

# REPORT: AIRLINES: LATIN AMERICA

## What you need to know

February 2023

This report presents a roundup of what's been happening to airlines in Latin America over the last month.

### Major airlines

#### LATAM Airline Group

##### January passengers up by 15%

During January, LATAM Airlines Group increased monthly passenger numbers by **15%** year-over-year to more than 5.98 million. With revenue passenger kilometer traffic rising by 25% on 24% extra capacity, LATAM's load factor gained 0.7 points to **81%**.

##### New Orlando route planned

On **July 1**, the Colombian affiliate of LATAM Airlines Group will launch a new **daily** service from Bogota to Orlando. The service will be part of LATAM's joint venture with Delta Air Lines. It will compete with existing services offered on the route by Avianca and Spirit Airlines.

### Low-cost carriers

#### Gol

##### Demand and loads improve in January

Brazilian carrier Gol increased passenger numbers by **11%** year-over-year to 3.08 million in January. With revenue passenger kilometers growing by 9% on 6% extra capacity, Gol was able to improve its load factor by 2.1 points to **85%**.

#### Viva Aerobus

##### Rising costs hold back Q4 2022 profits

Mexican low-cost carrier Viva Aerobus lifted fourth quarter 2022 revenue by **42%** year-over-year to \$445 million, a figure that was also **130%** higher than in the same quarter in 2019. However, with costs rising by 51%, the airline's operating profit rose by just **7%** to \$68 million.

#### Volaris

##### Fourth quarter profits drop despite strong revenues

Mexican carrier Volaris increased fourth quarter 2022 revenue by **22%** year-over-year to \$820 million. This was also **62%** above the revenue recorded in the final quarter of 2019. A **44%** rise in costs meant the airline's operating profit dropped by **59%** from \$145 million to \$60 million.

## January passenger numbers rise by more than one fifth

Volaris transported 3 million passengers in January, **22%** more year-over-year. Domestic passenger numbers rose by **19%** to 2 million. The number carried on the airline's international flights jumped by **33%** to 639,000. Volaris's load factor improved by five points to **86%**.

## Other airlines

### Copa Airlines

#### Q4 operating profits rise, but net income falls

Panamanian carrier Copa Airlines increased fourth quarter revenue by **55%** year-over-year to \$891 million. This was also **31%** above the revenue reported for the final quarter of 2019. The airline managed to lift its operating profit by **42%** to almost \$220 million. However, net profits decreased by **23%** to \$88 million.

#### New Austin service announced

Copa Airlines will launch flights from Panama City to Austin, Texas, from **July 6**. It will offer **four** flights per week on the route. The new service will the **June 28** start of **four-times-weekly** services to Baltimore, Maryland.

## Start-up airlines and failures

### Aeromar

#### Airline ceases operations after 35 years

Mexican regional carrier Aeromar ceased all operations on **February 15**. The airline had suffered a series of financial problems and was unable to secure the funding needed to continue operations. Prior to the end of operations, Aeromar was relying on a fleet of 13 ATR turboprops.

### Viva Air

#### Operations suspended

Viva Air Colombia suspended operations on **February 27**, blaming the move on delays in securing government approval for its plans to merge with Avianca, which would have enabled it to access much-needed capital. It has also cited a decision by civil aviation regulator Aerocivil to recognize five other airlines as potential bidders for the airline. Aerolineas Argentinas, JetSmart, LATAM Airlines Group, Ultra Air and Wingo are all believed to have expressed an interest in acquiring Viva Air.

In the meantime, Viva Air will continue with its business restructuring, in the hope that it can restart operations in the future.

The information presented in this report represents the latest view as at February 28, 2023. We have carefully researched and checked the information contained. However, we do not guarantee or warrant the correctness, completeness or topicality of this article and do not accept any liability for any damage or loss as a result of the use of the information contained within this article.

If you have any questions or comments regarding this report, please email [mike.eggleton@bcdtravel.co.uk](mailto:mike.eggleton@bcdtravel.co.uk) to share your thoughts.