



# MARKET INSIGHTS

## EUROPEAN TRAVEL COMMISSION

MARKET INTELLIGENCE GROUP

## BRAZIL

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July 2009

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 39 National Tourist Offices (NTOs) who 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

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- Brazil, like the USA, is a country in which domestic travel dwarfs international travel. Nevertheless, it generated 5.2 mn outbound trips in 2007, involving spending of US\$8.2 bn – making it by far the largest market in South America.
- Preliminary estimates suggest an increase of 2% outbound trips in 2008, to 5.25 mn, and an increase of 33.5% in spending (in US dollar terms), to US\$11.0 bn.
- Brazil is regarded as a high-risk travel market, susceptible to boom-bust cycles. It went through a bust in 1999-2002 and a rapid recovery in 2003-05, followed by more moderate growth in 2006-08, supported by general prosperity and a very favourable exchange rate.
- Europe captures almost one third of Brazilian outbound trips, although the top European destination, France, lags some way behind the overall leaders, Argentina, the USA and Uruguay.
- Europe's market share has tended to slip in recent years, mainly because of the rapid growth in tourism within Latin America.
- Airline capacity between South America and Europe has been tight in recent years, especially in the peak seasons. In April 2009 there were 14 airlines operating 198 weekly scheduled flights from Brazil to Europe, with a capacity of 53,717 seats.

## COUNTRY PROFILE

### Currency

- Real (R)                      €1 = R2.70 (average 2008); €1 = R2.69 (July 2009)
- The renewed international confidence in Brazil and the dramatic increases in exports and international commodity prices sent the *real* soaring against the US dollar in 2004-08 – it rose from an average of US\$1 = R2.93 in 2004 to a high of R1.56 in August 2008. During the international financial turmoil in the second half of 2008 it declined heavily, with some wild fluctuations, briefly falling to R2.65 in December. In mid-2009 it is showing signs of rising again, averaging US\$1 = R1.98 in June.
- The *real* also rose strongly against the euro in 2004-06, from an average of €1 = R3.63 in 2004 to R2.73 in 2006. It then broadly kept pace with the rising euro, but fell from around R2.40 to R3.40 in the second half of 2008, before staging a recovery to €1 = R2.69 by July 2009.

### Population

- 193.5 mn (2009) – 23 per km<sup>2</sup>.
- In this vast country, the individual states are to varying degrees isolated from one another and tend to be dominated by their state capitals. The most important cities are São Paulo (pop. 19 mn in the greater metropolitan area), Rio de Janeiro (12 mn), Belo Horizonte (6 mn), Porto Alegre, Recife, Salvador and Brasília (all 4 mn).
- Although the distribution of incomes has become more equal in recent years, the great majority of Brazilians cannot think of travelling overseas. However, there is a substantial, and very affluent, upper middle class, a proportion of whom do travel as a matter of course. About 14 mn Brazilians are reported to have passports.
- Over 80% of the entire population are literate and about 80% live in urban centres, particularly in the coastal regions and large cities.
- The rate of population growth is declining rapidly and is now about 1.0% a year (compared with about 3.0% a year in the 1970s). The fertility rate (the average number of children per female) is estimated at 1.8.

### Age

Breakdown (%)	2009 <sup>e</sup>	2020 <sup>f</sup>
0-4 years	8.1	6.3
5-14	17.8	13.8
15-24	17.6	16.4
25-34	17.1	15.8
35-44	13.9	15.8
45-54	11.4	12.4
55-64	7.3	10.0
65-74	4.1	5.9
75-84	2.0	2.7
85+	0.6	1.0

- In simpler terms, the age distribution of the population in 2009 is close to the world average: 0-24 years: 44%; 25-59 years: 47%; over 60: 10%. The median age is 29 years.
- According to the UN, the numbers of children and young people (aged 0-24) will fall by about 10% between 2009 and 2020, while the numbers of those aged 25-60 will increase by 15% and those over 60 will increase by a half.

