

Travel and Tourism Market Feelings

The **Brazilian Ministry of Tourism**, the Industry Entities and most of the Brazilian States are using the social media channels to reinforce the campaign “Don’t cancel, postpone”, by adding messages such as “See you soon”, “We’ll be waiting for you”, “the pandemic will go over and tourism will move forward”, as an effort to encourage the travelers to start making plans to travel throughout Brazil, when the pandemic is over. The action main purpose is not only to keep the services previously booked and attract more Brazilian travelers, but to maintain thousand of jobs in country.

Braztoa (Brazilian Tour Operators Association) is still evaluating the Government amendment to the law and impact for the tour operators. Read more...

[Click here](#) to access the Braztoa News.

The **Federation of Sao Paulo State Commerce**, one of the most important in Brazil released a study conducted by the President **Ms. Mariana Aldrigui**, that analyzed the crisis consequences. The study also emphasized – among other topics - the Brazilian dynamics on Leisure Trips process development.

- Sources to get inspired: Media, social media, marketing, PR, travel blogs, DMO/attractions reps.
- Sources to get information on rates/availability: search engines, websites, OTA’s blogs.
- Desire versus budget, means of payment: credit card, financial institutions, means of payment offered by the sales channels (installments)
- Purchase decision through online/offline companies: travel agencies, tour operators, OTA’s or direct with the suppliers such as airlines, hotels, car rental companies

- Prior to start traveling, final arrangements: purchase of travel insurance, foreign currency, attractions and parks tickets, immunization when needed. Final travel arrangements checklist: transportation, accommodation, restaurants, entertainment, shopping facilities, internet access etc. Read more...

[Click here](#) to reach the study.

Think Tank Tourism a Brazilian webinar series organized by key travel leaders in the market stated the recovery will begin with the international corporate travel, followed by the domestic travel. The second phase includes incentive and conventions and lastly in the end of 2020, beginning of 2021 we will see the pick-up of the leisure international travel. The point though is that domestic trips in Brazil are extremely expensive and if Brazilians feel safe and the air connectivity is established again, they may opt to go to the USA, specifically Miami and New York City. The webinar also highlighted that the corporate segment in Brazil is always the first one to recover and it is a type of green flag for the leisure travel. For Think Tank Tourism participants, 911 represents new safety procedures while COVID19 will represent new cleaning and healthy procedures.

For **WTM Latin America** what will be the future resilience model? How we can adapt tourism to support our local communities? We were stopped from traveling and forced to repatriate our customers and do everything possible for those who depend on us. Only now have we been able to find the time, energy and mental capacity to ask ourselves: **what do we do now?** Read more...

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In Argentina, IATA denies to **LADEVI** (the leading travel trade publication) but acknowledges the default of its sector. IATA issued a note clarifying that it is not in default as LADEVI titled on its portals. Likewise, in a text riddled with fallacies and euphemisms, it recognizes that if the BSP does not proceed with the reimbursements, it is because the airlines and partners, do not have the money to face these expenditures.

The **Government of Argentina** launches aid program for tourism companies. The postponement or reduction of up to 95% of the payment of employer contributions to the Integrated Social Security System of Argentina for employers that do not exceed 60 contracted workers. Compensatory wage allocation, for all workers in companies with up to 100 employees. This assignment will have different characteristics, depending on the number of workers. The Productive Recovery Program, which includes assistance for health emergencies for workers in a private sector dependency relationship with employers with more than 100 employees.

Trends of future **travel shows in Argentina** stress that the wellness evolves according to the transformation of lifestyles and that an advanced wellness hotel offers much more than any combination of accommodation + SPA. Contact with nature, nutrition, activity and scientific evidence of the results of treatments are some of the factors that are marking the future of this industry and that seek to convert the hotel into wellness, rather than to a provider of a wellness experience (bed + SPA), but a lifestyle partner. To decide, the sector has to offer "an experience" to enhance "a change in life".

