

**PRESENTATION**

The research center and market intelligence SPTuris, the Centre for Tourism and Events (OTE) presents the 23th edition of the Tourism Monitoring Center.

In this report, the OTE brings the analysis of the month's performance in June this year and the end of the first half of 2016 in São Paulo tourist market and follows with a survey of the prospects for the coming months.

Detailed reports of the indicators mentioned here are available at: [observatoriodoturismo.com.br](http://observatoriodoturismo.com.br)

**MAIN RESULTS 1<sup>ST</sup> HALF 2016**  
**COMPARATIVE 1<sup>ST</sup> HALF 2015/2016**

**MEANS OF ACCOMODATION**

**67,78%**  $\uparrow$  2,1%  
hotel occupancy

**R\$ 296**  $\downarrow$  8,6%  
hotel average daily rate

**49,40%**  $\uparrow$  28,6%  
hostel occupancy

**R\$ 47**  $\downarrow$  3,2%  
house average daily rate

**TAX OVER TOURISM SERVICES**

**R\$ 24.303.326**  $\downarrow$  3,1%  
raising value in the first half 2016

**TRANSPORTATION**

Bus  
**1.089.022**  $\downarrow$  11,8%  
passengers on Tietê, Barra Funda and Jabaquara terminals

Air  
**27.189.163**  $\downarrow$  19,25%  
passengers on Viracopos, Guarulhos, and Congonhas airports

**TOURIST INFORMATION CENTERS**

**7.244**  $\downarrow$  15,5%  
people assisted

**2.435**  $\downarrow$  3,7%  
brazilian tourists

**1.742**  $\downarrow$  41,4%  
foreign tourists

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## ECONOMIC ENVIROMENT

Contrary to estimates released by the Central Bank (BC) in early June, the financial market of Brazil lowered its estimate of inflation for this year and 2017, while it also has to estimate a smaller decline in the activity level of the local economy in 2016.

The Brazilian Institute of Geography and Statistics (IBGE) reported that the official inflation of the country again lost strength and reached 0.35% in June, the lowest rate since August 2015. In the year, the index accumulated increase of 4.42% and in 12 months, adds 8.84% - falling below 9% for the first time since June 2015. for 2017, the estimate of the financial market for inflation fell from 5.43% to 5.40% last week , reported BC. Thus, it remains below the 6% ceiling - established in 2017 - but still far from the central goal of 4.5% for the IPCA in the period.

In the case of Gross Domestic Product (GDP) this year, the market improved the estimate for the level of activity of a contraction of 3.35% for a smaller fall of 3.30%. To the gross domestic product behavior in 2017, economists of financial institutions maintained their forecast an increase of 1%, reported BC.

According to the monitoring of the Getulio Vargas Foundation (FGV), the sum of all goods and services produced in the country, the sum of the last 12 months shows that GDP is down 4.7%, posting the 17th consecutive fall in the indicator. Of the 12 productive sectors analyzed, 10 were down. Only the demand for exports has been showing growth, with 9.6%, while imports fell 17.3%.

As BC's information, the expense of Brazilians abroad in January-May cumulative fell 37.7% compared to the same period of 2015. The amount collected in the first five months of this year accounts for the amount of US\$ 5.161 billion. The fall in this indicator reflects the rise in the dollar over the last years, which impacts directly on the hosting service and airfare prices, in addition to raising the cost of goods purchased abroad. In contrast, the costs of foreigners in Brazil grew 10% over the same comparative period, injecting US\$ 256 billion more in the economy.

*source: BC, IBGE and FGV, 2016*

## WORLD TOURISM

The World Tourism Organization (UNWTO) and the World Council of Travel and Tourism (WTTC) released research related to tourism as a sustainable development factor and as an engine for world peace. On the issue of sustainable development, UNWTO together with various partners prepared an online kit that helps hosting means to reach the lowest possible power consumption, very close to zero. WTTC published report presented data stating that destinations with more open and sustainable tourism sector tend to be more peaceful, making interesting connections between tourism and peace.

Following the excellent 2015 performance, tourism continues to show positive results in the first months of this year. The UNWTO estimates that all destinations in the world received nearly 350 million tourists between January and April 2016, a figure 4.6% higher than the same period in 2015. It is the seventh consecutive year with above average growth, positive demand in all regions of the world. In the face of all the difficulties of the moment, that strong desire of people to travel reinforces how dynamic and resilient tourism sector is.

