,981	48,786	-84.0%	-40.5%	-12.0%	367,469	166,584	162,183	305,518	-54.7%	-55.9%	-16.9%
Domestic	19,617	5,304	15,036	19,583	-73.0%	-23.4%	-0.2%	122,936	63,370	78,352	120,607	-48.5%	-36.3%	-1.9%
Intra-LAC	8,758	280	2,263	6,797	-96.8%	-74.2%	-22.4%	59,159	23,711	12,535	39,381	-59.9%	-78.8%	-33.4%
Extra-LAC	27,037	3,259	15,681	22,407	-87.9%	-42.0%	-17.1%	185,374	79,503	71,296	145,530	-57.1%	-61.5%	-21.5%
*ASK (millions)	63,761	14,049	42,565	58,772	-78.0%	-33.2%	-7.8%	438,101	228,668	229,299	378,993	-47.8%	-47.7%	-13.5%
Domestic	23,271	8,148	18,222	23,940	-65.0%	-21.7%	2.9%	149,490	86,923	100,598	149,823	-41.9%	-32.7%	0.2%
Intra-LAC	10,315	610	3,469	8,626	-94.1%	-66.4%	-16.4%	68,157	32,938	21,075	50,166	-51.7%	-69.1%	-26.4%
Extra-LAC	30,175	5,291	20,874	26,206	-82.5%	-30.8%	-13.2%	220,454	108,807	107,626	179,004	-50.6%	-51.2%	-18.8%
*Load factor	87.7%	62.6%	79.2%	83.3%	-25.1 pts	-8.5 pts	-4.4 pts	84.0%	72.9%	73.2%	80.4%	-11.0 pts	-10.8 pts	-3.6 pts
Domestic	84.3%	65.1%	82.5%	81.8%	-19.2 pts	-1.8 pts	-2.5 pts	82.2%	72.9%	77.9%	80.5%	-9.3 pts	-4.4 pts	-1.7 pts
Intra-LAC	84.9%	45.8%	65.2%	78.8%	-39.1 pts	-19.7 pts	-6.1 pts	86.8%	72.0%	59.5%	78.5%	-14.8 pts	-27.3 pts	-8.3 pts
Extra-LAC	89.6%	61.6%	75.1%	85.5%	-28.0 pts	-14.5 pts	-4.1 pts	84.1%	73.1%	66.2%	81.3%	-11.0 pts	-17.8 pts	-2.8 pts

Source: Amadeus * ALTA estimates based on reporting by member airlines.

During July, 29.7 million passengers were carried in the region, 9.5% less than in 2019. For the January-July period, 183.9 million passengers have been carried, 13% less than in 2019.

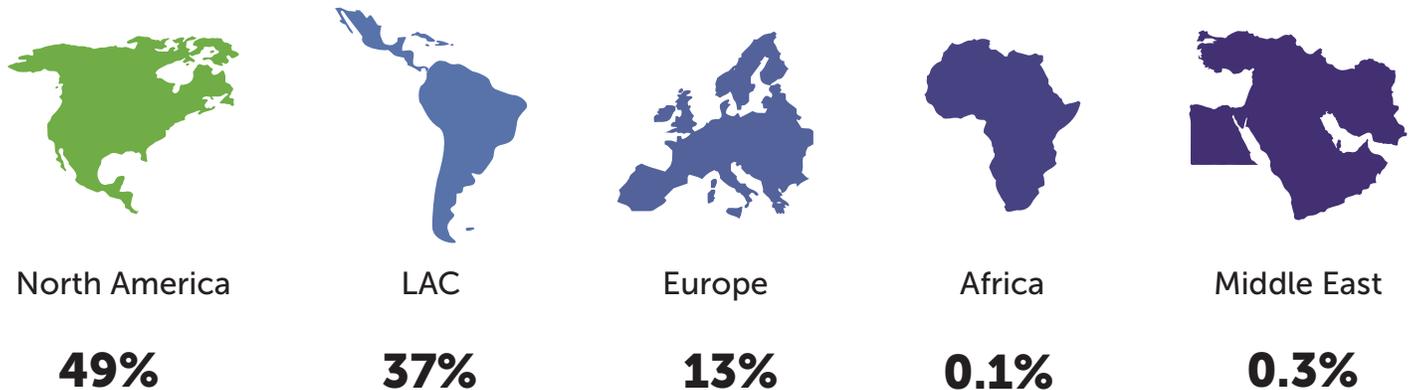
Domestic traffic is at 5.8% of its 2019 levels, largely thanks to the recovery of the Mexican and Colombian domestic markets, which represent the largest domestic markets in the region following Brazil. International extra-LAC traffic is at 11.3% of its 2019 levels, while intra-LAC traffic is the one that has been recovering more slowly, being 24.4% below its 2019 levels.

