Airline Business Daily

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ALTA

'WE ARE SO EXCITED TO BE BACK TOGETHER'

Jose Ricardo Botelho is welcoming record numbers of visitors to his first Leaders Forum as executive director

PILAR WOLFSTELLER LAS VEGAS

Following ALTA's pandemic-related break in 2020, the organisation's annual Airline Leaders Forum has returned to Bogota this year with a bang.

A sold-out crowd of 350 high-ranking delegates from across the region and around the world have descended on Colombia's capital, coming together for the first time in two years.

That includes more than 40 airline chief executives, scores of aviation experts, analysts, regulators and other government officials, as well as IATA director general Willie Walsh and FAA administrator Steve Dickson.

"We are so excited to welcome everyone back to ALTA," says Jose Ricardo Botelho, the organisation's executive director and chief executive. "We have record numbers of people coming and we have so much to celebrate.

"It's going to be an historic event," he adds.

ALTA, originally called AITAL (International Association of Latin American Air Transport), was founded in Bogota in 1980 by 12 of the region's flag carriers. It had planned to hold its 40th anniversary event in the city last year, but travel restrictions in numerous Latin American and Caribbean countries made it impossible to hold the gathering, so it was postponed to 2021.

This year's Leaders Forum is the first with Botelho at the helm. He assumed ALTA's top job in June 2020, just weeks after the global health crisis had sent the air travel industry into a downward spiral.

Prior to arriving at ALTA, Botelho spent almost five years as director president of Brazil's aviation regulator ANAC. At ALTA he succeeded fellow Brazilian Luis Felipe de Oliveira, who had moved on to become director general of ACI World.

Now, more than a year later and hopefully leaving the worst behind, Botelho says the organisa-

Continued on page 4 »

Adrian Neuhauser – 8

Inside this issue

Follow our coverage of the ALTA forum and the wider industry at: flightglobal.com

LEWIS HARPER LONDON

Tails up as restrictions are removed

Covid-19 recovery is going to take some time, but region's fundamentals give airlines reasons for cautious optimism

Avianca aims to emerge from Chapter 11 soon

Markus Mainka/Shutterstock

The Latin American and Caribbean airline industry is gathering in Bogota amid much better news regarding the sector's path out of the Covid-19 crisis.

Crucially, there is an expectation that most of the region will be open to international travel by the close of the year, including markets that introduced some of the harshest travel restrictions.

At the same time, the region's largest airline groups – Aeromexico, Avianca and LATAM Airlines Group – are hoping to exit US Chapter 11 proceedings this year as they implement restructuring plans.

"In spite of the current challenging environment, the market showed encouraging signs of recovery," said Aeromexico in its recent results filing.

Low-cost carriers, meanwhile, are finding rich pickings as domestic markets in particular recover strongly.

And the Caribbean is benefiting from a return of leisure travellers from key inbound markets.

Huge challenges remain in the months and years ahead, exacerbated by those that existed pre-Covid. Notably, a region that entered the crisis with a collective net loss in 2019 is heading into the recovery having not received anything like the financial support provided by governments in other regions.

Latin America has also been unable to fully enjoy the cargo boom experienced by airlines that are better placed to serve the biggest global trade routes.

But underlying fundamentals in the region have historically been favourable to passenger traffic growth – with ambitions tending to be stymied by an unhelpful regulatory environment and other factors – and that remains the case today.

Indeed, Latin America is ahead of most global regions, aside from North America, when it comes to the passenger capacity and traffic recovery, according to the most recent IATA data.

For August 2021, total traffic among Latin American carriers was down 42% on 2019 levels, with capacity 38% lower, on a load factor of 77%.

Those figures reflect strong domestic markets and slightly weaker international data.

In Brazil, for example, August domestic traffic was down just 21% on 2019 levels.

In international terms, Latin America was lagging Africa, Europe and North America in August – but recent developments in terms of border reopenings should begin to address that.

And there have already been positive indictors in that regard from outside the region, as the latest earnings season begins.

In its third-quarter report, Delta Air Lines cited Latin America as leading its recovery, alongside US domestic markets.

United Airlines meanwhile predicted "record levels" of flying to regions including Latin America in summer 2022.

Latin American and Caribbean airlines are emerging from the Covid-19 crisis with big bruises, but also with reasons to think they can bounce back strongly. ■

Start-up chief cites Colombia's growth potential

Interjet

Shaw aims to draw on his experience in the country

As the industry gathers in Colombia, the country's growth potential has been highlighted by the chief executive of start-up Ultra Air, who believes passenger traffic could hit 50 million over the next five years.

Speaking during a CAPA Live event in mid-October, William Shaw recalled his experience with founding Viva Air Colombia – then known as VivaColombia – in 2009, which he says helped take the Colombian market from 12 million passengers to 30 million over a similar timeframe.

Traffic reached 37 million passengers in 2019, ICAO data shows.

"We believe we can continue to grow the market – not at that same rate, but probably to about 50 million in the next five years," Shaw states, outlining plans for his new ultra-low-cost carrier to have bases in Bogota, Cali and Medellin.

Ultra's start-up plans are being aided, Shaw says, by helpful government policies – including a cut in income tax for airlines – and the availability of cheap aircraft.

With those conditions in place, he observes that while the region's other large markets – Mexico and Brazil – respectively support two "thriving" low-cost carriers, Colombia's only has one large operator in that space.

As it gears up to begin operations later this year, Ultra has commitments for "five or six" aircraft, Shaw says, with four already in the paint shop.

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» Continued from page 1

Colombia – including Bogota's El Dorado airport – has been among the countries leading the region out of the crisis

El Dorado Airport

tion and its members are ready to move forward into a new era.

In addition to numerous panel discussions, an exhibition area and networking opportunities, ALTA's annual leaders' conference is also hosting a gathering of regional airline associations from around the world. Airlines for America (A4A), Airlines for Europe (A4E), the African Airlines Association (AFRAA), the Arab Air Carriers Association (AACO), and the Association of Asia Pacific Airlines (AAPA), among others, are expected to attend.

"The idea here is to send a message globally that we need to resume normal operations," he says. "We have enough knowledge now to understand that aviation is not a vector of Covid contamination.

"We have more protocols than any other industry. We need to harmonise procedures, and let governments know how important that is. We deliver jobs, economic strength and life experiences, and it's time to resume that," he adds.

From ALTA's original 12 members, whose stated mission was to coordinate and solve air transport challenges in Latin American and the Caribbean, the organisation's membership has grown to almost 200 companies, across all parts of the industry.

SUPPLY CHAIN

About 85% of the region's commercial air traffic is represented through the association's airlines. But the rest of the industry's supply chain as well as other stakeholders including airframers, lessors, engine manufacturers, MROs, technology companies, jet fuel makers, consultancies and other suppliers of goods and services that operate in or to the region, have also found a home inside the non-profit group.

"ALTA is a tool for the Latin American industry to discuss issues that affect us locally, and to speak with one voice," the association chief says.

And as the world recovers from the Covid-19 pandemic – during which Latin America and the Caribbean lost more than 98% of its international tourists – it is more important than ever to make sure those local issues are addressed in a way that suits the region.

