

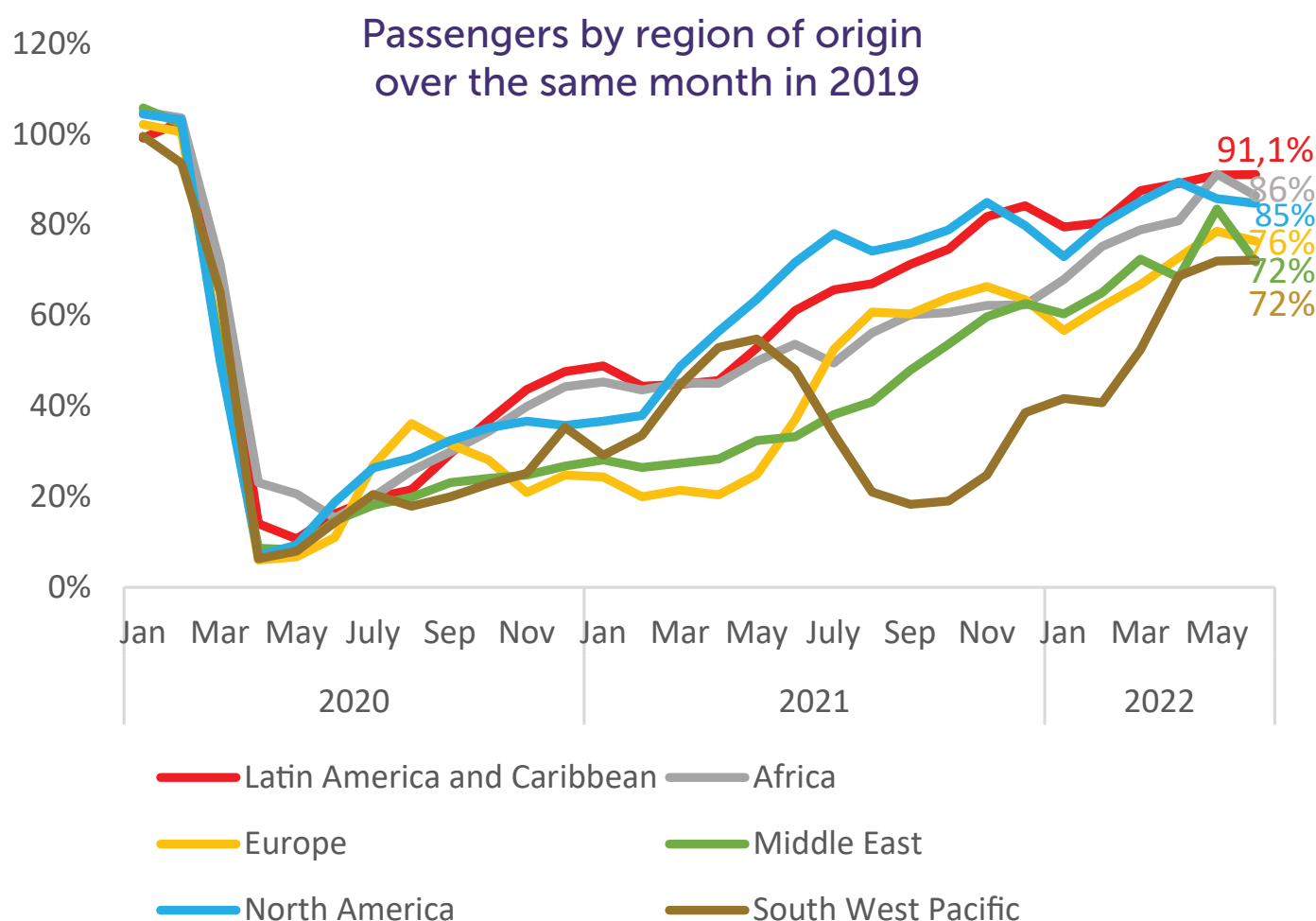


Publish date: August 2022

Passenger traffic reached 91.1% of 2019 levels in June

With a growth of 1.1 points compared to the immediately preceding month and 76 percentage points vs. June 2020, passenger traffic in Latin America and Caribbean reaches 91.1% of its pre-pandemic levels. By June 2022, it is the world region with the highest recovery followed by Africa with 86% of 2019 passengers and North America with 85%.

The industry still faces challenges, such as fuel prices, inflation, exchange rate volatility, supply chain disruption and recession risks.