Even with data from the UNWTO, the countries that spent on overseas tourism in 2015 were China, the United States and Germany. Compared to 2014, Spain stands out with growth of 17.9%, second only to China with 24.5%. In addition to being the country that spent on international travel, China occupies since 2012 the first place in the ranking of source countries driven primarily by strong consolidation of its economy.

In a study published in the edition 2016 of the International Pow Wow (IPW), even with the strong appreciation of the dollar against the real, the number of Brazilian tourists in the United States in 2015 showed only 2% decrease compared to the same period 2014. Interestingly, a decade ago, Brazil did not figure even among the 10 largest emitters of tourists in the United States and now ranks 5th. Moreover, we are the fourth country in number of visas, behind China, Mexico and India, respectively.

*source: UNWTO, WTTC and IPW, 2016*



## TOURISM IN BRAZIL AND SÃO PAULO

Study by the Ministry of Tourism (Tourism Ministry) reveals that the prospects for 2016 are positive and tourism is expected to grow to 16.2% in Brazil this year. The revenue increase of possibility also occur in the inbound tourism (8.3%), road transport (6.6%), lodging facilities (5%), trade promoters (3.1%), travel agencies (2.5%) and tour operators (0.8%). The number of employees should also grow between event organizers estimated increase of 3.2% and 2.1% in inbound tourism.

During the Lucerne Forum in Latin America this year, Aradhana Khowala, consultant and managing partner of the company Bridge Over Group, said that if Brazil prioritize the growth of tourism with a focus on training and promotion, GDP can be benefited with an increase equivalent to US\$ 75 billion, increasing its position in the world ranking of competitiveness and resulting in the creation of more than 8 million jobs. With the FIFA World Cup in 2014, the country rose from 51st to 28th position in the world ranking of tourism and hospitality, due to the thousands of tourists attracted by the mega event.

According to the data of the Competitive Intelligence report, done by Embratur, Chilean tourists are among the top spenders in Brazil, occupying the 3rd position in the ranking. The average cost is US\$ 182 per day on trips with motivation business and US\$ 93 per day for leisure.

In São Paulo, during the months of May and June 2016, the city focused major events in the medical field, from fairs, conferences, symposia, courses, among others. There were almost 170,000 participants in 175 events, event calendar numbers of São Paulo Convention & Visitors Bureau (SPCVB). According to the entity, medicine often lead as the main event segment in São Paulo. Of the total of registered events in May and June, the branch of medicine is 26.5%.

According to the Brazilian Association of Corporate Travel Agencies (Abracorp), Sao Paulo and Miami top the list of national and international destinations, respectively, most visited by Brazilian corporate travelers in 2015. São Paulo with 32% of the total was the destination that received tourists from the corporate sector and Miami with 16% among the international destinations.

A study by the Urban Systems and companies Sator indicates that St. Paul was considered the Brazilian city with the greatest development potential in 2016, in a ranking that evaluated 700 municipalities of the country. The survey analyzed 11 sectors of the cities from more than 70 indicators. They were evaluated mobility and accessibility, urban planning, environment, technology and innovation, health, education, entrepreneurship, governance, economics, security and energy.

*source: MTur, World Tourism Forum Lucerne, Embratur, SPCVB, Abracorp, Urban Systems and Sator 2016*

## TAX OVER TOURISM SERVICES - CITY SÃO PAULO

Based on data obtained in partnership with the City Department of Finance (SMF), the amount collected by the Group 13 (Tourism) Service Tax (ISS) in June 2016 represented an amount of R\$ 24.3 million, 2.5% of the total collected by the municipality. Compared to the same period of 2015 there was a decrease of 3.1% when the amount collected was R\$ 25 million.

Already in the year recorded from January to June, an increase of 1% compared to 2015, totaling R\$ 138.7 million in 2016.

### TAX OVER TOURISM SERVICES (BRL)

	2015	2016	VARIATION
JUNE	25.080.158	24.303.326	-3.1%
1 <sup>st</sup> HALF	137.406.987	138.751.743	1%

*source: SMF and OTE, 2016*



## SÃO PAULO ACCOMODATION FACILITIES

According to the monthly survey of lodging facilities in São Paulo conducted by OTE, the occupancy rate (TO) in the hotel in June 2016 was 2.1% compared to the same month of 2015. On the other hand the Daily Medium (DM) fell 8.6% if used the same comparison.

