

# INTELLIGENCE REPORT

ON TOURISM INVESTMENT  
ATTRACTION

BRAZIL  
B

IV Volume  
2022

MINISTRY OF  
TOURISM



PÁTRIA AMADA  
**BRASIL**  
BRAZILIAN GOVERNMENT

# Datasheet

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# Presentation

The Tourism Investment Attraction Intelligence Report intends to provide data to potential domestic and international investors on the Brazilian tourism market, in addition to providing relevant information for decision-making public managers.

This volume is formatted differently from those previously elaborated. The current Report covers the year of 2022<sup>1</sup>. It is clear that a longer period of analysis allows a more in-depth view of the changes in rankings between countries, due to external and internal factors.

Thus, for this volume, in addition to comparing Brazil and Latin America and the Caribbean (main countries), comparisons were made with other groups of countries, i.e.:

- South America;
- Emerging markets (BRICS, Australia and Mexico);
- The 10 countries that received the most foreign direct investments in 2021.

It is expected then to obtain a better perception of the real scenario of Brazil with regard to the attraction of investments and business environment in the world. Finally, in the last session we recorded the data of Foreign Direct Investments mapped by the fDi Markets tool, on foreign investment sent to new projects (*Greenfield*) for a period of twelve months and briefly acknowledged about internal investments in Brazil. .

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<sup>1</sup> The data contained in this study were collected as of 12/26/2022.

# Data and Indicators

## Business Environment

Business environment concerns the quality of the network of suppliers, distributors, competitors, workers, and customers, as well as the legal and tax framework that impacts the enterprises of a given sector.

As part of the study of this Report, the focus of the data is the Brazilian business environment in Hospitality and Tourism in relation to other Latin American countries that have received more than one million tourists with overnight stay in 2019 or have more than one hundred thousand excursionists on sea cruises, i.e.: Mexico, Nicaragua, Argentina, Dominican Republic, Colombia, Brazil, El Salvador, Peru, Chile, Panama, Paraguay, Costa Rica, Guatemala, Uruguay and Bolivia.

In addition to the previous Reports, we chose to add a brief comparative survey of competitiveness with:

- The countries of South America mentioned above;
- The countries that make up BRICS, plus Australia and Mexico (by similarity in extension and natural aspect)
- The 10 countries that received the most Direct Foreign Investments in 2021, according to the report executed by fDi Intelligence in partnership with The World Tourism Organization (OMT).<sup>2</sup>

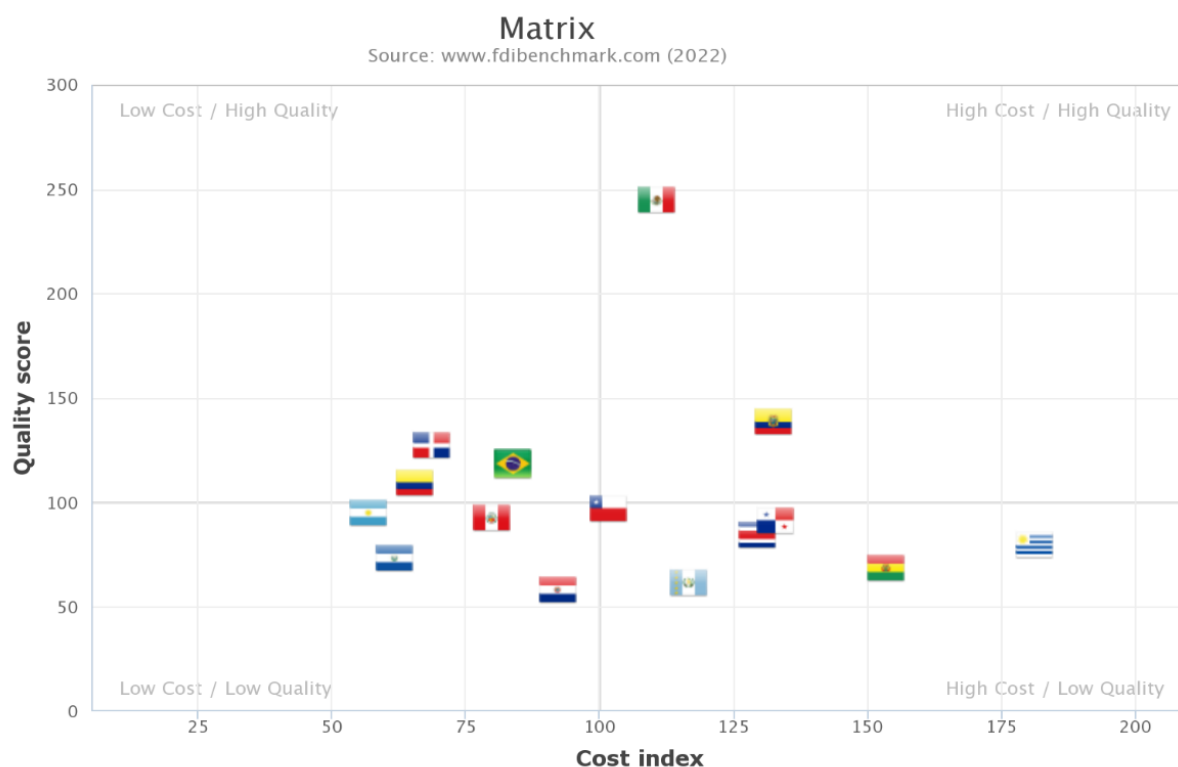
When available, a comparative analysis will be carried out between the current data and that of the previous report.

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<sup>2</sup> TOURISM INVESTMENT 2022. Global greenfield investment trends in tourism. Publicado em agosto de 2022.

## Competitiveness:

GRAPH I - COMPETITIVENESS MATRIX OF THE BUSINESS ENVIRONMENT IN TOURISM AND HOSPITALITY -  
BRAZIL AND LATIN AMERICA



The Matrix (Graph I) above was obtained by crossing the cost and quality indices of the Hospitality and Tourism sector of the 15 countries selected by the research criteria.

The calculation of these indexes comes from data collected automatically in each country.

