

São Paulo

YEARBOOK 2012

Outlook

VISITORS' profile

**TOURISTS VISITING SÃO PAULO BEGIN TO
ADD LEISURE TIME TO THEIR WORK SCHEDULE
WHILE VISITING THE CITY**

Tourists

**SEE THE PROFILE OF
THE VISITORS THAT
COME TO SÃO PAULO**

Business

**THE INFRASTRUCTURE
THAT SHELTERS THE CITY'S
FAIRS AND CONGRESSES**

Events

**THE CULTURAL
SPORTING AND BUSINESS
EVENTS IN THE CITY**

Facade of Masp
museum in São Paulo

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WORK AND PLAY IN SP

Business tourism is still the main reason visitors come to the city of São Paulo, but leisure travel is quickly gaining ground. In 2011, 12.5% of the tourists came to the metropolis to relax and have fun, 40% more than in 2009

The year of 2011 was a breakthrough period for tourism in the city of São Paulo. The metropolis received 12.1 million visitors. Airports serving the city recorded an annual surge in passenger of around 13.6% in 2011. Hotels also accounted for an annual average occupancy rate of 69.3%, the highest since 2005.

In 2011, total revenue gained from tourism-related activities in the city was more than R\$ 10 billion. With the increase, the collection of service tax (ISS) of the tourism sector was 26% higher in 2011 than in the previous year, totaling R\$ 200 million in taxes for the municipal coffers. The city recorded 448 thousand jobs in the tourism sector in 2011, up 7% over the previous year.

Business is the main reason that leads tourists to visit São Paulo, followed by participation in fairs and events. One of the favorite leisure options of the foreigners is eating out and Brazilian tourists how more interest in shopping. Most visitors are under 49 years of age, are male and have a high education level. In the near future, the city will host the 2014 World Cup.

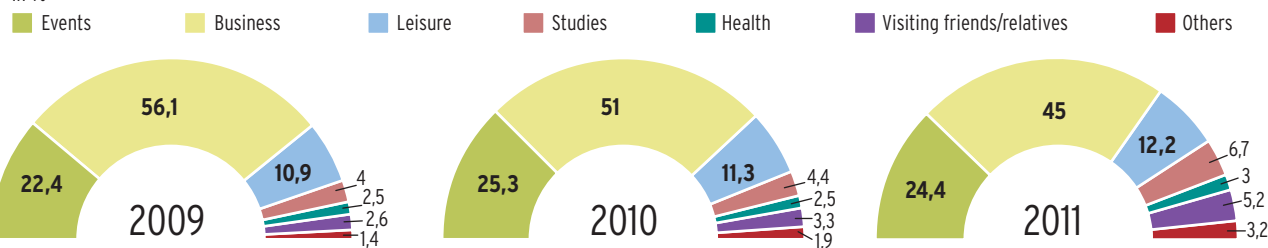


PAULO FRIDMAN/CORBIS

Marginal Pinheiros skyline, west end of São Paulo: the forecast is that 16.5 million tourists will visit the city in 2020

1 OUT OF EVERY 4 COMES TO SP TO PARTICIPATE IN EVENTS

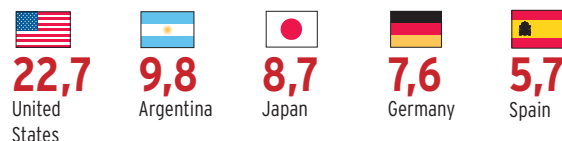
In %



Where the local tourists come from*



Where the international tourists come from*



* second half of 2011

THE VISITORS' PROFILE

The tourists that come to the capital are extending their stay, spending more money and have more time to have fun, seek medical treatments and do courses

Outsiders

FOREIGNERS SPEND MORE AND MORE TIME IN THE CITY

The amount of overnight stays of foreign visitors has increased in São Paulo since 2009. The average was nearly five in 2011 compared to 4.2 overnight stays in the previous year and 3.7 in 2009. The total of foreign tourists staying in São Paulo hotels jumped from 8.9% in 2009 to 17.6% in the second half of 2011. Foreign tourists visiting the city spend less than Brazilians: they have daily expenses in the city of R\$ 465 while Brazilians spend around R\$ 570 a day.

For 58% of the visitors, the main reason for the trips is business. Participation in fairs and events comes in second with 21%. When the tourists decide to spend a few extra days in the city, work is the main reason claimed by 41% of the tourists.

