



# Passenger traffic in LAC reached 98% of its 2019 levels by February 2023

Dear Readers,

In February we saw again a slowdown in the pace of recovery in the region that we had in 2022, reaching 98% of 2019 levels.

Some markets exceeded pre-pandemic figures, but we still face major challenges and foresee further slowdown in the coming months, especially in Colombia after the withdrawal from the market of two players whose 2022 international passengers represented around 28% of the market.

The cessation of airline operations in some countries in our region poses an alarming reminder that airline finances are in intensive care.

These finances, already impacted by the pandemic, face recurring challenges such as fuel prices, inflation affecting goods demanded locally by airlines, currency devaluation, among other factors.

It is urgent that governments throughout the region take a moment to talk with the industry and review technical measures that will allow the subsistence of an essential sector.

Ecuador is a great example here. Following the publication of the Air Transport Competitiveness Index, developed by ALTA and Amadeus in 2022 and where the country ranked second as the least competitive country in terms of taxes, fees and contributions, the Ecuadorian government met with the industry, analyzed the data and recently announced the change in the scheme of charging two taxes on tickets, which will have very positive repercussions for the country, with more tourism and more business, better tariffs for passengers and a more democratized air transport.

In addition to the macroeconomic challenges, we have the challenge of operating in a more sustainable manner. According to S&P Global Commodity insights, as of March 20, 2023, SAF was almost 2.3 times more expensive than regular fuel and SAF represents over 60% of the measures that will enable the industry to reach the zero emissions' goal by 2050.

That is why in March we hosted a discussion forum in Costa Rica for fuel experts and government bodies to meet and discuss how we are going to drive smart regulations that will enable the large-scale production and distribution of SAF.

Increasing the competitiveness of our countries is the healthiest and most successful way to overcome the obstacles we face. The commitment of governments is more important today than ever. We are working on this mission.