Industry actors in Chile point to the historic impact and anticipate new trends. The implications of telework, preferences for services that prioritize hygiene, and less massive destinations will be part of the changes in demand behavior projected by the industry. "It will mark a before and after", is a concept repeated during this last time among the actors who have dedicated to analyze or been hit from different fronts by the pandemic of covid-19 that plagues the world. Among them, those who participate in the tourism industry, one of the most - or the most - affected since the coronavirus began to expand dizzyingly across the globe.

According to data from the **World Travel and Tourism Council**, this sector generates 10.4% of what is

produced by global economic activity, holding 319 million jobs globally. In **Chile**, according to the **Ministry of Tourism**, the data are as follows: it is the only industry in the country present throughout the national territory, contributing about 3.3% of GDP and generating almost 600 thousand jobs, 7.7% of those occupied nationally. Chilean Television Channels agree to launch a joint educational signal for the duration of the health crisis.

President of Chile announces that bank loans for companies affected by covid-19 will have no interest rate. The President also announces bill with higher fines to those who break Coronavirus restrictions: It will include community services. He also informed the advance of the Winter Plan, which will have the double of shelters available for people living on the street.

Chile and Argentina decompress tension after controversy over covid-19 data with meeting of chancellors and health ministers. The two countries held a videoconferencing coordination meeting in which they shared data and strategies to deal with the pandemic.

Government of Colombia begins with aid to the tourism sector through Decree 557 of April 15, 2020, resources will be allocated to contribute to the subsistence of tourism guides that have active and current registration in the registry in addition government decree payment of the national tax for tourism sector which usually should be payment in Jun will be extended to be paid in October, the idea is to provide liquids to the sector and support them to re-start.

According to **Forbes Magazine**, "The pandemic has severely impacted hospitality worldwide, resulting in widespread furloughs and layoffs. While hard to see from here, we know there will be brighter days ahead. As a resource for hospitality professionals during this time, Forbes Travel Guide is providing complimentary live training webinars and videos to help you continue to hone your skills and prepare for the future. Read more...

[Click here](#) to access webinar.

As per **Comscore**, with millions of people working homebased and almost of schools in lockdown throughout LATAM, it is amazing how internet is providing an even more important role in terms of publications released and engagement on social media. Read more...

[Click here](#) to access.

What's Next?

According to Tripadvisor recent webinar, the Covid-19 not only brought a health crisis, economic and social huge impacts and challenging times ahead, but also an urgent need to: React >> Rethink >> Recover. An integrated action has to be considered: when all the international borders will

reopen, varying from country to country, when the airlines will resume flights, when each destination/attraction/malls/restaurants will be in fact ready to host visitors and this will imply in preparedness, health conditions, facilities and team work to be assigned and the proper message



Quick analysis on LATAM Covid-19 updates

There is a sentiment that, as a starting point, travelers should resume travel plans in country and reframe a trip in a different way, by searching for family trips, wellness, travel with meaning, social distance (less crowded places). The upcoming weeks will tell us more.

Most countries, except Brazil, have declared the extension of the isolation measures. The economic impact of the crisis is being analyzed by different institutions.



2,571 confirmed cases - 115 deaths - 631 recovered

Argentinian government is analyzing the application of a new tax on large fortunes to raise funds in this emergency context due to the pandemic that is plaguing the world.

Banks will extend attention until next week and people will be able to withdraw dollars. President is thinking about extending the mass quarantine until mid-May.

Schools will not start until after winter vacations in August.

It is mandatory from Wednesday April 15, the use of face masks in shops, in public or private service units, and in public transportation.

Government will pay part of the private salaries and give a bonus to workers who are *Monotributistas*.



25,262 confirmed cases - 1,532 deaths - 14,026 recovered

The President and the Congress haven't reached an agreement about the financial aid to companies. Bolsonaro might announce the changing of the Minister of Health today or tomorrow, as he wants to ease the isolation and the Minister does not. Government says that around 12k Brazilian passengers who were stranded in other countries have already returned to Brazil. Another 5.5K are waiting for Government aid.

