5. TOURISM

#INVESTINGGUATEMALA

Industry in Guatemala
## General information of the country

<table>
<thead>
<tr>
<th>Capital City</th>
<th>Guatemala</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency</td>
<td>Quetzal</td>
</tr>
<tr>
<td>Exchange Rate (2013)</td>
<td>1 US$ = 7.86 quetzales</td>
</tr>
<tr>
<td>Official Language</td>
<td>Spanish</td>
</tr>
<tr>
<td>Population</td>
<td>15,438,384</td>
</tr>
<tr>
<td>Labor Force (2013)</td>
<td>5.9 Million</td>
</tr>
<tr>
<td>GDP (2013)</td>
<td>US$53.8 Billion</td>
</tr>
<tr>
<td>FDI inflows (2013)</td>
<td>US$1.3 Billion</td>
</tr>
<tr>
<td>Exports (2013)</td>
<td>US$10.0 Billion</td>
</tr>
</tbody>
</table>

Source: Bank of Guatemala and National Institute of Statistics
Guatemala is a country with all the features to achieve first-world tourism. It has places with unique views, hotel infrastructure, roads, space to practice extreme sports and the most privileged weather of the region. “The Land of Eternal Spring” had in 2013 a total of 2,000,126 international visitors and achieved a growth of 2.5% compared to 2012. In addition, the country received around US$ 1.48 billion in expenses made by those visitors.

In an area of 108,889 sq. km. (67,660 mi²), Guatemala offers a variety of unique attractions to the world: the magnificence of the Mayan cities, the tranquility of the turquoise waters of the Caribbean Sea and the exciting sea adventures of the Pacific shore; as well as the Spanish past of one of the most beautiful colonial cities in the world, Antigua Guatemala, named as World Heritage Site by UNESCO in 1979.

Other important touristic destinations include the grandeur of Lake Atitlan surrounded by three majestic volcanoes, and other destinations beyond comparison.

Distinctive characteristics such as an average temperature of 21°C (70°F) throughout the year coupled with 360 microclimates, majestic rainforests and the most modern and cosmopolitan city of the region (from Mexico City to Bogota, Colombia), Guatemala City, make the country a destination for world class tourism: Guatemala is definitely a one-in-the-world destination.
Why invest in this industry?

- Guatemala is a country with an enormous quantity of natural resources, full of contrasts between a great historic past and the development of its cosmopolitan capital city, which becomes highly attractive to tourists from all over the world.

- Strategic geographic location in the heart of the Mesoamerican region.

- Legal framework that encourages investment and government support for the tourism industry.

- Tourists in Guatemala seek to travel to different places within the country during their visits, with an average length of stay of around 7.5 days, according to the United Nations Conference on Trade and Development (UNCTAD).
Cruise Ship Tourism

The Guatemalan Tourism Institute (INGUAT) established what is now called the “Mesoamerican Route”, a new cruise route at a regional level, and includes the countries of Costa Rica, Nicaragua, El Salvador, Guatemala, Chiapas and Huatulco, Mexico, which in 2014 will initiate with two Cruises from Azamara Club Cruises, Royal Caribbean Cruises Ltd. For this new cruise season, the country has achieved 4 new cruise lines: Saga, Great Lakes Cruise, Carnival Cruises Noble Caledonia (largest cruise line in the world).

The arrival of cruise ships to the country increased from 48 cruises in the 2011-2012 season to 72 cruises for the season and 74 in 2013-2014.

The cruise company Royal Caribbean Cruise Line increased its moorings in the country from 6 cruises during the 2011-2012 season to 17 cruises for the 2012-2013 season.
Airports

La Aurora International Airport, located in Guatemala City, is considered as one of the most modern airports in the Latin American region, with the capacity to receive 4 million passengers per year. Nowadays, this airport operates more than 160 weekly flights and direct connections to six cities in the U.S., Mexico, Central America, Peru and Spain.