After a year-and-a-half of individual governments taking divergent paths on policies, right now what Latin America needs most is uniformity in rules and regulations, in order to animate potential passengers to return to international air travel in greater numbers.

"We need standardisation so that customers have the confidence to travel internationally," Botelho says.

He cites governments in Mexico, Colombia and Brazil as positive examples for the region. They refrained from harsh restrictions on movement during the pandemic, while others, including Argentina, did not.

"ALTA is a tool for the Latin American industry to discuss issues that affect us locally, and to speak with one voice"

Jose Ricardo Botelho
ALTA executive director

BillyPix

Now, Argentina is signalling that it will soon join its northerly neighbours in moving towards a re-opening, which the region's air transport industry hopes will trigger a summer vacation wave in the coming months.

KEY DESTINATION

"The primary [travel] market for Brazilians is Argentina, the second is the US, the third is Europe. And during the pandemic, we couldn't travel anywhere – international flights went down to almost zero," Botelho says.

"For Brazilians, Argentina is close to home, it's a short flight, we know the people, and we like the food," he adds. "Now, Argentina is showing some signs that it will soon open and we believe that the demand is going to grow faster than before."

More generally, leisure travel is well on its way to reaching 2019 levels "in the middle of 2022" with corporate travel following behind, he says. While digital platforms helped to keep businesses connected during the crisis, Botelho says they are no match for the real thing.

"There's nothing like looking someone in the eyes, watching their body language, meeting them, and speaking to them face-to-face," he says.

And as air travel digs out of its crisis, Botelho says there are other, new challenges that the region's aviation industry must address.

The first is how to combat climate change with more sustainable solutions, including acquiring more modern aircraft, a massive increase in the production and use of sustainable aviation fuels and the development of technologies that will help operators reduce their carbon footprint.

The second is a rapidly increasing diversity of passengers.

For the first time in history, Botelho says, there are five distinct generations – Baby Boomers, Generation X, Generation Y, Millennials and Generation Z – looking for different experiences as they choose how and where to travel. Aviation's post-Covid normal must accommodate them all.

"They all have an interest to travel, but each in a different way," he says. "The industry has to be prepared for that, and grow with it." ■

LEWIS HARPER LONDON

North-south divide during recovery

Welcome news on markets coming back throughout the Americas belies a split in the outlook for financial fortunes

IATA expects the "entire Americas continent" to be open for air travel from November, but foresees a north-south divide in the financial recovery story.

Speaking during a briefing at the IATA AGM gathering in Boston in early October, IATA's regional vice-president for the Americas, Peter Cerda, said he was encouraged by the "progressive lifting" of travel restrictions across the continent – particularly the announced relaxations of measures in countries that had notably strong border controls in place, such as Argentina and Canada, and the opening up of the USA from November.

"We are on a good path forward," he states.

DOMESTIC STRENGTH

The region's best news comes from North America, where carriers are expected to outperform those in other global regions on the back of a strong US domestic market, according to fresh financial projections released by IATA at the AGM.

"The US industry started to turn cash-positive in the second quarter of 2021," says Cerda. "And it will be the only region in positive financial territory in 2022, with an expected $9.9 billion profit."

Latin American carriers will see "losses cut from $5.6 billion this year to $3.7 billion in 2022", he says.

Cerda says prospects are improving

IATA

"The strength of the US-Latin American market will be a major contributing factor to the improvement [in financial performance] for Latin carriers and neighbouring US carriers", Cerda says.

But a collective loss is still expected for Latin American airlines in 2022 thanks to "significant restructuring costs" as the region adjusts to "new business realities", which will "weigh on financial performance", Cerda explains.

$3.7bn
IATA Latin American loss forecast in 2022

The region's experience coming out of the crisis will not be a universal one, however, as Cerda outlined in a whistle-stop tour of travel restrictions in key markets.

He highlights Mexico as one of the few markets in the region that did not close during the pandemic. "Domestic travel has already recovered to pre-Covid-19 levels and international traffic is showing a positive trend," he states.

The Caribbean, meanwhile, was "one of the first regions to reopen in the second half of 2020", although it has taken time for all countries to relax border controls. "This allowed tourism to slowly return while observing the various Covid-19 protocols," Cerda states.

There is a similar story in Central America, where "we saw those markets relying heavily on tourism being first to reopen their borders and use testing as a means of controlling the pandemic", Cerda observes.

Elsewhere, the gradual reopening of Colombia means that "domestic traffic has rebounded to just under pre-pandemic levels and international traffic is showing very promising signs of recovery", he states.

And Ecuador was "one of the first countries to reopen its borders to international traffic", according to Cerda, which is helping a relatively early recovery in connectivity.

Peru "closed its borders to international traffic for nearly all of 2020", Cerda says, but has been progressively re-opening.

"For a long time, sanitary protocols which went over and above international standards – such as face shields or travel documentation – hampered the recovery of international traffic," he adds.

$9.9bn
IATA North American profit forecast in 2022

The story in Brazil is similar to that in Mexico, with the country never fully closing its borders, while its large domestic market "was one the first to rebound".

Since Cerda spoke in Boston, Brazil has addressed one of IATA's main concerns by announcing it would accept antigen tests for incoming travellers.

In Argentina, "there is now light at the end of a very long tunnel", Cerda explains, with the country finally relaxing "some of the strictest and longest border restrictions in the region".

Finally, Chile – which also had "very strict border restrictions in place" – has, since Cerda spoke, made progress towards allowing fully vaccinated travellers to enter the country without quarantine, addressing what was a concern for IATA. Travellers must still, however, take a PCR test on arrival. ■

Common threads in the Americas

As the recovery from the Covid-19 crisis continues, Peter Cerda says that "common threads across the Americas region are maybe not that obvious", but notes some areas of focus for IATA that "hold true from north to south as we see traffic picking up".

First, the airline association calls for improved "cooperation from governments, especially related to managing border controls". The current situation often leaves airlines themselves having to ensure passengers comply with "complex requirements", Cerda states.

Furthermore, "we need governments to accept digital testing and vaccination certificates and agree common standards", Cerda insists, citing Panama's adoption of a system based on the European Union's digital Covid-19 certificate as a positive lesson that other countries should follow.

Third, he suggests that airline suppliers should not seek to "claw back" losses made during the pandemic by upping charges, echoing comments made by IATA director general Willie Walsh during his speech to the association's AGM.

GRAHAM DUNN LONDON

US borderlines bucking the trend

Airlines have turned to routes between Mexico and the USA, lifting capacity well beyond pre-pandemic levels already

In an environment where a rebound in travel to pre-crisis levels in most international markets is off the horizon until next summer or beyond, the speed and scale of the recovery in the US-Mexican market is a stand-out.

Cirium schedules data shows that by May this year, seat capacity on routes between the USA and Mexico was already outstripping pre-crisis levels. That came just a year after the nadir of the crisis, when available seats in the market dropped from a little over 3 million in May 2019 to just 330,000.

This trend has continued despite the spread of the Delta variant of Covid-19 in the region, which caused US carriers to dampen some of their early year recovery hopes, and the FAA's downgrading of Mexico's safety status to Category 2 under the International Aviation Safety Assessment (IASA) programme.

