

BRAZILIAN TOURISM ACCUMULATED LOSSES OF EUR 41 BILLION



Brazilian tourism activities have accumulated losses of R\$261.3 billion (about 41 billion Euro) since the worsening of the COVID-19 pandemic in Brazil in March 2020. The sector reached the end of last year with only 42% of its monthly capacity to generate active revenues, according to calculations by the National Confederation for the Trade of Goods, Services and Tourism (CNC).

The Brazilian tourism sector is only expected to recover its average monthly income generation from the pre-pandemic period at the end of 2022, according to economist Fabio Bentes of CNC.

“The pandemic is re-emerging and there are actions to reduce the spread, at least until the arrival of the vaccine. We still do not know when this (immunization) plan will be implemented. **Brazilian tourism does not only work with the national public, but it also receives many foreign tourists,**” Bentes said.

The losses in Brazilian tourism’s monthly turnover rose from R\$13.38 billion in March to R\$36.94 billion in April, until reaching a peak of R\$37.47 billion in May. There has been a slight improvement since then, with the loss falling to R\$34.18 billion in June, R\$31.87 billion in July, R\$29.02 billion in August, R\$24.98 billion in September, R\$20.73 billion in October, R\$16.91 billion in November and R\$15.83 billion in December.

“In commerce, when a certain product is not sold, it is possible to accumulate stock and sell in the future. In tourism, there is no stock, so all this time has been lost,” said Fabio Bentes.

More than half (51.2%) of the loss recorded in the sector so far has been in the states of São Paulo (R\$94.12 billion) and Rio de Janeiro (R\$39.77 billion). The CNC’s estimate considers that tourism stopped recording profits from the second half of March to the end of December, based on cyclical and structural research efforts made by the Brazilian Institute of Geography and Statistics (IBGE), as well as records of passenger flows and aircraft at the 16 main Brazilian airports.

The fall in profits has affected employment in the sector. The most recent data from the Ministry of Labour’s General Register of Employed and Unemployed (Caged) show that 437.900 formal jobs in Brazilian tourism activities were lost between March and November 2020, a 12.5 per cent reduction in the workforce in this sector.

The greatest decline in jobs occurred in the Bars and Restaurants (-244.100 jobs), Road Transport (-88.100 jobs) and Accommodation (-65.400 jobs) segments.

The special aggregate of tourism activities grew 7.6% in November compared to October, according to data from the Monthly Services Survey, published by IBGE last week. The result is the seventh positive rate in a row, with an accumulated gain of 120.8%. However, the volume of tourism services provided still needs to grow 42.8% to return to February’s pre-pandemic levels.

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