

BRAZIL BUSINESS TRAVEL SPENDING TO REMAIN STRONG DESPITE GLOBAL ECONOMIC CHALLENGES



In spite of a gloomy world economic outlook, business travel spending in Brazil is set to maintain its robust growth. This is according to the projection of the Global Business Travel Association (GBTA). The association has released its BTI™ Outlook second report on Brazil, which is part of its semi-annual series. The report forecasts business travel trends in the next two years. Brazil is one of the few countries in the emerging markets category that has defied the trickle down effects of the global economic recession, as its business travel spending has remained positive in recent years.

The president of the GBTA Brazil, Wellington Costa said that Brazil's position as one of the world's business travel markets to watch can be attributed to its economy that has remained strong in the face of the current world economic challenges. Compared to mature economies such as the US and Europe, Brazil's performance in business travel spending is robust, and the trend is expected to continue. Wellington added that this growth will test Brazil's capability to improve its infrastructure to cope with the demand it has created in business travel spending. This is one of the major issues the report highlighted regarding business travel spending in Brazil.

In its key highlights, the report's predicts a 9.3% growth in Brazil business travel spending, which adds up to \$30.1 billion in 2012. In 2013, the growth is expected to reach 12.6%. Brazil will also rise to eighth position on the world business travel spending in 2012, overtaking South Korea in ranking. This growth will result in an expansion of hotel capacity by 6%. Aside from business travel, the expected hosting of the FIFA World Cup and Olympic games in the near future will increase the pressure on hotel capacity and create more demand that will exceed the supply by far.

Another key highlight indicates that Brazil's real GDP will grow by 2.9% in 2012 and by 4.1% in 2013. In addition, the growth in Brazil's business travel spending will be more rapid with the recovery of the world economy. In 2012, growth in international business travel spending in Brazil will outpace the domestic spend, which has always dominated business travel in the country.

Visa Inc's head of global commercial solutions, Tad Fordyce said that Brazil business travel spending on Visa cards increased by more than \$2.3 in 2011 compared to 2010. He added that as the report's sponsor, Visa Inc is committed to expanding its payment infrastructure to help Brazil capture the opportunity the FIFA World Cup and the Olympic Games will present.

Inadequate infrastructure and capacity to cater for the growing business travel is a major challenge for Brazil. Currently, construction of about 30,500 hotel rooms is underway, which will increase hotel capacity by 6%. Despite this, the demand will still exceed the supply, especially because of the forthcoming sporting events. Nevertheless, the government is committed to formulating policies that aim to further stimulate the economic growth, increase household wages and strengthen the country's domestic demand for its products.

With a positive outlook in the country's economy and the growth in business travel spending, Brazil is set to take eighth position in the world's largest business travel markets, overtaking South Korea.

Date: 2012-09-17

Article link: <http://www.tourism-review.com/brazil-business-travel-spending-rises-news3386>