State of the Region:

The Americas

IATA Economics

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IATA Economics

GDP growth, exchange rates, oil & jet fuel price

- GDP annual growth rate in the United States accelerated from 4.9% in Q3 to 5.5% in Q4 as businesses increased investment into drained inventories to meet strong customer demand. In 2021, overall, the US economy expanded by 5.7% – the strongest growth in more than three decades and a robust improvement on a 3.4% decline in 2020.

- Developments across the key regional currencies were mixed. While the CLP gained 6.3% against the USD, the ARS lost 2.3%.

- The average monthly jet fuel price increased by 16% in January versus December to USD100.9/barrel – the highest level since October 2014. The price increase partly reflects concerns about the impact of geopolitical tensions in eastern Europe on oil supply chains.

GDP growth

% change on a year ago	2021	Q2 2021	Q3 2021	Q4 2021
United States	5.7	12.2	4.9	5.5
Brazil	--	12.3	4.0	--
Mexico	--	19.6	4.7	--
Canada	--	11.8	4.0	--
Argentina	--	17.9	11.9	--
Colombia	10.6	18.1	13.5	10.8
Chile	--	17.5	17.3	--
Peru	13.3	41.9	11.4	3.2
Latin America	6.6	16.9	7.0	3.3
World	**5.8**	**11.6**	**4.7**	**4.3**

Exchange rates

end of period, # per US$	%YTD 2022	Nov-21	Dec-21	Jan-22
US$ broad index	-0.6%	115.0	115.8	115.1
Brazilian real (BRL)	4.7%	5.65	5.57	5.31
Mexican peso (MXN)	-0.9%	21.5	20.5	20.6
Argentine peso (ARS)	-2.3%	100.9	102.7	105.0
Colombian peso (COP)	3.1%	4008	4070	3942
Chilean peso (CLP)	6.3%	833	852	799

Oil and fuel price

US$/barrel (period ave.)	2021	Nov-21	Dec-21	Jan-22
Crude oil (Brent)	70.9	80.9	74.7	85.6
Jet fuel	77.7	91.8	87.1	100.9

Source: Refinitiv Eikon, S&P Platts

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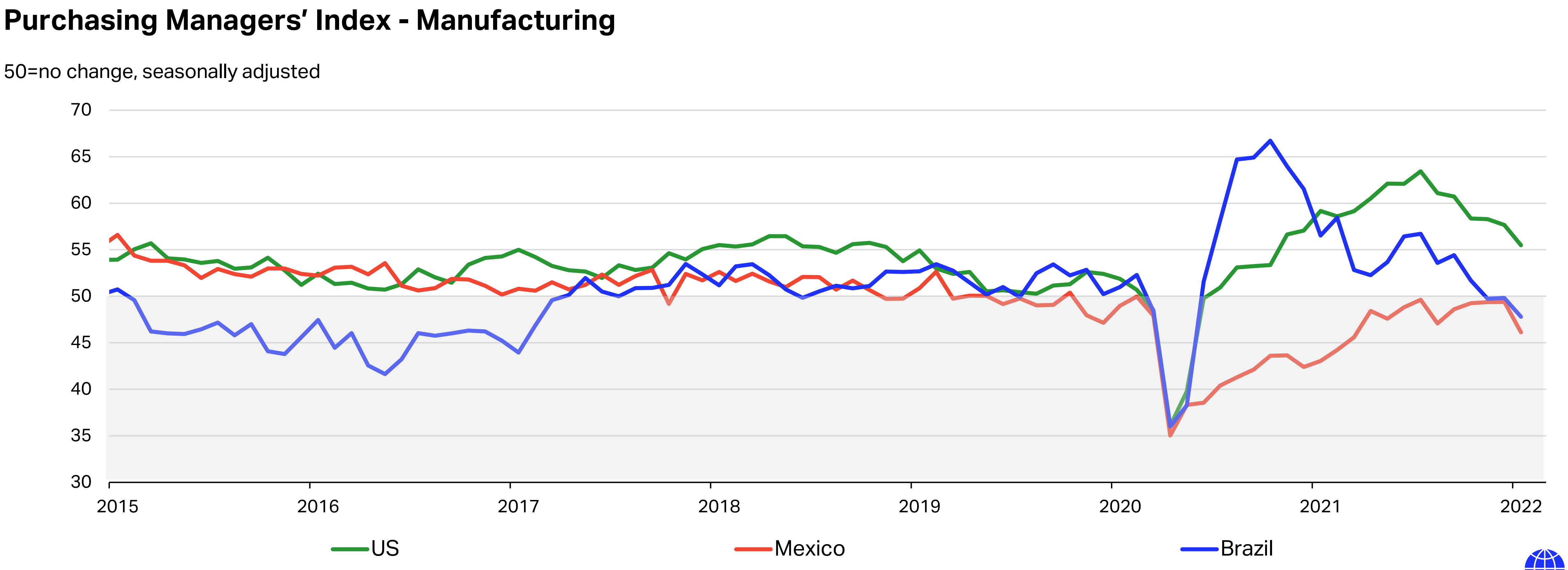
Purchasing Managers' Index