### Ancestry

- Brazil is a multi-ethnic society, with 55% of the population of European origin, 39% mixed race, 5% African and 0.5% Japanese. Among those of European descent, there are large numbers in particular from Portugal, Italy (especially in São Paulo), Germany (especially in the far South) and Eastern Europe.

## Language and Religion

- The national language is Portuguese. As second, third or fourth generation immigrants, many Brazilians are bilingual, and many also speak English, French, Italian and/or Spanish reasonably well.
- Most Brazilians are Christians. In the Census of 2000, 74% declared themselves to be Catholics, 15% Protestants, 3% of other religions and 7% agnostics or atheists.

## Economic Data

	2004	2005	2006	2007	2008 <sup>e</sup>
GDP (US\$ bn)	663.6	881.8	1,089.3	1,333.5	1,572.8
Real GDP growth (%)	5.7	3.2	4.0	5.7	5.1
GDP per capita (US\$)	3,654	4,787	5,832	7,043	8,197
Inflation (%)	6.6	6.9	4.2	3.6	5.7
Unemployment (%)	11.5	9.8	10.0	9.4	7.9

## Brazil's Economy 2008-09

- Brazil is by far the largest economy in South America.
- Analysts tend to rate Brazil's long-term economic prospects very highly (see, for instance, Goldman Sach's influential 2003 *'Dreaming of BRICs'* prognosis for Brazil, Russia, India and China). It has plenty of valuable commodities and a wide range of successful industries. In recent years the nation's finances have been placed on a sound basis and inflation – for long the national curse – curbed, boosting the confidence of investors. However, its performance during the recent economic boom was regarded as a little disappointing: growth was more moderate than in the other BRIC economies.
- Brazil is suffering from the world economic downturn (real GDP fell by 3.6% in Q4 2008 and 1.8% in Q1 2009). However, the IMF (in April 2009) expects its recession to be relatively mild and short-lived, with a decline in real GDP of just 1.3% in 2009 and an increase of 2.2% in 2010. The national development bank, BNDES, thinks even this too pessimistic, predicting that real GDP will increase by 1.5%-2.0% in 2009.
- Although inflation has been curbed, interest rates remain high and consumer credit is expensive.

## TRAVEL PROFILE

### Brazilian Outbound Trips

	2003	2004	2005	2006	2007	2008 <sup>e</sup>
Total ('000)	3,229	3,701	4,667	4,825	5,141	5,250
% annual change	38.1	14.6	26.1	3.4	6.5	2.1

- The Brazilian outbound travel market is dwarfed by the domestic market: Embratur estimates that in 2007 Brazilians made 5.1 mn outbound trips, compared with 63.1 mn domestic trips.
- Final data for 2008 is not yet available, but preliminary estimates suggest an increase of 2% in outbound trips, to 5.25 million – a new record. However, this was well below initial expectations of +8%.
- The Brazilian outbound travel market is regarded as very erratic. After an economic crisis and major devaluation in January 1999, which undermined confidence and drastically reduced the purchasing power of the *real*, total outbound trips fell from 4.2 mn in 1998 to 2.9 mn in 1999, and they remained low in 2001-02 because of the fears aroused by the Argentine economic collapse and the continued erosion in the value of the *real*. With the return of economic confidence and the recovery in the value of the *real*, outbound travel surged in 2003-05, and it continued to grow, at a more moderate pace, in 2006-08.
- Outbound travel was constrained in 2006-08 by a shortage of international flight capacity, especially after the collapse of Varig (the national carrier) – see below. This helps to explain the moderate outbound growth during a period of great prosperity and an exceptionally favourable exchange rate.

## International Travel Expenditure (excl transport)

	2003	2004	2005	2006	2007	2008
Total (US\$ mn)	2,261	2,871	4,720	5,764	8,211	10,962
% annual change	-5.6	27.0	64.4	22.1	42.5	33.5
Spend per trip (US\$)	700	776	1,011	1,195	1,597	2,088 <sup>e</sup>

- The exceptional increases in spending per trips in recent years, in US dollar terms, is partly a distortion caused by the weakness of the dollar in those years. In 2003-08 spending increased by an average of 37% a year in US dollar terms, but 'only' 24% in *real* terms.
- IPK International's World Travel Monitor estimates that, in 2007, Brazilians spent €1,420 (US\$1,945) per trip, or €128 (US\$175 per night) on travel abroad.
- Receipts per trip for individual destinations in 2007 include USA US\$3,574, Canada US\$1,642, UK US\$3,114 and Portugal US\$920.