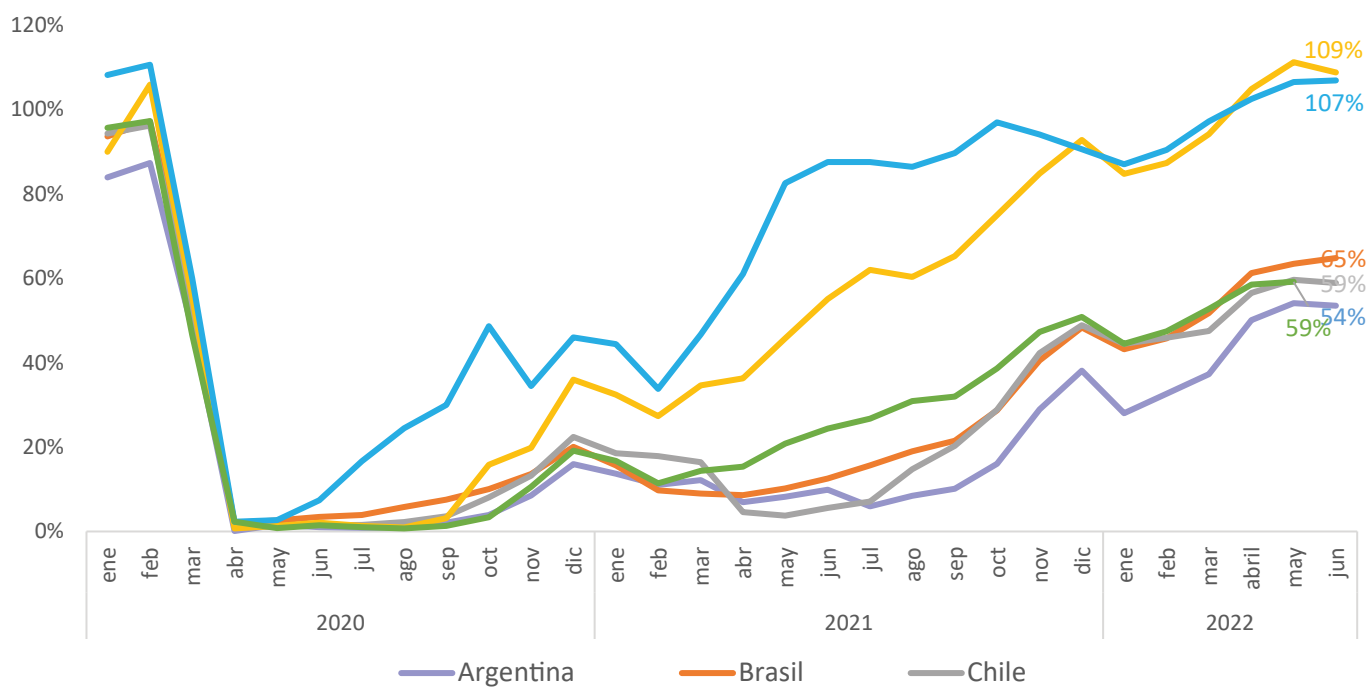
Note: The LAC region includes Mexico.
Source: Amadeus



International passengers

On the international market, in June 2022, Colombia showed a recovery of 109% compared to 2019, while Mexico reached 107% against its 2019 levels, Brazil 65%, Chile 59%. Argentina reported the lowest levels of recovery with 54% given the restrictions imposed by the country.

International pax (over the same month in 2019)



Source: Aviation authorities from each country.

Openness of countries

The openness of countries to international passenger arrivals impacts their recovery. Countries that removed restrictions more quickly are recovering faster.

ALTA built an openness index where four variables are considered: i) COVID testing requirement, ii) entry restrictions, iii) flights suspended, iv) quarantine implementation. Given these 4 variables, each country receives a score from 0 to 100, being 100 the countries with no restrictions to international passenger transport and 0 when they are completely closed. For July 29, only Venezuela showed a change, while the other countries continue as in June. However, the region is getting closer to removing pandemic-related restrictions.



