



# State of the Airline Industry in the Americas

## From Impact to Recovery

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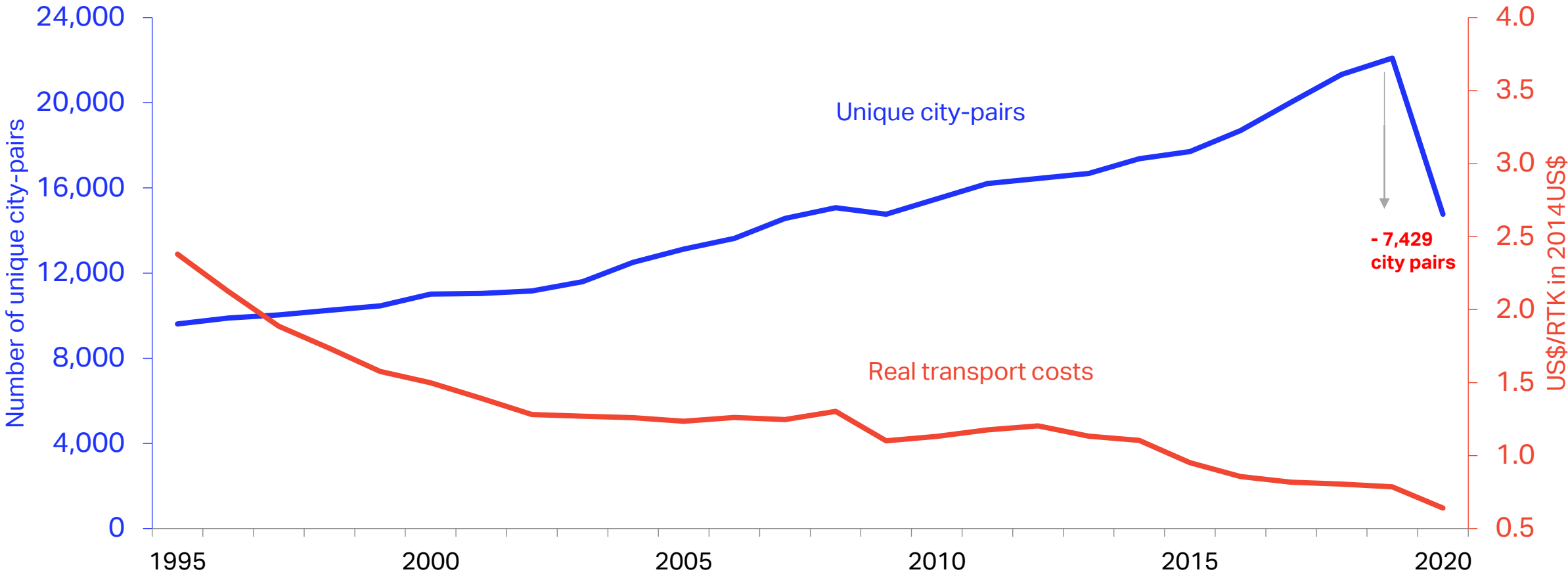


# Global Picture: COVID-19 Travel Regulations



# Loss of 7,500 global city-pairs amid COVID-19

### Unique city-pairs and real transport costs



Source: IATA Economics using data from ICAO, IATA Statistics, SRS Analyzer and our own forecasts, December 2020 update



Border closures, travel restrictions, and quarantine  
have caused untold damage to economies and people