Thank you for reading,  
José Ricardo Botelho

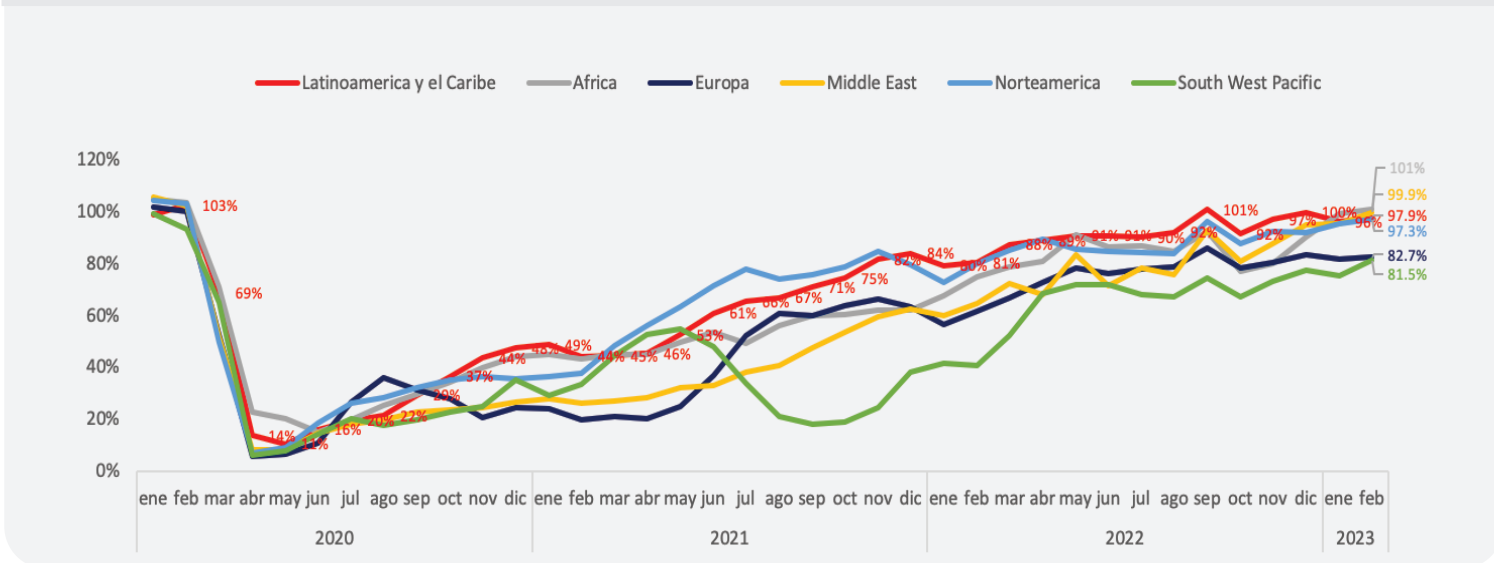


# In February 2023, passenger traffic in Latin America and Caribbean (LAC) was at 98% of its 2019 levels

By February 2023, 27.5 million passengers were carried, representing 98% of passengers compared to the same month in 2019. This reflects a slight advance vs. the immediately preceding month, when the region reached 96%, but a setback vs. December 2022 when it reached 100% of passengers carried in 2019.

Africa once again led the global recovery with 101% and, for the first time, the Middle East practically reached its pre-pandemic levels. As a result, LAC was positioned as the third region in the world with the greatest recovery, exceeding North America, which reached 97.3%, and Europe, 82.7%. Southeast Asia continues to be the region with the least recovery, with 81.5%.

Passengers by origin region vs. the same month in 2019



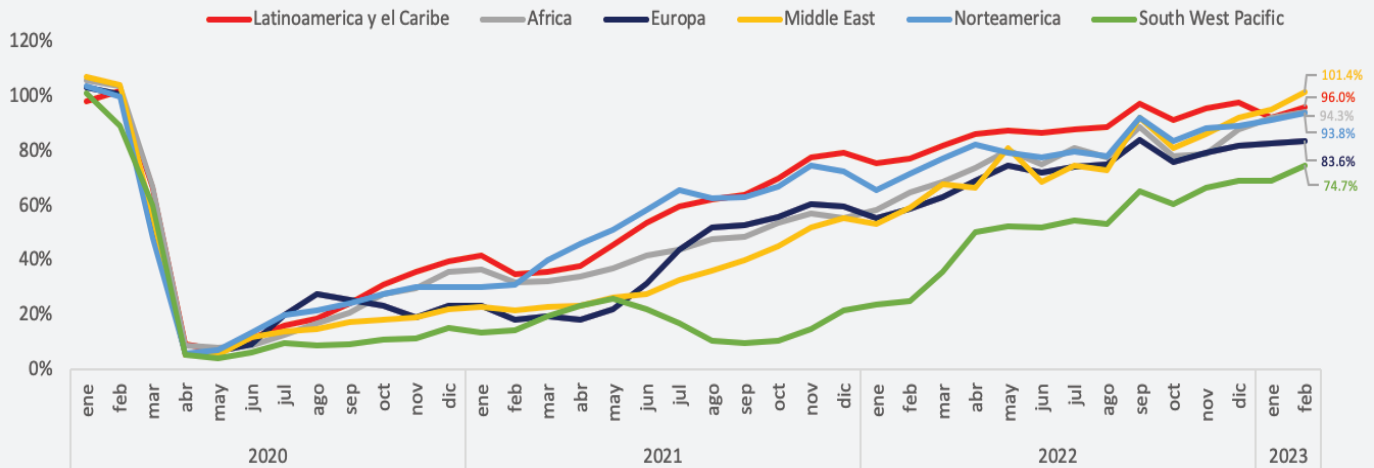
Note: The LAC region considers Mexico.  
Source: Amadeus

## Passenger transport by region and RPK: Middle East ranks first and LAC is the second region of greatest recovery

As of December 2022, LAC was the fastest recovering region in RPK (Revenue Passenger Kilometer). In February 2023, LAC became the second region in terms of RPK recovery, exceeded by the Middle East, which surpassed its pre-pandemic levels by 1.4%. LAC reached 96%, Africa 94.3%, North America 93.8%, Europe with 83.6% and Southeast Asia with the lowest recovery at 74.7%.



