EUROPE
visiteurope.com

MARKET INSIGHTS
EUROPEAN TRAVEL COMMISSION
MARKET INTELLIGENCE GROUP

ARGENTINA

April 2011

This Market Insight is one of an ongoing series of market profiles produced by the Market Intelligence Group [MIG] of the European Travel Commission [ETC]. New market profiles will be added to the series and updated at regular intervals.

The members of the MIG comprise the Research Directors of the 35 National Tourist Offices (NTOs) that are members of ETC. The group regularly commissions and publishes market intelligence studies, handbooks on methodologies and best practice, and facilitates the exchange of European tourism statistics on the 'TourMIS' web platform.

More information on ETC's programme of market intelligence activities - including links to studies and sources of European tourism statistics - can be found on the organisation's corporate website: http://www.etc-corporate.org.

OVERVIEW

- In 2009 the number of outbound tourists from Argentina was 4.9 million. However, the majority of them travelled to neighbouring countries, mostly Brazil and Chile. This fact is reflected by the statistics showing the most common choice for transportation: in 2009 38% of outbound tourists chose air travel and 46% opted for travelling on land.
- Total spending by Argentines travelling abroad by air amounted to US$ 2.39 billion in 2009 with an average US $ 89.5 daily expenditure.
- Provisional figures for 2010 suggest an increase of 16% in the number of outbound tourist trips by air, as well as a 15% rise in expenditure.
- Argentina went through a prolonged economic crisis in 2001-2002, but after 2003, as a result of its political stabilization, the country has been on the track of continuous economic growth, with the exception of a short downturn in 2009.
- 20% of all outbound trips made from Argentina are directed towards Europe, ranking it as the third most popular destination after neighbouring countries and North America. Within Europe, the most attractive destination is Spain, followed by Italy, France, the United Kingdom and Germany. There is a group of European countries like the Scandinavian countries, Greece, Turkey, Belgium, the Netherlands and Russia which are already visited by many Argentinian tourists, but these countries still have a lot to offer. Central and Eastern European countries remain largely undiscovered for Argentinian travellers.
- As far as the purpose of outbound trips is concerned, there are two main reasons for travelling: leisure holidays and visiting friends and relatives. Business trips are ranked third while all other purposes have yet to be developed.

- Similarly to the general tendency observed in South America, the air capacity between Argentina and Europe has been tight in recent years, particularly during the peak holiday season. In 2010 there were nine airline companies operating 75 direct flights weekly from Ezeiza International Airport to eight different European airports.
- Internet usage and the number of internet users, both in the whole Latin American continent as well as in Argentina is growing quickly.

COUNTRY PROFILE

Currency

- Argentine Peso (ARS). € 1 = 5.19 ARS (Average 2010).
- The Argentine Peso kept depreciating against the US dollar between 2005 (1 US $ = 2.92 ARS) and 2010 (1 US $ = 3.91 ARS). Since the US dollar has weakened against the Euro during the examined period, the Argentine peso has declined against the Euro even more sharply than against the US dollar (€ 1 = 5.19 ARS in 2010, down from € 1 = 3.63 ARS in 2005).
- From trading figures, it is clear that the decline of the Argentine peso was less marked in 2005 and 2006 than in the years of the world economic and financial crisis.
- The rate of the massive weakening of the Argentine peso against the Euro started in 2007, one year earlier than its decline against the US dollar (2008).
- The peso's real exchange rate had been undervalued in the earlier years, which, together with historically high global commodity prices, helped lift export volumes and values to record levels.

Population

- 40,091,359 (the figure of the National Census, October 2010) and growing by approximately 1% a year.
- Density: 14.43 persons / km²
- 92% of the total population is considered to be living in urbanised areas. The rate of urbanisation is 1.2% annually (2005-2010[e]). Major cities include the capital, Buenos Aires (with the metropolitan area having an estimated population of 10.686 million in 2009), La Matanza (1.772 million), Córdoba (1.330 million) and Rosario (1.198 million).
- The fertility rate (the average number of children per female) is estimated at 2.33 children. The birth rate (2010) is 17.75 births / 1,000 persons. Life expectancy is 76.76 years (73.52 years for men and 80.17 for women) and the median age is 30.3 years.
- The surprisingly low net migration rate of 0.2 migrant(s) / 1,000 persons implies that migration does not have a determining impact on Argentina's demographic composition. The estimated number of Argentine emigrés worldwide is 806,369 persons according to the International Organization for Migration.

Age

Breakdown (%)	**2010**	**2020[f]**
0-4	8.4	7.6
5-14	16.4	15.3
15-24	16.5	15.2
25-34	15.8	15.0
35-44	12.6	14.4
45-54	10.7	11.2
55-64	8.8	9.2
65-74	6.0	6.9
75-84	3.6	3.7
85+	1.2	1.5

- 34% of the population is under 20 years old, 11% is older than 65 years old and 56% is between 20 and 65 years old.

- According to studies by the United Nations, the population will increase to around 51 million by 2050. In the meantime the percentage of youth will steadily decline, and the share of people over 80 years of age will more than double by 2050.

Ancestry & Migration

- Argentina's population is predominantly Indo-European (around 83%). Most sources cite mestizo (14%) as the second most common ethnicity and Amerindian as the third (around 1%).
- Argentina has well-documented and numerous immigrant populations. The biggest groups originate from Italy accounting for 1,500,000 persons, followed by Paraguay, Bolivia and Chile. Probably this is the reason for the second position of Italy among leading European destinations and the popularity of Paraguay and Chile among Latin American destinations. Smaller immigrant populations are from Spain, USA, Germany, Poland, Syria, Lebanon and other Latin American countries like Uruguay, Peru and Brazil. Jewish and Welsh populations are also notable in Argentina.
- There are many people of Argentine descent around the world. Growing Argentine emigration rates, particularly of the young and highly skilled, closely follow the Latin American trend of people seeking more stable economies and social conditions in developed, industrialised nations. Most Argentines emigrate to the United States, but Spain and Italy have also experienced an increase in Argentine immigration. Argentines moving to Italy and Spain are often referred to as "oriundos", which means an immigrant with native ancestry.

