



Japan International Cooperation Agency (JICA)  
Guatemala Tourist Commission (INGUAT)



# Study of National Tourism Development for the Republic of Guatemala

Final Report  
Volume 1: Summary



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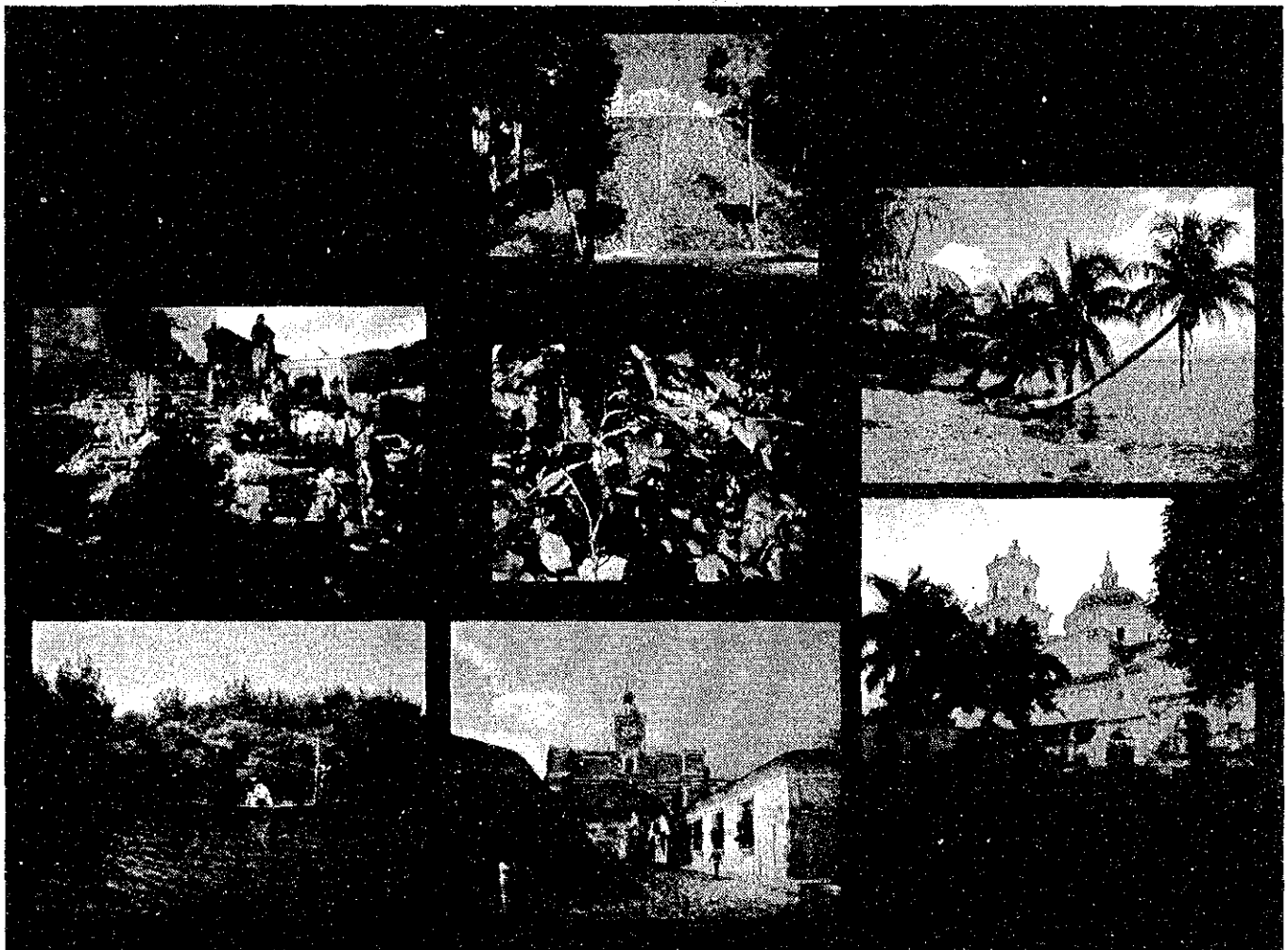


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# Study of National Tourism Development for the Republic of Guatemala

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Pacific Consultants International



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The following exchange rate is applied in the Study:  
US\$1 = Quetzal 8 = Yen 121

## Preface

In response to the request from the Government of the Republic of Guatemala, the Government of Japan decided to conduct the Study of National Tourism Development for the Republic of Guatemala, and entrusted the Study to the Japan International Cooperation Agency (JICA).

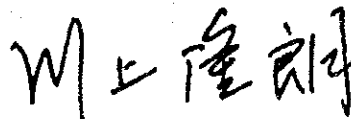
JICA selected and dispatched a study team headed by Mr. Yoshiki Hirabayashi of Pacific Consultants International to Guatemala from January 2001 to March 2002. In addition, JICA set up an advisory committee headed by Dr. Nobumaru Shindo, Professor of Toyo University, between January 2001 to March 2002, which examined the study from specialist and technical points of view.

The study team held discussions with the officials concerned of the Government of Guatemala, and conducted field surveys at the study area. Upon returning to Japan, the team conducted further studies and prepared this final report.

I hope that this report will contribute to the promotion of this project and to the enhancement of friendly relations between our two countries.

Finally, I wish to express my sincere appreciation to the officials concerned of the Government of Guatemala for their close cooperation extended to the Study.

May 2002



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Takao Kawakami  
President  
Japan International Cooperation Agency

May 2002

Mr. Takao Kawakami  
President  
Japan International Cooperation Agency  
Tokyo, Japan

## Letter of Transmittal

Dear Sir,

We are pleased to formally submit herewith the Final Report of the "Study of National Tourism Development for the Republic of Guatemala."

This report compiles the results of the Study, which was undertaken in the Republic of Guatemala from January 2000 through March 2002 by the Study Team represented by Pacific Consultants International.

We had been assisted by many people for the accomplishment of the Study, and we would like to express our sincere gratitude and appreciation to all those who extended their kind assistance and cooperation to the Study Team, in particular, Guatemala Tourist Commission who acted as the counterpart agency.

Also, we acknowledge the effective assistance by all the officials of your Agency and the Embassy of Japan in the Republic of Guatemala.

We hope that the report will be able to contribute to formulate appropriate policies and measures for the future development of Guatemala.

Very truly yours,

平林啓記

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Yoshiki Hirabayashi  
Team Leader,  
Study of National Tourism Development  
for the Republic of Guatemala

# Abstract

## Study of National Tourism Development for the Republic of Guatemala

Study period: December 2000 – May 2002  
Counterpart agency: Guatemala Tourist Commission (INGUAT)

### 1. Outline of the Study

#### (1) Objectives of the Study

- National master plan with the target year 2020,
- Regional tourism master plans with the target year 2020,
- Feasibility study of priority projects with the target year 2010, and
- Technical transfer.

#### (2) Study area

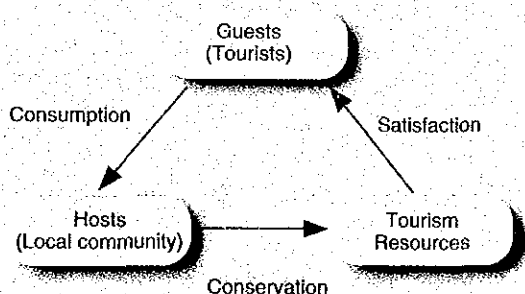
- Whole country of Guatemala,
- Three Priority Development Areas of El Peten, Las Verapaces, and Southwestern Highlands.

#### (3) Planning goal

The planning goal of the Study is:

- To achieve conservation and social development through tourism.

The Study aimed at establishing a favorable cycle, in which tourism functions as an economic incentive to motivate local community to conserve natural and cultural heritage in their vicinity as shown in the figure below.



Tourism development strategy was elaborated corresponding to the three angles of the triangle.

### 2. Social development through tourism

Social development through tourism is needed not only from the viewpoint to encourage local people for conservation, but also to give authenticity to tourism products.

#### (1) Introduction of Community Tourism

Community Tourism aims at revitalizing local cultural traditions and promoting cultural exchange between hosts and guests on an equal basis. It is a measure for tourism to “soft-land” on rural communities. Community Tourism is planned to have the following three elements:

- Induction Center: provision of induction programs to minimize negative social impact,
- Satellites: tourism attractions based on local history and cultural traditions, and
- Interpretative Trails: trails connecting Satellite attractions, which provide opportunities to experience the real community life.

#### (2) Introduction of co-management

Co-management is a system to manage tourism site with the collaboration of stakeholders with different background. It is proposed for INGUAT to provide the following assistances to promote co-management:

- To support Local Tourism Committee to function as the facilitators of co-management, and
- To set up Project Implementation Committee at proposed pilot project sites.

#### (3) Supports for accommodation development in rural communities

It is proposed for INGUAT to promote quality accommodation development in rural areas cooperating with NGOs, which would function as the mediator between urban hoteliers and rural communities. Promotion of joint venture would ensure strong commitment of the actors and equal partnership.

#### (4) Cultivation of good host attitude in rural communities

An educational program is proposed to encourage people in rural areas to have good host attitude (anfitriónía) toward tourists to promote cultural exchange on an equal basis.

### **3. Adequately management of tourism resources**

Strengthening the management capability is essential to secure sustainable use of tourism resources. Local participation and efforts at ensuring financial sustainability need to be emphasized.

#### **(1) Improvement of archaeological tourism**

The followings are recommended to improve the management of archaeological sites from tourism viewpoints:

- Selection of archaeological sites for tourism use,
- Development of SIT markets including "learning tourists,"
- Establishment of archaeological site groups to distribute visitors to less known sites,
- Improvement of visitor management and interpretation techniques,
- Introduction of co-management to improve visitor services and management efficiency, and to motivate local people for conservation.

#### **(2) Wise use of historical cities**

Wise use is a concept, in which tourism use generates fund for conservation thus ensuring financial sustainability. The following measures would encourage wise use of historical cities:

- Creation of gathering places for tourists and locals,
- Conservation of townscape,
- Installation of interpretation boards for awareness creation,
- Hosting of cultural events, and
- Zoning for ensuring the privacy of local people.

#### **(3) Green Accommodation Program for Eco-Corridor Formulation**

Green Accommodation Program aims at improving the quality of nature and agrotourism. Providing supports for the following aspects is crucial to persuade private landowners to cooperate in formulating ecological corridors:

- Ec lodge development
- Agrotourism, and
- Private reserve.

#### **(4) Visitor management system**

Introduction of visitor management system is essential not only for achieving sustainable use but also for improving visitors' satisfaction. Zoning and flow control are the two basic concepts for visitor management.

### **4. Strengthening of the competitiveness of the tourism sector**

Satisfying the needs of tourism markets makes a prerequisite to achieve both social development and conservation. The followings are needed to support the third pillar of the strategy.

