



**TECHNICAL CONFERENCES ON TOURISM IN THE NORTHEAST OF
BRAZIL**

WHY BRAZIL? WHY THE NORTHEAST OF BRAZIL

“Foreign buyers are attracted as ever to the prices, weather and beaches in this vast and tropical country, and demand has been increased by the recent popularity of all things Brazilian” - International Herald Tribune

WHY INVEST IN BRAZIL?

“In 2050 Brazil will be the world’s 5th largest economy” – Goldman Sachs

Brazil:

- ranks as the world’s thirteenth largest economy
- has the world’s fifth largest population
- is one of the four largest economies of the developing world
- is the world’s largest producer of coffee, oranges and sugar-cane
- has the largest and most diversified industrial park in Latin America and the Caribbean
- is home to the largest forest based industry in Latin America
- is one of the largest producers and exporters of rough and processed ore
- has large reserves of iron ore, bauxite, manganese, tin and gold
- offers an excellent railway and waterway system, alongside a vast coastline, with several harbours
- is among the world’s top producer of foodstuff
- has one of the most modern and cutting-edge bank systems in the world
- has a modern and competitive textile industry, with 30 thousand companies that trade US\$ 21 billion per year
- has 22% of the world’s arable land
- offers excellent tourism infrastructure
- is the world’s first producer of commercial jets
- is the third largest producer of shoes in the world, with a highly competitive leather industry
- is the third among the producer of soda drinks
- is the fourth largest producer of commercial aircrafts in the world
- has the fifth largest rubber industry
- is the sixth largest market for cosmetics, with US\$ 9 billion of sales per year
- has the seventh largest chemical industry
- is the eighth largest producer of steel in the world (21 billion tons per year)
- is the tenth largest producer of automobiles (1,8 million vehicles per year)
- has the tenth largest paper and cellulose industry

“Global real estate will be the only major asset class that could deliver double digit returns over the next five years” –Barton Biggs, Morgan Stanley

1. TOURIST POTENTIAL OF BRAZIL



Brazil reveals an incomparable diversity in terms of landscape, culture and ethnic groups, and it offers the opportunity to develop a wide range of tourist activities. Ranging from ecosystems such as Amazon, Pantanal or Iguassu, wonderful beaches in its 8,500 km of coast, and destinations of international renown such as Rio de Janeiro or the metropolis of Sao Paulo, Brazil provides all investor profiles with multiple options.

The number of international tourists visiting Brazil has incessantly increased in the last three years, rising from 4.1 million visitors in 2003 to 5.5 million in 2005. The income generated by the tourist sector has also experienced an accumulated 25% growth in the last two years, a sign that clearly indicates the good situation the sector is going through.

Until a few years ago, this sector was jeopardised by the limited development of infrastructures and the lack of a foreign promotion policy and of consistent planning for the development of different tourist destinations. However, the situation is changing very quickly. The tourist sector is now a top priority in the development agenda of the authorities, important investments have been made in infrastructures (airports, roads, draining systems...) and bigger efforts are starting to be made in terms of international promotion. All this work is starting to pay off.

Out of the wide range of possibilities the country offers, the region of most renown and the one receiving more attention at international level is the Northeast area, which is the main "sun and beach" destination thanks to the numerous semi-virgin beaches of its coast. The main elements that make the Northeast a top destination with a great potential are:

- Sunny and stable weather all year long, with very little rain. There is also a lack of natural phenomena which are frequent in other destinations (hurricanes, great tropical storms).
- It is closer – about seven hours away – than the rest of the country to the main markets of source, such as Europe and the USA. Direct connections with Europe have increased (TAP, Air Europa, Air Madrid...) and charter flights are proliferating.
- Even though its main attraction consists of beautiful beaches, that is not everything there is to it. There are also cities like Recife, Sao Luis, Olinda and Salvador, from the 16th and 17th centuries, and with a racial diversity and a traditional way of life that has led to a community with its own music, dance, art and gastronomy.
- In addition, it is in the Northeast where more efforts are being made in terms of infrastructures and promotion, and where it is possible to obtain more favourable conditions for investment.

WHY NATAL?

Natal known as the Sun Capital, has almost 1 million inhabitants. The capital of the Rio Grande do Norte, it is the main gate to a state full of natural attractions and beautiful beaches, dunes, cliffs, and coral reefs; where you will breathe the purest air in the Americas. Natal also has the second largest urban park in Brazil. The local people have a tradition to welcome all visitors, very friendly.



Located in the Brazilian Northeast region, Natal is the safest capital in Brazil, and one of the Brazilian cities closest to Europe and North America. Natal has many direct flights from large European cities such as Lisbon, Barcelona, Madrid, London, Frankfurt and several Scandinavian airports, which make shorter distance flights (7 to 8 hours) than via Rio de Janeiro or Sao Paulo.

Bearing all this information in mind, it has been decided to have this airport built, and it will be the only one in South America where the new AIRBUS will be able to land. The new airport (San Gonzalo) will create 20,000 permanent jobs and will receive thousands of new tourists each week ALL year long (up to 5 million travellers), since it always feels like summer compared to Europe.

Many people, tourist and natives, visit Ponta Negra in order to walk the beach, taste exquisite and diverse culinary foods and enjoy an exciting nightlife. Natal is truly a magical city, where dreams, culture, and excitement converge into a tropical paradise.

NY Times recommends holidays in Natal

“While Europeans have in recent years begun flocking to the region’s spectacular beaches and fallen under the spell of its infectious music, American visitors have lagged far behind in exploring the many delights that seaside resort cities such as Natal can offer, all at a fraction of what comparable packages in the Caribbean would cost”

2. MEASURES INVOLVED IN THE TOURIST POLICY

From the mid 90’s, the Brazilian authorities have allocated more and more importance to the concept of tourism as a source of foreign currency and as a sector generating employment and income. This greater awareness came to fruition with the Prodetur programme, the second phase of which is now being implemented, which is setting the grounds for the tourist exploitation of the Northeast, and was reinforced by the arrival of the *Lula* Government to power, with the creation of the Ministry of Tourism, a sector which had not had an independent ministerial department up until then.

The Ministry of Tourism set into motion the Tourism National Plan (2003-2007) aiming at increasing the quality of the Brazilian tourist product. The specific objectives of the programme are:

- To increase to 9 million the number of foreign tourists.
- To increase to 65 million the number of travellers using domestic flights.
- To generate 1,200,000 new jobs.
- To reach the annual figure of 8 billion dollars in foreign currency.
- To diversify the tourist offer (to develop at least three quality products in each of the States of the Federation).

The *Prodetur* Northeast Programme

Aiming at promoting the tourist development in the Northeast area, in its first phase between 1995 and 2000, this programme undertook investments of US\$ 736 million, with US\$ 400 million coming from the Inter-American Development Bank (IDB) and channelled by the Banco do Nordeste (BN) and the other US\$ 336 million coming from contributions made by the Federal Government and the governments of the different States.



The characteristic feature of this phase of the project was the emphasis set on overcoming the deficit of basic infrastructures. The investments carried out included, among other aspects, improvement works in 8 airports, the construction or improvement of 1,020 kilometres of road, basic draining services for 1,076,000 inhabitants, historical heritage recovery of 731,732 m² and environmental preservation of 70,416 hectares.

Today, *Prodentur* is going through its second phase, with a budget of US\$ 400 million, drawing special attention to the strengthening of the municipal capacity for tourism management, strategic planning, training and promotion of private investment.

ICEX, 21st of March 2006

This document was created with Win2PDF available at <http://www.win2pdf.com>.
The unregistered version of Win2PDF is for evaluation or non-commercial use only.