Language & Religion

- 98% of the population speak Spanish, the official language of Argentina. There are several secondary languages such as Italian, English, French, German, and the languages of the native Argentinians, Quechua, Guaraní and Mapuche.
- Roman Catholic 92% (less than 20% practicing), Protestant 2%, Jewish 2%, other 4%.

Economic Data

	2006	**2007**	**2008**	**2009**	**2010**
GDP (US$ billions)	214.0	262.0	328.0	310.1	370.3
Real GDP growth (%)	8.5	8.6	6.8	0.8	9.1
GDP per capita (US$)	5,492	6,658	8,253	7,725	9,138
Inflation (%)	10.9	8.8	8.6	6.3	10.4
Unemployment (%)	10.2	8.5	7.9	8.7	7.7
Currency (1€ in ARS)	3.87	4.27	4.64	5.20	5.19

Argentina's Economy 2009-10

- Argentina benefits from its natural resources, a highly educated population, a competitive agricultural sector, and a diversified industrial base.
- After the 2001-2002 crisis there was a period of five years (2003-2007) when annual growth in GDP was greater than 8% due to a general upturn in every important field of the economy. As a result of this development, the government had accumulated U.S. $51 billion in official reserves by the end of 2010. These substantial reserves, along with the absence of borrowing from international capital markets, helped the Argentine economy to avoid greater external economic shocks.
- The world financial and economic crisis moderated economic growth in Argentina in 2008 and led to a mild recession in 2009. The economic downturn was less dramatic than elsewhere, but it also caused fiscal policy difficulties. The global economy's current recovery is helping to alleviate these pressures.
- Official figures show that Argentine GDP reached U.S. $310.1 billion in 2009, approximately U.S. $7,725 per capita, and 2010 GDP growth is estimated to be 9.1%. Argentina's GDP is expected to grow by 6% in 2011.
- The decline in global commodity prices, slower global and domestic growth, and changes in trade policy in late 2008 and 2009 saw imports and exports fall by 32% and 20% per annum respectively. However, in 2009 foreign trade remained important in the spectrum of the whole economy, as it amounted to approximately 31% of GDP in 2009 (in contrast to only 10% in 1990). 18% of foreign trade was export, mainly to MERCOSUR

(25% of total exports), the EU (19%) and NAFTA countries (9%). Agricultural goods are the main export goods of Argentina. High-technology goods and services are also emerging as significant export sectors.

- At the beginning of the 2000s the rate of poverty, and of extreme poverty, were strikingly high in Argentina. The uppermost social stratum, which was thin, possessed huge wealth. However, although this inequality still exists, the enormous gap between the two ends of the social scale is decreasing.
- According to INDEC figures, in urban Argentina 12% of the population was considered to be poor in 2010 (in contrast with 40.2% in 2004), and 3.1% of the inhabitants were considered to be extremely poor in 2010 (in contrast with 15% in 2004). The rate of poverty has tended to decrease massively in recent years.
- According to World Bank data issued for 2006, the income share held by highest 10% of the Argentinian population is 36.1% while the income share held by the lowest 10% is only 1.2%.

TRAVEL PROFILE

Argentine Outbound Trips

	Outbound travellers from Argentina (by quarters 2009-2010)		**Rate of outbound travellers from Argentina according to types of journey** (% by quarters 2009-2010)		
Period	**No. of Outbound travellers**	**Quarterly / annual change (%)**	**By Air**	**By Water**	**By Land**
2009	**4,947,387**	**7.2**	**38.0**	**16.0**	**46.0**
I.	1,765,083	15.6	31.0	16.4	52.6
II.	1,012,848	11.3	40.4	13.7	45.9
III.	983,698	-3.2	48.3	13.4	38.3
IV.	1,185,758	2.2	37.9	19.3	42.8
2010	**5,248,808[e]**	**6.1[e]**			
I.	1,799,140	1.9	34.2	16.8	49.0
II.	1,068,726	5.5	47.3	11.8	40.9
III.	1,107,057	12.5	50.5	12.9	36.6
IV.	1,273,885[e]	7.4[e]			

The above figures were published by the Argentinian Ministry of Tourism in the document "Plan Federal Estratégico de Turismo Sustenable 2016" for the third quarter of 2010. However, for the purposes of this analysis, emphasis will be placed on outbound visitors travelling abroad by plane. The following sections (expenditure, seasonality) are therefore concerned with the figures of the Survey on International Tourism (Encuesta de Turismo Internacional) produced by INDEC, which assesses data from Argentina's two international airports.

Outbound tourists at Ezeiza International Airport & Jorge Newbery Airport (Buenos Aires)

	2008	**2009**	**2010***
Ezeiza International Airport	1,452,786	1,505,205	1,587,091
Jorge Newbery Airport	122,056	144,404	326,022
Total	**1,574,842**	**1,649,609**	**1,913,113**

*Data between October and December 2010 are provisional.

- As the number of outbound trips within a year tends to vary, it is worth drawing comparisons between the four quarters of the years concerned.
- The figures for 2009 and 2010 do not show significant crisis impacts.
- The number of outbound tourists to neighbouring countries in 2010 tended to increase, but there is a striking difference between the first two quarters and the second two quarters. The reason for this was the drawback effect of the earthquake in Chile in March 2010, and the fact that the effects of the economic recovery were more palpable in the whole region in the second half of 2010. The growth in outbound tourists to non-neighbouring countries (including North America, Europe and the rest of Latin America) was even higher than to neighbouring countries.