RPKs, in the domestic market, are at 0.2% of their 2019 levels and in terms of relative capacity, i.e. available seats per kilometer (ASK), it is noted that domestic is 2.9% above its 2019 levels. The load factor reached 83.3%, 4.4 points below 2019. Domestic was 81.8% while intra-LAC was 78.8% and extra-LAC was 85.5%.



Passenger distribution by region

Distribution of destination region by passengers originating travel in LAC.



49% of international passengers are destined for North America, 37% for another country in LAC and 13% for Europe.



Source: Amadeus

Traffic of selected ALTA member airlines



Region	Pax	ASK (000'000)	RPK (000'000)	FTK (000)	ATK (000'000)	RTK (000'000)	Departures	Kms. Flown	Block Hours
Domestic	7,826,930	10,692.22	8,741.83	30,715	1,149.14	620.25	56,862	59,572,039	105,492
Africa	-	-	-	11,137	15.56	11.14	60	288,172	384
Europe	178,491	1,874.61	1,711.59	61,934	309.66	163.97	706	6,246,280	7,576
LAC	722,553	2,371.05	1,868.60	41,599	330.46	147.01	5,944	13,574,215	20,645
North America	642,273	2,841.71	2,309.09	146,419	498.76	312.72	4,628	14,915,278	21,029
Oceania	19,314	123.00	115.00	2,176	20.92	10.09	88	519,772	664
Total	9,389,561	17902.58	14746.11	293,980	2,324.51	1,265.18	68,288	95,115,756	155,790

Source: Airlines reporting to ALTA. Participating airline codes AV, AR, G3, AM, 5D, N3, Q6, Y4, 4C, JJ, L7, LA, LP, LU, M3, PZ, UC, XL, M7



Openness of countries

Restrictions on international passenger traffic have a significant impact on countries' recovery. Countries with fewer or no restrictions and which have reduced them more rapidly are those that have recovered faster. Such is the case of Colombia and Mexico.

ALTA developed an index of international traffic restrictions considering four variables: i) COVID testing requirements, ii) entry restrictions, iii) flight suspensions, iv) quarantine deployment. Given these 4 variables, each country receives a score from 0 to 100, where 100 scores countries with no restrictions on international passenger transport and 0 when they are completely closed. **By August 29, 2022, a positive change was shown for Guatemala, going from 95 to 100 due to the lifting of COVID restrictions, while Ecuador went from 92 to 95, since quarantine restrictions were removed.**