#### **(1) Certification system for sustainable tourism**

Certification system has two functions: to disseminate environment knowledge and sustainable tourism knowhow, and to facilitate the marketing of tourism products by ensuring quality. A two-tier certification system is proposed corresponding to Guatemala's current situation: joint venture with international certification systems, and creation of national level certification systems.

#### **(2) Supports for tourism SMEs**

INGUAT should provide following supports to incubate tourism-related small- and micro-enterprises (SME):

- Financial supports: establishment of a fund for tourism SMEs, and the subcontract of the management to an organization that has financial knowhow, and
- Non-financial supports: establishment of an SME Assistance Unit to provide consulting and seminars.

#### **(3) Improvement of visitor facilitation**

- Increase in number, and extension of operating hours, of tourist information centers,
- Improvement of airport transport, and
- Improvement of "sense of arrival."

#### **(4) Strengthening of tourism promotion**

- Tourism promotion materials: preparation by market segment, agent sales manuals, use of internet,
- Trade stimulation: evaluation of promotion activities, participation in "alternative" trade shows, and
- Tourism events: photo contest, tourism slogan contest.

#### **(5) Enforcement of tourism administration**

- Strengthening of Local Tourism Committees and INGUAT regional offices for decentralization,
- Introduction of Board of Directors for the continuity of INGUAT's policy,
- Hosting of Tourism Advisory Conference for the disclosure of INGUAT activities,
- National Tourism Committee for inter-agency coordination, and
- Institutional arrangements for pilot project implementation.

## 5. El Peten PTDA

### (1) Basic directions

- Diversification of archaeological tourism
- Resort development of Peten Itza,
- Integration of nature tourism and archaeological tourism,
- Revitalization of cultural traditions, and
- Strengthening of tourism network.

### (2) Development framework

(Unit: 1,000)	2000	2010	2020
Domestic	90	132	227
International	161	286	472

### (3) Short-term pilot projects

- Tourism Improvement of the Yaxhá and Nakúm Archaeological sites: visitor center, access road, Maya Research and Learning Center;
- Tourism Improvement of the Ceibal and Aguateca Archaeological Sites: Visitor facilities, piers, Archaeology and Regional Culture Center, and
- Tourism Improvement of the Uaxactún Archaeological Site: visitor facilities, access road.

IDAEH is in charge of implementing the three projects. IDAEH should set up project implementation committees for respective project sites.

### (4) Other important projects

- Peten Itza Resort Development
  - Community Tourism San Jose
  - Environmental improvement study of Peten Itza
- Visitor management system in Tikal

### (5) Economic and Financial Analysis

EIRR: 19.61%.

FIRR: 1.92% - 18.60%.

## 6. Las Verapaces PTDA

### (1) Directions

- Protection of remaining forests for formulation of Verapaz Eco-Corridor,
- Promotion of agrotourism,
- Revitalization of cultural traditions, and
- Tourism network improvement.

### (2) Development framework

(Unit: 1,000)	2000	2010	2020
Domestic	175	239	388
International	49	111	189

### (3) Short-term pilot projects

- Tourism Improvement of Sierra de Yalijux: trails, eco-lodge, infrastructure,
- Development of the Pampacche Cloud Forest Park: visitor facilities, rail cart, eco-lodge, and
- Development of the Verapaz Eco-Corridor Interpretation Center: interpretation of eco-systems, environmental education, promotion and supports for agro-tourism and private reserves.

INGUAT is responsible for the implementation. CONAP, MARN, MAGA provide technical supports. INGUAT should set up project implementation committees for Sierra de Yalijux and Eco-Corridor Interpretation Center. San Cristobal Municipality set up a Community Tourism Committee for the Pampacche project.

### (4) Other important projects

- Community Tourism Development in San Cristobal Verapaz, and
- Visitor facility improvements in Semuc Champey, Lanquin and Candelaria Caves.

### (5) Economic and Financial Analysis

EIRR: 10.29%.

FIRR: 10.57% - 17.33%.



## 7. Southwestern Highlands PTDA

### (1) Directions

- Revitalization of cultural traditions through tourism,
- Wise use of historical cities,
- Tourism network development,
- Tourism use of spa, and
- Volcanoes and nature tourism.

### (2) Development framework

(Unit: 1,000)	2000	2010	2020
Domestic	317	412	642
International	67	113	177

### (3) Short-term pilot projects

- Community Tourism Development in Momostenango,
  - Hot Springs Baths and Accommodation,
  - Poncho Textile Museum,
  - Riscos Park,
  - Handicraft showcase,
  - Maya culture experience house,
  - Quiche cuisine restaurants.

INGUAT is responsible for the implementation.

INGUAT should assist Momostenango Municipality in setting up a Community Tourism Committee with the mayor as the chairman.

### (4) Other important projects

- Tourism improvement of Quetzaltenango,
- Development of community museums, and
- Integrated tourism development of San Martin Sacatepequez.

### (5) Economic and Financial Analysis

EIRR: 14.98%.

FIRR: 13.99% - 29.69%.

## 8. Conclusions and Recommendations

The followings are the conclusions and recommendations to INGUAT and the Government of Guatemala.

- Implementation of the proposed pilot projects,
- Investment by INGUAT in rural areas,
- Strengthening of the inter-agency coordination capability of INGUAT,
- Introduction of co-management to promote local participation in tourism destination management and project implementation,
- Conduct of a tourism study of the Huchuetenango and Quiche departments that have tourism potential, and has importance in building a national tourism system, and
- Support of the tourism sector as part of the national policy because of Guatemala's comparative advantage in the economic sector, its contribution to economic diversification and rural development, its function as an economic incentive for conservation, and as a catalyst for cultural revitalization.

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## Abbreviations

Abbreviation English(Spanish)	Original name in English	Original name in Spanish
ADESCA	Agency for Cultural Decentralization	Agencia para la Descentralización Cultural
BOD	Board of Directors	Junta Directiva
CA	Central America	Central America
CAMTUR	Chamber of Tourism of Guatemala	Camara de Turismo
CONAMA	National Commission of Environment	Consejo Nacional de Medio Ambiente
CONAP	National Council of Protected Areas	Consejo Nacional de Áreas Protegidas
EIA	Environmental Impact Assessment	Evaluación del Impacto Ambiental
EIRR(TIRE)	Economic Internal Rate of Return	Tasa Interna de Retorno Económica
ENT	National Tourism Strategy	Estrategia Nacional de Turismo
FEGUA	Railway of Guatemala	Ferrovias de Guatemala
FIRR (TIRF)	Financial Internal Rate of Return	Tasa Interna de Retorno Financiera
FIS	Social Investment Fund	Fondo de Inversión Social
FIT	Foreign Independent Tourist	Turistas de Comodidad
FODIGUA	National Fund for Indigenous Development in Guatemala	Fondo Nacional para el Desarrollo Indígena en Guatemala
FONACON	National Fund for Conservation	Fondo Nacional para Conservación
FONAPAZ	National Fund for Peace	Fondo Nacional para la Paz
FONTIERRA	National Fund for Land	Fondo Nacional para las Tierras
FSDC	Solidarity and Community Development Fund	Fondo de Solidaridad y Desarrollo Comunitario
FTN	Northern Transverse Belt	Franja Transversal del Norte
GOG	Government of Guatemala	Gobierno de Guatemala
IDAEH	Institute of Anthropology and History	Instituto de Antropología e Historia
IDB (BID)	Inter American Bank	Banco Interamericano de Desarrollo
IEE (EAI)	Initial Environmental Examination	Examen Ambiental Inicial
IGSS	Guatemalan Institute of Social Security	Instituto Guatemalteco de Seguridad Social
INAB	National Institute of Forestry	Instituto Nacional de Bosques
INDE	National Institute of Electrification	Instituto Nacional de Electrificación
INE	National Statistics Institution	Instituto Nacional de Estadística
INFOM	National Institute of Municipal Strengthening	Instituto de Fomento Municipal
INGUAT	Guatemala Tourist Commission	Instituto Guatemalteco de Turismo
INSIVUMEH	National Institute of Seismology, Volcanology, Meteorology and Hydrology	Instituto Nacional de Sismología, Vulcanología, Meteorología e Hidrología
INTECAP	Technical Institute of Training and Productivity	Instituto Técnico de Capacitación y Productividad
IT (TI)	Information Technology	Tecnología de Información
JICA	Japan International Cooperation Agency	Agencia de Cooperación Internacional del Japón
LTC (CLT)	Local Tourism Committee	Comité Local de Turismo
MAGA	Ministry of Agriculture, Livestock and Food	Ministerio de Agricultura, Ganadería y Alimentación
MARN	Ministry of Environment and Natural Resources	Ministerio de Ambiente y Recursos Naturales
MICE (RICCE)	Meeting, Incentive, Convention and Event	Reuniones, Incentivos, Congresos, Convenciones y Eventos
MICIVI	Ministry of Communication, Infrastructure and Housing	Ministerio de Comunicación, Infraestructura y Vivienda
MICUDE	Ministry of Culture and Sports	Ministerio de Cultura y Deportes
NGO (ONG)	Non-Governmental Organization	Organización No Gubernamentales
NPV (VPN)	Net Present Value	Valor Presente Neto
OMM	Mundo Maya Organization	Organización del Mundo Maya
PDI	Integrated Development Plan	Plan de Desarrollo Integrado
PDS	Sustainable Development Program	Programa de Desarrollo Sostenible
PINFOR	Forestry Incentive Program	El Programa de Incentivos Forestales
PLV	Las Verapaces Program	Programa Las Verapaces
PTDA (ADTP)	Priority Tourism Development Area	Área de Desarrollo Turístico Prioritario
SEGEPLAN	General Secretariat of Planning and Programming	Secretaría General de Planificación y Programación
SICA	System of Integration of Central America	Sistema de Integración de Centroamérica
SIGAP	Guatemalan System of Protected Areas	Sistema Guatemalteco de Áreas Protegidas
SIT (TIE)	Special Interests Tourist (or Tourism)	Turistas de Interés Especial
SME (PyME)	Small and Micro Enterprise	Pequeña y Microempresa
SWOT (FODA)	Strengths, Weaknesses, Opportunities and Threats	Fortaleza, Debilidad, Oportunidad y Amenaza
UNDP (PNUD)	United Nations Development Program	Programa de las Naciones Unidas para el Desarrollo
URNG	Guatemala National Revolutionary Unit	Unidad Revolucionaria Nacional Guatemalteca
VFR (VdAyP)	Visit Friends and Relatives	Visita de Amigos y Parientes
WTO (OMT)	World Tourism Organization	Organización Mundial de Turismo

# 1. INTRODUCTION

## 1.1. Study Background

Guatemala is endowed with competitive and diverse tourism resources such as Mayan archaeological sites, tropical forests and wetlands, living indigenous cultures, and quaint colonial towns. However, an adequate master plan is needed to achieve its tourism potential.

