

BRAZIL REPORT

AUGUST 2024

TRAVEL
SOUTH
USA



Prepared By:

Outlook
— R E P S —

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EXECUTIVE SUMMARY

- Secured opportunities in the Brazilian market and constantly contacted travel, Trade, and media partners with 12 trade and 4 media meetings.

International metrics for FY23-24

| | | 2024-2025 | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | TOTAL |
|------------------------------------|-------------------------------|-----------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|
| States AL/LA/MO/MS/ NC/SC/TN | Brazil | | | | | | | | | | | | | | |
| | Travel Trade | | | | | | | | | | | | | | |
| | Trade Meetings/Trainings | | 18 | 12 | | | | | | | | | | | 30 |
| | Number of Agents Trained | | 103 | 975 | | | | | | | | | | | 1,078 |
| | PR | | | | | | | | | | | | | | |
| | Media Meetings | | 7 | 4 | | | | | | | | | | | 11 |
| | Number of Arcticles Published | | 66 | 87 | | | | | | | | | | | 153 |
| | Impressions | | | | | | | | | | | | | | 0 |

Meetings with media, coverage opportunities, media releases, contacts, press trips, earned media valuation, clippings, etc.

CONTENT DIRECTIONS

https://drive.google.com/drive/folders/1R4bwE7O3yJNWySI9pBfsMMHvF1wb-l_2

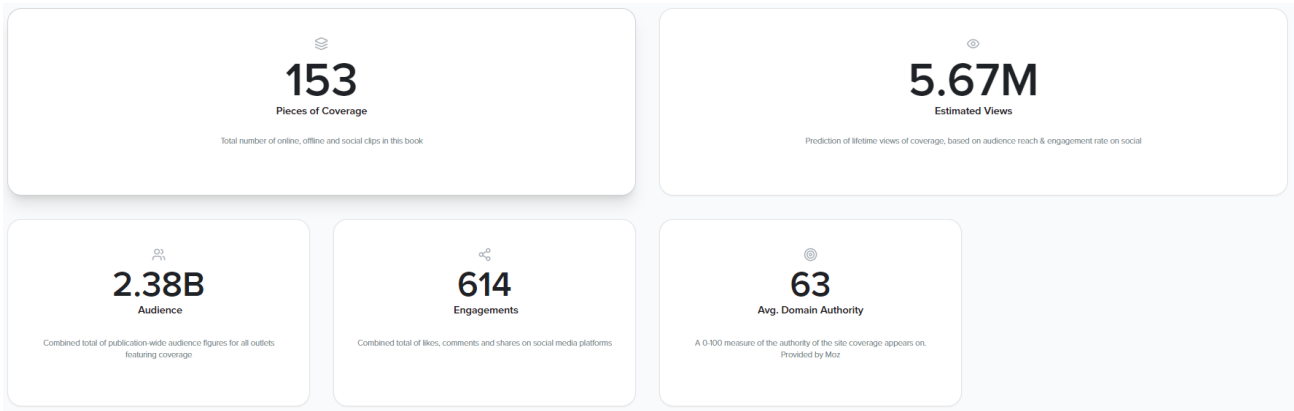
ii. COMMUNICATION & PR

News Releases

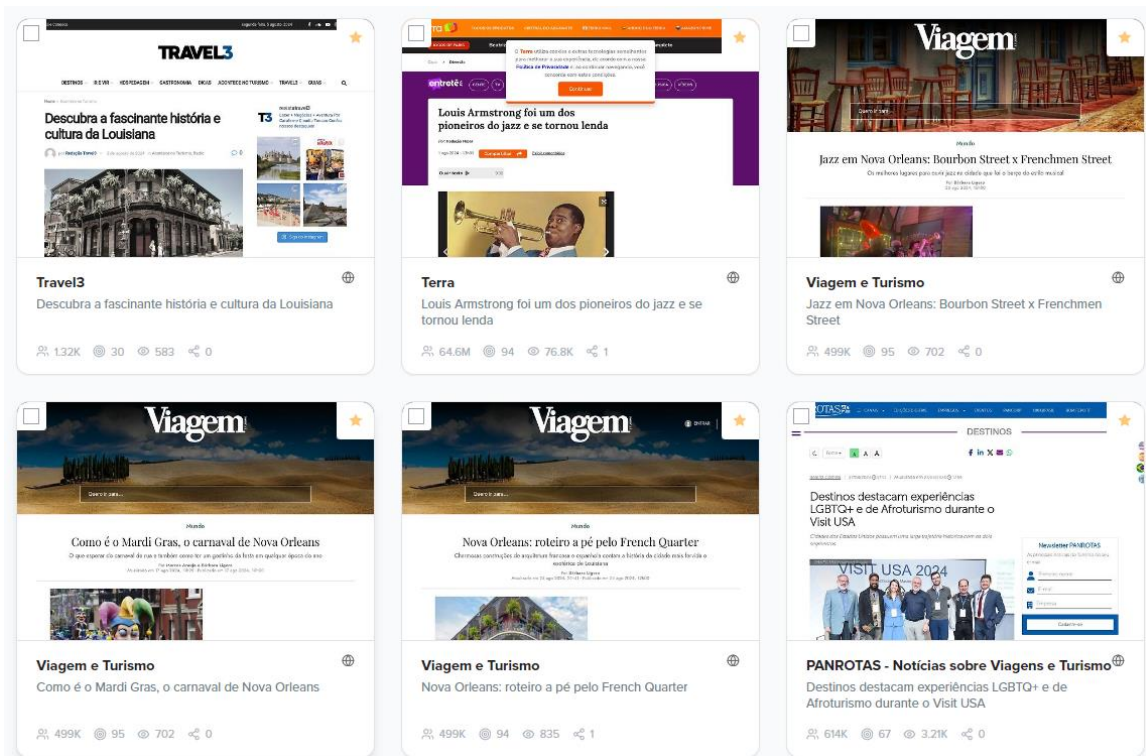
- Releases and newsletters will be resumed in September 2024.
- The updated coverage book presented high media returns, showcasing Travel South GPP States' best position.

COVERAGE BOOK LINK

<https://app.coveragebook.com/29490/books/d12e9f9d3f5e9ca3>



HIGHLIGHTS:



III. TRAVEL TRADE

Contacts (phone calls, emails, personal meetings) cont.