International Travel Expenditure (excluding transport)

Total international tourism expenditure

	2007	2008	2009	2010
Total (US$ million)	3,920	4,561	4,493	4,890
% annual change	26.5	16.3	-1.5	8.8
Spend per day (US$)	70.6	76.8	58.8	73.2

- According to the World Tourism Organization (UNWTO), in terms of total outbound tourism expenditure, the three most important tourism markets in Latin America are Mexico, followed by Brazil and Argentina.
- As for the average daily spending, the steady growth which lasted until 2008 broke for a year, while in 2009 it showed a decrease of 22%. 2010 saw a return to the pre-crisis period. According to UNWTO there is a difference between Argentines' daily spending habits in the three biggest destinations: in the USA the average daily expenditure in 2009 was US$ 97.5, in Brazil it was US$ 84.0 and in Europe only US$ 78.8.
- From VisitBritain's data it can be seen that the daily expenditure was £89 per day and £763 per visit in Britain.
- From the data published by the Instituto de Turismo de España (Turespaña), it appears that the expenditure of Argentinians in Spain was lower in 2009 than in 2008 - both at a daily level and in total, despite the fact that he number of Argentinian tourists to Spain increased. At the beginning of 2010 the recovery of expenditures in Spain started. The daily expenditure in Spain was as follows: US$ 102.5 in 2008, US$ 97.6 in 2009, and US$ 109.1 in 2010.

Leading Destinations

- Similarly to the majority of other countries, outbound travel from Argentina is largely intra-regional with 78% of outbound travel going to other countries in Latin America, with neighbouring Brazil and Chile as top destinations. Western Europe and North America capture 9% and 8% of outbound travel respectively.
- In terms of European destinations, for historical, cultural and linguistic reasons Spain is the most popular European destination for Argentine visitors. Owing to historical bonds, Italy takes second place. A relatively large number of tourists visit major Western European destinations like France and Germany as well as the UK from the Northern European ones. The following positions are taken by Portugal, Switzerland, Turkey, Greece and Russia. More limited numbers visit Belgium, the Netherlands and some Northern European countries like Sweden and Denmark. Central and Eastern European destinations are even less well-known.
- The market share of Argentine visitors - even in Spain - is only 0.4% of total arrivals; in other Southern and Western European countries they rarely reach 0.25% of arrivals, and in Northern, Central and Eastern Europe they barely reach 0.1% of arrivals.

Arrivals from Argentina (000s) in selected European Destinations ('000)

Destination	2005	2006	2007	2008	2009
Spain	245	202	217	213	257
Italy	105	98	114	115	138
UK	27	37	41	36	69
Armenia	18	23	26	26	27
Greece	6	8	9	14	14

Turkey	8	8	11	13	13
Switzerland	9	12	12	11	11
Russia	6	7	6	7	n.a.
Hungary	6	6	7	n.a.	n.a.
Belgium	4	5	6	5	7
Poland	3	4	4	n.a.	n.a.
Romania	1	1	2	2	2

Source of Data: UNWTO Yearbook of Tourism Statistics

Notes: Measurements for the UK, Russia, Hungary, Poland and Romania are 'visitors at frontiers', including same-day visitors. The figures for Belgium and Switzerland represent international tourist arrivals at commercial establishments, and the rest are 'international tourist arrivals at frontiers (excluding same-day visitors)'. They probably represent the first thirteen European destinations, with the exception of France (nominally in 3rd position), Germany (5th position) and Portugal (7th position). These countries do not measure - or at least publish - Argentine arrivals.

- As many European countries do not report arrivals from Argentina, we can roughly establish the following scale for annual arrivals (on the basis of available UNWTO statistics).

100,000-250,000	Spain, Italy
20,000-60,000	France, UK, Germany, Armenia
10,000-20,000	Portugal, Greece, Turkey, Switzerland, Austria
2,500-10,000	Russia, Hungary, Belgium, Poland, Romania, Netherlands, Sweden, Denmark
Below 2,500	Albania, Andorra, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Finland, Georgia, Iceland, Ireland, Kazakhstan, Latvia, Lichtenstein, Lithuania, Luxembourg, FYR Macedonia, Malta, Moldova, Monaco, Montenegro, Norway, San Marino, Serbia, Slovakia, Slovenia, Ukraine

- According to Tourism Economics' 'Tourism Decision Metrics', outbound travel from Argentina is forecast to increase each year. An increase of 900,000 trips is forecast by 2014, compared to 2008. The majority of these trips are expected to be within Latin America, but Western European destinations are expected to receive around 65,000 more visitors from Argentina by 2014.

Length of Stay

- As is the case in most other Latin American countries, outbound travel from Argentina to Europe also lasts over 14 days and often involves multiple destinations, with the average length of stay in many countries as low as 3 nights. In 2009, 35% of visits to the UK lasted 1-3 nights and 38% lasted 4-7 nights. 41% of the visits by Argentinians to Spain lasted 4-7 nights, 27% lasted more than 15 nights, and 20.3% lasted 8-15 nights.
- The overall trend shows that the number of trips lasting less than 15 nights grew in 2009, whereas the average length of stay is still high at almost 10 nights.
- According to data from Ezeiza International Airport, the average length of outbound trips remained roughly the same between 2007 and 2010 i.e. 18.9 days, 18.5 days, and 18.1 days in the three years respectively.

Purpose of Trip

Main purpose of trip for Argentine outbound travellers in 2009 (%)

Leisure, recreation and holidays	50.9
Business and professional trips	29.6
Visiting friends and relatives (VFR)	17.4
Other (e.g. health-related trips, study tours)	2.1

- The data above shows the distribution of outbound trips from Argentina to all destinations based on the purpose of travel according to the survey carried out by INDEC at Ezeiza International Airport.