Guatemala's economy has been heavily dependent on agriculture, and the price fluctuation of traditional agro-products such as coffee and cardamom severely affected the national economy in the past. Taking into account the growth rate of the primary sector, which is some 3% in the past years, Guatemala needs new engines for its economic growth and diversification. Tourism, which is the fastest growing economic sector in the world according to the World Tourism Organization, is an economic sector Guatemala has comparative advantage, and is increasingly viewed as a solution to the above situation.

While the poverty in rural areas has been a long-standing issue of the country, many of the most attractive tourism resources such as indigenous cultures, archaeological sites, forests and wetlands are located in rural areas. Therefore, tourism could also be a tool for rural development.

In response to the request of the Government of the Republic of Guatemala, the Government of Japan decided to conduct the Study of National Tourism Development for the Republic of Guatemala (hereinafter referred to as "the Study"). Japan International Cooperation Agency (JICA), the official agency responsible for the implementation of technical cooperation programs, organized and sent a study team (hereinafter referred to as "JICA Study Team") to undertake the Study.

## 1.2. Study Objectives

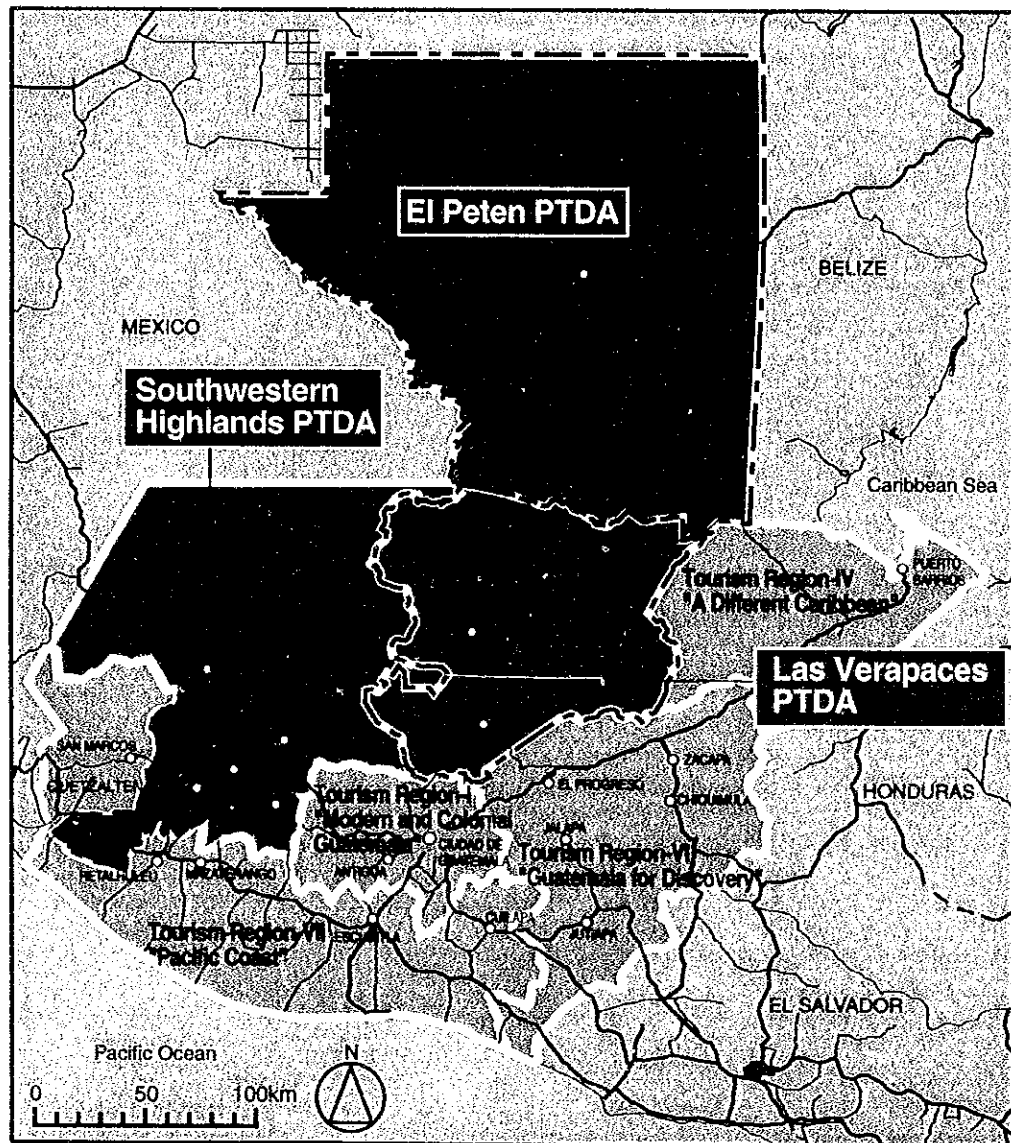
The objectives of the Study are as follows:

- To prepare a national tourism master plan with the target year of 2020,
- To choose priority tourism development areas, and to prepare their regional tourism master plans with the target year 2020,
- To choose priority projects and conduct their feasibility study with the target year 2010, and
- To transfer tourism planning skills to the counterparts of the Study.

### 1.3. Study Area

The Study Area covers the whole Republic of Guatemala. Three Priority Tourism Development Areas (PTDAs) of El Peten, Las Verapaces (Coban and its vicinity), and Southwestern Highlands (Quezaltenango and its vicinity) are chosen and agreed between the JICA Study Team and INGUAT. Figure 1.1 shows the Study Area, the three PTDAs, and Tourism Regions used by INGUAT.

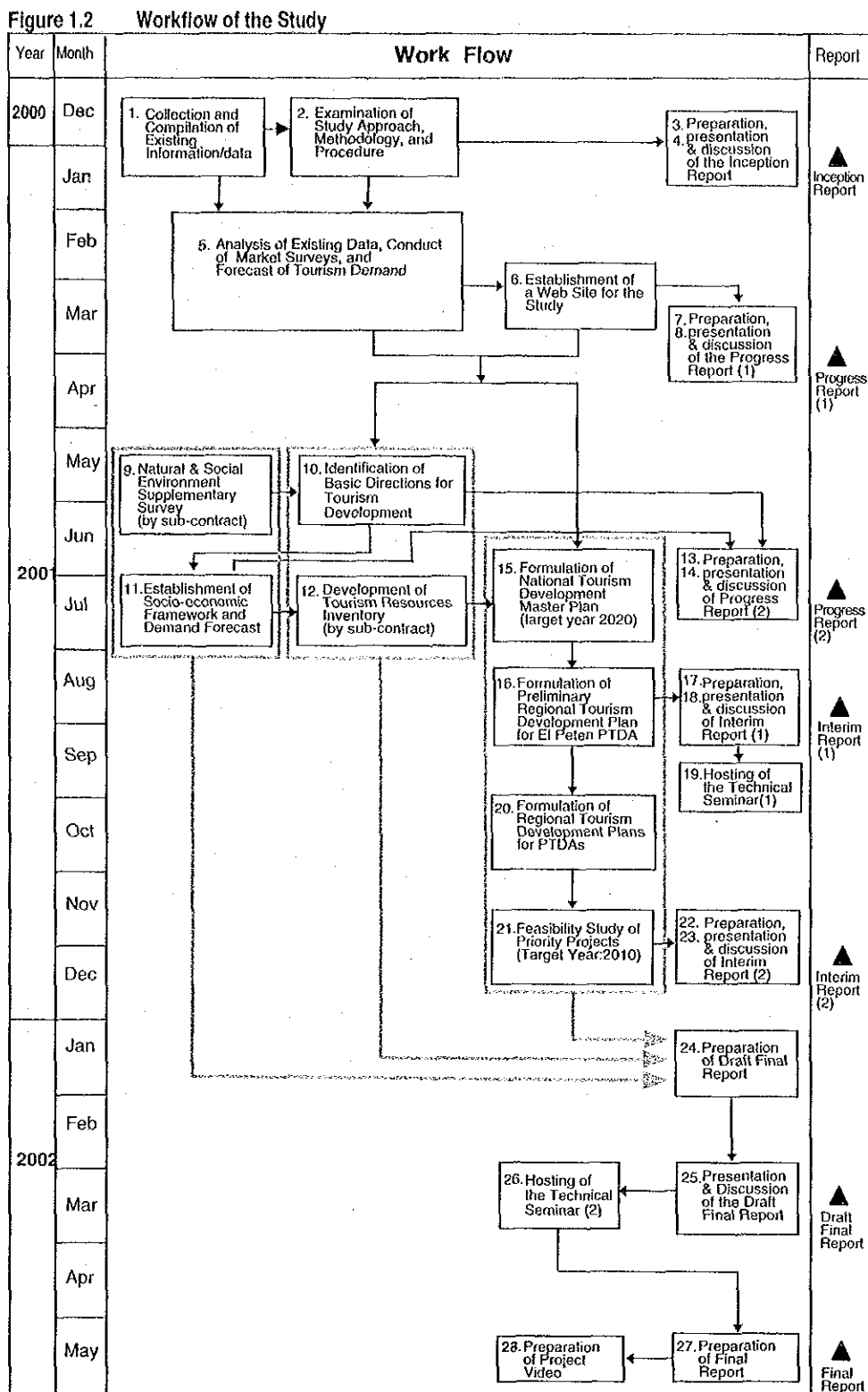
Figure 1.1 Study Area, Tourism Regions, and Priority Tourism Development Areas



Source: JICA Study Team

### 1.4. Study Period and Workflow

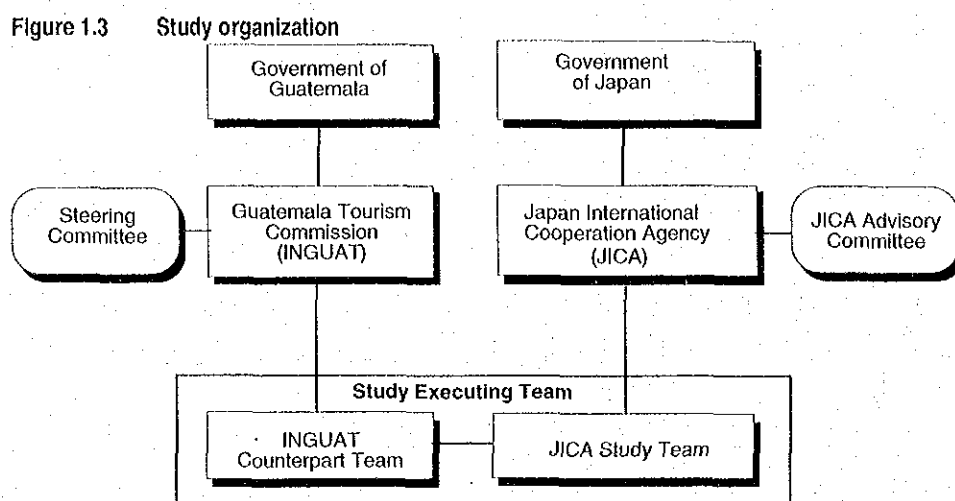
The Study was conducted from December 2000 to May 2002 according to the flowchart as shown in Figure 1.2.



