



SAFE SKIES.
SUSTAINABLE FUTURE.

P/07 Agenda Item 8 presented by the Secretariat
Challenges to Air Connectivity in the Americas

THE CHICAGO CONVENTION



SAFE SKIES.
SUSTAINABLE
FUTURE.



Doc 7300/9



Convention on
International Civil Aviation

Convention relative à
l'aviation civile internationale

Convenio sobre
Aviación Civil Internacional

Конвенция о международной
гражданской авиации

This document supersedes Doc 7300/8.
Le présent document annule et remplace le Doc 7300/8.
Este documento reemplaza el Doc 7300/8.
Настоящий документ заменяет Doc 7300/8.

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International Civil Aviation Organization
Organisation de l'aviation civile internationale
Organización de Aviación Civil Internacional
Международная организация гражданской авиации

Preamble

THEREFORE, the undersigned governments having agreed on certain principles and arrangements in order that international civil aviation may be developed in a safe and orderly manner and that international air transport services may be established on the basis of equality of opportunity and operated soundly and economically

Article 44

d) Meet the needs of the peoples of the world for safe, regular, efficient and economical air transport.

State of the Industry

Pre-COVID-19
Pandemic

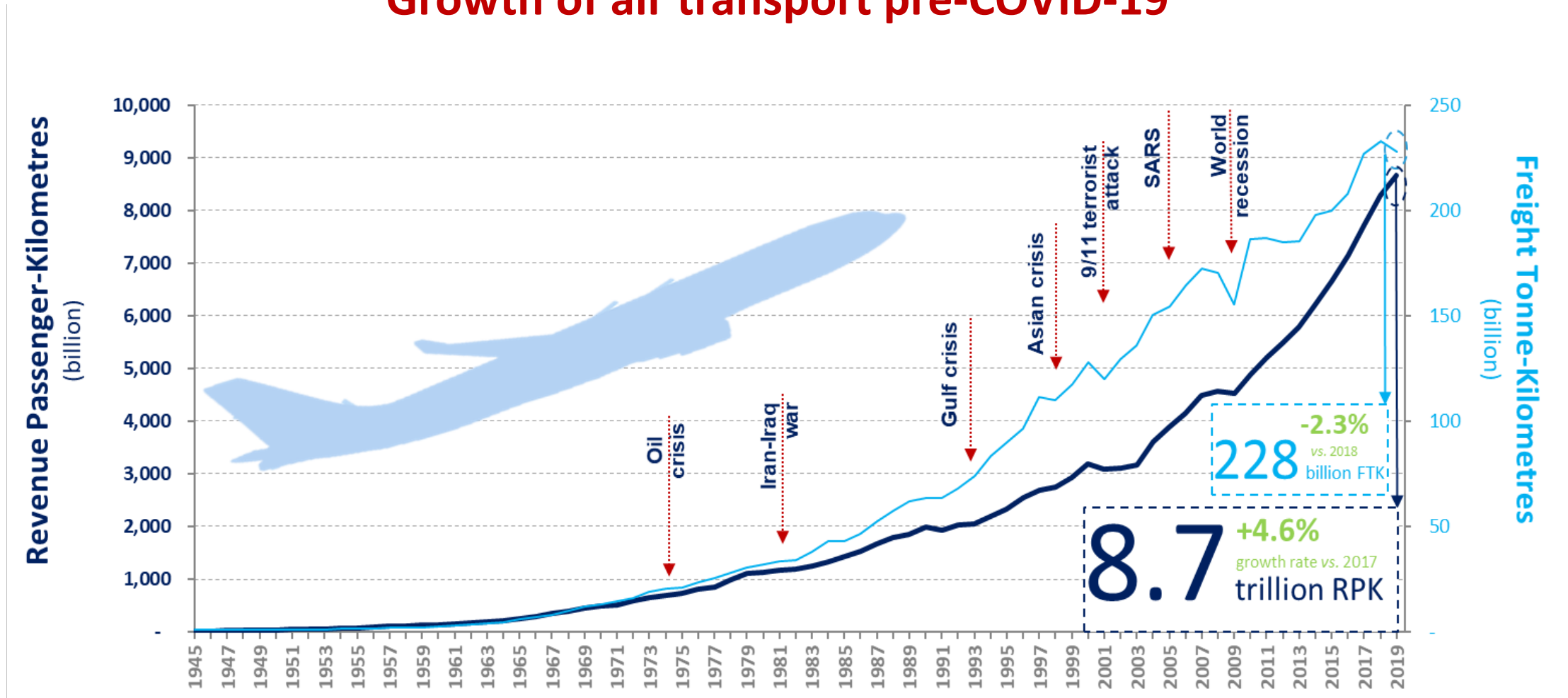
Pandemic impact

Recovery
overview

Long-term
outlook

State of Air Transport Industry - Pre-COVID-19

Growth of air transport pre-COVID-19



Economic Impact of COVID-19 Pandemic on Aviation

World passenger traffic collapses with unprecedented decline in history

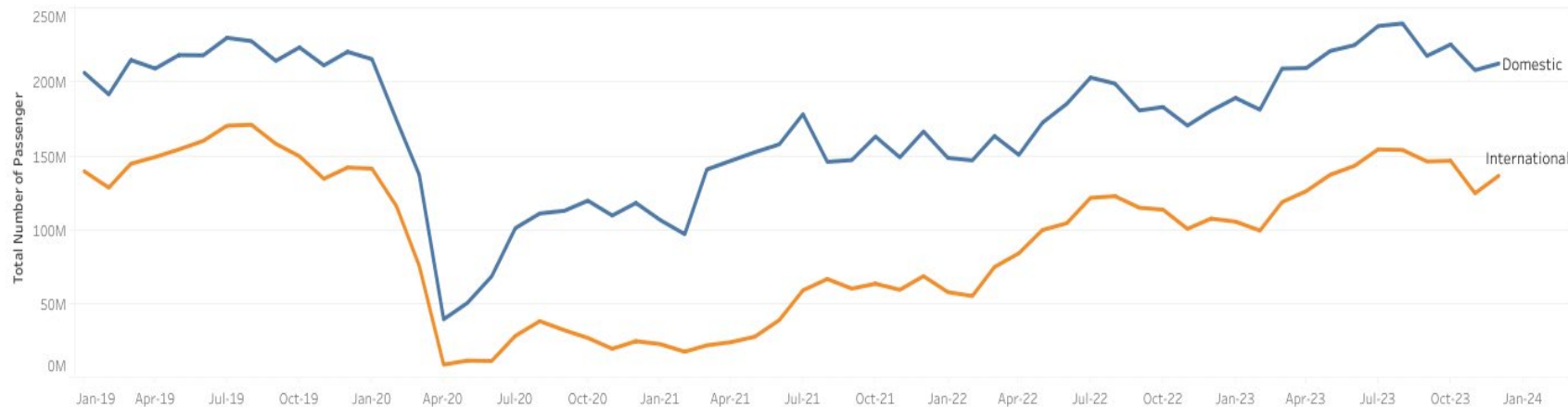
World passenger traffic evolution 1945 – 2023



Recovery Overview

Global traffic recovering close to pre-pandemic levels

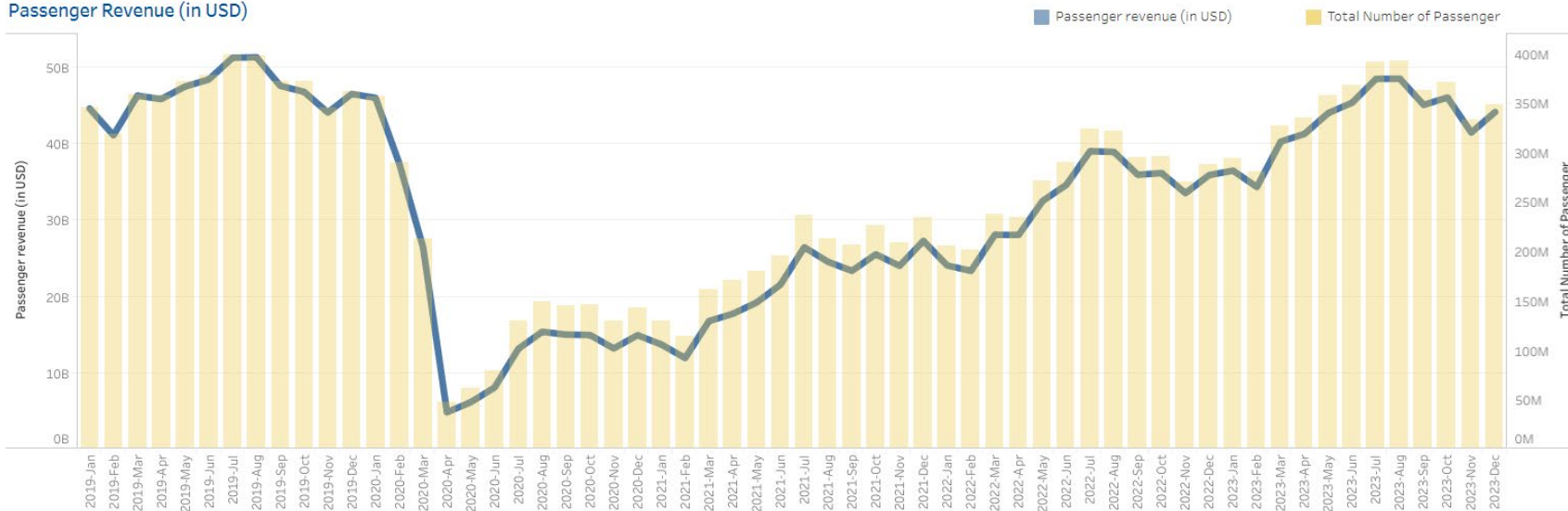
Overview of Passenger Evolution



Passenger traffic

ICAO's latest analyses reveal that air transport seat capacity and passenger totals globally have reached pre-pandemic levels in Q1 2024