**100  
million  
jobs at risk**



Source: UNWTO

**\$1 trillion  
in economic  
activity lost**



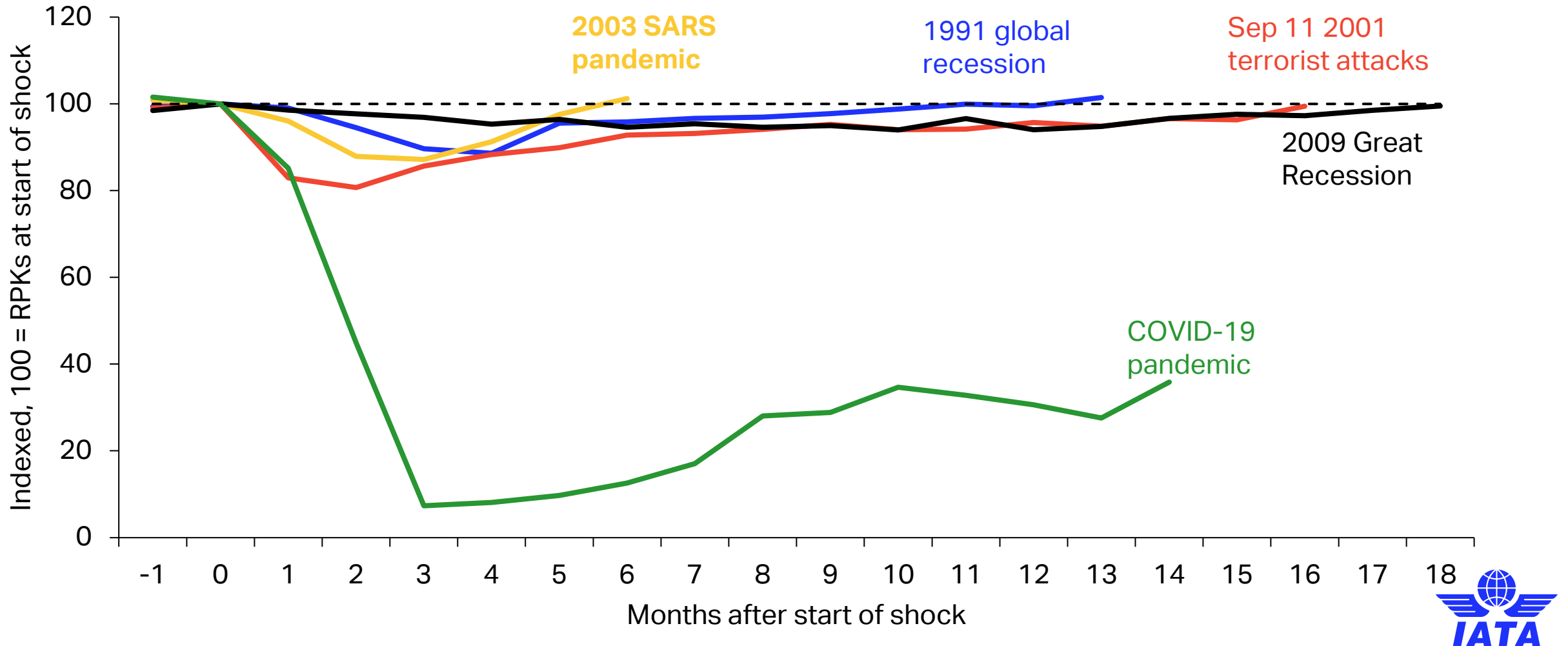
23 June 2021



# Demand shocks do not usually have long-lasting impacts

Previous shocks cut 5-20% from RPKs but recovered after 6-18 months

Global passenger kilometers flown (RPKs), indexed



Source: IATA Economics using data from IATA Monthly Statistics. Data is adjusted for seasonality.