- The manufacturing PMIs ticked down in January across the three key economies that we regularly track for the Americas region, suggesting less supportive operating conditions for manufacturers. The fall was driven by a negative impact of the Omicron coronavirus wave on manufacturing demand, production and available workforce.



Source: Markit

Passenger market

- Global air travel recovery continued in December since strong demand over the holiday season helped to offset Omicron-related disruptions. Industry-wide revenue passenger-kilometres (RPKs) fell by 45.1% versus December 2019 and by 58.4% in 2021 overall compared with 2019 – a slight improvement on a 65.8% contraction in 2020 as more markets reopened with vaccination progress.

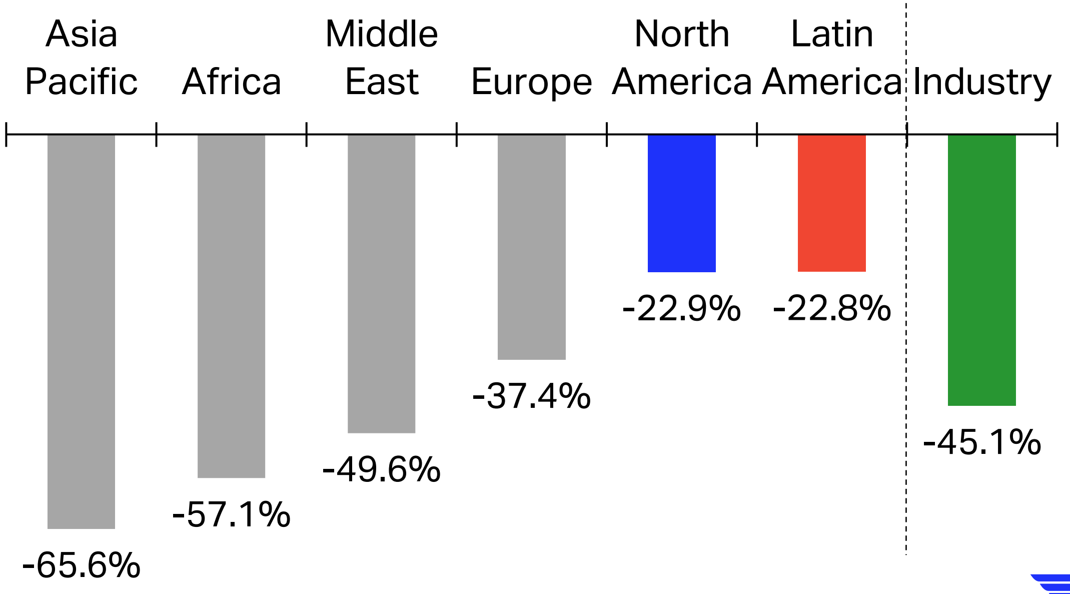
- RPKs flown by North American airlines fell by -22.9% in December 2021 versus December 2019 after a 18.8% decline in November. The weaker result was driven by negative impact of pandemic-induced labor shortages and bad weather conditions on US domestic air travel. The later timing of the COVID wave in Latin America meant that RPKs of airlines based in this region continued to improve in December to -22.8% versus 2019. In 2021, overall, North and Latin American RPKs fell by 39.0% and 47.4% respectively versus 2019.