Source: JICA Study Team

## 1.5. Study Organization

The Study was conducted by the JICA Study Team and its Counterpart Team from INGUAT. The Steering Committee on the Guatemala side and JICA Advisory Committee on the Japan side were organized and provided advice to the Study Exusecuting Team. Figure 1.3 shows the study organization.



Source: JICA Study Team

The steering committee was composed of the representatives from the following organizations.

- Ministry of Economy (ME)
- Secretariat of Planning and Programming (SEGEPLAN)
- Ministry of Culture and Sports (MICUDE)
- Ministry of Communication, Infrastructure and Housing (MICIVI)
- Ministry of Agriculture y Livestock (MAGA)
- Ministry of Environment and Natural Resources (MARN)
- Institute of Anthropology and History (IDAEH),
- National Council of Protected Areas (CONAP)
- Technical Institute of Training and Productivity (INTECAP)
- Chamber of Tourism of Guatemala (CAMTUR)
- National Institute of Municipal Strengthening (INFOM)
- Mundo Maya Organization (OMM)

Members of the INGUAT Counterpart Team, JICA Advisory Committee, and JICA Study Team are shown in Table 1.1, Table 1.2, Table 1.3, respectively.

**Table 1.1 Members of the INGUAT Counterpart Team**

Name	Position
Ms. Lucía de Hurtado*	Sub-director
Mr. Roberto Godoy	Advisor
Mr. Walter Fischer	Director of Marketing Division
Ms. Lorena de Paredes*	Chief of Product Development Division
Ms. Sandra Monterroso	Chief of Marketing Division
Ms. Adela Arreaga	Chief of Planning Department
Ms. Eugenia Escobal	Chief of Formation Department
Mr. Francisco Chaverri*	Chief of Market Research Department
Ms. Alejandrina Silva	Cultural Heritage
Ms. Fabián Díaz	Design Unit
Mr. Julio Girón	Projects Supervision
Ms. Lucrecia Gordillo	Study and Projects
Ms. Rebeca de Mendia	Planning Department
Ms. Guisela Mayén	Planning Department
Mr. Guillermo Scheel	Planning Department

Note: \* Until September 2001, \*\* After September 2001

Source: JICA Study Team

**Table 1.2 Members of the JICA Advisory Committee**

Name	Position
Mr. Nobumaru Shindo (Chairman)	Professor, Faculty of International Tourism, Toyo University
Mr. Yuji Seki	Associate professor, Department of Social Research, National Museum of Ethnology
Mr. Hiroyuki Kozuma	Tourism Department, Policy Bureau, Ministry of Land, Infrastructure and Transport
Mr. Kenichi Yanaka	Economic Cooperation Bureau, Ministry of Foreign Affairs
Mr. Osamu Hamada	Policy Bureau, Ministry of Land, Infrastructure and Transport
Mr. Mitsunori Kondo	Tourism Department, Policy Bureau, Ministry of Land, Infrastructure and Transport

Source: JICA Study Team

**Table 1.3 Members of the JICA Study Team**

Name	Assignment
Mr. Yoshiki Hirabayashi	Leader/ tourism planning (1)
Mr. Takeshi Omura	Sub-leader/ tourism demand forecast/ tourism planning (2)
Mr. Hideyuki Sasaki	Social environment/ regional development/ social considerations for indigenous people (2)
Mr. José Juan Zorrilla	Social considerations for indigenous people (1)
Mr. Alfonso Jiménez	Market research (1)/ tourism product development
Mr. Susumu Harayama	Tourism administration
Mr. Tsuneyuki Ouchi	Tourism promotion
Ms. Alejandra Zorrilla	Cultural tourism resource conservation
Mr. Klaus-Dieter Schneider	Public finance/ economic and financial analysis
Ms. Junko Okamoto	Tourism resource evaluation/ market research (2)
Mr. Kazunori Seki	Tourism facility planning
Mr. Iwao Kurosaka	Tourism infrastructure/ cost estimation/ construction method
Mr. Tsuyoshi Ito	Natural conditions/ environment
Ms. Nami Hirai	Administrative coordinator

Source: JICA Study Team

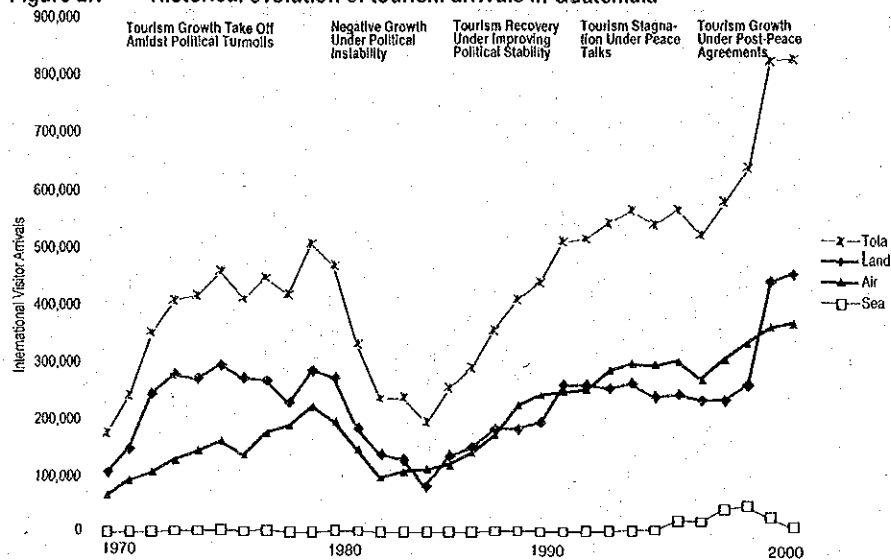


## 2. TOURISM DEVELOPMENT PLAN AT THE NATIONAL LEVEL

### 2.1. Overview of Tourism in Guatemala

Tourism in Guatemala had severely stagnated during the 1980s due to the civil war that finally ended in 1996 with the signing of Peace Agreements. During the latter half of the 1990s, visitor arrivals, in particular, from neighboring countries hiked as a response to the improvement of security conditions. However, a series of incidents affected tourism negatively such as lynching of Japanese tourists in 2000, mass escape of prisoners in 2001, and the terrorist attack in New York on September 11, 2001.

Figure 2.1 Historical evolution of tourism arrivals in Guatemala

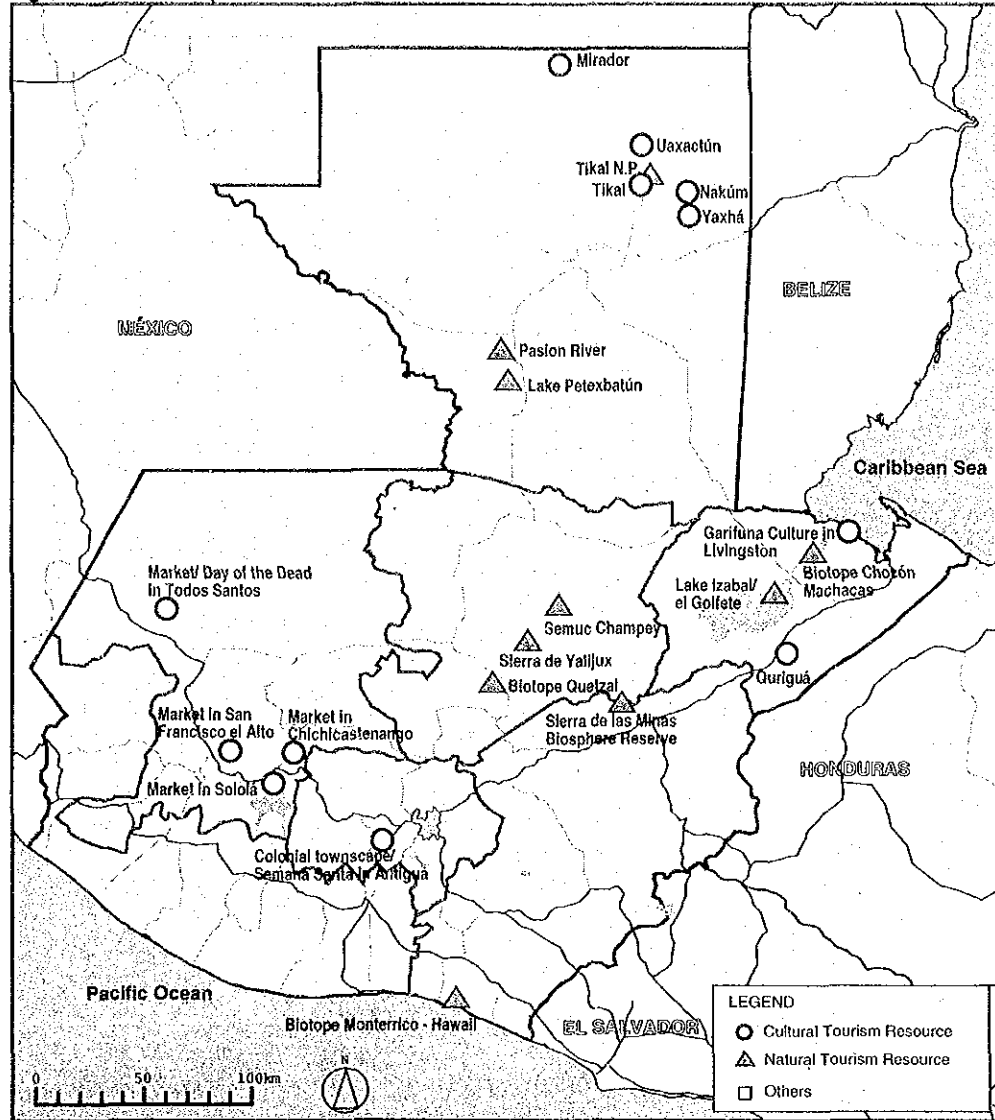


Source: JICA Study Team

Guatemala has abundant tourism resources including three World Heritage sites of Tikal, Quirigua, and Antigua Guatemala. Figure 2.2 shows the distribution of the “rank-A” tourism resources that are evaluated by JICA Study Team to have potential to attract visitors from the long-haul international tourism market. They are classified into the following categories:

- Mayan archaeological sites: Tikal, Quirigua, Mirador, Yaxha, Nakum, Uaxactun,
- Living indigenous cultures: Solola, Chichicastenango, San Francisco El Alto, Todos Santos, Lívingston,
- Forests: Biotope of Quetzal, Tikal National Park, Sierra de la Minas Biosphere Reserve, Chocon Machacas National Reserve,
- Lake, Rivers, Wetlands: Pasión River, Petexbatun Lake, Izabal Lake, Monterrico – Hawaii Reserve, and
- Historical cities: Antigua Guatemala.