Participated in significant encounters with Tourism experts and TO representatives during this month, including the Visit USA reception at the Consul's residence and visitation to offices to secure opportunities, visibility, and product presence.

IV. NEWSLETTER

Expected to return in September 2024

IV. TRAINING

TBN – Búzios - RJ

Training with Orinter and Copa Air Lines showcased TSUSA's new hub in Raleigh and focused on GPP partners. Orinter has a significant presence in the city and was responsible for the excellent mix of agents. The presentation was followed by lunch, and the invited selected group of travel agents enjoyed the training, the sounds, and the flavors of the South.

TSUSA had an exclusive booth and training room to showcase GPP destinations focusing on the following routes: Coastal (NC - SC) Beer, Bourbon and Whiskey (MO - KY - TN) and Music Route (AL - MS - LA) to drive travel agents from all over Brazil attention to road trips and destination variety. We had three presentation sessions, and giveaways were raffled to the participants. A bonus booth was available (and a logo was inserted) for one-to-one contact with the travel agents during the two days of the encounter.

Goal: Educate, excite, and inspire about the Southern region.

Date: Aug 22.

Objectives: Increase awareness of Brazil GPP destinations.

Overall Attendance: **180** in-person training



RCA Turismo – São Paulo - SP

A training workshop with multiple sessions, including online and presential participants, showcased TSUSA's news focused on GPP partners. RCA is expanding to other US regions besides Orlando (Disney Official).

Goal: Educate, excite, and inspire about the Southern region.

Date: Aug 26.

Objectives: Increase awareness of Brazil GPP destinations.