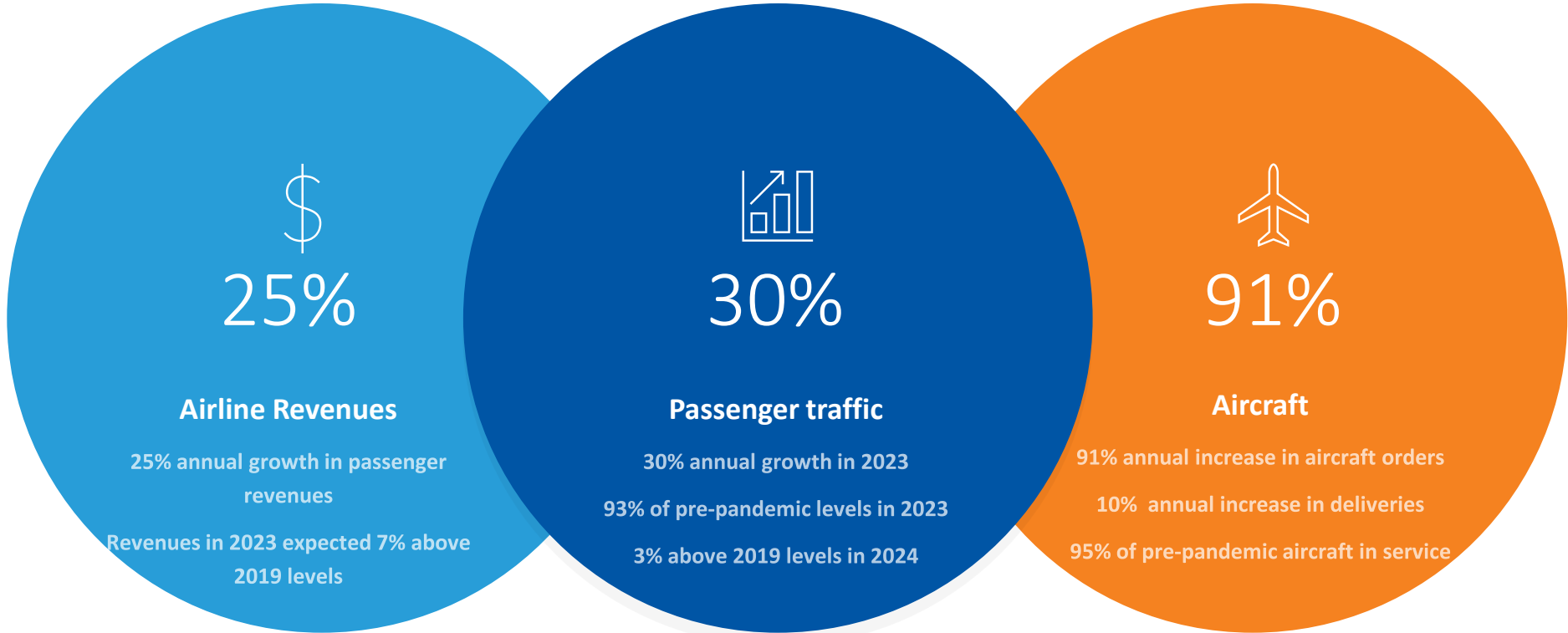
Passenger Revenue (in USD)



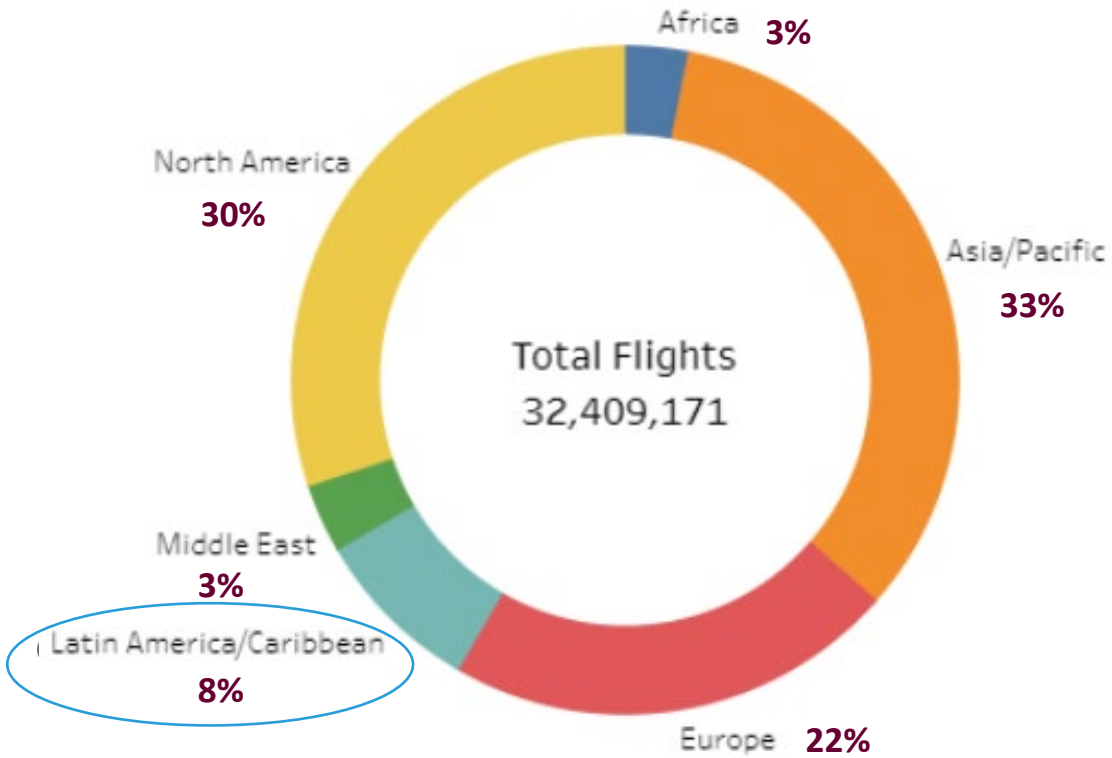
Passenger operating revenue

ICAO's latest analysis reveals that despite high fuel prices and economic uncertainties, airline total operating profits in 2023 are estimated at USD 516 billion, close to the 2019 levels

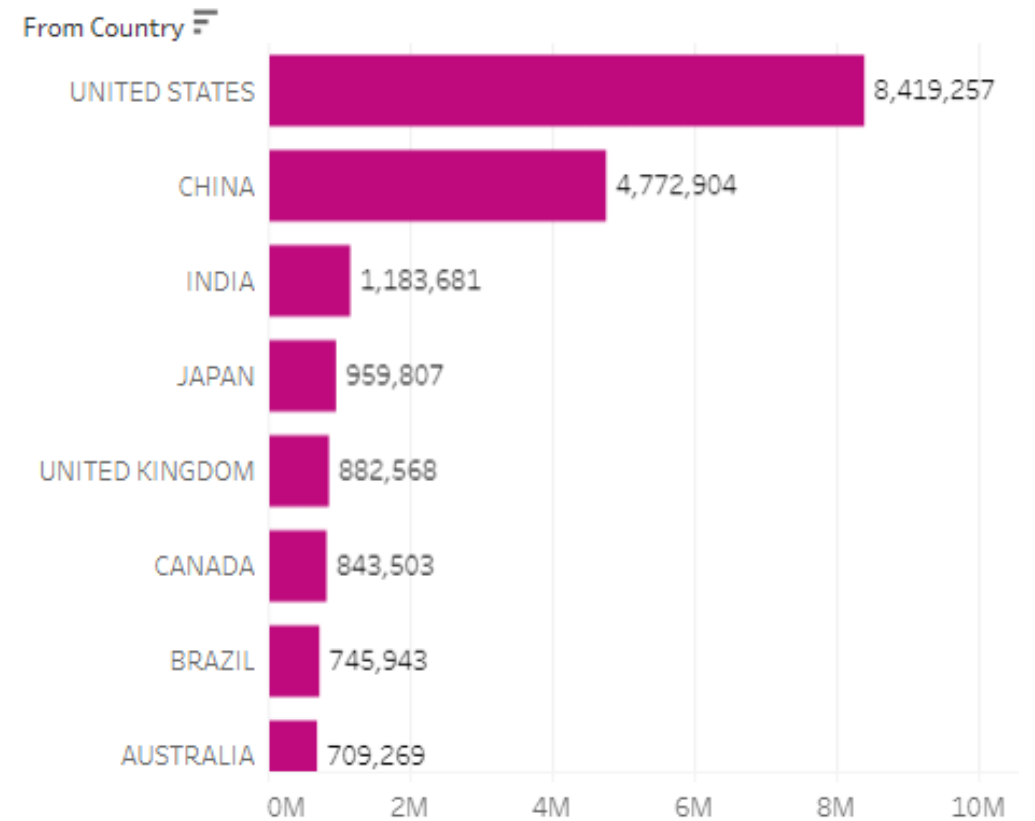
Global traffic in 2023: A recovery from the pandemic shock



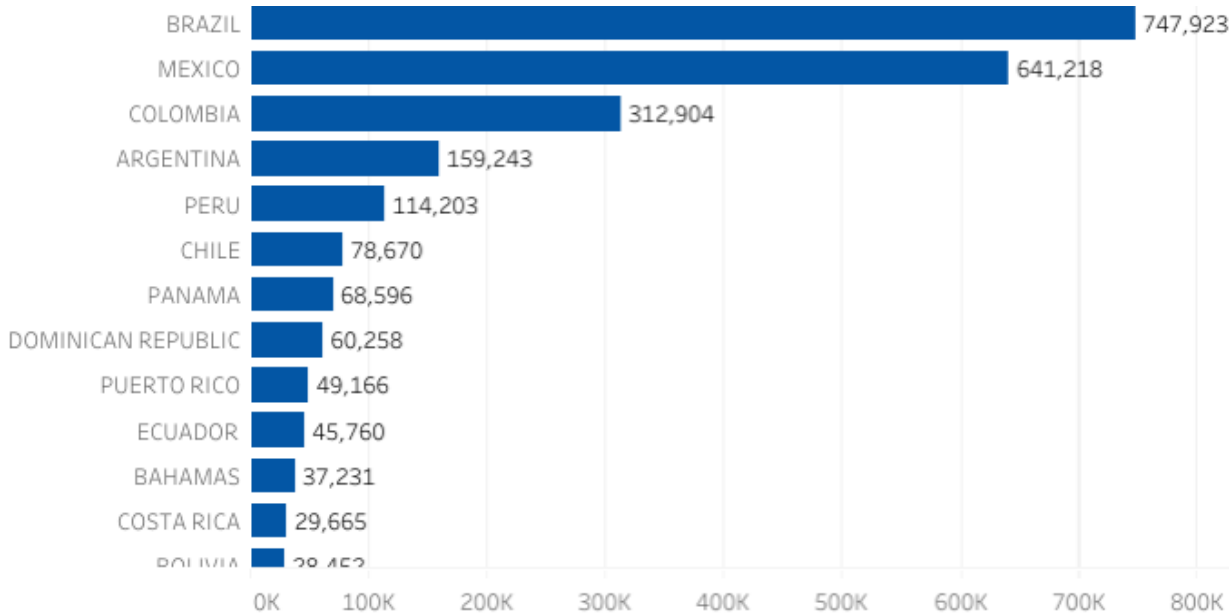
Number of flights by region (International and domestic, 2023)



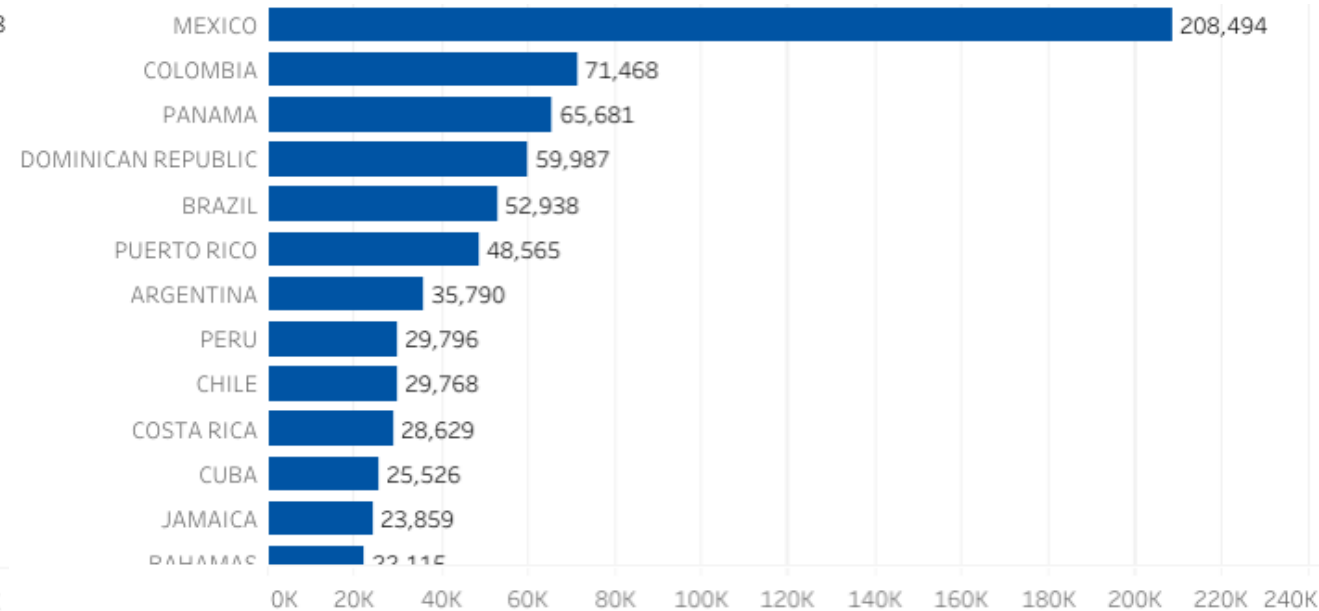
Number of flights by State (International and domestic, 2023)