## RPK by origin region vs. the same month in 2019



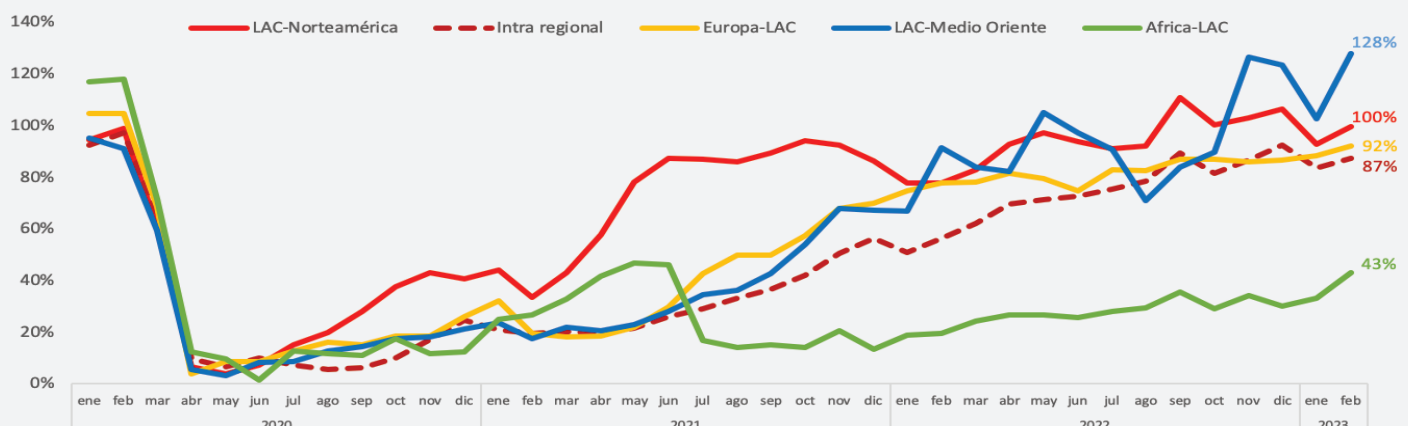
Note: The LAC region includes Mexico.  
Source: Amadeus

# International passengers for the top 5 routes to/from LAC vs. 2019

In February 2023, the connected regions with the highest passenger traffic were LAC-North America with 4.9 million passengers, routes intra-LAC with 3.6 million and LAC-Europe with 1.2 million passengers.

In terms of recovery, routes originating in LAC and destination Middle East achieved the highest recovery based on passengers (+28% compared to 2019). Secondly, there are the LAC-North America routes that despite being the ones with the highest passenger traffic are still not fully recovered, as well as the LAC-Middle East routes that since November 2022 until this month have surpassed their pre-pandemic levels.

