

**News Release**

**South American travel slows following Argentine debt crisis**

25<sup>th</sup> September 2018

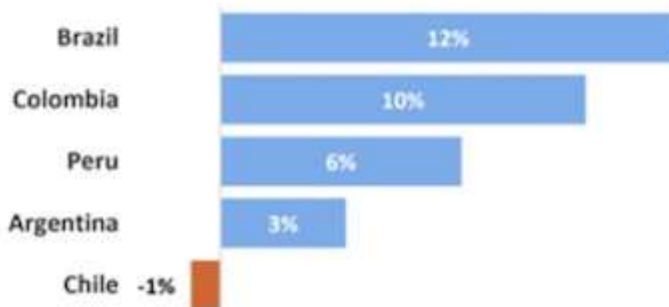
Research undertaken by ForwardKeys, which analyses over 17 million flight booking transactions a day, reveals that in the aftermath of Argentina’s debt crisis, travel within South America appears to be stalling, as Argentines rein in their appetite to travel.

In the first eight months of 2018, international flight arrivals in South America were 6% up on the first eight months of 2017. However, flight bookings for the last four months of the year are currently just 1% ahead of where they were at the same point in 2017.

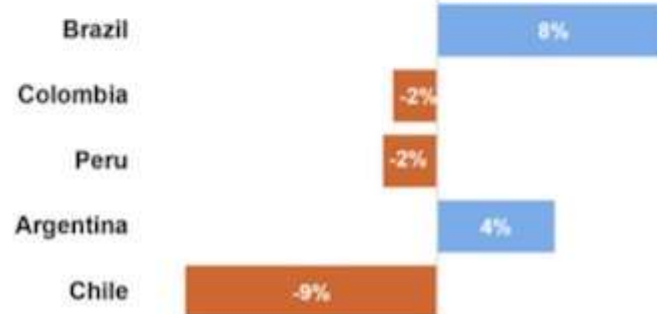
Current international bookings for trips to Brazil, South America’s largest destination, during the September – December period, are currently 8% ahead of where they were at this point in 2017, which sounds encouraging, but that is against a period of 12% growth in international visitor arrivals for the year to the end of August. By comparison, Colombia, Peru and Chile all appear to be suffering setbacks, with inbound flight bookings all running behind where they were at the same point last year.



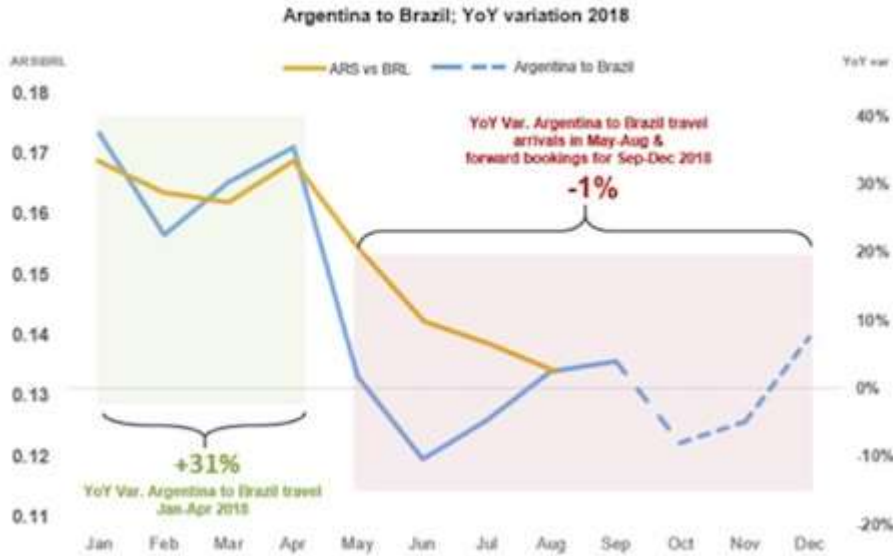
**Top 5 destinations, % YoY Var.  
Jan-Aug 2018**



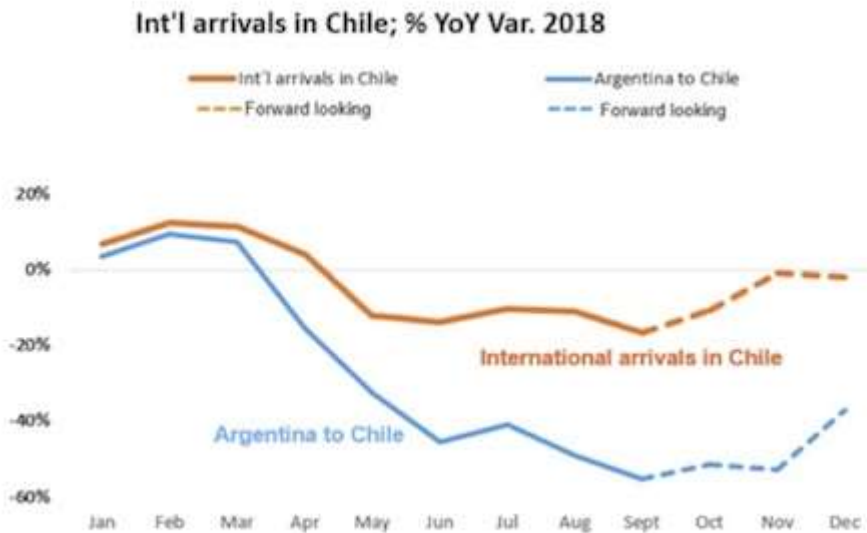
**Top 5 destinations, % YoY Var.  
Forward looking Sep-Dec 2018**



