

Guayaquil

Raising the Bar

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Throughout history, humans have sought better lives by pursuing ambitions of success with a vigorous work ethic. When it comes to urban development, no South American city better testifies to this ethos than Guayaquil. A vibrant business metropolis upstream from Ecuador's Pacific coast, Guayaquil is currently in the midst of a far-reaching urban regeneration, fostering grand infrastructure projects, tourism developments, and environmental enrichment. At the helm of these extensive changes is the city's popular Mayor Jaime Nebot Saadi, who is overcoming numerous challenges to achieve unsurpassed economic growth, citizen satisfaction, and investor confidence, making Guayaquil a model for cities in Latin America and around the world.

City of dreams

From his office in the restored neoclassical City Hall of Guayaquil, appropriately known as the Palacio Municipal, Mayor Jaime Nebot has a clear view of the project that has come to define the city's modern aspirations. Malecón 2000 is the vibrantly regenerated area along the Guayas River, centered on the historical Simón Bolívar pier. Since the mid-1800's, this has been the place where locals and visitors perambulate and gather, watching the ships make their way up and down the river. Stretching a total of 1.5 miles, the fascinating urban park with multiple green areas is once again a prime civic, social, and commercial center of 51 acres, a tourist attraction that blends the best of Guayaquil's old and new.

Another reason why Malecón 2000 is indicative of the city's spirit is that the project is a combined achievement of municipal funds and private investment. The regenerated riverfront showcases the vision that the mayor, his administration, citizens, and the business community have for the future of Ecuador's largest city. The area includes food courts at Mercado Sur, beautifully landscaped gardens, and a high-tech IMAX cinema below the historically colorful neighborhood of Las Peñas and its small port of De La Marina. Here is a bustling metropolis in touch with its natural surroundings, growing organically with vast possibilities, and following the flow of the mighty river it thrives on; out into the Pacific Ocean and beyond into the world.

"When I arrived here at City Hall as Mayor of Guayaquil," Nebot recalls of his 2000 election, "the budget was \$115 million every year. Now it is at almost \$450 million annually." This financial success stems directly from the decision to make tourism the main focus of the city's redevelopment, as a generator of employment and investment. By employing a strict policy of appropriating just 11



percent of income to municipal expenses and investing the remaining 89 percent, the city was able to carry out the biggest and fastest urban regeneration project in years. "It has been a six-year process that has converted this city into not only the most visited in Ecuador but also the fastest growing at an international tourism level."

Mayor Nebot says the urban regeneration has reinforced the self-esteem of Guayaquil's 3 million citizens, stimulated the economy, and made the municipality the first generator of employment. His efforts have not gone unrecognized internationally. In 2003, the United Nations declared Guayaquil a Model City of Human Development and Governance, and last November it became the Symbol of Ibero-American Progress. Malecón 2000 was only the first step in this groundbreaking process, as Nebot points out. "Today we have a new International Airport, a new Terrestrial Transportation Terminal and an International Convention and Exposition center reutilizing the facilities of the former airport terminal, which we will inaugurate between the months of July and October." In January this

year, Jaime Nebot was honored in Washington DC with the 2007 Sustainable Transport Award by the Institute for Transportation and Development Policy for providing a once congested and highly polluted city with the Metrovia Rapid Transport system. The system is expected to expand from its current 10 miles to 27 by 2008, serving almost 500,000 passengers with a cleaner service and improving their quality of life. Speaking at the ceremony, the institute's Executive Director Walter Hook acknowledged Nebot's role, saying he belongs "to a new generation of bold mayors and governors around the world who are tackling seemingly intractable problems – and winning."

"Defining success as the capacity to make dreams come true. This is what we do in Guayaquil."

Mayor Jaime Nebot

Such praise of Guayaquil's achievements raises the bar for other cities, not only in Ecuador but in the whole of Latin America, and many more around the world. Guayaquil is eager to share its experiences, although the mayor insists there is no secret formula to the city's feats. "It is simply a management with traditional rules that if well applied take you to success. Defining success as the capacity to make dreams come true, this is what we do in Guayaquil. The key is to know the problems that have to be solved, know well the reality and have a clear vision of what one wants to make that reality. Better Life: Those two words define all that we want to achieve. How do we do it? With capacity, honesty, solidarity, and efficiency in the administration. To live better has no limits. This ideal at a socially conglomerated level is very difficult to reach, and the road is very long. The achievements are important and we have done a lot, but we still have a lot to do."

Facilitators of investment

To understand just how remarkable Guayaquil's rise is, one has to take in Ecuador's history of political and financial crises, and the resilience the city has shown in weathering them. Indeed listening to local entrepreneurs and politicians speak of their city, it almost seems like Guayaquil is unperturbed by nationwide downturns. Guayaquil's mentality is to simply not participate in an economic crisis. This has made its business climate all the more attractive, and investors have flocked to the city, especially over the last 6 years.