Revenue passenger-kilometres (RPKs)

% ch vs. the same period in 2019	2021	Oct-21	Nov-21	Dec-21
Region (registration basis)				
North America	-39.0	-26.5	-18.8	-22.9
Latin America	-47.4	-33.8	-27.5	-22.8
World	-58.4	-48.9	-47.0	-45.1
Routes (segment basis)				
US domestic	-23.8	-11.2	-6.2	-13.1
Brazil domestic	-27.2	-15.4	-8.5	-3.8
North America-Europe	-72.2	-63.9	-47.2	-39.6
North America-Asia	-89.8	-89.3	-85.7	-83.0
North-South America	-51.9	-40.9	-28.5	-25.6
South America-Europe	-75.2	-58.6	-51.9	-43.7
Within South America	-88.1	-83.2	-71.1	-67.5
North-Central America	-31.4	-8.1	-10.3	-9.5

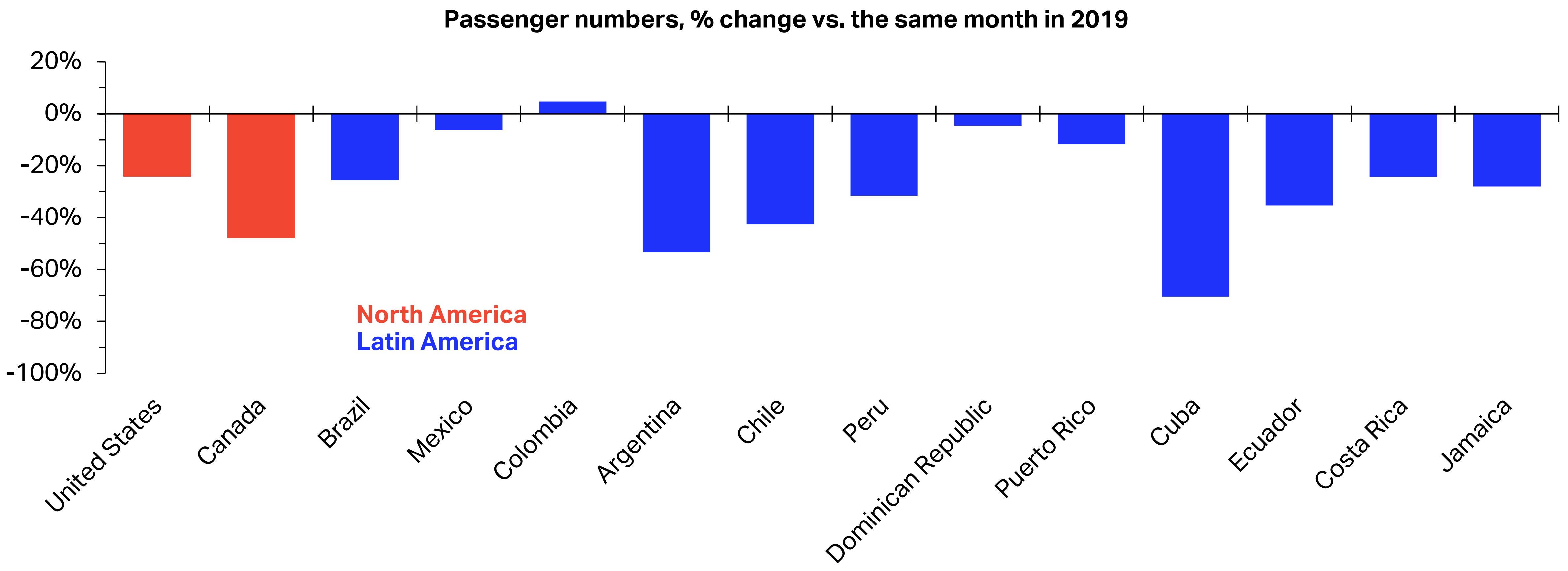
Growth in passenger volumes (RPKs), by region

RPKs, % change vs. the same month in 2019



Source: IATA Monthly Statistics

Passenger traffic by country – December 2021



Source: IATA Economics using DDS data

Air cargo market

- Air cargo ended the year on a strong note, with cargo tonne-kilometres (CTKs) up 8.9% versus December 2019. Overall, in 2021, air cargo volumes rose by a robust 6.9% versus 2019. The growth throughout the year was supported by increased demand for air cargo services during the global inventory restocking cycle and a congestion in the shipping industry.

