Proposed Tourist Complex Could Threaten Sensitive Coral Reef in Gulf of California

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Proposed Tourist Complex Could Threaten Sensitive Coral Reef in Gulf of California

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A huge tourism development proposed in Baja California Sur state could pose a new threat for the only living hard coral reef in the Gulf of California. The Cabo Pulmo reef survived a similar threat two years ago, when environmental advocates and local residents banded together to stop the construction of a 27,000-room resort near the Parque Nacional Cabo Pulmo. However, the battle is not over, as a new project, backed by Chinese and US capital, has been proposed for the area. Developers of the newest project, which would be known as the Cabo Dorado resort, have proposed a facility with 22,000 rooms.

The Parque Nacional Cabo Pulmo, on the eastern tip of the Baja California Peninsula on the Gulf of California, is just east of the resort city of San José del Cabo. The marine national park was created almost two decades ago in an area that had once been overfished. Area residents agreed to de-emphasize commercial fishing and develop ecotourism activities (SourceMex, Aug. 1, 2007), which allowed a major recovery of marine life around the Cabo Pulmo reef. The reef is now home to 226 of the 875 species of fish that exist in the Gulf of California.

Earlier project defeated two years ago
Two years ago, developers had proposed a massive resort known as Cabo Cortés near the marine national park. The plan proposed a marine area developed on coastal sand dunes. The facility would include a 500-dock marina, two golf courses, and lodging facilities with 27,000 rooms—all about 100 km from the natural reserve.

Environmental organizations, academics, and many area residents came together to oppose the project, which they said would cause irreparable environmental damage to the park. There was particular concern about the Cabo Pulmo coral reef, considered the best-preserved marine formation of its kind in North America. The site was designated a protected area in June 1995 and was later upgraded to a full national park in 2000.

Furthermore, the UN Educational, Scientific and Cultural Organization (UNESCO) announced in July 2013 that the islands and protected areas in the Gulf of California, including Cabo Pulmo, would be added to the list of World Heritage Sites. "The Sea of Cortez and its islands have been called a natural laboratory for the investigation of speciation," UNESCO said. "Moreover, almost all major oceanographic processes occurring in the planet's oceans are present in the property, giving it extraordinary importance for study."

The proposed Cabo Cortés project, which was to be developed by the Spanish-based company Hansa Urbana Properties and its local affiliate Hansa Baja Investment, was cancelled in 2012 after thorough government review. Former President Felipe Calderón personally announced the cancellation of the project, stating that the developer had not provided sufficient scientific proof that the development would not cause irreversible damage to the site.
Shortly after Calderón’s decision, Hansa Baja investment announced plans to revise the project “with the objective of finding an equilibrium between economic and tourism development and environmental sustainability.” The company had said it would resubmit a proposal, but none was presented.

**Scaled-down version proposed**

An alternative new proposal has surfaced to construct a huge resort in the area, albeit somewhat scaled down from the project proposed by Hansa Urbana. This time the principals in the project, which is named Cabo Dorado, appear to be backed primarily by Chinese and some US capital.

The proposal, which is in its earliest stages of consideration, suggests a 22,000-room resort and leaves out some controversial aspects of the earlier plan—including the marina and a desalinization plant. In the plans presented to the federal government, the complex would include nine hotels and more than 6,000 other housing units, three golf courses, an airstrip, and a 14 km duct to carry water from the Santiago Aquifer.

The developers, who predict that the project could create 18,000 direct and indirect jobs in the region, have estimated the Cabo Dorado resort would take about 10 years to complete at a cost of about US$3.6 billion.

Environmental groups and academics have again joined to oppose the new project, saying that even the scaled-down plan is unsustainable. There is strong concern about the amount of water needed to support a megaproject like Cabo Dorado and the negative impact that wastes from the resort and runoff from golf courses would have on the marine life in the reef.

**Developer’s environmental-impact study disputed**

Opponents of the project also criticized a preliminary environmental-impact statement (Manifestación de Impacto Ambiental, MIA) by the developers, La Rivera Desarrollos BCS, to the la Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT).