## Leading Destinations

Arrivals from Brazil ('000)						
	2003	2004	2005	2006	2007	2008
Argentina	350	419	453	572	742	na
USA	348	385	485	525	639	769
Uruguay	151	188	198	228	286	na
Portugal	na	150	175	201	262	na
Spain	97	184	222	257	252	226
Italy	86	129	182	219	229	na
Chile	100	119	167	179	229	na
Germany	70	83	94	156	156	na
UK	70	78	92	112	131	179
Paraguay	41	49	56	98	127	135
Canada	31	50	61	65	67	72

These figures represent arrivals as reported by the destinations ('tourists at frontiers', except for the UK and Uruguay, which count 'visitors at frontiers', and Portugal, Germany and the Netherlands, which count 'tourists at all accommodation establishments'). They probably represent the top 12 destinations, with the exception of France, nominally in fourth position (but France does not measure, or at least publish, Brazilian arrivals).

- As a comparison, Embratur's outbound travel survey of 2007 ranked the top 10 destinations as follows: USA (954,000 trips), Argentina (687,000), France (407,000), Uruguay (384,000), Portugal (349,000), Spain (307,000), Italy (270,000), Germany (210,000), UK (208,000), Chile (207,000).
- Among European destinations, annual arrivals are roughly on the following scale:
 

Over 200,000	France, Portugal, Spain, Italy
100,000-200,000	Germany, UK
40,000-80,000	Austria, Netherlands, Switzerland
20,000-40,000	Belgium, Netherlands, Russia, Turkey
10,000-20,000	Finland, Ireland, Sweden, Czech Republic, Greece, Hungary, Poland
5,000-10,000	Croatia, Denmark, Norway,
2,500-5,000	Bulgaria, Romania,
Below 2,500	Albania, Cyprus, Estonia, Iceland, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, San Marino, Slovakia, Slovenia, Ukraine

## Nature of Trip

- The average length of trips to Europe is 15 days, according to ETC's Latin America Operations Group, but trips to Europe often involve multiple destinations, and the average length of stay in many countries may be as low as 3 nights. In the UK in 2007, holidaymakers spent 6 nights in the country (with 41% staying in the UK only and 59% visiting other countries as well). Business visitors spent an average of 10 nights in the country, and study visitors longer.

- The relatively affluent Brazilians who travel independently to Europe for leisure (as opposed to VFR, business and study) – whether repeat visitors or first time visitors – are said to spend freely on accommodation, shopping, transport and leisure activities.

## Purpose of Trip

- Judging from different surveys, the breakdown of Brazilian arrivals in Europe by purpose of trip is roughly: holidays 54%, business and MICE 24%, VFR/other 22%.
- Data for two European countries shows that the pattern of visits varies from one destination to another. For the UK in 2007 the figures were 50% for holidays, 22% for VFR, 13% for business, 11% for study (clearly more important than for most destinations) and 4% for others. For Germany, business trips accounted for a 56% share of Brazilian arrivals in 2000-04. Portugal, Italy, Spain and Germany attract a higher than average share of VFR travellers.
- In 2008, 51% of Brazilians arriving in the USA reported the main purpose of their trip as leisure, 27% business, 12% VFR, 7% study/learning and 7% other; allowing multiple responses (i.e. including subsidiary purposes), the figures were 67% for leisure, 27% business, 28% VFR and 9% study/learning.

