

Latin American Cities Still Hotspots for International Travel

A MasterCard study of 132 cities and their expected international visitor traffic and spend projects positive growth for Latin American cities including Mexico City, Buenos Aires and Sao Paulo in 2013.

Today, in launching its third annual Global Destination Cities Index, a ranking and forecast of international visitor arrivals and their spend in top destination cities, MasterCard announced that ten top Latin America destination cities should be receiving 15.4 million international visitors in 2013. These visitors are estimated to spend US\$ 14.7 billion throughout the year, over half of this spend will be in just three cities: Sao Paulo, Buenos Aires and Mexico City.

Topping the rank as top destination city in the region in terms of international visitor arrivals is Mexico City with 3.1 million international visitor arrivals estimated for 2013, followed by Buenos Aires (2.6 million), São Paulo (2.4 million), Lima (1.8 million), San Jose (1.4 million), Rio de Janeiro (1.4 million), Bogota (0.9 million), Montevideo (0.7 million), Quito (0.6 million) and Caracas (0.5 million).

The lineup of top ten destination cities in Latin America for 2013 has minor differences from 2012. However, according to Dr Yuwa Hedrick-Wong, Global Economic Advisor for MasterCard and author of the report, the rank will likely change in upcoming years as certain cities are growing faster than others. "Lima is gaining traction as the fastest-growing city in terms of international visitor arrivals at 12.7 percent, followed by São Paulo at 10.7 percent in 2013. Extrapolating from the average annual growth rates between 2009 and 2013, São Paulo could surpass Mexico City and Buenos Aires in 2017 and Lima could overtake Buenos Aires in 2018," he concludes.

Lima and Rio de Janeiro are also amongst the top 20 global destination cities with the fastest growth rates in international visitor arrival over a four year span (2009 – 2013), with 79.7% and 59.6% growth respectively.

In this third edition of the Index, results show that although Mexico City was ranked number one in terms of international visitors, it's not where visitors will spend the most. Sao Paulo ranked number one in terms of international visitor spend (bumping Buenos Aires from the top spot in 2012) with an estimated US\$ 2.9 billion versus US\$2.2 billion for Mexico City.

Where are Latin Americans traveling to?

The study indicated that Latin Americans are travelling mostly to the United States. Miami is expected to receive 992,000 visitors from São Paulo, Caracas and Buenos Aires throughout 2013. Also, during 2013, travelers from São Paulo only should be spending US\$941 million in Miami.

New York will receive an estimated 733,000 visitors from Sao Paulo and 393,000 from Buenos Aires in 2013, with an estimated spend of US\$ 2.4 billion. Sao Paulo and Buenos Aires are amongst the top five origin/feeder cities for New York, ranking 3rd and 5th respectively.

The MasterCard Index of Global Destination Cities ranks cities in terms of the number of their total international visitor arrivals and the cross-border spending by these same visitors in the destination cities, and gives visitor and passenger growth forecasts for 2013.

LAC rankings for the 2013 Global Destination Cities Index

Topping the charts as destination cities from the region by international overnight visitors are: 1) Mexico City, Mexico; 2) Buenos Aires, Argentina; 3) São Paulo, Brazil; 4) Lima, Peru; 5) San Jose, Costa Rica; 6) Rio de Janeiro, Brazil; 7) Bogota, Colombia; 8) Montevideo, Uruguay; 9) Quito, Ecuador; and 10) Caracas, Venezuela.

The top five origin cities for top Latin America destination city, Mexico City, are all in the United States: 1) Miami (324,000 visitors); 2) New York (301,000 visitors); 3) Los Angeles (284,000 visitors); Houston (223,000 visitors); and 5) Dallas (211,000 visitors).

The top ten destination cities in Latin America by international visitor spend are: 1) São Paulo, Brazil; 2) Buenos Aires, Argentina; 3) Mexico City, Mexico; 4) Rio de Janeiro, Brazil; 5) Lima, Peru; 6) San Jose, Costa Rica; 7) Bogota, Colombia; 8) Caracas, Venezuela ; 9) Montevideo, Uruguay; and 10) Quito, Ecuador.

Worldwide highlights and analysis of the 2013 Global Destination Cities Index:

A noticeable trend in this year's report was the dominance of the Asia/Pacific region. Of the 132 cities ranked, 32 are Asian countries. Bangkok is followed by Singapore, Kuala Lumpur, Hong Kong, Seoul, Shanghai, Tokyo, and five of the top 10 in 2013 are in the Greater China region.

New number one: Bangkok is 2013's top destination city by international visitor arrivals as it surpassed London by the slimmest of margins. This is the first time an Asian city is in the top rank since the Index was launched in 2010. London is now followed by Paris, Singapore, New York, Istanbul, and Dubai. Paris retains its number three ranking, but is the only destination city among the top 20 that shows a decline in the estimated number of international visitor arrivals, by -0.7 percent in 2013. Istanbul and Dubai show the strongest growth (along with Bangkok) in their arrival numbers by 9.5 percent and 10.9, percent respectively. With the exception of Bangkok assuming the number one ranking, the lineup of the global top 20 in 2013 is the same as in 2012.

Cities to watch: A closer analysis of the global top five destination cities from 2010 to 2013 with regard to growth rates offers some tea leaves for future indices. If all top 10 destination cities maintain their current rates of growth in the next few years, then by 2016 Istanbul will surpass Singapore, New York and Paris in terms of international visitor arrivals; and Dubai will similarly surpass Singapore and New York in 2016 and Paris in 2017.

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