This airport has also been recognized, due to its new and modern facilities, as Category A1 by the FAA (Federal Aviation Administration) of the United States of America.

507 Km (315 mi) away from Guatemala City, in the department of Peten, is the second international airport of the country, Mundo Maya International Airport. This airport is mainly visited by tourists with interest is to visit the ancient Mayan city of Tikal.

The country also has regional airports in other growing cities like Quetzaltenango, Huehuetenango, Retalhuleu, San Marcos, Coatepeque, Puerto San Jose and Puerto Barrios.

Also, Guatemala has been pursuing to increase its air traffic; currently the country has managed to get new flight frequencies on airlines like Copa, Aeromexico, United Airlines and American Airlines; establish new routes to Tapachula, Mexico and Bogota, Colombia; as well as attracted Aerolineas Sula (Honduran airline) to offer flights to and from Guatemala. In addition, there are currently negotiations with other companies like AirCanada, JetBlue, Volaris, Interjet (FRS), Transaero and GOL.
A diversity of unique destinations is concentrated in 108,889 sq. km (42,042 sq. mi)

Guatemala has been recognized as a unique destination for tourism, due to its magnificent natural resources, Mayan and Colonial history, and great development in its capital city. A total of 2,000,026 visitors were recorded in 2013, an increase of 2.5% compared to 2012. Also, the country received a foreign income of US$ 1.48 billion, an increase of 4.4% compared to 2012.

52% of the country's tourism market comes from Central America and 32% from North America. Specifically analyzing the North American visitors, 68.5% of them came from the United States. Other important amount of visitors came from Europe (8.9%), mainly from England (16.4%), Spain (15.1%), France (13.5%) and Germany (12.6%).

Number of Tourists and Foreign Income from Tourism

Source: National Institute of Tourism
Hotel Occupancy

While Guatemala has presented an annual growth rate of around 3.6% in the accommodation capacity; the touristic demand has presented a higher average annual growth rate; demonstrating that the hotel/accommodation supply in Guatemala does not fully satisfy the demand, and it’s a clear opportunity for both national and foreign investors to develop this sector.

Considering the current hotel supply and tourists demand for accommodation, as well as the diversity of products and destinations offered in Guatemala (with more than 10 unique destinations) allows visitors to extend their stay to an average of 7 days; there is clearly an opportunity in the country to invest in the tourism industry.

The 3 departments of Guatemala with the largest number of accommodation facilities are: Guatemala City, Peten and Solola. Nevertheless, these existent hotel facilities are not enough to cover the demand in peak seasons (like Holy Week and Christmas-New Year’s).

Also, other departments like Retalhuleu has only 67 lodging establishments, which currently do not meet the high demand of tourists, knowing that the department is visited both for its attractiveness in natural resources and because it houses the largest theme parks in Central America (Xetulul and Xocomil), capable of receiving up to 12 thousand people simultaneously.
### Number of hotel rooms 2003-2012

<table>
<thead>
<tr>
<th>Hotel Rooms</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guatemala City</td>
<td>5.204</td>
<td>5.277</td>
<td>4.892</td>
<td>3.791</td>
<td>8.742</td>
<td>8.375</td>
<td>9.739</td>
<td>8.099</td>
<td>8.280</td>
<td>7.924</td>
</tr>
<tr>
<td>TOTAL</td>
<td>17.519</td>
<td>17.774</td>
<td>19.357</td>
<td>19.529</td>
<td>42.708</td>
<td>43.708</td>
<td>45.451</td>
<td>43.876</td>
<td>44.821</td>
<td>45.185</td>
</tr>
</tbody>
</table>

Source: National Institute of Tourism
5. TOURISM

Main touristic destinations

The Guatemalan Tourism Institute (INGUAT) and the Agency Invest in Guatemala have identified seven major areas that present the biggest investment possibilities. These areas are in: Peten, Guatemala City and Antigua Guatemala in Sacatepequez; Atitlan in Solola; the Pacific Coast; the Caribbean coast in Izabal; Alta and Baja Verapaz; and the Eastern region of the country.
In the department of Peten lies the Mayan city of Tikal, declared as “World Heritage” by UNESCO in 1979. As noted by INGUAT, this is the second most visited tourist destination, along with Atitlan and its beautiful lake.