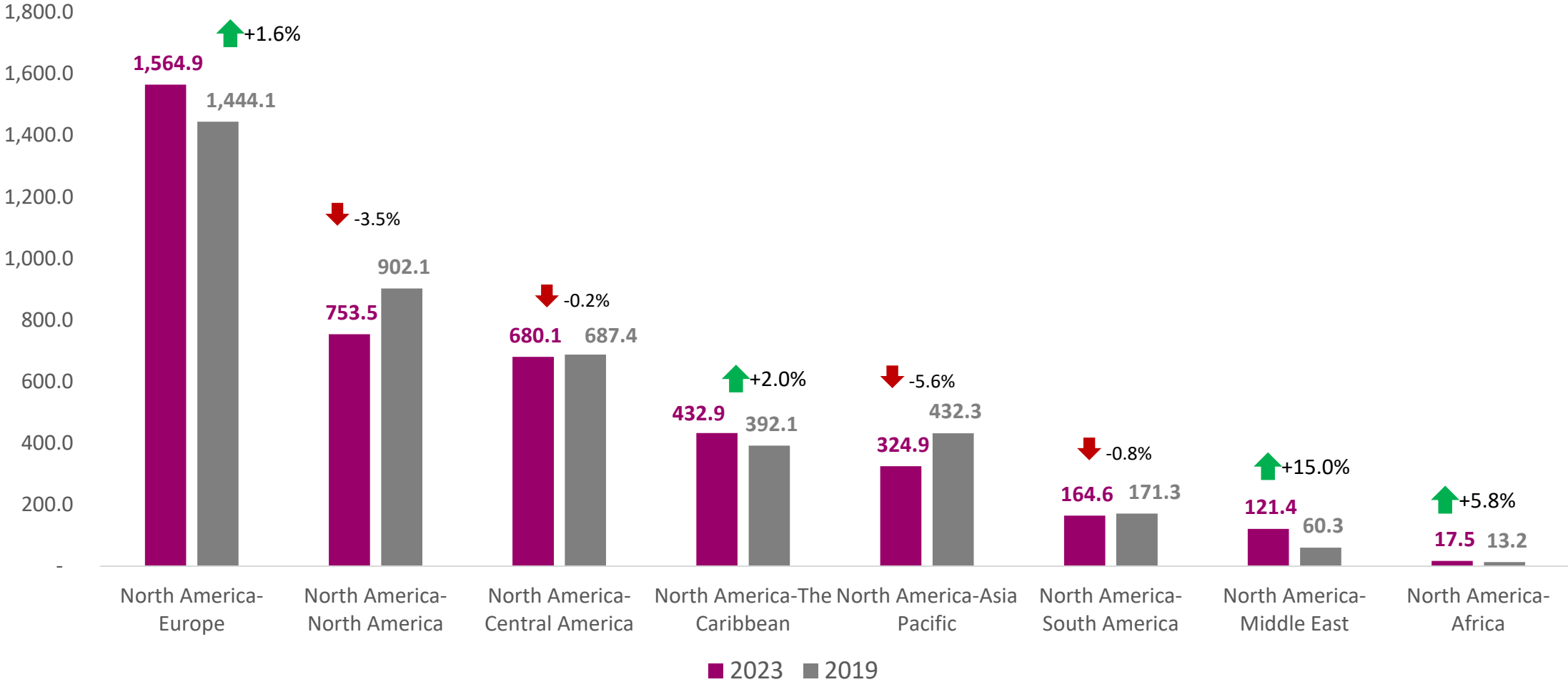
Number of flight by State (International and domestic, 2023)



Number of flight by State (International, 2023)

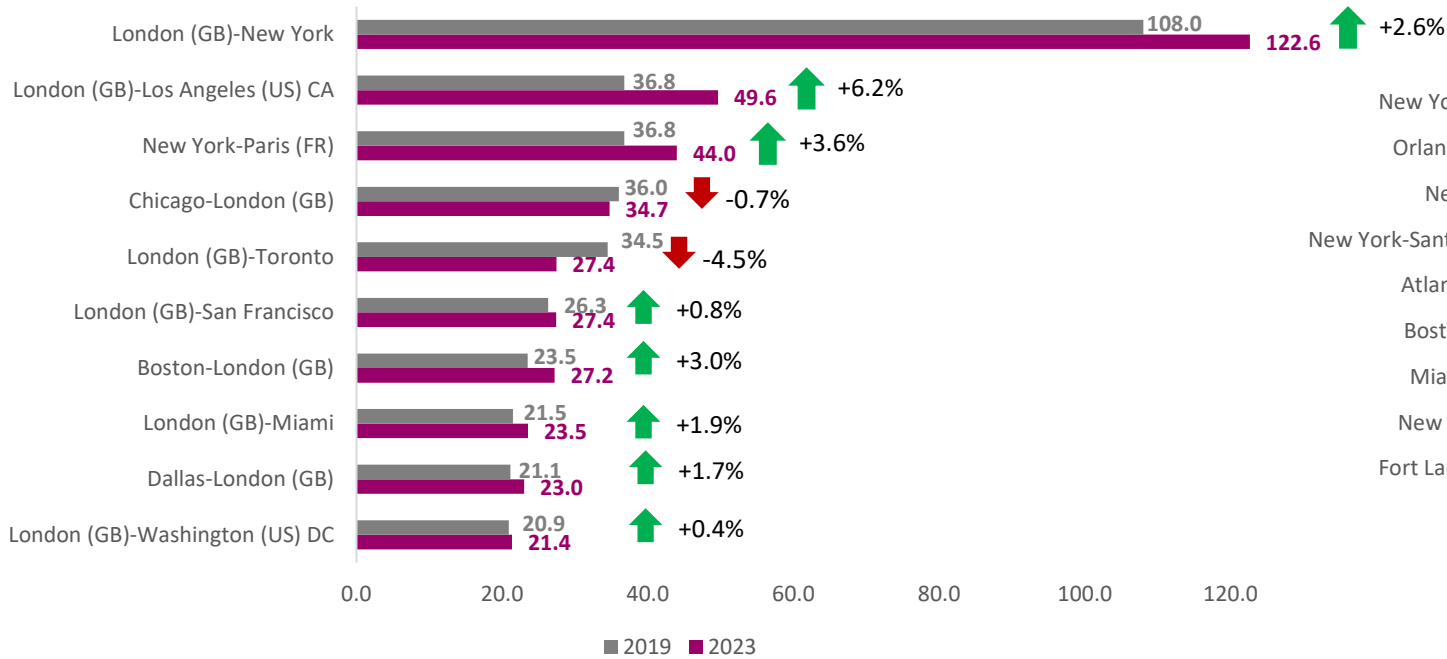


Number of international non-stop departures (round-trip) to/from the North American Region to the rest of the regions of the world, 2023 vs 2019

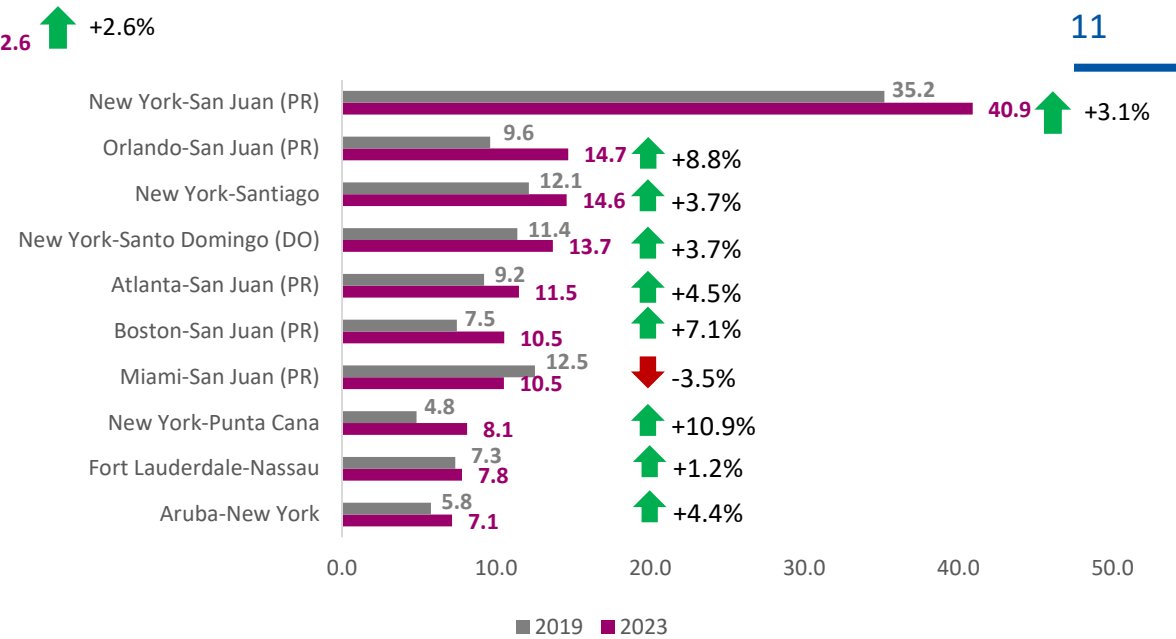


Source: OAG
 Note: the number of departures are given in thousands.

