

# TOURIST SEASON IN ARGENTINA CLOSED WITH 15.1% MORE FOREIGN TOURISTS



According to the Argentinian National Institute of Statistics and Censuses (INDEC) data, 1,555,300 foreign tourists arrived in Argentina during the first two months of the year, a growth of 23.7% compared to the same period last year.

Throughout 2023, the upward trend in Argentina's macroeconomy was maintained and heavily favored activity. **This was due to the massive arrival of international tourists, which began in March of the previous year after the authorities applied a differential exchange rate for foreigners.** This allowed them to access a rate similar to the free dollar when purchasing a debit or credit card.

As a result, record numbers of foreign tourists began to be registered, mainly in border cities, which experienced an influx of visitors crossing the border to do their shopping.

However, the scenario today is different. Last December, the national government implemented a devaluation that caused prices to skyrocket, and the gaps between the various exchange rates narrowed significantly. Despite this, international tourists continue to arrive and exceed expectations.

During the first two months of the year, 2,159,700 Argentines left the country to spend their holidays abroad. This means that 604,400 more people left than entered, resulting in more dollars leaving the country compared to those spent within Argentina. This is a negative outcome, at least from the perspective of the trade balance.

## February's Tourism Results

INDEC data shows that in February 2024, 1,187.8 thousand non-resident visitors entered Argentina through all access routes, of which 713.4 thousand were tourists and 474.4 thousand were excursionists.

65.2% of inbound tourism came from neighboring countries; the main ones were Chile, which contributed 30.6%; Brazil, 14.0%; and Uruguay, 12.5%. In addition, 51.4% of non-resident tourists arrived in Argentina by land; 35.0% used the airway, and the remaining 13.6% arrived by river/sea.

Meanwhile, departures abroad reached 1,406.5 thousand resident visitors through all international channels, of which 1,047.1 thousand were tourists and 359.4 thousand were excursionists. The leading travel destinations for Argentines were Brazil, with a 34.1% share; Uruguay, with 19.0%; and Chile, with 14.3%.

Based on this, it can be deduced that there was a negative balance of 218,700 foreign tourists through all access routes to the country in February. This result was due to the negative balance of 333.7 thousand tourists and a positive balance of 115.0 thousand excursionists.

## Foreign Exchange Deficit

During the past decade, the tourism sector in Argentina has suffered from a deficit in the number of tourists, resulting in a negative balance of almost USD 30 billion between 2011 and today. **Even though the sector saw a more significant inflow of foreign tourists and a lower outflow and expenditures of Argentine tourists abroad**, the study by Fundación Mediterránea suggests that the sectoral deficit of foreign currency could have reached close to USD 1.5 billion in 2023. This means that not even a solid disincentive to travel abroad could reverse the loss of dollars for Argentina.

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