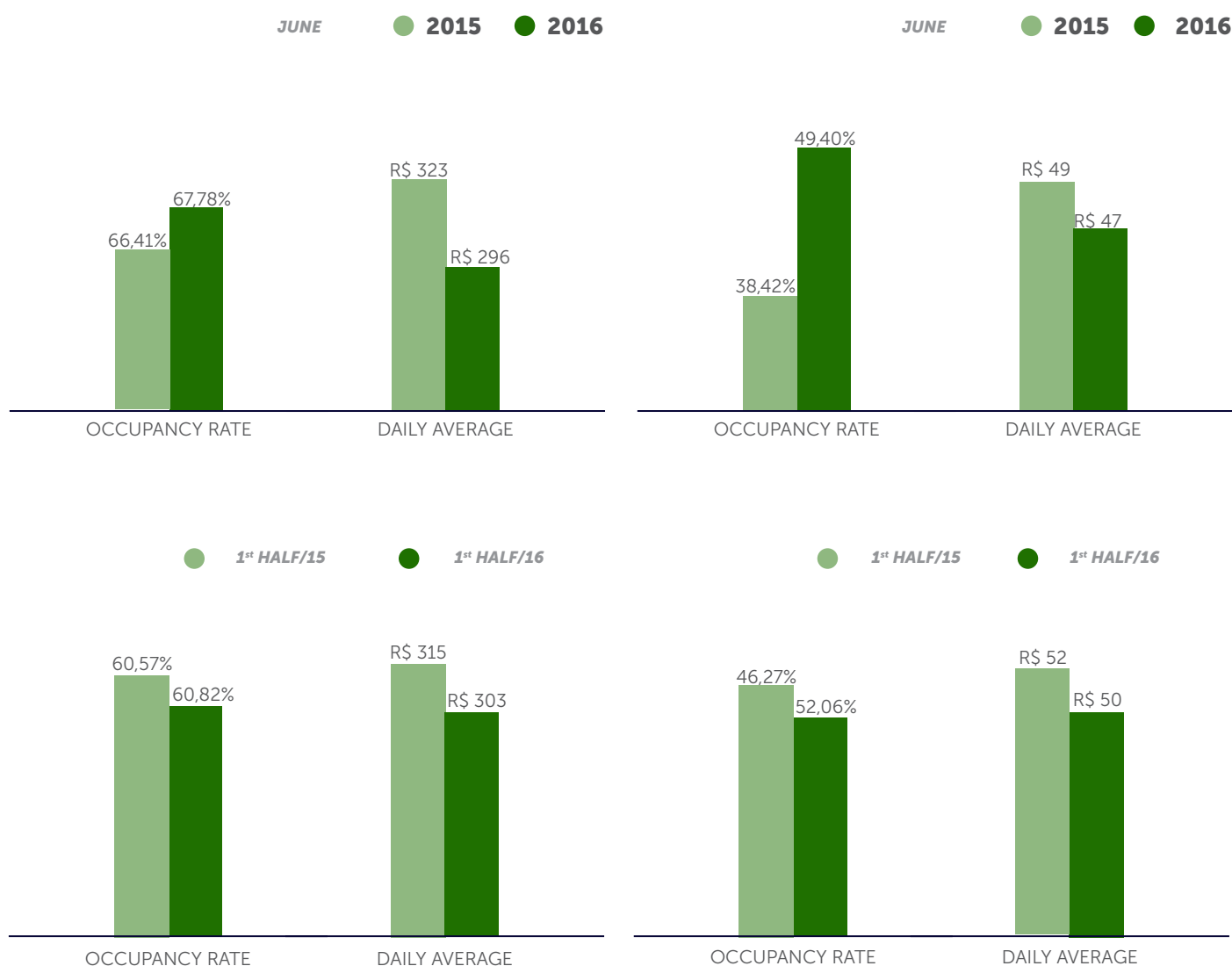
Analyzing the T.O. hotel, the indicator has increased compared with previous years (2014 and 2015), fruit strategies of hotels applied to generate better results, such as: investment in promotions, search for new partnerships, use of targeted media, increased investment in marketing, reduction in tariff value offered by online booking portals, in addition to movement generated on account of shows and events in the capital.

The performance of hostels displays a positive scenario regarding the T.O. (49.40%), with an increase of 28.6% compared to June 2015. Since the recorded value of D.M. (R\$ 47) showed a decrease of 3.2% over the same period.

The average T.O. accumulated from January to June/2016 grew both in hotels and in the hostels, where the increase was 0.4% and 12.5%, respectively. Already D.M. fell by 4.1% in hotels and 3.6% in hostels, using the same comparison.

### HOTELS - OCCUPANCY RATE AND DAILY AVERAGE

### HOSTELS - OCCUPANCY RATE AND DAILY AVERAGE



source: OTE, 2016

**BUS TERMINALS**

The passenger flow recorded in June in the three bus terminals that serve the city of São Paulo showed a decrease of 11.8% over the same period in 2015 were accounted for 1.09 million landings in 50,200 buses.