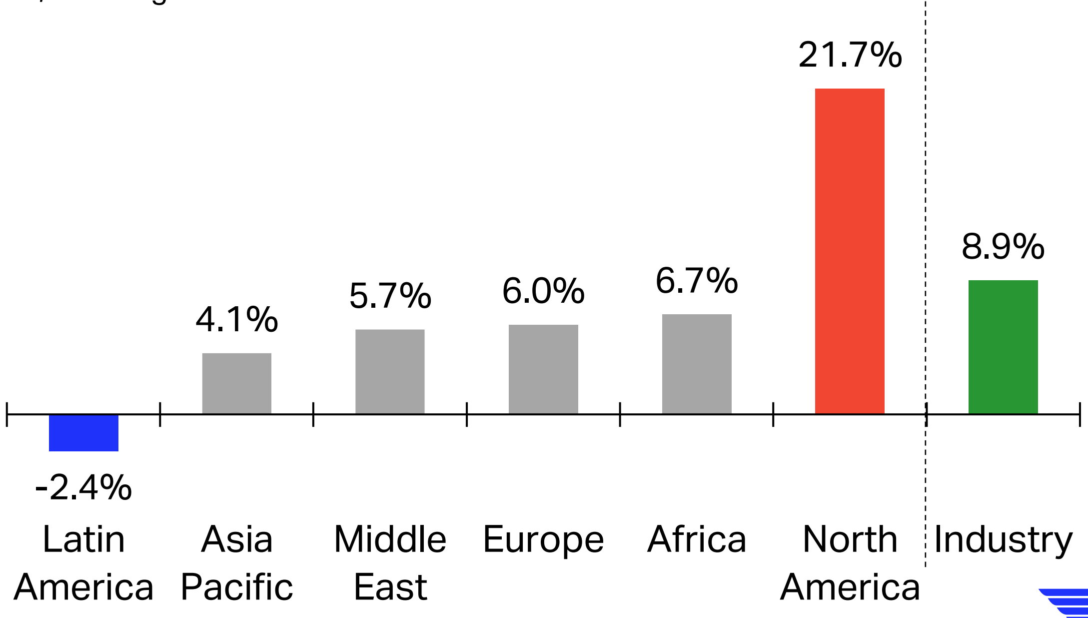
- North American carriers topped the growth chart in December, with their CTKs rising by 21.7% versus the same month in 2019. They achieved a similar feat for the year as a whole, up 19.8% versus 2019. Latin American CTKs improved robustly in December versus November but remained 2.4% below 2019 levels. Airlines in the region had a difficult year as several of them were engaging in a lengthy restructuring process. Their full-year CTKs fell by 15.4% versus 2019 – by far the weakest outcome in the industry.

Cargo tonne-kilometres (CTKs)

% ch vs. the same period in 2019	2021	Oct-21	Nov-21	Dec-21
Region (registration basis)				
North America	19.8	19.3	14.2	21.7
Latin America	-15.4	-6.7	-12.6	-2.4
World	6.9	8.4	3.9	8.9
Routes (segment basis)				
North America-Asia	28.7	28.4	23.5	30.8
North America-Europe	2.6	9.6	8.4	15.7
North-South America	6.9	21.8	9.3	21.7
South America-Europe	-7.2	-3.3	-10.2	-2.1
Within South America	-37.8	-35.7	-30.0	-29.8

Growth in cargo volumes (CTKs), by region

CTKs, % change vs. the same month in 2019



Source: IATA Monthly Statistics

Capacity growth and load factors

- Despite the new wave of flight cancellations linked to the Omicron outbreak, the rate of decline in global seat capacity (ASKs) eased to -37.6% in December 2021 versus December 2019. ASKs flown by Latin American airlines fell by 22.2% over the same period while that of North American carries shrank by 16.9%. In 2021 as whole, North and Latin American ASKs contracted by 29.9% and 43.9% respectively versus 2019 – outperforming the global average (-48.8%).

- Global air cargo capacity continued to recover in 2021 with the return of international passenger capacity. Industry-wide available cargo tonne-kilometres (ACTKs) fell by 4.7% in December and by 10.9% in full 2021 versus 2019. Annual growth in North American ACTKs accelerated to 11.1% in December but contraction in Latin American ACTKs increased to -26.9%. Overall, North American airlines were the only group in the industry that showed growth in ACTKs in 2021 as a whole versus 2019 (+4.0%).