## International passengers by region pairs from/to LAC vs. 2019 Ranked by February 2023 passengers



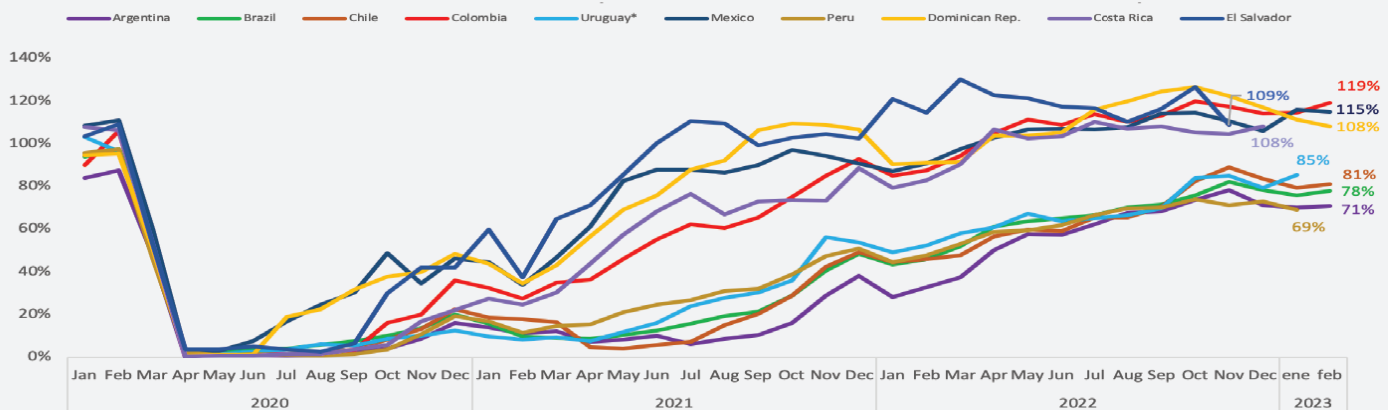
Source: Amadeus



# International Passengers

In February 2023, several countries in the region continue to stand out with very positive growth, Colombia and Mexico grew by 19% and 15% compared to their 2019 levels, and the Dominican Republic reached 108% of its 2019 levels. Meanwhile, Brazil, Chile and Argentina had a slight improvement compared to the previous month, with 78%, 81% and 71% respectively. In January 2023, Peru dropped by 3 percentage points compared to December 2022 and reached 69% of its 2019 levels.

## International Pax (vs. the same month in 2019)

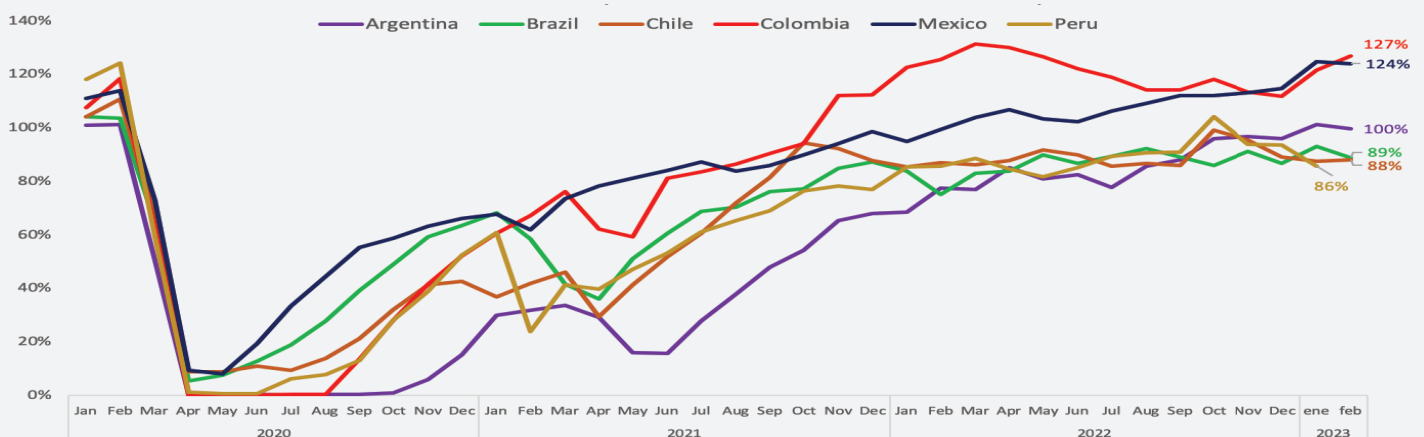


Source: Aviation authorities from each country. \*Carrasco Airport

# Domestic Passengers

In February 2023, Colombia was 27% above its levels of the same month in 2019, and Mexico was 24% above its pre-pandemic levels. As another very positive progress, Argentina practically surpassed its 2019 levels, Brazil was at 89% and Chile remained at 88%. According to January 2023 data, Peru showed a domestic recovery of 86%. However, for the Colombian market and as of March, a slowdown would be expected.

## Pax domésticos (con relación al mismo mes de 2019)



Source: Aviation authorities from each country.