Individually, the Tiete terminals, Barra Funda and Jabaquara fell by 11.7%, 15.9% and 2.1% respectively in the number of arrivals compared to the same month last year. The number of buses that arrived to the terminals also showed negative growth of 7.4% compared to June last year.

In the first half, the sum of the three terminals presents decrease of 7.5% in the number of landings and 7.4% in the bus arrival when compared to the same period of 2015. The results follow the expectation of realized Travel Intention study by the Tourism Ministry, where the intention to travel using the bus (13.8%) as a means of transport used to travel loses ground to other alternatives such as aircraft (55.9%) and private vehicle (29.5%).

**BUS TERMINALS MOVEMENT - COMPARATIVE JUNE 2015/2016**



**BUS TERMINALS MOVEMENT - COMPARATIVE 1<sup>ST</sup> HALF 2015/2016**



source: Socicam and OTE, 2016



**AIRPORTS**

According to the Brazilian Association of Airline (ABEAR), the cooling of the air transport market in Brazil continued to worsen in April. Consolidated demand for domestic travel fell 12.2% over the same month last year. Statistics show acceleration in relation to the fall determined in March (-7.3%) and complete a period of nine casualties followed. In absolute terms, this was the worst monthly performance in domestic demand since February 2013 and the worst performance indicator for the month of April since 2012. The shrinking supply, reduced by 10.3% in April, returned to happen at a level lower than the falling demand. This led to the worsening of 1.73 percentage points in the load factor of operations, resulting in an occupation of 79.30% seats in the month. In April it was recorded 6.8 million domestic trips, full 12% below the same month 2015.

The Brazilian domestic aviation demand registered in May low of 7.7% compared to the same month last year, accounting for a deficit of more than 3 million passengers. From January to May this year, domestic demand recorded a low of 6.8% to an offer that recoils least 5.8%. The market behavior led the load factor to a worsening of 0.8 percentage points (79.57%). Total domestic travel in the first five months of the year 36.4 million sum.

The international transport numbers from January to May show demand still with a slight increase of 0.6%, with an offer on shrinkage of 0.7%. As a result, the utilization factor was 1.05 percentage point improvement (81.57%). The total number of passengers carried on international flights sum just over 3 million, an increase of 2.5%.

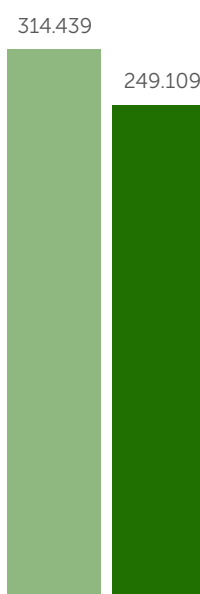
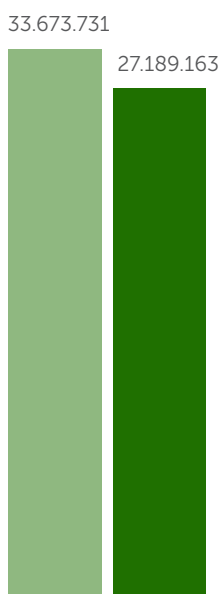
**AIRPORTS - ACCUMULATED JAN/MAY - COMPARATIVE 2015/2016**

PASSENGERS

AIRPLANES

● JAN/MAY - 2015 ● JAN/MAY - 2016

● JAN/MAY - 2015 ● JAN/MAY - 2016



source: ABEAR, Infraero, GRU Airport, Viracopos and OTE, 2016



## TOURIST INFORMATION CENTERS

The Tourist Information Centers (CITs) had a negative variation of 15.5% in total of visits during the month of June / 2016 compared to the same period last year. The number of visits to the local population fell 0.3%, and the assistance to foreign tourists fell by 41.4%, while the number of tourists state of São Paulo increased by 1.1%.

In the first half 2016 the CITs fell by 8.5% of all cases. The number of services to foreign tourists fell 14.3%, as compared the first half 2015/2016 the number of visits to the population of São Paulo (1.2%) is growing every year.

In the list of top emitters of tourists to the city in June 2016 led among international tourists, Brazilian and São Paulo, respectively, Argentina, Sao Paulo and Campinas.