Overall Attendance: **32** in-person and online training



VISIT USA – São Paulo - SP

Visit USA 2024 is the first event from the American consulate's new administration, conducted by Emanuelle de Nadal and Nathan Traurig - a new and fresh vision and a spectacular travel agent selection motivated and inspired to sell the US. TSUSA educational seminar was held in the morning to an overall attendance of 763 agents, participating in the workshops, training seminars, and the final Afro-tourism Q&A.

Goal: Educate, excite, and inspire about the Southern region.

Date: Aug 27.

Objectives: Increase awareness of Brazil GPP destinations.

Overall Attendance: **400** in-person training and an overall attendance of **763**



VISIT USA – Culture & Heritage Tourism – São Paulo - SP

The Visit USA event promoted a special talk featuring Culture & Heritage tourism and LGBT destinations to finalize their day of seminars. The talk showcased destination highlights and offered TSUSA focused overview of the Civil Rights Trail, receiving immense interest and feedback from the audience.

Goal: Educate, excite, and inspire about the Southern region.

Date: Aug 27.

Objectives: Increase awareness of Brazil GPP destinations.

Overall Attendance: **400** in-person training and an overall attendance of **763**



V - MARKET UPDATE

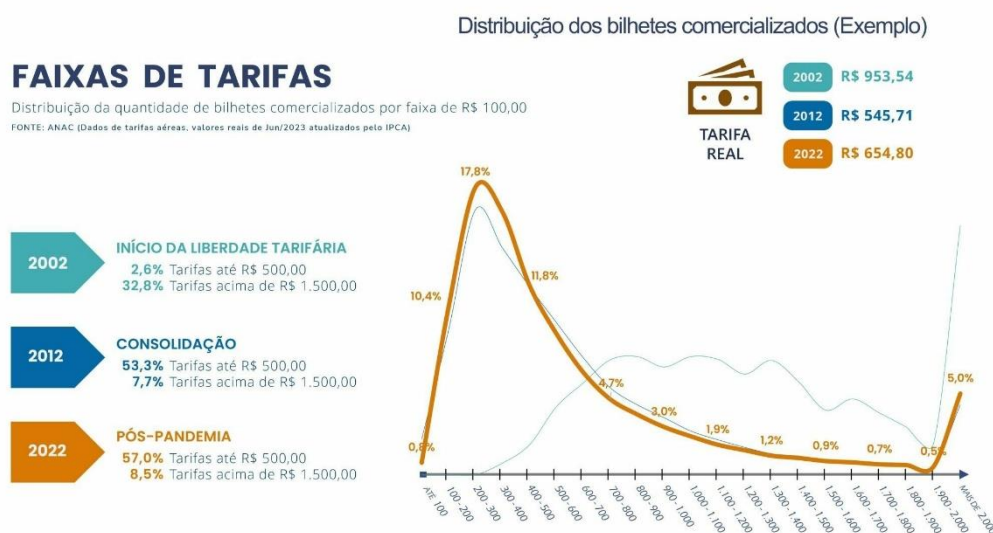
- In Brazil, the hot topic on the agenda is Tax Reform.** At the beginning of July, the Chamber of Deputies approved the introductory text that will be discussed in the Federal Senate, with no scheduled voting date. There is a significant advance from a highly complex current tax system to what is being addressed. VAT (Value Added Tax), which will unify taxes, is expected to be just below 30%, which keeps the country with one of the highest tax burdens in the world. Furthermore, there is a risk of tax increases for the services sector, which is the most important in the economy (and where tourism is inserted). In other words, this is an improvement in the system, but it still burdens productivity in the business environment and loses global competitiveness.
- After stress in the real exchange rate, reaching R\$5.70 for each dollar, the Brazilian currency gives way with the appropriate combination of external and internal factors. It returns to oscillation close to R\$5.50. Still, it is higher than in previous months, just over five reals. Remaining at the current level for extended periods could affect internal inflation.

