

CARNIVAL IN BRAZIL SHOULD EARN OVER US \$ 1.7 BILLION IN TOURISM



With the covid-19 pandemic behind us, the Carnival weekend, one of the main dates for national tourism, is expected to reach BRL 8.18 billion (over US \$ 1.7) this year, according to an estimate by the Economy and Innovation Division of the CNC (National Confederation of Commerce of Goods, Services and Tourism).

If the estimation is correct, revenue from businesses associated with tourism, such as bars, restaurants and hotels, will be 26.9% higher than that recorded in 2022, in values already updated for inflation.

The strong increase in revenue from the Carnival in Brazil, driven by the definitive normalization of activities affected by the restrictions on social contact imposed by the pandemic, **will be insufficient to recover the level of revenues to that registered in 2020 - it will be 3.3% below**. That year, Carnival took place within normal limits, moving R\$ 8.47 billion, in values for January of this year.

Covid-19 would arrive in the country shortly after the weekend. "Carnival is considered the Brazilian 'Tourism Christmas'. In this sense, the activities that make it up have been severely impacted since the decree of the health crisis in mid-March 2020 by the WHO (World Health Organization).

"For the main event on the Brazilian tourist calendar, restrictive measures have meant the cancellation of Carnival in Brazil in several regions of the country, in the last two years", says an excerpt from the report on the CNC survey. Because of the pandemic, revenue from associated businesses to tourism fell 43% during Carnival 2021, compared to 2020. In 2022, with vaccination already advanced, there was a recovery, but the R\$ 6.45 billion moves were still 24% below the values moved in 2020.

According to the CNC, the most significant will be the segment of bars and restaurants, with an expected turnover of R\$ 3.63 billion. Passenger transport companies should earn R\$ 2.35 billion, while the revenue from accommodation services in hotels and inns should reach R\$ 890 million. "Together, these three segments will account for almost 84% of all revenue generated during the biggest holiday on the national calendar," emphasized in the CNC report. With the recovery, the study estimates that businesses associated with tourism will also generate 24,600 temporary jobs for the coming Carnival in Brazil.

"Cooks (4.4 thousand), kitchen assistants (3.45 thousand) and cleaning professionals (2.21 thousand) should be the most demanded professions this year," says the report. Even so, the number will fall short of Carnival 2020, when 26,100 temporary jobs were generated, and 2019, with 24,700 temporary jobs. Despite overcoming covid-19, for this year's Carnival, the main obstacle to reestablishing revenues at the pre-pandemic level derives from less favorable economic conditions, such as significant price adjustments, higher interest rates and commitment to income.

As per the study report, the inflation of services associated with tourism was higher than average. According to IPCA data, the official price index calculated by the Brazilian Institute of Geography and Statistics (IBGE), in 2022, the price of airline tickets jumped by 23.53%. The

accommodation was 18.21% more expensive, while the average increase in tour packages was 17.16%. In aggregate, the IPCA rose 5.79% last year.

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