According to a survey conducted by the Tourism Ministry, the number of South American tourists traveling to Brazil had 382% increase. There were 3.4 million South Americans in 2015, against 3.1 million in 2014, an increase of 9%. The study reveals that in 2015, 54% of foreign tourists in the country were from neighboring countries, with Argentina leading the ranking. According to the survey, of the 6.3 million foreigners who arrived in the country last year, 2 million were Argentines, which corresponds to 33% of this total.

### CALLS PERFORMED - COMPARATIVE JUNE 2015/2016

JUNE	2015	2016	VARIATION
Foreign Tourists	2.972	1.742	-41.4%
Domestic Tourists	2.528	2.435	-3.7%
São Paulo Residents	3.075	3.067	-0.3%
<b>TOTAL ASSISTANCES</b>	<b>8.575</b>	<b>7.244</b>	<b>-15.5%</b>

### CALLS PERFORMED - COMPARATIVE 1<sup>ST</sup> HALF 2015/2016

1 <sup>ST</sup> HALF	2015	2016	VARIATION
Foreign Tourists	18.310	15.688	-14.3%
Domestic Tourists	19.118	16.534	-13.5%
São Paulo Residents	20.644	20.899	+1.2%
<b>TOTAL ASSISTANCES</b>	<b>58.072</b>	<b>53.121</b>	<b>-8.5%</b>

### MAIN ORIGIN OF TOURISTS - ACCUMULATED 2016

	INTERNACIONAL	BRAZILIAN	SAO PAULO RESIDENTS
1	Argentina	São Paulo (SP)	Campinas
2	France	Rio de Janeiro (RJ)	São José dos Campos
3	Germany	Minas Gerais (MG)	Guarulhos
4	Chile	Rio Grande do Sul (RS)	São Bernardo do Campo
5	Colombia	Paraná (PR)	Ribeirão Preto

source: MTur and OTE, 2016



The first half was marked by an intriguing economic scenario, with inflation above the target set, high unemployment rates and the dollar high. These factors, combined with the fall in household consumption, continue to influence purchasing decisions and consumer products and services related to travel and tourism.

Segments analyzed by OTE show negative performance in the first half, except for the hotel industry, a sector in which the indicators showed good performance in T.O, the result of promotions in the tariff and actions with disclosure, which impacted the fall D.M. the semester. The road flow presents fall both in passenger traffic as the bus arriving at the three terminals of the capital. The aviation scenario exposes results similar to the road, with a drop in demand and lower utilization of aircraft. The number of calls in CITs also show negative changes in half when compared to 2015.

Positive signs of Brazilian travel intentions for the next six months were the lowest recorded for the month of June since 2006 since only 19.7% of respondents plan to travel in that period. Data extracted from the Tourism Ministry's Consumer Survey Bulletin in partnership with FGV show, including that within the portion of Brazilians indicated positive intent trip, 83.6% will opt for national tourist destinations. Air transport continues to lead among the preferred means of transport - the plane will be chosen by 55.9% of domestic tourists.

Against the Brazilian performance on the world stage the year started strongly in relation to tourism. The results published in the last Barometer Tourism UNWTO were clearly positive and many destinations recorded double-digit growth rates.

The outlook for sales in the Brazilian tourism market in 2016 show is very positive. Data from the Annual Survey of Economic Environment of Tourism prepared by the Ministry of Tourism with the FGV show that, of the nine sectors surveyed, seven estimated growth in sales this year. The car rental companies lead the list, followed by inbound tourism, road transport and lodging facilities, which have better expectation among the items.

Despite the high dollar rate at the beginning of the year, the scenario is changing. In January, the registered conversion was close to R\$ 4.10, but showed variations during the semester and closed June with the conversion to R\$ 3.20. With tendency to remain low, as shown conversions in early July, a new scenario for the second half.

As the Brazilians have shown decline in the intention trip, the next six months will be heated by the presence of international tourists motivated by the Olympic and Paralympic Games Rio 2016. The visa waiver for tourists from Australia, Canada, United States and Japan already in force, as it provides a 20% increase in the flow of international tourists.

Among the trends in tourism for the coming years, there will be more and more the presence of mobile technology devices for the use of services, such as location and offline data, payment details, travel information and even replace human contact by technologies in air travel processes. A survey of nine thousand passengers by SITA company - technology and airport infrastructure - reveals that 91% of interviewed passengers have used technological devices at least some of the stages (reservation, check-in, dispatch or withdrawal of luggage) and should repeat the practice.

The OTE will continue to conduct consultations by area of activity for targeted analysis on the performance of tourism in the coming months. Check out other publications: [observatoriodoturismo.com.br](http://observatoriodoturismo.com.br)



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