



BRAZIL

INTERNATIONAL INBOUND TRAVEL MARKET PROFILE (2011)

U.S. TRAVEL
ASSOCIATION

EXECUTIVE SUMMARY

With a population of nearly 200 million and a GDP exceeding \$2 trillion, Brazil is a particularly ripe market for travel to the United States. Brazilian travelers visited the U.S. in strong numbers in 2011, continuing a five-year trend of positive growth. These visitations continue to have a significant impact on the U.S. trade balance with Brazil.

ARRIVALS

- In 2011, 1.5 million Brazilian travelers visited the U.S., a 26 percent increase from 2010.
- Brazil surpassed France in 2011 as the fourth-largest overseas (excluding Canada and Mexico) inbound travel market to the U.S.

ECONOMIC IMPACT

- Brazilian travel expenditures in the U.S. increased to \$8.5 billion in 2011, a 36 percent increase from 2010 and the fifth-largest travel export market in 2011. Average spending per visitor increased eight percent in 2011 to \$5,605, making Brazil the fourth-largest export market per visitor.
- Brazilian traveler spending is the second-largest U.S. export to Brazil, accounting for 13 percent of all exports of goods and services.
- The \$7.1 billion U.S. travel trade surplus accounted for 27 percent of the U.S. trade surplus with Brazil.
- Brazilian travel spending supported 59,100 American jobs in 2011, increasing 25 percent from 2010.

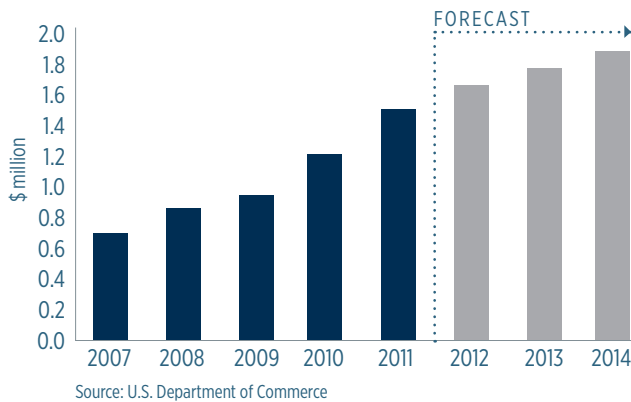
LOOKING FORWARD

- Brazil's strong position as an inbound travel market reflects its recent economic growth and rising international investment position in the U.S.
- Brazilian visitors to the U.S. are expected to increase to 1.8 million in 2012 and continue double-digit growth for the next three years.

2011 Brazil Inbound Market Summary

Visitations (thousand)	1,508
Annual change (%)	25.9%
Five-year change (%)	136.0%
U.S. Travel Exports (\$ million)	\$8,453
Travel receipts (\$ million)	\$5,878
Passenger fare receipts (\$ million)	\$2,575
Annual change (%)	35.7%
Percent of total exports	13.1%
U.S. Travel Trade Balance (\$ million)	\$7,061
Annual change (%)	43.1%
U.S. Jobs Supported	59,100
Annual change (%)	24.9%
Percent of jobs supported by overseas travel exports	7.1%

Visitations to the U.S. from Brazil



U.S. Travel Exports to Brazil



U.S. is Most Popular Destination for Brazilians

FIVE YEARS OF DOUBLE-DIGIT PERCENTAGE GROWTH

In 2011, 1.5 million Brazilian travelers visited the U.S. – a 26 percent increase from 2010. This is the fifth consecutive year of annual double-digit percent growth in visitation. Brazil also surpassed France as the fourth-largest overseas inbound travel market in 2011. Brazil remains the largest-emerging international travel market and the fastest-growing of the top five overseas inbound travel markets to the U.S.

U.S. PASSES ARGENTINA AS MOST POPULAR DESTINATION FOR BRAZILIANS

Moreover, the U.S. has become the most popular travel destination for Brazilians, passing Argentina in 2011. The U.S. commands a 20 percent share of all international trips departing Brazil and a 30 percent market share (MSI) of all long-haul trips (one-way flights outside of South America) departing Brazil. Moreover, the total long-haul flights have increased eight percentage points from 2007, making up 70 percent of the loss in market share that occurred between 2000 and 2007.

VISA WAIT TIMES DECREASE SIGNIFICANTLY

In 2011, it took an average of 80 days for a Brazilian traveler to receive a U.S. visa. However, with policy recommendations from the U.S. Travel Association, the U.S. State Department increased its consular staff in Brazil in 2011. As visitations rose in winter 2011, average visa wait time decreased – from 77 days in November to 32 days in December. This policy shift sees shorter visa wait times coincided with increased U.S. arrivals. Average wait time was cut to six days in June 2012 (compared to 87 days in June 2011) and continues to drop.