IATA foresees a 55% loss in passenger revenue. ABEAR believes that domestic flights will pick up first after the crises. United Airlines is the only carrier still connecting US and Brazil, with one daily flight between Houston and São Paulo; flight will continue in May. The National Civil Aviation Agency allowed airlines to transport

goods in the cabin, as an emergency measure. Travel agents believe that passengers will prefer buying trips with them preferably, after the crisis, in order to have more information and confidence.

Stock exchange is in a low day, at -0.54%. US dollar is slightly stable, at 0.16%, being sold at R\$ 5.25 to the dollar. E-commerce in Brazil registered a 26% growth in the first quarter. Specialists said that the predicted 5% decrease of the economy in 2020 would lead to a R\$ 515 billion debt in the government.

The continuous tension between the President and the Minister of Health. The growth in the number of cases and the lack of intensive care beds. Supreme Court ruled that states and city halls are free to declare isolation measures, going against the President, who wanted to pass a law to force all businesses to open.



8,273 confirmed cases - 94 deaths - 1,204 recovered

President of Chile announced a bill with higher fines to those who break Coronavirus restrictions: It will include community services. He also informed the advance of the Winter Plan, which will have the double of shelters available for people living on the street.

40% of tourism companies in Chile say they have laid off workers. According a survey by the Ministry of Tourism, 62% of companies plan to lay off workers in the coming months. More than half said they are very or quite likely to break.



3,105 confirmed cases - 131 deaths - 452 recovered

The Government implemented the quarantine until April 26th and it is expected that from that date, some productive sectors will begin to operate to face the crisis derived from the health emergency.

Avianca launched the new landing page “Your dreams will continue to fly “through this landing they want to connect people with places and experiences such as: 360 Tourism. (Panoramic views), films (trailers that show destinations), social networks (Live events like Facebook Live) Audio. (Songs that evoke destination, Podcast) Culture, art, gastronomy.

Currently 70% of the productive sectors are in total cessation of activities. Sandra Forero, president of the National Guild Council, informed that the details of the

protocols for the reactivation of the sectors after quarantine are being finalized. These protocols include, home office, cleaning and disinfection process and avoid crowding, with flexible schedules.

Airlines operation has been reduced to cargo transportation and humanitarian flights. Spirit has two flights weekly for US Citizens who need travel from Colombia to US. (the airplane arrives in Colombia empty).

Call Centers and digital channels at travel agencies, OTA and wholesalers are giving special attention to clients who have been affected by Covid-19 and want to postpone their trips, they created easy forms to passengers.



5,399 confirmed cases - 406 deaths - 611 recovered

The Mexican government reported that the maximum peak of contagion will be between May 8 and 10, the coronavirus quarantine is extended until May 30. In May 17th the social distancing will be lifted for the municipalities that have few or no cases, returning to classes and productive activities, keeping restrictions for risk groups, according to the Undersecretary of Health.

The International Air Transport Association (IATA) called on the Mexican government to provide financial support to the airlines and to postpone the construction of the Santa Lucía International Airport (AISL) due to the low demand in aviation and a market for which no recovery is expected in the short term.

Fitch Ratings Cuts Mexico’s Ratings to Its Lowest Investment Grade, downgrade cites the expectation of a severe recession in 2020 due to the coronavirus pandemic. On the other hand, the exchange rate falls to \$24.00 pesos per dollar. The stock markets in Mexico have an annual fall of 22.6% in the BMV and an annual fall of 22.6% in the BIVA.

If social distancing is not lifted by May 30th, the unemployment rate will grow, leaving more than 1M people unemployed. The government asked the population not to move from one region of the country to another, so as not to spread the virus. Especially from regions with a high rate of infection to regions without or few infections.