



Chile: Travel & Tourism Industry

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Summary

The U.S. is the most attractive destination for Chilean travelers because of its excellent tourism infrastructure, shopping, entertainment, and recreational activities, including beaches and family attractions. Chileans travel to the U.S. for vacation, business, school, and to visit relatives, and numbers are gradually increasing. Most competition with U.S. for vacation destinations comes from Latin American countries and Europe.

Market Demand

International travel is steadily increasing due to Chile's growing economy and rising standard of living.

The peak travel season for Chileans, representing 30 percent of travel, are the months of January and February (Chile's summer season.) July and September (winter and spring school break, respectively) are also busy travel times. Latin American countries remain the main alternate destinations for Chileans due to lower travel and living costs.

Although a strong Chilean peso vis-à-vis the U.S. dollar should attract more Chilean leisure travelers to the U.S., visa requirements and security measures continue to limit the number of Chileans that can enter.

Market Data

Total outbound travel from Chile rose by 9% between 2004 and 2005, while market share for different regions remained almost the same. Latin American countries captured 70 percent of total travelers, with almost half of that being travel to Argentina, the bordering country. The U.S. remains the second biggest destination for Chilean travelers, totaling 270,085 in 2005 and representing 12 percent of total travel compared to a 10 percent share for Europe. Travel to the U.S. has been increasing steadily by about 2.5% per year.

Travel purchases are tracked through the Billing and Settlement Plan (BSP), reporting and remitting procedures of IATA Accredited Passenger Sales Agents. For more information, please visit <http://www.iata.org/worldwide/bsp.htm>.

Chile's Outbound Travel (in thousands of travelers)

| | 2004 | 2005 | 2006 (est) |
|---------------------------------|-------|-------|------------|
| Total Outbound Travelers | 1,801 | 1,976 | 2,168 |
| Travelers to the U.S. | 142 | 270 | 277 |

(Source: [Junta de Aeronáutica Civil](#), Civil Aviation Board)

*Main Destinations for Chilean Travelers**

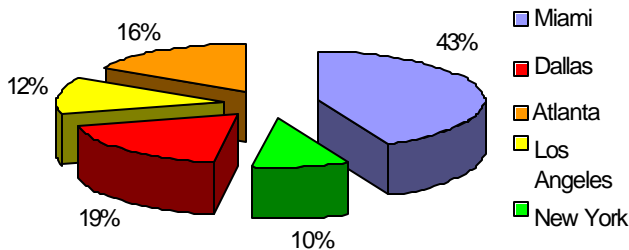
| | 2004 | 2005 | 2006 (est.) |
|------------------|---------|---------|-------------|
| Argentina | 554,786 | 610,264 | 646,879 |
| USA | 263,312 | 270,085 | 276,837 |
| Europe | 242,196 | 261,901 | 263,994 |

Source: [Junta de Aeronáutica Civil](#) (Civil Aviation Board)

* Data collected from Junta de Aeronautica Civil represents the totals of all outbound airline travel from Chile.

Best Prospects

Popular U.S. Destinations for Chilean Travelers



Source: Sematur

Top travel destinations in the U.S. are Miami and Orlando, due to their reputation for recreational activities.

Popular activities for Chilean visitors to the U.S.

| | |
|-------|--------------------------------|
| 60.9% | Shopping |
| 22.7% | Dining in Restaurants |
| 11.1% | Visiting Amusement/Theme Parks |
| 1.8% | Touring Countryside |
| 1.5% | Sightseeing in Cities |
| 1.2% | Visiting Historic Places |
| 0.8% | Other |

Department stores, restaurants, and theme parks can benefit from their popularity with Chilean tourists.

Key Suppliers

- Latin American countries are the main competitors as travel destinations, mainly due to distance, language, and low cost of living and travel.
- Central America is a traditional destination for Chilean tourists attracted by its colorful cities, cultural charm, and Spanish language.
- The Caribbean competes due to its excellent beaches and weather year round, and “all-inclusive” resorts and tourist packages, which are very popular among Chilean families.
- Europe has always had a demand, however, it has become more accessible price wise.
- The two latest trends are Eastern European getaways to destinations like Sofia, Bucharest, Prague, Budapest, Cracovia, Varsovia, and Croatia along with exotic vacations to Tahiti, Kenya, India, or Egypt.
- The Air Canada service from Chile, launched November of 2003, has facilitated travel to Canada. The number of Chilean travelers to Canada has increased 557% since its inception, from 1,355 in 2003 to 7,560 in 2005.