## Seasonality

### Breakdown of outbound trips by month (%), 2007:

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
9.6	8.1	6.6	7.8	8.2	8.7	9.2	9.5	8.2	8.1	7.3	8.7

### Breakdown of international travel expenditure by month (%), 2007-08:

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
8.1	6.8	6.6	7.8	8.7	9.1	11.1	8.9	9.6	8.8	7.2	7.4

### Breakdown of nights spent by Brazilians in Portuguese accommodation by month (%), 2006-07:

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
6.8	5.7	5.8	7.1	10.5	8.8	11.5	7.7	10.9	11.8	7.3	6.3

- Brazilians tend to take extended holidays within Brazil in December-February (ending with Carnival), and those rich enough to travel abroad would take further holidays in the middle of the year. Brazilians tend to take a dim view of northern European winters (unless they are winter sports enthusiasts) and more usually travel to Europe outside this holiday season. However, many are also keen to avoid the July-September peak season, as the figures for nights spent in commercial accommodation in Portugal suggest.
- **Public holidays**  
**2009:** 1 Jan, 20 Jan (in Rio de Janeiro), 25 Jan (in São Paulo), 20-24 Feb (Carnival), 10 Apr, 21 Apr, 1 May, 11 Jun, 7 Sep, 12 Oct, 2 Nov, 15 Nov, 24-25 Dec, 31 Dec  
**2010:** 1 Jan, 20 Jan (in Rio de Janeiro), 25 Jan (in São Paulo), 12-17 Feb (Carnival), 2 Apr, 21 Apr, 1 May, 3 Jun, 7 Sep, 12 Oct, 2 Nov, 15 Nov, 24-25 Dec, 31 Dec

## Accommodation

- IPK International reports that in 2007 66% of outbound travellers stayed in hotels (including 20% in first-class hotels, 35% in middle-market hotels and 11% in budget hotels), 20% in unpaid private accommodation (i.e. very largely with friends or family), and 12% in other accommodation. VisitBritain reports that in the UK, 49% of Brazilian visitors stay in hotels, but hotels account for only 13% of nights: 53% of nights are spent in rented accommodation, 15% in hotels and guest houses (including 1% in 'bed & breakfasts'), 25% as free guests and 6% as paying guests.
- Brazilians tend to choose 3- or 4-star hotels in city centre locations. They appreciate cleanliness, showers rather than baths, and spacious rooms. They tend to travel with plenty of baggage. They usually dine at around 21.00h. VisitBritain recommends caterers provide 'proper' coffee, plenty of bread, butter and water, and fresh fruit for breakfast.

## Leisure / Recreational Activities

- Brazilians like to think of themselves as tolerant, friendly and fun-loving, strongly attracted to city lights. Many are enthusiastic shoppers and window-shoppers. IPK pointed out in 2000 that the four cities most visited by Brazilians, Miami (34%), New York City (31%), Orlando (23%) and Los Angeles (11%) are "tourism poles whose major attractions are shopping, business and entertainment (Walt Disney and casinos)".
- Nevertheless, coming from the wealthier and best-educated social classes, Brazilian long-haul travellers have a great variety of interests and enthusiasms, including action/adventure sports, arts, culture and heritage, nature and travel for the sake of exploration. There is a strong interest in 'folklore' (meaning, roughly, music, dance and artefacts).
- Their interest in sport is not confined to soccer. There are substantial followings for many international sports, including tennis, basketball and Formula 1 motor racing, but few travel for participation in summer sports (which are keenly pursued at home). For winter sports, Chile and Argentina provide alternatives to Europe and North America.
- Few Brazilians travel abroad for sun & beach: there is plenty at home.
- According to Wave 3 2008 of the Anholt-GMI Nation Brands Index, the top ten aspirational destinations for Brazilians 'if money were no object' are:
  - 1 France
  - 2 Italy
  - 3 Spain
  - 4 Egypt
  - 5 Switzerland
  - 6 Japan
  - 7 Canada
  - 8 Australia
  - 9 Germany
  - 10 USA