Top ten of city pairs by round trip to/from North America-Europe, 2023 vs 2019

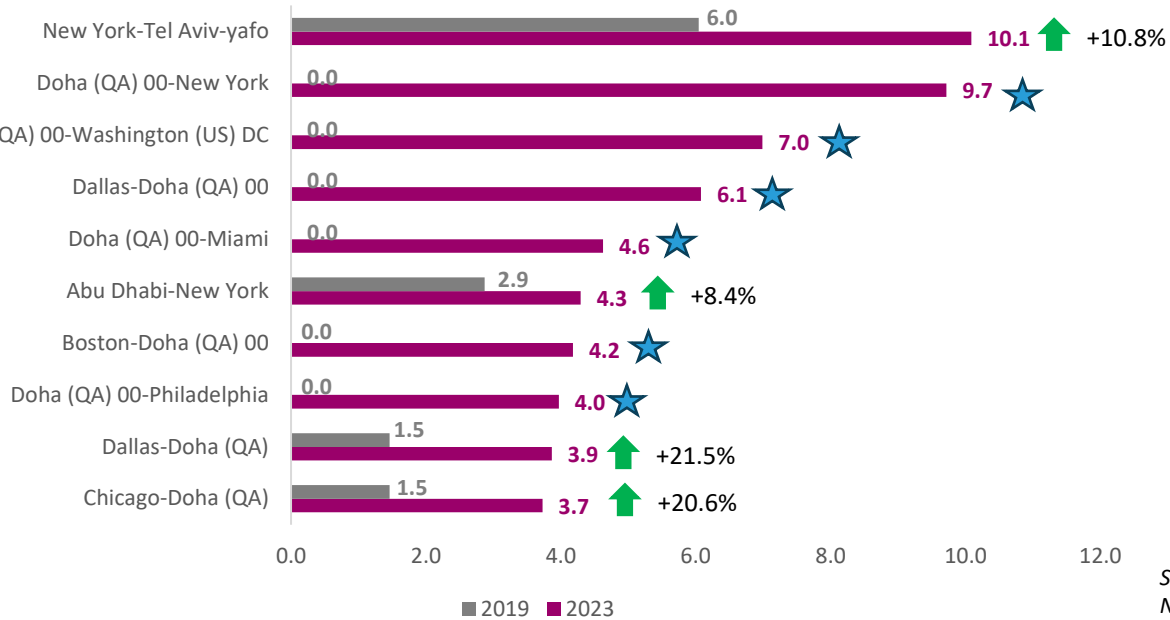


Top ten of city pairs by round trip to/from North America-Caribbean, 2023 vs 2019

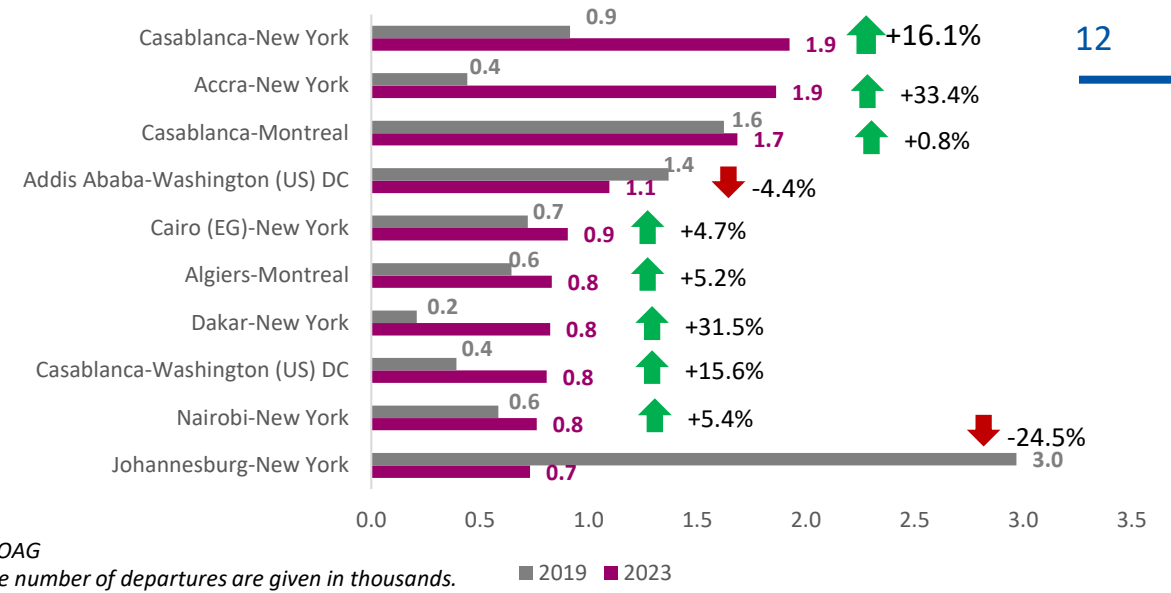


The main traffic performed among North America and Europe and well as among North America and the Caribbean have a steady recovery and increase from pre-COVID-19 trends

Top ten of city pairs by round trip to/from North America Middle East, 2023 vs 2019



Top ten of city pairs by round trip to/from North America - Africa, 2023 vs 2019



Source: OAG

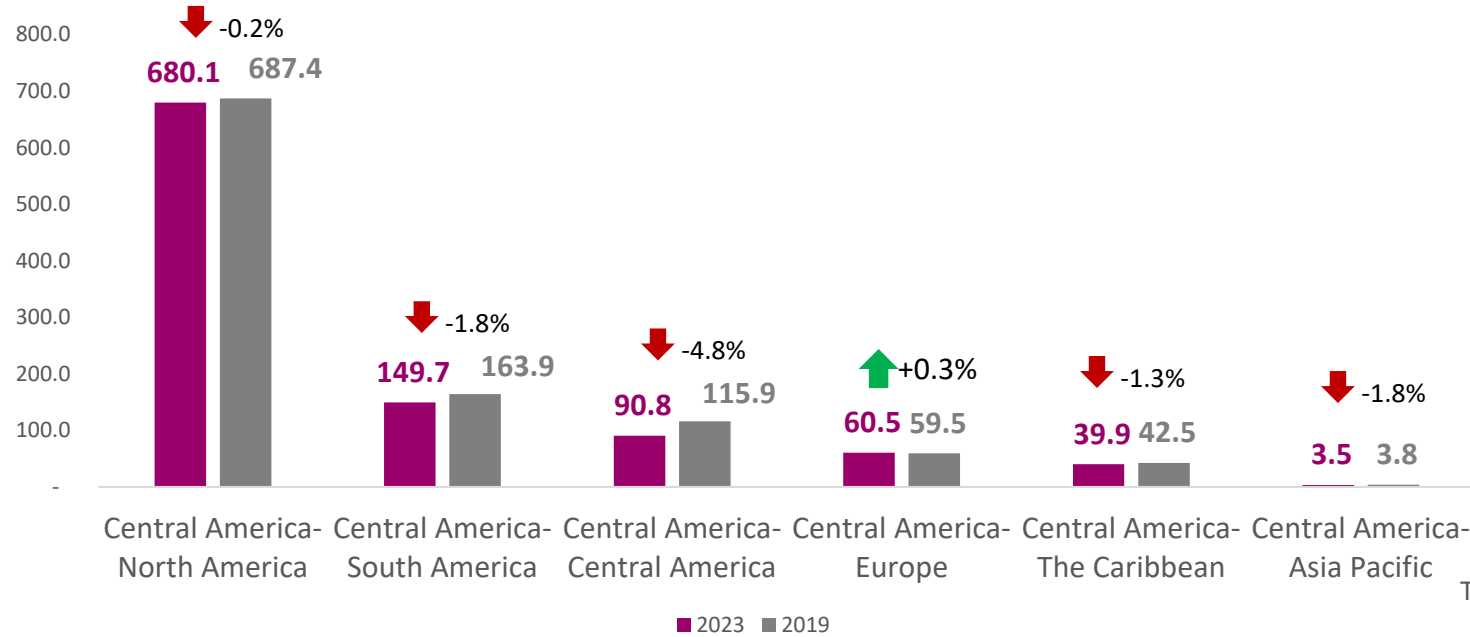
Note: the number of departures are given in thousands.

■ 2019 ■ 2023

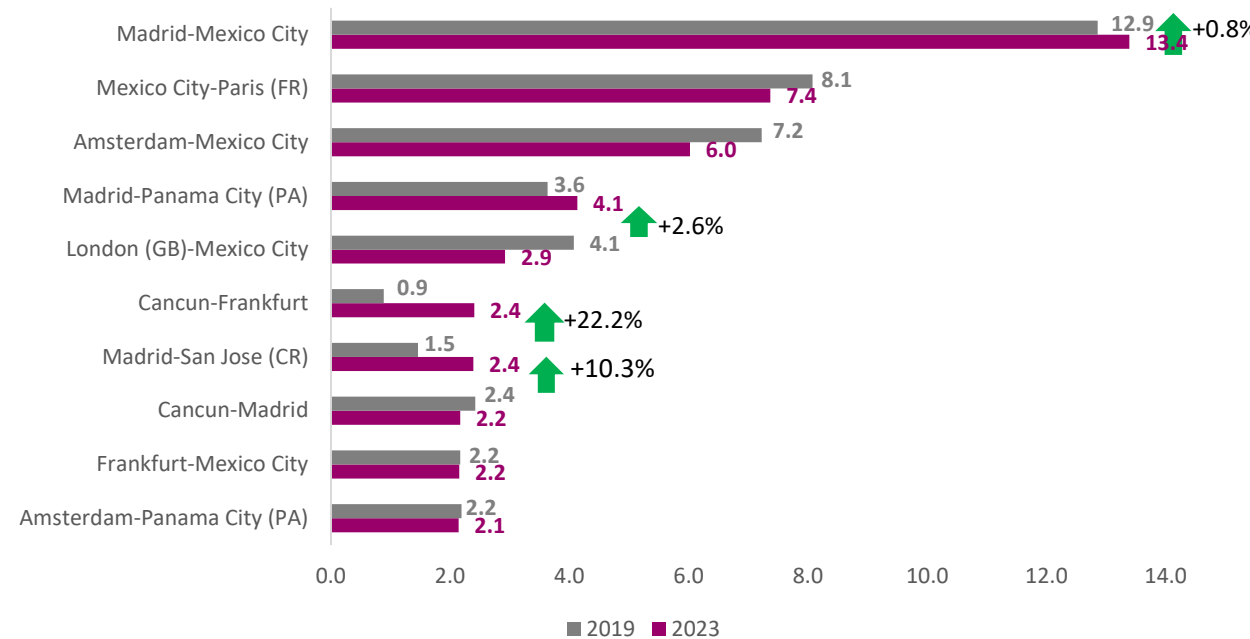
6 new city pairs that were not performed in 2019 such as: to/from Doha: Boston, Philadelphia, Miami, Dallas, Washington and New York; Qatar Airways being the main player in this performance, as a consequence of its expansion plan for 2023/2024. Qatar airways has code sharing partnerships with American Airlines, JetBlue Airways, and Alaska Airlines

80% of the region market (to/from North America and Africa) is shared by: United and Delta (17%); Royal Air Maroc (15%); EgyptAir (11%); Ethiopian (10%), Air France, and Virgin Atlantic (4%).
The main traffic performed among North America and Africa is with African countries from the North of Africa such as Algeria, Egypt and Morocco.

