International Civil Aviation Organization
North American, Central American and Caribbean Office

WORKING PAPER

NACC/DCA/12 — WP/08
24/06/24

Twelfth North American, Central American and Caribbean Directors of Civil Aviation Meeting (NACC/DCA/12)

Placencia, Stann Creek District, Belize, 9-11 July 2024

Agenda Item 8: Challenges to Air Connectivity in the Americas Panel

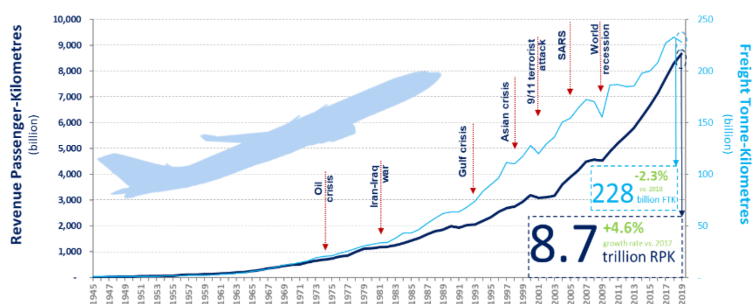
AIR TRANSPORT SITUATION IN THE NAM/CAR REGIONS

(Presented by the Secretariat)

EXECUTIVE SUMMARY	
This working paper presents the current status/ situation of Air transport in the NAM/CAR Regions in comparison to its recovery after the COVID-19 Pandemic, highlighting the current tendencies and forecast and the challenges observed at the intraregional connectivity in the region.	
Strategic Objectives:	• Economic Development of Air Transport

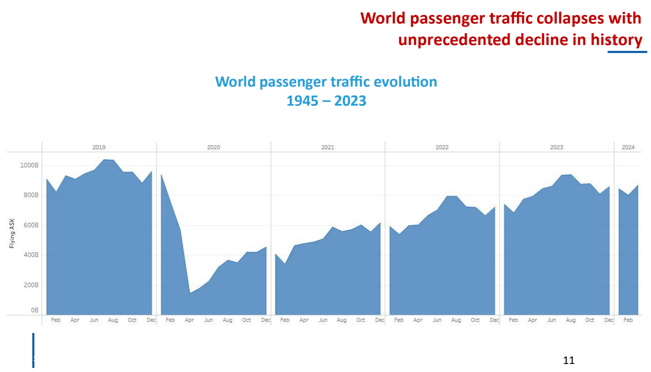
1. Introduction

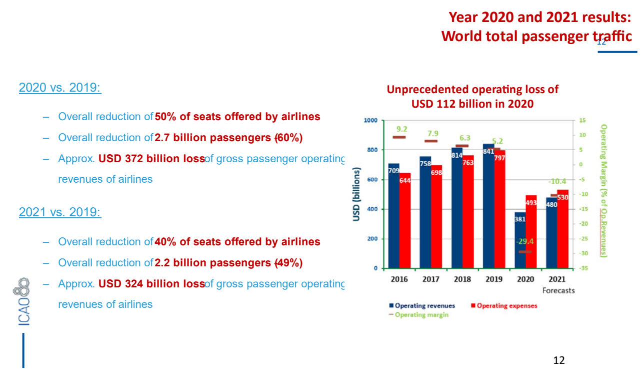
1.1 The promotion of a strong and economically sustainable aviation industry is essential for socio-economic development, facilitating tourism and trade, generating employment and business opportunities, and improving consumer choice.



1.2 The recovery of passenger and cargo travel has been asymmetrical among the regions and within the NAM/CAR Regions, representing particular challenges to assess and act on.

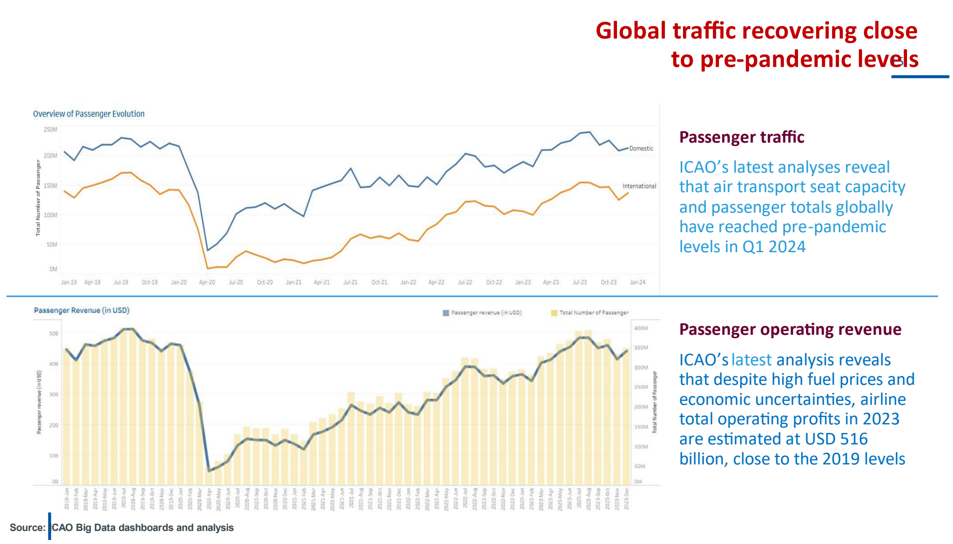
2. Discussion





2.1 The year 2023 has been marked with a strong recovery in air travel since the COVID-19 pandemic. In particular, international travel has gained significant momentum after a long period of traffic decline. ICAO's latest analysis also reveals new insights into aviation for 2023, revealing that air traffic on most routes had already reached or surpassed pre-pandemic levels by the end of the year. This is aligned with ICAO's earlier prediction of an almost complete recovery of passenger air traffic on a global scale by the end of 2023, namely around 95 per cent of 2019 pre-pandemic levels.