# Passengers, RPK, ASK and load factor

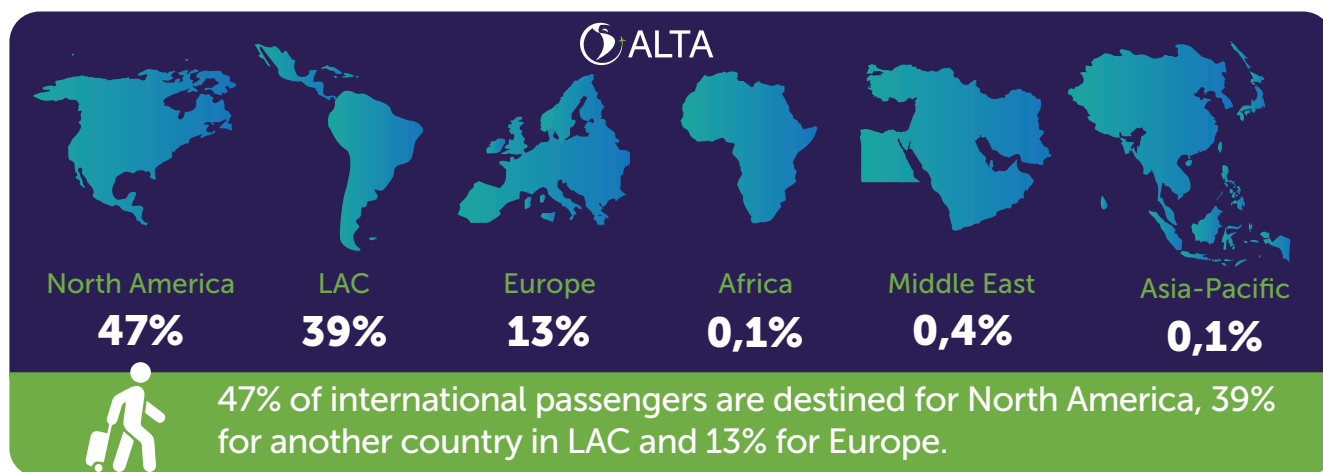
	february					Growth				Cumulative (January-February)					Growth			
	2019	2020	2021	2022	2023	2020/2019	2021/2019	2022/2019	2023/2019	2019	2020	2021	2022	2023	2020/2019	2021/2019	2022/2019	2023/2019
<b>Passengers</b>	<b>28.047.117</b>	<b>28.842.542</b>	<b>13.699.076</b>	<b>22.587.307</b>	<b>27.450.348</b>	<b>2,8%</b>	<b>-51,2%</b>	<b>-19,5%</b>	<b>-2,1%</b>	<b>60.489.699</b>	<b>61.035.381</b>	<b>28.316.855</b>	<b>48.389.643</b>	<b>58.711.528</b>	<b>0,9%</b>	<b>-53,2%</b>	<b>-20,0%</b>	<b>-2,9%</b>
Domestic	18.018.769	18.912.024	9.869.460	15.725.202	18.104.453	5,0%	-45,2%	-12,7%	0,5%	38.771.007	39.989.291	21.912.200	33.819.285	39.056.019	3,1%	-43,5%	-12,8%	0,7%
Intra-LAC	4.187.787	4.067.240	825.300	2.355.698	3.658.656	-2,9%	-80,3%	-43,7%	-12,6%	8.980.570	8.496.074	1.825.889	4.801.236	7.670.301	-5,4%	-79,7%	-46,5%	-14,6%
Extra-LAC	5.840.561	5.863.278	3.004.317	4.506.407	5.687.238	0,4%	-48,6%	-22,8%	-2,6%	12.738.122	12.550.016	4.578.766	9.769.121	11.985.208	-1,5%	-64,1%	-23,3%	-5,9%
<b>RPK(millions)</b>	<b>49.425</b>	<b>50.317</b>	<b>17.245</b>	<b>38.083</b>	<b>47.458</b>	<b>1,8%</b>	<b>-65,1%</b>	<b>-22,9%</b>	<b>-4,0%</b>	<b>107.321</b>	<b>107.198</b>	<b>41.518</b>	<b>81.751</b>	<b>100.766</b>	<b>-0,1%</b>	<b>-61,3%</b>	<b>-23,8%</b>	<b>-6,1%</b>
Domestic	16.403	17.208	9.716	15.184	17.105	4,9%	-40,8%	-7,4%	4,3%	35.865	36.725	22.116	33.181	37.156	2,4%	-38,3%	-7,5%	3,6%
Intra-LAC	8.302	8.068	1.659	4.690	7.355	-2,8%	-80,0%	-43,5%	-11,4%	17.770	16.872	3.708	9.671	15.436	-5,1%	-79,1%	-45,6%	-13,1%
