

BUSINESS TOURISM ON THE RISE IN BRAZIL



Business tourism in Brazil grew by 14.7% in the first half of this year compared to the same period in 2018. This was reported by the Brazilian Association of Corporate Travel Agencies (Abracorp).

Sales of air and road tickets, hotel rates, car rentals, and corporate tourism events totaled R\$5.57 billion (US\$1.47 billion). **In contrast, in the first six months of last year, the total income was R\$4.85 billion (US\$1.28 billion).**

Carlos Prado, president of Abracorp, said the result was in line with the expectations of travel agencies, which were already forecasting double-digit sales growth for business tourism. “The result was good, even with the somewhat negative business climate, with companies still reluctant to resume investments in the country,” said Prado.

The largest segment in the Brazilian corporate tourism, domestic air travel, grew by 24.8% in the first half, reaching incomes of R\$2.23 billion in total. International air tickets sales fell by 1.7% to R\$1.44 billion.

All in all, 991.7 thousand airline tickets were issued in the first half of the year. The average ticket price increased by 17.3% to R\$737.22. In tickets, Gol led the market, accounting for 38.7% of total domestic flights, followed by Azul (30.4%). Latam dropped to third place with 25.2% of the tickets issued. Avianca Brasil, which operated until the end of May, had a 5.3% stake.

The industry is concerned about rising airfares, which has inhibited the growth of business tourism in the first half of the year. For the second half, the expectation is that there will be an improvement as airlines are expanding their flight offer.

Prado also highlighted the strong performance of road transport sales, which presented an increase of 56.8% to R\$4.6 million “Demand for road transport has grown greatly, especially following the cancellation of Avianca flights. And there is also a great demand in regions that are not served by commercial aviation, such as some cities in the Northeast, the Midwest and some places in the interior of Sao Paulo.

The vehicle rental segment grew by 20.6% in the semester, totaling R\$76.1 million. Localize led the category with a 62.9% share, followed by Movida (13.7%), Unidas (3.9%), Hertz (2%) and Avis (0.7%). The amount charged per night rose by 16% to \$86 on average. Travel insurance sales increase by 77.3% to R\$26.9 million.

For the year, Abracorp estimates a 15% to 16% growth in the business tourism sales compared to 2018, when sales totaled R\$10.3 billion (US\$2.73 billion). Meanwhile, the national hospitality segment

increased by 25.7 % in the semester to R\$1.04 billion. The average daily rate rose by 6.9% to R\$246.68 (US\$65.3 billion).

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