**U.S. Overseas
Inbound Traveler Markets**

Country	2011 (thousand)	2011/10 % chg
Total Overseas	27,883	5.8%
1 United Kingdom	3,835	0.0%
2 Japan	3,250	-4.0%
3 Germany	1,824	5.7%
4 Brazil	1,508	25.9%
5 France	1,504	12.1%

Source: U.S. Department of Commerce

2011 Brazilian Long-Haul Destinations

Country	Arrivals (thousand)	Share %
Total Outbound	7,539	--
Total Long-Haul	5,055	100.0%
United States	1,508	29.8%
France	895	17.7%
Italy	296	5.9%
Spain	287	5.7%
United Kingdom	268	5.3%

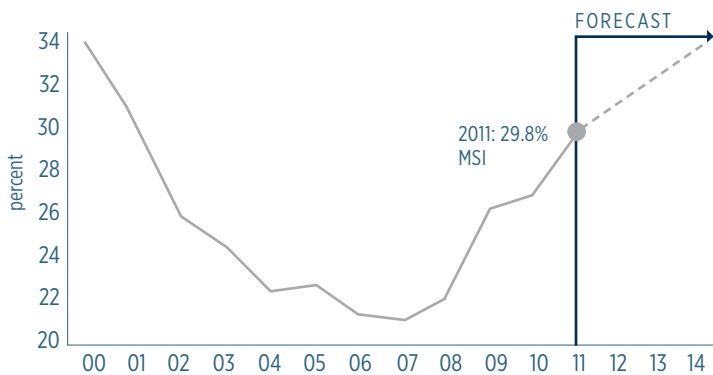
Source: Tourism Economics

U.S. Visa Average Wait Times

Consulate	2012 avg days	Mar	Jun	Sep
Brasilia	87	8	4	3
Recife	55	16	3	3
Rio de Janeiro	72	7	3	3
Sau Paulo	105	46	14	7
Brazil Average	80	19	6	4

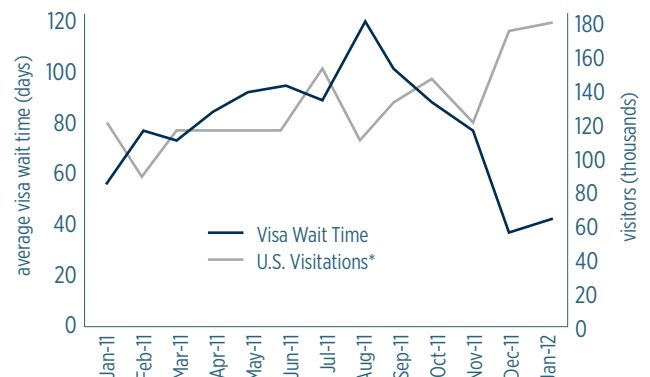
Source: U.S. Travel Association

U.S. Market Share of Long-Haul Flights from Brazil



Source: U.S. Travel Association

**Policy Shift: Visa Wait Times Slashed,
U.S. Arrivals Rise**



*measured on right-hand scale

Source: U.S. Travel Association, Department of Commerce

Travel Contributes to U.S. Trade Surplus with Brazil

SUBSTANTIAL AND INCREASING BRAZILIAN SPENDING

In 2011, Brazilian travelers spent a total of \$8.5 billion in the U.S., marking a 36 percent increase from 2010. Average spending per Brazilian visitor also increased eight percent to \$5,605 in 2011 – nearly twice the amount spent by travelers from the United Kingdom or France. Brazil’s total travel spending ranks third out of all overseas U.S. travel export markets. Brazil is also the fastest-growing travel export destination of the top five international export markets, growing in double digits.

TRAVEL IS SECOND-LARGEST EXPORT TO BRAZIL

Brazilian traveler spending in the U.S. is the second-largest U.S. export to Brazil, representing 13 percent of total goods and service exports. This surpasses most other exports by a wide margin and leaves travel second only to the chemical industry.

U.S. DOMINATES BRAZILIAN TRADE BALANCE

Travel generated a \$7.1 billion trade surplus with Brazil in 2011, which accounted for more than one-quarter of the overall U.S. trade surplus with Brazil. This trade surplus was created by a dominant U.S. position in travel exports relative to travel imports. Brazilian travelers spend six times more on American goods and services than U.S. travelers pay for Brazilian goods and services.

BRAZILIAN TRAVELERS CREATE U.S. JOBS

U.S. travel exports to Brazil spur U.S. job creation. Brazilian travel spending directly supported 59,100 jobs in 2011 – seven percent of the 837,100 jobs supported by overseas traveler spending in 2011.