Figure 2.2 Principal tourism resources in Guatemala



Source: JICA Study Team

SWOT analysis is a tool to summarize existing conditions with the four perspectives of strengths, weaknesses, opportunities, and threats. The results of the SWOT analysis of tourism in Guatemala are shown in Table 2.1.

**Table 2.1 SWOT analysis of tourism in Guatemala**

	Positive factors	Negative factors
Present	<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>• A good number of competitive tourism products concentrate in a relatively small country.</li> <li>• Indigenous communities proudly maintain their traditional cultures.</li> <li>• Inherent hospitality of Guatemalans would be conducive to tourism development.</li> <li>• A consensus is already made as to the function of tourism as an economic incentive for conservation.</li> <li>• INGUAT secures its own source of budget and maintains an independent status.</li> <li>• Guatemala's country image improved greatly after the signing of Peace Agreements.</li> <li>• Guatemala is regarded by the international tourism market as a "typical" country that provides opportunities to observe and experience "living indigenous cultures."</li> </ul>	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>• Most of the existing tourism products are of traditional types, and the efforts for developing alternative tourism products are not very active.</li> <li>• Variations of tour itineraries and tourism products are limited.</li> <li>• Relatively low level of education would deter the spread of tourism know-how, in particular, to rural and indigenous communities.</li> <li>• Relationship between tourism and community is not very firm, and tourism benefits are often not distributed to host communities properly.</li> <li>• The central government including INGUAT has not yet gained full confidence among the private sector and local communities.</li> <li>• Environmental deterioration is in progress despite the efforts of governmental and non-governmental organizations.</li> <li>• Inter-agency coordination mechanism, which is indispensable for effective tourism development, is not yet firmly established.</li> <li>• Investment environment in tourism for foreign investors are not good because of political instability and security issues.</li> </ul>
Future	<p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>• There are organizations that supports the regional integration such as Mundo Maya Organization and Sistema de Integracion de Centroamerica (SICA), which would favor Guatemala that is "the heart of Mundo Maya."</li> <li>• Increasing popularity of ecotourism and adventure tourism would favor Guatemalan tourism that has potential tourism resources for the market segment.</li> <li>• Lowering agro-products prices will provoke interest of the private sector in tourism development.</li> </ul>	<p><u>Threats</u></p> <ul style="list-style-type: none"> <li>• Massive arrivals of tourists could arouse antipathy against tourism, in particular, among indigenous communities</li> <li>• Conservation efforts would fail to receive public supports due to insufficient distribution of tourism benefits.</li> <li>• Concentration of tourists to a small number of existing tourism sites would diminish their attractiveness.</li> <li>• "Dangerous country" images would persist and scare away tourists if existing security issues remain unsolved.</li> </ul>

Source: JICA Study Team

## 2.2. Development Strategy

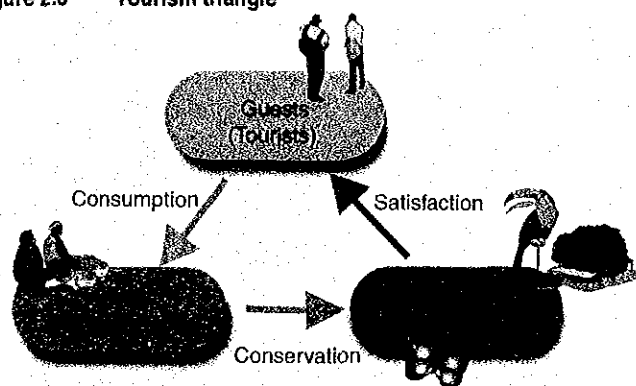
### 2.2.1. Planning Goal

Based on the analysis of existing conditions, the planning goal of this Study is set as follows:

- Conservation and social development through tourism.

To achieve the goal, a system should be established as shown in Figure 2.3, in which tourism functions as an economic incentive and a cultural catalyst for local community to conserve the nature and cultural heritage. In other words, the Study envisages to introduce a system that does not force but motivates people for conservation.

Figure 2.3 Tourism triangle



Source: JICA Study Team

The above system does not formulate by itself. Therefore the public sector is expected to play important roles to build the system with deliberate planning and administration. Tourism development strategy at the national level should be supported by the following three pillars corresponding to the three corners of the tourism triangle; namely, Guests, Hosts, and Tourism Resources.

#### (1) Strategy for social development through tourism

Tourism development with social development components is needed not only from a viewpoint of necessity to motivate conservation, but also from a viewpoint to inject "local color" and authenticity into tourism products to strengthen its competitiveness. Involvement of indigenous communities in tourism development with a co-management scheme is one of the important considerations for this strategy. The following measures are proposed.

- Introduction of Community Tourism,
- Introduction of co-management,
- Supports for accommodation development in rural communities,
- Cultivation of good host attitude in rural communities

**(2) Strategy for adequately managing and conserving tourism resources**

Strengthening the management of archaeological sites, historical cities, and nature areas is essential to secure sustainable use of these tourism resources. Basic ideas for this pillar are to ensure local participation and financial sustainability with adequate use of tourism:

- Improvement of archaeological tourism improvement,
- Wise use of historical cities,
- Green Accommodation Program for Eco-Corridor Formulation, and
- Introduction of visitor management systems.

**(3) Strategy for increasing the competitiveness of the tourism sector**

Satisfying tourism market needs makes a prerequisite to achieve social development and conservation. The followings are measures to increase the competitiveness of the tourism sector.

- Introduction of an ecotourism certification system
- Introduction of financing systems for small-scale tourism projects
- Strengthening of tourism promotion
- Enforcement of tourism administration

Development measures, which are discussed in Chapter 2.3 to 2.5 of this volume, are organized according to the above-mentioned three pillars.

## 2.2.2. Marketing Strategy

Marketing strategy was formulated based on a matrix of tourism market segments with the three axes of origin market, tourism product and Tourism Region. Each tourism segment was evaluated based on the visitor survey JICA Study Team conducted in March and July 2001 and interviews with the travel trade both in Guatemala and foreign countries.

Tourism needs differ considerably depending on origin markets. The short-haul market such as domestic and El Salvador is more interested in resort tourism, nature tourism, and MICE (meeting, incentive, conference, and event), while the long-haul market is interested in archaeological sites and living indigenous cultures. Colonial cities are relatively important for visitors from the middle-haul market. Table 2.2 shows the results of evaluation by market segment.

**Table 2.2 Evaluation of market opportunities**

	Domestic	C.A. & Mexico	N. America	S. America	Europe	Others
Archeological tourism	.....	.....	.....	.....	.....	.....
Indigenous cultures	.....	.....	.....	.....	.....	.....
Colonial Cities	.....	.....	.....	.....	.....	.....
Nature Tourism	.....	.....	.....	.....	.....	.....
Resort Tourism	.....	.....	.....	.....	.....	.....
Cruise	.....	.....	.....	.....	.....	.....
SIT	.....	.....	.....	.....	.....	.....
MICE	.....	.....	.....	.....	.....	.....
Modern and Colonial Guatemala	.....	.....	.....	.....	.....	.....
Living Mayan Highlands	.....	.....	.....	.....	.....	.....
Mayan Adventure	.....	.....	.....	.....	.....	.....
A Different Caribbean	.....	.....	.....	.....	.....	.....
Natural Paradise	.....	.....	.....	.....	.....	.....
Guatemala for Discovery	.....	.....	.....	.....	.....	.....
Pacific Coast	.....	.....	.....	.....	.....	.....

Note: □ = Low, ▒ = Middle, .... = High

Source: JICA Study Team.

### 2.2.3. Spatial Tourism Structure

There is a close relationship between travel pattern and distance from origin market. As shown in Table 2.3, visitors from the long-haul market tend to travel longer period covering wider area.

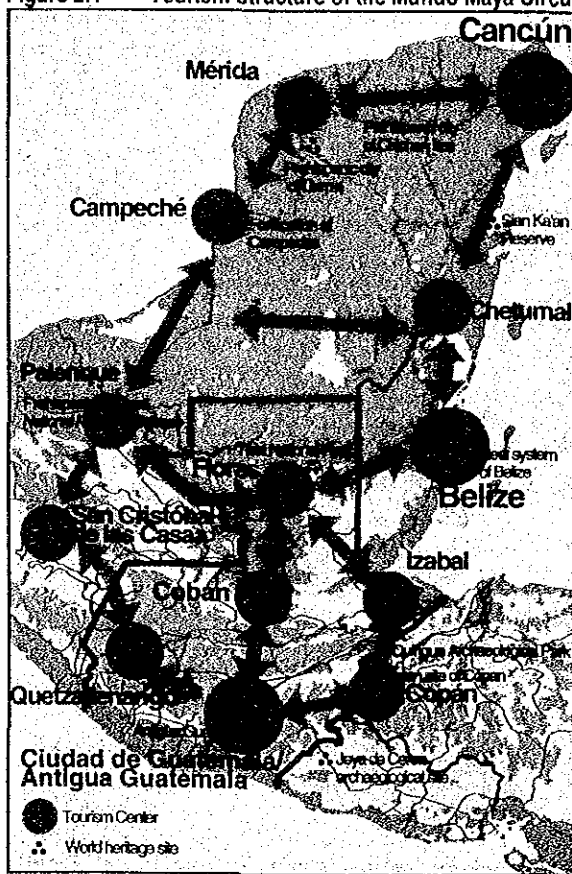
**Table 2.3 Geographic market segments and preferred types of Itineraries**

Length of itinerary	Area of travel activities	Short-haul market • Domestic • C.A. & Mexico	Middle-haul market • Americas	Long-haul market • Europe • Others
Single destination trip (2 - 4 days)	One-day Trip Area			
Short excursion (4 - 7 days)	Tourism Corridors			
Touring (1 - 3 weeks)	Tourism Circuit			

Note: ■ - preferred, ▒ - likely, □ not likely  
Source: JICA Study Team

Mundo Maya (Mayan World) is an area that has been inhabited by Mayan people for thousands of years, which extends over Guatemala, Belize, and part of Mexico, Honduras and El Salvador. Tourist Circuit according to Table 2.3 may cover the whole Mundo Maya if the transport conditions improve. Hence, it is necessary to have a viewpoint of Mundo Maya to set up Guatemala's national tourism structure. Figure 2.4 shows the tourism structure of the Mundo Maya Circuit.

