

# **TOURISM AND HOSPITALITY IN RIO DE JANEIRO**



**MARCH 11, 2018**

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# ABSTRACT

Rio de Janeiro and one of the most sought cities in Brazil for tourism purposes. Being one of the largest cultural and economic centers in the country, Rio de Janeiro is located in the southeastern region of Brazil, where 60% of the Brazilian GDP is concentrated.

The annual number of tourists reaches 5 million, being these 2 million foreign tourists. Major events such as carnival can bring a cash inflow of an average R\$ 11 billion reais in the month of the event (3.7 billion dollars), followed by New Year's festivities and Rock'n 'Rio. These three events are amongst the best known by tourists from around the world and help boost the local and national economy. This research presents a comprehensive analysis of the tourism and hospitality industry in Rio de Janeiro. Data were obtained through the Brazilian Association of Hotel Industry, Embratur, FeComercio and Statista and IBGE. This document was produced by the Brazilian-American Chamber of Commerce and its reproduction is expressly prohibited.

## HOTEL OCCUPANCY RATES

### Hotel Occupancy Rates in Rio de Janeiro

According to the Brazilian Association of Hotel Industry (ABIH Nacional), the hotel occupancy rate for 2018 is positive compared to the same period in 2017. In February, one of the top sought cities by tourists was Rio de Janeiro (RJ) following by São Paulo (SP), Salvador (BA), Belo Horizonte (MG), Recife (PE), Olinda (PE) e Fortaleza (CE) due to Carnival festivities.

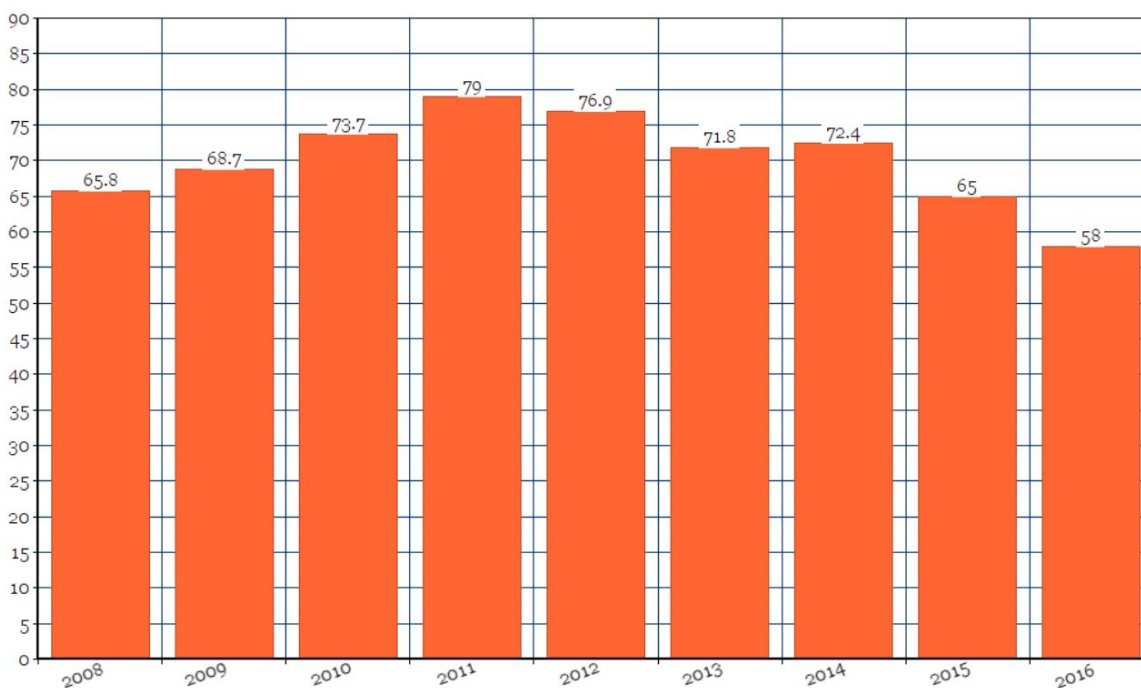
In this period, Rio de Janeiro reached an average of 86% occupancy in its hotels and neighbourhoods as Flamengo and Botafogo reached 96%, followed by Ipanema, Leblon and Copacabana, with 89% and Barra da Tijuca, which closed its occupation rate at 82%.

In the same period of 2017, Rio de Janeiro occupancy rate was of 58% as seen in the table below:

#### Q1 2017 – Hotel Occupancy Rates in Rio de Janeiro

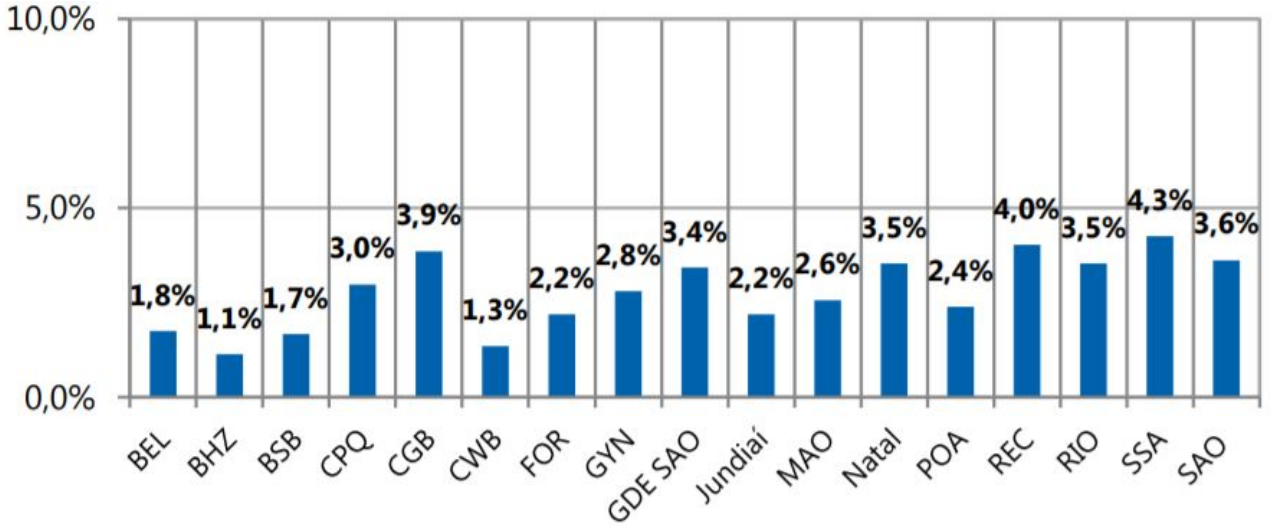
	January	February	March
2017	64%	58%	54%
Average last 10 years	72.7%	69.8%	73.2%

### Hotel Occupancy Rates 2008-2016 (%)



# HOTEL OCCUPANCY PROJECTIONS FOR 2018 (Q3 & Q4) AND 2019

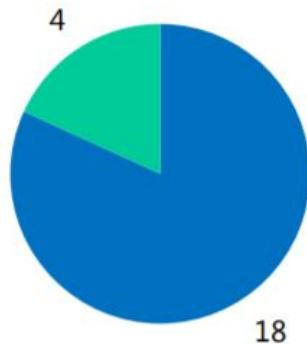
Projections for 2018 Q3 and Q4 shows that the occupation rate growth (%) are also positive for all municipalities but are more subtle than for the first half of 2018.



The expectations of the respondents for the year of 2019 are positive. 18 out of 22 participating respondent networks believe an increase in performance related to 2018; while 4 others bet on the equilibrium.

■ Growth      ■ Balance

Expectation for occupation rate - 2019



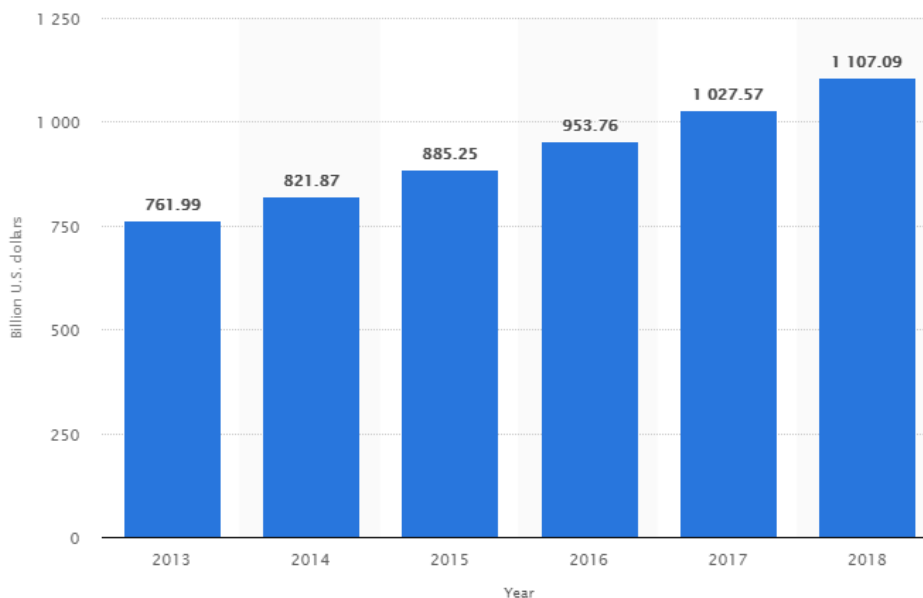
## RETAIL

The Brazilian retail trade volume grew 2.5% in the year of 2017. From December 2017 to January of this year, the increase was of 0.9%. There were also increases in the quarterly moving average (0.3%) and in comparison with January 2017 (3.2%). The improvement came after a 0.5% decline from November to December. The data was released by the Brazilian Institute of Geography and Statistics (IBGE).

From December to January, five of the eight retail segments grew, with special emphasis on other articles for personal and domestic use (6.8%) and equipment and supplies for office, computing and communication (3.7%).

Rio de Janeiro retailers had a 1.5% growth in clothing and accessories sales during the month of February (compared to 2017) according to a survey conducted by Club of Rio de Janeiro (CDL Rio). Major events such as carnival, bring growth in all sectors of Rio and Brazil's economy.