Of the 14 airlines serving the cross-border market in October 2019, all but two are showing an at least double-digit percentage increase in capacity in the same month this year. The exceptions are US carrier Sun Country Airlines, which has cut capacity on Mexican routes, and grounded Mexican airline Interjet.

Low-cost segment operators have been particularly prominent in growing their footprint on cross-border routes.

Volaris, the biggest low-cost carrier and third largest operator in the market, has lifted capacity by 28%. It is flying over 100,000 seats more in October compared with the same month in 2019.

Behind it Southwest Airlines has increased its seat capacity 46%; JetBlue Airways has doubled its capacity; Frontier Airlines almost tripled its seats in the market; and Spirit Airlines has lifted its seat capacity by more than three times.

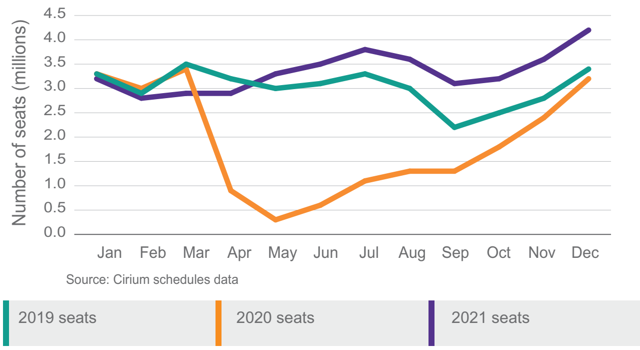
VivaAerobus has more than quadrupled capacity on US routes

VivaAerobus

GROWTH LEADER

But leading the pack in growth terms is Mexican carrier VivaAerobus. It was offering 56,000 seats on US-Mexico routes in October 2019. That now stands at over 230,000, making it the sixth biggest player in the market.

Mexico-USA monthly seat capacity trend: 2019-21



Source: Cirium schedules data

Biggest operators on Mexico-USA routes by seat capacity

Airline	Seats Oct 2021	Seats Oct 2019	Change
American Airlines	643,489	530,915	21.2%
United Airlines	595,605	466,781	27.6%
Volaris	470,496	366,378	28.4%
Delta Air Lines	333,790	279,748	19.3%
Aeromexico	284,246	250,575	13.4%
VivaAerobus	230,700	56,136	311.0%
Southwest Airlines	196,972	135,278	45.6%
Alaska Airlines	175,598	124,480	41.1%
JetBlue Airways	161,888	80,364	101.4%
Spirit Airlines	137,754	38,402	258.7%
Frontier Airlines	91,852	32,200	185.3%
Aeromar	16,152	3,168	409.8%
Sun Country	4,836	6,588	(26.6%)
Interjet	0	209,406	(100.0%)
Total	**3,343,378**	**2,580,419**	**29.6%**

Source: Cirium schedules data

VivaAerobus has been among the most aggressive in returning overall capacity during the pandemic. Last November it laid claim to being first airline in the Americas to return to 100% of its pre-crisis capacity.

At the point of the Mexican safety downgrade in May, VivaAerobus stressed that US routes comprised only 14% of its overall capacity, but Cirium schedules data shows its expansion into the US market has seen it add a dozen new routes since October 2019. The majority of these new routes were added over the winter and connect to points in bordering Texas, namely Dallas/Fort Worth, Harlingen, Houston and San Antonio.

Cirium schedules data shows that Mexico City-Houston, one of the new VivaAerobus routes, has overtaken Mexico City-Los Angeles as the biggest route by seat capacity. Volaris has also started on the route, the two Mexican carriers moving into the space vacated by Interjet since its grounding at the end of 2020.

But much of the additional cross-border capacity increases have been focused on Mexican resort Cancun. Capacity has, for example, more than trebled on Newark-Cancun flights, as United Airlines has doubled its frequency and been joined on the route by new entrants Frontier and JetBlue.

Indeed, it is US carriers that have driven the 76% increase in seat capacity this October compared with 2019 on US-Cancun routes. Frontier, JetBlue and Spirit have all significantly lifted capacity on Cancun routes, while the US majors have expanded off a high base.

By contrast VivaAerobus, which operates a single service to Cincinnati, is the only Mexican operator on Cancun-US routes, accounting for less than 1% of overall seat capacity between the two. ■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PILAR WOLFSTELLER BOSTON

Avianca chief takes direct approach

The Colombian carrier's recently appointed CEO is shifting it away from hub-and-spoke and towards point-to-point

Avianca's new chief executive Adrian Neuhauser apologised in advance for being "the world's worst host" to the delegates at the ALTA Airline Leaders Forum.

But he's got a good excuse: the Colombian airline's bankruptcy case hearing in New York, which happens to be scheduled on the same day as the conference.

While it is terrible timing, the 47-year-old is hoping it is a good omen for the airline, which is looking to reclaim its place as a leader in Latin American commercial aviation.

Neuhauser joined Colombian flag carrier Avianca as chief financial officer from Credit Suisse in June 2019. He was part of a new management team led by veteran airline executive Anko Van der Werff that was tasked to bring the crisis-ridden company back to profitability following significant financial turmoil.

In mid-2019, that team began to implement a comprehensive strategic turnaround plan called "Avianca 2021", which was designed to cut unprofitable flying and optimise the airline's Bogota hub to better accommodate the business traveller.

COVID STRIKES

But less than a year later, the coronavirus pandemic hit the industry hard.

"We had basically no passenger flights for five or six months," Neuhauser tells *Airline Business* during the IATA AGM meeting in Boston in early October.

And with demand dropping off a cliff, the airline voluntarily entered Chapter 11 bankruptcy protection on 11 May 2020.

In the midst of the crisis, Van der Werff moved on to Scandinavian carrier SAS, and Neuhauser was named president and chief executive on 28 April of this year.

His goal now is to lead the ailing carrier out of the double-whammy of the global health crisis and bankruptcy.

Avianca

Neuhauser is determined to lead the carrier out of current crisis

To begin, Neuhauser has shifted the airline's priorities. The Bogota hub-and-spoke model is no longer at the top of that list. Interestingly, he belongs to a minority of airline chief executives who do not believe business travel will return to pre-pandemic levels.

"There is of course business that has to be conducted in person," he says. "But it isn't as common on a day-to-day [basis] as it used to be. So we have to design for that."

The airline's new focus lies in what he calls the "efficiency-driven point-to-point schedule".

"When you really are focused on providing the fastest, most efficient service to leisure [travellers], but also making yourself cost-competitive on these routes, then point-to-point is much more relevant. That's a pretty major change that drives utilisation of the fleet, drives cost competitiveness, drives price competitiveness, but also drives better service."

Avianca's fleet of 99 aircraft – 68 of which were in operation, with 27 in storage, in mid-October – has an average age of just over eight years, according to Cirium fleets data, making it one of the youngest in the Latin America region.

The carrier has orders for 99 more jets, the vast majority of which are for the Airbus A320neo.

Going into the winter travel season, Avianca is back to about 65% of its pre-coronavirus schedule, Neuhauser says, and load factors on those flights are above where they were at this time in 2019. If the recovery continues on a similar trajectory, the airline expects to offer up to 80% of its 2019 capacity by the third quarter of 2022.