U.S. Exports to Brazil by Industry

Industry	2011 (\$ million)
Total U.S. Exports to Brazil	\$64,542
1 Chemicals	\$10,213
2 Travel	\$8,453
3 Transportation Equipment	\$6,894
4 Computer & Electronic Products	\$6,592
5 Machinery (excludes electrical)	\$6,022
6 Telecom Services*	\$4,201
7 Business & Professional Services*	\$3,196
8 Financial Services*	\$2,428
9 Minerals & Ores	\$2,170
10 Fabricated Metal Products	\$1,849

U.S. Travel Export Markets

Country	2011 (\$ million)	2011/10 % chg
Total Exports	\$152,746	13.5%
1 Canada	\$23,964	14.6%
2 Japan	\$14,755	2.3%
3 United Kingdom	\$11,974	5.9%
4 Mexico	\$9,429	6.0%
5 Brazil	\$8,453	35.7%

Source: U.S. Department of Commerce

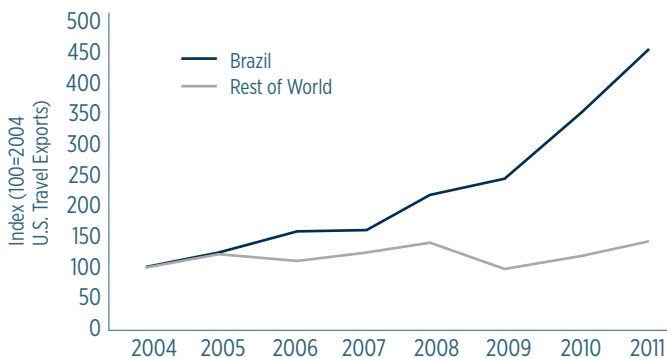
Average Traveler Spending

Country	2011 (\$)	2011/10 % chg
1 China	\$7,107	7.9%
2 India	\$6,664	7.7%
3 South Africa	\$6,276	7.7%
4 Brazil	\$5,605	7.8%
5 Argentina	\$5,443	7.7%

Source: U.S. Department of Commerce

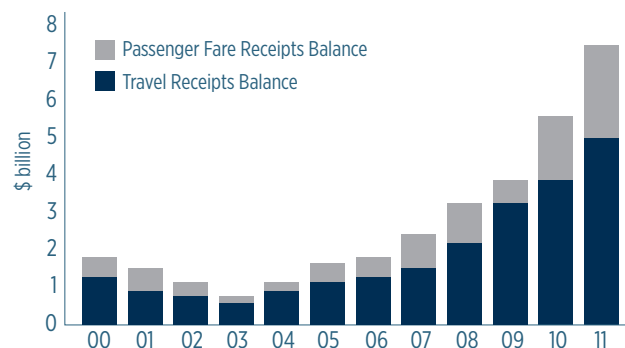
*2010 data; 2011 unavailable
Source: U.S. Department of Commerce

U.S. Travel Exports to Brazil vs. Rest of World



Source: U.S. Department of Commerce

U.S. Travel Trade Balance to Brazil



Source: U.S. Department of Commerce

Brazil's Economic Surge Leads Travel Growth

WITH ECONOMIC GROWTH COMES MORE INTERNATIONAL VISITS...

As Brazilians' discretionary incomes increase, so does their ability to travel abroad. In this respect, Brazil's GDP and consumer spending has surged. Within the past five years, Brazil's real GDP growth averaged four percent per year, and the growth of the country's international travel has averaged 22 percent per year.

...AN EXCHANGE RATE ADVANTAGE

As the exchange rate improves against the dollar, travel spending increases to the U.S. In light of a seven-year U.S. trade surplus with Brazil, the Brazilian currency, the real, appreciated remarkably against the dollar. From 2001 to 2011, the real appreciated nearly 50 percent against the dollar from \$0.41 per real to \$0.61 per real. Travel to the U.S. has increased by 16 percent per year in the same period.

...AND GREATER INVESTMENT

Brazilians also continue to invest in the U.S., resulting in increased business travel. In 2011, direct investment in the U.S. (less U.S. treasury purchases) increased 34 percent over the previous year to \$3.7 billion.

ARRIVALS WILL CONTINUE MEDIUM-TERM SURGE

Looking forward, Brazilian visitation to the U.S. is expected to continue its double-digit annual percentage growth for the next three years, increasing 18 percent to 1.8 million arrivals in 2012. Sustaining its strong economic performance, Brazil is expected to increase its lead on France and inch closer to becoming the third-largest overseas inbound market to the U.S.