- **The following data was presented during the pre-Visit USA Event reception at the General-Consul residence on August 26th:**
- In 2023, the United States welcomed 66.5 million international visitors. This represents an increase of 31% over 2022 levels and 84% of pre-pandemic visitors.
- In 2023, international visitors spent \$213 billion experiencing the United States, injecting nearly \$580 million daily into the U.S. economy.
- Travel exports accounted for 7.0% of total U.S. exports of goods and services in 2023, up from 5.5% in 2022.
- Travel exports supported 1.6 million U.S. jobs in 2023.
- Brazil plays a critical role in supporting this aspect of the U.S. economy.
- According to data released by the United States Department of Commerce, 1.6 million Brazilians visited the U.S. in 2023.
- They spent a staggering \$8.3 billion while they were there.
- This makes them the #6 market overall, both in tourists and in spending.
- If you do not include Canada and Mexico, they are the fourth most important market for overseas travel and tourism
- Note: only UK, Germany, and India are ahead of Brazil
- Some other interesting factors were that only 13% of arrivals said that they were in the U.S. for the first time, so people are taking advantage of our 10-year visa.
- Brazilians also tend to stay for a long time in the U.S.: 19 days on average.
- Mission Brazil issued 1,062,290 B1/B2 tourist visas to Brazilian applicants in 2023, surpassing the 727,180 tourist visas issued in 2022. Across the Consular Team Brazil, adjudicators reduced the visa wait time from 14 months to three weeks.
- And Mission Brazil has issued 662,325 tourist visas to Brazilians thus far in 2024 and is on track to once again surpass the number of tourist visas issued in 2022
- Visit USA is a key part of the U.S. government's three-part mission to increase U.S. travel and tourism by providing travel and tourism research, developing travel and tourism policy, and promoting travel and tourism as part of our national export expansion activities.
- The overall target, set forward by the U.S. government, is attracting 90 million international visitors per year by 2027.

Flights

- The price of airline tickets fell by 27.6% between May 2022 and May 2024. In the same period, there was a 26.2% decrease in the cost of jet fuel (QAV) compared to December 2022 and June 2024.
- The data comes from the Ministry of Ports and Airports, which presented the current overview of the Growth Acceleration Program (PAC) 2024-2026 in a meeting with the concessionaires that manage Brazil's airports and with the Association of Private Federal Airports (ABR - Aeroportos do Brasil).
- In addition, the Ministry highlighted some of the PAC initiatives that have already been implemented in 2024:
 - The Wings for All program, a strategic initiative by Anac aimed at promoting diversity, inclusion, training and education in Brazilian civil aviation.
 - The International Tourism Acceleration Program, developed in partnership with the Ministry of Tourism and Embratur;
 - The Voa Brasil Program, the first social inclusion program in Brazilian aviation, offers tickets for up to R\$200 to make air transport more accessible and democratic in the country.
- What's coming up until 2026
 - Among the main actions implemented by 2026 is the Private Investment Program in Regional Airports, which covers 100 airports throughout Brazil, to modernize and expand airport infrastructure.
 - Other actions currently being implemented include:
 - Legal change to allow air cabotage.
 - Search for a more significant reduction in the price of QAV, which will positively impact air tickets.
 - Installation of multi-sensory rooms at airports.
 - Implementation of the National Policy for Air Transport of Animals.
 - In addition, the implementation of the "Aeromovel" at Guarulhos airport was highlighted. It will be able to transport approximately 2,000 people per hour and will be completed in October.
 - Post-pandemic regularization: At the meeting, the Ministry also presented recent data on the movement of passengers and cargo. In 2023, the number of passengers traveling internationally reached 21.3 million, and the estimate for 2024 is 23.9 million. 14.2 million passengers were already registered between January and July.
 - In comparison, in 2019, a pre-pandemic period, the movement was 23.6 million, while in 2021, during the peak of Covid-19, it fell to 4.8 million.
 - "The actions and data presented by the Ministry demonstrate a dynamic and advanced recovery of the Brazilian aviation sector. The PAC 2024-2026 initiatives reflect a commitment to the modernization and accessibility of the aviation sector and the strengthening of the national economy." Ministry of Ports and Airports.
- **Tariff freedom in aviation:** tickets for up to R\$500 are now the majority

