



**CONAPRI**  
Consejo Nacional de Promoción de Inversiones



# TOURISM

*Executive Resume*

Caracas, January 2007

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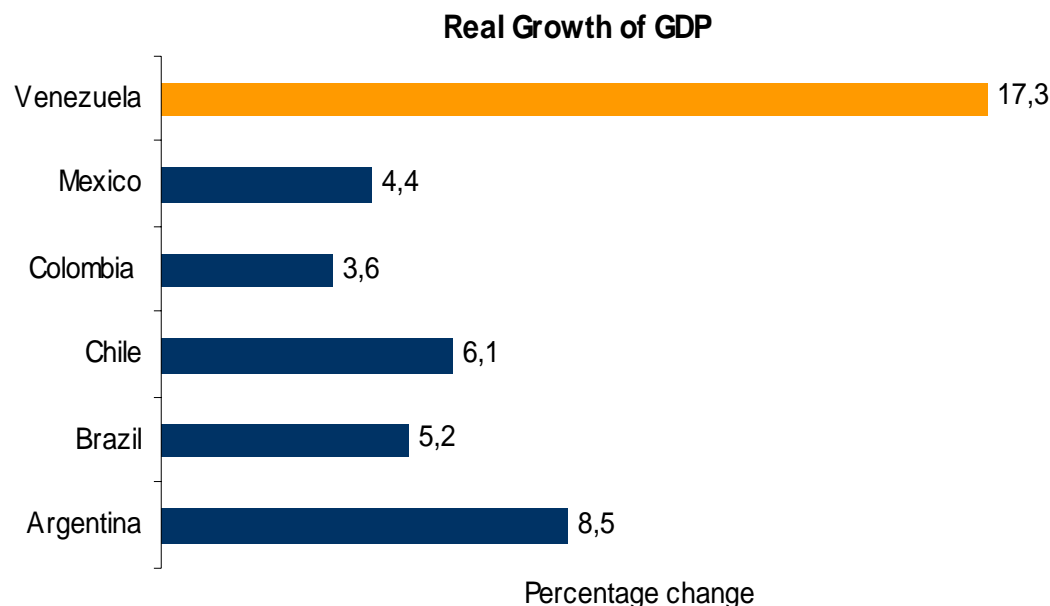
# COUNTRY PROFILE

*and legal framework*

- No restrictions to participation of private capital, whether foreign or domestic, except in the case of iron, a sector reserved for the state.
- Freedom of repatriation of capital and earnings, following compliance with requirements governing purchase of foreign exchange.
- Signing of international treaties for protection and promotion of foreign investment.
- Value Added Tax exemption for imports of goods and services during the pre-operational stage of mining projects geared towards exports.
- Geographical location favoring access to main markets.
- Participation in a variety of commercial integration arrangements: Andean Community, G-3 and CARICOM, among others.

(\*) Venezuela has given notice of termination of the G-3 Agreement. Customs Preferences will be maintained for at least six (6) months.