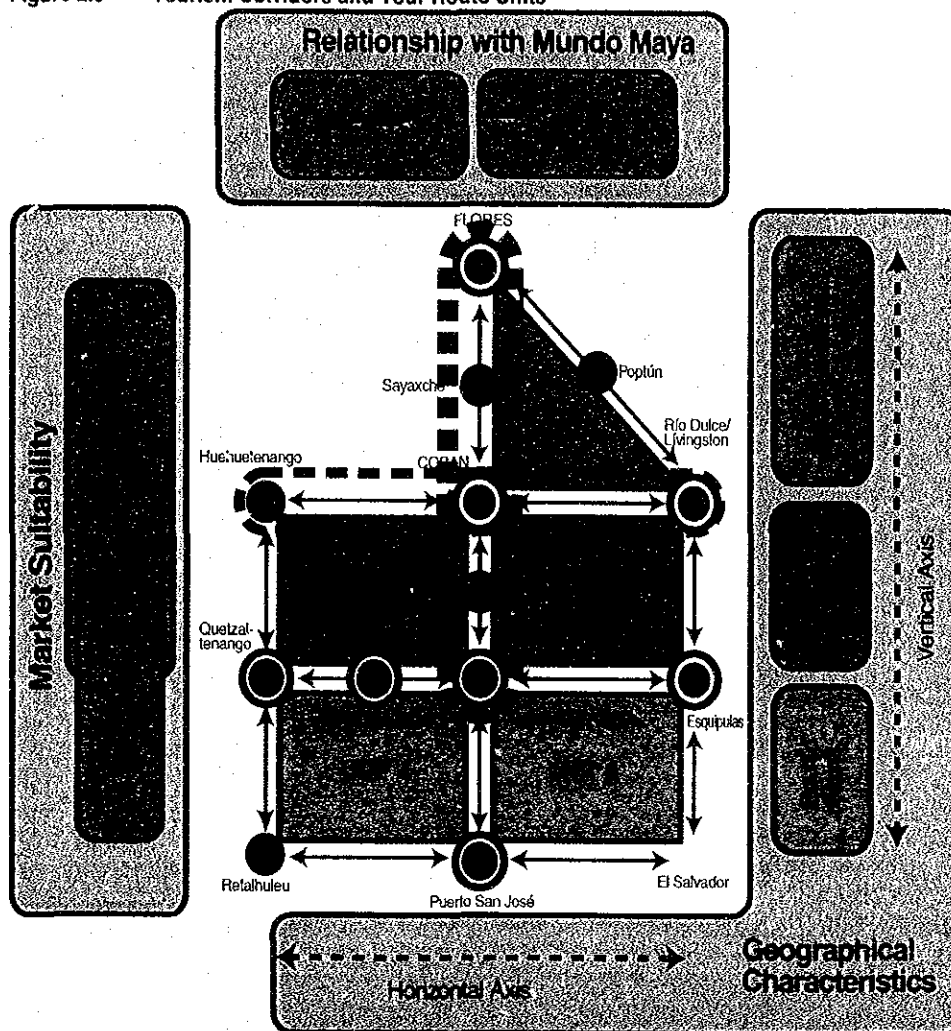
**Figure 2.4 Tourism structure of the Mundo Maya Circuit**



Source: JICA Study Team

Travel patterns in Guatemala are quite limited under the current transport conditions, and the same route is often used due to the lack of circuits. It is proposed to formulate Tour Route Units as shown in Figure 2.5 by developing Tourism Corridors and Tourism Centers to increase the number of travel patterns. Tour Route Units can be combined to formulate a long travel itinerary suitable for visitors from the long-haul market.

Figure 2.5 Tourism Corridors and Tour Route Units



Source: JICA Study Team

Formulation of the following new Tourism Corridors makes a prerequisite to establish the above-mentioned Tour Route Units:

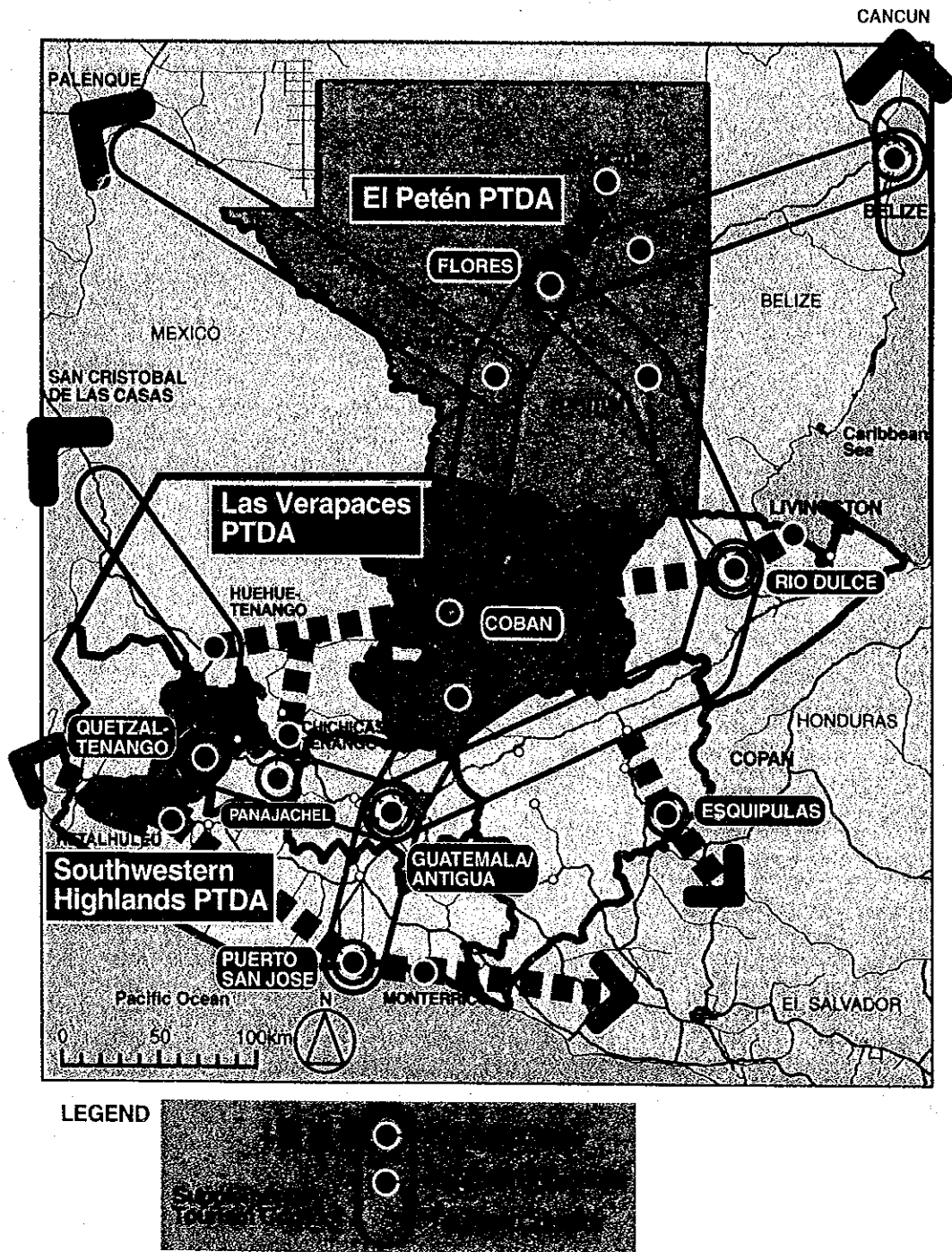
- Guatemala/ Antigua – Coban - Flores Tourism Corridor, and
- Huehuetenango – Coban – Izabal Tourism Corridor.

Coban will be located at the crossroad of the two Tourism Corridors, and Quetzaltenango City will be located on a travel route with competitive natural and cultural attractions, which connects the colonial city to Cobán by way of Huehuetenango and the Ixil Triangle.



Figure 2.6 shows a proposed national tourism structure based on the Mundo Maya Circuit and above-mentioned Tour Route Units. Tourism Centers are set to comply with INGUAT's Tourism Regions.

Figure 2.6 Proposed national tourism structure



Source: JICA Study Team

## 2.2.4. Tourism Development Framework

### (1) National development framework

Tourism development framework at the national level was set by comparing a number of results obtained by different estimation methods. Table 2.4 and Table 2.5 show the results of future international visitor arrivals and future domestic bed-nights, respectively.

**Table 2.4 Comparison of the results for international visitor arrivals**

Forecast/Year	International visitor Arrivals (,000)				Annual growth
	2000	2005	2010	2020	
a. Estimation based on the past trend					
Scenario-1: Early start of growth	826	1,054	1,549	2,237	5.1%
Scenario-2: Moderate start of growth	826	935	1,193	1,983	4.5%
Scenario-3: Slow start of growth	826	935	1,057	1,722	3.7%
b. Estimation based on the economy of the visitor generating countries					
Case-1: Higher economic growth	826	994	1,193	1,661	3.4%
Case-1: Lower economic growth	826	994	1,154	1,448	2.8%
Case-2: Separation of CA & OECD	826	1,046	1,271	1,726	3.8%
c. Estimation based on the WTO forecast					
Case-1: Increase of share	834	1,030	1,249	1,788	3.9%
Case-2: Some increase of share	812	966	1,145	1,605	3.5%
Case-3: Maintain share	805	950	1,121	1,561	3.4%
Case-4: Average of Case-1 and 2	823	998	1,197	1,697	3.7%
d. Estimation based on ENT					
ENT's	826	1,292	1,649	2,686	6.1%

Source: JICA Study Team, INGUAT

**Table 2.5 Comparison of the results for domestic bed-nights**

Forecast/Year	Domestic Bed-nights (,000)					Annual growth
	1999*	2000*	2005	2010	2020	
Scenario-1: High growth by GDP growth	3,535	3,651	4,525	5,629	8,810	
Annual growth rate		3.3%	4.4%	4.5%	4.6%	4.5%
Scenario-2: Middle growth by per capita GDP growth rate (line regression)	3,535	3,651	4,115	4,807	7,548	
Annual Growth Rate		3.3%	2.4%	3.2%	4.6%	3.7%
Scenario-3: Middle growth by pop. growth	3,535	3,651	4,153	4,691	5,811	
Annual growth rate		3.3%	2.6%	2.5%	2.2%	2.4%
Scenario-4: Low growth by per capita GDP growth (logarithm curve)	3,535	3,651	3,962	4,334	5,306	
Annual Growth rate		3.3%	1.6%	1.8%	2.0%	1.9%

Note: \*JICA Study Team also estimated the figures in 1999 and 2000

Source: JICA Study Team, Banco de Guatemala, and INE

Obtained results were compared and crosschecked by different indices to evaluate adequacy to set the target figures. Table 2.6 shows the development framework at the national level.