- According to Annuario Estadístico de Turismo, 2008 (also compiled by INDEC) these numbers are different for Europe. In 2008 42% of Argentinians travelled to Europe for holiday reasons, and business trips ranked second with the surprisingly high rate of 30%. 23% of tourists from Argentina went to Europe to visit friends and relatives and the remaining 5% travelled for other reasons.
- The data for different European destinations shows that this pattern varies from one destination to another.
- 2009 figures for the UK show that 55% of the visitors were holidaymakers, 14% were visiting friends and relatives and 12% were business travellers.
- For the same period of 2009 the figures of the Instituto de Turismo de España (Turespaña) show that 75.7% of Argentinian outbound tourists travelled to Spain with the purpose of leisure and holiday, producing a 53.5% increase compared to 2008. The second most popular was reason was of a personal nature, 9.8%. In 2009 the rate of Argentinian business travellers was 8.8% to Spain and this rate is getting higher each year (a 12.1% increase since 2008). 5.7% of Argentinian tourists choose Spain as destination for other reasons, like religion or study.

Holidays & Seasonality

Breakdown, 2010 (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct*	Nov*	Dec*
Outbound trips by air	8.5	9.7	8.7	7.4	8.1	7.2	8.0	8.6	8.3	9.8	8.4	7.3
Travel expenditure	7.1	8.9	7.7	6.8	8.3	8.4	8.4	8.4	8.2	9.4	9.3	9.1

*The data between October and December 2010 are provisional

- The peak holiday period for Argentinians is between late November and mid-March. Argentines accumulate holidays as a result of overtime accrued throughout the year in order to spend these during this summer high season (which coincides with the school holidays). However figures show that, during this period, they mostly stay within the Latin American region and do not tend to make longer trips to distant destinations.
- Most outbound trips to overseas destinations (Europe, United States, etc.) are made outside of this peak season i.e. between May and October. This is possible for two reasons: most public holidays in Argentina fall into this latter period, and children get another two weeks of vacation during the winter break in July, which accounts for 10% of trips taken throughout the year. Also, most companies allow their employees to take another five to seven days of work holidays during the winter break.
- Other peaks and troughs in the monthly breakdown of trips are a function of the number of calendar holidays in each month.

Public holidays, 2010-11

2010

Fixed dates: 1 January (New Year's Day), 24 March (Truth and Justice Day), 2 April (Veterans' Day), 1 May (Labour Day), 25 May (First Independent Government's Day), 9 July (National Independence Day), 27 October (only 2010 – National Census Day), 8 December (Immaculate Conception Day), 25 December (Christmas Day).

Variable dates: 2 April (Good Friday), 24 May (official long weekend day) 21 June (National Flag Day - third Monday of the month), 16 August (San Martín's Day - third Monday of the month), 11 October (Race Recognition Day – the closest Monday to 12 Oct), 22 November (Day of National Sovereignty – fourth Monday of the month).

2011

Fixed dates: 1 January, 24 March, 2 April, 1 May, 25 May, 9 July, 8 December, 25 December.

Variable dates: 7-8 March (Carnival, since 2011 - the last two days of the Carnival Season), 25 March (official long weekend day), 22 April, 20 June, 15 August, 10 October, 28 November, 9 December (official long weekend day).

Accommodation

- According to INDEC, in 2008 36.5% of Argentine outbound travellers stayed in unpaid private accommodation (i.e. with friends and relatives). 24.6 % were accommodated in budget hotels (i.e. hotels with three or fewer stars). 21.1% stayed at 4 or 5-star hotels and apart-hotels, while 6.8% chose rented accommodation and 5 % chose houses to let in the countryside. The remainder selected other types of accommodation such as camping sites and second homes.
- Also according to the INDEC survey, in 2009 34% of the Argentinians travelling to Europe opted for the homes of friends and family as accommodation, 27% chose a hotel with 4 or 5 stars, 26% selected hotels with 1, 2 or 3 stars and the remaining 13% decided to use other types of accommodation.
- Spain's Instituto Nacional de Estadística de España (INE) finds that, of all Argentinian tourists staying in hotels in Spain, 32% stayed in 4-star hotels and 23% stayed in 3-star hotels.
- According to VisitBritain, Argentine holidaymakers tend to prefer middle-market and budget hotels. They spend most of the time outside of their accommodation, hence a central location is more important than the actual size of their rooms. They tend to eat a light breakfast, a substantial lunch at midday and a prolonged dinner between 9-11 p.m.

Leisure / Recreational Activities

- To analyse the main motivation and reason for outbound travel to Europe, interests and widespread activities need to be examined. Argentine tourists tend to follow the usual trends of tourists choosing foreign destinations. VisitBritain carried out a survey about typical leisure and recreational activities of Argentine travellers and the Spanish Office for Tourism (OET, Oficina Española de Turismo) conducted some market research about Argentinian outbound tourists' interests in Spain.
- Since Argentina is described as an "eating out" culture, this activity is top of their priority list while in Europe. 67% of surveyed Argentines travelling abroad are determined to eat out during their holidays, which is a higher percentage than the average for visitors in general. Argentinian cuisine has strong links with European cuisine, largely due to the high influx of immigrants throughout Argentina's history. Italian food is the predominant cuisine, with other food influences including French, German, Spanish and English. From the OET document Estudios de Mercados Turísticos Emisores - Argentina, it is clear that wine tours in e.g. in La Rioja and gastronomy-centred trips in Andalucía are very popular with Argentinians travelling to Spain.
- All forms of sightseeing and exploratory visits are remarkably popular with Argentines in Europe. Approximately 56% of Argentine tourists surveyed chose to visit monuments, castles, churches, museums, etc. This is also confirmed by OET analyses which place cultural and urban tourism at the top of the list of activities of Argentinians travelling in Europe.
- Shopping - both for souvenirs and fashion goods - is listed amongst the preferred activities, amounting to 48% of overall activities. VisitBritain's overseas experts agree that shopping is of key interest for the Argentine visitor, especially in the "luxury" sector.
- Socialising (in pubs, in parks or in the streets with locals) is also important for Argentines travelling in Europe. Their unreservedness and open-mindedness lead them to recognise that personal contact and conversation are important ways of getting to know new cultures.
- According to the INDEC survey conducted in 2010, the main motivation of 52% of the Argentinians who travelled to Europe was leisure and recreational activities.
- According to the results of the OET study, the special enthusiasm of Argentinians for sporting activities results in the relatively high rate of participation in sporting events during their holidays. The most popular game is football but rugby, tennis, basketball and polo are also attractive to many people.
- Visiting tourist information centres and going on guided tours are also activities in which Argentine visitors more often participate than other visitors.

