

TRAVEL AND TOURISM MARKET FEELINGS

Most of the LATAM Countries should maintain the quarantine period up to the end of April, keeping closed schools, non-essential businesses, Shopping Malls, public parks; all events, festivals, shows are postponed or cancelled, until further notice.

The Brazilian Government released this week a stimulus package to support small businesses to surpass this hectic period, by offering a credit line to cover salaries, as an effort to refrain unemployment. Also, an amendment to the law was just released and will allow the tourism companies to offer a service postponement, a credit to be used in the future or even an agreement between the parts. In case none of the measures can be taken, a refund will be granted to be paid in 12 installments.

BRAZTOA, Brazilian Tour Operators Association, conducted a survey in March with its members regarding the COVID-19 impact on their sales. While forty five percent of tour operators had no sales in March, 38% had sales for the second half of 2020. The cancellation figure was high and represented 94,4% considering all the tour operators who participated in the survey. On the other hand, postponements represent seventy five percent to 37% to 50% tour operators while the other twenty eight percent of tour operators had an average of 90% of their trips postponed. When asked about international suppliers' support on cancellation and refunds requests, 37% stated to have had different options and the other 30% stated to have refunds applied but with restrictions.

Part of survey was focused on the transparency and understanding of the support tour operators and the travel industry is receiving from the Brazilian government. While 39% are not sure if the company will see benefits, 28% should get a benefit but are still evaluating the support and 22% will get the benefit and is aware on how to proceed. As per the tour operators' feedback, the main challenges to resume business will be: tourists lack of budget, healthy and sanitary conditions at certain destinations, lack of budget for marketing & promotion and finally, destinations that may not be prepared to host business. To have full access to BRAZTOA survey please access:

[BRAZTOA Impactos Comerciais Trabalhistas Coronavirus Abril2020.pdf](#)

As a result of the social distancing, in Latin America, most travel products, attractions, hotels and international destinations are conducting webinars in combination with tour operators and travel agencies. Many key leaders and travel trade professionals are also conducting thousands of lives, podcasts and motivational webinars. The themes vary from home office working format to virus impact and government efforts to support travel industry. Intel documents, researches and surveys are also spreading all over the region from different sources and consulting companies.

Consolidators in LATAM are approaching BSP/IATA to negotiate the payment of their invoices in instalments.

C.O.C.A.L, Association of Representatives of Meetings, Incentives and Events Companies published that MICE Companies see a possibility during the storm. Opportunities may arise to reconvert and reinvigorate the activity. Beyond the fact that at some point the restrictions on traveling will be gradually released, tourism will not recover its usual rhythm in the first months. No one will run to get on a plane to travel, especially since the recovery of the countries of the world will be uneven depending on the degree to which each has been affected by the virus. In this context, MICE could bet on local events within each nation and combine them with technology to reach beyond its borders. Hybridization. That is the key word for the future of business travel. That kind of events will become important. They will not stop being face-to-face, because the human being is essentially social. But in the early days it will work with hybrid local meetings.

Consulted with several key players of the Argentinean market, they all agree that tourism will start to slowly recover by promoting local and non-massive destinations within the country. On a first phase, travelers may feel more secure by visiting Argentinian attractions instead of traveling abroad. On a second phase, and once destinations are secure and free of the virus, slowly they will start choosing those destinations that were less affected by the virus. The new trend is that regardless of the amazing promotions that could be offered, this time, the traveler will choose health security instead of the price.

CAME (Argentine Confederation of Medium-sized Companies) reported that the government will announce by official decree that the state will provide an allocation of USD 100M to grant loans to small and medium-sized companies.

According to Chilean Tourism Minister Monica Zalaquett the COVID-19 crisis could last 6 months and foreign exchange income will fall approximately in 32%. Clearly, this big industry will not disappear, everything will

return to normal, but if they do not have any minimum income, many companies will disappear. The big challenge, once the health emergency they live in is overcome, is to continue to strengthen the quality of service, as well as language management and improve the visitor experience.

The Colombian Ministry of Commerce, Industry and Tourism jointly Colombia Productiva, launched the “Compra lo Nuestro por Colombia” campaign, with which it invites entrepreneurs from all sectors to access and participate in www.compralonuestro.co. This is a way to connect suppliers and buyers to facilitate trade in Colombia, this campaign provides a solution to mitigate the effects that the Covid-19 may have on the business fabric. They want to contribute to its productivity and competitiveness, through the articulation between the sectors, the transfer of knowledge, opening new business opportunities for Colombian products and services. More than 9,000 companies from 30 departments are registered in this social network which will help to activate the economy.

ANATO, Colombian Association of Travel Agencies said that Travel Trade is very optimistic about their recovery during the second semester of the year, especially during the second week of October, when schools and universities have a week off, here that week is called “Semana de receso” most of travel agencies and wholesalers mentioned that it will be the perfect moment to re-start to promote long trips for Colombians.