Brazil: 2011 Economic Snapshot

Real GDP* (\$ billions) annual change (%)	\$944.6 2.7%
Real consumer spending* (\$ billions) annual change (%)	\$816.7 3.5%
Exchange rate (\$/BRL) annual change (%)	\$0.61 5.1%
Inflation (%) annual change (% pts)	6.7% +1.7%
Unemployment (%) annual change (% pts)	6.0% -0.8%

*In Constant 2000 U.S. Dollars
Source: World Bank, Tourism Economics

Full Circle: Brazilian Net Direct Investment Position in the U.S.*

Year	\$ million
2005	\$985
2006	-\$468
2007	\$492
2008	\$278
2009	-\$1,539
2010	\$2,742
2011	\$3,664

*Excluding U.S. Treasury purchases
Source: U.S. Department of Commerce

Brazil Arrivals Forecast

Year	Arrivals (thousand)	change (%)
2011	1,508	25.9%
2012	1,780	18.0%
2013	2,029	14.0%
2014	2,212	9.0%
2015	2,411	9.0%
2016	2,579	7.0%

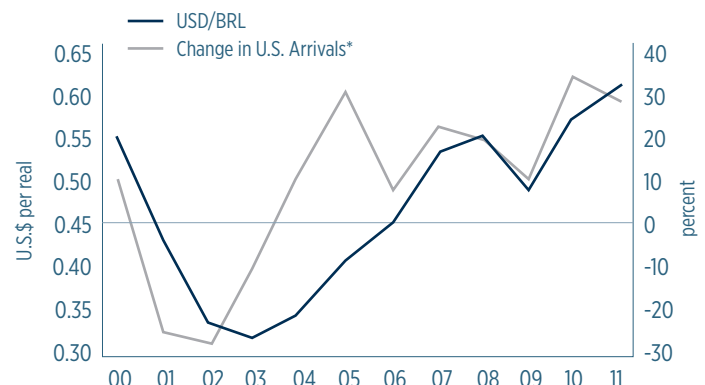
Source: U.S. Department of Commerce

More Money, More International Flights



*measured on right-hand scale
Source: U.S. Travel Association

Have Favorable Exchange Rate, Will Travel



*measured on right-hand scale
Source: U.S. Travel Association

2011 Brazilian Traveler Characteristics Survey Results

GENERAL TRAVELER CHARACTERISTICS

- One-quarter of Brazilian traveler respondents traveled to the U.S. for the first time, which is slightly below the overseas average of 28 percent.
- Brazilian travelers stayed in paid accommodations for an average of 10 nights.
- On average, Brazilian visitors stayed 17 nights in the U.S. – a 12 percent increase from 2010 – and visited 1.5 states.
- Half of Brazilian travelers surveyed visited the Middle Atlantic region – 13 percentage points above the overseas traveler average. New York City was the primary port of entry for these travelers, claiming 48 percent of all respondents – 15 percentage points higher than the overseas traveler average.
- Twelve percent of respondents traveled through a prepaid package. Nearly one-half of Brazilian traveler respondents used a travel agency and/or personal computer for trip-planning information. One-quarter used airlines directly and/or friends and relatives.
- Brazilian travelers' average household income was \$91,300 – a decrease of 10 percent from 2010.

LEISURE VS. BUSINESS TRAVEL

- Nearly four-fifths of all Brazilian travelers stated that leisure and recreation was one purpose of their travel. Leisure travel was the primary purpose for two-thirds of all Brazilian traveler respondents. The percentage of Brazilians traveling for leisure purposes was much higher than the overseas traveler average (68 percent and 53 percent, respectively).
- One-fifth of all Brazilian travelers stated that business was one purpose of their travels, while 16 percent mentioned their primary purpose was for business/professional reasons.

TRAVELER ACTIVITIES

- The top two activities* for nearly all Brazilian traveler respondents were:
 1. Retail Shopping
 2. Restaurant Dining
- Approximately half of Brazilian travelers mentioned participating in:
 3. Visiting Historical Places
 4. Amusement/Theme Parks
- Rounding out the top ten activities of Brazilians travelers were:
 5. Sightseeing in Cities
 6. Visiting Art Gallery/Museums
 7. Concert/Play/Musical
 8. Visiting Small Towns
 9. Cultural Heritage Sites
 10. Visiting National Parks

TRANSPORTATION

- The top three transportation modes utilized were:
 1. Rented Auto
 2. U.S. Airlines
 3. Taxi/Cab/Limousine
- Just more than one-quarter of Brazilian travelers used public transportation. Brazilian travelers rented cars and flew on U.S. airlines much more frequently than the overseas average.

**multiple responses allowed*

Source: U.S. Department of Commerce, Office of Travel and Tourism Industries Survey