Besides Tikal, another major Mayan city is El Mirador, which is an ambitious anthropology project currently under exploration that will be, according to INGUAT, a world-class tourist destination.

This is a region that lacks of tourism infrastructure: only 3,277 rooms that do not meet the demand, of which less than 10% are considered as 5-star, according to INGUAT.

The region of Peten and the attractions of the Mayan World meet the demand of 58% of the tourists visiting the country in search of activities of culture, nature, adventure and sports. This region is rich in natural resources, with the most important virgin forest of all Central America.

The main areas of development in the Mayan World are located in the vicinity of Lake Peten Itza, El Remate, Jocompiche, Pichain, and Yaxhá Quexil and several other tourist places in the department of Peten. These places are suitable for inns, restaurants, exclusive hotels, tour operators and other mixed-use projects.
Guatemala City is the main gateway to the country, receiving more than 1.8 million tourists each year. The accommodation supply in the city is of 8,225 rooms (2013), which along with the tourism growth, has become insufficient to fully cover the existing demand.

Guatemala attracts a large number of executive tourists, equal to 21% of its visitors for business or conventions, since Guatemala City hosts the regional headquarters of the largest and most important multinationals that cover Central America. This has permitted the development of several related industries, such as the culinary, entertainment and relaxation.

It is in Guatemala City where are located renowned international hotel chains, such as: Real Intercontinental, Westin Camino Real (part of the Starwood Hotel & Resorts), Barceló Guatemala City, Holiday Inn, Clarion Suites, Radisson, Crown Plaza, among others.
On the other hand, Antigua Guatemala is the main touristic destination along with Guatemala City. This city has been declared “World Heritage Site” by UNESCO in 1979. According to them, Antigua is the best-preserved colonial city in all Latin America.

Antigua Guatemala offers mainly small hotels that in total sum 2,331 rooms to meet demand of tourists. Nowadays, though, it doesn’t fully cover it, since only for Easter the city hosts more than 76,000 foreign visitors, and adding local tourists, the figure is of more than 1 million visitors simultaneously.

The favorable weather of Antigua also makes it an attractive destination for retirees. The city allows outdoor activities all year round, including golf.

Around 56% of the visitors, according to INGUAT, seek entertainment and cultural activities, for which Antigua is the ideal destination. For this reason, Antigua has become a perfect place for hotels and high class services, adding a greater value to the industry. In the last five years, major hotel chains have invested in the city of Antigua over US$500 million, including: Westin Camino Real, La Reunion Golf Resort & Residences, Casa Santo Domingo; all exclusive 5-stars hotels.
Solola, department that houses the majestic Lake Atitlan, has an area of 437,145 sq. km (271,626 sq. mi). It is the second most important tourist destination for foreign visitors due to its rich Mayan culture and traditions, making it one of the main cultural attractions of the country. Nevertheless, its landscapes make the place also suitable for adventure and extreme sports, which is what 58% of the tourists are looking to do on their visit.

It also has an excellent opportunity for the development of hotel infrastructure, since there are only 2,616 rooms available for tourists, mostly catalogued as 3-stars (according to INGUAT); a number that does not meet the entire touristic demand. This department receives more than 50 thousand tourists simultaneously during the more important tourism dates in the country (Holy Week and New Year).
The Pacific Coast is considered worldwide as one of the best destinations for sport fishing, with records of up to 1,663 fishing in four days, averaging 660 on a single day. The Pacific Coast is also the setting for famous fishing tournaments, like the ILTTA, Presidential Challenge and others.

The Pacific Coast of Guatemala attracts more than 85% of national tourism. The Pacific cruises income has doubled in the last four years. This region offers a great opportunity for hotel infrastructure, since it has only 995 rooms, mostly 3-star. Despite having an excellent 4/5-star hotel, nowadays the region has insufficient availability for over 600,000 simultaneous visitors the area receives in higher seasons (Easter and New Year).