Compared to the last analysis, it can be observed that most countries had little change in their position in the Matrix, although we can see that Uruguay had a small increase in the cost index, while Brazil had a decrease in this index, that is, the cost of operation in the country became lower in this period.

Brazil has a quality index in its hotel services above average, but is still below Dominican Republic, Ecuador and Mexico (which stands out from the other in this area). In relation to cost, Brazil is below the average among the countries analyzed.

TABLE 1: COMPETITIVENESS COMPARISON - GENERAL RANKING - 3Q 2021 AND 4Q 2022

Country	Rank			Grade		
	4/2022	3/2021	Difference	4/2022	3/2021	Difference
Mexico	1	1	0	100	100	0,00
Nicaragua	2	2	0	90,69	94,15	-3,46
Argentina	3	3	0	77,93	77,57	0,36
Dominican Republic	4	4	0	77,00	77,57	-0,57
Colombia	5	8	+3	73,07	65,2	7,87
<b>Brazil</b>	<b>6</b>	<b>5</b>	<b>-1</b>	<b>67,83</b>	<b>69,7</b>	<b>-1,87</b>
El Salvador	7	6	-1	64,77	69,07	-4,3
Peru	8	7	-1	60,90	67,65	1,91
Chile	9	9	0	54,77	51,32	-6,75
Panama	10	11	+2	47,87	49,35	-1,48
Paraguay	11	10	-1	47,40	51,21	-3,81
Costa Rica	12	11	-1	46,19	50,34	-4,15
Guatemala	13	14	+1	41,38	43,15	-1,77
Uruguay	14	13	-1	39,41	45,69	1,72
Bolivia	15	15	0	39,17	39,63	-6,28
Average				<b>61,89</b>	<b>63,44</b>	<b>-1,55</b>

SOURCE: FDI BENCHMARK, 2022

Competitiveness levels as a whole fell in Latin American and Caribbean countries, except for Colombia, Argentina, Peru and Uruguay, especially the former. Nonetheless, Peru and Uruguay lost positions in the ranking by moving the other.

In relation to the third quarter of 2021, Brazil had a 1.87 fall in the index score, above the region's average fall in the same period.

Next, we will dismember the cost and quality indices to evaluate which points were determinant, according to the applied methodology, for this decrease and consequently of the country's position in the Rank.

Brazil fell from second to third place in Quality, having been surpassed by the Dominican Republic, which presented growth in its score, rising 3 (three) positions in the rank.

TABLE 2: COMPETITIVENESS (COST AND QUALITY) - GENERAL RANKING – 4Q/2022



Country	Rank	Grade	Quality Rank	Quality Grade	Cost Rank	Cost Grade	Total Cost (USD)
Mexico	1	100.00	1	248.58	10	112.91	482.50
Nicaragua	2	90.69	15	61.19	1	36.31	299.10
Argentina	3	77.93	5	106.53	2	57.94	365.33
Dominican Rep	4	77.00	2	128.55	5	69.99	285.36
Colombia	5	73.07	4	110.06	4	66.78	247.61
<b>Brazil</b>	<b>6</b>	<b>67.83</b>	<b>3</b>	<b>120.71</b>	<b>7</b>	<b>85.49</b>	<b>443.34</b>
El Salvador	7	64.77	11	75.49	3	62.92	348.12
Peru	8	60.90	7	93.47	6	81.46	579.43
Chile	9	54.77	6	95.84	9	103.74	564.58
Panama	10	47.87	8	92.60	13	135.59	790.49
Paraguay	11	47.40	13	63.69	8	94.09	268.87
Costa Rica	12	46.19	9	85.54	12	132.11	669.50
Guatemala	13	41.38	14	62.99	11	119.03	402.08
Uruguay	14	39.41	10	81.83	15	184.97	508.68
Bolivia	15	39.17	12	72.85	14	156.67	155.15

SOURCE: FDI BENCHMARK, 2022

The factors of **Availability and quality of labor** (in which it is positioned in 1st place) and **Infrastructure and Accessibility** (also 1st) positively impact the Quality Index of Brazil. Brazil also presented good numbers in **General Business Environment** (3rd), **Quality of Life** (4th) and **Industry Cluster** (5th).

In relation to Cost, Brazil performs within the average, in 7th place (a position above than in September 2021). It should be noted that the index classifies the attractiveness of the localities based on the overall performance in both Operational Cost and Quality for the 'Hotel and Tourism' sector. The index uses the pre-selected cost/quality ratio when totaling the overall attractiveness score. A location is more attractive, demonstrated by a higher Attractiveness rating, when presenting a high Cost score and/or a high Quality score.

TABLE 3: QUALITY COMPARISON - 3Q 2021 AND 4Q 2022



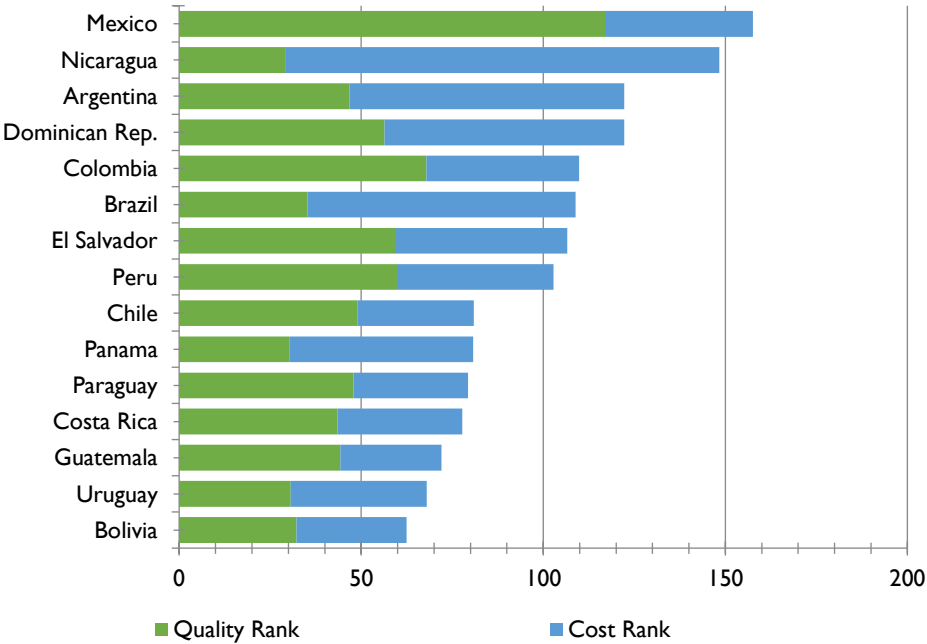
Country	Rank			Grade		
	4Q/2022	3Q/2021	Difference	4Q/2022	3Q/2021	Difference
México	1	1	0	248.58	234.48	14.1
Dominican Republic	2	5	+3	128.55	112.85	15.7
<b>Brazil</b>	<b>3</b>	<b>2</b>	<b>-1</b>	120.71	<b>135.78</b>	<b>-15.07</b>
Colombia	4	3	-1	110.06	119.6	-9.54
Argentina	5	8	+3	106.53	93.56	12.97
Chile	6	6	0	95.84	97.76	-1.92
Peru	7	4	-3	93.47	119.17	-25.7
Panama	8	10	+2	92.60	86.89	5.71
Costa Rica	9	7	+2	85.54	95.77	-10.23
Uruguay	10	9	+1	81.83	88.54	-6.71
El Salvador	11	11	0	75.49	70.45	5.04
Bolivia	12	12	0	72.85	64.49	8.36
Paraguay	13	14	+1	63.69	60.74	2.95
Guatemala	14	13	-1	62.99	61.2	1.79
Nicaragua	15	15	0	61.19	58.55	2.64

