

TOURISM IN URUGUAY CLOSED WITH A 29% DROP IN FOREIGN TOURISTS



Tourism in Uruguay reported a drop in the number of foreign tourists. Argentinian visitors, the most important source market for Uruguay, have been hit by the currency crisis and consequently the numbers of travelers. While there were measures in Uruguay focused on mitigating the negative effects (with discounts and sales of Value Added Tax) the blow is still felt.

In the period January-March the amount of incoming foreign tourists dropped by almost 29% in comparison with the same period of 2018. It was the first drop since 2014 and the second biggest since the Ministry of Tourism started the statistics.

According to the numbers, in the first trimester of 2019, 1.092.015 foreign tourists arrived from abroad. It was the second biggest drop since 2002, when the arrival of visitors saw a reduction of 45% (they were a little over 500.000). However, the amount of visitors continued to be above a million, a barrier that was first crossed in 2011 and that was only not reached in 2014 (when about 890.000 visitors entered) and in 2015 (990.000).

Inbound tourism in Uruguay generated US\$ 776 million during the period of January-March, almost US\$ 317 million less (-30%) than in the same period of 2018. It was the first drop for a trimester since 2016 and the most significant drop since the 2002 crisis (then the drop was 44%). That lower billing took place in all the destinations of the country.

The total expense per tourist (US\$ 711 in average) remained almost unchanged and the daily consumption slightly increased (US\$ 110).

The president of the Uruguayan Chamber of Tourism, Juan Martinez, said that: "It was an important drop and it's worrisome. It affected three-star hotels, middle gastronomy and almost all destinations".

This scenario will produce an increase of the "strike insurances", he estimated, and he informed that in the face of this scenario, meetings have already been promoted in order to accomplish reductions in the fees of UTE and OSE for tour operators. In front of a region that is still "complicated", the union demands to maintain all the tax benefits for tourists, which expire this month.

According to Martinez, "No tourists came from abroad, it was internal tourism and that doesn't generate foreign currencies. There was movement but not a dollar was moved. Only one day there was 100% occupation in the Thermals; then the coast had between 60% and 65%, and Colonia 88%. There are small companies closing and others thinking about what they're going to do come winter".

Hotels and restaurants from the main destinations depend on the cash that they make since December in order to define how they will face the winter. Historic data from the area -available since 1995- show that, on average, half the revenues of a year are made between January and March.

The drop registered in the first trimester in 2019 was explained basically by the Argentinean public, whose influx dropped by about 40% in comparison with the same

period last year. It was the second steepest drop since 2002, a year of crisis in Argentina that affected Uruguay.

The influx of visitors in Brazil, Chile and Europe also dropped, although less (between 1% and 6%). On the other hand, the growth in arrivals from Uruguayan residents abroad remained stable. Besides, Paraguayan tourists increased (16%), as well as from other destinations outside America and Europe.

Montevideo is one of the destinations that gather most people during the year, while Punta del Este is the favorite spot in the summer months. There, the drop of visitors was of a 9% and 27%, respectively. Besides, those who opted for visiting those cities shortened their stay for over a day in comparison with the first trimester of 2018.

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