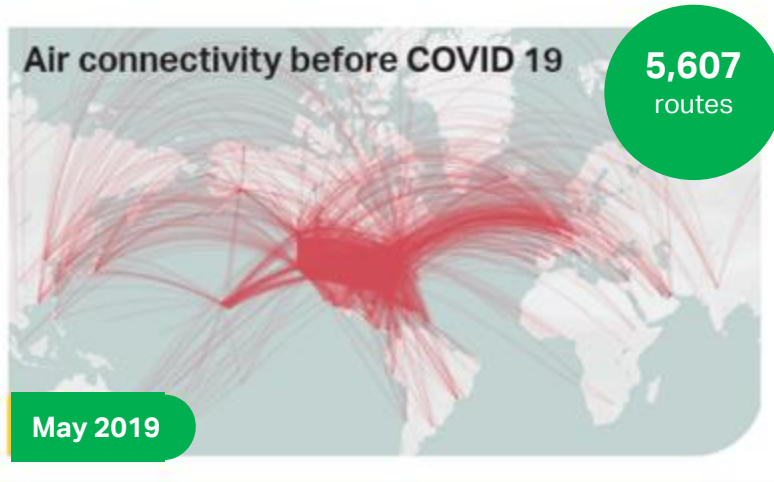


# Travel and Tourism will return to the Americas. But when and how fast?



# Impact of COVID-19 on Air Transport in the Americas

## North America



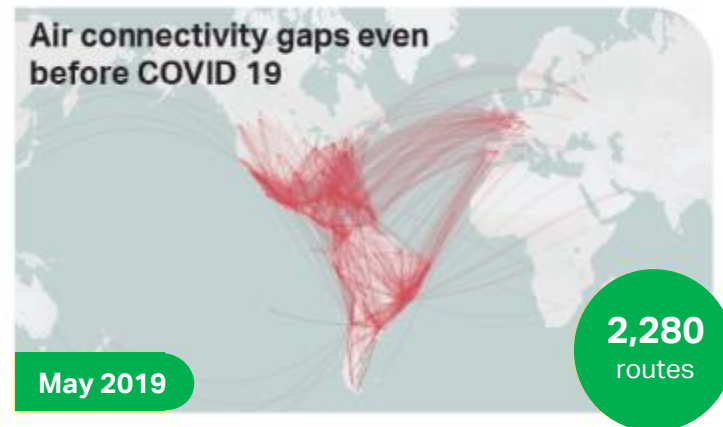
Lost **1,114** routes



Lost **4.3 million** jobs  
**\$500 billion** in GDP



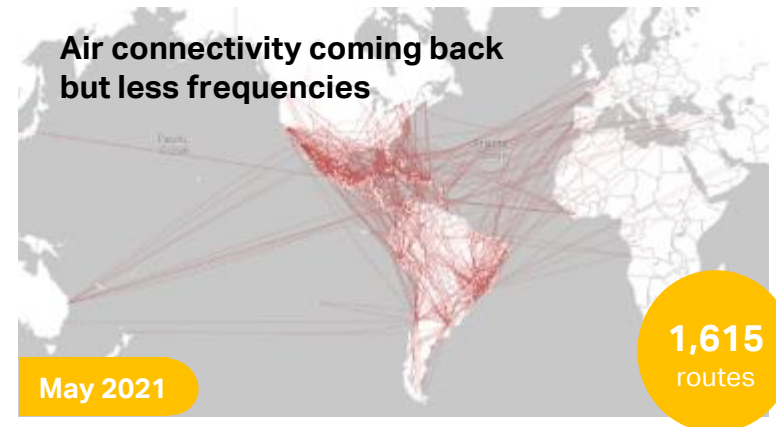
## Latin America & Caribbean



Lost **665** routes



Lost **3.9 million** jobs  
**\$94 billion** in GDP





# Recovery will depend on Industry Collaboration

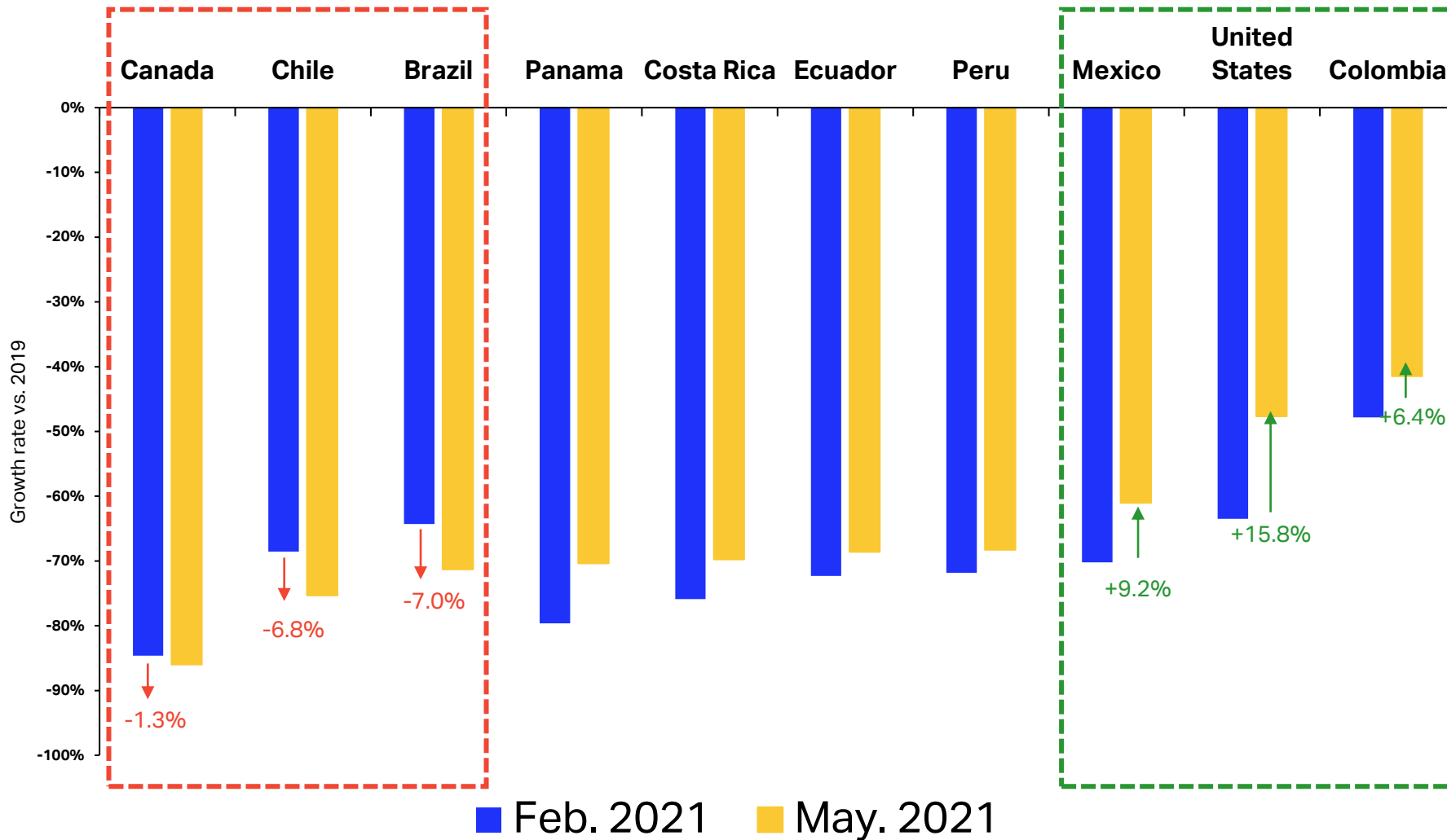
## COVID19: Short-term response

- **Implementation of biosafety measures**
  - Following global best practices (ICAO CART)
- **Joint Restart Roadmaps**
  - Provide planning certainty to industry
- **Systematic testing**
  - Acceptance of antigen testing
- **Vaccination roll-out plans**
  - Exemption of vaccinated passengers from entry restrictions regardless of nationality
- **Global standard for health passport**
  - IATA Travel Pass & others