SOURCE: FDI BENCHMARK, 2022

Considering this, the rank of countries is presented as follows, according to parity analysis 50/50, that is, equal weights for the two indicators.

Compared to the latest data analyzed until December 2022, Brazil lost a position in the General Ranking, being surpassed by Colombia, which had a significant reduction in the Cost Index.

GRAPH 2: QUALITY AND COST –50/50 WEIGHT



FONTE: FDI BENCHMARK, 2022

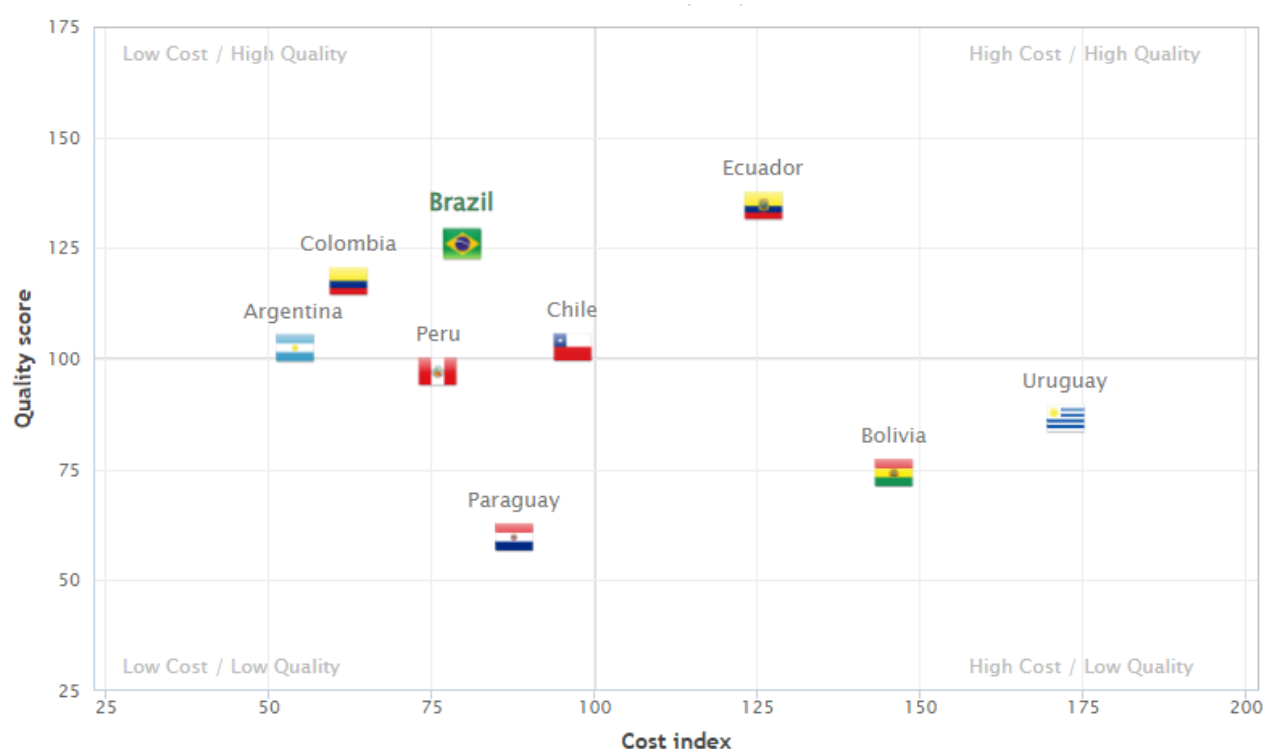
Despite having a drop in the Quality index, Brazil performs relatively better in this factor than in Cost. With a score of 120.71, 21% above the average study Quality score. Brazil has total costs of US\$ 438,396, which is, in absolute terms, 15% more economical than the average total cost of the region of US\$ 512,807.<sup>3</sup>

<sup>3</sup> Total or Operational Costs are calculated by the fDi Benchmark platform by an average detected of labor and utilities costs (water, electricity, telecommunications, etc.).

## Comparisons to other countries

### South America

GRAPH 3 - COMPETITIVENESS MATRIX OF THE BUSINESS ENVIRONMENT IN HOSPITALITY AND TOURISM – BRAZIL AND SOUTH AMERICA



SOURCE: FDI BENCHMARK, 2022

Excluding Caribbean countries from the group selected for the main study in this Report, and adding Ecuador, we can evaluate the situation of Brazil within the Quality x Cost Matrix in South America.

