

WTTC Calls on Brazilian Government to Refocus Travel & Tourism Growth

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The World Travel & Tourism Council (WTTC) released its 2006 Travel & Tourism forecasts for Latin America and Brazil at the 10 th World Summit of Young Entrepreneurs.

WTTC's 2006 research, sponsored by Accenture for the first time and prepared by Oxford Economic Forecasting, follows the United Nations standard for Tourism Satellite Accounting, and covers 174 countries worldwide. WTTC reported that 2005 continues a positive trend for Travel & Tourism in Brazil with economic activity (Total Demand) exceeding the BRL149 billion mark, sustaining the robust recovery made in 2004.

In Brazil for 2006, WTTC is forecasting:

Demand: Encompassing all components of Travel & Tourism consumption, investment, government spending and exports, Brazil is expected to generate BRL165.2 bn (US\$70.4 bn) of economic activity (Total Demand) in 2006, growing (nominal terms) to BRL395.1 bn (US\$113.8 bn) by 2016. Total Demand is expected to grow by 5.3 per cent in 2006 and by 4.3 per cent per annum, in real terms, between 2007 and 2016.

Visitor Exports: The continued growth of inbound travel is expected to push Brazil's Visitor Exports to 3.9 per cent of total exports (BRL20.0 bn or US\$8.5 bn) in 2006, growing (nominal terms) to BRL57.3 bn or US\$16.5 bn (3.6 per cent of total) in 2016. Actually the percentage of total will be less in 2016 than in 2006

GDP: Brazil 's Travel & Tourism Industry is expected to contribute 2.8 per cent to Gross Domestic Product (GDP) in 2006 (BRL59.3 bn or US\$25.3 bn), rising in nominal terms to BRL125.1 bn or US\$36.0 bn (2.7 per cent of total) by 2016. The Travel & Tourism Economy contribution (per cent of total) should rise from 6.7 per cent (BRL141.1 bn or US\$60.1 bn) to 6.9 per cent (BRL322.4 bn or US\$92.9 bn) in this same period.

Employment: Brazil 's Travel & Tourism Economy employment is estimated at 5,495,000 jobs in 2006, 6.4 per cent of total employment, or 1 in every 15.6 jobs. By 2016, this should total 6,855,000 jobs, 6.6 per cent of total employment or 1 in every 15.1 jobs. The 2,337,000 Travel & Tourism Industry jobs account for 2.7 per cent of total employment in 2006 and are forecast to total 2,740,000 jobs or 2.6 per cent of the total by 2016.

Brazil is the 18 th largest Travel & Tourism economy in the world, second only to Mexico in the Latin American region. Nevertheless, in terms of long term growth - set at 4.3 per cent per annum over the next ten years and ranking only 110 th in the world - Brazil is outstripped by several of its neighbours.

Generally speaking, Brazil 's world market share has suffered a slight decline from 1.2 per cent in the late 80s to 1.1 per cent in 2006 and is expected to total only 1.0 per cent of world market share over the next few years. This reflects the intense competition coming from the fast emerging economies of China and India .

WTTC President, Jean-Claude Baumgarten said, 'We are witnessing the power, speed and vitality of Travel & Tourism and how it can bring economic opportunity and jobs to people and economies around the world that are seeking ways to create sustainable development. The global activity is setting new records, but what is really amazing is how smaller developing countries like Montenegro , Romania , Namibia , and Brunei are using Travel & Tourism as a catalyst for broader economic development. They have realized how the direct impact of international visitors and resident Travel & Tourism percolates throughout their economies and have made strategic decisions from the highest office to focus attention, resources and effort to achieve the potential.'

Mr. Baumgarten continued, ' Brazil should make Travel & Tourism a strategic priority and develop its own plans to realize the full potential that this industry can bring to job creation and economic development for the country. Travel & Tourism in Brazil has suffered in recent years from a lack of strategic vision and long-term commitment. We encourage the Brazilian government to redouble their focus and attention on the long list of policy issues from marketing and promotion budgets, to aviation policy, to investment incentives to safety and security that will make a real difference for our industry.'

An opportunity to confront and debate the challenges facing the Travel & Tourism industry globally is provided by WTTC at its annual Summit . Public and private sector leaders from across the globe will gather in Washington DC on the occasion of the 6 th Global Travel & Tourism Summit, which takes place 10 to 12 April 2006. The unique 'in the round' format of the Summit will facilitate an open and frank dialogue among leaders, who will address the potential bottlenecks to the long-term development of the industry and identify real opportunities for growth . For more information about the Summit , please go to www.globaltraveltourism.com.

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