During their free time, the visitors shop, eat out and enjoy São Paulo's night life. Among the foreigners who stayed in the city in the first half of 2011, 59% came from North America and Europe. Most of the tourists, around 31%, are Americans and Argentines come in second. Most tourists who come to the city stay at hotels and flats

Brazilian visitors

LOCAL TOURIST EXTENDS STAY FOR LEISURE PURPOSES

Most Brazilian tourists who visit São Paulo come for work. Visitors coming for work or to attend trade shows and corporate events account for almost 67% of the total. But when they decide to stay in the capital for a few more days, the main motivation for the extra day is not work. Among those who extend their stay, 52% want to enjoy the leisure and entertainment options of the capital city or just want to shop. A total of 30% of the tourists stay longer for business purposes.

Among Brazilian tourists, São Paulo residents rank at the top of the visitor's list. Residents of the cities of Campinas, Ribeirão Preto and Sorocaba are those who most visit the capital. Among other Brazilian States, Rio de Janeiro heads the list of tourists, followed by Minas Gerais, Paraná and Rio Grande do Sul. Those who stay longer in the city want mostly to shop, eat out and enjoy the nightlife of the capital. Still others enjoy the free time to stroll in parks, museums and historical centers. Brazilians are spending more and more in São Paulo. In 2009, every traveler spent on average R\$ 350 a day. This amount rose to R\$ 400 in 2010 and reached R\$ 570 in 2011.

A survey conducted in 2011 with Brazilian passengers at the International Airport of São Paulo in Guarulhos showed that the most well rated services in the city of São Paulo were cuisine, shopping and cultural attractions and entertainment. According to the survey done at the airport, the main means of accommodation for tourists is the hotel, however staying at the homes of relatives and friends is also common among domestic visitors.

The reason for not staying longer in São Paulo is no spare time – more than 65% - in both segments (Brazilian and foreigner tourists).

Health reference

CUTTING-EDGE MEDICAL SERVICES ATTRACT TOURISTS

The city's extensive medical infrastructure has attracted increasingly more visitors in search of medical opinions or specialized treatment. In the first half of 2011, 3.4% of the tourists traveled to São Paulo for health reasons. In 2009, these patients represented 2.1% of the total amount of visitors, up 62%.

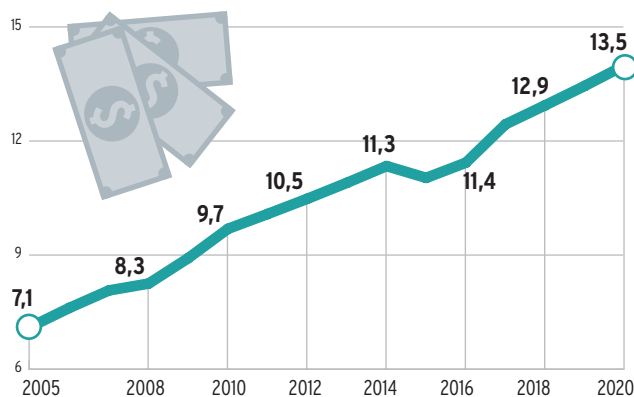
Brazil receives annually about 31 thousand foreign tourists seeking medical treatment and nearly half go to the state capital. The foreigners come mainly from Angola, the United States, Spain, France and Indonesia. Besides having high-quality care, it is more advantageous for those coming from abroad to pay for the treatment in reais than in dollars or euros.

The average daily expense of the tourists in this segment was R\$ 623, up 54% over the average visitor who comes to town for other reasons. With an average stay of 3.5 nights, the amount disbursed in the period reaches R\$ 2.180. With 2.5 thousand health clinics and 50 thousand physicians, São Paulo is an international benchmark in important medical areas. The visitors look for cutting-edge laboratories, advanced technology services and specialist clinics for visits, medical procedures or just for a simple checkup. The highlights are the treatments of heart disease and plastic surgery, among other branches of high complexity. The hospital sector has front-line services and there is an extensive diagnostics network at the disposal of the patients.

In addition to the vast medical infrastructure, the visitors also enjoy the tourist options of the city. Research indicates that the secondary activities of health-oriented tourists in the city are shopping and dining. São Paulo is also seeing the expansion of the "day-hospital" concept.