Number of international non-stop departures (round-trip) to/from the Central America subregion to the rest of the regions of the world, 2023 vs 2019

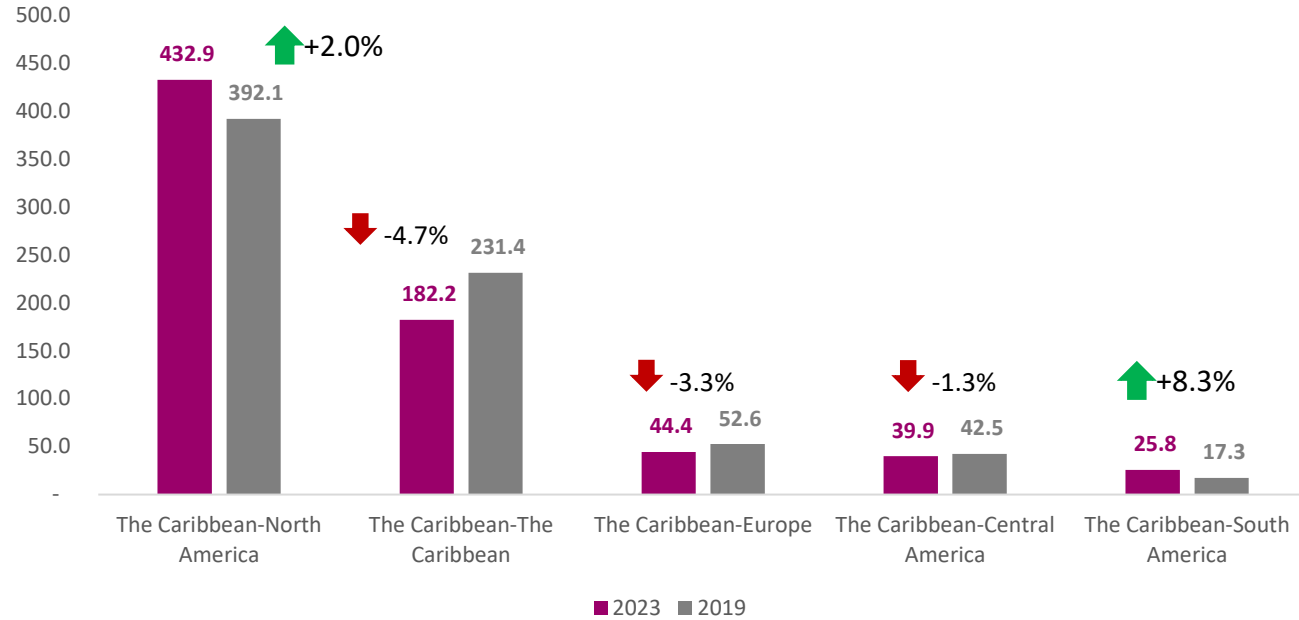


Top ten of city pairs by round trip to/from Central America-Europe, 2023 vs 2019



80% of the central America/Europe market is shared by Aeromexico (12%), followed by European carriers (60% of the traffic), Copa Airlines (4%), welcoming Lufthansa in this market in 2023 with 1,961 departures.

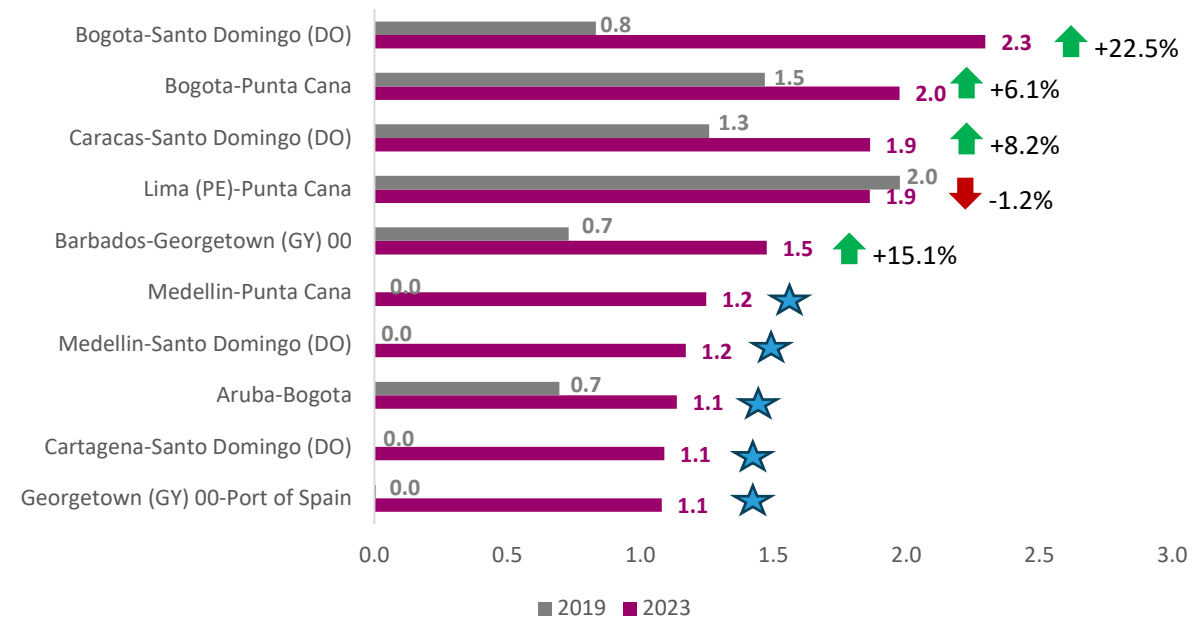
Number of international non-stop departures (round-trip) to/from the Caribbean region to the rest of the regions of the world, 2023 vs 2019



Caribbean to/from South America have become more dynamic, from the top ten city pairs, there are 5 new city pairs in 2023 that were not operating in 2019

Arajet shared 7% of the market, while InterCaribbean Airways 5%. Avianca holds 23%, followed by Copa airlines (12%). Caribbean airlines and Copa airlines (under its brand of Copa Colombia) are the most dynamic carriers, Copa Airlines with a growth rate in this market of 50.6%, while Caribbean airlines grew up 27.6%.

Top ten of city pairs by round trip to/from the Caribbean-South America, 2023 vs 2019



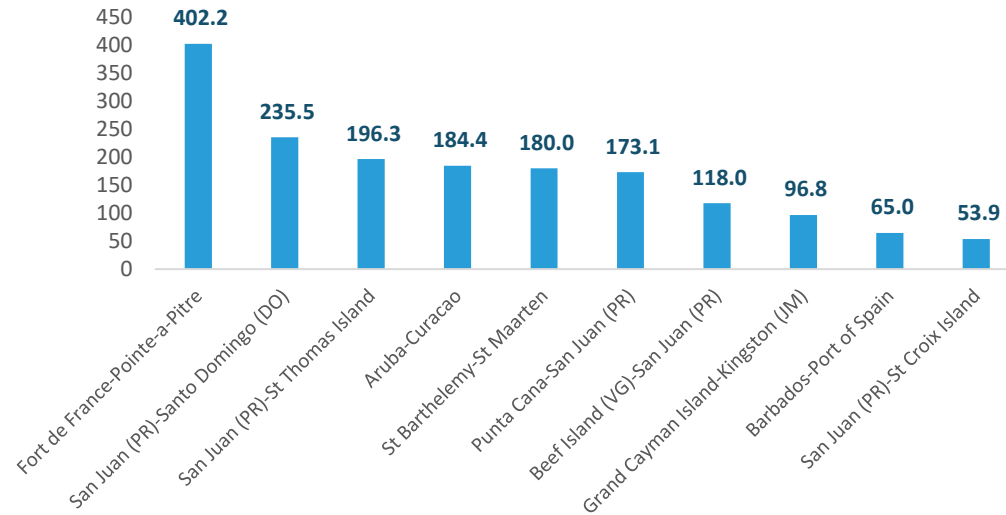
Round Trip (To/From)		Number of departures	Number of departures			2023	2019
Central America Region	STOPS	2023	2019	% rate		(%)share	(%)share
Central America-North America	NON STOP	680,064	687,392	↓ -0.2%		94.1%	92.8%
	1	42,677	53,014	↓ -4.2%		5.9%	7.2%
	2		313				0.0%
Central America-North America Total		722,741	740,719	↓ -0.5%			
Central America-South America	NON STOP	149,689	163,874	↓ -1.8%		98.7%	97.1%
	1	1,592	4,778	↓ -19.7%		1.0%	2.8%
	2	391	171	↑ 18.0%		0.3%	0.1%
Central America-South America Total		151,672	168,823	↓ -2.1%			
Central America-Central America	NON STOP	90,809	115,854	↓ -4.8%		85.6%	83.4%
	1	15,330	22,352	↓ -7.3%		14.4%	16.1%
	2		631				0.5%
Central America-Central America Total		106,139	138,837	↓ -5.2%			
Central America-Europe	NON STOP	60,513	59,490	↑ 0.3%		92.6%	97.3%
	1	2,338	1,188	↑ 14.5%		3.6%	1.9%
	2	2,525	494	↑ 38.6%		3.9%	0.8%
Central America-Europe Total		65,376	61,172	↑ 1.3%			
Central America-The Caribbean	NON STOP	39,900	42,503	↓ -1.3%		98.8%	95.0%
	1	63	1,509	↓ -47.0%		0.2%	3.4%
	2	419	705	↓ -9.9%		1.0%	1.6%
Central America-The Caribbean Total		40,382	44,717	↓ -2.0%			
Central America-Asia Pacific	NON STOP	3,482	3,822	↓ -1.8%		100.0%	88.7%
	1		485				11.3%
Central America-Asia Pacific		3,482	4,307	↓ -4.2%			

Round Trip (To/From)		Number of departures	Number of departures			2023	2019
The Caribbean Region	STOPS	2023	2019	% rate		(%)share	(%)share
The Caribbean-The Caribbean	NON STOP	182,218	231,429	↓ -4.7%		74.8%	71.2%
	1	47,756	68,979	↓ -7.1%		19.6%	21.2%
	2	9,723	21,535	↓ -14.7%		4.0%	6.6%
	3	2,935	3,177	↓ -1.6%		1.2%	1.0%
	4	235				0.1%	0.0%
5	666				0.3%	0.0%	
The Caribbean-The Caribbean Total		243,533	325,120	↓ -5.6%			
The Caribbean-Europe	NON STOP	44,409	52,630	↓ -3.3%		83.9%	84.2%
	1	3,734	5,418	↓ -7.2%		7.1%	8.7%
	2	4,762	4,436	↑ 1.4%		9.0%	7.1%
3	2				0.0%	0.0%	
The Caribbean-Europe Total		52,907	62,484	↓ -3.3%			
The Caribbean-Africa	NON STOP	25				93%	0%
	1	2	2	→ 0.0%		7%	100%
The Caribbean-Africa Total		27	2	↑ 68.3%			
The Caribbean-Asia Pacific	NON STOP		10				100%
The Caribbean-Asia Pacific Total			10				

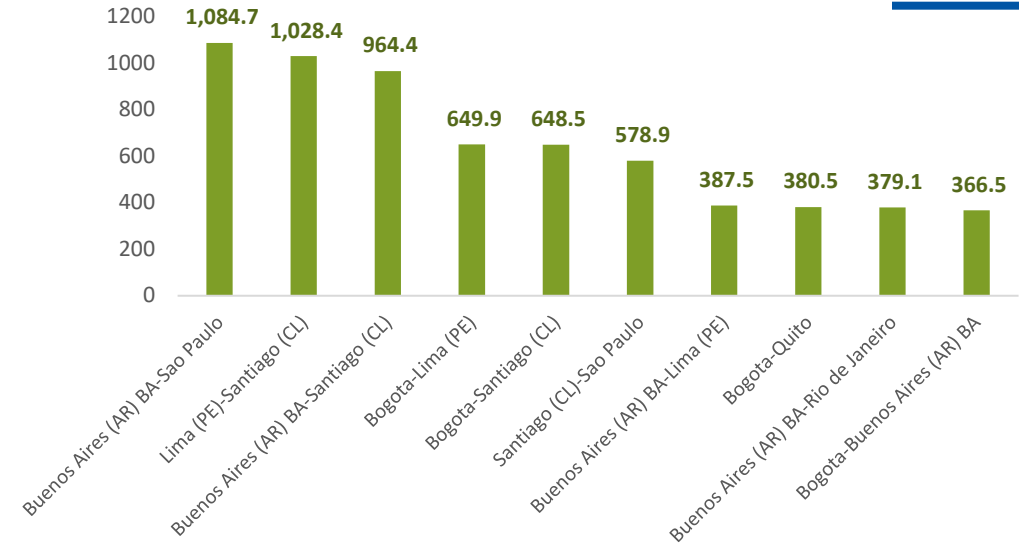
- Connectivity between the Caribbean and South America improved significantly during the period, in part due to the expansion plans from Arajet and Copa Airlines with its Colombian brand.
- Central America and Europe were the only markets that showed positive growth rates in all the categories, as a result of the growth in European tourism in the region.

