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Is Nicaragua Finally Tapping into Its Tourism Potential?

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This year’s Holy Week proved to be a bountiful week for the Nicaraguan tourism industry, which has grown at a steady clip in recent years and now brings in more revenue than any of the nation’s top export products. But while many see the numbers as clear cause for celebration, others are taking a glass-half-empty view of the situation and suggest that with better planning and marketing, Nicaragua could draw far more—and perhaps better-paying—visitors.

In the days leading up to and including Easter weekend (March 20-28), tourism operators raked in some US$67 million, 10% more than expected, according to the Cámara Nicaragüense de la Micro, Pequeña y Mediana Empresa Turística (CANTUR), one of several small- and medium-size-business groups active in Nicaragua. Food-related spending accounted for the largest portion (45%) of the revenue, followed by lodging, CANTUR reported. “This Holy Week was extraordinary,” CANTUR head Leonardo Torres told reporters March 29. “We reached numbers and goals beyond what we’d anticipated.”

The CANTUR figures are the latest in what has been a steady stream of good news for the tourism industry. A week earlier, the Banco Central de Nicaragua (BCN) released annual totals for 2015 showing a nearly 19% revenue hike, from US$445.4 million the year before to US$528.6 million. Per capita tourism spending dropped slightly, from US$41.8 a day to US$41.5, but travelers stayed longer in 2015 than they did in 2014, with average visits of 8.7 days versus 7.7 days. There also appears to have been an increase in the number of visitors to Nicaragua, from 1.32 million in 2014, as reported by the BCN last year, to 1.45 million, according to the Instituto Nicaragüense de Turismo (INTUR), a government agency. The BCN has not released its own visitor arrivals figures for 2015.

The rising numbers are part of a trend that dates back several years. In 2009, Nicaragua’s tourism industry took in an estimated US$334.4 million, nearly 37% less than last year’s returns. Earnings dipped slightly in 2010 (US$312.8 million), the BCN reported, but have risen since, reaching US$390.3 million in 2011 before surpassing the US$400-million mark in 2012. The industry reached new heights in 2015, not only by topping US$500 million, but by generating more revenue, for the first time, than the country’s top export product, beef. Exports of beef reached US$454.3 million last year, up from US$448 million in 2014, according to the BCN. Nicaragua’s other leading exports are coffee and gold (NotiCen, March 13, 2014, which brought in US$392.3 million and US$317.9 million respectively in 2015.

The revenue surge mirrors a steady increase in the number of visitors to Nicaragua, which boasts many of the same features—tropical beaches, exotic wildlife, active volcanoes—that attract tourists to other parts of Central America, particularly nearby Costa Rica. Adding to Nicaragua’s allure are relatively low crime numbers, especially compared to the so-called Northern Triangle countries of Guatemala, Honduras and El Salvador (NotiCen, Feb. 18, 2016). Two decades ago, Nicaragua received fewer than 300,000 outside visitors per year, according to INTUR. By 2005, it boasted more than 700,000 annual visitors. Last year, twice that many came.
Glowing press reviews

Influential media outlets in the United States and elsewhere are playing their part by singing the country’s praises. The Boston Globe included Nicaragua in its “Where to go in 2015” list, alongside Cuba; Myanmar; Budapest, Hungary; Houston; and Cartagena de Indias, Colombia. “Forget Costa Rica—old news. Industry experts are calling Nicaragua the hottest destination in Central America, and one of its best bargains,” the US daily reported. “It’s a land of rich biodiversity, with volcanic peaks, rain forests, beaches, and nature reserves.”


All of this is music to the ears of Nicaragua’s tourism operators and central government, always eager for new sources of revenue. The government is led by long-serving President Daniel Ortega and his Frente Sandinista de Liberación Nacional (FSLN), which controls nearly all of the country’s municipal governments and has a comfortable two-thirds majority in the one-chamber national legislature. Ortega, the former revolutionary who first served as president from 1985 to 1990, returned to power in 2007 and is an early favorite to win the next presidential election, scheduled for November (NotiCen, Jan. 28, 2016).