## Status of International Operations in the Americas



# Impact of restrictions on bookings in the region vs. 2019

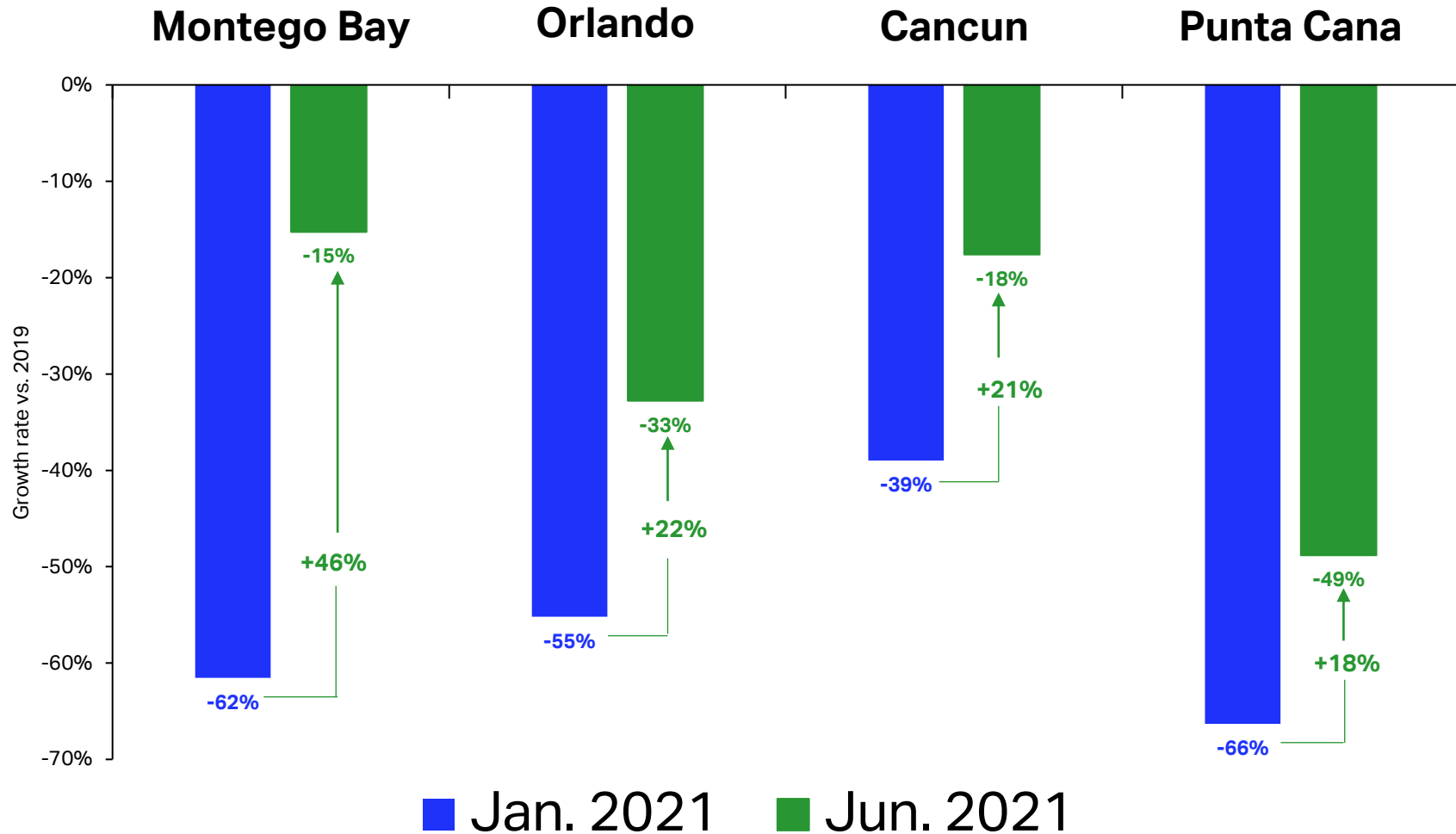


- The **more open borders are, the more dynamic** the recovery of demand
- Countries that test have seen a **gradual recovery** of demand over the past months
- Countries that tighten restrictions **have underperformed.**



Fuente: IATA Economics using data from DDS.