Intra Region America

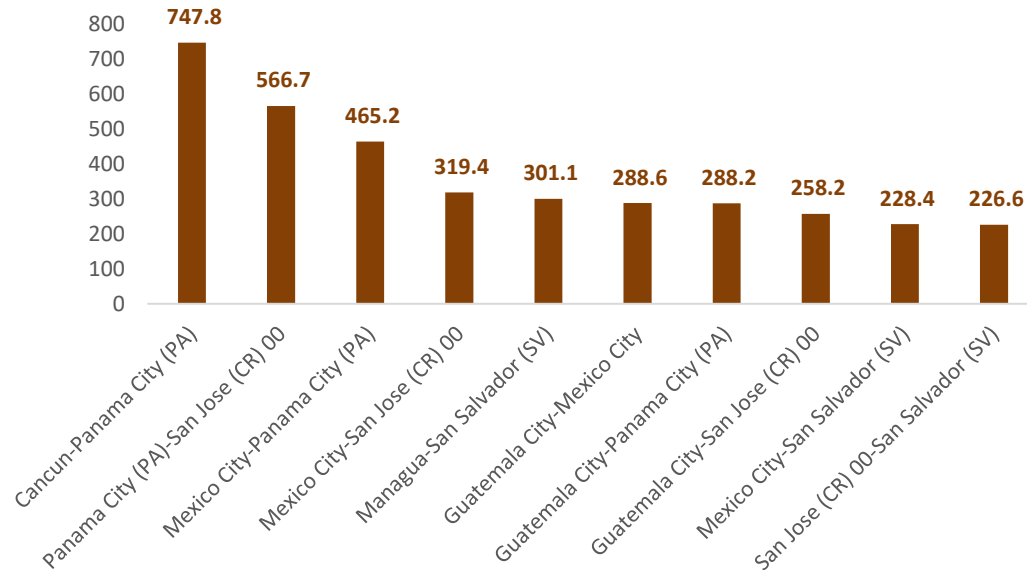
Top ten city pairs (round trip) Intra Caribbean, 2022



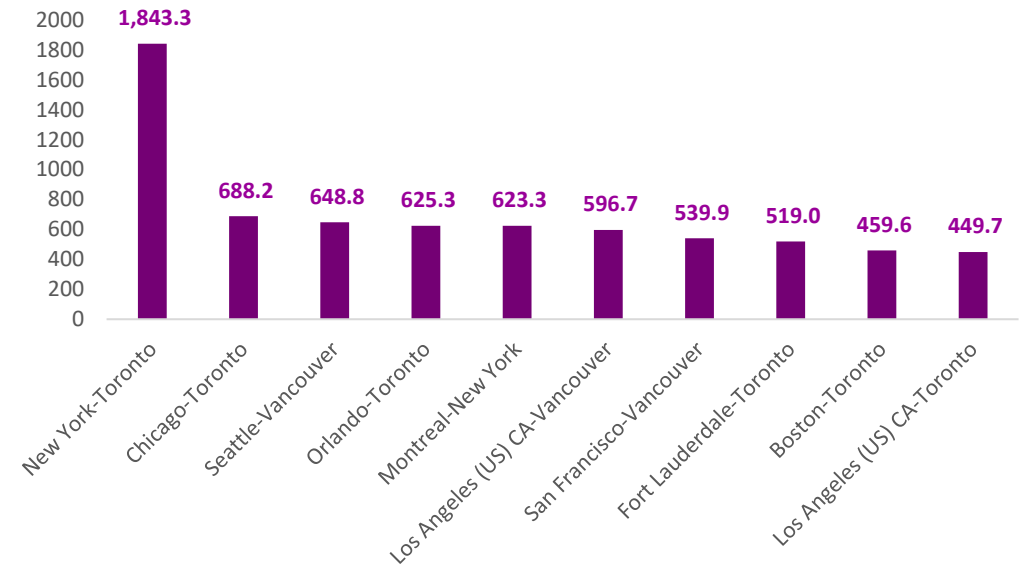
Top ten city pairs (round trip) Intra South America, 2022



Top ten city pairs (round trip) Intra Central America, 2022

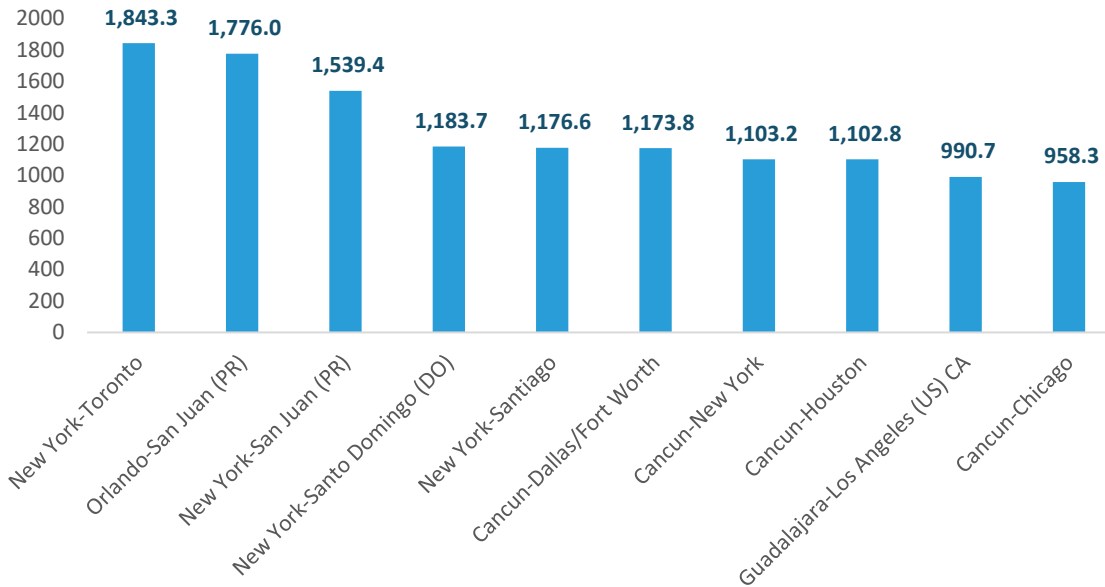


Top ten city pairs (round trip) Intra North America, 2022

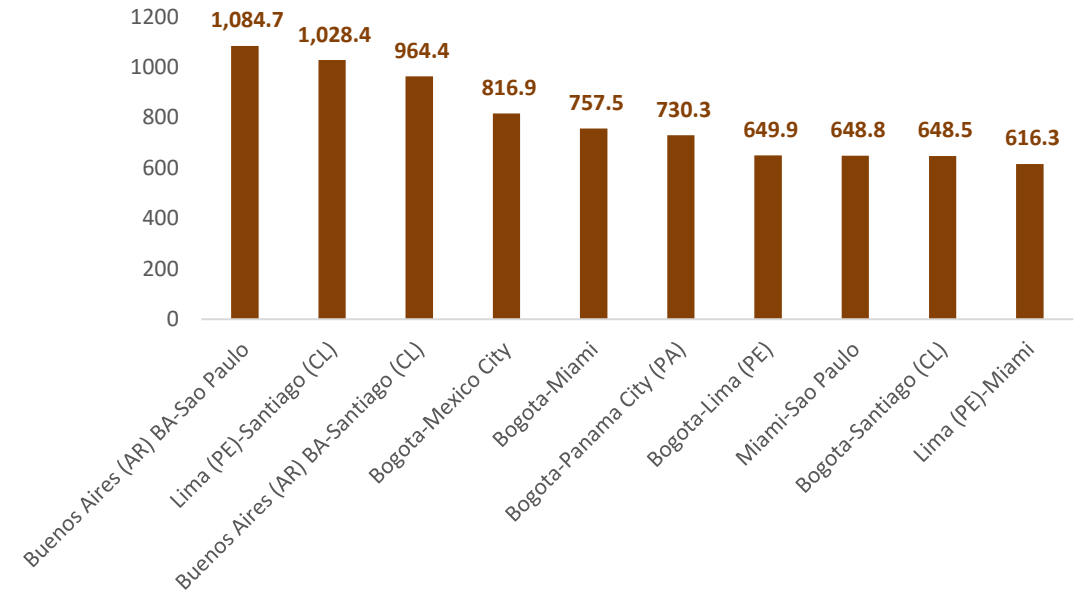


Inter Americas

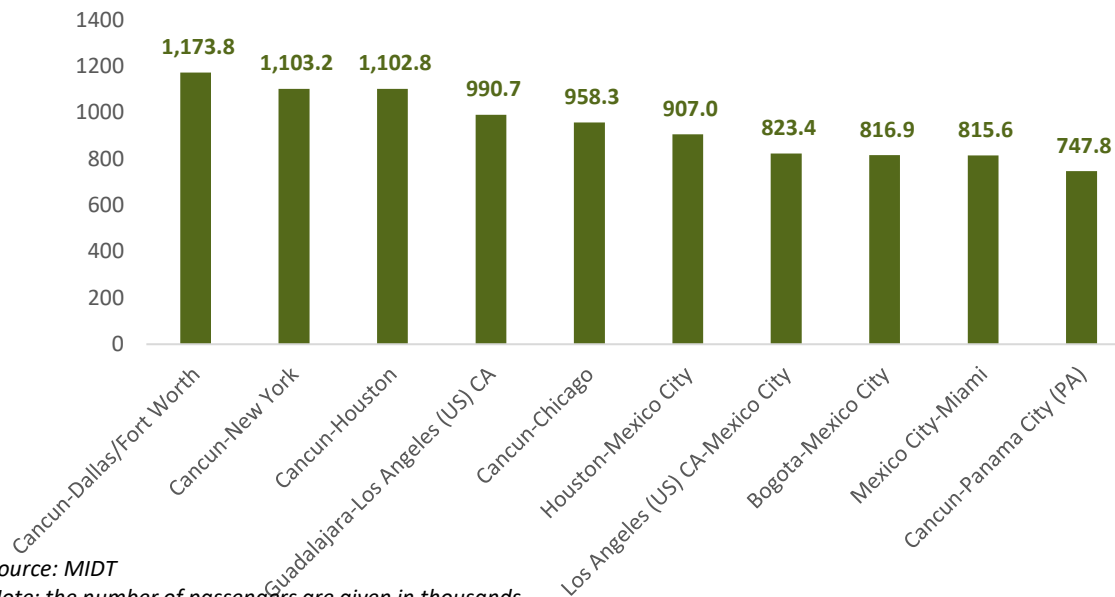
Top ten city pairs (round trip) Inter North America and The Americas, 2022