PROFILE OF TRAVELLERS

Nature of Overseas Travellers

- According to the Argentinian Ministry of Tourism (Ministerio de Turismo) the most important age group of Argentinians travelling abroad in 2009 was the group 30-44 years of age with 33% of the total. The next most significant group was the age group 45-59 with 26% of the total. The proportions of people over 60 and those between 18-29 years were approximately the same with 15% and 17% respectively. The least represented group was the people under 18 years of age, comprising only 10% of the total.
- The rate of young people travelling to the UK and Spain was markedly higher than the same group of people travelling to other destinations. According to VisitBritain, in 2009 tourists between 25-34 years took the lead. The IET (Instituto de Estudios Turísticos) states that in 2009 about half of the Argentinian tourists travelling to Spain came from the age group 25-44 years, resulting in a significant increase of 72% compared to 2008.
- As for the gender division the difference in the proportion of male and female tourists is not significant according the Argentinian Ministry of Tourism: 55% male and 45% female. According to the IET figures the rate of male tourists travelling to Spain was almost 60% in 2009, while the gender division between males and females travelling to the UK was more balanced with 50-50%.
- According to INDEC statistics, in 2008 eight times more Argentinian tourists chose new destinations abroad and only a relatively low percentage revisited destinations.
- According to VisitBritain, in 2009, 36% of visitors from Argentina (and 21% of holiday visitors) had visited the UK previously within the last ten years.
- Most Argentine tourists come from major urban centres in Argentina, predominantly from greater Buenos Aires. Therefore, despite the large geographical size of the country, travel marketing and all other promotional activities are relatively easy to carry out focusing on the region of Buenos Aires.
- Three key segments for Argentine travel to Britain have been identified, namely: the Youth Market, the Luxury Layer and the Upper Middle Class. The youth market includes young tourists between 16-24 years, most of them students, coming from affluent family backgrounds. They like backpacking holidays, staying at cheap hotels and spending little, mostly on leisure activities. They prefer staying longer and travelling with friends.
- According to the Instituto de Estudios Turísticos (IET) in Madrid, 61% of travellers from Argentina to Spain in 2009 came from social group C (middle middle class) and 26% from the upper middle class B. 6% is from the higher class, social group A, and only 7% from social groups D and E.
- According to INDEC statistics, Argentinian tourists tend to visit more than one country while travelling in Europe. Inside Europe they travel mainly by aeroplane, bus and (high speed) train.

Travel Companions

- According to the INDEC Survey for 2009, most Argentinian travellers travelled alone, precisely 44.7%. 37.3 % travelled with one companion (spouse, one family member or a friend) and the rest participated in the trip with two or more companions.
- According to VisitBritain Argentines generally travel with a spouse or partner, but without children. In 2008, this was the most popular type of key travelling groups with 35% of all Argentine outgoing travellers. A relatively high number, 31%, travelled without a partner or children, but participated in trips with other adults (e.g. friends or colleagues). 28% of travellers went alone and only 6% travelled with their family.
- Compared with the world average, Argentine visitors are less likely to travel with children, and travel instead with their spouse or partner, or in a tour group.

AIR TRANSPORT

Airports

- There are 33 airports in Argentina and more than one hundred other airstrips and landing sites for short range and domestic travel. The main airport is in the capital, Buenos Aires: Aeropuerto Internacional de Ezeiza "Ministro Pistarini" (EZE).

- International flights can be divided into two categories, continental (North and Latin American) and flights to other continents. Continental flights operate from several airports around the country. Flights to other continents usually operate from EZE. The main destinations for these flights are the US, Australia-New Zealand, Far East and Europe. There are only a handful of European cities that can be reached via direct flights from Argentina: Madrid, Barcelona (Spain), London (UK), Paris (France), Rome (Italy) and Frankfurt (Germany). Some other European destinations can be reached "stop en route" (one stop but travelling with the same flight) usually through Sao Paolo. These include: the Netherlands, Russia and Switzerland. All other European destinations require non-direct flights.
- The official Argentinian airline is Aerolíneas Argentinas. They fly to most domestic and continental destinations in South America and offer some intercontinental flights as well, including the following European destinations: Madrid, Barcelona and Rome.
- Airlines operating flights between Argentina and European destinations are: Aerolíneas Argentinas, Iberia, Lufthansa, Air France, Alitalia, British Airways, Air Europe, Martinair, Air Comet (only in 2009), KLM and Condor. These airlines operate their flights in various modes, direct, stop en route and indirect as well. Indirect flights usually go through major airports in Brazil, the US and Europe.
- The main European airports served by direct flights from Ezeiza International Airport are: Paris Charles-de-Gaulle (CDG), Madrid Barajas (MAD), El Prat Barcelona (BCN), London Heathrow (LHR), Schiphol Amsterdam (AMS), Frankfurt (FRA), Geneva International Airport (GVA), and Rome Fiumicino (FCO).