> "As we begin to see other regions reopen, it's more complicated for us"
>
> **Adrian Neuhauser**
> Chief executive, Avianca

But getting there will certainly be challenging.

"As we begin to see other regions reopen, it's more complicated for us. Argentina and Chile have been more restrictive than many other markets. Brazil outbound, which is a market that we service through Bogota, has been limited by entry restrictions in the US," he says.

At the moment, Avianca is operating about 100 routes, with just under half of those routes in Colombia.

"The vast majority of them don't touch Bogota," Neuhauser says. "The whole point is to try to make the network a little simpler, to take advantage of our geographic position and the market share we have, and just let people fly directly where there's enough density to do it."

That said, the airline is not going full-on low-cost carrier. It plans to continue to offer a premium product, but is simply "unbundling it".

In addition, the airline is upping the seat count on its A320s by 24%, a holdover from the "Avianca 2021" plan.

"Ultimately, your cost is to move a plane from one place to the other, and you sell it by the seat," says Neuhauser. "So it's very hard to compete when you've got 20% less seats than the competition does in the same plane, especially with the low margins that we have.

"Because we are able to be more competitive, it will allow us to add routes that we otherwise couldn't add," he continues.

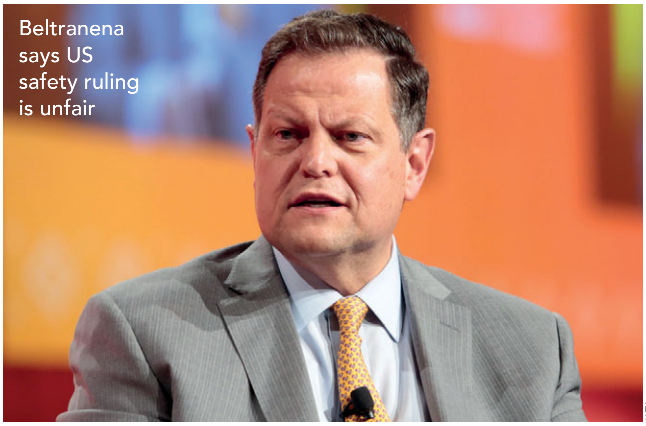
"So you're going to see us expand our footprint pretty rapidly… throughout the northern part of South America."

Avianca submitted its reorganisation plan to the bankruptcy court for the Southern District of New York on 10 August.

"We're on track for a confirmation hearing on 26 October and if all goes well at that hearing, then we expect to emerge [from Chapter 11] sometime in late November, early December, once it gets approved," Neuhauser says.

A joint venture with Avianca's two powerful Star Alliance partners to its north, United Airlines and Panama's Copa Airlines, first unveiled in November 2018, is also still in the works, Neuhauser adds, but needs participants to "design it again" in light of the pandemic. ■

PILAR WOLFSTELLER BOSTON



IATA

Volaris embraces freedom to grow

Amid few Covid-19 restrictions, the low-cost carrier is expanding its footprint under chief Enrique Beltranena

Volaris is riding high as foreigners have continued to flock to Mexico during the pandemic, and are now returning in greater numbers. But locals have also discovered air transport a much more attractive alternative to moving across their vast country in an outdated network of overland buses.

In September, the budget carrier's passenger demand in domestic Mexican and international markets increased 21% and 18.9%, respectively, over the same month in pre-pandemic 2019, when measured in revenue passenger kilometres. Its capacity in both markets was up by 22% – on which it achieved a load factor of 82%.

The airline says it transported 2.1 million customers during that month, which is 18% higher than during the same month two years ago.

This data reflects operations in a country that has a head-start on the post-coronavirus recovery because it never really shut down in the first place.

"Mexico did not interrupt air travel," Volaris chief executive Enrique Beltranena tells *Airline Business* during the IATA AGM meeting in Boston in early October. "The limitations to fly to Mexico were basically nothing. That has allowed the industry to continue operating, and recover faster."

> **"Volaris' most important competition is the buses and not the other airlines"**
>
> **Enrique Beltranena**
> Chief executive, Volaris

IATA analysis shows that domestic travel in Mexico can be considered fully recovered, with international traffic "also showing a positive trend".

During the depths of worldwide lockdowns in the past 20 months, Mexico remained open for business, and the tourism industry did all it could to accommodate tourists from Europe and North America who needed to fulfill testing requirements to return home after a beach vacation.

VIABLE ALTERNATIVE

Domestically, Volaris has become a viable alternative to arcane ground-transportation networks, that have traditionally been the way Mexicans travelled around their country.

"Volaris' most important competition is the buses and not the other airlines," Beltranena says. "It's a very important segment."

About 41% of the airline's routes compete with the long-distance coaches, he adds, and the additional comfort, time-savings and safety has helped the airline attract customers from that sector.

Meanwhile, Volaris' wish list includes more connections to the lucrative US market, Beltranena says. But the carrier and its Mexican peers are currently hamstrung by the FAA's recent downgrading of the country's safety standards rating.

In May, the US aviation regulator downgraded Mexico to a "Category 2" country. At the time, it said Mexico no longer meets internationally accepted ICAO safety standards. As a result, while current air service between the countries may continue, Mexican carriers are not permitted to introduce new routes.

In addition, US airlines may not market and sell tickets on codeshare routes, and the FAA has "increase[d] its scrutiny" of Mexican airlines' flights to the USA.

The downgrade came about during the FAA's periodic assessment of Mexico's Agencia Federal de Aviacion Civil (AFAC) within the framework of the International Aviation Safety Assessment (IASA) programme from October 2020 to February 2021. The US regulator said it "identified several areas of non-compliance".

Shifting Mexico to "Category 2" from "Category 1" means the FAA is unsatisfied with a country's laws or regulations, or that the country's civil aviation authority has a poor record in areas such as technical expertise, trained personnel, record keeping, inspection procedures or resolution of safety concerns.

Mexico joined Bangladesh, Curacao, Malaysia, Pakistan, Thailand and Venezuela on that "Category 2" list.

Beltranena sees this as a punishment for something far out of his control, particularly since a sizable share of the airline's fleet is registered in the USA and carries an "N" tail number. As such, the aircraft, their maintenance and their operations are under the US regulator's oversight and supervision.

"The airlines are in very good shape in terms of safety standards," Beltranena says. "And that's the unfair part of this whole exercise – the commercial airlines are punished.

"It's important to understand this is not an airline issue, it's an authority issue," he adds.

At the time of the freeze, the airline had 17% more capacity to the USA than it did in 2019, but Beltranena says there is far more potential.

So for the moment, as Mexican carriers wait for the process to play out – which could take up to a year – Volaris is concentrating on domestic growth as well as expanding its offering to the south.

"We have an operating certificate in Costa Rica and in El Salvador, which allows us to have the flexibility we need both to fly from Central America to the north, to Mexico and to the US, and to the south," he says.

"As a result of that, we're opening from Mexico to Medellin and Bogota in Colombia, which is our first move towards South America." Volaris also has plans to enter Honduras – another new market where the airline was not previously operating.

FLEET EXPECTATIONS

Beltranena expects to end the year with 102 aircraft, up from the airline's current 93. All but one of those are back in service, according to Cirium fleets data. Under current conditions, and a stable growth trajectory, he says Volaris will have between 116 and 120 aircraft in service at the end of 2022.