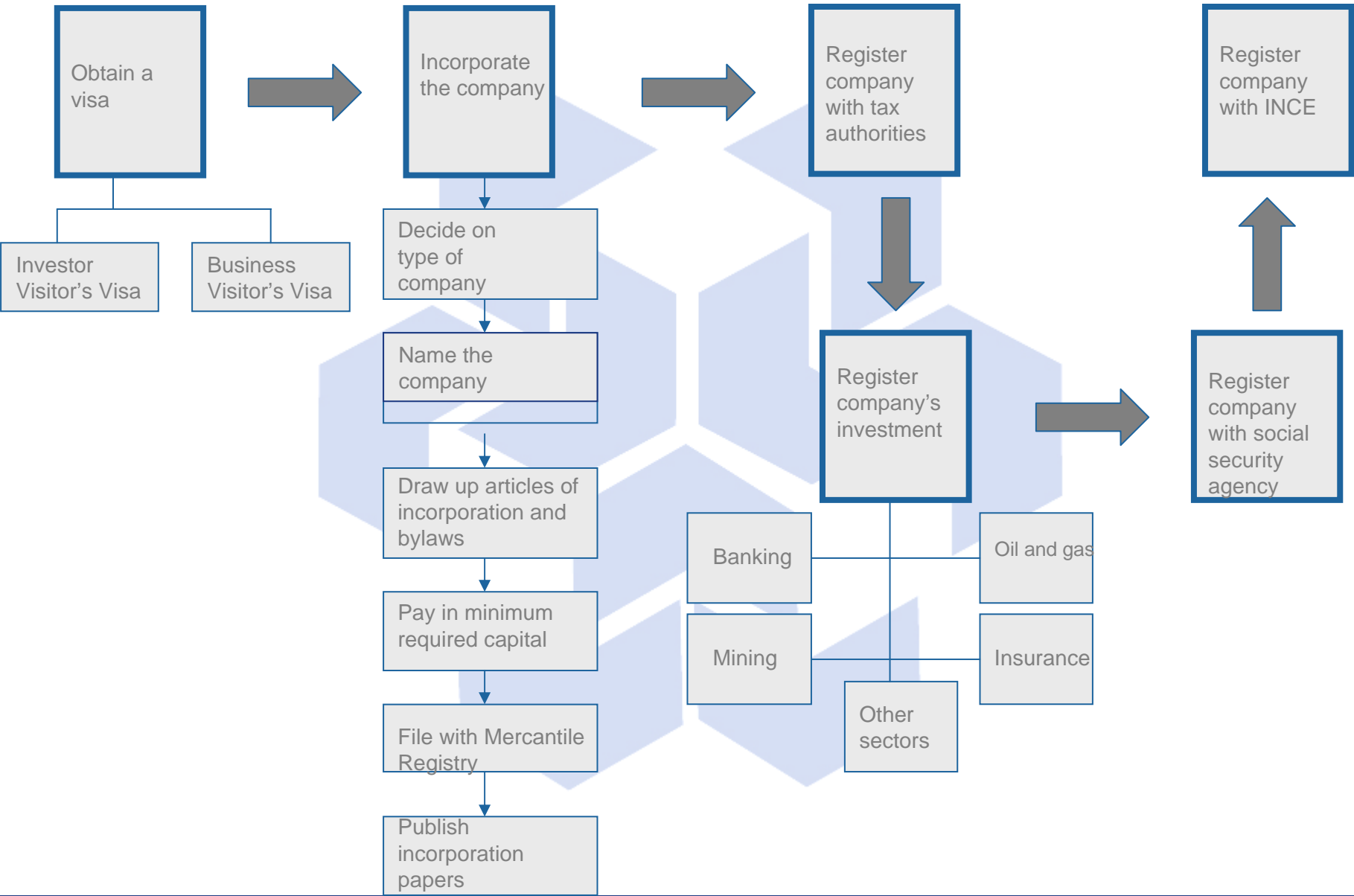
(\*\*) Venezuela has withdrawn from the CAN. Customs Preferences are to be maintained for five (5) years.



- In the past two years, Venezuela has been one of the countries whose economy has demonstrated a high rate of recovery, becoming first country in the world in terms of domestic growth during that period.

- The recovering is reflected on the consumption of the Venezuelan, where food reaches 52% of total consumption.

Source: Yearbook 2005. Institute of Management Development (IMD).





# TOURISM

*around the world*

## Favorite tourist destinations - 2004 In millions of visitors and billions of dollars

Destination	International Tourist arrivals
FRANCE	75,1
SPAIN	53,6
UNITED STATES	46,1
CHINA	41,8
ITALY	37,1
UNITED KINGDOM	27,7
HONG KONG (CHINA)	21,8
MEXICO	20,6
GERMANY	20,1
AUSTRIA	19,4

In millions of visitors.

Source: World Tourism Organization (WTO).

Destination	Income Inter-national tourism
UNITED STATES	74,4
SPAIN	45,2
FRANCE	40,8
ITALY	35,7
GERMANY	27,7
UNITED KINGDOM	27,3
CHINA	25,7
TURKEY	15,9
AUSTRIA	15,4
AUSTRALIA	13,0

In billions of dollars

Source: World Tourism Organization (WTO).

**France remains in the lead as the most visited country in the world, followed by Spain and the United States. The most meaningful change in ranking was that of China, a country that climbed from 5th to 4th place (recovering fully from the impact of the SARS virus). As for earnings, the top three destinations also lead in income, although in reverse order. Australia closed the list of the top 10 in 2004**

- All regions show favorable results for income from international tourism, with Europe and the Americas standing out as destinations that achieved good performance following three slack years. The rise in income in the Americas is due mainly to recovery in North America, where tourism grew approximately 13%.
- The subregion showing the most rapid growth was northeastern Asia (+30%), followed by the Middle East (+22%).
- According to the World Tourism Organization (WTO)'s publication *World Tourism Barometer* for June 2005, although demand has shown considerable recovery in terms of volume, spending has not followed suit, especially in Europe, and in Asia and the Pacific. This is the result of a growing trend towards travel involving shorter stays. In recent years, the boom in low air fares has contributed considerably to this process, opening new routes and offering, in addition to lower prices, fewer restrictions regarding length of stays.