Airline Traffic

Weekly services between Argentina and Europe by leading airlines:

Airline	Originating airports	Destination airports	Flights in 2010
Iberia	EZE	MAD	18
	EZE	BCN	2
Aerolíneas Argentinas	EZE	MAD	8
	EZE	FCO	4
	EZE	BCN	1
Lufthansa	EZE	FRA	9
Air France	EZE	CDG	7
Alitalia	EZE	FCO	7
British Airways	EZE	LHR	7
Air Europe	EZE	MAD	7
Martinair	EZE	AMS	4

- All the aforementioned European flights depart from the Ezeiza International Airport. British Airways, Lufthansa, Martinair and Air France operate their flights between Buenos Aires and the UK, Germany, the Netherlands and France respectively. Air Europe operates its flights between Madrid and Buenos Aires, as does Iberia. Aerolíneas Argentinas operates one flight per week to Switzerland, four flights to Italy and nine flights to Spain.
- SkyTeam and Oneworld alliances are both represented by their main carriers in flights between Argentina and Europe. Aerolíneas Argentinas has signed an agreement to join the SkyTeam alliance in 2012, and this partnership could lead to an increase in traffic by SkyTeam member airlines.
- There were no low-cost carriers operating regular flights between Argentina and Europe in 2010.

TRAVEL PLANNING & BOOKING

Travel Formalities

- Argentinian visitors are not required to have visas to visit most European countries (within the Schengen area). Some non-Schengen countries like Romania, Bulgaria and the Baltic States require Argentinians to obtain visas. Most European countries restrict the duration of stay to 90 days, but there can be alterations. Many countries outside Europe, such as the USA, Canada, Australia, India, etc., require visas. Visa requirements can be checked on the web pages of individual embassies.

Travel Decisions

- According to the Instituto de Turismo de España (Turespaña), in 2009 the great majority of Argentinian outbound trips were decided on 1-6 months before the planned dates of departures. This early booking causes a relatively high number of cancellations due to the changing nature of Argentine economy. Booking plane tickets well in advance can be attributed not only to the desire to avoid high prices but also to the fear of ticket shortage.
- VisitBritain research into the Argentinian outbound market showed that, in 2005, 56% of visits to Europe from Argentina were decided over three months before travelling. Travel decisions and bookings for distant destinations tend to be made well in advance. In 2005, 31% of decisions were made 1-3 months prior to the trips. 30% of decisions were made 3-6 months before leaving Argentina. There was a group of holidaymakers (17%) who already decided on the destinations 6-12 months before, and another 9% more than 1 year the before departure.
- Only a relatively low percentage of tourists (12%) made their decision one month before their trips and only 2% of tourists needed less than one week before their travels to decide. The trend is, however, for the time between making a decision about the trip and between taking to become shorter.

Booking Methods

- According to INDEC data the number of people travelling without prepaid packages is steadily growing. This rate was 81.5 % in 2009, whilst only 18.5% travelled with prepaid packages.
- There are two determining patterns in terms of booking methods; one is through travel agents and the other is via the Internet. The latest trend in booking methods shows that there is a growing desire among Argentinians to travel independently, and many prefer flexible itineraries without advance bookings.
- While examining the Argentinian tourist market, The Instituto de Turismo de España (Turespaña) revealed that, despite the intensive growth of internet usage (both to obtain information and for online shopping), when Argentinian travellers arrive at the point of actual booking they still opt for the help of travel agencies. In 2009, 90% of outbound travellers from Argentina opted to use the services of travel agents.
- The younger end of the tourist market tends to use direct methods, both in travel planning and booking, using the Internet to do both research and the actual booking of both flights and accommodation. Most recently, using the Internet has become more widespread in every age group and social stratum, and links to low-cost airline sites are also popular.
- However, outbound travellers with wealthy backgrounds and above 35 years of age continue to use travel agents as a source of information and travel agencies as the places for booking according to VisitBritain. The two main reasons are that, on the one hand, it is vital for these leisure travellers that they maintain a permanent personal contact with their travel agents in order to ask for advice and, on the other hand, they simply distrust using the Internet. Other consumers tend to contact travel agents in order to see whether they can get better deals on flights and hotels.

Information Sources

- In terms of information sources, friends and family, travel agents and the web are of key importance. An NBI (Nation Brands Index) Survey in 2009 examined the sources of information used by Argentine travellers and the reliability of these sources.
- Travellers on organized tours rely principally on travel agents for their information, but visitors travelling independently use a range of sources, including the recommendations of friends and relatives, press articles and the Internet.

- According to both the NBI Survey and the Instituto de Turismo de España (Turespaña), word of mouth, informal talks with friends and relatives who have already travelled to Europe are considered significant sources of first-hand information. 60% of the Argentine outbound travellers surveyed got their initial ideas from such first-hand information, and this source is considered to be very reliable and is therefore most influential.
- Even in the digital age, printed materials like travel brochures (46%), articles in magazines (44%), articles in newspapers (42%), and travel programmes on television (41%) are also quite frequently used as information sources. Advertisements in the aforementioned media and on websites are also often used, but they are considered less reliable and tend to act only as triggers to continue researching.
- Other sources were seen as being far more reliable, such as national tourism organisation (NTO) websites, travel guidebooks and walk-in information centres, but these were used slightly less, often as sources of inspiration, and perhaps more often as planning tools.
- Various forms of digital media and the Internet are heavily relied on e.g. transport company websites, social networking sites, travel blogs and forums, video sharing sites, etc.