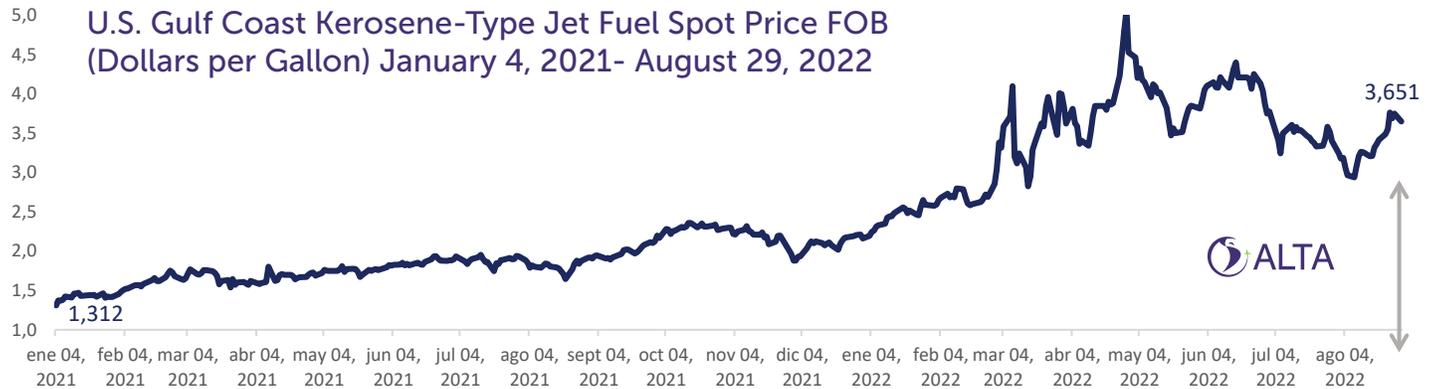
It is important to mention that as countries remove entry constraints; their international traffic levels will be able to recover more quickly. **The country with the lowest score in the sample is Peru, which scored 70.**

ALTA Openness Index

ALTA	Covid test	Entry Restriction	Flight suspended	Quarantine	Aug 29, 2022	July 29, 2022	June 24, 2022	May 10, 2022	Apr 29, 2022	April 7, 2022	April 4, 2022	March 22, 2022	Feb 15, 2022	Oct 12, 2021	Sep 01, 2021	Ago 12, 2021
Mexico	No	No	No	No	100	100	100	100	100	100	100	100	100	100	100	100
Costa Rica	No	No	No	No	100	100	100	100	100	100	100	100	100	100	85	85
Salvador	No	No	No	No	100	100	100	100	100	100	100	100	100	90	90	90
Argentina	No	No	No	No	100	100	100	100	100	100	35	35	30	20	20	20
Cuba	No	No	No	No	100	100	100	100	100	40	40	40	40	40	40	40
República Dominicana	No	No	No	No	100	100	100	100	100	88	88	88	88	88	88	88
Guatemala	No	No	No	No	100	95	95	95	95	95	95	95	95	20	20	20
Colombia	No, if vaccinated	No	No	No	95	95	95	95	95	95	95	95	95	100	100	100
Honduras	No, if vaccinated	No	No	No	95	95	95	95	95	95	95	88	88	88	50	50
Brazil	No, if vaccinated	No	No	No	95	95	95	95	95	92	92	20	20	30	20	20
Uruguay	No, if vaccinated	No	No	No	95	95	95	95	95	65	65	65	30	30	20	20
Chile	No, if vaccination with booster	No	No	No	95	95	95	95	95	90	90	90	90	20	20	20
Panama	No, if vaccinated	No	No	No	95	95	95	92	92	92	92	92	92	85	85	85
Bolivia	No, if vaccinated	No	No	No	95	95	95	92	92	92	92	88	85	20	20	20
Nicaragua	No, if vaccinated	No	No	No	95	95	95	90	90	90	90	90	90	90	90	90
Haiti	No, if vaccinated	No	No	No	95	95	95	90	90	90	90	90	30	90	90	90
Ecuador	No, if vaccinated	No	No	No	95	92	92	88	88	35	35	35	35	85	85	85
Venezuela	No, if vaccinated	No	No	Yes, for airlines crew	92	92	90	75	65	65	65	60	40	38	20	20
Peru	No, if vaccinated with Booster	No	No	Yes with exceptions	70	70	70	70	65	30	30	30	30	30	30	30



Fuel prices



Source: US Energy Information Administration

The input with the greatest impact on the cost structure continues to have historically high prices. As of August 29, 2022, the Jet fuel price was 178% above its values in the first days of January 2021. This is a challenge for the industry, considering that fuel represents 30% of an airline's operating costs.