## PROFILE OF TRAVELLERS

### Nature of Overseas Travellers

- Brazilian travellers to Europe tend to come from the higher social classes, to be relatively affluent (with annual incomes of around US\$40,000 or more), well educated, multilingual and most commonly in their 30s and 40s. Less affluent people may also travel, but principally to their ancestral countries.
- São Paulo is the principal source of long-haul travellers, because of its large population, its relative wealth and its concentration of multinational corporate headquarters. However, wealth is being diffused throughout the Centre-South and South regions – with the notable exception of the city of Rio de Janeiro, which continues its long decline since losing its status as the political capital of Brazil in the 1950s. The Centre-South and South also hold the lion's share of Brazilians of (non-colonial-Portuguese) European descent, including many from Italy and Germany. In 2007 Embratur reported that 35% of outbound travellers were residents of the state of São Paulo, 24% of Rio de Janeiro, 8% of Rio Grande do Sul, 7% of Minas Gerais, 5% of Paraná and 21% of other states.
- The travel trade stresses the importance of 30-59 year-olds in travel to Europe. 50-65 year-olds, with time to travel, form the second most important age group. 19-30 year-olds are in general not interested in Europe, but may go to learn languages (principally English or Spanish) or for technical studies/training. Children hardly figure in European holiday trips: people generally do not see any point in taking children to Europe.
- Male travellers outnumber female long-haul travellers 60:40.
- Repeat travellers account for more than 50% of total trips, but the proportions for individual destinations vary widely. For example, only 25% of travellers to the USA are first-time visitors.

## Occupations

### Outbound travellers by profession (%), according to Embratur (2004):

Engineer	11.6	Merchant	6.0	Student	5.2
Teacher	7.4	Doctor	6.0	Entrepreneur	5.0
Administrator	6.1	Lawyer	5.2	Other	47.8

## Travel Companions

- Brazilians generally travel alone or as a couple, rarely in formal groups. Travellers to Europe do not usually take their children with them. (VisitBritain reports that, of Brazilians visiting the UK in 2007, 44% were travelling alone, 25% with their partner, 2% with their partner and children, and 30% in other groups. These included roughly 9% travelling with friends, 14% with adult family members, 3% with colleagues, 5% children travelling without their parents, and 2% in tour groups).

## AIR TRANSPORT

### Airports

- Brazil's principal international airports are São Paulo (Guarulhos) and Rio de Janeiro (Galeão), handling 74,000 and 25,000 international aircraft movements in 2008. In addition, small numbers of international scheduled services to Europe use Brasilia, Salvador, Recife, Fortaleza, Natal and Belo Horizonte (Confins).
- Eleven airports in Europe are served by direct scheduled flights from Brazil: Amsterdam, Frankfurt, Lisbon, London (Heathrow), Madrid, Milan (Malpensa), Munich, Oporto, Paris (Charles de Gaulle), Rome (Fiumicino), and Zurich.

### Airline Traffic / Capacity

#### Airlines operating non-stop services from Brazil to Europe:

Airline	Aliance	April 2009		October 2008	
		Flights	Seats	Flights	Seats
TAP	Star Alliance	56	14,540	67	17,416
TAM	-	49	12,654	47	11,160
Air France	Skyteam	22	6,466	26	7,262
Iberia	OneWorld	20	5,289	17	4,550
Lufthansa	Star Alliance	14	4,137	12	3,643
British Airways	OneWorld	10	3,183	8	2,699
Alitalia	Skyteam	9	2,619	9	2,619
KLM	Skyteam	6	1,962	7	2,485
Swiss	Star Alliance	7	1,750	7	1,750
Condor	-	3	660	3	660
ALM	-	1	241	1	241
Air Italy	-	1	216	1	216
Total (weekly)		198	53,717	212	56,260

- In April 2009, according to SRS Analyser, 14 airlines operated 198 weekly flights from Brazil to Europe (northbound data only), with a capacity of 53,717 seats. This compares with 226 flights and 59,596 seats per week in April 2008, and 212 flights and 56,260 seats in October 2008.
- For several years, capacity on routes between Europe and Brazil has been tight – due mainly, but not entirely, to the withdrawal of Varig's international flights in 2006. However, TAM has been building up its services to replace Varig as Brazil's principal international airline and, at the start of the summer 2009 schedule, was operating nearly as many flights to Europe as Varig was in July 2005. These include 21 flights a week to Paris (12 from São Paulo, 7 from Rio de Janeiro, one from Recife and one from Salvador), and 7 each to London, Frankfurt, Madrid and Milan (all from São Paulo).