The graph below represents the total of retail net sales in Brazil from 2013 to 2018 (in billion U.S. dollars)



**INDEX AND VARIATION OF NOMINAL SALES REVENUE IN THE  
EXPANDED RETAIL TRADE, BY FEDERATIVE UNIT,  
DECEMBER 2017 - FEBRUARY 2018**

**Accumulated variation of 12 months**

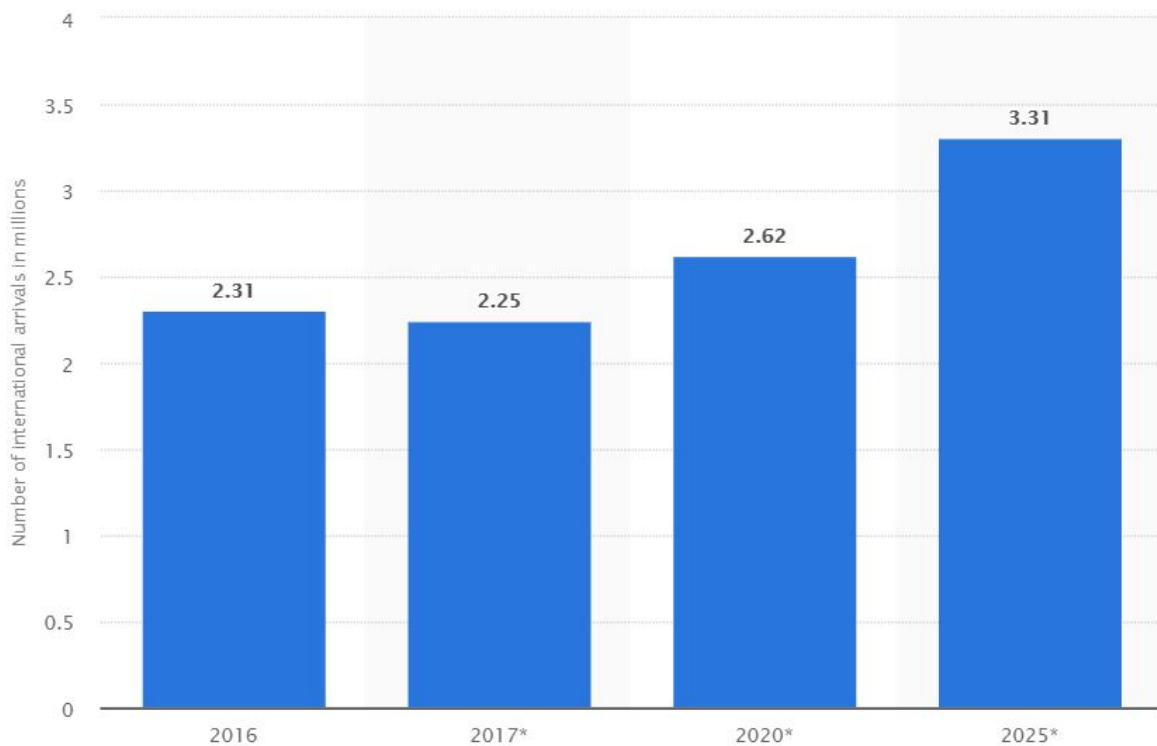
<b>DECEMBER 2017</b>			<b>JANUARY 2018</b>			<b>FEBRUARY 2018</b>		
Accumulated variation Of 12 months	M o n t h variation / previous m o n t h seasonally adjusted	Fixed base seasonally adjusted index (2014 = 100)	Accumulated variation Of 12 months	M o n t h variation / previous m o n t h seasonally adjusted	Fixed base seasonally adjusted index (2014 = 100)	Accumulated variation Of 12 months	M o n t h variation / previous m o n t h seasonally adjusted	Fixed base seasonally adjusted index (2014 = 100)
%	%	N u m b e r - Index	%	%	N u m b e r - Index	%	%	N u m b e r - Index
<b>3.00</b>	<b>0.50</b>	<b>99.80</b>	<b>3.00</b>	<b>-1.50</b>	<b>98.30</b>	<b>2.80</b>	<b>1.50</b>	<b>99.80</b>

**TOURIST INFLOW AND PROJECTION**

According to the Rio Convention and Business Bureau, there are an average of 5 million national tourists and 2 million international tourists visiting Rio every year. This figure is estimated to increase to 3.31 million by 2025.

The Ministry of Tourism in Brazil announced that Brazil registered, through 2017, the largest number of tourists in the country in its entire history. In total, 6,588,770 tourists landed national territory. The new number surpasses 2016 by 42,000 visitors, when Brazil had already beaten its record, on the occasion of the Olympic Games in Rio de Janeiro. The number also surpasses the high volume of entries registered in 2014 (6,429,852 tourists), the year that Brazil hosted the FIFA World Cup.

Number of international tourists in Rio de Janeiro, Brazil from 2016 to 2025 (in millions)



## DATA SOURCES

### HOTEL OCCUPANCY



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## **RETAIL**

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## **TOURISTS**

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