A major factor has been outbound travel from Argentina, which collapsed following the dive of the Argentine peso. Travel to Brazil was 31% up from January to April, but the peso hitting a low on 3 May devastated the outbound market for the next three months. As of 31 August, Argentinean flight bookings to Brazil for May to December are 1% down compared to same period last year.



Travel from Argentina to Chile has also suffered badly. At the start of the year, Jan-Apr, arrivals were 2% up on the same period in 2017. However, current bookings for the last four months of the year are 52% behind. This collapse in one of Chile's most important source markets has transformed a 9% positive overall performance in the first four months of 2018 to a 9% negative outlook for the last four months of 2018.



Argentina-aside, the outlook for South America's biggest market, Brazil, is encouraging. Current bookings for the last four months of the year from all the other major source markets are ahead, some impressively, such as Chile (+28%), France (+15%) and Spain (+15%). The most impressive percentage uplifts come from: Bolivia (+41%) South Africa (+36%), Canada (+26%), Japan (+23%), Paraguay (+19%) and Colombia (+15%).

Brazil top source markets by share (>=3%); Forward looking Sep-Dec 2018 YoY Var.

Country	Share Y0	YoY Var.
Argentina	26%	+0%
USA	12%	+6%
Chile	9%	+28%
Germany	6%	+7%
UK	5%	+11%
France	4%	+15%
Italy	4%	+9%
Uruguay	3%	+2%
Spain	3%	+15%

Brazil top source markets by positive YoY Var. and 1% - 2% share; Forward looking Sep-Dec 2018

Country	YoY Var.	Share Y0
Bolivia	+41%	1%
South Africa	+36%	1%
Canada	+26%	2%
Japan	+23%	1%
Paraguay	+19%	1%
Colombia	+15%	2%
Australia	+9%	2%
Peru	+9%	2%
Israel	+8%	1%
Belgium	+1%	1%
China	+1%	1%

Current bookings for September to December, from the most important long-haul origin markets to South America are generally well ahead of 2017. Those from Canada are 12% ahead, from Germany 9% ahead, from France and Japan 8% ahead and from the UK 7% ahead. The outlook from these five source markets is particularly encouraging for Argentina, Brazil, Colombia, and Ecuador.

		6 Top SAME destinations based on forward bookings for Sep-Dec 2018 (YoY Var)					
ORIGIN COUNTRY (YoY var; share)		Brazil	Peru	Colombia	Argentina	Chile	Ecuador
	<b>CANADA</b> +12% 4%	+26%	-2%	+17%	+7%	+19%	+8%
	<b>GERMANY</b> +9% 9%	+7%	+22%	+19%	+12%	-3%	+2%
	<b>FRANCE</b> +8% 6%	+15%	+4%	+0%	+8%	+12%	+17%
	<b>JAPAN</b> +8% 1%	+23%	-28%	+5%	+14%	-17%	+36%
	<b>UK</b> +7% 7%	+11%	+13%	+7%	+5%	-3%	0%

Olivier Jager, CEO, ForwardKeys, said: "The Argentine debt crisis has played a very influential role in South American travel trends. With the collapse in the value of the peso, it immediately became much more expensive for Argentinians to travel abroad and local destinations such as Chile and Brazil suffered dramatic declines in visitors from Argentina. However, at the same time, Argentina, and by extension South America, became more attractive to lower-volume but higher-value long-haul markets."

Ends

About ForwardKeys

ForwardKeys analyses more than 17m flight booking transactions a day, drawing data from all the major global air reservation systems and selected airlines and tour operators. This information is enhanced with further independent data sets, including flight search and official government statistics, plus data science to paint a picture of who is travelling where and when. ForwardKeys' analytics are used by travel marketers, retailers, hotels, destination marketing organisations (DMOs), financial institutions, car rental companies, tour operators, online travel agents (OTAs) and other traveller-focussed businesses worldwide to monitor and anticipate traveller arrivals from a particular origin market at a specific time. This analysis enables parties to anticipate the impact of events, better manage their staffing levels, fine tune supply requirements, adjust and measure the effectiveness of their marketing efforts and anticipate future market trends.

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