The hotel industry in Colombia is paralyzed. As of March 25, 407 hotels have closed. About 13,700 rooms out of service according to figures from the Center for Tourism Thought of Colombia - Centro de Pensamiento Turístico de Colombia, CPTUR. COTELCO, Hotel and Tourism Association of Colombia, mentioned they started conversations with the government to offer support to some properties.

WHAT'S NEXT?

SkyScanner conducted a research about consumer confidence in Brazil. From March 27th to 31st, 720 participants opined about travelling abroad after Coronavirus outbreak. According to the report, 53% is confident that travel will turn safe again in approximately 6 months. 20% believes in a shorter term, from 4 to 6 months for people to restart travelling. 34% feels that international trips will come back to normal until the end of the year.

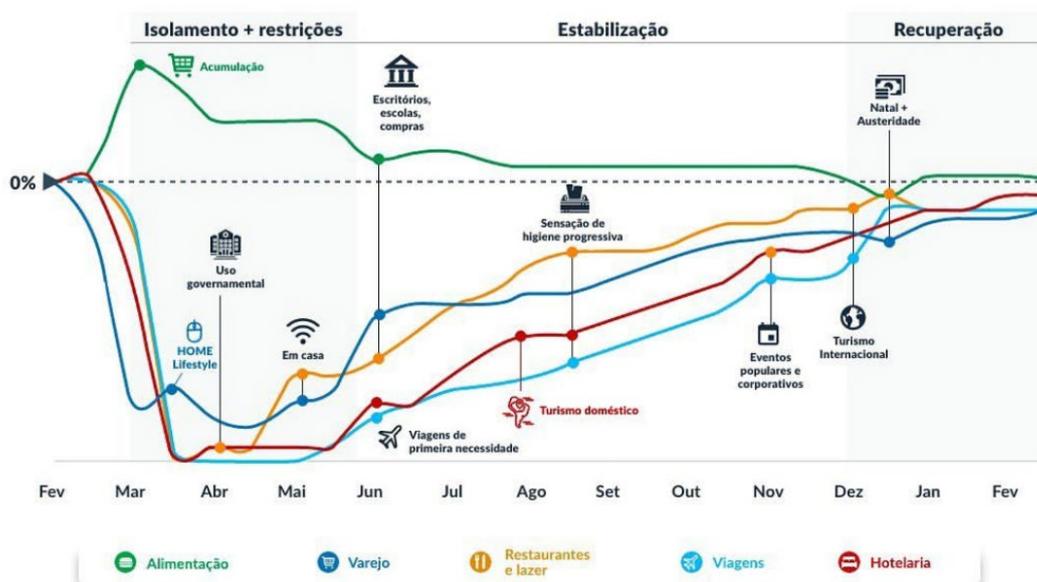
Bad times usually bring out the best of some people, “Time and again, individuals and communities have demonstrated that the worst situations tend to bring out the best in people and the organizations to which they belong. In every moment of darkness, it seems, there are countless moments of light

— small gestures of compassion and connection that allow people to show who they are, how they want to live, and what matters to them. (...) So don't be afraid to let bad times bring out the best in your company — and in you”. (TAYLOR, Bill. **Coronavirus + Business by Harvard Business Review**)

According to **Clayton Reed from MMGY,** people need to embrace a new sentiment, “Things will get better - a notion that more people need to embrace. The international traveler has always been a vital part of the global economy ... there are no ways to know for sure what to expect in the next 60, 90 and 120 days, but we know that the recovery will happen before people can see clearly today”.

Quick analysis on LATAM Covid-19 updates

COVID-19 Recovery by Sector



The projection, developed through a research conducted by Monitor Deloitte and Boston Consulting Group shows a percentual comparative with 2019. During the isolation period (from March to June), benefited sectors will be e-commerce and the several channels that distribute food, cleaning products and medicines. Travel industry is

clearly the most affected, especially hotels, airlines and cruiseships. According to the study, these three sectors will reach the most critical stages in April and May, and will start recovering very slowly as of June, until around December. Rebound effect is expected for February 2021.



INFECTED: 1,795 DEATHS: 65 RECOVERED: 365

CAME (Argentine Confederation of Medium-sized Companies) reported that the government will announce by official decree that the state will provide an allocation of USD 100M to grant loans to small and medium-sized companies.

Government analyzing to extend compulsory quarantine to May 3. There is no news regarding flexibility for certain jobs or industries as was previously announced (still under discussion). According to media, Ministry of Security has been confirmed on using "cyber-patrolling" (social media monitoring) to scan social mood amidst COVID-19 pandemic.

Trade media publishes airline news such as: United extending flight tickets to 24 moth and reducing NYC frequencies; Delta food donations; Delta blocking middle seats to allow social distancing.

Banks will reopen at least during next week to pay pensions. People registered will have to attend scheduled days according to their ID numbers. President has ordered an investigation in the recent case of overpriced food bought by the Ministry of Social Development, that was going to be distributed in the midst of COVID-19 pandemic. Several government officials have been dismissed due to the scandal. Official exchange rate is 1 USD = 67,60 ARS, while unofficial is 1 USD = 85 ARS.