- ANAC released data and the curve that shows the comparison of ticket price profiles
- Exactly 22 years ago, Brazil began its tariff freedom policy in Brazilian commercial aviation. At the beginning of tariff freedom, in 2002, only 2.8% of tickets were sold for up to R\$500. Exactly twenty years later, in 2022, after the pandemic, 57% of tickets were sold with this price ceiling.
- Marco Porto, Market Monitoring Manager at the National Civil Aviation Agency (ANAC), released detailed data and the curve that shows the comparison of ticket price profiles changed over time. In addition to 2002 and 2012, the graph shows the 2022 period, a decade after the decision.



- "In this analysis, the shape of the curve tells us a lot: the more tickets sold at low prices, the better for the population, the greater the opportunity for new passengers to have access to tickets, the more people traveling, the greater the inclusion."
Marco Porto, Market Monitoring Manager at Anac
- When we look at the 2002 curve, when we were still suffering the effects of a price and route control policy, we see that there were practically no tickets sold for less than R\$500.00 (only 2.6%). In contrast, more than 50% of the tickets were available under this price limit in the other curves.
- "I understand that in some situations, such as in remote regions, more discussion may be needed regarding the promotion of operations on less attractive routes to guarantee accessibility, but I see that the path taken by the sector is positive in the search for inclusion," Marco highlighted in his analysis.
- Also noteworthy are the average tariff values in the three periods, which show a gradual price reduction. The pandemic affected prices in the short term, putting pressure on the sector's costs.

- New General Law exempts travel agents from joint liability
- The Chamber of Deputies approved the Senate's substitute bill that reformulates provisions of the National Tourism Policy, updating Law No. 11,711 of 2008. The matter will be sent for presidential sanction.
- This update brings the sector victories, including the issue of travel agencies' joint liability. Travel agencies will now be responsible for the service they provide to passengers. However, they will be exempt from joint liability in relation to the services they provide in cases of supplier bankruptcy or when the fault lies exclusively with the service provider.
- Other changes:
- Approved under number 2724/15, the renumbered Bill 1829/19 changes several aspects of the policy, allowing, among other points, children and adolescents to stay in hotels with any adult relative, such as a grandparent, cousin or uncle, without parental authorization, only by providing documentary proof of kinship.
- The text, which also reopens the possibility of loans guaranteed by the National Civil Aviation Fund (Fnac) for airlines, among other measures, received a favorable opinion from the rapporteur, Congressman Paulo Azi (União-BA).
- "The text promotes the modernization of the legislation applicable to tourism, improving the objectives of the National Tourism Policy and including new guidelines," he highlighted. "Many people drafted the amendment and brought together contributions from the production chain. It updates and improves tourism legislation, contributing greatly to the expansion and strengthening of the sector, with all the beneficial consequences in terms of increased investment and generation of jobs and income," he said.
- Representative Reginaldo Lopes (PT-MG) also hopes the proposal will help the sector grow. "The program unlocks access to credit that has broad coverage. No credit can be higher than the rate of return when you lend it to someone in need," he commented.
- Trade celebrates and approves
- "Braztoa has been working on the LGT since 2015 when the first bill for its modernization was published - before that, even though it was an invaluable milestone for our market when it was published in 2008, we were already urging parliamentarians and the MTur that the text needed essential adjustments. And now, after almost 10 years of much discussion and waiting, we have the new General Tourism Law, a fundamental basis for modernizing the rules of our sector, clarifying everything from the forms of our remuneration to important issues of joint liability, protecting not only consumers but the entire chain. We anxiously await the presidential sanction." says Fabiano Camargo, president of Braztoa.
- ABAV Nacional fully supports the approval of the update to Brazilian legislation on Tourism (Bill 1,829/2019), approved by the Federal Chamber and now awaiting sanction by the President of the Republic. This necessary provision, which provides for the joint liability of Tourism agencies, represents a significant advance for the sector, providing greater legal certainty and encouraging the growth of tourism activities in Brazil. Abav advocates maintaining this essential innovation, which will benefit both service providers and consumers, promoting a safer and more reliable environment for tourism in our country.