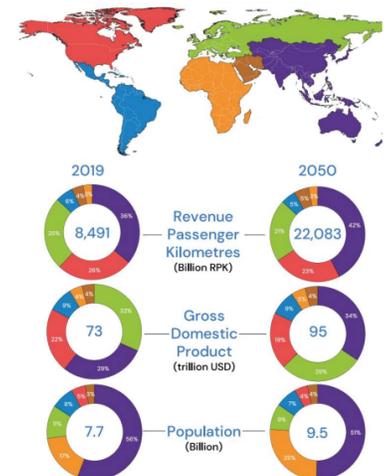
Global market by 2050

According to ATAG, in 2019, the Latin American region had a 6% share of passengers (in RPK), while by 2050 it will be reduced to 5%, where the winner will be the Asia Pacific region, as in terms of market share it will increase from 36% to 42%. It is also observed that the RPK will almost triple from 8.491 billion to 22.083 billion.

In terms of economic growth, the LAC region will continue to keep its position with 9% of world GDP and the Asia Pacific region is expected to grow its share from 29% to 34% of world GDP.

In terms of population, the LAC region will decrease the size of its total population by one percentage point from 8% in 2019 to 7% in 2050.

These data show that the expansion of routes will probably begin to be oriented to Asia Pacific. It is also worth noting that by 2020, the main trading partner of almost all of South America was China. Currently, there is no direct flight from the region to this country. Xi Jinping announced in APEC (Lima, Nov. 19, 2016) that in the next 5 years 700 million Chinese will be tourists, so the size of this market and trade relations will mean that in the future, perhaps not too distant, routes to China will begin to be launched.



Source: Regional definitions and statistics, aligned to ATAG aviation: Benefits Beyond Borders