Brazil is then second in Quality, losing to Ecuador (it should be noted that Ecuador has a rich offer for the Galapagos Island product). At the same time, it is close to the average cost. We can consider that currently the main geographic competitors of Brazil for the attraction of foreign direct investments due to Competitiveness are, in this order: **Colombia, Argentina, Chile, Peru**, located in the upper left quadrant (High Quality and Low Cost).

Given the situation, **Ecuador** could be considered a strong competitor, however, it is understood that its offer is very specific and does not impact the decision of major potential investors in relation to Brazil in a relevant way.

TABLE 4: COMPETITIVENESS COMPARISON - SOUTH AMERICA

COUNTRY	Rank	Index	Quality Rank	Quality Index	Cost Rank	Cost Index	Total Annual Cost (USD)
Argentina	1	100.00	5	102.35	1	53.97	297,137
Colombia	2	97.58	3	117.42	2	62.19	342,427
Brazil	3	89.17	2	125.99	4	79.62	438,396
Peru	4	80.28	6	97.02	3	75.87	417,740
Ecuador	5	77.09	1	134.49	7	125.91	693,280
Chile	6	72.98	4	102.51	6	96.62	532,005
Paraguay	7	60.30	9	59.64	5	87.63	482,492
Uruguay	8	51.88	7	86.48	9	172.28	948,554
Bolivia	9	50.70	8	74.15	8	145.91	803,395

**Argentina** also loses prominence due to the severe crisis that plagues the country, including freezing shipments abroad, which decreases the appetite of investors in the country.

However, we have to keep a close look on how the economy of the neighboring country will be guided over the next year, which could create a window of opportunity to attract Brazilian tourism of investments previously destined to Argentina.

In the same analysis, **Chile** and **Peru**, in terms of competitiveness, approach Brazil, but it should be considered that, like **Ecuador**, they are not direct competitors in all types of enterprises, particularly in the Sol and Praia segment. The latter are, however, competitors in Nature Tourism, particularly when we talk about Amazon, National Parks, Adventure (hiking, trekking, etc.), and the luxury niche.

A particular look should be given to **Colombia**, which has been growing on the world stage as both a tourist destination and an investment destination. Although Colombia suffered a significant drop (-9.54) in the Quality index, it dramatically reduced the cost from \$497.83 to \$247.61, with its Cost Index falling from 99.33 points to 66.78.

## Emerging Markets (BRICS + Australia and Mexico)

GRAPH 4 - COMPETITIVENESS MATRIX OF THE BUSINESS ENVIRONMENT IN HOSPITALITY AND TOURISM - BRAZIL AND EMERGENT MARKETS

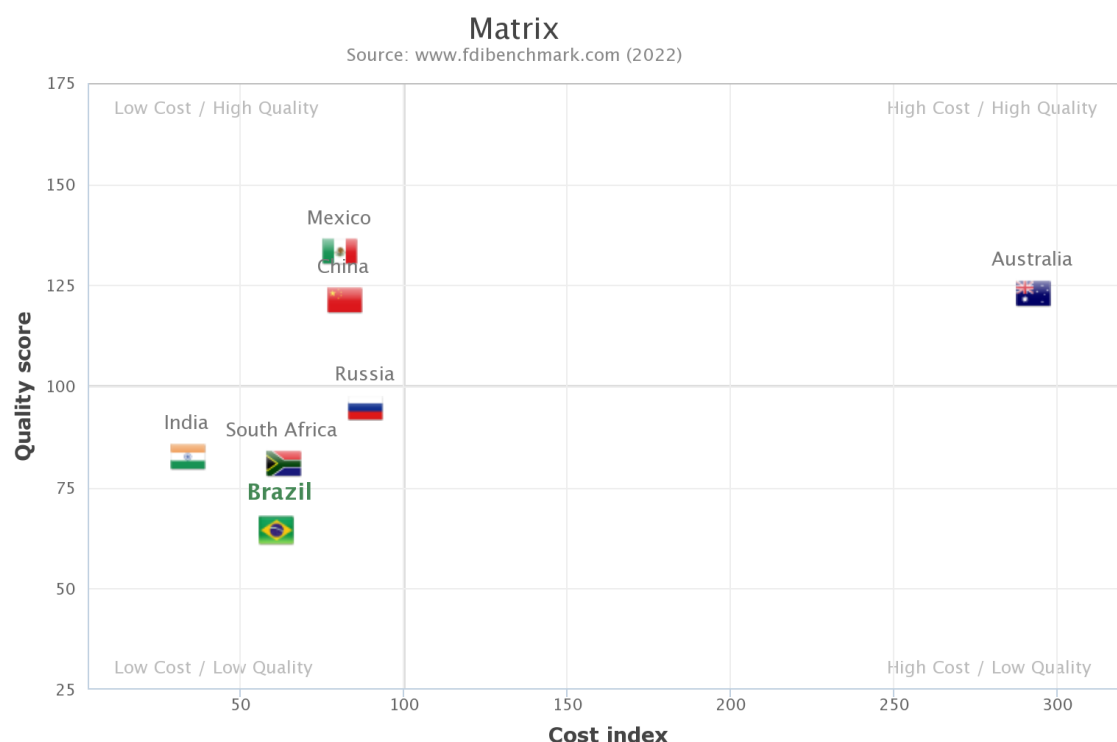


TABLE 5: COMPETITIVENESS COMPARISON – EMERGENT MARKETS

Country	Rank	Index	Quality Rank	Quality Index	Cost Rank	Cost Index	Total Cost (USD)
India	1	100.00	5	82.51	1	33.73	243,514
Mexico	2	76.41	1	133.30	4	80.20	579,000
China	3	71.64	3	121.24	5	81.74	590,087
South Africa	4	66.28	6	80.83	3	63.05	455,142
<b>Brazil</b>	<b>5</b>	<b>62.04</b>	<b>7</b>	<b>64.47</b>	<b>2</b>	<b>60.73</b>	<b>438,396</b>
Russia	6	60.30	4	94.72	6	88.05	635,636
Australia	7	51.01	2	122.85	7	292.50	2,111,643

Source: fDi Benchmark from the Financial Times Ltd 2022

Expanding the scenario to other similar (emerging) markets, the BRICS were analyzed, in addition to Mexico and Australia, which are considered similar to Brazil (strong segment of Sun and Beach, extension of territory, relevant cultural and nature tourism).

