

HOTELS IN ARGENTINA EXPERIENCE THE WORST PERIOD IN HISTORY



Affected by the pandemic that has wiped out international tourism and reduced inbound tourism to a minimum, the hospitality sector in Argentina is going through its worst historical moment and recovery still seems distant.

The owners of hotels in Argentina point out that, in line with the fall of tourism, January closed with numbers deep in the red in the Federal Capital of Buenos Aires. The increase in the number of Covid cases resulted in a strong change in the preferences of the few travelers arriving in the City.

Gabriela Akrabian, from the Chamber of Hotels linked to the AHRCC, said that **January was a "very bad" month for the industry, in addition to pointing out that the increase in ticket prices, added to the proliferation of new cases, ended up making the first month of 2022 another period of a resounding collapse in terms of demand.**

"The average occupancy rate was 15 percent. It was a very bad January in Buenos Aires. Several hotels reopened and the little demand was divided down even more. On the other hand, the fear of restrictions and the imposition of quarantines pushed the few tourists who have come to rent apartments," she said.

Specifically, the alternatives offered by "apps" such as Airbnb registered a better performance versus hotels in Argentina due to the absence of controls regarding the health situation of the users.

"In fear of quarantine, many tourists choose to stay in apartments where there is no control. This affected and still affects the hotels. January was also difficult as Buenos Aires is never a solid summer destination," said Akrabian.

"We have not had a strong influx of travelers in the City. On the other hand, we know of several cases of people who tested positive and opted to leave the hotels for apartments," she added.

The directive also mentioned the increase in the price of air tickets to fly to the country and the situation of hotel prices. "For foreigners who used to come, for example, Brazilians, today's ticket prices are not convenient. It is more affordable for them to travel to Europe than to come to Buenos Aires," she said.

The prices of accommodations in the Capital are nowadays lower than in the rest of the country, but even this condition has not allowed reversing the negative trend in terms of demand.

In line with this scenario, chain hotels and independent ventures spent January with discounts of at least 25 percent and family packages with breakfast and activities. It is estimated that, of the few tourists that the City received during the first month of the year, about 80 percent were Argentine travelers. Prior to the Covid-19 pandemic, international tourism constituted 70 percent of the demand for accommodations.

In view of the crisis that the hotels in Argentina are going through, the Government has launched

the Productive Recovery Program 2 -REPRO 2- to provide assistance to the hospitality sector. The initiative consists of a package of assistance to the hotel industry for the preservation of jobs and operating structures throughout the country.

Among the beneficiaries of the help are hotels in the City of Buenos Aires, Rosario, Córdoba Capital, Mendoza Capital, San Miguel de Tucumán, El Calafate and Ushuaia.

According to official information, through this assistance program, the national government will assist with **"70 percent of the net remuneration, with a ceiling of 22,000 pesos, to the workers of these establishments after the registration of the company to the Repto 2 complimentary program, which should be renewed on a monthly basis"**.

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