2.2 Traffic recovery in the NAM/CAR Regions also showed resilience in 2023, with total passenger traffic in terms of departures recovering to around 91 per cent of the pre-pandemic level, according to the ICAO big data dashboard. International and domestic passenger traffic in NACC recovered to approximately 86 and 93 per cent, respectively. The air cargo traffic in 2023 recorded 91 per cent of the 2019 level, in the region. **Appendix** to this Working Paper presents other recovery graphs for consideration



2.3 The Caribbean and Central America have presented a quite different recovery rate – passengers - in comparison with the North American Region.

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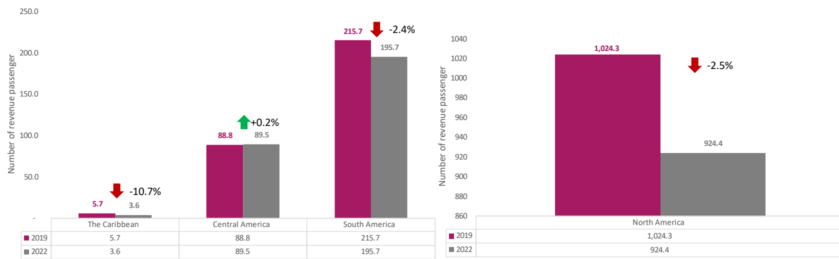
Total passenger services traffic by The Americas 2022 vs 2019



Source: ICAO, Air transport reporting forms (ATRs) A and AS
Note: Total passenger services means traffic consolidated by domestic and international stage and scheduled and non-scheduled traffic
Note: the number of passenger is given in millions

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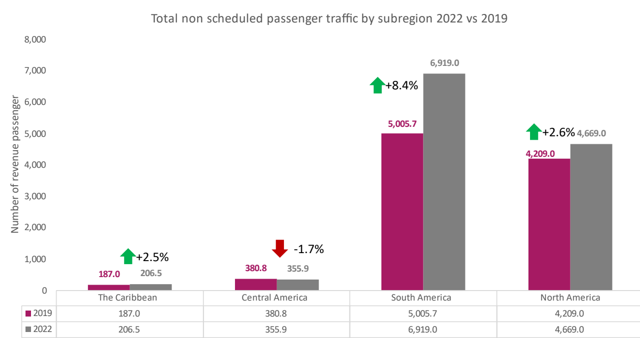
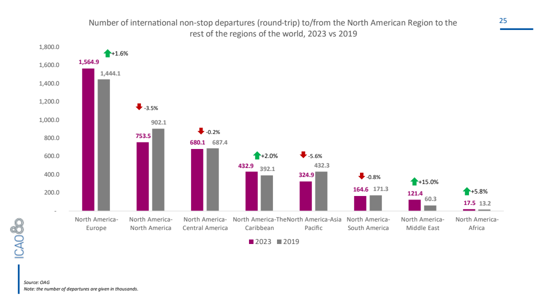
Total non-scheduled passenger services traffic by The Americas 2022 vs 2019

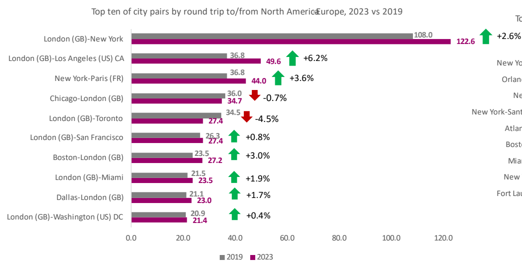


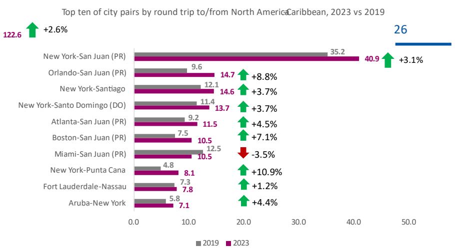
Source: ICAO, Air transport reporting forms (ATRs) A and AS
Note: Total passenger services means traffic consolidated by domestic and international stage and scheduled and non-scheduled traffic
Note: the number of passenger is given in millions

a) North America: The recovery in the traffic has been different among the regions:

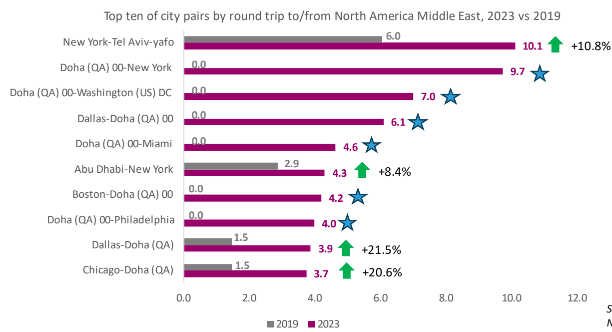
- North America-Europe: +1.6%
- North America-The Caribbean: +2.0%
- North America-Middle East:+15.0%
- North America-Africa:+5.8%