ALTA Openess Index

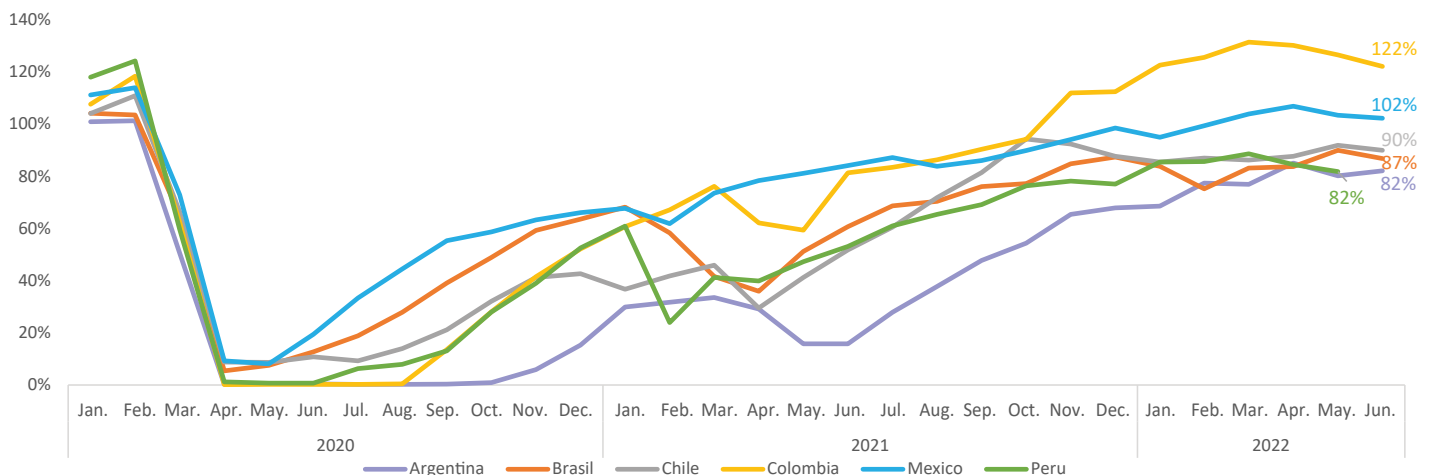
	Covid test	Entry Restriction	Flight suspended	Quarantine	July 29, 2022	June 24, 2022	May 10, 2022	Apr 29, 2022	April 7, 2022	April 4, 2022	March 22, 2022	Feb 15, 2022	Oct 12, 2021
Mexico	No	No	No	No	100	100	100	100	100	100	100	100	100
Costa Rica	No	No	No	No	100	100	100	100	100	100	100	100	100
Salvador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

Source: ALTA built from UNWTO/IATA Destination Tracker

Domestic passengers

Domestic air transport, not impacted by passenger restrictions, recovered at a faster pace. In June 2022 Colombia achieved an outstanding recovery, surpassing 22% of its 2019 passengers. Mexico grew 2%. Chile, Peru, Brazil and Argentina are still in the process of recovering their 2019 levels.

Domestic pax (over the same month in 2019)



Source: Aviation authorities from each country.



