

REPORT: AIRLINES: LATIN AMERICA

What you need to know

December 2024

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

Major airlines

Avianca

Business class expansion begins

From December, Avianca started to expand business class on its single-aisle Airbus A320 across 23 additional routes. Since the middle of 2024, it's already rolled business class out onto 11 routes. Business class is also available on Avianca's Boeing 787s on select routes between Bogota and Buenos Aires, Miami, New York, Santiago and Sao Paulo.

LATAM Airlines Group

Four new domestic destinations from Sao Paulo

LATAM Airlines is launching new routes from Sao Paulo to four locations elsewhere in Brazil: Rio Branco, Joinville, Pelotas and Ribeirao Preto. The new services are part of the airline's plan to increase domestic flights by 12% by April 2025.

2025 operational and financial projections made

LATAM Airlines Group has shared its operational and financial projections for 2025. It expects operating profits (EBITDAR) to rise from the \$3.00-3.15 billion expected for 2024 to \$3.25-3.60 billion. LATAM is also planning for capacity growth of 7-9% year-over-year. Available seat kilometers on domestic Brazil operations should increase by 6-8%, with domestic capacity in other markets set to rise by 4-6%. International capacity is due to expand by 7-9%.

New codeshare with Aerolineas Argentinas

LATAM Airlines Group has signed a codeshare agreement with Aerolineas Argentinas that will open up more than 140 destinations across South America. The arrangement covers 55 destinations in Brazil, 37 in Argentina, 21 in Peru, 19 in Colombia and eight in Ecuador.

Low-cost carriers

Azul

Debt-exchange offer launched

Brazilian carrier Azul has launched a debt-exchange offer. Lessors and aircraft and parts suppliers would be able to exchange R3 billion (US\$546 million) in debt for 100 million new preferred shares in the airline.

Gol

Reorganization plan filed

Gol and its parent company Abra Group have filed an initial proposed reorganization plan with the U.S. Bankruptcy Court nearly 11 months after the Brazilian low-cost carrier sought Chapter 11 protection. The plan would significantly deleverage Gol's balance sheet by converting to equity up to \$1.7 billion of debt and up to \$850 million of other obligations. The plan also calls for the airline to raise up to \$1.85 billion of new capital to support growth, once it emerges from Chapter 11.

The information presented in this report represents the latest view as at December 20, 2024. 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.

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