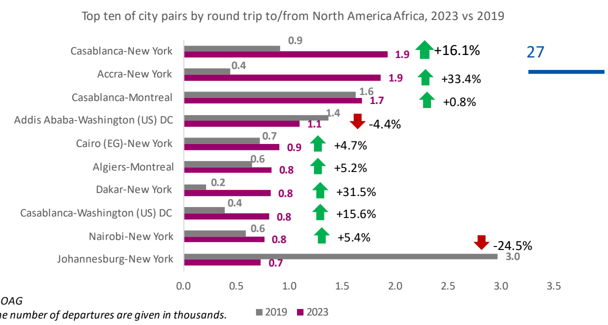






The main traffic performed among North America and Europe and well as among North America and the Caribbean have a steady recovery and increase from pre-COVID-19 trends





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

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 2023/20224. Qatar airways has code sharing partnerships with American Airlines, JetBlue Airways, and Alaska Airlines

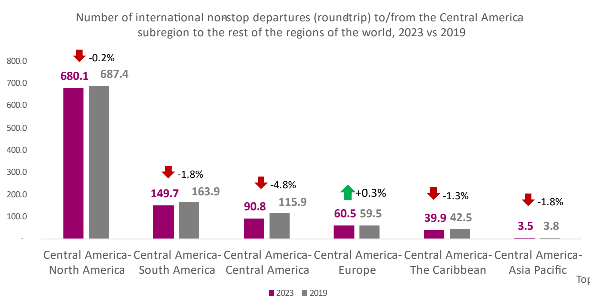
80% of the region market (to/from North America and Africa) is shared by: United and Delta (17%); Royal Air Maroc (15%); EgyptAir (11%); Ethiopian (10%), Air France ,and Virgin Atlantic (4%).
The main traffic performed among North America and Africa is with African countries from the North of Africa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

Round Trip (To/From) North America Region	STOPS	Number of departures 2023	Number of departures 2019	% rate	2023 (%)share	2019 (%)share
North America-Europe	NON STOP	1,564,874	1,444,081	1.6%	99.3%	98.8%
	1	11,305	18,173	-9.1%	0.7%	1.2%
	2	26	48	-11.5%	0.0%	0.0%
Europe-North America Total		**1,576,205**	**1,462,302**	**1.5%**		
North America-North America	NON STOP	753,486	902,062	-3.5%	93.0%	95.7%
	1	56,656	40,433	7.0%	7.0%	4.3%
	2	56	396	-32.4%	0.0%	0.0%
North America-North America Total		**810,198**	**942,891**	**-3.0%**		
North America-The Caribbean	NON STOP	432,883	392,074	2.0%	85.5%	82.3%
	1	71,484	81,939	-2.7%	14.1%	17.2%
	2	1,076	1,225	-2.6%	0.2%	0.3%
	3	581	704	-3.8%	0.1%	0.1%
	4	137	263	-12.2%	0.0%	0.1%
	5	18	56	-20.3%	0.0%	0.0%
	6		3			
North America-The Caribbean Total		**506,179**	**476,264**	**1.2%**		
North America-Asia Pacific	NON STOP	324,896	432,322	-5.6%	97.9%	94.4%
	1	6,690	25,239	-23.3%	2.0%	5.5%
	3	106	80	5.8%	0.0%	0.0%
	4	54	128	-15.9%	0.0%	0.0%
	5	198	208	-1.0%	0.1%	0.0%
North America Total-Asia Pacific		**331,944**	**457,977**	**-6.2%**		
North America-South America	NON STOP	164,554	171,304	-0.8%	97.9%	95.1%
	1	3,514	8,799	-16.8%	2.1%	4.9%
North America-South America Total		**168,068**	**180,103**	**-1.4%**		
North America-Middle East	NON STOP	121,358	60,309	15.0%	99.8%	98.7%
	1	276	797	-19.1%	0.2%	1.3%
	2	1			0.0%	
North America-Middle East		**121,635**	**61,106**	**14.8%**		
North America-Africa	NON STOP	17,478	13,195	5.8%	88.5%	75.0%
	1	2,182	4,410	-13.1%	11.0%	25.0%
	2	93			0.5%	
North America-Africa		**19,753**	**17,605**	**2.3%**		

Round Trip (To/From) South America Region	STOPS	Number of departures 2023	Number of departures 2019	% rate	2023 (%)share	2019 (%)share
South America-South America	NON STOP	217,937	229,898	-1.1%	95.3%	89.8%
	1	10,343	25,754	-16.7%	4.5%	10.1%
	2	411	458	-2.1%	0.2%	0.2%
South America-South America Total		**228,691**	**256,110**	**-2.2%**		
South America-Europe	NON STOP	161,437	165,887	-0.5%	95.4%	96.6%
	1	4,354	3,451	4.8%	2.6%	2.0%
	2	3,516	2,434	7.6%	2.1%	1.4%
South America-Europe		**169,307**	**171,772**	**-0.3%**		
South America-The Caribbean	NON STOP	25,817	17,337	8.3%	82.2%	64.9%
	1	4,349	8,163	-11.8%	13.8%	30.5%
	2	1,243	361	28.1%	4.0%	1.4%
	3		864			3.2%
South America-The Caribbean Total		**31,409**	**26,725**	**3.3%**		
South America-Middle East	NON STOP	6,786	848	51.6%	93.9%	31.1%
	1	439	1,876	-25.2%	6.1%	68.9%
South America-Middle East		**7,225**	**2,724**	**21.5%**		
South America-Africa	NON STOP	5,471	5,539	-0.2%	88.5%	90.7%
	1	711	470	8.6%	11.5%	7.7%
	2		98			1.6%
South America-Africa		**6,182**	**6,107**	**0.2%**		
South America-Asia Pacific	NON STOP	1,164	3,179	-18.2%	26.4%	56.6%
	1	3,237	2,432	5.9%	73.6%	43.3%
	2		3			0.1%
South America-Asia Pacific		**4,401**	**5,614**	**-4.8%**		