# Recovery of Tourism Destinations across the region

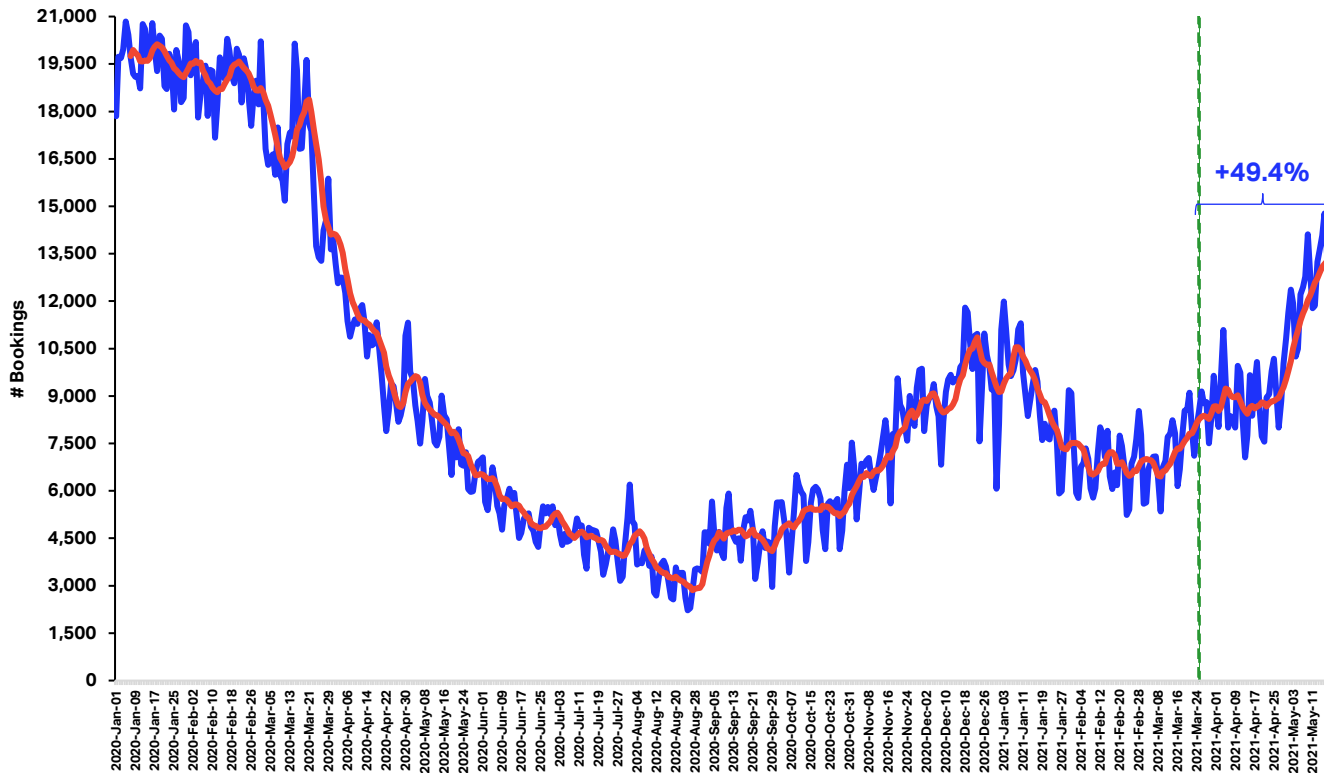


- **Tourism destinations** are increasing their bookings.
- **Pent-up demand plus lower restrictions** in the selected countries, have been a key variable for boosting the demand.

