

GBTA: BRAZIL TO INCREASE BUSINESS TRAVEL SPEND IN 2013



Global Business Travel Association (GBTA), one of the world's premier business travel and corporate meeting organizations, released its latest report on Brazil's current status in the BTGI (Business Travel Global Index).

The report presented the strengthening economies, domestic and global, in which Brazil will exhibit strong growth rate for the year 2013. Brazil is currently on the 8th position with its index increasing by more than 40 points. In the next two years, Brazil is on its way to surpass France, Italy and UK.

The country's business travel expenditure is projected to increase by 14.3% or \$34.5 billion by this year. The domestic business travel expenditures have inflated by 8.3% for the last 12 years and the figure is expected to increase by 12.9% or \$27 billion this year. The international outbound travel expenditures, however, is anticipated to expand by 20.2% or \$7.1 billion for the same year. The demand for more hotel rooms and air travels are now being positively responded to improve services for domestic and international travelers.

President of GBTA Brazil, Wellington Costa, said that Brazil exhibited impressive economic resiliency as reflected in the latest GBTA data. Although business travel expenditures slightly slowed down toward the end of the year 2012, it bounced back and is now rising. The main challenge now for the Brazilian business travel market is whether the country can sustain the fast-growing demand considering the supply for infrastructure.

Head of Global and Commercial Solutions of Visa Inc., Tad Fordyce, revealed that the U.S. and international travelers had increased their expenditures on their Visa accounts. From the months of January to June last year, international travelers expenditures increased by 9% in the U.S. alone.

Latin America and Caribbean Head of Commercial Solutions, Visa Inc., Diego Rodriguez, said that **Brazil will continue to have a bright status globally in both domestic and international travels with its consistently increasing travel spending rates.** He added that the rapid economic development shall continue with events such as the 2014 FIFA World Cup and the 2016 Rio Olympic Games. He said that these world events will absolutely fuel up business and tourism in the country. He committed that VISA will help Brazil optimize its economic potential.

Despite the recession in 2008 and 2009, Brazil's business travel expenditures remained stable and even grew with a very impressive rate that was nearly tripled since the year 2000. With an estimated \$11 billion in the beginning of the millennium, travel expenditure rates grew by 8% approximately per year and now it's more than \$30 billion for the year 2012. This year, growth rates are expected to double because of the upward trends among economic indicators which are no other than the business confidence and employment. The growth is forecasted to continue its momentum by 16.1% or \$40 billion next year. The industry of Brazil's business travel has been consistently performing very well as compared to other developed markets.

The forecast over Brazil's business travel industry is positive yet there are several challenges the country is facing right now such as the rapid increase in the demand of hotel rooms and travel

flights. These challenges have to be addressed immediately to achieve the full potentials of the business and travel markets.

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