An important project developed in this coast called “Guatemágica” offers great opportunities for investment. This project combines adventure activities, fun at the theme parks Xetulul and Xocomil, rural and ecological tourism, culture, archeology and sand, all in one place. These attractions have increased the flow of tourists that seek for these activities or other like fishing activities in the volcanic sand beaches of the country, also offered in the Pacific Coast. This enables the development of new tourism projects to meet the increasing demand.
Izabal is the third most visited destination in Guatemala, due to its white-sand beaches and calm waters for yachts and sailboats, in places like Amatique Bay, Rio Dulce and Lake Izabal. Near to Izabal, tourists can also visit other interesting places like the ruins of Quirigua, declared “World Heritage” by UNESCO in 1981. A few miles from there, tourists can also visit the National Park Tikal (Petén), one of the largest archaeological sites and urban centers of the Mayan civilization, the Belize Cayes and other Caribbean islands; or perform many other cultural, recreational or sports activities such as diving. It has also been a perfect place for cruises. Tourism from cruise ships to Izabal has tripled since 2004.

There is great opportunity in hotel infrastructure, as it currently has only 2,741 rooms, mostly 3-star, according to INGUAT. There is also a fair amount of land in front of the Lake Izabal, its river and the Caribbean Sea, available at very competitive prices.
Characterized for its lush forests, this region has significantly contributed to the high level of biodiversity in the country. As home of the Quetzal (Guatemala’s national bird) the Verapaz region offers a wide range of potential tourist destinations thanks to its many waterfalls, natural pools, varied flora and fauna.

The area is a perfect destination to venture into tourism development projects linked with adventure and outdoor recreation. For this, the mountainous territory of the rainforest allows the incorporation of tourism services for places as the Quetzal Biotope area and the Cahabón River.

The investment possibilities become more attractive when exploring other attractions like the long caves of Lankin or Candelaria and also the majestic waterfalls of Semuc Champey, one of the more complex waterfalls and natural bridges of limestone of the Central American region.
This region offers great amount of natural resources and simultaneously, an ideal destination for hotels and timeshare services, derived mainly from the religious importance of Esquipulas, house of the Black Christ and being considered as the “Central American Capital City of the Faith”. In addition, there are other important places in this region, such as the Ipala Volcano and Lagoon, and Ouija Lake. These and other destinations have been developing constantly and nowadays demand services like eco-tours.

In addition, the historical and cultural wealth offered by the Museum of Paleontology and Archaeology “Ing. Roberto Woolfok Saravia” in Estanzuela, where are kept bones of mastodons and whales of over 50 thousand years old, is also very attractive for both national and foreign visitors.

The Eastern part of the country, mystical and natural, provides an ideal environment for the development of companies that integrate tour guides, tour operators, food and other related services, and lodging.
Some of the most important hotel chains are located in Guatemala.
Other Institutions that offer support for this sector are:

- National Institute of Tourism
  www.visitguatemala.com
  www.inguat.gob.gt

- Guatemalan Chamber of Industry
  www.industriaguate.com

- Workers’ Recreation Institute
  www.irtra.org.gt

- National Competitiveness Program
  www.pronacom.org
At Invest in Guatemala we are ready to help you...

Invest in Guatemala offers direct support to foreign investors looking for opportunities for investment. Expert consultants in each sector provide customized and professional counseling, including coordination of visits into the country, contacts and references, facilitation for the start of operations, practical and professional assistance, operational support and assistance during and after the establishment of operations in the country.

For more information, please contact:

Ana Calderón
Tourism Investment Advisor
acalderon@investinguatemala.org
Ph. (502) 2421-2490
13 calle 3-40, Zona 10, Edificio Atlantis, Torre 2, 3 Nivel, Oficina 302
Guatemala City, Guatemala 01010
investinguatemala.org