

# BRAZIL HOPES FOR POSITIVE OVERSEAS TOURISTS INFLOW



In less than two months, the 2016 Summer Olympics are set to begin in Rio De Janeiro. Since 2009, when the country was announced as the Olympics host, Brazil has gone through economic and political crisis, the 2014 football World Cup and the outbreak of the Zika virus. Despite the negative situation, Brazilian officials expect between 350,000 and 500,000 overseas tourists. Critics point out that the number is not attainable.

While most overseas tourists are well aware of the Zika outbreak, not many know about the problems with contaminated water. "Athletes at the Summer Olympics will be swimming and boating in waters so contaminated with human feces that they risk becoming ill and unable to compete in the Games," the Associated Press warned.

**Experts have been calling for the cancellation or postponement of the Games.** For example, professor Amir Attaran in an article for the Harvard Public Health Review said: "It cannot possibly help when an estimated 500,000 foreign tourists flock into Rio for the Games, potentially becoming infected, and returning to their homes where both local Aedes mosquitoes and sexual transmission can establish new outbreaks," the Canadian lawyer pointed out. Despite this plea, the Olympics are to go as planned as decided by the WHO and CDC (Centers for Disease Control).

As if that was not enough, Brazil's tourism minister Henrique Alves resigned on June 16, less than two months before the start of the grand sport event. Alves was allegedly involved in a corruption scandal. The 67-year-old politician was one of two dozen officials named in plea bargain testimony by a former Petrobras (Brazilian petroleum company) executive.

Despite the dire situation, Brazilian officials are optimistic. This is supported by a Ministry of Tourism study made in cooperation with 80 largest Brazilian travel companies. They all together generate a turnover of \$64.6 billion and 115,000 jobs across the country. According to this study, the growth prospects for 2016 are positive. Out of nine surveyed sectors, seven are estimated to grow in sales this year.

Car rental companies lead the list, with a projected increase of 9.6% in revenues and 16.2% in headcount. Inbound tourism (8.3%), road transport (6.6%), lodging facilities (5%), trade promoters (3.1%), and travel agencies (2.5%) are also estimated to grow. Other than that the number of employees should also grow, mainly among event organizers (3.2%) and inbound tourism employees (2.1%).

But not all data are positive. American Airlines stated that the airline will operate 16% fewer flights to the country in August compared to last year. International demand has also declined. In April it fell by 3.6% compared with April 2015, according to the Brazilian Association of Airlines.

The weakened enthusiasm is also seen in the lodging industry, where the data is somewhat mixed. Olympic organizers have reserved some 90% of available rooms for delegations. **Moreover, Airbnb announced that it had booked 30,000 guests for the Games, but refused to disclose the occupancy rates.** But it seems that this is not too much of a success, as confirmed by Alex Kaplan, a man living in Rio and renting out 35 properties on Airbnb on behalf of their owners. He said that the

demand has been disappointing compared to the 2014 World Cup.

“People do not seem as excited about the Olympics as they were about the World Cup,” Kaplan said. About 25% of the properties he manages are still available. “I’ve had many rentals fall through.” Kaplan concluded.

And thus many overseas tourists and fans ask themselves whether Brazil manages to handle the main sport event of the year. The Brazilian authorities expect that everything will go on without complications and the worldwide fans will enjoy this grand event.

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