Internet & Media

- The International Telecommunication Union (ITU) reported that in 2008 Argentina had 9.6 million main telephone lines (24 / 100 inhabitants) and 46.5 million mobile telephone subscribers (116.5 / 100 inhabitants). 36.4% of households have access to computers, and Argentina had 11.2 million internet users in 2008 (28% of the population). In terms of broadband connectivity, Argentina still has a way to go before catching up with Brazil and Mexico with 3.3 million (31% of total households) broadband subscriptions in 2008. According to ETC's New Media Trend Watch, this number had already risen to 5.6 million (51%) by 2010 and it is expected to reach 61% of total households by 2013.
- According to both Internet World Stats (referenced on ETC's New Media Trend Watch) there were just over 26.6 million internet users in Argentina (representing 64% of the population) in June 2010 This means there has been a 965% increase compared to the year 2000. Other estimates differ. According to comScore there were 12.8 million internet users in Argentina in September 2010. This rapid growth means that the internet will be an important channel for the travel industry to reach this market.
- The number of internet users both in the whole Latin American continent and in Argentina is growing quickly, because of affordable computers, more broadband availability and interest in applications such as social networking. According to comScore, Microsoft Sites ranked as the most-visited internet property, followed by Google Sites and Facebook. Although e-mail and web surfing are popular with Latin American Web users, social networking is especially prevalent. Leading social networks in Latin America, in addition to Facebook, include MySpace, Hi5, Orkut and Sonico, according to comScore. The statistics rank Yahoo! as the fourth and local Argentinian property Grupo Clarin as the fifth largest internet site in the country.
- According to VisitBritain 46% of Argentinian travellers consider web 2.0 sites 'quite important'. The most important site is Facebook, especially for sharing photos with friends.
- ComScore recent data shed light on internet using habits of Argentines. An average Internet user in Argentina spent 25 hours online during September 2010, consuming almost 2000 pages of content. They spent more than 30% of their online time staying connected on Instant Messengers and Email sites. 7 out of 10 internet users in Argentina visited the News/Information category in September with Grupo Clarin and Grupo La Nación leading as the most-visited destinations in the category. 25% of Argentines online visited a travel site in September with local brand Despegar ranking as the top site. 3 out of 5 Argentines visited an online retail site in September, with MercadoLibre leading the way as the top retail-oriented destination in the country.
- The most prestigious daily newspaper in Argentina is La Nación with a circulation of 270,000 while Clarín, its competitor, is more popular with a circulation of 1,200,000. The weekend travel sections of these newspapers are read by 75% of those who are planning to travel to international destinations. Readership is much lower for general interest magazines such as Noticias, Gente, Caras and Competencia (read by approximately 10% of travellers). Glossy travel magazines receive much lower levels of readership and even the most popular, Lugares, is read by just 3.6% of international travellers. The most important monthly travel trade magazine is GATA and Mensajero Turístico is published weekly.
- Argentina has five national television channels and cable TV is widespread. 85% of international travellers subscribe to cable TV. The most popular channels are the ones from Buenos Aires since they broadcast in the whole country. The most important channels are: América TV, TV Pública, Canal 9, Telefe and El Trece.

TRAVEL TRADE PROFILE

Structure of the Travel Trade

- There are over 100 wholesale tour operators ("mayoristas") and 2,900 retail travel agencies ("minoristas") in Argentina. Most of them, 1,250, are located in the city of Buenos Aires and Greater Buenos Aires, and the rest is located in major cities, like Cordoba, Rosario and Mendoza. Most of international trips to Europe are sold by wholesale tour operators, as they have their own product portfolios to Europe, but retail travel agencies also sell the products offered by the "mayoristas". As a result, the distinction between the two types of travel trade participants is not rigid.
- The Argentine Association of Tourism and Travel Agencies, better known in Spanish as AAAVYT, is the representative entity, at a national level, of the major tourism and travel agencies of Argentina. This association is composed of 26 Regional Associations, comprising over 1,600 Tourism Operators and Travel Agencies from all over the country. The main objectives of the association are:

    - To analyse the issues affecting tourism activities.
    - To represent the interests of associate members.
    - To ensure the continuity of business and professional ethics in tourism activity.
    - To offer training to associates to improve the level of services.

Tour Operators

- According to data from the Ministry of Tourism of Argentina, there are 4,337 registered companies involved in travel trade activities, together with their subsidiaries. This includes every possible participant ranging from the biggest wholesale tour operators through retail travel agencies down to registered individuals dealing with some aspects tourist industry, who number 5,100.
- The available sources are uncertain about the top tour operators, but on the basis of KRAFT& Associates' research, the following list regarding agencies offering trips to Europe has been compiled: Iberojet, American Express, Viajes Asatej, Julia Tours, Viajes Marsans, Cienitours, Furlong-Fox, Grupo TTS Viajes, Handling and Services Representaciones and Swan Supertravel.

Retail Travel Agencies

- There are 4,337 travel agencies in Argentina, of which 1,600 are known to be members of the AAAVYT. These companies include both wholesale tour operators and retail agencies, and although the scope of their activities is somewhat different, there is a considerable overlap in their activities, which is the reason both types of company can be the members of the same association.
- The role of travel agents in Argentina is still significant, as outbound tourists to Europe still require their knowledge and advice. 63% of international travellers used a travel agent to help them arrange their most recent leisure trip, but this rate among the 25-34 age group is only 49%, showing an increased use of alternative information sources, possibly dominated by the Internet.
- As the number of retail travel agencies is very high in Argentina, and as there is no official list of the 'top ten', travellers find it useful and important to seek the recommendation of an influential wholesale tour operator. Cienitours recommends the following retail travel agencies: Atyca, Action Travel, Ebano Viajes, Zavaleta Viajes, Affari Viajes, Pronto Viajes y Turismo, Paduatour, Shekel Viajes, Lucerna Travel and Lega Tours.

E-travel Resources

- According to the results of a study by comScore, although the majority of visitors to e-commerce sites make purchases online, retailers still face obstacles converting many consumers to online shoppers due to concerns over transaction security, availability of payment options and the selection of goods available online. The e-commerce industry in Argentina and in Latin America, including travel-related activities, is growing very fast and represents a huge potential due to its less developed state compared with other global regions.
- In October 2010, 89% of Argentine e-commerce website visitors made online purchases, making Argentina the second (after Brazil) in Latin America in the share of online purchases. Those who did not pay online justified their decisions with the following reasons: security concerns (53%), preference of shopping in person (35%), scarcity of payment options (33%) and shipping costs (36%).