Unlike regional peer Copa Airlines, which boasts its strong hub-and-spoke strategy out of Panama City's Tocumen International airport, the Mexican carrier is taking a different path to success.

"I don't think I can challenge Copa, and I don't believe in the 'Hub of the Americas' concept," he says.

"I am a point-to-point airline. And I would say broadly, what I'm doing is trying to demonstrate that point-to-point is going to be the future of operations in the region." ■

LEWIS HARPER LONDON

How airlines might reach net-zero

With the whole industry embracing new sustainability targets, IATA has laid out a potential path to meeting them

Airline association IATA succeeded in making sustainability a big talking point at its AGM in Boston in early October, as all members committed to reaching net-zero CO2 emissions by 2050 through a resolution adopted at the event.

For some airlines, that target was nothing new. But for everyone with a stake in the industry, the important task is working out how to get there – and then implementing that plan.

"Aviation has a history of realising what was thought to be impossible – and doing so quickly," said IATA director general Willie Walsh on 4 October. "We are launching a transition that is challenging. But in 30 years it is also within reach of human ingenuity, provided governments and the whole industry work together and hold each other accountable for delivery."

Compounding the challenge, the industry expects to grow above and beyond it's pre-pandemic passenger traffic levels at the same time as reaching net-zero emissions.

CARBON JOURNEY

"To be able to serve the needs of the 10 billion people expected to fly in 2050, at least 1.8 gigatons of carbon must be abated in that year," IATA said in a briefing on the resolution. "Moreover, the net-zero commitment implies that a cumulative total of 21.2 gigatons of carbon will be abated between now and 2050."

The journey to that point will involve lots of moving parts, IATA suggests.

An important "immediate enabler", it says, is ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).

"This will stabilise international emissions at 2019 levels in the short-to-medium term," it states of the scheme, which commits airlines to offsetting all emissions growth from international travel beyond those seen during that year.

But CORSIA's role in commercial aviation's sustainability story was already well-established. What complements and augments that effort is far more important – not least because it needs to bring a genuine reduction in emissions, not just offsetting-based solutions.

"The path from stabilising emissions to emissions reductions will require a collective effort," IATA states. "All industry stakeholders… must work together to ultimately break aviation's dependence on fossil fuels."

IATA's suggested strategy is to "abate as much CO2 as possible from in-sector solutions such as sustainable aviation fuels [SAF], new aircraft technology, more efficient operations and infrastructure, and the development of new zero-emissions energy sources such as electric and hydrogen power".

Walsh cites the key roles to be played by other stakeholders

IATA

ALTERNATIVE OPTIONS

Emissions that cannot be eliminated "at source" will be taken out "through out-of-sector options such as carbon capture and storage and credible offsetting schemes".

Walsh outlines how the coming decades might play out.

"A potential scenario is that 65% of [emissions in 2050] will be abated through sustainable aviation fuels," he explains. "We would expect new propulsion technology, such as hydrogen, to take care of another 13%. And efficiency improvements will account for a further 3%. The remainder could be dealt with through carbon capture and storage, at 11%, and offsets, at 8%.

"The actual split, and the trajectory to get there, will depend on what solutions are the most cost-effective at any particular time."

As Walsh and IATA keep repeating, industry stakeholders have a crucial role to play in ensuring that trajectory is the right one.

"The resolution demands that all industry stakeholders commit to addressing the environmental impact of their policies, products, and activities with concrete actions and clear timelines," IATA states.

Fuel-producing companies are asked by IATA to bring "large scale, cost-competitive sustainable aviation fuels (SAF) to the market".

Governments and ANSPs are called on to eliminate "inefficiencies in air traffic management and airspace infrastructure".

Aircraft and engine manufacturers are asked to produce "radically more efficient airframe and propulsion technologies".

And airport operators are told to provide "the needed infrastructure to supply SAF, at cost, and in a cost-effective manner".

At the same time, IATA's resolution calls on governments to agree a "long-term goal equivalent to the industry's net-zero by 2050 commitment" through ICAO.

Many of those stakeholders have previously said that airline spending commitments will be a crucial factor in making such changes viable. ■

IATA's 'base-case scenario' timeline

2025
With appropriate government policy support, SAF production is expected to reach 7.9 billion litres, or 2% of the industry's total fuel requirement.

2030
SAF production is 23 billion litres, or 5.2% of the total fuel requirement. ANSPs have fully implemented the ICAO Aviation System Block Upgrades and regional programmes such as the Single European Sky.

2035
SAF production is 91 billion litres, or 17% of the total fuel requirement. Electric and/or hydrogen aircraft for the regional market (50-100 seats, 30-90min flights) become available.

2040
SAF production is 229 billion litres, or 39% of the total fuel requirement. Hydrogen aircraft for the short-haul market (100-150 seats, 45-120min flights) become available.

2045
SAF production is 346 billion litres, or 54% of the total fuel requirement.

2050
SAF production hits 449 billion litres, or 65% of the total fuel requirement.

Meijer says the aim is to launch by end-2022

Embraer

Embraer signals turboprop intent

Commercial chief cites sustainability benefits of new aircraft that had appeared doomed by failure of tie-up with Boeing

JON HEMMERDINGER BOSTON

Eighteen months after its planned acquisition by Boeing fell through, Brazilian airframer Embraer's commercial aviation division is back on the offensive.

The airframer has signalled its intention to launch development of a clean-sheet turboprop it says will be significantly more efficient than older types it will replace.

The company has also taken steps to land new aerospace partners, and sister company Eve is advancing with a project to certify an electric vertical take-off and landing (eVTOL) air taxi.

"By the end of '22, we hope to launch the product," Embraer Commercial Aviation chief executive Arjan Meijer says of the company's turboprop development programme, speaking to Airline Business at the IATA AGM in early October. "We're still committed to that very much."

TONE SHIFT

His tone differs markedly from the Brazilian airframer's previous position about its conceptual turboprop, an aircraft that stands to compete favourably with decades-old designs including 50-seat jets and turboprops such as the De Havilland Canada Dash 8-400 and ATR 42-600 and 72-600.

Flash back to January 2020, when Embraer was working to close a $4.2 billion sale of its commercial aircraft division to Boeing. At that time, Embraer Commercial's then-chief executive John Slattery said the turboprop project was a non-starter unless the Boeing acquisition closed.

That deal, of course, collapsed when Boeing walked away in April 2020, leaving Embraer scrambling to redefine its strategy and seek out new partners.

But under Meijer, Embraer released a digital rendering of the conceptual aircraft in October last year.

Now, Meijer indicates a programme launch is coming. He says Embraer needs about five years to bring such a turboprop – which he calls the "TP" – to market. That means the aircraft would enter service around 2027, assuming a 2022 launch, Meijer says.

At a time when the world's airlines face immense pressure to curb carbon output, Embraer's turboprop idea makes sense, Meijer says.

The turboprop will be 25-30% more efficient than the aircraft it would replace, he states. "The turboprop technology is just a lot more efficient on shorter range, and with the push to sustainability... we should really look at that technology again."

