



Latin America - Market Update – Q3 2024

BRAZIL

- Avipam Turismo, a strong corporate travel agency in Brazil with 500 employees has announced the global affiliation with Altour. They will be servicing the global accounts of Altour and will also work with the local accounts in Brazil who need support globally. The project is under implementation now, but it should be all ready to start in January 2025.
- Delta Airlines has announced additional flights from Brazil to support the high demand for the summer season in Brazil. Starting in October, the route Rio de Janeiro – Atlanta will have 2 additional daily night flights. Also, starting in December they will have 205% more seats, as they will make available the Airbus A330300 and increase from 3 to 7 daily flights in total.
- According to recent research from IATA, the travel distributors from Brazil including travel agencies, tour operators, OTAs and air consolidators have registered 6% increase for the 8 months of 2024. The number one on the list is the corporate travel agency BeFly, which has the franchise for Amex GBT.
- The arrival of international tourists in Brazil has increased 10% from January to August. Argentina is ranked as the number tourist, followed by the United States and Chile. Sao Paulo is the most visited city and Rio de Janeiro right after.
- According to Brazil's Central Bank, the country experienced a 2.5% GDP growth in the third quarter of 2024, slightly above expectations. This performance was driven by strong domestic consumption and agricultural exports but was constrained by high interest rates, which continue to dampen investments in certain sectors. The government has maintained conservative monetary policies to keep inflation, currently around 4% annually (IBGE), under control.

ARGENTINA

- In comparison with 2023, the domestic tourism in Argentina has dropped 17,5% and it has been a shock for travel suppliers who are facing a very challenging time for tourism in the country. The main reason is the economic strategy the new government has adopted to balance inflation and vanish the “black market” to exchange Pesos to US Dollars, meaning tourism now in Argentina is about 30% more expensive than it used to be.
- The actual government of President Javier Milei has advanced with the privatization of the current state company Aerolineas Argentinas. The law decree has passed many stages and now it is waiting for the Congress decision. The company has started the furlong process, and more than 2,000 employees have

applied for voluntary resignation. Azul Airlines, LATAM and Avianca have shown interest in the acquisition.

- The luxury segment in Argentina is strong and travel outbound is higher than 2023. The number one destination is Spain, followed by NYC, Las Vegas, Miami and Milan.

CHILE

- Chile's economy showed signs of stabilization in the third quarter of 2024, with GDP growth of 2.1%, according to the Central Bank of Chile. This was driven by a recovery in mining exports, particularly copper, which saw a 6% increase in demand from international markets, especially China. However, domestic consumption remained subdued due to high inflation, currently at 6.5%.
- The tourism sector has shown strong signs of recovery, with a 12% increase in international arrivals in the third quarter, especially in regions like Atacama and Patagonia. The government's focus on promoting Chile as a destination for adventure and nature tourism has paid off, attracting high-value travelers from Europe and North America, according to SERNATUR (National Tourism Service), as well as Brazil – there has been a 74.8% increase in Brazilian tourists this winter season compared to the same period last year, and 16.5% compared to the pre-pandemic period.
- The National Tourism of Chile has organized a roadshow in Brazil called “Chile Week”. The intention is to keep promoting the number market entering in Chile. The events had the participation of 12 suppliers, and they visited 5 cities in Brazil.
- Santiago has established itself as a key destination for both business and luxury travelers, with a 10% increase in international arrivals. The city offers a mix of modern luxury hotels and cultural attractions, including private museum tours and fine dining. The Chilean Ministry of Economy reported that luxury travel spending in Santiago increased by 8% in 2024, driven by international events and conventions.

PERU

- Peru's tourism industry, particularly in high-profile destinations like Machu Picchu and Cusco, has seen a resurgence with a 14% increase in international arrivals in 2024. According to PROMPERÚ, the country's tourism authority, the recovery has been driven by pent-up demand from North American and European travelers, as well as the growing appeal of Peru's gastronomic scene.
- Despite growth in tourism, political instability and social protests in 2024 disrupted travel in some regions, particularly in rural areas. Cusco and Puno, key gateways to Machu Picchu and Lake Titicaca, experienced cancellations and lower hotel occupancy during peak tourist seasons. However, luxury tourism providers have been able to mitigate some impacts by offering more flexible booking policies and personalized customer service.
- In response to the economic challenges, the Peruvian government has prioritized infrastructure investments, including road and airport upgrades. These projects,

worth over \$4 billion, are expected to improve connectivity to key tourist destinations and stimulate economic activity in underserved regions.

- The COVID-19 pandemic has significantly shifted consumer behavior towards health and wellness. According to a survey by Nielsen from August 2024, 60% of Peruvians are prioritizing health-related products and services, leading to a surge in wellness tourism. Luxury hotels and resorts are responding by offering wellness packages that include spa treatments, fitness classes, and nutritional workshops, attracting health-conscious travelers.

COLOMBIA

- The Central Bank continues monetary easing in September and meets market expectation, follows a more divided vote: At its meeting on 30 September, the board of directors of Central Bank of Colombia decided to reduce the policy interest rate by 50 basis points to 10.25%. The move, which mirrored July's same sized cut, had been largely priced in by markets and was once again not unanimous, three of the board's seven members preferred a 75-basis point cut.
- The tourism industry in Colombia rebounded with a 16% increase in international arrivals between July and October 2024. Cartagena and Bogotá remain popular destinations, attracting tourists from the US and Europe. ProColombia reported that tourism has become a key driver of the economy, contributing 4.5% to GDP, and the sector is expected to grow further as the country promotes its diverse offerings, from coffee region tours to adventure travel.
- Colombians travel is high either for leisure and corporate. American Express GBT announced a high demand in travel domestic and international reporting a 20% increase on transactions. Top destinations for leisure are NYC, Spain, Cancun and Miami.
- A new tradeshow started in Colombia called Colombia Nature Travel Mart and the idea is to gather suppliers of nature tourism, adventure and luxury well-being. An increase of 9% has been registered in this segment of travel and the event had 48 buyers from 15 countries and 64 exhibitors. On the international demand, the highlight was Canada, Spain and Italy.
- The MICE segment in Colombia will reach in 2024 the volume of business pre pandemic. According to GBTA Latin America, corporations have given value to gather their employees for travel and the events budget have increased 15% on major companies. Top destinations are domestic travel within Latin America, Cancun and United States.
- Avianca will have direct flights from Bogota and Tulum-Mexico and will have more than 1.000 seats weekly. The airline has also announced three more daily flights from Buenos Aires to Bogota.

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