- The Middle East is the Region that is pulling up the non-stop traffic from North America and South America, as part of the expansion plans of Qatar Airways in The Americas.
- There is room for improving the connectivity between North America and the Caribbean, some highlights are the raise in the non-stop departures, however 14% is 1 stop, the highest share among all the regions.

b) Central America:



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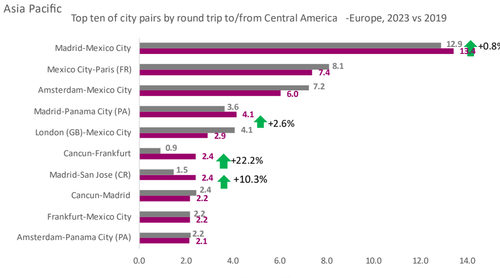
80% of the central America/Europe market is shared by Aeromexico (12%), followed by European carriers (60% of the traffic), Copa Airlines (4%), welcoming Lufthansa in this market in 2023 with 1,961 departures.



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

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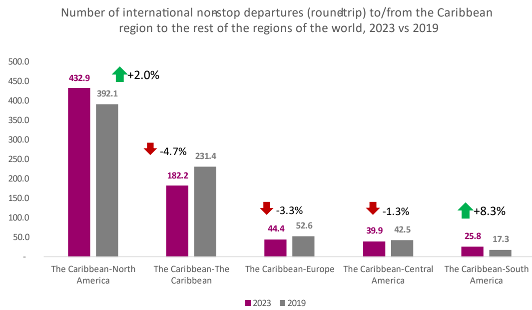
Round Trip (To/From) Central America Region	STOPS	Number of departures 2023	Number of departures 2019	% rate	2023 (%)share	2019 (%)share
Central America-North America	NON STOP	680,064	687,392	-0.2%	94.1%	92.8%
	1	42,677	53,014	-4.2%	5.9%	7.2%
	2		313			0.0%
Central America-North America Total		**722,741**	**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) The Caribbean Region	STOPS	Number of departures 2023	Number of departures 2019	% rate	2023 (%)share	2019 (%)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.

c) Caribbean:



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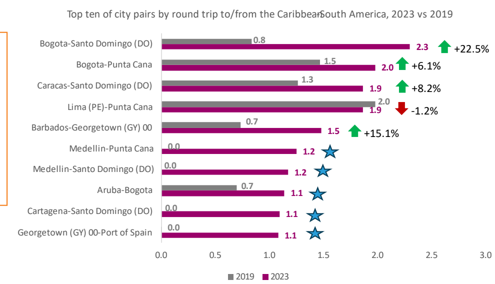
Caribbean to/from South America have become more dynamic, from the top ten city pairs, there are 5 new city pairs in 2023 that were not operating in 2019

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%.



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

2.4 The freight has an annual increasing rate since the Covid-19 Pandemic:

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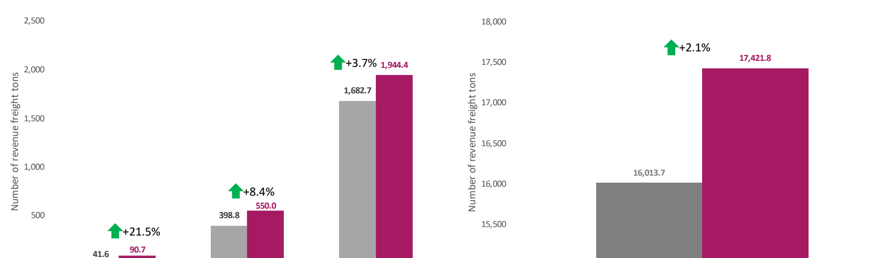
Total freight services traffic by The Americas 2022 vs 2019



	The Caribbean	Central America	South America
2019	41.6	398.8	1,682.7
2022	90.7	550.0	1,944.4

	North America
2019	16,013.7
2022	17,421.8

Source: ICAO, Air transport reporting forms (ATRs) A and AS
Note: Total freight services means traffic consolidated by domestic and international stage and scheduled and non-scheduled traffic
Note: the number of freight tons is given in thousands

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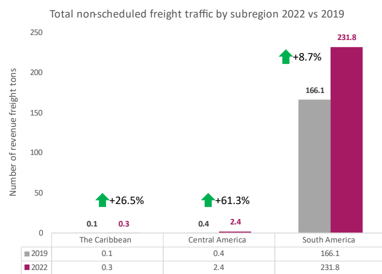
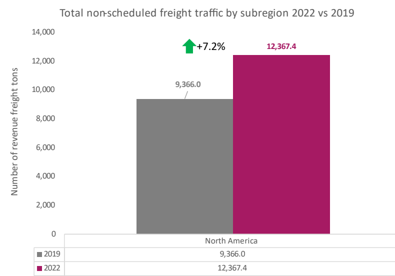
Total non-scheduled freight services traffic by The Americas 2022 vs 2019