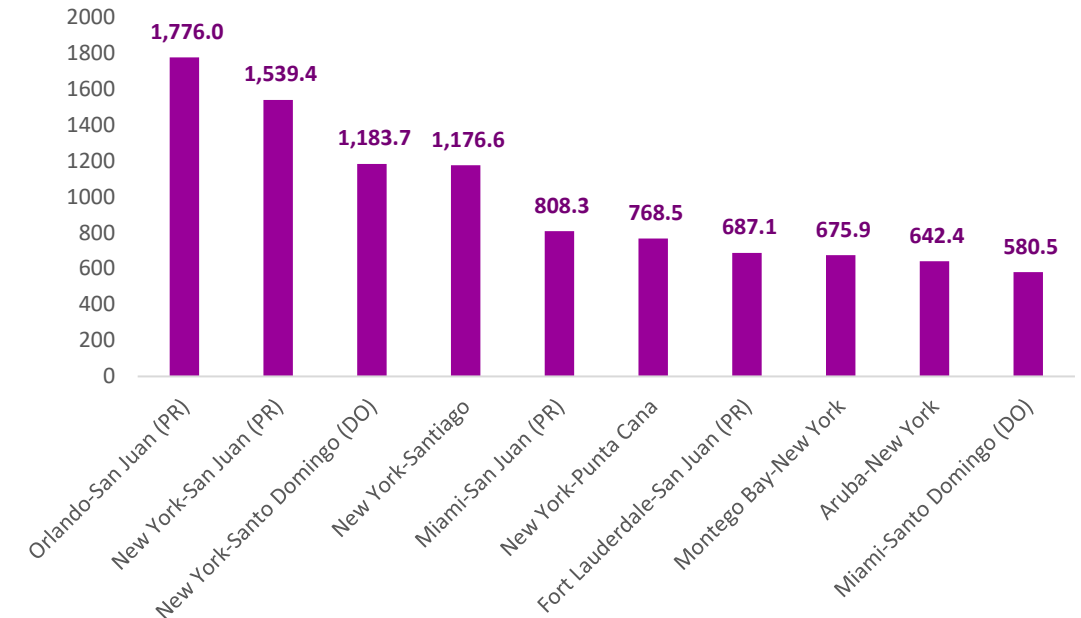
Top ten city pairs (round trip) Inter South America and The Americas, 2022



Top ten city pairs (round trip) Inter Central America and The Americas, 2022



Top ten city pairs (round trip) Inter Caribbean and The Americas, 2022



Source: MIDT

Note: the number of passengers are given in thousands.



Air Cargo Market Analysis

January 2024

The new year kicks off with a promising start for air cargo

- Global air cargo demand kicked off with an impressive 18.4% year-on-year (YoY) growth in January. The industry therefore experienced the highest annual growth in cargo tonne-kilometers (CTK) since the 2021 summer season. Seasonally adjusted (SA) CTKs grew 3.2% month-on-month (MoM).
- International CTKs expanded YoY both globally (+19.8%) and across all major trade lanes. The annual growth was championed by routes and carriers involving the Middle East and Asia.
- On the capacity side, industry-wide available cargo tonne-kilometers (ACTK) rose by 14.6% YoY last month, in large part thanks to the continued expansion of international passenger belly-hold capacity.
- The expansion in traffic compared to January 2023 was supported by easing inflation across major economies. It continued to outpace YoY growth in trade and production figures.
- Industry-wide air cargo yields declined by 10.4% relative to the previous month, with no apparent upward pressure from the Red Sea Shipping Crisis.

Air cargo market in detail - January 2024

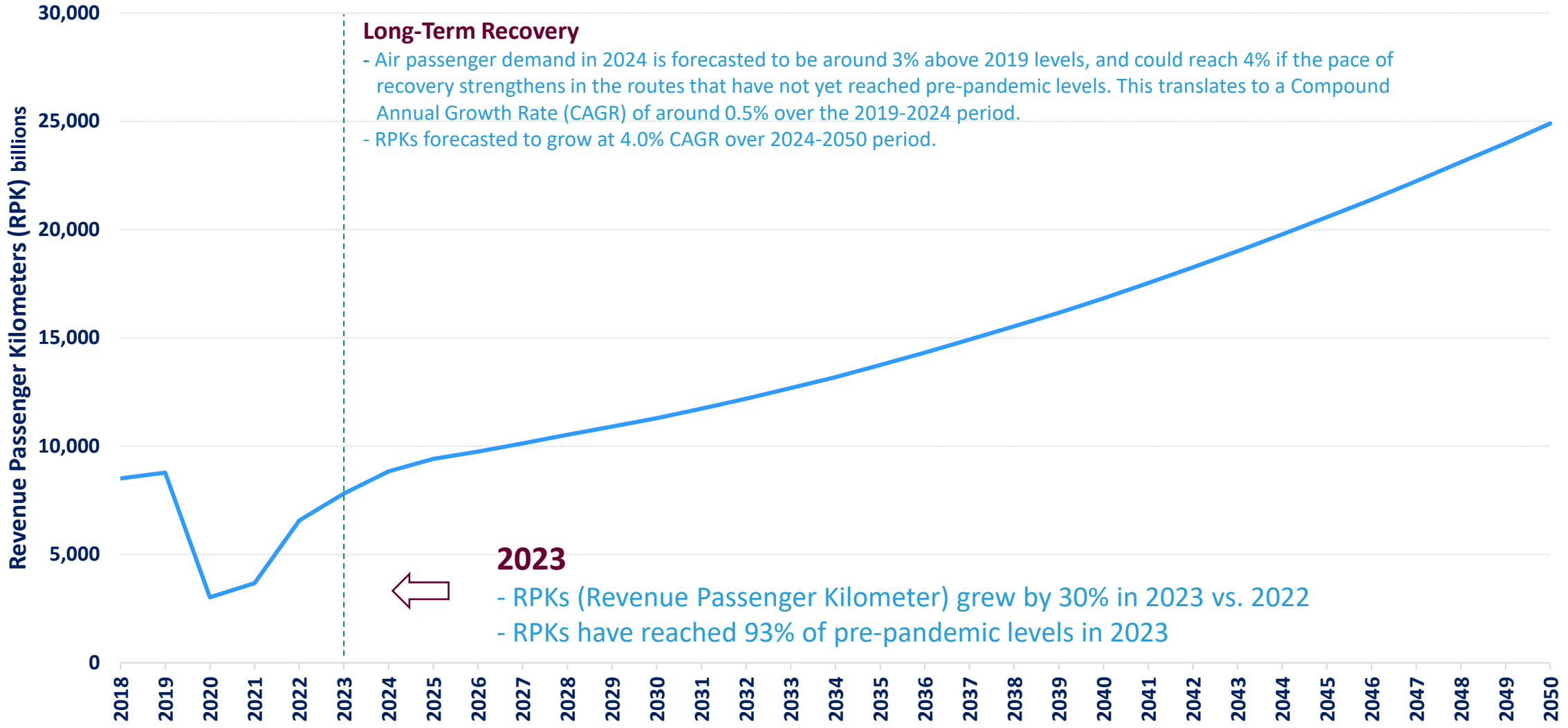
	World share ¹	January 2024 (% year-on-year)			January 2024 (% ch vs the same month in 2019)			
		CTK	ACTK	CLF (%-pt)	CTK	ACTK	CLF (%-pt)	CLF (level)
TOTAL MARKET	100.0%	18.4%	14.6%	1.4%	2.8%	5.5%	-1.2%	45.7%
Africa	2.0%	17.0%	19.4%	-0.9%	27.3%	4.4%	7.8%	43.1%
Asia Pacific	33.4%	24.6%	25.0%	-0.2%	-0.3%	12.6%	-5.8%	44.6%
Europe	21.4%	16.4%	12.5%	1.9%	-2.3%	-11.2%	5.0%	55.5%
Latin America	2.8%	13.4%	6.6%	2.1%	11.0%	1.4%	3.0%	34.4%
Middle East	13.5%	25.9%	17.1%	3.1%	12.2%	13.4%	-0.5%	43.9%
North America	27.0%	9.3%	3.8%	2.2%	4.2%	6.6%	-1.0%	43.5%
International	86.6%	19.8%	18.2%	0.7%	4.0%	5.2%	-0.6%	49.6%
Africa	2.0%	16.8%	19.5%	-1.0%	28.4%	5.3%	8.0%	44.4%
Asia Pacific	29.8%	23.0%	28.0%	-2.1%	2.7%	12.5%	-4.9%	50.9%
Europe	21.0%	16.9%	13.1%	1.9%	-2.6%	-11.9%	5.6%	57.6%
Latin America	2.4%	14.2%	5.9%	3.0%	11.5%	8.7%	1.0%	40.3%
Middle East	13.4%	25.9%	17.2%	3.0%	12.2%	13.5%	-0.5%	44.1%
North America	17.9%	14.5%	11.8%	1.1%	5.2%	7.2%	-0.9%	46.4%

Note 1: % of industry CTKs in 2023

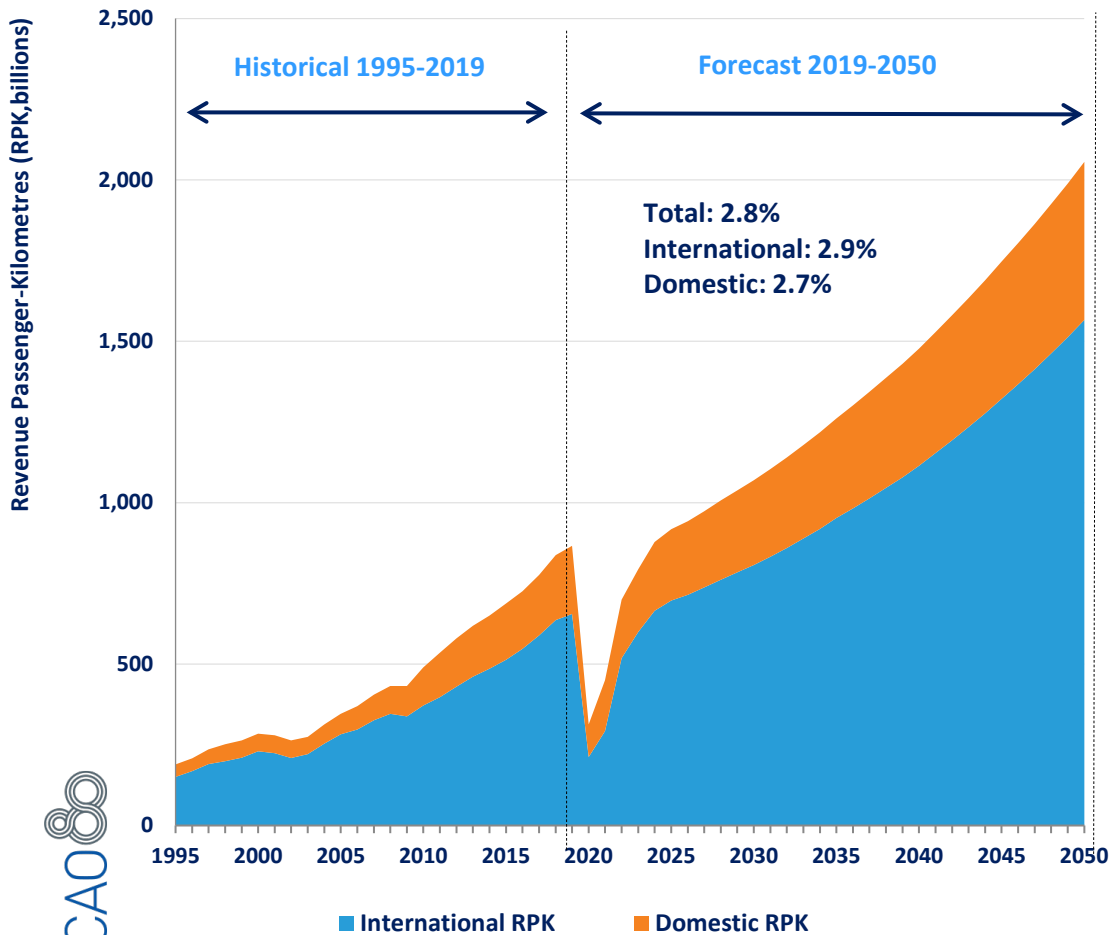
Note 2: the total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic. Historical statistics are subject to revision.

