



ASSOCIAÇÃO BRASILEIRA DA INDÚSTRIA DE HOTÉIS

The Challenge of the World Cup and the Olympic Games for the Hotel Business in Brazil

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The Challenge of the World Cup and the Olympic Games for the Hotel Business in Brazil

- The first labor of our Herculean President was to bring the World Cup and the Olympics to Brazil
- How to prepare our country in four years for the World Cup
- How to prepare our hotel area in the twelve cities for the World Cup



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Business in Brazil

We in the hotel business believe that the conquest of the World Cup and the Olympic Games for Brazil will definitely put our country in the tourist map.

Brazil is blessed with great tropical weather, more beaches than any other country, no hurricanes or earthquakes and a magnificent population which is a melting pot of Portuguese, Black, Native Indian, German, Italian, Japanese and Arab. Everyone is proud to be Brazilian and the mixture provided a happy population that makes fun of everything, despite the poverty that covers almost half of the country.

Since our currency stabilized sixteen years ago, tourism has increased because foreign Tourists felt more sure of how much things would cost. Bad reputation takes some time to disappear, but in the last few years the inflation has been no more than a civilized four per cent.



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Business in Brazil

Tourism has increased from three million to 5.500 million in the last three years with the world recession to complicate the inflow.

Brazil has at the moment a President who is perhaps the greatest Public Relations man in the political arena. In the last seven years of his presidency he has travelled widely and brought a lot of attention to our country. At the same time our financial area has done a remarkable job of keeping our finances in order and we have practically stayed out of the world recession.

It was the right moment to try to bring the World Cup and the Olympics to Brazil and open up definitely the tourist trade, as we have seen it happen in Germany for the World Cup and in Barcelona and Sidney for the Olympics.



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Business in Brazil

Our president was brought into action, with our Sport and Tourism Ministries along with the Governors and Mayors of the cities where the World Cup would be played and we were able to bring to Brazil the two greatest events in the sportive world for 2014 and 2016.

It was a great marketing feat to bring the two events to Brazil and we have to thank our President Luiz Inacio Lula da Silva and the other authorities for this wonderful opportunity but, the major enormous work starts now: to prepare our chosen twelve cities for the World Cup in four years and then to prepare Rio de Janeiro for 2016 Olympics



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Business in Brazil

The Tourism Ministry has been working around the clock with the other areas included, to prepare the logistics of the two events including airports, infrastructure, stadiums, bilingual personnel and a myriad of other details. We have a Tourism Council that assembles in Brasilia every two months to verify and criticize how things are going. We had trips to Germany and South Africa to learn from each country what has to be done so as to do our very best to come out well in the challenge. We are all very enthused at the opportunity we are having to show our country at its very best image.



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Hotel projects for the World Cup and the Olympics

Many of the cities where we will have the World Cup are already well prepared for the event. The magic number that Fifa suggests for the major cities is around 40.000 rooms. São Paulo, where we will have the opening game already has that. The number of hotels being built in Rio will bring the rooms at this moment to over 30.000 rooms. We believe that we will get close to the number necessary in these four years.

Three of our State Bank, including the Development Bank and the Bank of Brazil are opening lines of credit with interest rates below the average of interest rates in Brazil, giving three years to start paying and up to twenty years to pay for the highly sustainable hotels. These lines of credit can also be used for refitting our old hotels and a good number of the existing hotels are preparing to modernise their properties.



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The five stars hotels in the country are few and we need a few more to attract the high end of business that we expect to bring these two events.

To solve the hotel shortage in many cities we could attack some medium cruise ships that will be in the low season in the Caribbean with the beginning of the hurricane season. France and Australia used this device and people were happy with the solution, because they could cruise around between the games of their countries and see a bit more of Brazil.

The other cities besides São Paulo and Rio will not be able to reach the 40.000 rooms, but in all these cities we will be able to use neighboring towns, which can accommodate a lot of people in a pleasant way. All these cities have nice resorts close by.



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Hotel projects for the World Cup and the Olympics

If your people are interested in building new hotels in our towns or refitting some of the existing ones, I can say that there is a lot to be done in the high end of the scale and also on the economy level. Brazil is going through a good moment because the economy is fortunately doing well and of our 200 million inhabitants around thirty to forty million are beginning to travel and enjoying it. We are doing well in most of our cities because our internal market is hot. Like America we have finally realized that our internal market is huge, and we are basically living from it.



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