- The principal foreign carriers operating direct flights between Brazil and Europe include:
 

TAP:	9 flights to Lisbon from São Paulo, 9 from Rio, 6 from Brasília, 6 from Fortaleza and 4 from Belo Horizonte. There are also 2 flights from São Paulo and 2 from Rio to Oporto
Air France	12 flights from São Paulo and 10 from Rio de Janeiro to Paris
Iberia	13 flights from São Paulo and 7 from Rio de Janeiro to Madrid
Lufthansa	14 flights from São Paulo – 7 to Frankfurt and 7 to Munich
British Airways	7 flights from São Paulo and 3 from Rio de Janeiro to London
Alitalia	9 flights from São Paulo – 6 to Rome and 3 to Milan
KLM	6 flights from São Paulo to Amsterdam
Swiss	7 flights from São Paulo to Zurich.
- Other airlines operating direct scheduled services to Europe are: ALM (Netherlands Antilles-based, operating three flights a week from Recife to Milan), Condor (based in Germany, operating 2 flights from Salvador and one from Recife to Frankfurt) and Air Italy, operating one flight a week from Fortaleza to Rome.
- Capacity has been reduced by 10% since April 2008: TAP, Air France, Iberia and KLM have withdrawn a few flights, while Air Europa has withdrawn its flights from Rio to Madrid (although it still operates to/from Salvador da Bahia – primarily to carry Europeans to Brazil), but British Airways introduced its flights to Rio in October 2008.
- American Airlines, United Airlines and Continental also offer connections to Europe through the USA, but Brazilians are required to have transit visas.
- Brazil retains one of the more tightly regulated air transport regimes, although charter flights were partly deregulated in 1998. There has been some growth in charter capacity between Europe and Brazil, but this is almost exclusively for European holidaymakers bound for Brazil and still represents a small share of total capacity.
- Although the following data is old, it highlights the relative importance of different European points as gateways into the region.

**BSP airline tickets to Europe paid for and issued in Brazil, 2005 ('000)**

Destination	2005
Portugal	370
Italy	271
Spain	270
France	256
UK	175
Germany	174
Other	267
Total Europe	1,783

## TRAVEL PLANNING & BOOKING

### Travel Formalities

- Brazilian tourists do not require visas for the Schengen countries, the UK/Ireland and most of the rest of Europe.
- The cost and complications of obtaining a visa for visits to the USA remain a deterrent for Brazilians thinking of travelling to the USA for the first time, but once obtained a visa is valid for repeat visits for up to five years. The US government is taking steps to reduce the time involved from up to three months to one month.

### Travel Decisions

- Travel decisions and bookings for long-haul destinations tend to be made well in advance. VisitBritain reports that in 2004 80% of decisions were taken more than one month in advance, and nearly 40% more than three months in advance. It is often said that travel decisions are being taken later and later. If so, this trend seems to have been reversed in 2008. For instance, OTTI reports that the mean decision time rose from 71 days in 2007 to 94 days in 2008.



- Brazilians tend to make travel arrangements for Europe in stages and to book their flights and accommodation separately. Those buying package tours often wait until they reach Europe to book them.

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## Booking Methods

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- According to Embratur, 38% of outbound trips are organised by a travel agent. However, airline tickets are usually booked directly with the airlines, very often on the internet. Accommodation and tours are often booked in the destination rather than before travelling. As a rule of thumb, it is reckoned that about 15% of outbound trips are packages, about 45% involve pre-booked accommodation or local travel, and 40% involve neither. For trips to Portugal in 2007, Turismo de Portugal reports 16% for inclusive packages, 27% for pre-booked accommodation or local travel, and 57% for fully independent (FIT) travel.