"We can guarantee that the development of this project will harm the health of the Cabo Pulmo reef, particularly via the runoff of contaminants," said a statement from environmental experts, who conducted a thorough review of the MIA. A total of 407 specialists participated in the review, including representatives from the Instituto de Ecología at the Universidad Nacional Autónoma de México (UNAM), the World Wildlife Fund (WWF), the University of California Institute for Mexico, and the Center for Marine Biodiversity and Conservation.

Other environmental organizations that have added their voice in opposition the project are Amigos para la Conservación de Cabo Pulmo (ACCP), the Centro Mexicano de Derecho Ambiental (CEMDA), Asociación Civil Costa Salvaje, Defensa Ambiental del Noroeste (DAN), Greenpeace, and Grupo de los 100.

The proposal to extract water from the Santiago Aquifer was also deemed troublesome. "[This proposal] could result in the introduction of salt water into this vital source of fresh water, diminishing the quality and availability of water in the region," said the experts.

The environmental experts also took issue with the scope of the MIA, which they said only listed 120 species of plants, instead of the 406 that exist in the region. Furthermore, nearly 100 species of...
animals in the area are in danger of extinction, four times the number that the developers listed in the MIA.

The results of the environmental impact study were presented at a public hearing in San José del Cabo in early May, but the hearing turned contentious. A shouting match erupted between opponents of the project and representatives of La Rivera Desarrollos BCS, led by former deputy environment secretary Raúl Arriaga.

Area residents are divided on the project. There is strong support from some residents of the communal farm (ejido) La Ribera, which see opportunities for economic development. The ejido residents have the support of legislators such as federal Sen. Isaías González Cuevas and state representatives Carlos Castro and Juan Alberto Valdivia, all members of the governing Partido Revolucionario Institucional (PRI). The three officials met with members of the ejido, where they agreed on the need for economic development for the area and denounced the opposition from environmental groups "financed by outside interests."

Others see a danger in allowing huge projects in the area. "We're not against development," Judith Castro, a local tourism-services entrepreneur, told the Associated Press. "But we are against unchecked growth."

**Chinese capital behind latest proposal**

Beyond the environmental concerns, there is strong suspicion about the financial supporters of the project, who are said to be primarily Chinese companies funded by the Chinese government.

Other than the public hearing in San José del Cabo led by Arriaga, the developers have made few public statements about the project. One partner in the project, Beijing Sansong International Trade Group, placed an advertisement in several Mexican newspapers. The ad suggested that the Chinese government is involved in the plan.

"In accordance with the agreements signed in recent months between Mexican President Enrique Peña Nieto and the President of the People's Republic of China Xi Jinping ... we announce that the La Rivera Desarrollos BCS company, in which we are investors, will carry out a new project on the Cabo del Este," said the advertisement.

The Associated Press said neither Beijing Sansong nor La Rivera responded to its requests for comment, but the company's Web site lists as partners two Chinese state-affiliated companies. One partner—China State Construction Engineering Corporation Limited—was barred from World Bank construction contracts for "collusive practices" on a previous project.

This is the second major project funded by the Chinese government that has come under suspicion in Mexico. The Dragon Mart complex, a huge exhibition and commercial center planned in Quintana Roo state near Cancún, has drawn strong opposition from environmental advocates and the business community in Mexico (SourceMex, Jan. 16, 2013). The project suffered a major setback when local authorities denied a building permit (SourceMex, May 1, 2013). The project appeared to be back on track after a Mexican court ruled in September that municipal authorities were bound to issue a permit to the Dragon Mart developers (SourceMex, Sept. 25, 2013).

The developers received another setback in May of this year, however, when the federal environmental protection agency Procuraduría Federal de Protección al Ambiente (PROFEPA) ruled...
that they have to resubmit their environmental applications with the federal Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT), since the land on which the project is planned is federal property.

The Mexico City daily newspaper Excélsior said the directive could "open the door for an eventual cancellation of the controversial project."

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