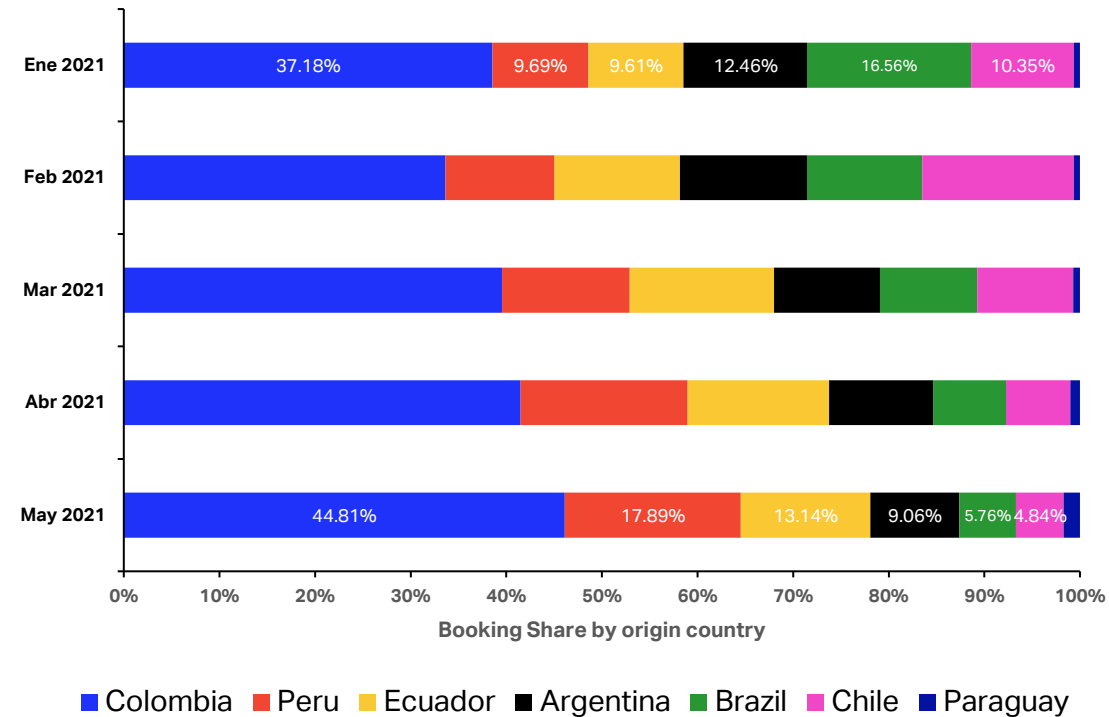


# Bookings increased by 49% from South America to Florida

## Bookings from South America to FL



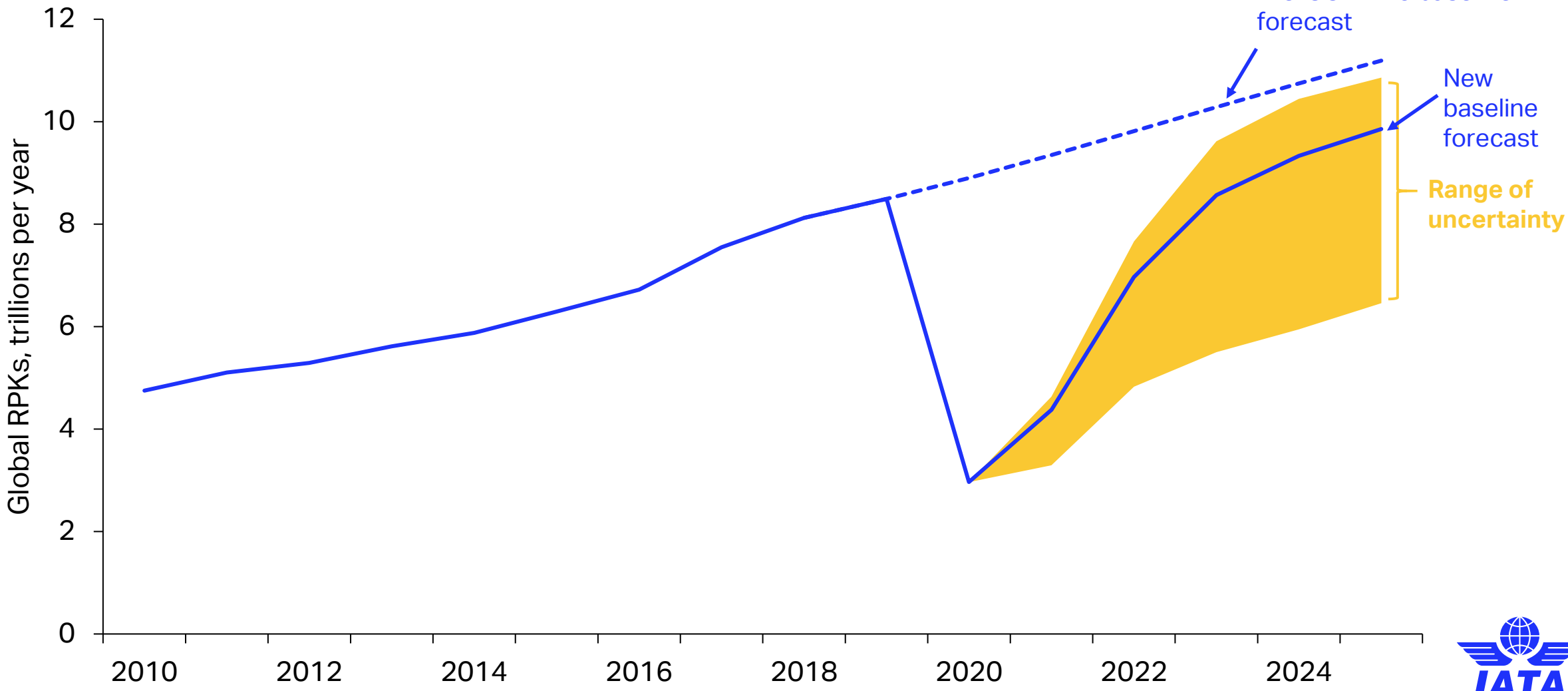
## Bookings share from South America to Florida by Origin Country



