Aviation Developments in Latin America and the Caribbean

ACI-NA International Aviation Issues Seminar 2013
Washington D.C.
Latin America and Caribbean Air Transport Association (ALTA in Spanish)

- Industry trade association founded in 1980 by Latin American and Caribbean passenger and cargo carriers
- Committed to promoting a safer, more efficient and environmentally-friendly commercial airline industry in Latin America & the Caribbean
ALTA represents

• Over 30 airlines
• Over 90% of capacity in the region
• Over 170 million passengers in 2013
• Over 5 million Freight Tonne Kms (FTK)
• Revenues in excess of USD $30B/year
• Combined fleet of over 1000 aircraft
Economic Growth in Latin America and The Caribbean
Foreign Direct Investment

2002: 70
2012: 140

Source: CEPAL
>50 million people
Industry Overview
Passenger Traffic

Source: ALTA
Traffic Growth

Source: IATA
Caribbean Region Traffic

Largest Markets in the Caribbean (O&D) 2012-2013

- NAM
- EU
- Intra-Caribbean
- LAC

Million Pax

0 5 10 15 20 25 30
Caribbean Region
Traffic

Fastest growing markets in the Caribbean (O&D)

- LAC
- NAM
- EU
- Intra-Caribbean
Traffic Forecast

Source: Boeing Current Market Outlook 2012-2032
Growth by Country

Source: OAG
LCC Penetration

Source: ANAC Brasil, DGAC Mexico
City Pairs between LAC and NAM

Source: OAG
City Pairs Between LAC and RoW

Ten years ago: 687
Today: 953

Source: OAG
Alliance Membership

10 years ago

- In Global Alliance: 28%
- Non-Alligned: 72%

Today

- In Global Alliance: 36%
- Non-Alligned: 64%

Note: % of Region ASK’s

Source: OAG
ALTA'S AIRLINES HAVE OPERATED 5 YEARS WITHOUT A FATAL ACCIDENT
Fleet Age

Source: Ascend
602

Aircraft orders since 2009, valued at over US $55 billion

Source: Ascend
Operating Margin

- AirAsia: 22.6%
- Copa Airlines: 17.9%
- Japan Airlines: 15.8%
- RyanAir: 14.7%
- UPS Airlines: 14.2%

Source: Airline Business
Airports in the Region

<table>
<thead>
<tr>
<th>Airport</th>
<th>Seats Added 03-12</th>
<th>CAGR 03-12</th>
<th>Recent Investments (Billion USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PTY</td>
<td>8,996,290</td>
<td>14%</td>
<td>$0.75</td>
</tr>
<tr>
<td>UIO</td>
<td>4,996,272</td>
<td>11%</td>
<td>$0.68</td>
</tr>
<tr>
<td>LIM</td>
<td>9,933,058</td>
<td>10%</td>
<td>$1</td>
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<tr>
<td>GRU</td>
<td>23,476,048</td>
<td>9%</td>
<td>$1.48</td>
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<tr>
<td>BOG</td>
<td>13,490,922</td>
<td>7%</td>
<td>$0.90</td>
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<tr>
<td>CUN</td>
<td>6,906,262</td>
<td>7%</td>
<td>$0.79</td>
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<tr>
<td>SCL</td>
<td>7,540,438</td>
<td>7%</td>
<td>$0.70</td>
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<tr>
<td>EZE</td>
<td>2,689,884</td>
<td>3%</td>
<td>$0.57</td>
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<tr>
<td>NAS</td>
<td>350,812</td>
<td>1%</td>
<td>$0.88</td>
</tr>
</tbody>
</table>

Source: ALTA, OAG
Challenges Ahead
>30%

Flights operating at congested airports
Challenges

• Infrastructure (airports/ATC /navaids/intermodal transport)

• Airport Privatizations focused on short-term cash generation rather than long-term economic benefits (SJU and other US airports/terminals)

• Immigration and customs delays

• Short-term aviation infrastructure planning

• High fuel prices

• Shortage of skilled workers
Thank you