**Table 2.6 National framework**

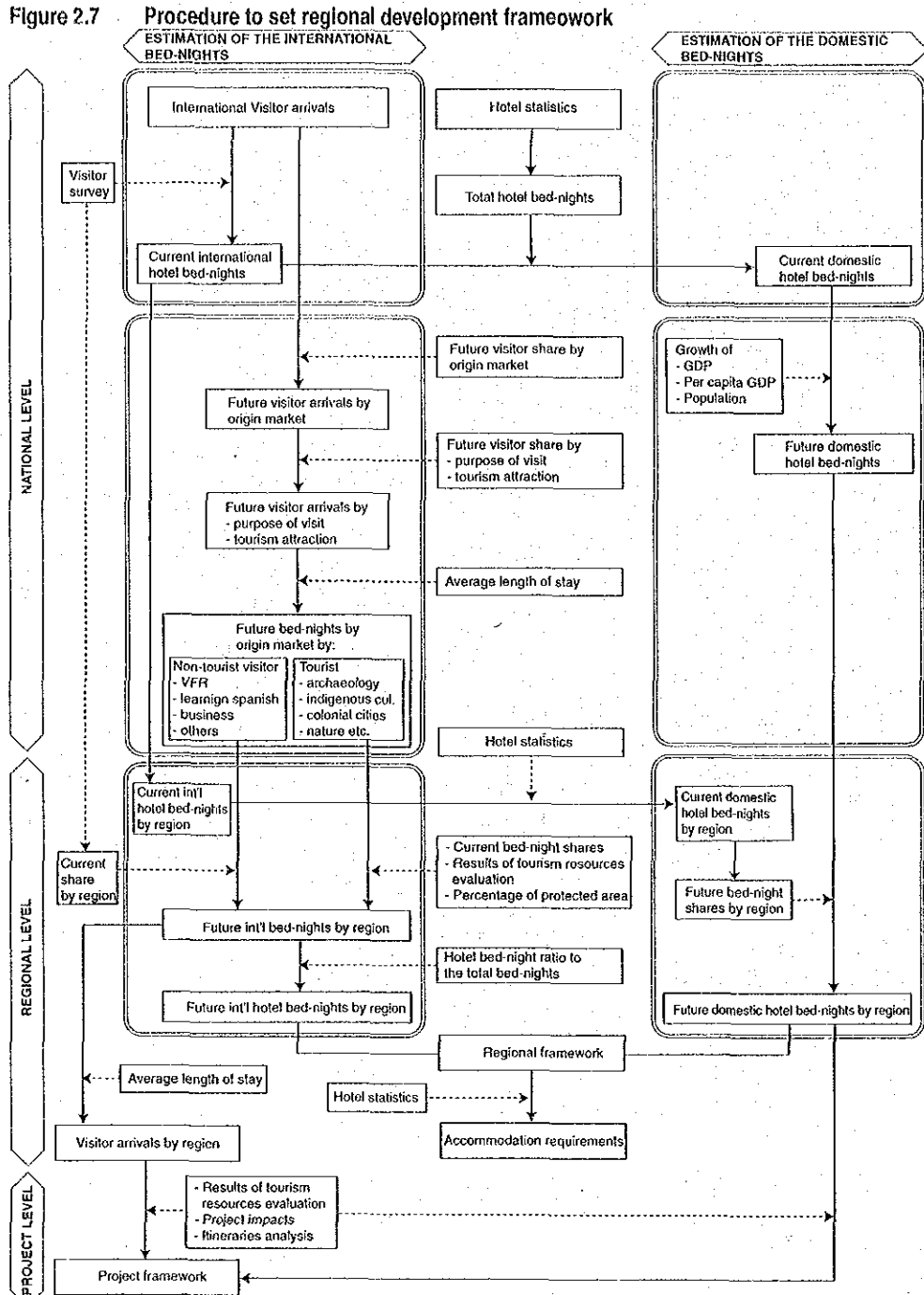
Item/Year	(Unit: 1,000)		
	2000	2010	2020
International Visitor Arrivals	826	1,200	1,800
International Bed-nights	5,607	8,511	12,625
Domestic Bed-nights	3,651	4,807	7,548
Total Bed-nights	9,257	13,318	20,173

Note: Total does not always meet the sum of figures in the table due to the rounding.

Source: JICA Study Team

(2) Regional development framework

Visitor survey was designed to estimate current regional tourism demand by supplementing existing statistics. Figure 2.7 shows the procedure to set up the regional tourism development framework.



Source: JICA Study Team

Table 2.7 summarizes the regional development framework calculated and estimated with the above procedure.

**Table 2.7 Regional development framework**

Tourism Region/Year	2000			2010			2020		
	Domes.	Int'l.	Total	Domes.	Int'l.	Total	Domes.	Int'l.	Total
Modern & Colonial Guatemala	345	2,816	3,161	499	4,014	4,514	835	5,744	6,579
Living Indigenous Highlands (SW Highlands PTDA)	864	1,149	2,015	1,141	1,583	2,723	1,802	2,359	4,160
Mayan Adventure (El Petén PTDA)	136	559	695	198	986	1,185	340	1,603	1,943
A Different Caribbean	201	341	543	271	577	848	430	828	1,258
Nature Paradise (Las Verapaces PTDA)	262	124	386	358	270	629	582	448	1,030
Guatemala for Discovery	867	266	1,133	1,088	326	1,414	1,642	467	2,109
Pacific Coast	975	350	1,326	1,251	755	2,005	1,917	1,176	3,094
<b>Total</b>	<b>3,651</b>	<b>5,607</b>	<b>9,259</b>	<b>4,807</b>	<b>8,511</b>	<b>13,318</b>	<b>7,548</b>	<b>12,625</b>	<b>20,173</b>

Source: JICA Study Team

### 2.2.5. Initial Environmental Examination (IEE)

An Initial Environmental Examination (IEE) has been conducted based on the concept of Strategic Environmental Assessment (SEA). The objective of SEA is to ensure that environmental issues are addressed at early stages of the planning process. The followings are findings that need special notice:

- Contamination of Peten Itza from wastewater from resort hotels,
- Considerations for the rights of common in case of nature tourism development, and
- Noise, pollution, soil erosion, littering.

As a response to the IEE study results, environmental strategies have been integrated into tourism plans both at national and local levels such as a nature tourism promotion program for the ecological corridor formulation, conservation of forests and wetlands with the use of tourism, and a proposal to conduct an environmental improvement study of Peten Itza.

## **2.3. Measures for Social Development through Tourism**

### **2.3.1. Introduction of Community Tourism**

Community Tourism is an adaptation of eco-museum to Guatemala's situation, and is regarded as a measure for the "softlanding" of tourism on rural areas, in particular, on indigenous communities. Community Tourism is not only for economic development but also a tool to promote village identity through the revitalization of traditional cultures. Community Tourism is planned to have the following three elements:

- Induction Center: Provision of induction programs that teach visitors how to behave properly in the community,
- Satellites: Tourism attractions based on local history and cultural traditions, and
- Interpretative Trails: Trails connecting Satellite attractions, which provide opportunities to experience the real community life.

Community's will should be respected whether or not a community would introduce Community Tourism, and participatory methods should be used for planning and developing Community Tourism.

It is proposed to introduce a certification program for Community Tourism, and to give a unique and proper name to the certification system and the tourism products developed by the program. Hosting a tourism event to choose an appropriate name may be an idea to publicize the tourism concept, and to increase the public awareness of INGUAT's activities.

### **2.3.2. Introduction of Co-management**

Co-management is a system to manage tourism site through the collaboration of different stakeholders such as local community, NGOs, local government, travel trade, government agencies, and research institutions. It is a mechanism that places emphasis on local participation and private sector initiative. This system should be widely applied to tourism projects proposed in the Study including Community Tourism development projects. It is proposed for INGUAT to provide the following assistances to promote co-management:

- To support Local Tourism Committees to function as the facilitators of co-management, and
- To set up Project Implementation Committees under the co-management scheme at proposed pilot project sites.

Although it may take more time to establish a management system based on a co-management scheme, the results on a long-term basis are expected to be more favorable and sustainable.

### **2.3.3. Supports for Accommodation Development in Rural Communities**

There is a lack of quality accommodation in rural and indigenous communities, which could be a serious constraint for developing Community Tourism. To cope with this situation, it is recommended for INGUAT to introduce a program to mediate between urban hotel operator who has expertise and rural community that has tourism potential. NGO is expected to play the role of mediator, and they would be involved in the program through seminars about tourism, and the approaches by INGUAT and other tourism related entities. Establishment of joint venture among hotel operator, NGO, local entrepreneurs, and municipality or community is advised to ensure strong commitment of the actors in operating hotels.

### **2.3.4. Cultivation of Good Host Attitude in Rural Communities**

Good host attitude (anfitrión/a) is needed in rural communities that constitute one of the most important aspects of tourism in Guatemala. A program is needed to encourage local people to have good host attitude. The program should not intend to let local people to serve for tourists but to treat them nicely as a good host. It is important to consider the will of community to introduce tourism, and different programs should be provided according to the will and situation of respective communities.

## **2.4. Measures for Adequately Managing and Conserving Tourism Resources**

### **2.4.1. Improvement of Archaeological Tourism**

Archaeological sites are the most important tourism resources of Guatemala with many management issues and constraints. The followings are recommendations to improve archaeological sites from a viewpoint of tourism:

- Selection of archaeological sites that are suitable for tourism use clarifying the selection criteria,
- Development of the SIT markets other than traditional tourist market: Use of archaeological sites for bird watching, nature tourism, and ethning tourism, and development of facilities and services for “learning tourists,”
- Establishment of archaeological sites groups to distribute visitors to less known sites, and to strengthen marketing: Mayan Jade Route (Cancuén, Ceibal, Aguateca etc.), Mayan Triangle (Yaxhá, Nakúm, Naranjo etc.), Mayan Forests (Mirador, Río Azul, Uaxactún etc.),
- Improvement of visitor management and interpretation techniques: different trails for different market segments, development of a visitor center and resting centers, use of Spanish, English and a local Mayan language, and zoning and visitor flow control,
- Development of visitor facilities that harmonize with the surrounding with the use of alternative energies, and

- Introduction of co-management to improve visitor services and management efficiency, and to motivate local people for conservation.

#### **2.4.2. Wise Use of Historical Cities**

Wise use is a concept that aims at conserving nature areas and cultural assets, in which tourism use generates fund for conservation thus ensuring the financial sustainability of conservation projects. Following measures are proposed to promote the wise use of historical cities:

- Creation of gathering places for both visitors and locals,
- Development of walking corridors,
- Provision of interpretation of history and cultures to increase the awareness of the importance of conservation,
- Investment promotion for wise use,
- Hosting of cultural activities and events, and
- Zoning for residents' privacy.

#### **2.4.3. Green Accommodation Program for Eco-Corridor Formulation**

Formulating a system of Ecological Corridors is essential to secure the bio-diversity. Tourism is considered important to formulate Eco-Corridors since most of the Eco-Corridors are on private property. The followings are measures for INGUAT and CONAP to promote tourism for the Eco-Corridor formulation:

##### **(1) Supports for quality ecolodges development**

- Dissemination of the concept of quality ecolodges,
- Provision of tourism training for lodge management,
- Financial supports, and
- Promotion supports for ecolodges and nature tourism

##### **(2) Promotion of agro-tourism**

- Evaluation of agrotourism potential,
- Setting of facility and services standards for easier participation,
- Provision of tourism training both at owner and employee levels, and
- Supports for establishing agrotourism associations.