SAF

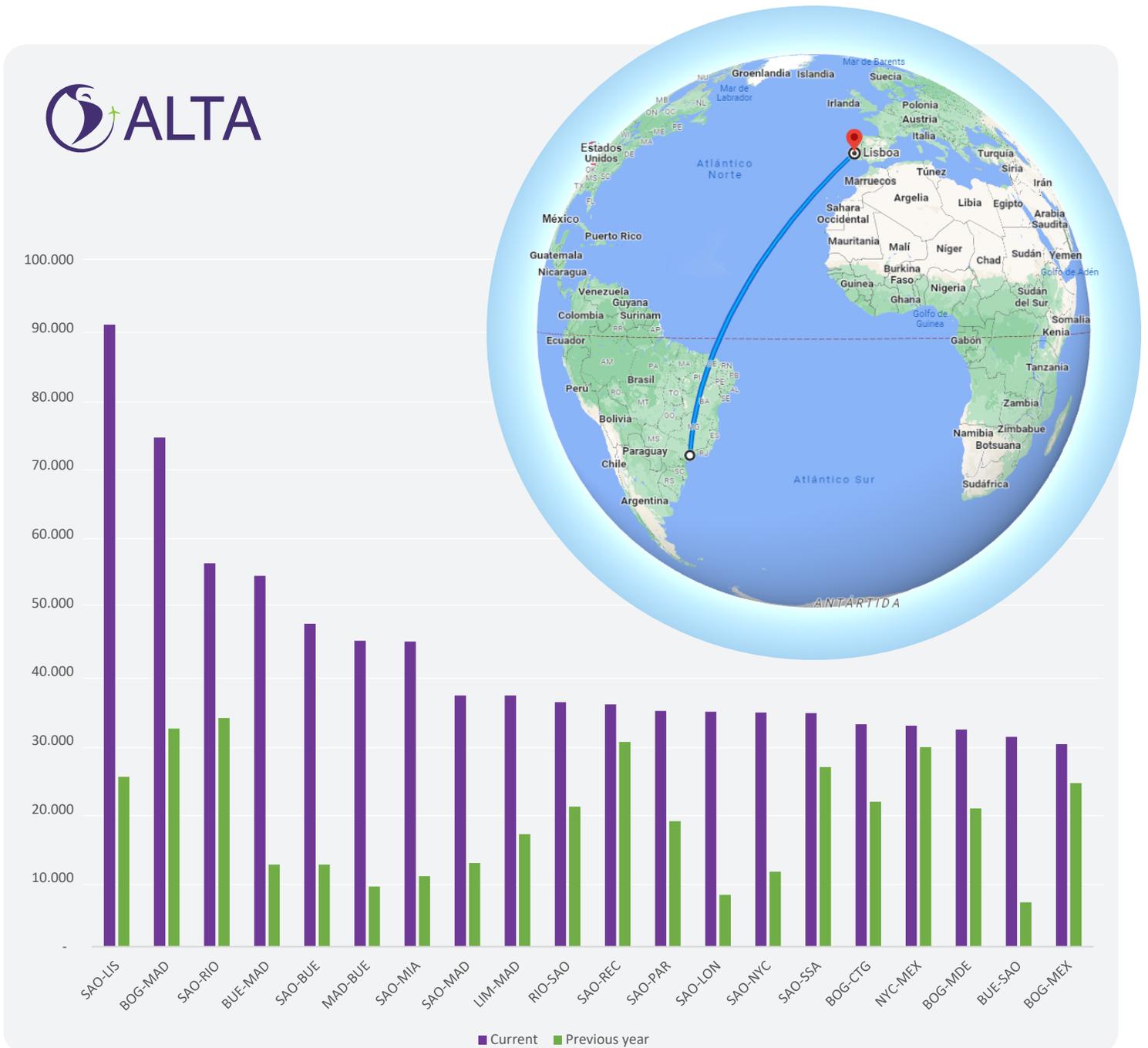
Historically, global passenger traffic has doubled every 15 years since 1977, while emissions per passenger have decreased by 54% since 1990, meaning that emissions intensity has been decreasing. However, the industry is aiming to be carbon neutral by 2050 and, to achieve that goal, sustainable aviation fuels play a key role.

Currently, SAF is 5 times more expensive than regular fuel. To the extent that there are public policies that encourage local production and economies of scale, its production, sale and consumption can be deployed. Some analysts have compared SAF to salt. A few millennia ago, salt was a geopolitical commodity, scarce and expensive. Today, salt is abundant, accessible, cheap and sustainable.



Average daily searches August 2022-2021

The route with the highest number of searches in the region was **Sao Paulo - Lisbon**, with an average of **90,538 daily searches in the month of August**. The intention to travel in the first 20 markets of the region **grew by 126% compared to August 2021**.





Top 10 airports by international passengers in July 2022



Ranking	Aeropuerto	Pax internacionales julio 2019	Pax internacionales julio 2022	Variación 2022/2019
1	CUN	705,516	818,030	16%
2	PTY	725,378	670,013	-8%
3	MEX	845,007	650,702	-23%
4	BOG	490,598	498,569	2%
5	GRU	663,500	473,644	-29%
6	SJU	459,604	428,181	-7%
7	PUJ	287,053	355,059	24%
8	LIM	532,739	342,921	-36%
9	SCL	501,505	293,798	-41%
10	EZE	528,046	241,505	-54%

In July, Cancun airport stands out, which by July 2019 was in second place after Mexico City airport for international passengers, and by July 2022 it moved to first place, having a 16% increase in its international traffic. Also, of interest is the case of El Dorado airport in Bogota, since by July 2022 its international traffic increased 2% compared to the same month of 2019, as well as Punta Cana international airport, which has had a 24% increase in its international traffic.

Source: Amadeus

- Further information, announcements, and ALTA positions visit https://twitter.com/ALTA_aero y ALTA - Latin American & Caribbean Air Transport Association: My Company | LinkedIn
- Data are estimates and are subject to review.