In this case, Brazil does not perform as desired in quality, being the last of the seven countries analyzed. Some positions rise due to the Cost Index, being the second lowest in the group.

## World top 10 incoming Foreign Direct Investment in Tourism (2021)

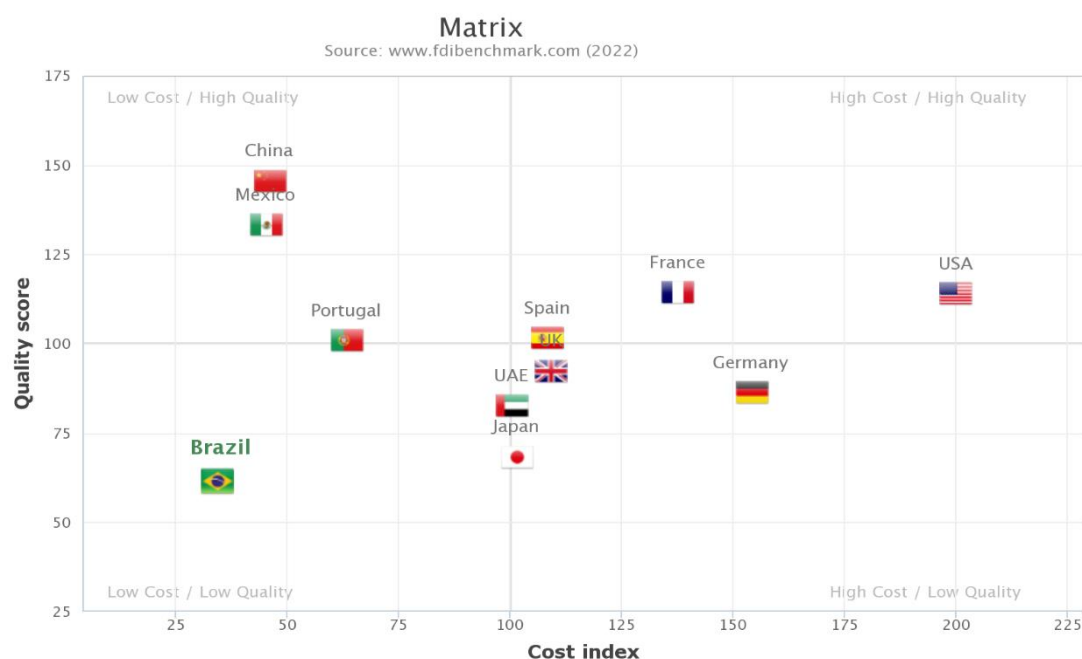


TABLE 6: COMPETITIVENESS COMPARISON - TOP 10 FDI AND BRAZIL

Country	Rank	Index	Quality Rank	Quality Index	Cost Rank	Cost Index	Total Cost (USD)
China	1	100.00	1	145.37	3	46.14	590,087
Mexico	2	97.08	2	133.20	2	45.28	579,000
Brazil	3	91.20	11	61.56	1	34.28	438,396
Portugal	4	71.20	6	100.87	4	63.37	810,390
Spain	5	55.41	5	101.52	7	108.31	1,385,154
France	6	54.74	3	114.26	9	137.53	1,758,807
United Kingdom	7	52.23	7	92.20	8	109.11	1,395,323
United Arab Emirates	8	51.06	9	82.55	5	100.38	1,283,747
EUA	9	49.11	4	113.98	11	199.85	2,555,763
Japan	10	46.13	10	68.18	6	101.52	1,298,314
Germany	11	43.76	8	86.26	10	154.23	1,972,330

Source: fDi Benchmark from the Financial Times Ltd 2022

When we relate Brazil to the main countries receiving Foreign Direct Investment in the world, it is noted that the country is well positioned in **terms of Cost** when compared to the others in the group and other analyses (Latam, South America, Emerging Markets and Top 10 World), partly due to the exchange rate variation and the vast Labor Market presented in the country (which has an impact on the index). In relation to the Quality Index, Brazil is below expectations, being as worse as broader the analysis. Brazil performs well in Latin America and the Caribbean, but does not present itself as well-positioned in Emerging Markets and among the World Top 10.

Still analyzing the world scenario (Table 6), it is remarkable that, in a first look, Cost seems to hold a smaller influence on the destination of investment flows than Quality.

## Qualidade

Resuming the main study of this Report, which is Brazil and Latin America & the Caribbean, the unfolding of the quality assessment (Table 2) could be split into four **indicators: Industry Cluster, Infrastructure and Accessibility, Business Environment and Quality and Workforce Availability**. The following is the updating of the indexes and their practical developments.

The Industry Cluster is the translation of four different indicators of the hotel sector in the country: Export Competitiveness (Weight 55%), History (weight 20%), Industry Size (Weight 15%) and Industry Specialization (weight 10%).<sup>4</sup>

Currently Brazil is in fifth place in the ranking of this indicator, coming from a history of decreasing grades in this factor.

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<sup>4</sup> All weights are defined by the fdi Benchmark platform. They can be changed by users, but it is our understanding that the suggested way is the most appropriate.



TABLE 7: INDUSTRY CLUSTER COMPARISON -3RD QUARTERS 2021- 4TH QUARTER OF 2022

Country	Rank	3Q 2021	3Q 2022	Difference
Mexico	1	74,81	90,64	15,83
Dominican Republic	2	43,78	52,93	9,15
Colombia	3	51,78	45,24	-6,54
Argentina	4	27,28	36,63	9,35
<b>Brazil</b>	<b>5</b>	<b>54,53</b>	<b>33,71</b>	<b>-20,82</b>
Peru	6	52,86	33,55	-19,31
Bolivia	7	17,2	24,15	6,95
El Salvador	8	16,06	22,42	6,36
Panama	9	13,21	21,09	7,88
Costa Rica	10	28,37	20,03	-8,34
Chile	11	17,58	15,23	-2,35
Nicaragua	12	12,31	14,55	2,24
Paraguay	13	7,84	14,33	6,49
Uruguay	14	23,85	13,13	-10,72
Guatemala	15	8,53	12,36	3,83

SOURCE: FDI BENCHMARK, 2022

In the **Industry Cluster ranking**, Brazil is in 5th place, having been surpassed by the Dominican Republic, Colombia and Argentina. It is noted that Brazil showed a fall in the same index.

