

# BRAZILIAN TOURISM LOST US\$ 2.7 BILLION IN MARCH



According to the National Confederation of Commerce's estimate, revenues of the Brazilian tourism industry fell 84% compared to the same period last year.

Faced with the new coronavirus pandemic, the tourism sector in Brazil lost R\$11.96 billion (US\$ 2.28 billion) in the second half of March, according to an estimate by the National Confederation of Commerce of Goods, Services and Tourism (CNC). **Compared to the same period last year, the figure indicates an 84% drop in revenues.**

In the first 15 days of last month, the loss was R\$ 2.2 billion (US\$ 0.44 billion). The total value of losses in March exceeds R\$ 14 billion (US\$ 2.67 billion). In March, 45% of the tour operators did not make any profits. Another 45% had one-tenth of the volume traded in March 2019.

Guilherme Almeida, the chief economist of the Federation of Goods, Services and Tourism of the State of Minas Gerais (Fecomércio MG), explains that Brazilian tourism activities are probably the most affected by the COVID-19 pandemic. This is caused by a greater delay in the sector's recovery.

"Since March, several necessary measures have been adopted, such as social isolation and closing borders, to prevent the spread of the coronavirus. The flow of tourists has decreased considerably, which has forced the suspension of hotel activities, the cancellation of tourist packages and sector-related services.

According to the federation, prospects for the sector in 2020 were positive, considering the long holidays and the expected greater movements of people during those periods. But, with the pandemic, consumers had to cancel or reschedule their activities, which caused a substantial drop in the country's tourism activity. The federation stated that with the damage already suffered, tourism areas could lose 295.000 formal jobs in three months.

According to a study by the Tourism Observatory of Minas Gerais (OTMG), **Brazilian tourism accounted in 2019 for about R\$20.5 billion (US\$ 3.92 billion) in Minas Gerais' economy.** The value is equivalent to 3% of the state's Gross Domestic Product (GDP).

Guilherme Almeida states that tourism is a strategic sector for the country's economy. According to the expert, the sector will have difficulties after the public calamity, because consumers will be afraid to travel, fearing crowds and financial losses.

"On the other hand, a share of tourists want to travel and purchase tourist services, precisely because of the social isolation period, and the opportunities that should arise can compensate for the losses at the beginning of the year", concludes the expert.

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