- As far the division of international versus local e-commerce websites, an analysis revealed that consumers in Argentina have the strongest preference in Latin America to shop on local websites, with 3 out of 4 consumers preferring this option.
- Although most travel purchases in Argentina are still executed offline, there is not only an increasing tendency for consumers to choose online solutions, but also a rapid growth of travel companies connected to the Internet. Regional players were the first to make the move online, but global online travel companies have entered the Argentine market rapidly (e.g. Expedia, Travelocity, Egencia Global Alliance).
- In addition to the younger generation, the two main segments of the targeted market of online travel bookers are middle class tourists and business travellers.

KEY TRENDS AND FORECASTS

Key Characteristics of Argentine Outbound Travellers

- Most outbound tourists from Argentina travel to neighbouring countries; hence North America is a more preferred destination than Europe. Approximately 20% of the Argentine outbound tourists travel to Europe, and these mainly belong to the affluent middle classes.
- A conspicuous trend is the growing number of young tourists who find Europe an attractive destination. As for companions, most Argentines travel to Europe with a partner or spouse, with a group (friends, colleagues) or alone.
- Argentine outbound tourists travel mostly for leisure, visiting friends and family or on business. When travelling to Europe, Argentine tourists usually spend more time at their destinations (at least two weeks) than in non-European countries, and often visit multiple destinations (two or more countries).
- Within Europe, the most attractive destination is Spain, followed by Italy, France, the United Kingdom and Germany.
- Leading European destinations are Spain and Italy for cultural, historic and linguistic reasons. For Argentine tourists in Europe it is important to eat well and stay in a centrally-located accommodation that can be of modest category. As most Argentinians travelling to Europe are well-educated professionals, they like to participate in cultural programmes or activities (visiting monuments, museums, churches, eating out, etc.).

Short-term Prospects

- The Argentine outbound travel market is growing steadily and the travel trade is optimistic that this growth will continue. In terms of Latin American standards, Argentina is a middle-income country with plenty of potential for extending (the currently modest) outbound tourism to Europe.
- In spite of the fact that the Argentine Peso has weakened against both the US dollar and the Euro, the moderate increase in GDP and the stable economic environment can lead us to forecast a growing demand for travel to Europe.
- As Europe is a distant destination, and the expensive international airfares are keeping the costs of travelling high, it is mostly affordable for affluent Argentinians. Nonetheless, the historical ties with Spain make it an attractive country for Argentinians to visit.
- Domestic tourism - travelling to neighbouring countries and visiting North America - remain strong competition to Europe. A further drawback may be the slow increase in the number of flights from Argentina to Europe.
- As 2010 was a period of economic upturn in Argentina, the short-term predictions for higher expenditure abroad are optimistic.

NOTES

e	Estimates
f	**Forecasts**

SOURCES OF INFORMATION

Principal statistical sources (by section):

- **Country Profile**: International Monetary Fund (IMF); United Nations Department of Economic & Social Affairs - Population Division; The Economist Intelligence Unit (EIU); The CIA Factbook; National Institute of Statistics and Censuses (INDEC)
- **Travel Profile:** Ministerio de Turismo (MINTUR); Banco Central de la República Argentina; World Tourism Organization (UNWTO); US Department of Commerce - Office of Travel and Tourism Industries (OTTI); Instituto Nacional de Estadística de España (INE); Instituto de Estudios Turísticos, Madrid (IET); Instituto de Turismo España; VisitBritain; The Travel Business Partnership (TBP); and from various industry sources.
- **Profile of Travellers**: MINTUR; OTTI; INE; IET; VisitBritain; TBP.
- **Air Transport** / **Airlines**: Dirección General de Aeronáutica Civil (DGAC); Administración Nacional de Transporte Aérero (ANAC).
- **Travel Planning and Booking**: OTTI; IET; VisitBritain; ETC New Media Trend Watch; International Telecommunication Union (ITU).
- **Travel Trade Profile:** MINTUR; ETC New Media Trend Watch; VisitBritain; Asociación Argentina de Agencias de Viajes y Turismo.

FURTHER INFORMATION

Asociación Argentina de Agencias de Viajes y Turismo	www.aaavyt.org.ar
Buenos Aires Turismo	www.bue.gov.ar
ETC New Media Trend Watch	www.newmediatrendwatch.com
Euromonitor International	http://www.euromonitor.com
European Travel Commission (ETC)	www.etc-corporate.org
Eurostat	www.eurostat.ec.europa.eu
Forex Trading and Exchange Rates Services (OANDA)	www.oanda.com
Instituto Nacional de Estadística y Censos (INDEC) - Turismo y cultura	www.indec.mecon.ar
Instituto de Turismo de España (Turespaña)	http://www.tourspain.es/en
IPK International	www.ipkinternational.com
Ministerio de Turismo (MINTUR)	http://www.turismo.gov.ar
The World Bank Data	http://data.worldbank.org
Tourism Economics	http://www.tourismeconomics.com/
World Tourism Organization (UNWTO)	www.unwto.org
World Travel & Tourism Council (WTTC)	www.wttc.org

CONTACT DETAILS

ETC Executive Unit

Lisa Davies
Co-ordinator - ETC Market Intelligence Group (MIG)
European Travel Commission (ETC)
19A Avenue Marnix (PO Box 25)
1000 Brussels
Belgium
Tel: +32 (0) 2 - 548 9000
Fax: +32 (0) 2 - 514 1843
Corporate website: www.etc-corporate.org
Consumer website: www.visiteurope.com
Email: info@visiteurope.com