Source: ICAO, Air transport reporting forms (ATRs) A and AS
Note: Total freight services means traffic consolidated by domestic and international stage and scheduled and non-scheduled traffic
Note: the number of freight tons is given in thousands

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AVIATION BENEFITS BEYOND BORDERS

According to ATAG, supporting delivery of medical equipment to help in the global response to the coronavirus pandemic, airlines, airports and aircraft manufacturers have mobilised resources in novel ways to ensure the delivery of critical medical equipment. In the course of a few months, over two million tonnes of medical and Covid-specific cargo have been transported worldwide, with some airlines operating all-cargo flights for the first time in their history, or using passenger aircraft for cargo-only services.

ATAG underlines that 46,400 Special cargo flights transported some 1.5 million tonnes of cargo, mostly medical equipment, to areas in need during the height of the pandemic response.

Source: https://aviationbenefits.org/media/167517/aw-oct-final-atag_abbb-2020-publication-digital.pdf

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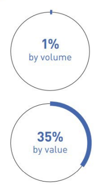
35%

Air transport carries around 35% of world trade by value and less than 1% by volume[38].

High value, time sensitive

Proportion of global trade transported by air[39].



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IATA

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.

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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.

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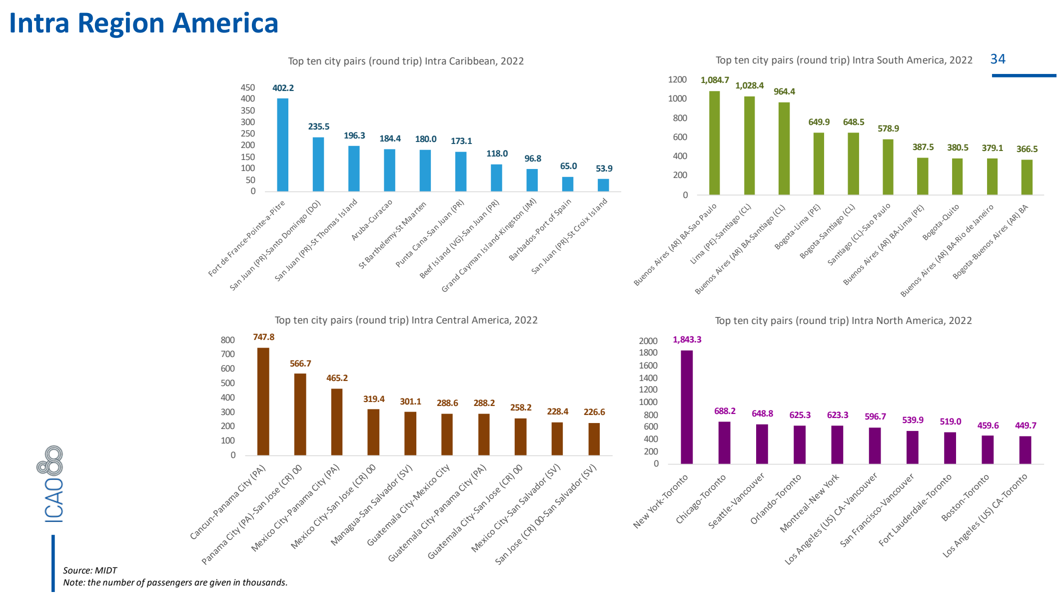
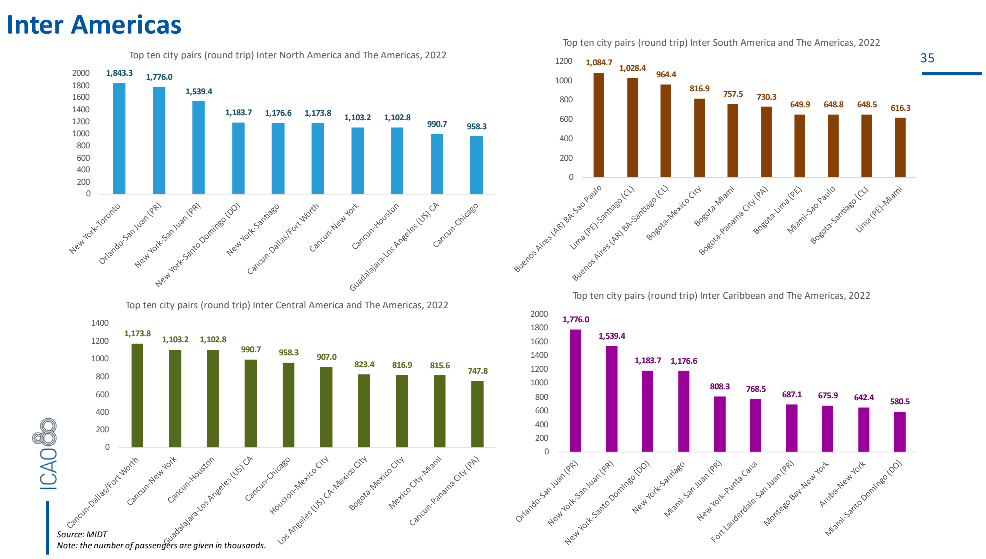
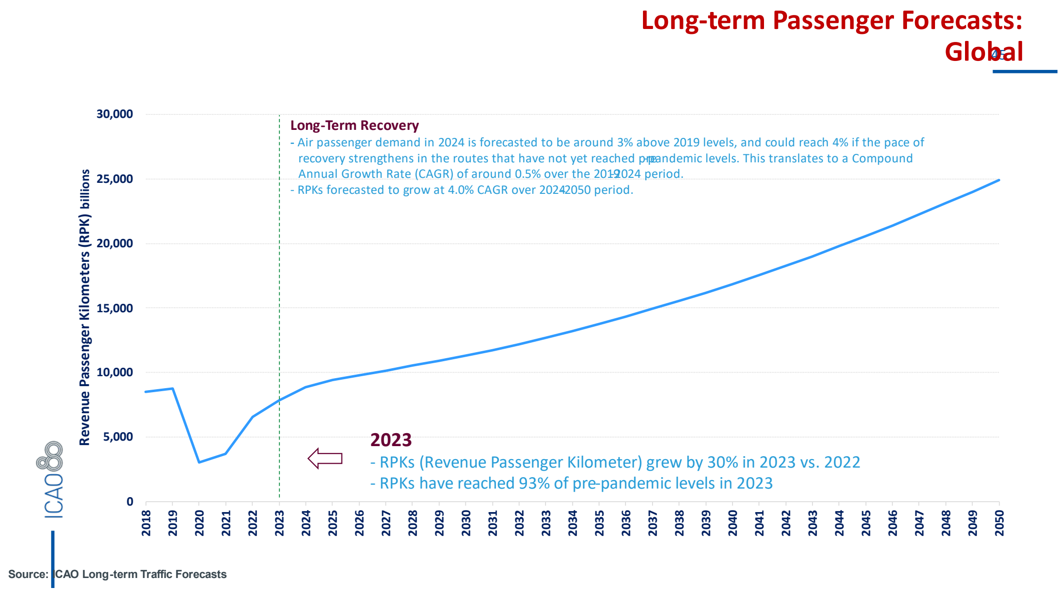
Latin American carriers experienced a 13.4% increase in cargo volumes compared to January 2023, a notable increase compared to the previous month's gain (+6.4%). Capacity in January was up 6.6% compared to the same month in 2023.