The company is pitching both 70- and 90-seat variants of the turboprop. Embraer estimates airlines globally will need 2,200 such aircraft between 2027 and 2047.

The current turboprop fleet in Latin America includes about 130 ATRs and a handful of Dash 8s. The region's carriers also operate about 260 Embraer and Bombardier regional jets.

FAVOURABLE FACTORS

The US market is also top of Embraer's mind, where it views the turboprop concept as a replacement for old 50-seat regional jets. Though US carriers have transitioned much of their fleets to larger regionals like E175s and Bombardier CRJ900s, airlines continue flying hundreds of 50-seat ERJs and CRJ200s. Those aircraft are decades old, and no 50-seat jets remain in production – factors working in a new turboprop's favour, Meijer says.

"The smaller variant – TP-70 – could also be used as a 50-seater in a three-class layout, in an American environment," Meijer says.

> **"We believe it's not the engines making people not like turboprops, it's the noise and onboard experience"**
>
> **Arjan Meijer**
> Chief executive, Embraer Commercial Aviation

Embraer is discussing the turboprop project with engine makers GE Aviation, Pratt & Whitney and Rolls-Royce. "They are all engaged," Meijer says.

Asked about potential partnerships with other aerospace companies, Meijer states: "We have a lot of external engagements.

"On the TP specifically, we are talking to financial partners. Industrial partners. Not necessarily big OEMs, but suppliers to OEMs," he adds.

In October, Embraer said it was evaluating a potential partnership with Dutch firms Fokker Techniek and Fokker Services. Embraer provided few details other than to say an agreement could involve defence and commercial projects.

Embraer's initial images of the turboprop showed an aircraft with wing-mounted engines, but the company has since tweaked the design to have engines mounted on each side of the rear fuselage.

"We had some debate internally," Meijer says of the change.

Meijer says aft engines will reduce cabin noise – and the props will be farther from the boarding door, improving appeal.

"We are strongly of the opinion that it's not the turboprop engines that makes people not like the [turboprop], it's the noise and the onboard experience," he says.

LOWER EMISSIONS

Meijer stresses Embraer's commitment to advancing other means of reducing carbon output. The company has said its E-Jets (and its turboprop, if developed) will be made capable of running on 100% sustainable aviation fuel (SAF).

Meijer does not shy from conceding the many hurdles standing in the way of greater SAF adoption. "The amount that's available today is very low," he says of SAF, which can be made from used cooking oil, among other materials. "So, we're going to have to eat a lot of French fries".

Also, to be truly sustainable, SAF must be produced using clean energy. "That takes a lot of green energy," Meijer says.

Embraer is also advancing electric-propulsion technology. It recently began test flying an electric-powered variant of its EMB-203 Ipanema crop duster.

Then there is Eve, the Embraer subsidiary developing an eVTOL. Based in Melbourne, Florida, Eve has taken hundreds of orders for its air taxi and has signed partnerships with aircraft operators and other partners the world over. Eve has targeted a 2026 service entry for its aircraft. ■

Copa chief won for Sector Leadership

The Monkey Studios

Heilbron wins top accolade

The Airline Strategy Awards returned this year to recognise standout crisis leadership

LEWIS HARPER LONDON

Copa Airlines chief executive Pedro Heilbron was among the winners as the global industry met for the annual Airline Strategy Awards in London on 27 September.

Heilbron was recognised with the Sector Leadership Award, while Azul founder David Neeleman was also among the recipients, as he picked up the *Airline Business* Award.

The awards recognise individuals, airlines and companies supporting air transport that have demonstrated dynamic leadership and clear vision, with a particular focus on outstanding performance during the Covid-19 pandemic.

Amid the early months of the crisis in 2020, we paused the Airline Strategy Awards for 12 months to instead run the Decade of Airline Excellence Awards, which considered top industry performers in the 10 years leading up to the pandemic.

But as we made our way through 2021 and signs of life returned in many markets, it became clear that the challenges created by the crisis were not being navigated at the expense of strategic nous and innovation.

The event therefore returned this year, for its 19th iteration.

TOUGH FUNDAMENTALS

On Heilbron's performance in leading Copa through the crisis, one judge said: "This man has proven that if you put any challenge in front of him, he will make that airline survive. I think this is, hands down, his award."

The judges cited the challenging fundamentals that surrounded Copa's situation.

"This was dancing on the head of a pin – no domestic market and no international market is the hardest thing to manage in this type of crisis," a second judge said. "And Copa had no government backing behind it."

Judges commended Heilbron for taking quick action to mitigate the effects of the pandemic, including by suspending all operations at the outset, bolstering the airline's liquidity, and downsizing and simplifying its fleet.

The skillful leadership of Heilbron means that Copa is now rebuilding its network from its hub in Panama City and is poised to recover as a smaller but more effective and efficient carrier, in a region where larger players are emerging from the pandemic with far deeper wounds.

Neeleman received the *Airline Business* Award to recognise three decades as an industry innovator. During that time, his unique talent for understanding customer needs has been reflected in the launches of successful carriers such as Azul, JetBlue Airways and WestJet.

RECENT LAUNCH

But Neeleman's continuing story and impact on the industry are equally as important. Indeed, his launch of low-cost operator Breeze Airways in late May – despite the devastating impact of the pandemic – again marks him out as one of the sector's great leaders and makes him as relevant to the industry's future today as he was 30 years ago.

"Neeleman's various successful airline projects stand out because of his clean-sheet approach and open mind regarding fundamental strategic directions. He continues to be a force for positive change and innovation in the industry," says Graham Dunn, head of content at FlightGlobal and host of the Airline Strategy Awards.

Other winners on the night were Delta Air Lines chief executive Ed Bastian, who took the Executive Leadership Award, while Wizz Air chief executive Jozsef Varadi was recognised for Low-cost Leadership.

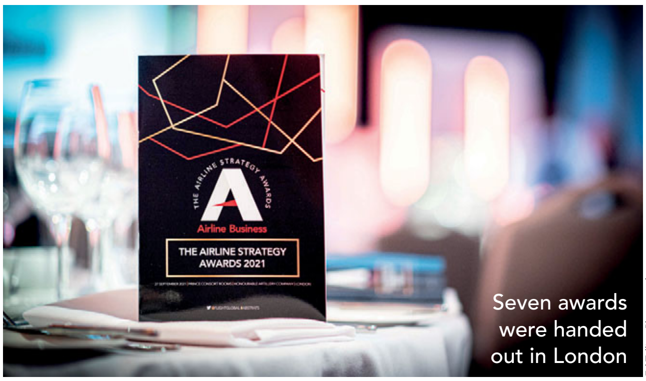
Ethiopian Airlines chief executive Tewolde GebreMariam took the Air-cargo Leadership Award, while the leadership team at AirAsia won for Digital Innovation, and the leadership team at Alaska Airlines was recognised in the Corporate Social Responsibility category.

The Airline Strategy Awards event is organised by FlightGlobal's *Airline Business* in partnership with the civil aviation practice of Korn Ferry, the largest human-capital solutions provider in the world.

Winners are selected by an independent panel of industry experts, aside from the *Airline Business* Award.