Ortega’s nearly decade-long hold on the presidency has been controversial. He ran for reelection in 2011 in defiance of the country’s term-limit rules, which he later changed as part of a tailor-made overhaul of the Constitution (NotiCen, Feb. 27, 2014). But the Ortega administration has also proven to be popular, in part because of the relatively rosy growth numbers the Nicaraguan economy has boasted in recent years. Gross Domestic Product (GDP) grew 3.9% last year, down from 4.7% in 2014 but still above the Latin American average of 2%-2.5%, according to the World Bank. The bank forecasts this year’s growth rate to reach 4.2%. In 2011—when Ortega won by a landslide—the economy grew by 6.2%.

“Nicaragua’s macroeconomic stability has allowed the country’s decision makers to shift from crisis control mode to longer-term, pioneering strategies to fight poverty, particularly in remote rural communities,” the World Bank explains in its country overview on Nicaragua.

Ortega’s stewardship of the economy has also drawn praise from the US government—which decided last year to clear Nicaragua of the “property waiver” requirement it had long imposed as a condition for receiving US aid money and certain foreign loans (NotiCen, Sept. 17, 2015)—and from the International Monetary Fund (IMF), which announced late last month that come August, it will close its office in Nicaragua. Nicaraguan authorities are touting the decision as evidence that the IMF’s services are no longer required. Speaking to reporters, the IMF’s representative in the country, Juan Zalduendo, conveyed essentially the same message. “This decision reflects the success Nicaragua has had in maintaining macroeconomic stability and growth,” he said.

Plenty more to be done

More than a few observers, nevertheless, say that with regards to tourism, Nicaragua—and the government in particular—could do much more. In a recent interview with El Nuevo Diario, Carolin
Lusby, tourism expert and education professor at Florida International University in Miami, said the country needs to do a better job promoting itself. It also needs to come up with a clearer idea, she said, of what kinds of tourism it wants to develop and market.

“There’s one specific type of tourism that draws a lot of visitors and that Nicaragua already exploits. I’m talking about surfing,” Lusby said. “But it’s not being promoted enough on an international level, which brings us back to the issue of marketing. Another kind of tourism that Nicaragua has, but doesn’t exploit, is colonial tourism. It may not be the biggest kind of tourism, but it’s certainly something that attracts people.”

Others say Nicaragua should follow Costa Rica’s lead and provide more “ecotourism” options, such as trekking, bird watching, and visits to rural communities. The idea is to attract not only a greater number of visitors, but a different kind of tourist—people who are likely and willing to shell out more money during their stay. Costa Rica drew more than 2.6 million visitors last year, nearly twice as many as Nicaragua, the Instituto Costarricense de Turismo (ICT) reported in January. But it earned more than five times as much (US$2.8 billion) in total tourism-related revenue. “We’ve seen that tourists who come for more than just sun and sand spend more,” Freddy Cruz, tourism coordinator with the Red de Reservas Silvestres Privadas de Nicaragua (RedRSP), a network of private nature reserves, told La Prensa last month.

Niche-focused tourism does appear to pay dividends. The US travel and adventure magazine Outside published an article last November about the growing popularity of volcano boarding on Nicaragua’s Cerro Negro, near the colonial city of León. The article describes how the relatively new sport, also known as volcano surfing, single-handedly transformed León’s tourism industry, attracting thousands of visitors and generating spillover business in the form of hostels and restaurants. “Before volcano boarding, the only attraction around here was the cathedral,” Indrany Aurora Cuadra Zamora, a representative from the tourism office in León, told Outside. “The main industry was agriculture. People were just selling peanuts and cotton.”

Industry experts say that if really wants to cash in on its natural assets, Nicaragua also needs to offer additional and more varied accommodations, provide more tourism-related job training, and improve its basic infrastructure—certainly no easy task for a country that, despite its recent growth rate, remains one of the poorest nations in the region. Major improvements have been made over the last 20 years to the country’s main international airport in Managua. Little has been done, however, to upgrade the land-based points of entry. Observers say the country’s roads are in serious need of attention, as well.

“Take for example the outlying beaches around San Juan del Sur,” Sylvia Ramírez de Levy, of the Cámara Nacional de Turismo (CANATUR—not to be confused with CANTUR), told La Prensa in December. “The road is being improved. But at any moment, a foreign tourist could decide to leave because of how ugly the road is and the difficulties it presents. The idea is always to keep them here longer, so they spend more.”

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