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## Information Sources

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- An NBI survey for VisitBritain in 2008 found that conversations with friends and relatives were the most important source of holiday information (48% of respondents) and were seen as the most reliable source. Also widely used were articles in magazines (38%), advertisements on television, in newspapers or magazines, and on the internet (37% each). Other sources used by over 20% of travellers included travel guide books, traveller comments websites, city destination websites, NTO websites, airline and other transport company websites, billboards and poster advertisements, social networking and video sharing websites, and travel agents – which, interestingly, were rated as very reliable (much more reliable than all the websites and printed media listed here).

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## Internet & Media

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- The International Telecommunications Union reports that in 2007 there were 8.7 mn internet subscribers (4.5% of the population) in Brazil, of whom 7.7 mn were broadband subscribers, and 67.5 mn internet users (35.2% of the population). The subscriber numbers are low by Latin American standards (not much more than half the penetration rates in Argentina and Chile, for instance), but the user numbers are high.
- Other estimates vary somewhat. Nielsen Online reckons there were 24.5 mn active internet users in January 2009. Ipsos found that in August 2006 40% of active users accessed the internet at home, 30% in internet cafés and other paid public points, 24% at work, 16% at the homes of friends, relatives and neighbours, 3% at free public points, and 2% at other points.
- There are no national newspapers, but each state capital produces at least one locally important daily. The leading newspapers in São Paulo (*O Estado de São Paulo* and *Folha de São Paulo*) and in Rio de Janeiro (*Globo* and *Jornal do Brasil*) have wider readerships, including for their on-line editions. Most of these newspapers have a weekly travel supplement.
- The most important monthly travel magazines are *Viagem e Turismo* and *Próximo Viagem*. Several weekly general interest magazines, including *Veja*, *Exame*, *Época* and *Isto É*, have large circulations and frequently carry travel articles and advertisements.
- Television is now available to almost everyone, in both urban and rural areas, and cable TV is well established in big cities. The principal broadcasters include Globo, STB and Bandeirantes. However, radio is still very popular and should not be ignored.

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# TRAVEL TRADE PROFILE

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## Tour Operators

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- The Brazilian association of tour operators, BRAZTOA, claims 70 members, representing 80% of package sales and 15% of ticket sales in Brazil. The largest, both overall and in the context of sales to Europe, is CVC. Other firms said to be important in selling Europe include ADV, Agaxtur, Flot Operadora, Luxtravel, Marsans (a subsidiary of the Spanish company), Nascimento, New Age, Queensberry, Soft Travel, Teresa Pérez, Tia Augusta (a specialist in trips to Disney parks, including Eurodisney in Paris), and, in its particular area, STB - Student Travel Bureau.
- Brazilian-based tour operators and travel agents tend to offer international packages put together by European tour operators such as Trafalgar – usually not tailored to Brazilian tastes and requirements.

- Many of these tour packages are purchased after Brazilians arrive in Europe – especially those who speak reasonable English and who are not concerned about having Portuguese-speaking guides. Some buy more than one package.

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## Retail Travel Agencies

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- Figures quoted for the total number of travel agents in Brazil range up to 10,000, but the local association, ABAV, claims over 3,000 members, accounting for a reported 80% of the sector's sales. However, it is believed that the vast majority of these have sales of less than US\$5 mn per annum.
- The principal CRS systems in use are Amadeus, Galileo and Sabre.

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## Online Travel

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- *eMarketer* reports that the proportion of outbound trips that were arranged at least partly on the internet rose from 3% in 2003 to 12% in 2007. In the same period, the proportion of room bookings made online rose from 0.4% to 3.7%. The proportion of air tickets sold online rose from 0.8% to 7.9%. However, this sounds extremely low as one major domestic carrier, Gol, claims that almost all its tickets are sold online.
- Indeed, many of the airlines claim that the proportions of tickets sold online are now very high, and the leading travel agents also maintain their online sites. Important flight comparison sites include [www.submarino.com.br](http://www.submarino.com.br) (a general online shopping site) and [www.decolar.com](http://www.decolar.com) (an e-travel site).