Passengers, RPK, ASK, load factor

	June				Growth			Cumulative (January-June)				Growth		
	2019	2020	2021	2022	2020/2019	2021/2019	2022/2019	2019	2020	2021	2022	2020/2019	2021/2019	2022/2019
Passengers	28,680,626	4,637,063	17,525,218	26,134,864	-83.8%	-38.9%	-8.9%	204,232,877	94,149,155	88,451,246	154,212,390	-53.9%	-56.7%	-24.5%
Domestic	18,676,249	3,777,740	12,136,959	17,915,540	-79.8%	-35.0%	-4.1%	114,808,619	63,635,098	64,656,923	106,053,142	-44.6%	-43.7%	-7.6%
Intra-LAC	4,078,586	408,916	1,067,215	2,966,924	-90.0%	-73.8%	-27.3%	25,779,387	12,483,210	5,498,593	16,379,007	-51.6%	-78.7%	-36.5%
Extra-LAC	5,925,791	450,407	4,321,044	5,252,401	-92.4%	-27.1%	-11.4%	37,865,484	18,030,847	18,295,729	31,780,241	-71.7%	-71.3%	-50.1%
RPK(millions)	48,865	5,639	26,179	42,219	-88.5%	-46.4%	-13.6%	312,057	157,741	129,202	256,732	-49.5%	-58.6%	-17.7%
Domestic	16,427	3,552	11,657	16,700	-78.4%	-29.0%	1.7%	103,319	58,066	63,316	101,025	-43.8%	-38.7%	-2.2%
Intra-LAC	7,866	311	1,836	5,908	-96.0%	-76.7%	-24.9%	50,401	23,432	10,272	32,583	-53.5%	-79.6%	-35.4%
Extra-LAC	24,571	1,776	12,686	19,610	-92.8%	-48.4%	-20.2%	158,337	76,244	55,614	123,124	-51.8%	-64.9%	-22.2%
*ASK (millions)	59,637	8,648	33,400	51,672	-85.5%	-44.0%	-13.4%	374,328	214,951	185,982	319,321	-42.6%	-50.3%	-14.7%
Domestic	19,960	5,464	15,501	21,113	-72.6%	-22.3%	5.8%	126,153	79,001	83,973	125,809	-37.4%	-33.4%	-0.3%
Intra-LAC	9,711	493	2,484	7,488	-94.9%	-74.4%	-22.9%	57,866	32,499	15,516	41,508	-43.8%	-73.2%	-28.3%
Extra-LAC	29,965	2,691	15,415	23,071	-91.0%	-48.6%	-23.0%	190,309	103,451	86,492	152,005	-45.6%	-54.6%	-20.1%
*Load factor	81.9%	65.3%	78.6%	80.9%	-16.6 pts	-3.3 pts	-1.0 pts	83.3%	73.4%	68.1%	80.2%	-9.9 pts	-15.2 pts	6.8 pts
Domestic	82.3%	65.0%	75.2%	79.1%	-17.3 pts	-7.1 pts	-3.2 pts	81.9%	73.5%	75.4%	80.3%	-8.4 pts	-6.5 pts	6.8 pts
Intra-LAC	81.0%	63.2%	73.9%	78.9%	-17.8 pts	-7.1 pts	-2.1 pts	87.1%	72.1%	66.2%	78.5%	-15.0 pts	-20.9 pts	6.4 pts
Extra-LAC	82.0%	66.0%	82.3%	85.0%	-16.0 pts	0.3 pts	3.0 pts	83.2%	73.7%	64.3%	81.0%	-9.5 pts	-18.9 pts	7.3 pts

Source: Amadeus *ALTA's estimates based on reporting from member airlines.

Total LAC passengers are **8.9%** away from their 2019 levels.

Domestic traffic has quickly recovered and is **4.1%** from 2019.

Extra-LAC traffic is **11.4%**, while intra-LAC traffic has been recovering more slowly and is at **27.3%** of its 2019 levels.

51% of international passengers are destined for North America, **36%** for another country in LAC, and **13%** for Europe.

Distribution of destination region of passengers originating travel in LAC



North America

51%



LAC

36%



Europe

13%



Africa

0,1%



Middle East

0,3%

Source: Amadeus

ALTA member airlines' traffic

Region	Pax	ASK (000'000)	RPK (000'000)	FTK (000)	ATK (000'000)	RTK (000'000)	Departures	Kms. Flown	Block Hours
Domestic	7,837,303	10,354.52	8,187.46	34,561	1146.32	617.98	62,656	59,782,720	111,289
Africa				9,191	14.39	9.19	56	266,569	364
Europe	243,427	2,462.01	2,203.18	82,591	402.23	246.71	979	8,674,583	10,589
LAC	734,692	2,734.05	2,157.22	58,411	401.69	204.49	5,853	15,133,247	22,494
North America	907,490	3,515.10	2,872.76	141,380	568.35	369.69	6,889	20,239,545	29,860
Oceania	10,811	73.00	64.00	1,714	13.71	6.09	52	307,138	391
Total general	9,733,723	19,138.67	15,484.62	327,848	2546.69	1,454.15	76,485	104,403,802	174,988

