

Outlook for Travel to Britain

- Brazil- Very positive for 2010 and expectations are to return to the good numbers of 2008.
- Mexico- Airlines report strong UK leisure volume, weaker business. Tour Operators expect strong first quarter in 2010.
- Argentina- After a strong 2009, 2010 performance will be strongly linked with economic/political stability.

Britain in the News

- Brazil- Viagem e Turismo (Brazil's largest travel magazine) just recently held its annual awards voted for by the public. England was the 7th most popular overseas destination (USA was 1st, France 2nd) whilst London was the 4th most popular city (Paris was 1st).
- Brazil- The Pound ended November 2009 at 2.87 against the Brazilian Real. This was a 17% fall against the same month last year and was the 3rd consecutive month where a fall was recorded. The Real has strengthened against the Pound for much of 2009, assisting Britain's value for money message.
- Mexico- The Pound ended November 2009 at 21.75 against the Mexican Peso, up 8% against November 2008. This was the 6th consecutive month where a year on year increase was recorded, making the UK a more costly destination to visit.
- Argentina- The Pound ended November 2009 at 6.32 against the Argentine Peso. This represented a year on year increase of 26%. The Pound fell as low as 4.98 in February of 2009, but has risen against the Peso year on year for six consecutive months, making a visit to Britain more costly.

General Market Mood

- Brazil- Brazilian GDP expanded 1.9% during April to June 2009, marking the end of the recession that began in the last quarter of 2008. The Brazilian economy is now officially out of a recession that has been shorter and milder than that of the United States and other developed economies. Private consumption, to a large extent stimulated by government policy, was the main driver of growth while investment remained flat.
- Brazil- Rio de Janeiro was announced as the host of the Summer 2016 Olympic Games, beating Tokyo into second place.
- Argentina- After expanding 2.0% during January to March 2009 and 6.8% in overall 2008, the Argentine economy posted its first annual contraction since 2003 for the period April-June. This was the expected response to the negative effects of adverse economic policy, and the financial crisis and its impact in economies worldwide.
- Mexico- The Mexican economy fell 1.7% in August 2009. When compared to August 2008, data reveals a 6.9% decline. August data interrupts the incipient recovery shown in June and July. Furthermore, Mexico is facing a \$1.6bn drop in tourism revenues for 2009, thanks to a deadly flu outbreak, but the fall is smaller than first feared and visitors should return in 2010, the government said in December. Tourism is the 4th biggest industry for Mexico.

Consumer Behaviour

- Brazil- The Brazilian Internet user spent 57 minutes on average on the micro blogging service twitter in October 2009, according to data from Ibope. This stands as the leader among nations that spend the most time on the site.

- Mexico- Luxury retailer Salvatore Ferragamo has reported a 30% increase in sales in Mexico has led to describe it as probably the strongest market of the big countries in the world. Ferragamo currently sells from 15 outlets in Mexico, as Mexicans travel less to the US to make luxury purchases, these outlets have prospered.

Media Matters

- VisitBritain Brazil organised four individual press visits during October-December 2009 (to both London and England). In addition, five individual press visits are planned during the forthcoming quarter, including 2 broadcast pieces.

Routes and Fares

- Brazil- Passengers looking for flights from Brazil to other countries already now have 878 direct flights per week, according to the National Agency of Civil Aviation (ANAC). There are routes from 40 airlines to 29 countries, including major European nations (Britain, Germany, Spain, France, Holland, Italy, Portugal and Switzerland).
- Brazil- According to the Brazilian Association of Travel Agencies, after a bad first half because of the financial crisis and the new flu, the forecast is high in sales of international travel this holiday season. Package holidays are on average 15% cheaper than at the end of last year.

Business Tourism

- Nothing to Report for October to December.

Leisure Travel Trade

- Brazil- A joint promotion between the operator CVC Tourism and the airline Iberia, which gave discounts of up to 25% on tour packages to Europe (including Britain), had great success with the public. In just nine days, over 8,000 package tours to Europe were sold, becoming the best short sale package to the European continent recorded by CVC and Iberia from the beginning of this year.
- Mexico- According to the National Association of Travel Agencies, at least 300 travel agencies closed business in Mexico this year, whilst average revenue is down 35%. There are approximately 1,500 travel agencies in Mexico, the number 10 years ago was 4,000.

Competitor Activity

- Brazil- The cities of Sao Paulo and Madrid have created an alliance for tourism promotion. The agreement will cover joint packages between the two cities, training for travel agents and a promotional campaign online and with outdoor advertising. From January to September 2009 Madrid received approximately 90,000 Brazilian tourists, an increase of around 30% over the same period of 2008.
- Mexico- Trips from Mexico to Canada declined 31.7% year-on-year over Jan-Sept 2009, following Canada's introduction of a visa requirement in July, with little notice.

VisitBritain Activity Update

- Brazil- VisitBritain's 2009 Brazil Mission took place in October in Rio de Janeiro and Sao Paulo. Over the period of a week a record number of VisitBritain partners (15 in total) participated at a workshop in Sao Paulo promoted by the European Travel Commission (ETC) as well as the ABAV travel trade fair in Rio de Janeiro.
- Mexico- VisitBritain Mexico and British Airways launched a consumer campaign to stimulate travel to Britain during the low season. The campaign focused on the lively, fun and modern side of Britain to change the locals' mentality of being dull and reserved. During the month of November,

British Airways offered Mexican nationals a fare of \$499 (plus taxes) to London, Edinburgh, Glasgow, Manchester and Newcastle. The campaign was launched with a successful media event on November 5 with 36 journalists attending.

- Mexico- In September, VisitBritain ran a 3 week joint promotion with Mexicana and Sore Travel Agency in which 12 branches in affluent areas were branded with Britain imagery.

Upcoming activity

- Mexico- VisitBritain is holding a private screening of major new film Sherlock Holmes on 22 December for both media and trade. The accompanying microsite for Mexico is operational: <http://www.visitbritain.com.mx/campaigns/sherlock-holmes/index.aspx> and a press release was sent promoting the event.

Who's in Town?

- Sherlock Holmes, the highly anticipated new movie starring Robert Downey Jr. and Jude Law has received considerable media focus. Warner Brothers are reportedly hoping that it will become a lucrative franchise.