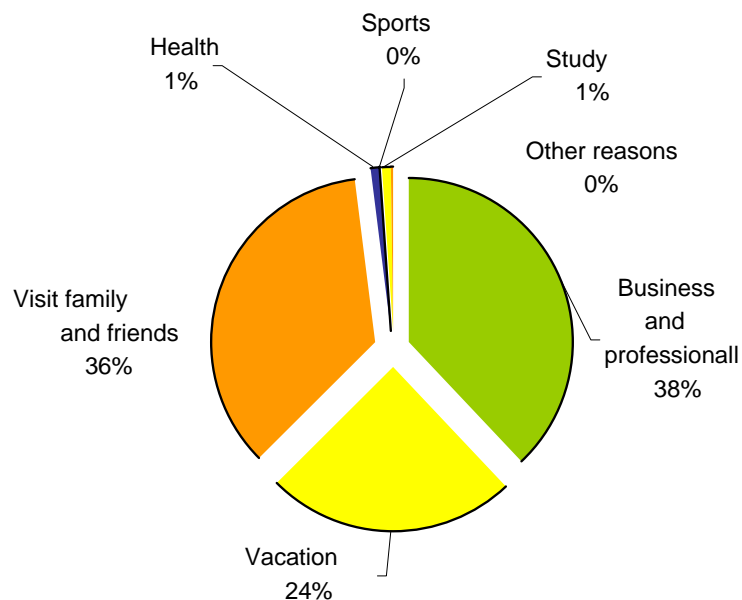


# VENEZUELA

- The main tourism centers are located in Miranda, Nueva Esparta, Bolívar, Anzoátegui, Falcón and Mérida states.
- The principal segments of the tourism business in the country are sun and beach, nature, and business.
- Many of the major international chains of hotels are present in Venezuela. Travelers leaving from the country's international airports will find flights to all the major destinations in the world.
- Unlike domestic tourism, there is no set season for travelers from abroad. The flow is constant all year 'round, especially in the case of Margarita Island.
- Approximately 50% of visitors to Venezuela come primarily for business; their main destinations are Caracas, Maracaibo, Puerto Ordaz, Valencia, Barquisimeto and Maturín.
- Insofar as government support is concerned, tourism is one of the major sectors included in the plans for economic development of the countr.
- The Ministry of Tourism is currently implementing its Tourism Strategy Plan, where 7 poles of development have been identified.

## Tourist arrivals by main purpose of visit - 2005

In number of tourists



**The main reason drawing visitors to Venezuela is business or professional; followed by vacations, a category that grew 119.4% in comparison with 2004**

Main purpose of visit	2004	2005 (p)	Var (%) 05/04
Business and professional	181.595	268.610	47,92
Vacation	162.806	172.259	5,81
Visit family and friends	114.487	251.188	119,40
Health	5.031	6.239	24,01
Sports	3.913	924	-76,39
Study	3.138	4.544	44,81
Other reasons	15.431	2.339	-84,84
<b>TOTAL</b>	<b>486.401</b>	<b>706.103</b>	<b>45</b>

(p): preliminary figures.

In number of tourists.

Source: Ministry of Tourism. Office of Vice-Minister for Tourism Services; General Statistics Office.

## Household domestic tourism survey General Summary. First half 2004

Indicators	Category	%
No. of Trips by Household	0	72,80
	1	16,39
	2	5,32
	3	2,39
Main Purpose of Trips	Leisure, recreation, vacations	41,28
	Visit family and friends.	38,50
	Business and Professional	9,40
Age Groups	25 to 44 years	37,20
	Under 15 years	27,20
	15 to 24 years	16,80
Sex	Male	49,30
	Female	50,70
Type of Lodging Used	Homes of Family or Friends	60,40
	Hotel	6,50
	Rented Home	7,50
Type of Transportation Used	Bus	43,20
	Private vehicle	40,30
	Taxi	9,10
Services Used	Food and Beverages	30,40
	Shopping	19,90
	Transportation	16,60
General Rating of Tourist Activity in Venezuela	Good	39,50
	Average	38,60
	Very Good	12,10

Average spent per night's stay	Average spent per stay	Average length of stay (nights)
22.869,00	106.587,70	4,7