##### **(3) Promotion of private reserve**

- Guarantee of the right of land use,

- Formulation of a master plan within Eco-Corridor,
- Tax incentives,
- Promotion of “retirement in Guatemala,” and
- Payments for environmental services such as watershed protection and dioxide fixation.

#### **2.4.4. Introduction of Visitor Management Systems**

Introduction of a visitor management system is essential to assure sustainable use of archaeological sites and nature areas. The system does not only ensure conservation but also improve visitors’ satisfaction by reducing congestion. Zoning and flow control are the two basic concepts of visitor management:

##### **(1) Zoning**

Zoning is necessary to protect fragile ecosystems and privacy of residents. The following categories are proposed:

- Core tourist area: central plaza, entrance of a park,
- Hard traffic area: walking area surrounding core tourist area, permanent paths,
- Buffer area: special paths, suburb, residential area, and
- “Out of bound” area: privacy area, and fragile ecosystems.

##### **(2) Flow control**

###### **National level**

- To seek cooperation from tour operators for a better mechanism of tourist flows, and
- To influence independent tourists to cooperate for establishing a better tourist flow through information provision and awareness programs.

###### **Site level**

- To provide information about possible congestion, and ask for cooperation,
- To host staged activities and presentations to divert visitor flows,
- To build sufficient paths to avoid congestion, or limit the number of visitors, and
- To introduce special pricing and regulations to accompany guides to a fragile or congested areas.

### **2.5. Measures for Increasing the Competitiveness of the Tourism Sector**

#### **2.5.1. Introduction of an Ecotourism Certification System**

Ecotourism certification system has two functions: to promote environmental knowledge among the travel trade, and to facilitate marketing of ecotourism products as a “brand.”



Taking into account the current conditions, it is proposed to have two systems of ecotourism certification.

**(1) Joint venture with international certification systems**

Joint venture with international certification systems has more emphasis as a tool to promote tourism products. It is recommended for INGUAT to prepare a database containing comprehensive information of international certification systems, and to provide consultation to enterprises to obtain certification.

**(2) National level certification systems to motivate conservation**

National level certification system should be developed with more emphasis on motivating conservation. It is necessary to design the certification system so that most of the participants would get a certain level of certification to motivate further efforts to obtain a higher level of certification.

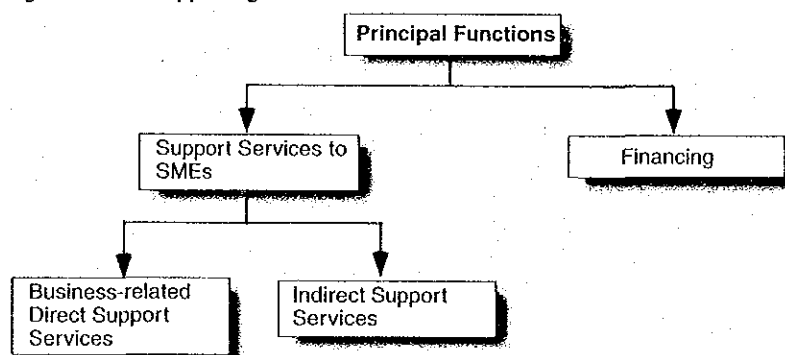
**(3) Certification of Community Tourism**

Certification system of Community Tourism should be developed as part of the national level certification system. Like other certification systems, it should be designed to spread the concept and knowhow of Community Tourism and to create a brand that guarantee tourism product quality. INGUAT should make efforts to publicize the certification system to be an international certification system.

**2.5.2. Supports for Tourism SMEs**

INGUAT should provide supporting measures for tourism-related small and micro enterprises (SMEs) as shown in Figure 2.8.

Figure 2.8 Supporting measures for tourism SMEs



Source: JICA Study Team

As for financing supports, it is advisable that the operation be subcontracted to an organization that has experiences and knowhow. Establishment of the "SME Assistance Unit" in INGUAT that provides SMEs with consultancy services is recommendable to provide non-financial supports.

### 2.5.3. Improvement of Visitor Facilitation

The followings are major recommendations that would facilitate visitors in Guatemala to travel smoothly:

- Increase of the number, and extension of operating hours, of tourism information offices in Guatemala,
- Improvement of airport transport: shuttle bus, information provision,
- Improvement of visitor facilitation in archaeological sites: signs and interpretation in foreign languages, improvement of presentation, and considerations for security, and
- Improvement of “sense of arrivals.”

### 2.5.4. Strengthening of Tourism Promotion

Tourism promotion needs strengthening to reach target market more efficiently, and some additional activities would become necessary to sell newly proposed tourism products in the Study. The followings are major recommendations:

#### Tourism promotion materials

- Production of tourism promotion materials by origin market,
- Preparation of agent sales manuals,
- Photo contest for improving INGUAT photo library, and
- Use of internet for promoting special interest tourism (SIT).

#### Approaches to the travel trade

- Evaluation of fam trips, seminars, and workshops, and
- Participation in “alternative” travel trade shows.

#### Hosting of events

- Photo contest for establishing a photo library, and
- Tourism slogan contest for involving general public in tourism promotion activities.

### 2.5.5. Enforcement of Tourism Administration

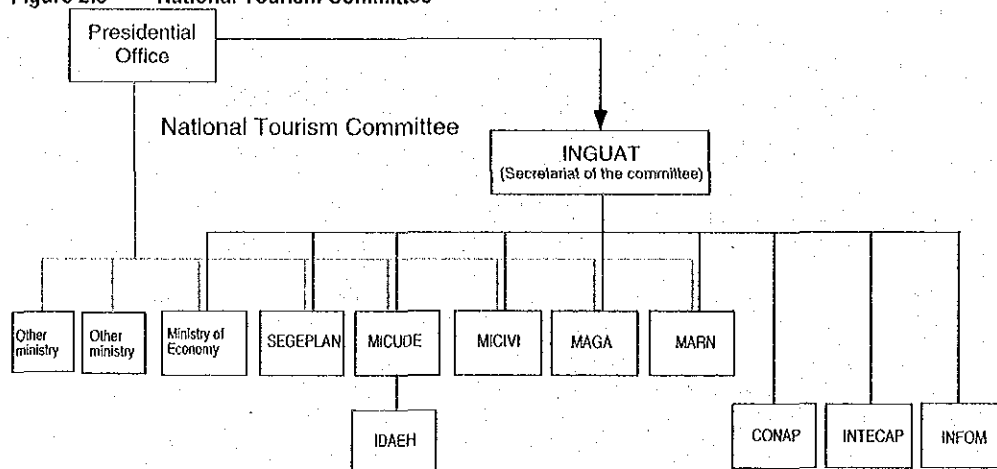
Newly introduced Local Tourism Committees should be supported and strengthened as a mediator between local community and INGUAT to promote co-management. It is proposed to strengthen INGUAT regional offices to provide better supports for Local Tourism Committees.

Introduction of a Board of Directors is expected to ensure the continuity of tourism policies. At the staff level, it is recommended to prepare standard operation manuals.

Hosting of Tourism Advisory Conference is recommended to promote the disclosure of INGUAT activities

It is proposed to set up a National Tourism Committee, as shown in Figure 2.9, under the Presidential Office with secretariat in INGUAT to strengthen the inter-agency coordination capability for tourism development.

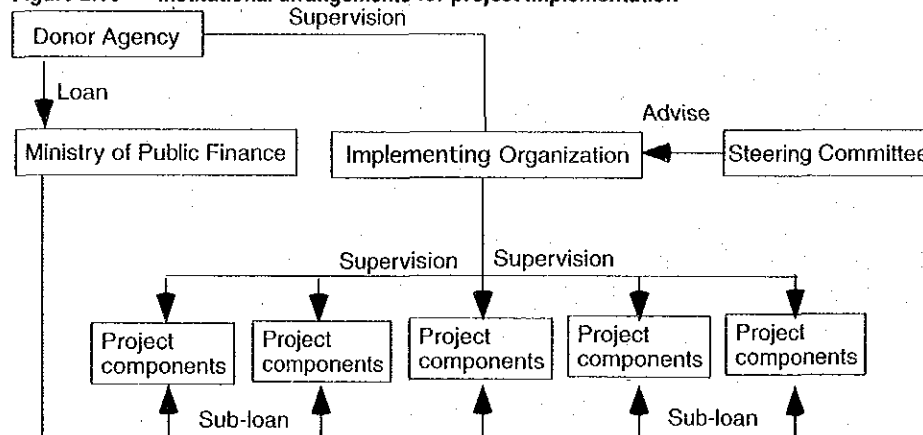
Figure 2.9 National Tourism Committee



Source: JICA Study Team

In case an international donor agency like Japan Bank of International Cooperation (JBIC) would finance pilot projects proposed in this Study, it is necessary for the government agency in charge of the project implementation to make institutional arrangements to comply with their requirements. Figure 2.10 is an example of institutional arrangements.

Figure 2.10 Institutional arrangements for project implementation



Source: JICA Study Team

It is, however, possible for INGUAT to implement, at least, some of the pilot projects with its own budget. Table 2.8 estimates the revenue and expenditure stream of INGUAT in case INGUAT implements the pilot projects in Las Verapaces and the Southwestern Highlands with its own budget. Thanks to the increase of visitor arrivals, it is possible for

INGUAT to invest in the two PTDA's without reducing the budget for tourism promotion and operation.

**Table 2.8**      **INGUAT revenue and expenditure**

		(Unit: Million Quetzales)									
Year		1996	1997	1998	1999	2000	2001*	2002*	2003*	2004*	2005*
INGUAT Revenue	Revenue from tax	38.56	39.18	70.83	87.91	94.69	96.63	100.97	105.50	110.24	115.20
	Badget	38.56	39.18	70.83	87.91	94.69	96.63	100.97	105.50	110.24	115.20
INGUAT expenditure	Tourism investment	1.58	2.94	4.20	2.79	3.08	4.56	9.49	21.53	31.89	20.68
		4.3%	6.8%	6.3%	3.4%	4.7%	4.7%	9.4%	20.4%	28.9%	18.0%
	Tourism promotion	14.64	19.77	19.64	50.21	36.33	53.78	53.43	49.05	45.77	55.21
		40.2%	45.6%	29.5%	61.6%	55.7%	55.7%	52.9%	46.5%	41.5%	47.9%
	Operation	20.18	20.62	42.72	28.45	25.87	38.29	38.05	34.93	32.59	39.31
		55.4%	47.6%	64.2%	34.9%	39.6%	39.6%	37.7%	33.1%	29.6%	34.1%
	Total	36.40	43.33	66.56	81.45	65.28	96.63	100.97	105.50	110.24	115.20
		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	El Petén (IDAEH)							3.05	35.51	35.51	5.67
Pilot Project costs	Las Verapaces							1.57	13.98	13.98	0.00
	SW Highlands							3.39	3.39	14.03	16.00
	Total							4.96	17.37	28.01	16.00

Note: \*; Estimation based on the development framework.

Source: JICA Study Team