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

Economic growth



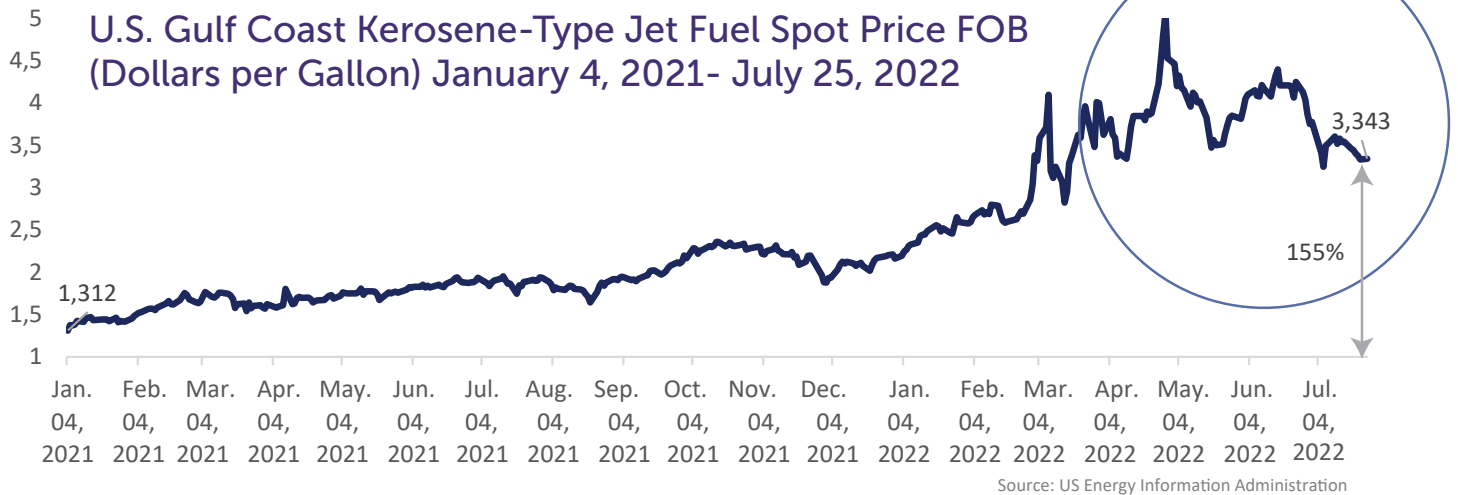
There is a positive correlation between economic growth and passenger increase. This relationship blurred in the pandemic.

While economies recovered, passengers did not recover to the same extent. Mainly because of restrictions on international travel.

However, in July 2022, the International Monetary Fund released new growth estimates. For the world case, it reduces expectations by 0.4 percentage points and, for 2022, it estimates a 3.2% growth and for LAC, 3%. That is, 0.5% more than the estimates made in April. By 2023, a growth estimate of 2% is contemplated, so the recovery that has been taking place in the region may experience a slowdown.



Fuel prices



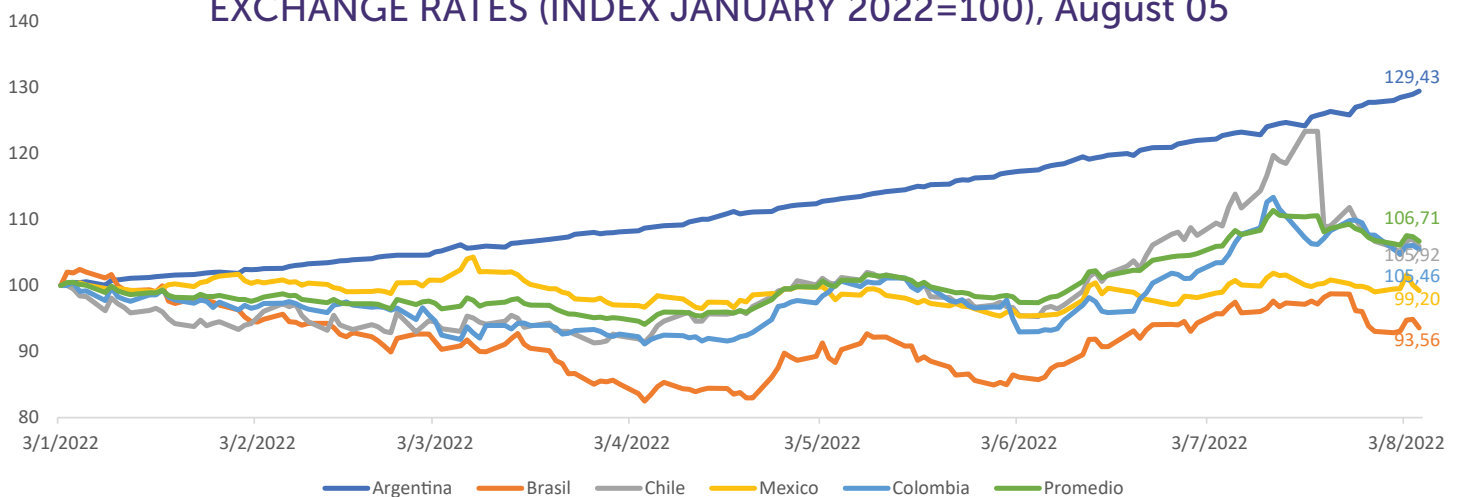
Fuel represents about 30% of costs. Fuel costs have increased 155% year to date.