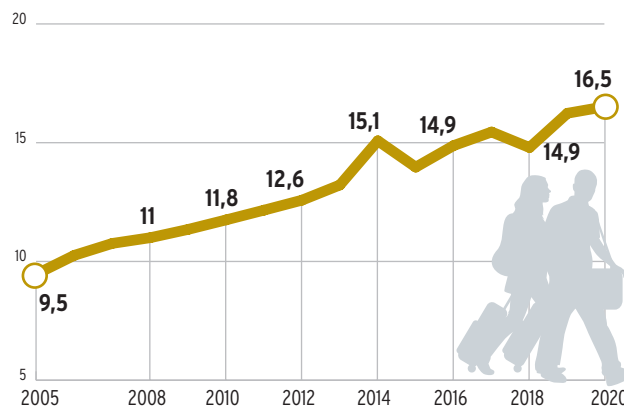
GROWTH OF TOURIST REVENUE

In billion reais



INCREASING VISITORS

In millions of tourists



Sports and culture

MEGA EVENTS BRING MEGA CROWDS TO THE CAPITAL

In addition to business and fairs, São Paulo has attracted more and more visitors interested in the highlights of its sports and culture agenda. Great shows, concerts and attractions, such as the Grand Prix of Formula 1 and the São Paulo Gay Pride Parade also attract tourists to the capital. Sports events attract an audience that is predominantly male, older, earns more and spends more and stays in hotels. Among the spectators of the F1 Grand Prix, for example, held in 2011, 47% had university degrees and 27% reported an income between 10 to 15 minimum wages. The average amount spent on the trip was R\$ 1,612 and 74% stayed at hotels or flats.

In 2011, November was the month that recorded the best occupancy rate in the hotel sector, 75.6%. Part of this result is attributed to mega events such as the Brazil F1 Grand Prix, which gathered 144 thousand spectators and the Duas Rodas auto show, which attracted 255 thousand visitors. The audience that comes to concerts is younger, made up largely of students from 18 to 24 who have a lower income. At the concert of the band Red Hot Chili Peppers, for example, 49% were students, with an average expenditure of R\$ 448. The number of foreigners attending concerts in the city is not very significant and visitors from cities nearby or from neighboring states prevail. In sports events as well as in concerts, the average stay is three nights in the city.

São Paulo is one of the host cities of the World Cup and is expected to receive 15 million tourists in 2014. Among the foreigners, more than 90% claimed that they would like to return to São Paulo to watch the games. São Paulo is investing in infrastructure, such as the expansion of airports, road works and hotels.



LULUDIALUZ



Football Museum at the Pacaembu stadium, west end: World Cup is expected to bring 14 million tourists to the city

Lodging

THE HOTEL NETWORK REGISTERS A RECORD OCCUPANCY RATE

The hospitality industry of São Paulo reached a 69% occupancy rate in 2011, up 1.4% over the average recorded in 2010, and it was also the highest since 2005, when it reached 58%. The city of São Paulo has more than 410 hotels, 68% of them are mid range, 24% are economy and 8% fall into the luxury category. The average price per room in 2011 was R\$ 319.

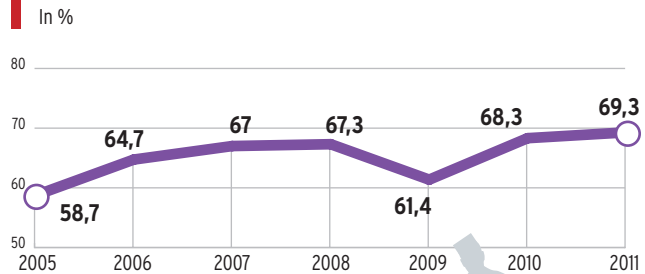
In the city, large international chains such as Hyatt, Sheraton and Hilton fight for customers with exclusive and luxury options, such as Fasano, Emiliano and Unique. Besides offering nearly 42 thousand rooms, hotels in São Paulo have an efficient structure to house conventions. Out of a total of 390 hotels and flats, 194 of the establishments have areas for events, totaling 939 rooms.

An important indicator to show the growth of the tourism sector is the collection of Service Tax (ISS), a municipal tax on activities of companies and independent professionals. The total collected by the group that includes the tourist areas in 2011 was R\$ 199.6 million, an increase of 25.7% as compared with 2010. The amount corresponded to 2.5% of the total of ISS collected in the year by the municipal administration.

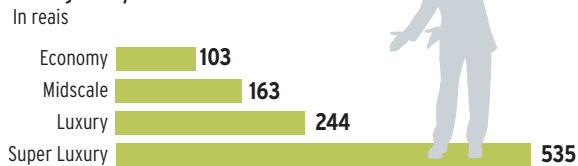
The largest concentration of rooms is in the downtown area and in the west and south section of São Paulo. The north section also has a high occupancy rate.

Another lodging option in the city are the hostels, which recorded an average occupancy rate of 64% in 2011. The city has 23 hostels that charge on average R\$ 41 per room. A survey conducted at the Tourist Information Centers (CITs) traced the profile of tourists who choose to stay with friends and relatives. Most are women, under 40, coming from several Brazilian cities, mainly São Paulo.

GREATER HOTEL OCCUPANCY



Average daily values in 2011



Entertainment

LEISURE TRAVEL IN THE CITY INCREASED 40% IN TWO YEARS

São Paulo is known as a hub for business and events, but the tourist profile has changed. In the first half of 2009, 9% of the visitors came to São Paulo for leisure purposes. Two years later, this figure jumped to 12.5%, up 40%. Over 30% of tourists who plan to spend more time in São Paulo decide to stay for leisure reasons.