Within this indicator, Brazil has good results in **History** (Number of *Greenfield Projects* with foreign direct investment), in which it occupies the 2nd position, performs relatively well in **Industry Size** (number of hospitality and tourism companies) and **Specialization of Industry** (Tourism Companies per 100,000 inhabitants), being in 4th place in both items. However, in Export **Competitiveness**, Brazil is in 10th place among the 15 countries analyzed, due to the low participation of the Tourism sector in the total number of exports and imports in the country, according to the tool.

Moreover, it should be noted that the GDP of Tourism in Brazil contributed in 2021 to 6.4% of the national GDP. In 2019, it reached 7.7%, according to the World Travel & Tourism Council.<sup>5</sup> With this it is noted that, in fact, the current economic result of Tourism

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<sup>5</sup> World Travel & Tourism Council. 2022 Annual Research: Key Highlights I - Brazil. Acessado em: <https://wtcc.org/research/economic-impact>

tends to have low participation in the Brazilian global economy, including exports and imports, which in 2021 was 9.07%.<sup>6</sup>

Considering the related countries as the biggest competitors of South America Brazil (page 11), that is (Argentina, Chile, Peru, and Colombia), it is observed that Colombia and Argentina are just above Brazil, in 3rd and 4th, respectively, and Peru soon after, in sixth place. On the other hand, Chile is in eleventh place.

The **Infrastructure and Accessibility** ranking unfolds in the indicators Access to the main international markets (weight 60%), Quality of local infrastructure (weight 20%), Quality of utilities (weight 10%) and ICT Quality (weight 10%).

TABLE 8: INFRASTRUCTURE AND ACCESSIBILITY COMPARISON - Q3 2021 TO 4Q 2022

Country	3Q 2021	4Q 2022	Difference
<b>Brazil</b>	<b>26.08</b>	26.06	<b>-0,02</b>
Chile	25.55	25.31	<b>-0,24</b>
Panama	25.02	24.97	<b>-0,05</b>
Uruguay	21.76	21.97	<b>0,21</b>
México	20.57	20.52	<b>-0,05</b>
Dominican Republic	20.25	20.34	<b>0,09</b>
Costa Rica	20.24	20.17	<b>-0,07</b>
Argentina	19.84	20.01	<b>0,17</b>
Colombia	19.40	19.49	<b>0,09</b>
El Salvador	18.46	18.51	<b>0,05</b>
Peru	18.47	18.30	<b>-0,17</b>
Guatemala	17.38	17.41	<b>0,03</b>
Bolivia	15.91	15.90	<b>-0,01</b>
Paraguay	15.82	15.77	<b>-0,05</b>
Nicaragua	15.22	15.23	<b>0,01</b>

SOURCE: FDI BENCHMARK, 2022

In this index, it is verified that Brazil is in first place, with a total score of 26.08. In the unfolding, its best performance **is in the quality of local infrastructure**, since it is the best of the selection of countries, with good margin for the second place (Chile). It still has moderate performance **in Quality of ICT services (Technology)**, in fifth place. On the other hand, the country finds an opportunity to improve **Quality of Public Services** and

<sup>6</sup> World Bank World Development Indicators

**Access to The Main International Markets**, considering that in these indexes the country is in the last third of the ranking, in 13th and 11th, respectively.

TABLE 9: INFRASTRUCTURE AND ACCESSIBILITY INDICATORS -2022

			Access to key markets			Quality of local infrastructure			Quality of Utilities			Quality of ICT Services (Information and Communication Technology)		
Country	Rank	Total	Rank	Score	% Deviation	Rank	Score	% Deviation	Rank	Score	% Deviation	Rank	Score	% Deviation
<b>Brazil</b>	<b>1</b>	<b>26,06</b>	<b>3</b>	<b>11,37</b>	<b>-5,25%</b>	<b>1</b>	<b>10,72</b>	<b>167,96%</b>	<b>13</b>	<b>1,7</b>	<b>-14,86%</b>	<b>5</b>	<b>2,27</b>	<b>13,50%</b>
Chile	2	25,31	4	13,46	12,17%	3	4,87	21,73%	1	2,79	39,73%	1	4,19	109,50%
Panama	3	24,97	1	16,09	34,08%	2	4,96	23,98%	11	1,78	-10,85%	6	2,14	7,00%
Uruguay	4	21,97	3	13,83	15,25%	11	3,04	-24,01%	6	2,14	7,18%	2	2,96	48,00%
Mexico	5	20,52	7	12,03	0,25%	4	4,72	17,98%	9	1,98	-0,83%	8	1,79	-10,50%
Dominican Republic	6	20,34	2	13,89	15,75%	6	3,54	-11,51%	12	1,74	-12,85%	15	1,17	-41,50%
Costa Rica	7	20,17	5	12,65	5,42%	13	2,76	-31,01%	2	2,36	18,20%	4	2,4	20,00%
Argentina	8	20,01	8	11,79	-1,75%	5	3,95	-1,27%	14	1,59	-20,37%	3	2,68	34,00%
Colombia	9	19,49	6	12,12	1,00%	10	3,23	-19,26%	7	2,03	1,67%	7	2,11	5,50%
El Salvador	10	18,51	9	11,7	-2,50%	8	3,38	-15,51%	10	1,97	-1,34%	10	1,46	-27,00%
Peru	11	18,3	10	11,51	-4,08%	7	3,52	-12,01%	8	2	0,17%	13	1,27	-36,50%
Guatemala	12	17,41	12	11,15	-7,08%	15	2,48	-38,01%	3	2,33	16,69%	11	1,45	-27,50%
Bolivia	13	15,90	15	8,92	-25,67%	9	3,37	-15,76%	4	2,19	9,68%	12	1,42	-29,00%
Paraguay	14	15,77	14	9,62	-19,83%	14	2,49	-37,76%	5	2,15	7,68%	9	1,51	-24,50%
Nicaragua	15	15,23	13	9,87	-17,75%	12	2,98	-25,51%	15	1,2	-39,90%	14	1,18	-41,00%

Source: fDi Benchmark.

