

# FOREIGN TOURISTS IN VENEZUELA NOW PAY IN DOLLARS



Venezuelan hotels have started charging foreign tourists in US dollars in an attempt to diversify the country's income in the face of the fall in the price of oil, its main export.

After his government monopolized the access to the dollar in 2003, the late President Hugo Chávez repeated on several occasions that the exchange control was "here to stay".

However, nearly three decades later and in the midst of an acute economic crisis, **the dollar has become once again a payment currency, but only for the few foreign tourists arriving in that South American country.**

In recent years, tourism in Venezuela was slightly growing thanks to backpackers, who risked traveling to the country despite the high rates of violence, seduced by its beaches and natural beauty, but especially by the huge profit gained by exchanging their dollars on the black market.

"Unfortunately, the currency that should be coming in for tourism in Venezuela is going to illegal markets. These funds are not being collected," said José Yapur, president of CONSETURISMO, the main association in the country which brings together private companies in the sector.

The new regulations, however, have been allowing hotels, tourism and travel agencies to charge foreign tourists in dollars for five months now.

Although the country, which is undergoing a severe economic crisis, is in urgent need of dollars, the measure - approved in April - only started being implemented in the last few days due to bureaucratic problems and lack of clarity, according to tour operators.

"It's a process that takes time," Yapur stated, explaining that, for now, only a handful of five-star hotels are charging in dollars.

According to the regulation four and five star hotels, providers of tourist transportation services, and duty-free shops must sell 60% of the dollars they receive to the Central Bank at a floating DICOM rate, which closed on Monday at 659 bolivars to the dollar.

They are allowed to retain the remaining 40%, but only to be invested in the sector.

Travel agencies, meanwhile, must sell 90% of the dollars received from foreign tourists to the central bank and can only retain the remaining 10% which must be spent in their sector.

In addition, the state is considering tax refunds to foreign tourists as in other countries, according to the regulations.

In 2015, Venezuela, whose magnificent landscapes have inspired films like Avatar and Up, received only a quarter of the 4 million tourists who arrived in neighboring Colombia, lured by the huge disparity between the official and the parallel dollar, which allowed them to enjoy the country at

bargain prices.

However, many believe that the regulations implemented by the socialist government of Nicolás Maduro will fail to boost tourism in Venezuela and could instead backfire on the sector by increasing the costs for foreign visitors.

"I would not come back to Venezuela," said Miguel Laredo, a Peruvian tourist who recently visited the country. "Not only because now everything will be more expensive, but because you will be exposed to insecurity".

Venezuela has a longer stretch of Caribbean coastline than any other country, but high rates of murders, robberies and constant breakdowns in basic services have driven away foreign tourists for years.

On the island of Margarita, the tourist epicenter of the country, only three first class hotels offer the possibility of paying in dollars for their services.

While other hotels are waiting to be able to charge in foreign currency, the former "Pearl of the Caribbean" has seen hotel occupancy fall more sharply than any other region of the country.

**In August, in the middle of the peak season, occupancy in Margarita was 43%, much lower than in January, when it exceeded 79 per cent, according to the figures from the hotel federation.**

"Almost no one comes," said Patricia Bolívar, a 43 year-old saleswoman in a luggage shop on the island. "For a while now very few tourists have been coming".

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