# 2022/23 should see much stronger rebound of revenues

Large pent-up demand and savings to spend

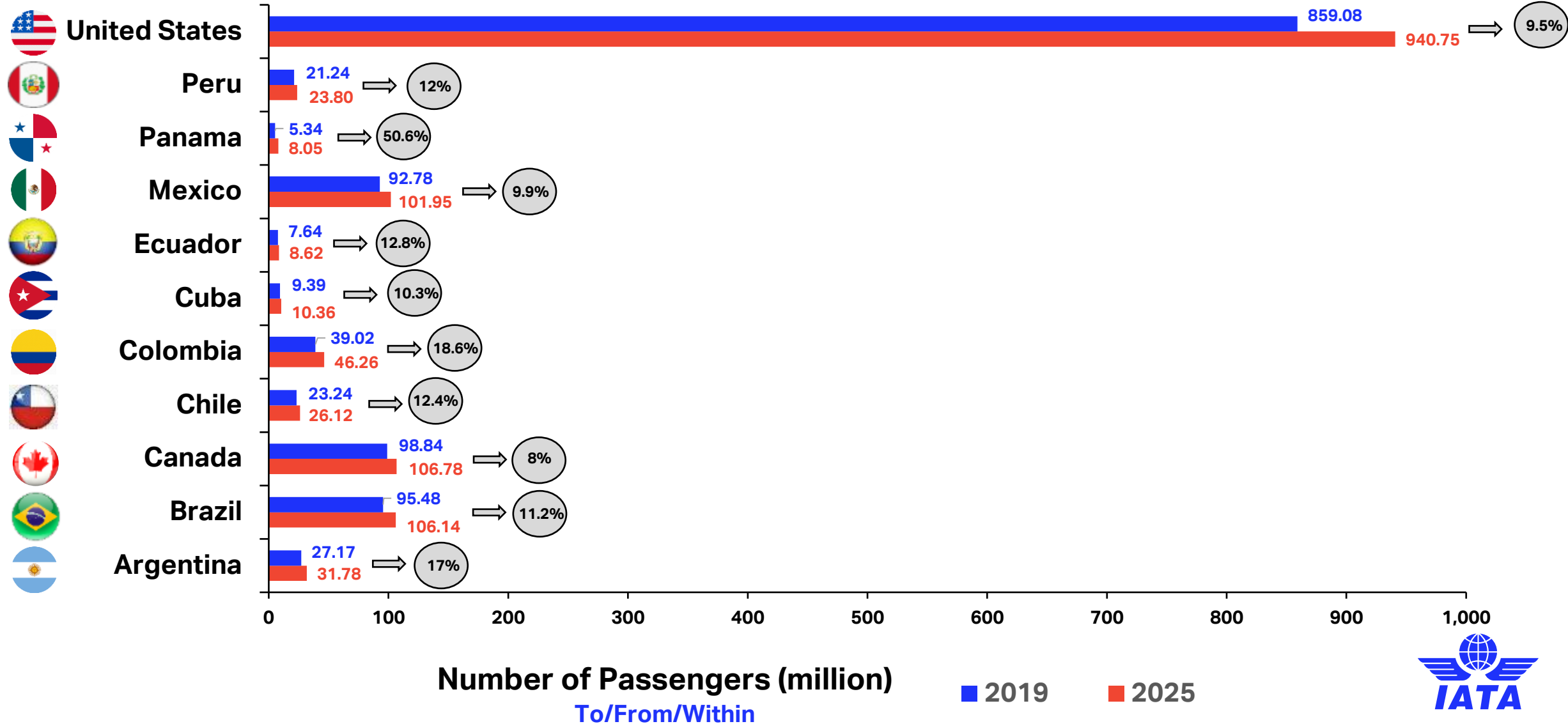
Global RPKs, trillions per year



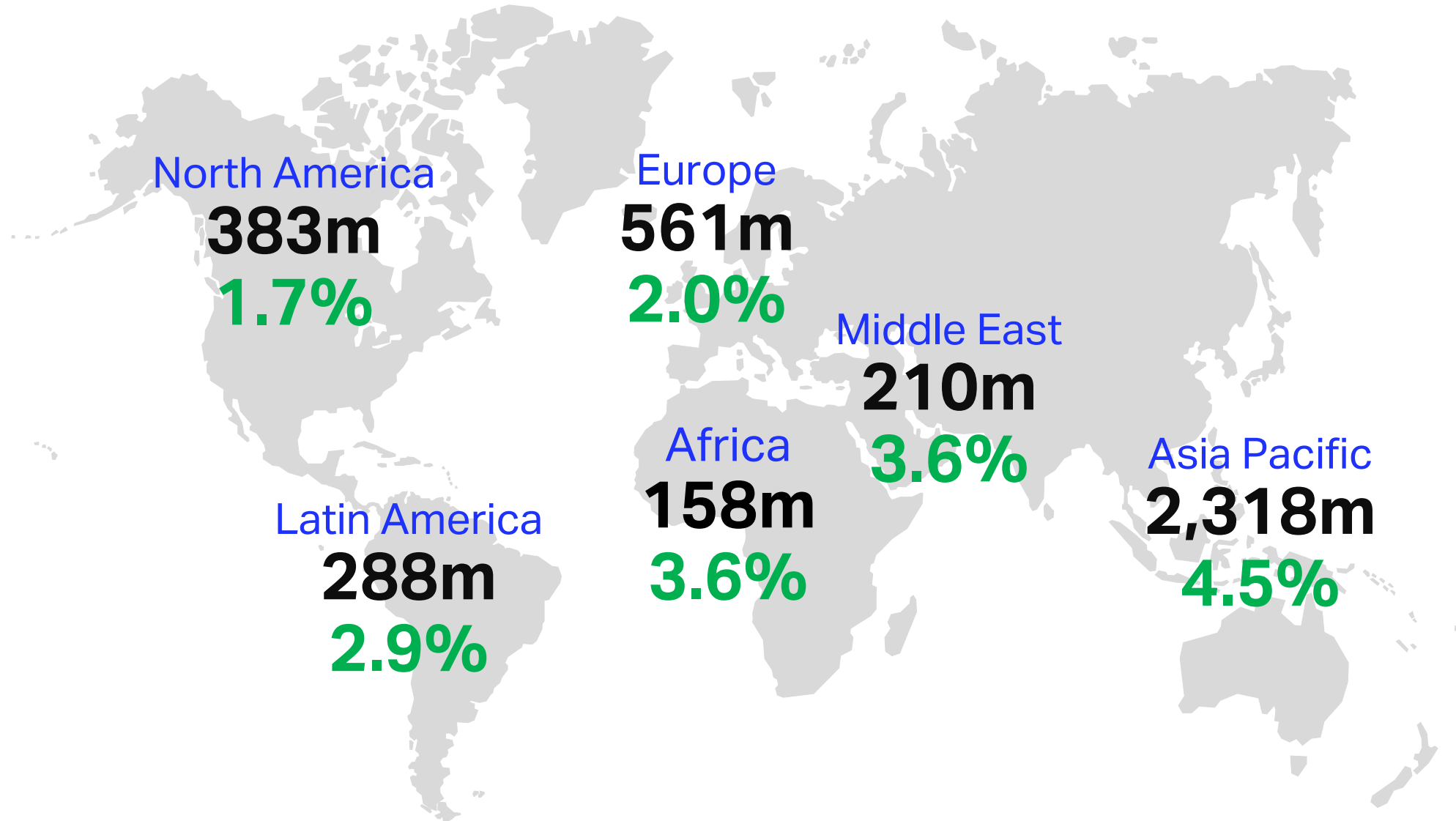
Source: IATA/Tourism Economics 'Air Passenger Forecasts' January 2020

# Traffic forecast for key markets across the Americas

Number of passengers and growth rate, 2019 vs 2025



# 20 Year Global Growth Forecast



# 2021 will still see global losses of ~ USD50B

## System-wide global commercial airlines

### EBIT margin, % revenues

### Net profit, \$ billion

	2015	2016	2017	2018	2019	2020	2021F	2015	2016	2017	2018	2019	2020	2021F
Global	8.6%	8.5%	7.5%	5.7%	5.2%	-28%	-9.4%	36.0	34.2	37.6	27.3	26.4	-126.4	-47.7
Regions														
North America	14.4%	13.7%	11.2%	9.1%	9.6%	-30%	-2.7%	21.7	17.0	17.8	14.5	17.4	-35.1	-5.0
Europe	5.5%	6.1%	7.9%	6.2%	4.8%	-30%	-19%	7.1	8.5	8.9	9.1	6.5	-34.5	-22.2
Asia-Pacific	6.9%	7.4%	6.3%	4.7%	3.7%	-27%	-12%	7.5	7.4	10.5	6.1	4.9	-35.0	-10.5
Middle East	6.3%	2.2%	-3.0%	-4.6%	-5.2%	-19%	-11%	2.1	1.3	0.1	-1.5	-1.5	-7.9	-4.2
