

# REPORT: AIRLINES: LATIN AMERICA

## What you need to know

July 2022

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

### Major airlines

#### Aeromexico

##### Profits return in Q2 on strong revenue growth

Aeromexico's parent company Grupo Aeromexico increased second quarter revenue by **92%** year-over-year to Ps19.2 million (US\$957 million). This was also **14%** above the airline's 2019 second quarter revenue. The airline's profitability was much-improved, with last year's Ps1.2 billion operating loss transformed into a Ps627 million operating profit in 2022.

##### Domestic demand pushes June traffic above 2019 levels

Aeromexico carried 1.95 million passengers in June: **39%** more than a year ago and **11%** more than in the same month in 2019. Domestic passenger numbers were **27%** above June 2019 levels. However, international passenger numbers were still **13%** lower than in 2019.

#### Copa Airlines

##### Activity just 2% lower than in 2019

During June, available seat mile (ASM) capacity at Panamanian airline Copa was just **2%** below its 2019 level. Revenue passenger mile (RPM) traffic was **3%** lower, nudging the airline's load factor down by one percentage point to **84%**.

#### Gol

##### Q2 losses reduced

Brazilian low-cost carrier Gol improved its operating loss from last year's R\$810 million to record a **R\$192 million loss** (US\$37 million) in the second quarter of 2022. But this was still some way from the R\$319 million operating profit generated in the second quarter of 2019. The airline's revenues, at R\$3.24 billion, were **215%** higher year-over-year and **3%** above 2019 levels.

##### June traffic up by more than 50%

Gol carried nearly 1.9 million passengers in June. While this was **55%** up year-over-year, the figure was still **34% below** what Gol carried in 2019. It increased capacity by 69% year-over-year, but with its traffic rising by 54%, Gol saw its load factor drop by seven points to **77%**.

#### LATAM

##### Capacity continues to rebuild

By restarting 14 routes during July, LATAM Airlines Group expects capacity to return to **80%** of its July 2019 level. While capacity in Brazil returned to **88%** of its pre-pandemic level, in Chile the figure is much lower at **67%**. Both are improvements on June's **80%** and **59%** respectively.

Among the international routes resumed in July are Lima-San Jose, Costa Rica; Santiago-Cusco, Peru; and Sao Paulo-Rome.

### Three destinations join Brazilian network

LATAM Airlines Brazil has launched **daily** domestic flights to Cascavel, Juiz de Fora and Montes Claros from Sao Paulo Guarulhos airport. This means the airline has now added five domestic destinations so far this year. It also plans to launch operations at Presidente Prudente during **August**. The airline's domestic capacity is now **30% higher** than it was pre-pandemic.

### Miami service resumes

LATAM Brazil resumed flights between Fortaleza and Miami on **July 25**, initially operating the route **weekly**.

## Low-cost carriers

### Volaris

#### Losses return in Q2

At \$691 million, second quarter revenue at Mexican carrier Volaris was up **20%** year-over-year and **62%** higher than in 2019. However, after reporting an operating profit of \$132 million in 2021, Volaris recorded a \$19 million loss this year, as its fuel costs soared by 148% largely due to a 106% increase in the price paid for its fuel. In response, the airline has increased fares and switched some flying to more profitable routes.

#### June passengers up 10%

Volaris carried 2.35 million passengers in June, 10% more than in 2021. Domestic passengers reached 1.86 million, up **11%**. On international routes, Volaris carried 494,000 passengers: **8%** more than in 2021.

The information presented in this report represents the latest view as at July 31, 2022. 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.