Extra-LAC	24.720	25.041	5.870	18.208	22.998	1,3%	-76,3%	-26,3%	-70%	53.686	53.602	15.694	38.899	48.173	-0,2%	-70,8%	-27,5%	-10,3%
<b>*ASK(millions)</b>	<b>61.454</b>	<b>62.879</b>	<b>26.199</b>	<b>48.578</b>	<b>59.117</b>	<b>2,3%</b>	<b>-57,4%</b>	<b>-21,0%</b>	<b>-3,8%</b>	<b>131.593</b>	<b>149.852</b>	<b>65.299</b>	<b>104.758</b>	<b>125.012</b>	<b>13,9%</b>	<b>-50,4%</b>	<b>-20,4%</b>	<b>-5,0%</b>
Domestic	20.530	21.377	12.756	18.653	21.736	4,1%	-37,9%	-9,1%	5,9%	44.387	49.229	29.306	40.994	46.714	10,9%	-34,0%	-7,6%	5,2%
Intra-LAC	10.063	10.123	3.018	6.275	9.174	0,6%	-70,0%	-37,6%	-8,8%	21.333	23.830	6.801	13.044	19.545	11,7%	-68,1%	-38,9%	-8,4%
Extra-LAC	30.861	31.379	10.425	23.650	28.207	1,7%	-66,2%	-23,4%	-8,6%	65.873	76.793	29.192	50.719	58.753	16,6%	-55,7%	-23,0%	-10,8%
<b>*Load factor</b>	<b>80,5%</b>	<b>80,0%</b>	<b>69,2%</b>	<b>79,3%</b>	<b>79,9%</b>	<b>-0,5 pts</b>	<b>-11,3 pts</b>	<b>-1,2 pts</b>	<b>-0,6 pts</b>	<b>81,3%</b>	<b>71,3%</b>	<b>68,3%</b>	<b>78,9%</b>	<b>80,3%</b>	<b>-10,0 pts</b>	<b>-13,0 pts</b>	<b>-2,4 pts</b>	<b>-1,0 pts</b>
Domestic	79,9%	80,5%	76,2%	81,4%	78,7%	0,6 pts	-3,7 pts	1,5 pts	-1,2 pts	80,8%	74,6%	75,5%	80,9%	79,5%	-6,2 pts	-5,3 pts	0,1 pts	-1,3 pts
Intra-LAC	82,5%	79,7%	55,0%	74,7%	80,2%	-2,8 pts	-27,5 pts	-7,8 pts	-2,3 pts	83,3%	70,8%	54,5%	74,1%	79,0%	-12,5 pts	-28,8 pts	-9,2 pts	-4,3 pts
Extra-LAC	80,1%	79,8%	56,3%	77,0%	81,5%	-0,3 pts	-23,8 pts	-3,1 pts	1,4 pts	81,5%	69,8%	53,8%	76,7%	82,0%	-11,7 pts	-27,7 pts	-4,8 pts	0,5 pts