Latin America	5.0%	5.6%	6.2%	2.7%	2.9%	-33%	-10%	-1.6	0.4	0.5	-0.8	-0.7	-11.9	-4.0
Africa	-2.1%	1.1%	0.8%	1.5%	1.0%	-19%	-11%	-0.8	-0.4	-0.2	-0.1	-0.3	-2.0	-1.7

**2021**  
**Forecast**



**North America: \$5B in losses**

**Latin America: \$4B in losses → Last profitable year: 2017**



# Urgent need to make air transport more competitive in the Americas

➤ **Conditions of 2019 are unacceptable**

## INFRASTRUCTURE



- Capacity Constraints
- Airspace Optimization
- Slots
- **Invest in Aging Infrastructure**

## COMPETITIVENESS



- Cash Cow Industry
- Taxes & Charges
- Lack of Transparency
- **Need to Decrease Taxes**

## REGULATORY FRAMEWORK



- Politically Motivated
- Passenger Rights
- Harmonized Policies
- **Follow Global Best Practices**

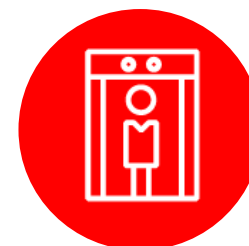
## ENVIRONMENTAL SUSTAINABILITY



- Lead Policy Development of Sustainable Aviation Fuels (SAFs) and fuel R&D
- **Invest in new Technologies**



## INDUSTRY FINANCIAL RESILIENCE



## SAFETY & SECURITY





# Thank you

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