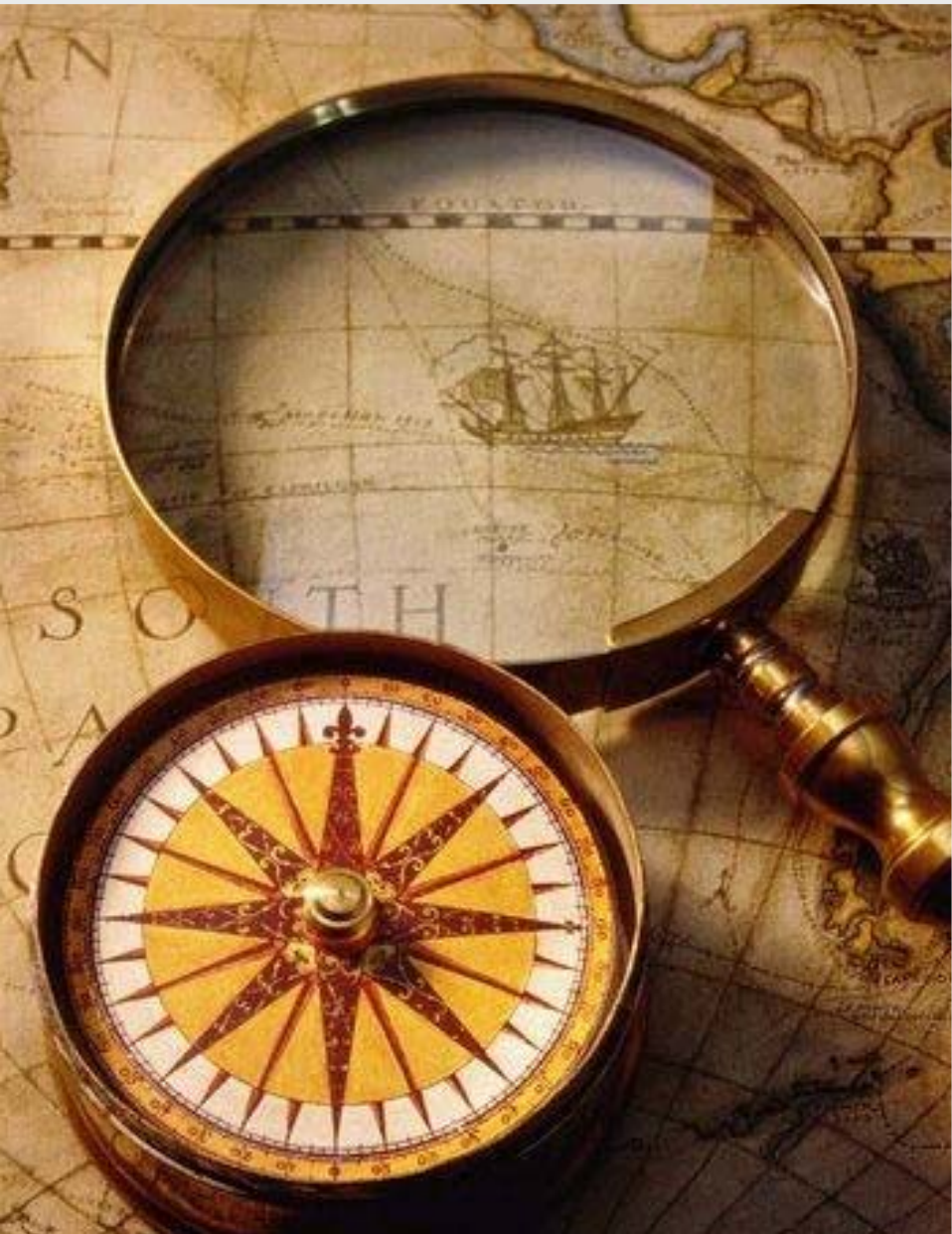
In percentages and bolivars.

Source: Ministry of Tourism. National Statistics Institute. Central Bank of Venezuela .



# NATIONAL INFRASTRUCTURE FOR TOURISM

- Venezuela has one of the largest road networks in Latin America, with a total of more than 86,000 kilometers of roads, 4,000 kilometers of which are thruways.
- The major international car rental companies have agencies in the country.
- Public transportation in cities is provided by bus companies and cooperatives that own taxis, passenger vans as well as small and large buses.
- Caracas has a subway system, the Metro de Caracas, which is currently being expanded to serve additional areas in the Caracas metropolitan area. This same company also runs the *Metrobuses*, buses that provide above-ground transportation to areas where there is no subway service. Plans are also underway for construction of subways in Maracaibo and Valencia.
- Trolleybuses, urban transport units propelled by electricity, are scheduled to begin providing ground transportation in Mérida by mid-2005.
- For city-to-city transportation, there are a number of private companies that cover the different routes with modern buses, at competitive prices.



## **Web page**

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