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

In February, 27.5 million passengers were carried in the region, representing -2.1% below pre-pandemic levels. Domestic traffic is 0.5% above its 2019 levels, extra-LAC international traffic is 2.6% below, while intra-LAC continues to be the one that has been recovering the slowest, being 12.6% below its 2019 levels. Cumulative 2023 January-February carried 58.7 million passengers 2.9% below 2019. RPKs in February, for domestic, have recovered the fastest, as they are 4.3% above their 2019 levels. Similarly, cumulative RPKs in the domestic case are 3.6% above their 2019 levels.

Likewise, in terms of relative capacity, i.e. Available Seats Kilometer (ASK), it is observed that domestic is recovering rapidly, as it is at 5.9% above its 2019 levels and cumulative at 5.2% above. Total RPKs in February, are below 2019 at 4% and cumulative 6.1% below, while total ASKs are 3.8% below their 2019 levels and cumulative at 5% below.

In February, total load factor reached 79.9% at 0.6 points below 2019 levels, while domestic was 78.7%, intra-LAC was 80.2% and extra-LAC was 81.5%. Cumulatively, the total load factor was 80.3% at one point below 2019. For extra-LAC, it was marginally 0.5 points above.



Source: Amadeus





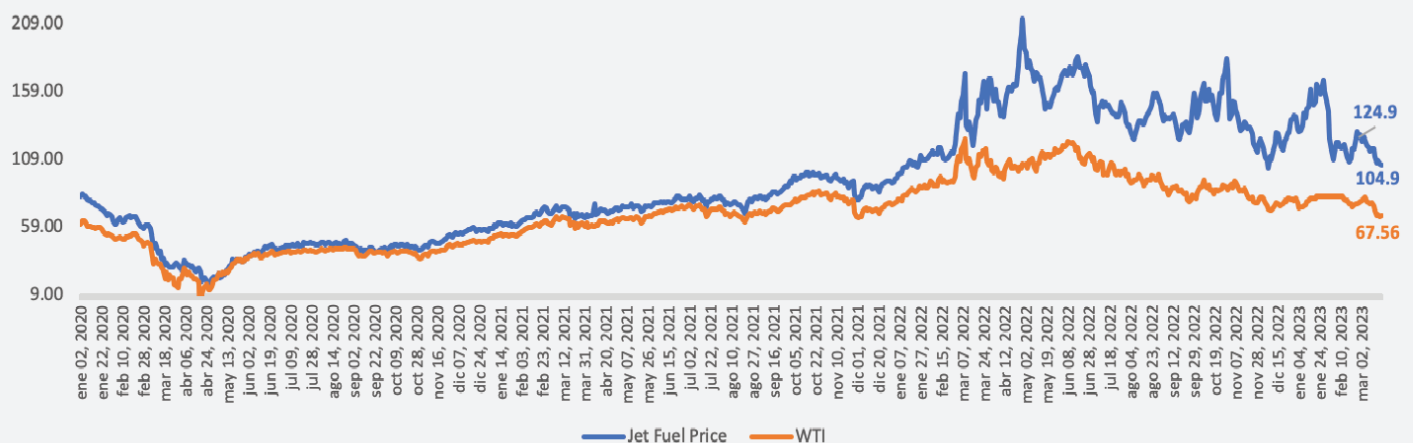
# Jet Fuel & WTI (West Texas Intermediate)

Fuel continues to be very volatile. On March 20, 2023, the jet fuel price was 90% above vs. January 2021 and the WTI crude oil price was 40% above. In early March, the jet fuel price was above US\$ 120 and, On March 20, its price was US\$ 104.9, the lowest in the month.

The differential between an oil barrel and jet fuel price has increased considerably, such that, while in January 2021, the jet fuel price was 14% higher than the oil price, on March 20, that price differential was 55%.

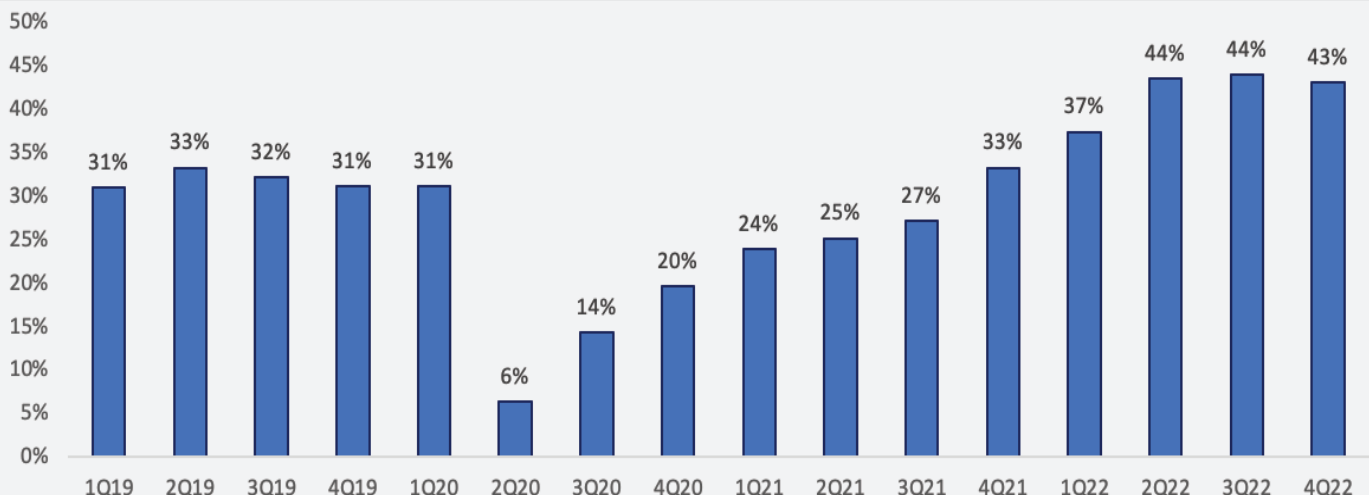
By 4Q2022, fuel represented 43% in terms of this item value in the airlines' operating costs. In pre-pandemic it was 32% on average.