Latin American carriers experienced a 13.4% increase in cargo volumes compared to January 2023, a notable increase compared to the previous month's gain (+6.4%). Capacity in January was up 6.6% compared to the same month in 2023.

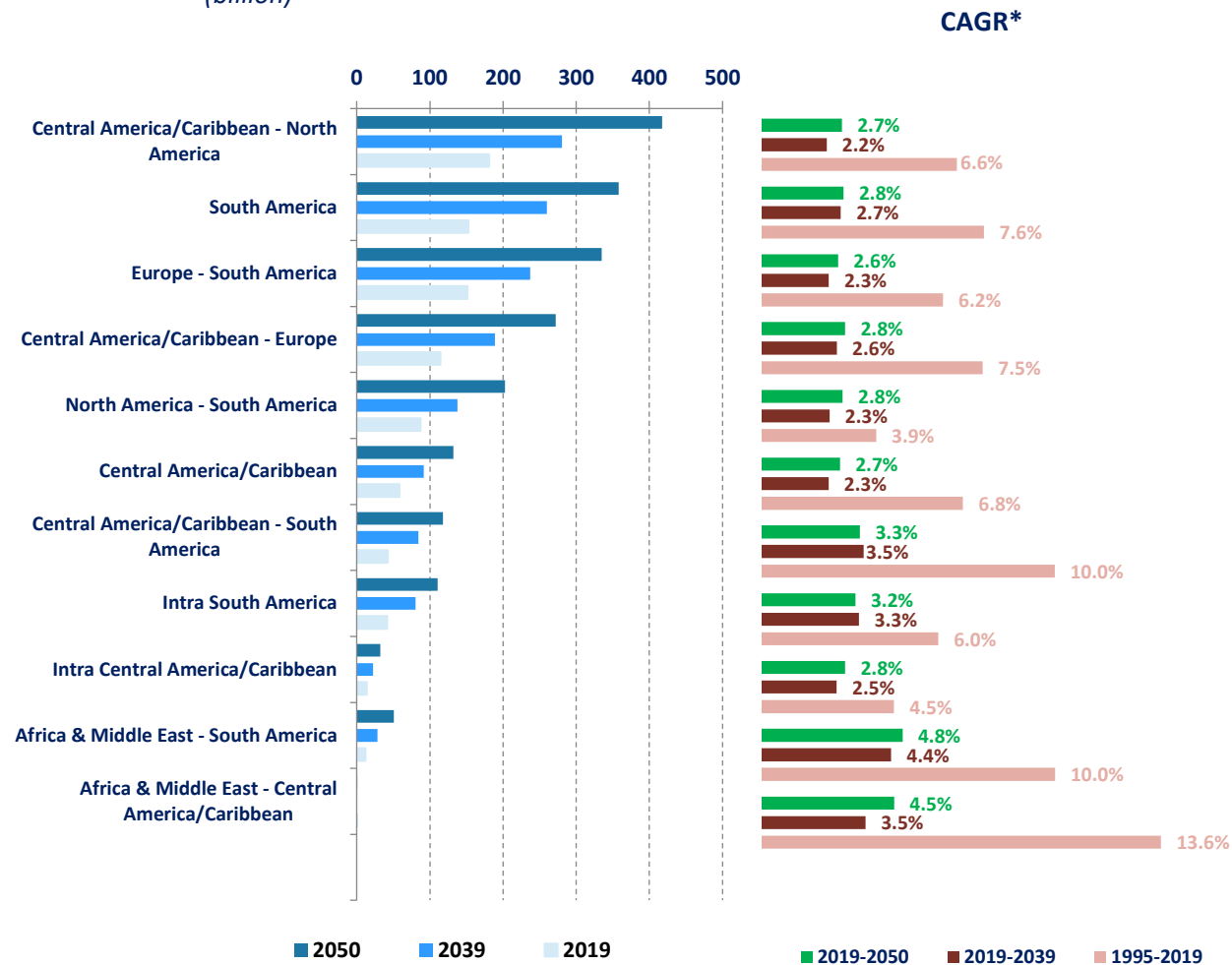
Long-term Passenger Forecasts: Global

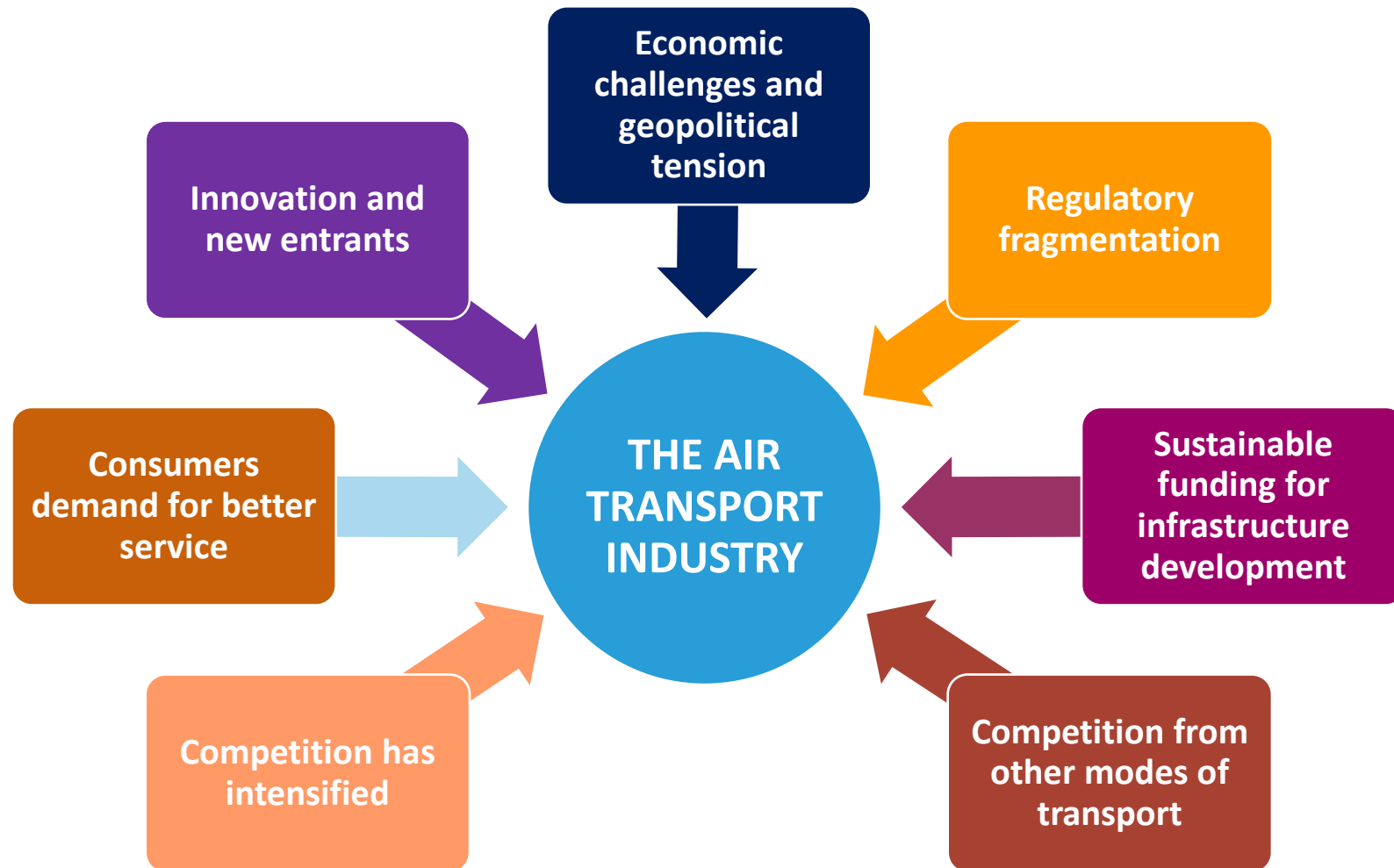


Long-term Passenger Forecasts: Latin America/Caribbean



Revenue Passenger-Kilometres (RPK)
(billion)







Participation in Panel on Challenges to Air Connectivity and adoption of the following Draft Conclusion:

CONCLUSION NACC/DCA/12/xx		IMPROVING AIR TRANSPORT ACTIONS IN THE CAR REGION	
What:		Expected impact:	
<p>That:</p> <p>a) States implement effective economic regulation and oversight and apply good regulatory processes, taking into consideration the best practices within and outside the <u>region</u>;</p> <p>b) States make efforts towards improving air connectivity in the region by addressing aviation infrastructure <u>deficiency</u>;</p> <p>c) States progress the liberalization of air transport in the <u>region</u>;</p> <p>d) States implement ICAO's policies on charges, and incorporate the four key charging principles, i.e. non-discrimination, cost-relatedness, transparency and consultation with users, into their national legislation and <u>regulation</u>;</p> <p>e) States promote consultation between airports/ANSPs and airlines in setting charges, as well as transparency in sharing information for meaningful and effective <u>consultation</u>;</p> <p>f) States recognize the difference between charges and taxes, implement ICAO's policies on taxation on international air transport, and avoid proliferation of <u>taxes</u>;</p> <p>g) ICAO continue to raise awareness and increase States' understanding of ICAO's policies and guidance on charges and taxes, with an objective to enhance the implementation by <u>States</u>;</p> <p>h) ICAO make efforts in providing information and analysis on the form of economic oversight adopted by States in relation to the evolution of user charges to allow regulators to make more informed decisions; and</p> <p>i) ICAO, together with LACAC and other aviation stakeholders, to identify and implement regional mechanism for States and industry to address issues and challenges faced in economic regulation and oversight as well as tackle infrastructure gaps.</p>		<input checked="" type="checkbox"/> Political / Global <input type="checkbox"/> Inter-regional <input checked="" type="checkbox"/> Economic <input type="checkbox"/> Environmental <input checked="" type="checkbox"/> Operational/Technical	
Why:			
To support the sustainable and continuous air transport development in the region			
When:	NACC/DCA/13 Meeting	Status:	<input checked="" type="checkbox"/> Valid / <input type="checkbox"/> Superseded / <input type="checkbox"/> Completed
Who:	<input checked="" type="checkbox"/> States <input checked="" type="checkbox"/> ICAO <input type="checkbox"/> Other:		



Thank You!