

# TOURISM INDUSTRY IN GUATEMALA IN CRISIS



The tourism industry in Guatemala is worried about the recent lockdowns' negative impact on their slow recovery from the pandemic. The months of October, November, and December are peak tourism seasons. Still, due to the 21 consecutive days of blockades throughout the country, the industry has suffered a disproportionate drop in business. Although the blockades have decreased, they are still reported in low numbers.

Dagmar Moreno, the coordinator of the Sustainable Tourism Commission of the Guatemalan Association of Exporters (Agexport), has reported a significant increase in cancellations in the upcoming months. In fact, these cancellations are expected to continue until June 2024.

Furthermore, Moreno shared that these cancellations are causing companies to incur unbudgeted expenses, putting 420,000 direct and indirect jobs at risk. The tourism industry in Guatemala is losing between US\$75 and US\$100 per person per day, resulting in official overall losses of US\$830,000 per day.

## **Domestic tourism was positive until September**

According to data released by the Guatemalan Institute of Tourism (Inguat), domestic tourism in Guatemala saw a surge of 177% in 2022 compared to the previous year. This increase in domestic tourism amounted to 1,844,739 travelers in 2022, compared to 666,017 visitors in 2021.

For 2023, the outlook for domestic tourism looks positive as the member companies of Agexport's Sustainable Tourism Commission reported an occupancy rate of 98% during Easter holidays and long weekends.

During the recent 1944 Revolution Day holiday weekend, Antigua Guatemala's hotel and restaurant industry estimated that only 20% of visitors arrived, which is a low number for a long weekend. This has affected the tourism sector and resulted in losses for businesses. Around 300 businesses in Champerico, Retalhuleu, were also affected due to the lack of beach visitors.

According to Moreno, this crisis will likely cause losses in the tourism sector until 2024. Recovering the country's image and overcoming travel warnings issued by countries like the United States and the United Kingdom of Great Britain will also be challenging.

In 2022, Inguat reported 5,236,314 overnight trips and 7,013,966 without overnight stays. These trips generated an estimated economic spillover of Q48 billion.

As for 2023, the information is not yet available, as it will be closed next November.

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