Key sponsors of the awards include CFM International, Collins Aerospace, Cirium, Pratt & Whitney, SmartKargo, Tampa International Airport, Volantio and Panasonic. ■

Strategyawards.com



Seven awards were handed out in London

Ed Telling Photography

GRAHAM DUNN LONDON

Pandemic upends airline standings

The punishing impact of the Covid-19 downturn around the world is laid bare in the latest World Airline Rankings

From the moment in March 2020 that it became evident the coronavirus outbreak was not being contained to the early hotspots, and that nations had nothing more in their locker to combat its spread than to close borders and lock down, it was clear the impact on the airline sector would be bigger than anything experienced before.

Until that point, hope remained that the outbreak might follow a similar course to the SARS and Ebola health crises that had struck before and which proved challenging, but relatively localised.

Instead, the world was left to speculate on when the next waves would follow and how many there would be, in much the same way economists argued about the great financial crisis recovery a decade before.

The financial crisis was the last and most sustained 'black swan' event to knock the airline industry off course. Since that moment, and despite a series of uncertainties that threatened to derail demand, the airline industry embarked on a golden era of sustained profitability. For the first time, the industry was consistently delivering profits – albeit largely driven by about 20 major airline groups – in many cases at margins previously never seen.

LATAM Airlines Group still led the region's rankings

Omar F Martinez/Shutterstock

That, of course, feels like a distant memory now. And for all the progress the world has achieved in tackling the pandemic, the opening up of air travel markets has proved consistently challenging. Many key markets remain subject to restrictive measures or completely closed.

The result, as the latest *Airline Business* World Airline Rankings show, is the most abrupt shock to passenger traffic and the heaviest losses the industry has ever seen. What passenger traffic there was in 2020 was largely domestic travel, notably within some of the world's biggest markets. What profits were to be found were driven by freight, an inadvertent upside for airlines stemming from a lack of belly capacity.

Data available for 92 of the 100 leading airline groups in 2020 shows collective operating losses reached a staggering $119 billion. That more than wipes out profits these carriers made over the previous two years – roughly $49 billion in both 2018 and 2019 –

Top 100 airline groups by revenue in 2020: Latin American carriers

Global rank				Revenue $m	Change v 19 (%)		Operating result $m		Net result $m		
2020	2019	Airline/Group	Country	2020	Local	US$	2020	2019	2020	2019	Year-end
23	25	LATAM Airlines Group	Chile	4,335	-58.4	-58.4	-1,665	742	-4,546	190	Dec
48	39	Avianca Group	Colombia	1,712	-58.3	-63.0	-622	-554	-1,094	-894	Dec
57	53	Aeromexico Group	Mexico	1,322	-58.5	-62.8	-1,631	143	-1,971	-122	Dec
61	55	Gol	Brazil	1,215	-54.0	-65.4	-182	541	-1,124	45	Dec
67	61	Azul	Brazil	1,105	-49.4	-61.9	-279	515	-1,942	209	Dec
68	82	Volaris	Mexico	1,061	-35.0	-41.4	-151	225	-199	136	Dec
80	66	Copa Airlines	Panama	801	-70.4	-70.4	-461	346	-599	247	Dec

Top 100 airline groups by RPKs in 2020: Latin American carriers

Global rank				Pax traffic RPKs (m)		Seat capacity ASKs (m)		Load factor	Passenger (m)		
2020	2019	Airline/Group	Country	2020	change	2020	change	Percent	2020	change	Year-end
17	21	LATAM Airlines Group	Chile	42,624	-66%	55,718	-63%	76.5	28.3	-62%	Dec
33	67	Volaris	Mexico	23,487	-31%	29,404	-25%	79.9	14.7	-33%	Dec
36	49	Gol	Brazil	20,124	-52%	25,140	-51%	80.0	16.8	-54%	Dec
46	45	Grupo Aeromexico	Mexico	16,444	-61%	25,586	-50%	64.3	9.5	-54%	Dec
47	71	Azul	Brazil	16,317	-46%	20,412	-43%	79.9	14.5	-47%	Dec
66	43	Avianca	Colombia	10,656	-76%	14,383	-74%	74.1	7.9	-74%	Dec
67	106	VivaAerobus	Mexico	9,393	-30%	11,670	-23%	80.5	8.1	-32%	Dec
68	65	Copa Airlines	Panama	9,352	-73%	11,747	-71%	79.6	2.9	-72%	Dec

Notes: Data sourced from Cirium. Results are for the calendar year. Calculations or estimates based on monthly data have been used where calendar year figures are not available to limit the distorting of impact of Covid. Where no data is available, estimates have been used for indicative purposes. Data is sourced from company replies, company reports or national regulators, regional airlines bodies and ICAO. Segment figures are used for cargo and lesiure opeatiors where individual airline data is unavailable

$119bn
Global operating losses in 2020

64%
Global load factor in 2020

54%
Global fall in revenue in 2020

60%
Global fall in passengers in 2020

even before losses for the current year are factored in.

Passenger traffic among the 100 biggest airline groups collapsed by almost two-thirds in 2020, the World Airline Rankings show. In terms of passengers, the fall was slightly less pronounced at around 60% among leading operators. That reflects the fact that international, longer-haul routes have borne more of the hit from ongoing travel restrictions.

BYGONE ERA

Load factor across these carriers stands at 64% – a figure from a bygone era, after the recent highs of 80%-plus. This reflects not only reduced demand, but airlines operating services in support of repatriation efforts, or to ensure minimum levels of service – in some cases a stipulation of securing government financial support packages – or on routes where lower passenger volumes could be offset by enough cargo demand to make flights cash-positive.

The top seven airline groups in terms of passenger traffic are from China or the USA, illustrating the relative demand and size of their respective domestic markets during the crisis. This was particularly the case in China, which was the first market where domestic capacity returned to and surpassed pre-crisis levels.

China Southern Airlines Group, the seventh-biggest operator in 2019, led the way in terms of passenger traffic in 2020. China Southern is based at Guangzhou, which also surpassed Delta's Atlanta hub as the biggest airport in the world. However, China Southern group passenger traffic was still some 46% down, compared with 2019.

China's two other largest operators, Air China and China Eastern Airlines, ranked fifth and six. Nine of the 50 biggest airline groups in the world were from China.

The US majors – American Airlines, United Airlines and Delta Air Lines – were the three biggest airline groups behind China Southern. However, traffic across the three majors was down by at least 60%.

It was European airlines, non-Chinese Asia-Pacific long-haul operators and the Gulf connecting carriers which lost the most ground last year.

Nearly a fifth of operators endured a collapse in revenues of 70% or more

Revenue among the 100 biggest airline groups dropped from $787 billion in 2019 to $364 billion for the same group of operators. Just six, all freight carriers, increased revenues in 2020.

FedEx Express, which lifted revenues almost a fifth, to $42 billion, was the biggest airline operator by revenue in 2020.