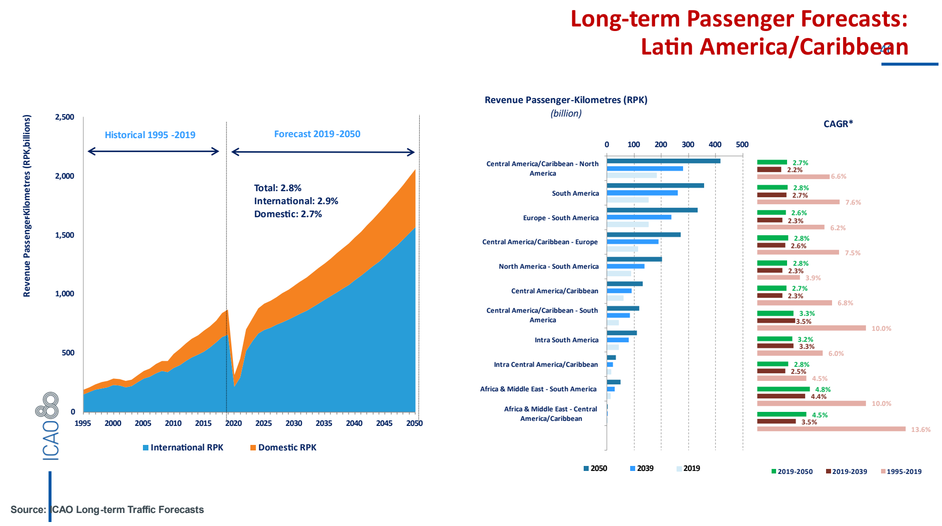
2.5 Intra regional and Inter Americas traffic:



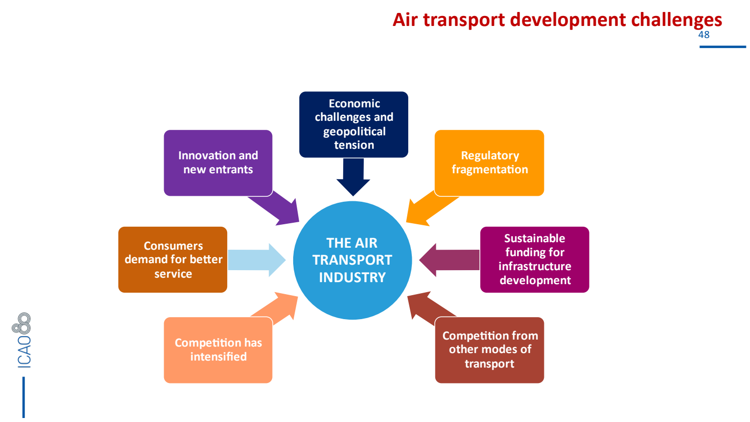


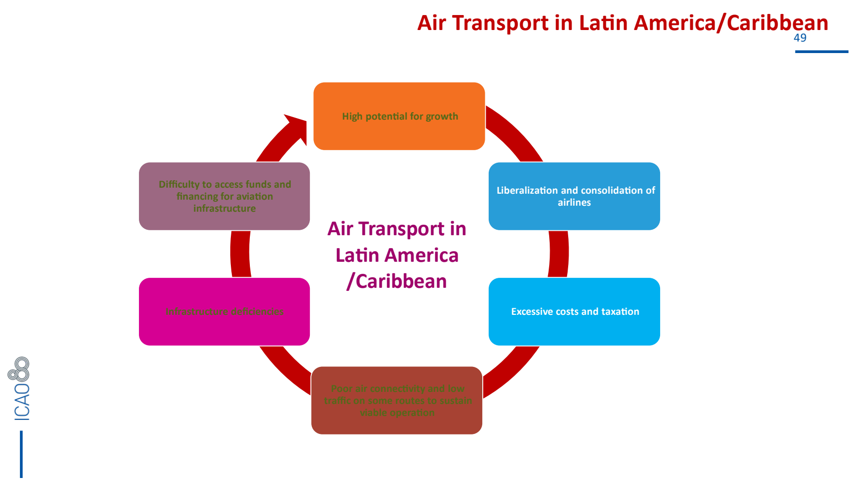
2.6 Long term Traffic forecast





3. Challenges for the continuous development of Air Transport





3.1 The current challenges to air transport development in the CAR Region, particularly on enhancing passenger air connectivity intraregional, requires a more coordinated and regional approach toward the proper application of ICAO guidance on fees and charges, liberalization, competitiveness factors among some elements. In this regard the Meeting is invited to review the following draft conclusion for States adoption:

CONCLUSION NACC/DCA/12/xx	**IMPROVING AIR TRANSPORT ACTIONS IN THE CAR REGION**
What: That: a) States implement effective economic regulation and oversight and apply good regulatory processes, taking into consideration the best practices within and outside the region; b) States make efforts towards improving air connectivity in the region by addressing aviation infrastructure deficiency;	**Expected impact:** ☒ Political / Global ☐ Inter-regional ☒ Economic ☐ Environmental ☒ Operational/Technical

c) States progress the liberalization of air transport in the region; 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 regulation; e) States promote consultation between airports/ANSPs and airlines in setting charges, as well as transparency in sharing information for meaningful and effective consultation; f) States recognize the difference between charges and taxes, implement ICAO's policies on taxation on international air transport, and avoid proliferation of taxes; 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 States; 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 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.	
Why: To support the sustainable and continuous air transport development in the region	
When: NACC/DCA/13 Meeting	**Status:** ☒ Valid / ☐ Superseded / ☐ Completed
Who: ☒ States ☒ ICAO ☐ Other:	

4. Suggested action

4.1 The meeting is invited to:

a) note the information provided;

b) amend as necessary and endorse the proposed Conclusion; and

c) provide direction as deemed necessary.

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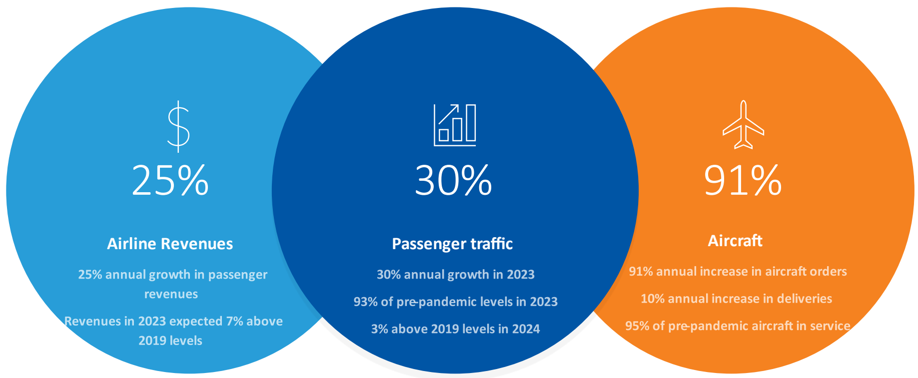
APPENDIX
AIR TRANSPORT RECOVERY RESULTS

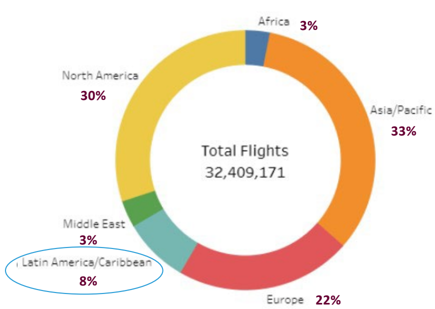
Global traffic in 2023: A recovery from the pandemic shock



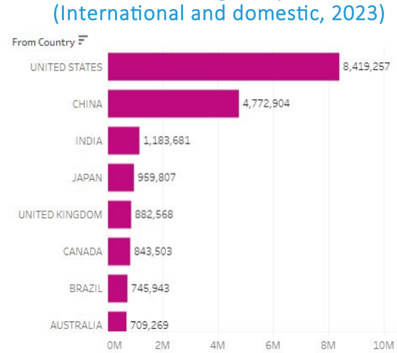
Source: ICAO Big Data dashboards and analysis