Capacity growth and load factors

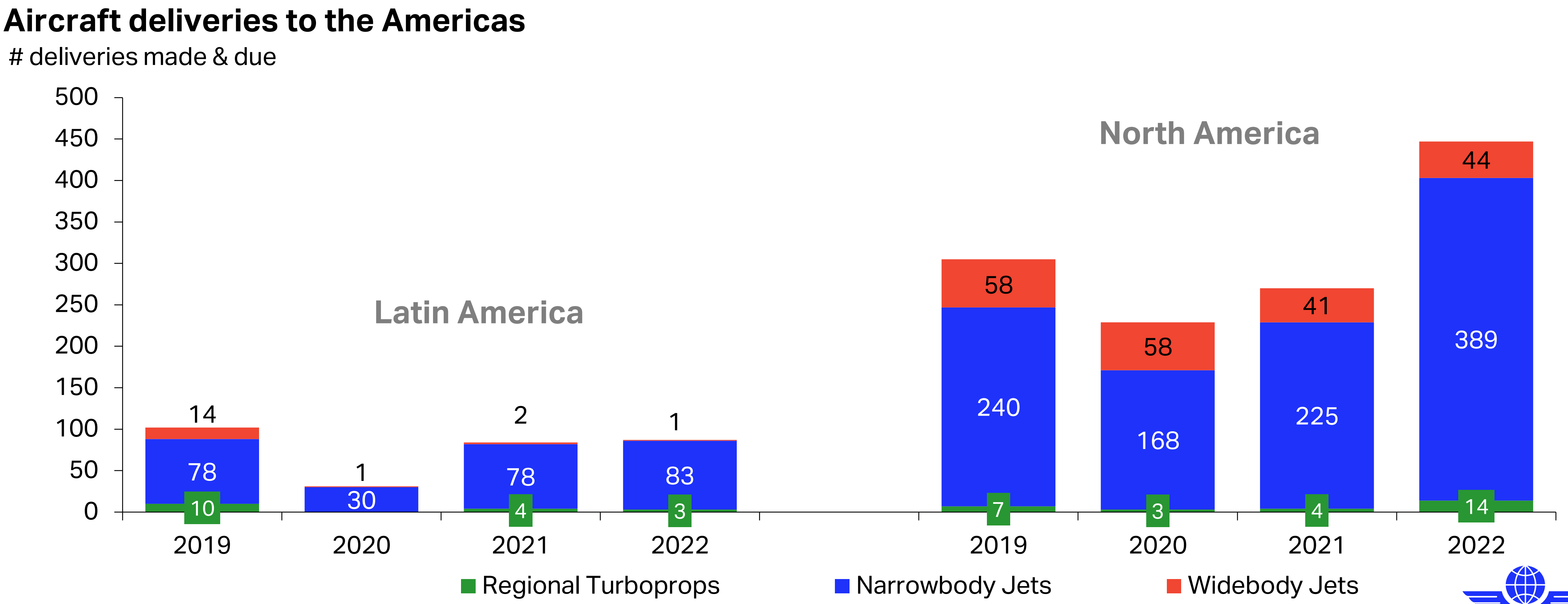
ASK/ACTK: % ch vs. the same period in 2019, LF: % of ASK/ACTK		2021	Oct-21	Nov-21	Dec-21
Passenger					
North America	ASK	-29.9	-19.8	-15.4	-16.9
	PLF	*73.8*	*76.7*	*78.6*	*79.3*
Latin America	ASK	-43.9	-33.4	-27.5	-22.2
	PLF	*77.3*	*81.0*	*82.2*	*81.6*
World	ASK	-48.8	-40.8	-39.8	-37.6
	PLF	*67.2*	*70.8*	*71.3*	*72.3*
Cargo					
North America	ACTK	4.0	4.0	6.2	11.1
	CLF	*45.5*	*44.8*	*44.7*	*43.0*
Latin America	ACTK	-32.6	-30.7	-24.3	-26.9
	CLF	*44.1*	*46.5*	*44.7*	*41.3*
World	ACTK	-10.9	-7.4	-7.6	-4.7
	CLF	*56.1*	*55.6*	*56.0*	*54.2*

Note: LF=load factor. ASK=available seat kilometers. ACTK=available cargo tonne-kilometers.

Source: IATA Monthly Statistics

Jet aircraft deliveries made & scheduled

- As of February 2022, Latin American airlines are scheduled to receive 5% more aircraft deliveries in 2022 compared with 2021, while North American carriers are expected to obtain 63% more aircraft deliveries over the same period.



Source: Cirium Fleet Analyzer