

ACAPULCO COULD TAKE UP TO FIVE YEARS TO REBUILD AFTER HURRICANE



Acapulco, located on Mexico's Pacific coast, became famous in the 1950s and 1960s as a jet-set destination due to its vibrant nightlife, beaches, and golf courses.

In the past, Acapulco was a mecca for tourism, a reference brand, and a cultural emblem. However, the city has been plagued by waves of violence over the years that have scared away tourists. Now, things have hit rock bottom. Hurricane Otis devastated Acapulco, leaving the city without any connection to the outside world. Winds of over 300 kilometers per hour have caused severe damage, and no planes or buses are currently available for transportation.

The Hurricane Otis disaster has devastated Acapulco's economy, affecting 100% of its economic activity and 60% of Guerrero's economic activity. Julián Urióstegui Carbajal, the president of the Council of Industrial and Business Chambers of Guerrero (Concaingro), explained that the local private sector has identified the damage caused by this category five hurricane. As a first impact, 80% of the tourist activity in the destination has already been classified as a total loss. Moreover, 99% of the commercial service establishments and supermarket chains were vandalized and 90% of the formal workforce of Acapulco is at risk of being permanently lost.

This situation puts the state in a vulnerable position. Unless measures are taken, Guerrero could fall even further behind the other 32 states of the country, making it impossible to improve economically in the long term. The damage caused by Hurricane Otis also means that the state must set aside its goal of increasing local revenues. This is particularly challenging, since the state depends on more than 96% of the resources of the Federation, and its local income capacity is only 4%.

According to Jesús Carrillo, the Director of Sustainable Economy at the Mexican Institute for Competitiveness (IMCO), Acapulco may take up to five years to recover if the current course of action the federal authority has taken is not changed. Carrillo highlights that the lack of state aid, such as medical care, basic services, electricity, and food, has multiplied problems. Security is also a concern, with the development of self-defense groups putting the city and its population at risk.

Carrillo further points out that due to the pressure experienced by the 900,000 inhabitants of Acapulco and its surrounding areas, a migration effect could be seen in the short term. This could lead to permanent abandonment of the city, which would be worrisome as an international tourist destination, Acapulco is economically the most important city in Guerrero. 70% of the GDP of Guerrero is concentrated in services, and a significant portion of these services are provided in Acapulco. The people who live in the city are the ones who provide these services and form the backbone of the economy.

Urgent plan

Following the recent decline in tourism, the president of Concaingro has requested an economic rescue plan to be generated within the next few days. The plan should focus on restoring the rule of

law, which will help prevent investors from moving away.

Acapulco has lost its place as an international tourist destination and is no longer competitive compared to other destinations such as Cancun and Los Cabos. The incomes of workers in Acapulco are less than half of those in Los Cabos, and about a quarter of those in Cancun. Additionally, the informality rate in Acapulco is around 61%, whereas in Cancun and Los Cabos, it is below 40%. Hurricane damage has only exacerbated the existing issues of the struggling destination.

With the end-of-year holidays approaching, the outlook for Acapulco looks bleak, as it will miss out on one of the most important stages for the tourism sector. Efforts should be made to promote the area and create job opportunities for those who have unfortunately lost their jobs.

Date: 2023-11-01

Article link:

<https://www.tourism-review.com/international-tourist-destination-acapulco-devastated-by-hurricane-news13886>