Exchange rates

About 60% of an airline's costs are in dollars (fuel, insurance, leasing, parts and equipment). As exchange rates increase, so will operating costs.

Fuel is priced in dollars. In this sense, airlines have a shock effect, 1) the effect of international jet fuel prices and 2) the effect of exchange rates.

EXCHANGE RATES (INDEX JANUARY 2022=100), August 05

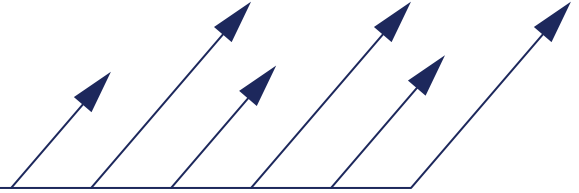


Source: Yahoo Finance Exchange rates

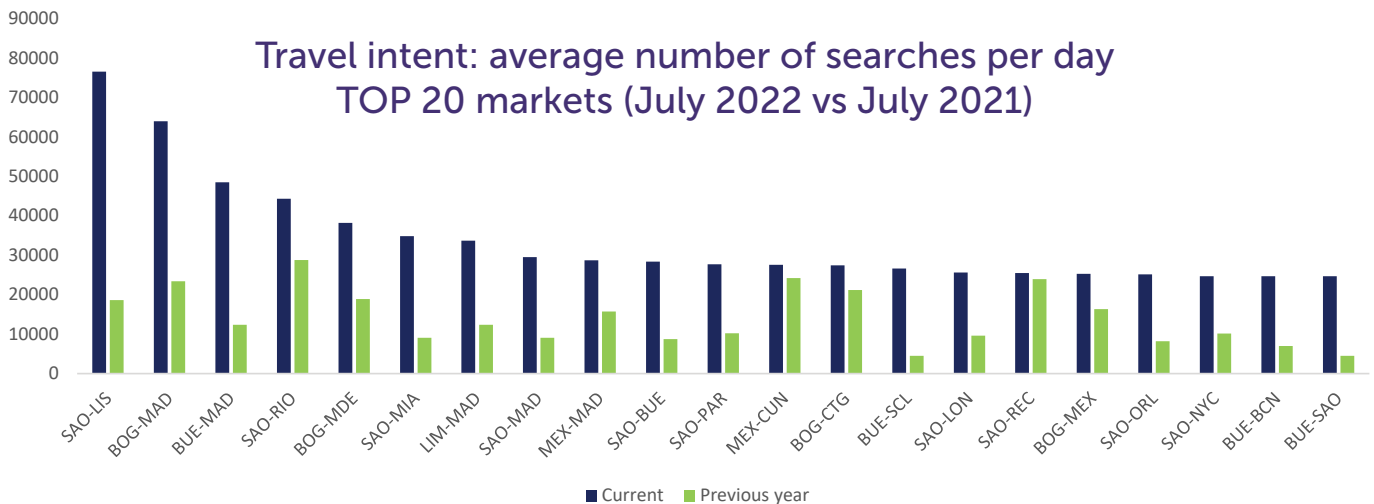


Inflation

The aviation industry contracts for services and buys goods. If inflation grows, so do the goods and services it needs.



Travel intent



Travel intents in the top 20 markets grew by 140%. The main search is the Sao Paulo - Lisbon route with an average of 76 thousand searches per day.

Ranking of airports with the most passengers in the region

By June 2022, Mexico City International Airport showed the highest passenger traffic in the region. In third place was Cancun, one of the best-connected cities in the region, which also carries more international passengers than Mexico City's main airport.

Ranking	Airport	Total Pax
1	MEX	2,619,743
2	BOG	1,993,703
3	CUN	1,560,771
4	GRU	1,457,252
5	CGH	1,281,210

Para más información contacte a nlorca@alta.aero

Notas del editor:

- Para más información, anuncios y posiciones de ALTA síganos en https://twitter.com/ALTA_aero y ALTA - Latin American & Caribbean Air Transport Association: My Company | LinkedIn

- Los datos contenidos son estimaciones y están sujetas a revisión