INFECTED: 13,757 DEATHS: 667 RECOVERED: NDA

Government starts today to pay the R\$ 600 aid per unemployed or non-official workers in Brazil, and issued a recovery plan for companies, including anti-layoffs measures. In another speech to the Nation yesterday, President Bolsonaro praised chloroquine once again and said that he respects the isolation measures taken by governors and mayors, but the consequences of these measures in the economy are under their responsibility, once again going against WHO recommendations.

In a live conference organized by ABRACORP about post-covid measures, the companies Accor Hotels, Gol and Latam airlines, and Localiza Car Rental agreed that the most important issue is to regain client's confidence to travel. Latam believes it will take 1 or 2 years for the sector to recover. In a live conference organized by Panrotas, consultancy firm Mapie said that brands' behaviors are being watched by consumers and that they should not start promoting sales now.

The index that measures the inflation went down to 0.07% in March, then 0.25% in February. Stock exchange is up by 1.88% this morning and the US dollar is down by 1.68%, at R\$ 5.05 to the dollar. The Federal Savings Bank (Caixa) announced a R\$ 43 billion aid to the real estate sector. Brazilian states estimate that funds originated from taxes will be down by 20% to 30% in April.

The fast growth of confirmed cases and deaths in the country in the last few days, especially in Sao Paulo city and Manaus (capital of the Amazon) are raising concerns. The Ministry of Health declared that cities in which the health system is still in half use can soften the isolation measures, but many states confirmed quarantine until the end of April. Research shows that only around half of the population is respecting social distance, especially in the public transport.



INFECTED: 5,546 DEATHS: 48 RECOVERED: 1,204

The Government of Chile discards compulsory quarantine throughout the territory, as have done other countries with fewer cases such as Argentina, Bolivia, Colombia and Peru, and is currently inclined towards a "progressive quarantine", which depends on the contagion figures. Favorable epidemiological developments in six quarantined communes (neighborhoods) in Santiago, Chile, has led the Government to lift the restrictive measure from Monday in total three of them, and partially in two.

Quarantine extended until April 17. There is a prohibition to leave the capital to summer residences by the beach. There will be strict controls and fines up to US 5,000. School children will start their winter vacation as of next Monday, April 13 for two weeks, in order to compensate the days without class during the crisis.

Santiago de Chile Airport warns that those who do not wear masks will not be able to board flights. Santiago Airport remains open and carrying out certain operations, so they have had to take a number of measures to prevent coronavirus contagion.

Chile's central bank announced new measures to secure the flow of credit to the economy. Purchases in times of covid-19: sales in supermarkets and pharmacies rose strongly. According to a credit card management company, debit and credit sales fell in average 8% in March, although they highlight the significant advance of e-commerce during these days of confinement.

108 children under the age of 14 have contracted coronavirus in Chile. Minister of Health stresses that the violation of measures such as quarantine "results in deaths".

Chile received a record us\$4.779 million in foreign investment between January and February 2020 despite the effects of coronavirus. The figure is 346% more than received in the same period of 2019 and the highest in the historical series for that period.



INFECTED: 2,054 DEATHS: 54 RECOVERED: 123

President Iván Duque announced on Monday night that there will be preventive isolation throughout the country until April 27, while in public schools and universities it will be until May 31.

AVIANCA is promoting through their website the new route from Bogotá to Porto Alegre (Brasil) opening flight Jun 11th.

Employers support the preventive isolation expansion however they ask for greater efficiency in the delivery of aid to the affected productive sectors.

Tourism sector, Anato (Colombian Association of Travel and Tourism Agencies), Cotelco (Colombian Hotel and Tourism Association) and Acotur (Colombian Association of Responsible Tourism), send to President Iván Duque, the needs of the companies they represent.



INFECTED: 852 DEATHS: 18 RECOVERED: NDA

Marcelo Ebrard, Secretary of Foreign Affairs, reported that there is cooperation with the UN and several countries, specifically with China, for the acquisition of medical supplies.

The government reported that to bring medical equipment there could be two to four flights to China per week. On April 6, the first merchandise was collected in Shanghai, establishing the Mexico-China-Mexico shuttle and collecting 725 thousand pair of gloves and 820 KN95 respirators. Aeromexico brought the first shipment of help from China in their airplane named "Peace Missionary". The airline agreed with the government of Spain to make several flights so that Mexicans who are in Spain and wish to return to Mexico can do so.

Exchange rate falls to \$24.15 pesos per dollar. The stock markets in Mexico have an annual fall of 26.2% in the BMV with an increase of 5.6% since Monday, April 6th and an annual fall of 20.7% in the BIVA with an increase of 2.3% since Monday, April 6th.

The government reported that a total of 8,635 Mexicans has been repatriated. 2,830 Mexicans remain stranded in various parts of the world.

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