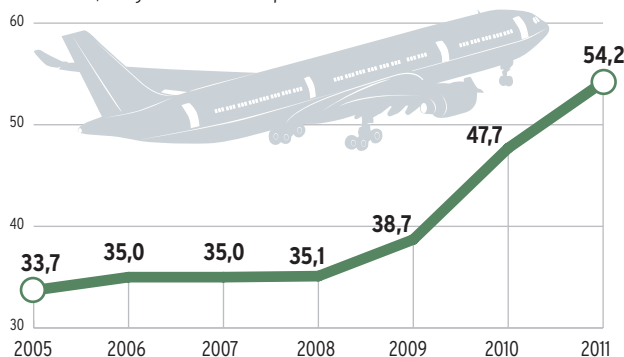
An official city tour has started to be set up in 2012. The route will have nine main attractions: Luz, Market Hall, República, Pacaembu Stadium, Paulista Avenue, Ibirapuera, Liberdade, the College Courtyard and the Municipal Theater. São Paulo is not only the biggest economical center. It is the capital of culture, fashion and entertainment.

INCREASING CHANGE

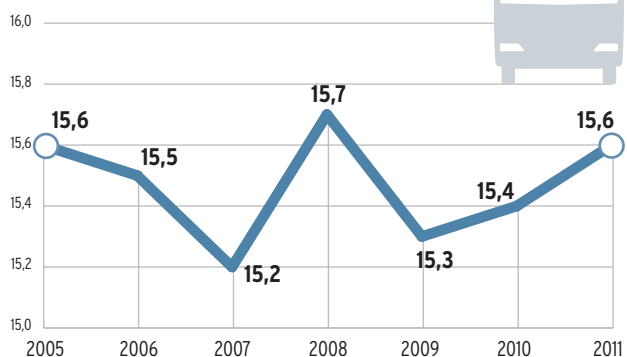
In millions of passengers

Airports

Cumbica, Congonhas and Viracopos



Bus terminals





Installation at store in Oscar Freire street in the city's west end: São Paulo has 59 specialized shopping streets

What brings tourists to SP

BUSINESS AND EVENTS ARE THE REASON 70% OF THE VISITORS

The main reason for visitors to come to São Paulo is work. Business is listed first, at 45%, among the reasons to visit the state capital. Secondly, are the fairs and events, with 24.4%. In addition to concentrating the largest companies in Brazil, the capital city has a vast network of hotels, good restaurants and the infrastructure to host large corporate events.

The city has 2.5 million square meters of exhibition area for the lease and has a multitude of service providers for the organization of conventions. São Paulo is home to 75% of the Brazilian fair markets. The capital records the performance of 90 thousand events per year, generating nearly R\$ 4 billion in revenue. In São Paulo, an event is held every six minutes, which makes the city the 12th destination in the world for international events.

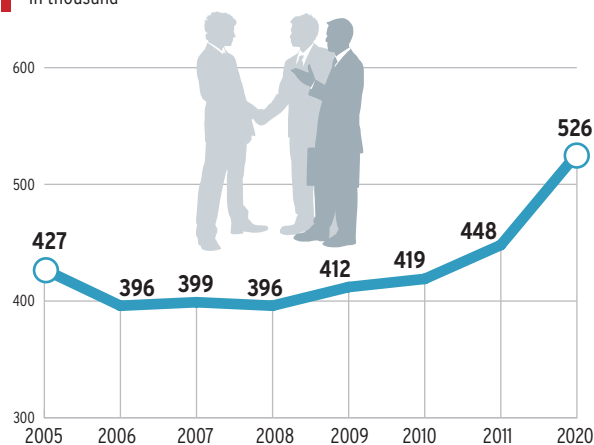
The city launched in 2012, the website Mice São Paulo - Meetings, Incentives, Conventions and Exhibition (www.cidadedesaopaulo.com/mice), which brings together more than 200 areas for events in the capital. The purpose of this tool is to help companies find locations for conventions and trade shows.

A law was enacted in 2012 establishing the Expo-SP Park Event, a complex for large events in the neighborhood of Pirituba in the western zone of the city. The area will include a fair and exhibition pavilion, a convention center, a shopping center, a business center, hotels and of-

fices. The creation of a hub to launch São Paulo as the host city of the 2020 Universal Exhibition, Expo 2020, is strategic. If the city is chosen, it will be the first time that the event will be held in Latin America. The complex covers an area of five million square meters, four times larger than the Anhembi Park, currently the largest in Latin America.

TOURISM EMPLOYS MORE

In thousand





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