FedEx bucked the trend in 2020

Joseph Creamer/Shutterstock

Regional split by traffic and revenues in 2020

Region	2020 traffic RPKs (m)	Change	2020 revenue ($m)	Change
Asia-Pacific	1,053,110	-62.1%	103,112	-53.1%
North America	697,317	-64.8%	136,196	-48.0%
Europe	644,569	-69.6%	85,478	-60.3%
Latin America	148,397	-59.3%	11,550	-60.9%
Middle East	193,671	-71.6%	25,346	-57.6%
Africa	25,798	-62.3%	5,235	-30.7%
Total	**2,762,861**	**-65.5%**	**367,517**	**-53.7%**

Source: World Airline Rankings, data sourced from Cirium

Cargolux, Atlas Air, ATSG, Polar Air Cargo and Volga Dnepr Group were, alongside FedEx, the only six of last year's biggest 100 operators to increase their revenues in 2020.

By contrast, the biggest airline groups to incorporate passenger operations – Lufthansa Group, American Airlines and Delta Air Lines – had revenues of less than half that of FedEx. Luthansa, the largest passenger airline group in 2020, was aided by a 10% jump in cargo revenue, but reported an overall 59% fall in revenue.

Notably, cargo revenues among leading airline groups jumped by a quarter last year as they upscaled their freight operations, including converting or deploying passenger aircraft to carry cargo, to meet heightened demand.

CARGO BOOST

The ability for the big airline groups to meet improved cargo demand, and the pivoting by big passenger transit hub players such as Emirates into increasing freight activity, means there was slightly less churn in the top 10 of leading airline groups by revenue than was seen by passenger traffic.

But this increased freight demand was in part a result of the reduced belly capacity, as passenger capacity was slashed, and cargo remains a small part of most airlines' overall business models.

As a result of this exposure to the passenger business, almost two-thirds of airline groups in the top 100 saw revenues fall in 2020 by at least half. Nearly a fifth of operators endured a collapse in revenues of 70% or more last year.

Unsurprisingly, freight specialists – or those passenger operators with a larger presence in the cargo market – have been the businesses best positioned for profitability since the pandemic hit.

Out of 89 airline groups among the 100 biggest operators in 2019 to disclose an operating result, just 11 recorded a profit in 2020. That included six dedicated freight operators – all of whom increased their profits – led by express giant FedEx.

Of operators with a financial year covering the 2020 calendar year or the 12 months to March 2021, Korean Air and China Airlines are the standout passenger operators. Helped by their active cargo businesses, they delivered operating profits of $202 million and $166 million, respectively.

US regional carrier Skywest also recorded an operating profit for the year. But it was far from a bright story for US regionals, as mainline carriers restructured their feeder agreements. Compass Airlines, ExpressJet and Trans States Airlines all shut down during 2020 – though plans are under way for ExpressJet to resume operations this year.

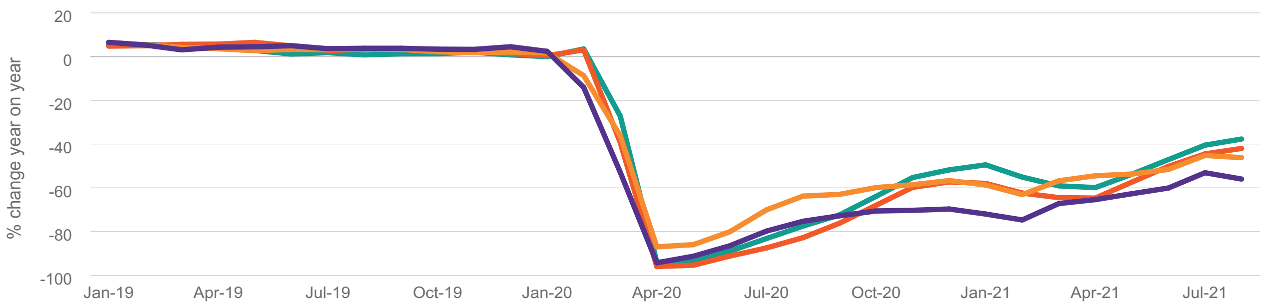
But for most operators, the bigger they were, the larger their exposure to the virtual shutdown of international air travel markets. Neither was the pandemic any respecter of business model, regardless of its success prior to the crisis. ■

To view the top 100 rankings in full, visit flightglobal.com

Coronavirus crisis recovery tracker

The latest global data for several important airline market indicators, including five-year share-price trends among leading airline groups, traffic and capacity across passenger and cargo markets, in-service and stored fleet statistics, and five-year fuel-price trends. Subscribers to FlightGlobal Premium can view a monthly version of this data, which includes metrics such as share prices for individual airlines. Visit FlightGlobal.com/Subscribe for more information

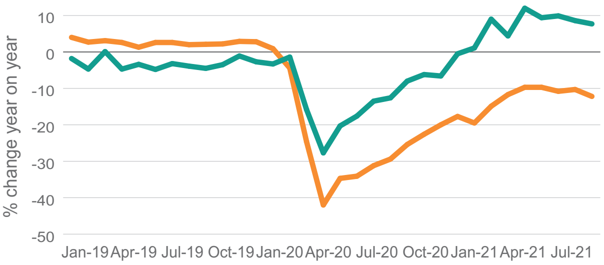
Global and Latin American air passenger market, year-on-year* demand and capacity trends, to August 2021



Notes: RPK = revenue passenger kilometres ASK = available seat kilometres
*2021 data compared with 2019
Source: IATA

Global RPKs | Global ASKs | Latin RPKs | Latin ASKs

Global air cargo market, year-on-year* demand and capacity trends, to August 2021



Notes: CTK = cargo tonne kilometres ACTK = available cargo tonne kilometres
*2021 data compared with 2019
Source: IATA

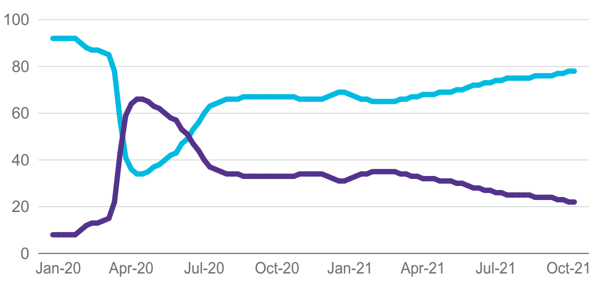
CTK | ACTK

Indexed five-year share price trend at world's largest airline groups

Notes: Basket of 18 airline groups covering North America, Europe and Asia-Pacific. Share price for w/c 3 October 2016 = 0. Data to 8 October 2021
Source: FlightGlobal analysis of Yahoo Finance data

Global passenger fleet: stored versus in-service jets

(%)

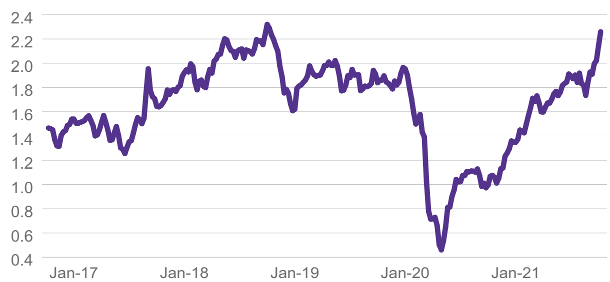


Note: Data to 11 October 2021
Source: Cirium

Stored | In service

Five-year weekly jet fuel price

($/gal)



Notes: US Gulf Coast kerosene jet fuel spot price FOB. Data to w/e 8 October 2021
Source: US Energy Information Administration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