

# FOREIGN TOURISM SPENDING IN COLOMBIA GREW BY 52.5% IN 2022



In 2022, the Colombian economy had a significant capital injection thanks to tourism. The decrease in taxes on the hotel sector and associated services from 19% to 0% and on air tickets to 5%, in addition to the peso's devaluation, supported tourism and made the country one of the most desirable destinations for foreigners.

Thanks to this dynamic, there was a significant growth in inbound tourism spending from foreigners. Compared to the year of economic recovery in 2021, **the spending increased by 56.6%, with an annual expenditure of \$25.6 trillion in 2021 rising to \$40.1 trillion by 2022.** This is the highest capital injection in this line since 2015, as reported by the National Administrative Department of Statistics (Dane).

The income growth indicates the number of foreign tourists who arrived and stayed at least one night in the country. According to Dane, in 2022, there were about 52.4 million foreign overnight stays, while in 2021, there were 25.8 million, which reflects a 103% increase in foreign travelers in the country.

The data show that thanks to the tax relief for tourism, the tourism spending of domestic travelers in the country increased by 42.3% compared to 2021; as per spending, at the end of 2022, it reached \$14.7 trillion, a figure close to that registered in 2019, in which it was \$16.37 trillion.

Meanwhile, domestic tourist spending reflects a weighted growth of 52.5%, the highest recorded in Dane's history, with \$54.9 billion.

Tourism experts are optimistic about the industry's growth, but the National Government must provide adequate support through policies that promote tourism. **This includes reducing the VAT on air tickets to 5%, maintaining the VAT exemption for hotel and tourism services, or implementing a differential rate.** Additionally, improving air connectivity is necessary to sustain passenger flow to and from Colombia.

In the case of outbound tourism, the statistical entity showed that in 2022 Colombian spending abroad was \$20.3 billion, while in 2021, it was \$15.5 billion, which suggests an increase of 30.9%.

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