Ana Carolina Medeiros, president of Abav Nacional

- More changes to the 2008 law:
- Institution by law of the Brazilian Tourism Map. The map identifies the country's tourist municipalities and guides the distribution of resources. Currently, 2,769 municipalities are included.
- Expanding the concept of tourism providers.
- Flexibility of "closed circuits" for services provided by land tourism transport companies and the accounting of daily rates for accommodation establishments.
- "The update is significant so that the law cannot only keep up with the changes in the tourism industry in recent years but also be an effective instrument in developing public policies aimed at tourism. After a long debate with Congress and the areas involved, some of the proposed changes will bring new possibilities and help to continue fostering tourism activity," said Cristiane Sampaio, special advisor to the Ministry of Tourism, in March of this year.
- And also:
- The bill allows resources from parliamentary amendments allocated to the New General Tourism Fund (Fungetur) to be transferred ("decentralized," in budget jargon) to state and municipal funds with the aim of financing programs in the sector.
- The bill authorizes the Ministry of Tourism and the Brazilian Agency for International Tourism Promotion (Embratur) to carry out marketing actions aimed at promoting tourism in Brazil, including with the support of Brazilian embassies abroad. Furthermore, public organizations in tourist attractions must promote civic tourism, ensuring public visitation.
- The concept of tourism service providers is expanded to include all legal entities that provide services in this area, regardless of their form of incorporation. Rural producers and family farmers who operate in the sector may also be registered as tourism service providers and authorized to sell their products, which will continue to be classified as rural activity.
- Expanding the concept of event organizer services to include all sectors related to tourism activities.
- To avoid scams, tourism services advertised on the internet must be registered with the Ministry of Tourism.
- The bill adds a paragraph to the law to establish that the duration of daily rates for hotels and similar establishments, currently defined as 24 hours in the legislation, will be regulated by the Ministry of Tourism, considering the time required for cleaning and tidying up rooms and other necessary operational procedures.
- Existing hotels and inns that are unable to comply due to structural risks in the building, with the minimum percentage of 10% of accessible bedrooms provided for in the Statute for Persons with Disabilities (Law 13,146 of 2015) will be exempted from this rule, according to the text.
- The bill simplifies the information that accommodation services must periodically provide to the Ministry of Tourism, such as the profile and number of guests, and includes a requirement that the privacy and intimacy of guests be respected in these reports.

- The text also clarifies that crew members on cruise ships flying foreign flags have their activities regulated by the 2006 Maritime Labor Convention of the International Labor Organization (ILO), and not by Law 7,064 of 1982, which deals with workers who provide services abroad. Air transport
- The text reopens the possibility of loans guaranteed by the National Civil Aviation Fund (FNAC) for airlines. Today, FNAC resources are fully managed by the Ministry of Ports and Airports. The project assigns the Ministry of Tourism to manage 30% of these resources.
- The law governing FNAC will also be changed to allow the fund to invest in renewable aviation fuel production projects and to cover the costs of expropriating areas intended to expand the airport and civil aviation infrastructure. This is good news for senators from the North Region.
- The fund serves as a guarantee for obtaining financing for new aircraft that may be acquired by airlines.
- The Brazilian Aeronautics Code (Law 7,565, of 1986) has changed. Among them is the prohibition of granting compensation for presumed moral damages or punitive damages. To be compensated for the cancellation of a flight, for example, a consumer must prove the losses that this caused him.
- Source: Agência Câmara de Notícias and Agência Senado

VI - ACTIONS

1. Newsletter, Press Kits, and Press Releases

Click here for the [Editorial Calendar](#).