Jet Fuel & Crude Oil Price WTI (Dolars per barrel), March 20



Source: US Energy Information Administration

Percentage of fuel vs. operating costs quarterly



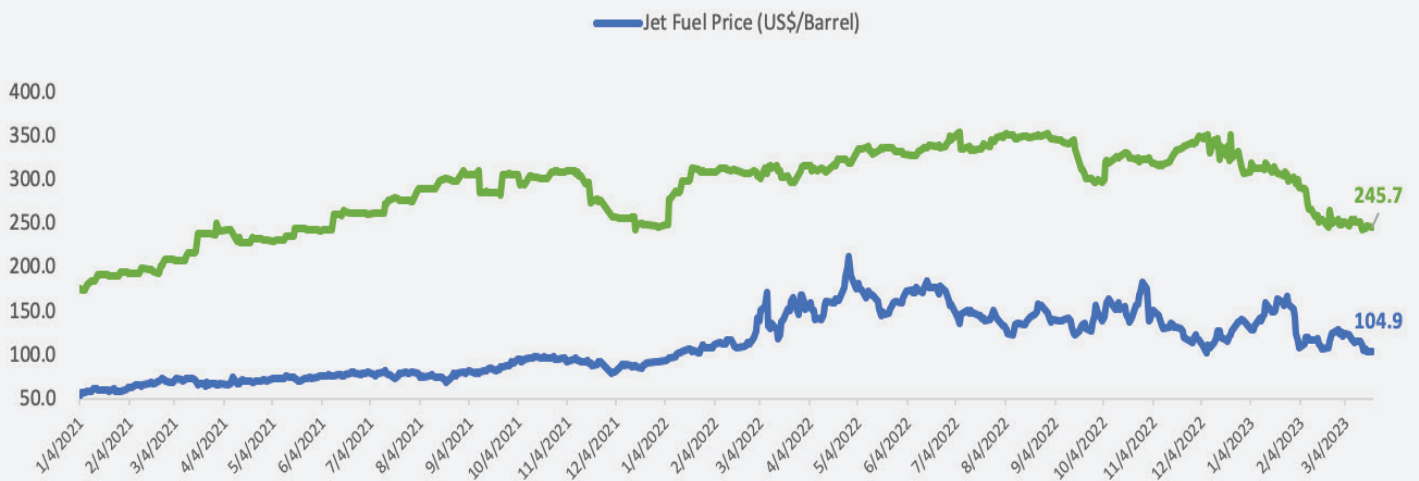
Source: Financial statements of airlines in the region



# Sustainable Aviation Fuel (SAF)

The air transport industry is committed to be carbon neutral by 2050 and towards this goal, roughly 65% of such compliance must come from the use of sustainable fuels or Sustainable Aviation Fuel - SAF. According to S&P Global Commodity insights, as of March 20, 2023 SAF was nearly 2.3 times more expensive than regular fuel.

US West Coast Sustainable Aviation Fuel price vs regular Jet Fuel  
US\$/Barrel, March 20



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

Editor's Notes:

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- Content data are estimates and are subject to review