## Cost

In relation to cost, Brazil is in the center of the Ranking, in seventh place, behind Nicaragua, Argentina, El Salvador, Colombia, Dominican Republic and Peru.

TABLE 10: OPERATING COST RANKING

Country	Ranking	Total (USD)	Deviation %	Labor (USD)	Utilities (USD)
Nicaragua	1	183,150	-64.71%	173,397	9,753
Argentina	2	274,117	-47.18%	273,744	372
El Salvador	3	322,639	-37.83%	309,146	13,493
Colombia	4	343,466	-33.82%	310,130	33,336
Dominican Rep.	5	354,025	-31.78%	343,538	10,487
Peru	6	431,459	-16.86%	424,891	6,568
<b>Brazil</b>	<b>7</b>	<b>441,202</b>	<b>-14.99%</b>	<b>430,528</b>	<b>10,674</b>
Paraguay	8	489,548	-5.67%	480,533	9,015
Chile	9	561,092	8.12%	556,869	4,223
México	10	580,400	11.84%	569,688	10,712
Guatemala	11	610,055	17.55%	587,171	22,883
Panamá	12	695,322	33.98%	691,182	4,140
Costa Rica	13	704,740	35.80%	699,455	5,285
Bolivia	14	806,801	55.46%	799,684	7,118
Uruguay	15	986,541	90.10%	972,627	13,914

Amounts in Us Dollars per year (0.19 USD = 1 BRL - December 2022).

Source: fDi Benchmark, 2022

## Sizing the Brazilian tourist market

CADASTUR information is made available by CGST in the Open [Data section of the MTur portal](#). The following is a difference in the number of service providers registered between the 3rd quarter of 2021 and the 4th quarter of 2022.

TABLE 11: COMPARISON OF RECORDS IN CADASTUR – 3Q 2021 AND 4Q 2022

Atividade	Number of Companies			
	3° tri/2021	4° tri/2022	Diferença	%
Tour Guide*	25.937	28.752	2.815	10,85%
Tourist Camp Site*	427	573	146	34,19%
Tourism Agency*	33.309	33.142	-167	-0,5%
Accommodation*	15.899	14.129	-1.770	-11,1%
Parque Temático*	219	207	-12	-5,48
Tourist carrier*	14.135	13.652	-483	-3,42%
Concert Halls and Tourist Entertainment Equipment	566	584	18	3,18%
Convention Centers	227	254	27	11,89%
Nautical Tourism or Sport Fishing Support Enterprise	373	415	42	11,26%
Theme and Water Parks	466	387	-79	-16,9%
Car Rental Company	2.028	2.615	587	28,94%
Event Planner*	8.064	8.160	96	1,19%
Event Support Infrastructure Service Provider	4.997	4.900	-97	-1,94%
Prestador Especializado em Segmentos Turísticos	7.050	7.256	206	2,92%
Restaurants, Cafeterias and Bars	18.862	24.446	5.584	29,60%
*Registration required <sup>7</sup>				

SOURCE: CGST/MTUR, 2022

It is noted that the growing trend in the number of Restaurants, Cafeterias and Bars, Concert Halls (increase of 29.60%). Also noteworthy is the significant increase in registered Vehicle Rental sanders and Tourist Camps (both above 30%), which may indicate a confirmation of post-pandemic trends pointed out by the Ministry of Tourism of short-

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<sup>7</sup> Registration is mandatory only for Tour Guides, Tourist Camps, Tourism Agencies, Lodging Facilities, Theme Parks, Tourist Carriers and Event Organizers. It is still valid to note that the registration is valid for two years in the case of legal entities, and five years for the tour guides, and must then be renewed. Thus, it should be considered that the number of active enterprises may be higher than that reported.

distance travel and to nearby destinations, in addition to more personalized trips, more independent of Tour Operators.

In the negative pole, there was a drop in the means of lodging registered by 11.1%. To understand this is really a decrease in supply, which other data do not corroborated, such as the *Panorama da Hotelaria Brasileira 2022* (Brazilian Hospitality Panorama), which, despite being a extract of the Brazilian hospitality of large Hotel Chains, has indicated growth in supply in the last twelve months.<sup>8</sup>

Also the 183rd Edition of InFOHB – informative developed monthly by the Forum of Hotel Operators of Brazil, shows that in the accumulated 2022 to October, Brazil showed an increase of 58.6% in hotel occupancy compared to the same period of 2021, with 59.24% occupancy rate.<sup>9</sup>

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<sup>8</sup> Panorama of The Brazilian Hospitality 2022, conducted by HotellInvest and, in partnership with the Forum of Hotel Operators of Brazil - FOHB, in [https://fohb.com.br/estudos\\_e\\_pesquisas/](https://fohb.com.br/estudos_e_pesquisas/) (visited on 13/12/2022)

<sup>9</sup> InFOHB, Ed. 183. October, 2022, in [https://fohb.com.br/estudos\\_e\\_pesquisas/](https://fohb.com.br/estudos_e_pesquisas/) (visited on 13/12/2022)



# Private Investments in Tourism 2021 - 2022

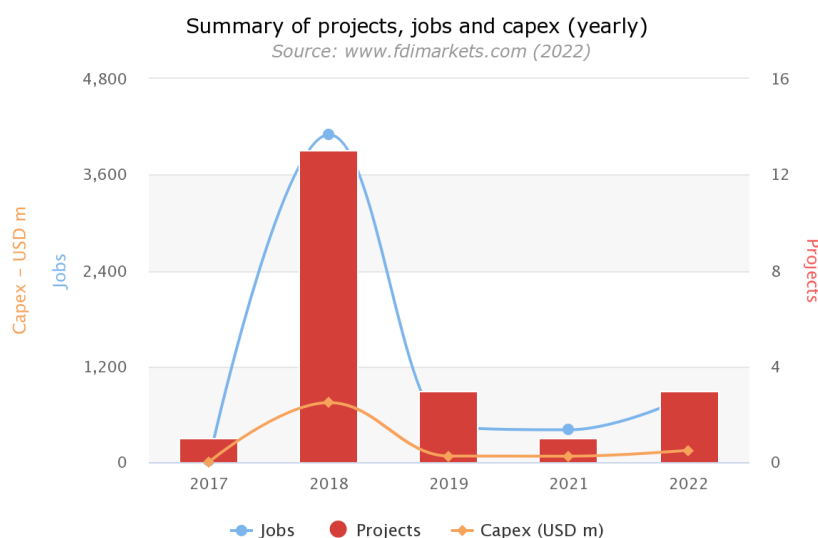
## Foreign Direct Investments in Brazil

The data below was taken from the Database of fDi Markets, the financial times group's intelligence tool. It should be clarified that Foreign Direct Investments are inbound values that imply in capital transfer and some degree of control over the company receiving the contribution. They also refer to *greenfield* projects, that is, new developments.