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## KEY TRENDS AND FORECASTS

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### Key Characteristics of Brazilian Outbound Travellers

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- Leisure travel to Europe from Brazil is very largely the preserve of the affluent. Middle-class Brazilians of more modest means focus their holiday aspirations on travel within Brazil, or to neighbouring destinations of Latin America, and would not normally consider Europe except for VFR, business or study.
- Europe attracts a roughly equal share of first-timers and repeaters.
- The majority of Brazilian travellers to Europe are over the age of 35 but there is reported to be increasing interest from among the 20-34-year age segment. Much of this seems linked to study, however.
- Around 50% of leisure travellers to Europe are travelling alone or as a couple.

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### Short-term Prospects

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- The Brazilian outbound travel market is certainly booming, and the travel trade is optimistic that the boom will continue. But this is based more on gut feeling than scientific evidence. Experience has shown that trends fluctuate quite sharply.
- Nevertheless, Brazil is a prospering, middle-income country with plenty of scope for extending its (at present modest) appetite for overseas travel.
- Demand for travel has also been stimulated by the continuing strong economic situation and dramatically increased purchasing power of the *real* abroad over the past few years
- Europe has a natural advantage in this market because of the large numbers of people of European descent, but it is regarded as a distant and expensive destination.
- Although the situation seems to be improving quite rapidly now, the collapse of Brazil's national flag carrier in 2005-06 and the subsequent sharp fall in airline capacity for foreign destinations dampened growth. But capacity increased in 2008 and is forecast to rise further in 2009.
- Some 20,000 tour packages (charter flight with – in some cases – basic hotel accommodation) were sold for the FIFA World Cup in Germany in 2006 and expectations of good sales to South Africa for the 2010 World Football Cup are currently high, especially since Brazil itself is hosting the event in 2014.

## NOTES

- a Multiple responses possible/percentages add up to more than 100%
- 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; Instituto Brasileiro de Geografia e Estatística (IBGE); O&A.com.
- **Travel Profile:** Ministério de Turismo; Embratur; World Tourism Organization (UNWTO); IPK International's World Travel Monitor; Anholt-GMI Nation Brands Index; Turismo de Portugal, VisitBritain; Office of Travel & Tourism Industries (OTTI), US Department of Commerce, International Trade Administration; TourMIS.
- **Profile of Travellers:** Embratur; IPK International; Turismo de Portugal; VisitBritain, The Travel Business Partnership (TBP) from various industry sources.
- **Air transport/Airlines:** Departamento de Aviação Civil (DAC); INFRAERO; SRS Analyser
- **Travel Planning and Booking:** International Telecommunications Union (ITU); *ETC New Media Trend Watch*; Turismo de Portugal; VisitBritain; TBP.
- **Travel Trade Profile:** Associação Brasileira de Operadoras de Turismo (BRAZTOA); Associação Brasileira de Agências de Viagem (ABAV); TBP.

## FURTHER INFORMATION

Ministério de Turismo	<a href="http://www.turismo.gov.br">www.turismo.gov.br</a>
Instituto Brasileiro de Turismo – EMBRATUR	<a href="http://www.embratur.gov.br">www.embratur.gov.br</a>
Associação Brasileira de Agências de Viagem (ABAV)	<a href="http://www.abav.com.br">www.abav.com.br</a>
Associação Brasileira de Operadoras de Turismo (BRAZTOA)	<a href="http://www.braztoa.com.br">www.braztoa.com.br</a>
Associação Brasileira da Indústria de Hotéis (ABIH)	<a href="http://www.abih.com.br">www.abih.com.br</a>
National Civil Aviation Agency (ANAC, formerly DAC)	<a href="http://www.dac.gov.br">www.dac.gov.br</a>
INFRAERO (National airports operator)	<a href="http://www.infraero.gov.br">www.infraero.gov.br</a>
Instituto Brasileiro de Geografia e Estatística (IBGE)	<a href="http://www.ibge.gov.br">www.ibge.gov.br</a>
IPK International	<a href="http://www.ipkinternational.com">www.ipkinternational.com</a>
Brazilian Educational and Language Travel Association (BELTA)	<a href="http://www.belta.org.br">www.belta.org.br</a>

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