Traffic by region and State

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



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



Source: ICAO Big Data dashboards and analysis

Global airport traffic

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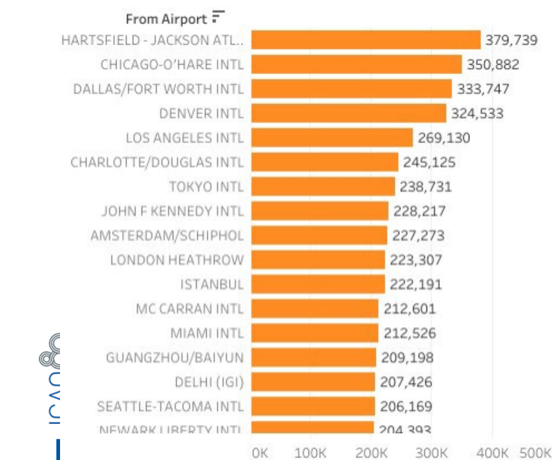
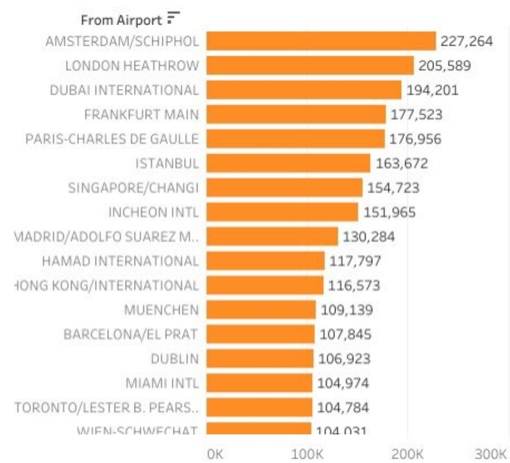
Number of flights by airports
(International and domestic, 2023)



Number of flights by airports
(International, 2023)

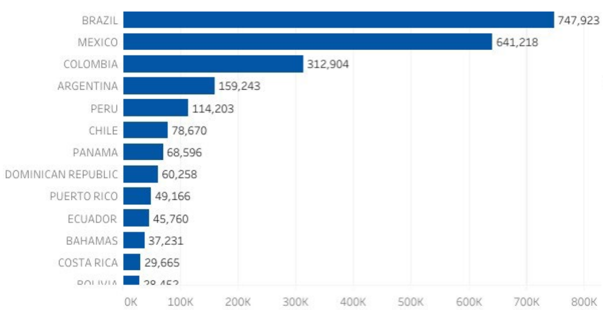


Source: ICAO Big Data dashboards and analysis

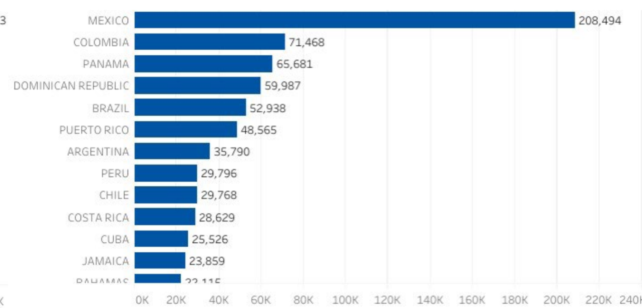
Traffic - Latin America/Caribbean

19

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

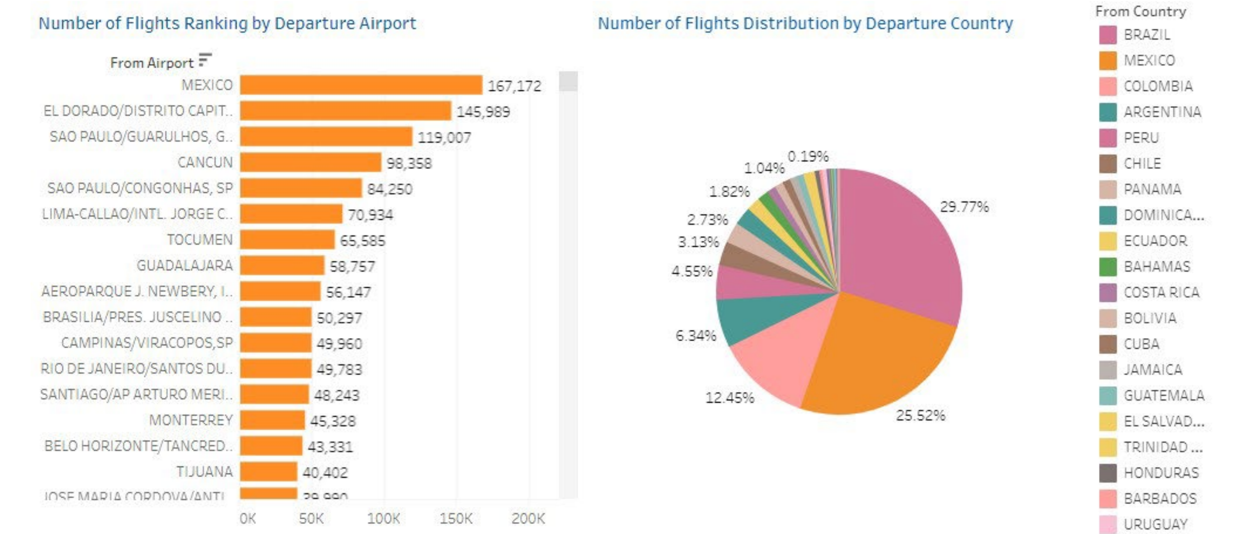


Number of flight by State
(International, 2023)



Source: ICAO Big Data dashboards and analysis

Airport traffic: Latin America/Caribbean



Source: ICAO Big Data dashboards and analysis

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