TABLE 12: PROJECTS IN BRAZIL- 2018 TO 2022

Year	Projects	Capex (USD m)	Jobs
2022	3	150	827
2021	1	74.2	405
2020	0	0	0
2019	3	76.4	439
2018	13	745	4,101
Total	20	1,045.60	5,772

SOURCE: FDI BENCHMARK, 2022



The tool mapped a total of **20** projects in Brazil in the last five years (to date), which are expected to **generate 5,772** jobs, attracting **US\$ 1 billion**.

TABLE 13: INVESTMENT ISSUING COUNTRIES FOR BRAZIL - 2018 TO 2022

FONTE: FDI BENCHMARK, 2022

Country	Projects	Capex (USD m)	Jobs	Companies
Panama	3	222.6	1,215	1
Thailand	3	222.6	1,215	3
United Kingdom	3	222.6	1,215	2
United States	3	76.4	439	3
Spain	2	148.4	810	1
United Arab Emirates	2	2.2	34	1
Austrália	1	1.1	17	1
France	1	74.2	405	1
Japan	1	1.1	17	1
Switzerland	1	74.2	405	1
Total	20	1,045.40	5,772	14

The following data lists the states that received these investments, as well as the investor countries, Capex and the estimated jobs.

TABLE 13A: PROJECTS 2018 TO 2022

SOURCE: FDI BENCHMARK, 2022

Country	RJ	SP	RS	SC	CE	ES	RN	DF	Not specified	Total
Panamá	1	1		1						3
Thailand					1		1		1	3
United Kingdom	2								1	3
Estados Unidos	1	2								3
Spain	1	1								2
United Arab Emirates						1		1		2
Australia	1									1
França	1									1
Japan		1								1
Switzerland			1							1
Total	7	5	1	1	1	1	1	1	2	20

TABLE 13B: PROJECTS 2018 TO 2022 - CAPEX (IN MILLIONS OF DOLLARS)

SOURCE: FDI BENCHMARK, 2022

Country	RJ	SP	RS	SC	CE	ES	RN	DF	Not specified	Total
Panama	74,2	74,2		74,2						222,6
Thailand					74,2		74,2		74,2	222,6
United Kingdom	148,4								74,2	222,6
United States	74,2	2,2								76,2
Spain	74,2	74,2								148,4
United Arab Emirates						1,1		1,1		2,2
Austrália	1,1									1,1
France	74,2									74,2
Japan		1,1								1,1
Switzerland			74,2							74,2
Total	446,3	151,7	74,2	74,2	74,2	1,1	74,2	1,1	148,2	1045,2

TABLE 13C: PROJECTS 2018 TO 2022 - ESTIMATED JOBS

FONTE: FDI BENCHMARK, 2022

País Investidor	RJ	SP	RS	SC	CE	ES	RN	DF	Not specified	Total
Panama	405	405		405						1,215
Thailand					405		405		405	1,215
Reino Unido	810								405	1,215
United States	405	34								439
Espanha	405	405								810
United Arab Emirates						17		17		34
Australia	17									17
França	405									405
Japão		17								17
Suíça			405							405
Total	2.44	861	405	405	405	17	405	17	910	5.772

The tables above show that foreign direct investments in Tourism remain concentrated in the states of Rio de Janeiro and São Paulo, both in number of projects as in invested capital and job creation. On Table 13d, it is of great relevance to note the growth in investments from Selina, responsible for 05 (five) of the 20 (twenty) projects of the last 5 years, representing 35% of the amount invested in Brazil and 2,025 jobs.

TABLE 13D: INVESTING COMPANIES IN EACH STATE 2018 A 2022 – CAPEX

Source: fDi Benchmark, 2022

Company	Country	RJ	SP	RS	SC	CE	RN	ES	DF	Not specified	Total
Selina	UK/Panama	222.6	74.2		74.2						371
Room Mate Hotels	Spain	74.2	74.2								148.4
Anantara Hotels, Resorts & Spas	Thailand					74.2					74.2
Kempinski Hotels & Resorts	Switzerland			74.2							74.2
Duty Free Americas	USA	74.2									74.2
NH Hotels	Thailand									74.2	74.2
InterContinental Hotels Group (IHG)	UK									74.2	74.2
Accor	France	74.2									74.2
Six Senses	Thailand						74.2				74.2
Dyninno	USA		1.1								1.1
Intrepid Group	Australia		1.1								1.1
Accommodations Plus International	USA		1.1								1.1
TBO Holidays	UAE							1.1	1.1		2.2
Tour East	Japan		1.1								1.1
Total		445.2	152.8	74.2	74.2	74.2	74.2	1.1	1.1	148.4	1,045.4

## National investment

Although the volume of foreign direct investment in Brazil is relatively low near the country's potential, it can be seen that the tourism sector, especially the accommodation sector, has a good growth prospect. In the document *Panorama da Hotelaria Brasileira*, published in May 2022, **124 new hotels** were mapped, representing **an offer of 18,806 new Housing Units**, with **about R\$ 5.3 billion** (or US\$ 1.6 billion, in December 2022) of investments for projects opening until 2026.

Compared to the accumulated foreign direct investments of the last 5 years, which was little more than US\$ 1 billion, we can understand that the strength of the Brazilian domestic market also reflects in the investments made by the groups and networks already operating in Brazil.

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