Prospective Buyers

The profile of the Chilean traveler includes those who are vacationing (~55%), doing business (~30%), visiting relatives (~5%), and studying or training (~10%). Increasing numbers of Chilean students and professionals travel to the U.S. to learn English or obtain post-graduate degrees.

Profile of Chilean Travelers to the U.S.

Vacation

- Chilean vacation travelers include entire families, couples, honeymooners and single travelers.
- When traveling with the entire family, Chileans prefer to stay at apartment suites or facilities with a full kitchen. In general, families use rented cars (large car or van) as means of transportation during their stay.
- Single travelers and couples look for well-located hotels, close to attractions, restaurants and shopping malls.
- Florida remains the top U.S. destination for Chilean families.

Business

- Typical business traveler is a corporate manager or entrepreneur who prefers to fly business class and stay at nice and well-located hotels.
- Main destinations are Miami, Los Angeles and New York.
- In general, business people have their company make all travel arrangements through travel agencies, including airline tickets, hotels, and other reservations.

Studying and Training

- Students, between 15 and 24 years old, travel to the U.S. during the Chilean vacation period to learn English. Young Chilean graduates attend U.S. colleges to obtain post-graduate degrees.
- Professionals from multinational companies travel to their headquarters to attend training courses.
- Young Chilean students, between 18 and 27 years old, travel to the U.S. as temporary workers in ski centers, hotels, resorts and attractions during the summer vacation period from December to February.

Visiting Friends and Relatives

- Chilean travelers visiting friends and relatives usually stay as guests in their homes.
- Most of the traveling information for their trip is obtained either from their families and/or friends in the U.S. or through the Internet.
- Final travel arrangements are usually done with travel agents, although the Internet is presently providing increased competition.

Market Entry

In general, Chilean wholesalers work with U.S. wholesalers. However, sometimes they make exclusive agreements with airlines, hotels, cruise and other in order to access more convenient rates when preparing a specific package.

U.S. suppliers must do business through local wholesalers and tour operators or assign a local representative, who will promote their products and services to the travel agencies. In addition, U.S. suppliers should support their local representatives by participating in local trade shows and investing in advertisement in specialized magazines and organizing family trips for members of the press, tour operators and travel agents.

U.S. suppliers that are members of the Visit USA Committee Chile, the association that promotes tourism exclusively to the U.S., can participate in the events they organize throughout the year, giving them a permanent presence in the market. (Contact visitusa@visitusa.cl.)

Market Issues & Obstacles

The main barrier to traveling to the U.S. is the high cost and long process to obtain a visa. The cost of the visa is US\$ 100 per person plus approximately US\$ 25-50 for each visa procedure. Both fees are non-refundable if the visa is denied. The average time to process a visa during the peak season is 60-90 days.

Trade Events

The best promotional opportunities for U.S. tourism industry are the following:

- Achmart - Visit USA Road Show to Concepción, Viña del Mar and Santiago on April 25-26-27, 2006 (www.visitusa.cl)
- International Tourism Show held every year. In 2006, the dates are November 30 – December 2. (www.achmart.cl)
- Visit USA Training Seminars for Travel Agents. Every month a training seminar is hosted at the U.S. Embassy, organized by the Visit USA Committee and CS Santiago, to train travel agents in specific topics (non-traditional destinations, car rentals, hotel reservations, etc.) Panelists are only members of the Visit USA Committee.

Companies interested in participating in these shows may contact Isabel.Valenzuela@mail.doc.gov.

Resources & Key Contacts

- Visit USA Committee Chile: www.visitusa.cl
- Tourism Wholesalers Association, ACHMART: www.achmart.cl
- National Tourism Agency: www.sernatur.cl
- Travel and Tourism Leader, Tony Michalski: tony.michals@mail.doc.gov
- Civil Aviation Board: www.jac-chile.cl

For More Information

The U.S. Commercial Service in Santiago, Chile can be contacted via e-mail at: Isabel.Valenzuela@mail.doc.gov; Phone: (+56 2) 330-3705; Fax: (+56 2) 330-3172 or visit our website: www.buyusa.gov/chile.

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