Since Ecuador's formation as an independent state in 1830, Guayaquil has been the country's first port and trade hub. High demand for cacao and bananas in the early 20th century shifted economic dominance from the capital Quito to Guayaquil. The city handles some 90 percent of the country's imports and 50 percent of its exports

through the modern port of Puerto Marítimo, 6 miles downstream. The city's exports also include coffee and shrimp, major crops in the fertile and productive Guayas province. Adding to the plethora of economic activities are sugar refineries, iron foundries, machinery retailers, tanneries, and sawmills. The Trans-Ecuadorian Pipeline also links Guayaquil through Quito with the petroleum fields in Napo Province.

Even though Ecuador's political leadership is prone to frequent changes - there have been five presidents in the past six years - Guayaquil has enjoyed the constant guidance of Mayor Jaime Nebot over that same period. "Investment is only attracted by creating confidence and stimulation," states Nebot. "Confidence implies political stability and legal security. Guayaquil counts both requisites and is also willing to confer special agreements of legal security. We know what the investor wants, and what our vision of development and the future is." Apart from the city's infectious belief in the future, the growing business community is also drawn by the municipality's incentives, created to make Guayaquil an even more competitive investment destination. The mayor is a strong proponent of free trade and tax-free zones, as well as an enthusiastic advocate of the new national law on tax incentives, which offers ten-year tax holidays in Guayas Province for investors in specific sectors such as electric power generation, petrochemicals, exports, aviation hubs, and ports. One of the current key projects is the construction of a deepwater port with an investment of \$450 million by Spanish Alianza Internacional Portuaria (Alinport/TCA) and major local investors. The container and transshipment hub project located at Posorja will greatly strengthen Guayaquil's reach in the world, making it a central junction for Pacific America, China, and Australasia.

"Investment is only attracted by creating confidence and stimulation. Confidence implies political stability and legal security. Guayaquil counts both requisites."

Mayor Jaime Nebot

"In Guayaquil we are great facilitators of investment," beams Nebot. "We do not tell investors what they should not do, but we support them to develop their businesses within the legal frame. We believe that our privileged location in the middle of the world, perfectly situated on the multi-modal axis going to the Atlantic from Asia, can give us a promising future in the trilogy of traditional tourism, exposition and conventions tourism,

and investment.” The transformation of Guayaquil began as a municipal endeavor that today has a counterpart in grand urbanization, large hotels, expansive shopping centers, and important national investments, not only in commercial centers but also in real estate projects such as the luxury Ciudad Colon, currently under development. “It is interesting to see how all this generates an important degree of citizen participation, a plain identity with the city’s objective. People get involved in the projects and at the same time build up enthusiasm for international or national private companies.”

A concept of globalization

Owing to the slew of awards and inaugurations of successful new projects in what undoubtedly is an exciting time for Guayaquil, faith in the city’s future is higher than ever. Nevertheless challenges remain, not least dealing with the constant influx of Ecuadorians from the rural areas in search of a better life. Issues of safety and security are being dealt with on a daily basis, and the municipality strongly believes poverty levels will fall dramatically with the new job opportunities being created. But how will events at national level and the course set out by Ecuador’s newly elected President Rafael Correa affect the city’s economy? Mr. Correa’s leftist ideals on certain levels aim to reduce the economic influence of the United States, even though Ecuador adopted the US dollar as its currency in 2000. Correa rejected a Free Trade Treaty with the United States when assuming his post as President in January this year.

But Jaime Nebot sees the United States as a very important market for Ecuador, and in his opinion the Free Trade Treaty must be negotiated, as long as it remains beneficial for both parties. “For me the world is divided into the ones that do things right and those that do things wrong. If you ask me if I am a communist I would say no. If you ask me how communist China is doing I would say stupendously well. As a concept, globalization is not a phenomenon that has to be analyzed or thought of if it is to our taste or not, but accepted as an opportunity that should be taken advantage of. This is not only applicable to the Free Trade Treaty with the United States, but with whomever is convenient, of whatever ideology, provided it benefits all involved.” The mayor says globalization has already reached the country’s shores, and therefore should not be refused mooring because of an identity problem. As long as the river flows, the city grows, and it intends to do so in unison with whoever visits with the best intentions.

Guayaquil At a Glance	
Mayor.....	Jaime Nebot Saadi
Population.....	2.9 million (2006)
Capital of.....	Guayas Province
Major religion.....	Christianity
Climate.....	mild tropical
Languages.....	Spanish
Currency.....	US Dollar (USD)
Country.....	Ecuador

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Big Business, Perfect Partners

The impetus behind Guayaquil's booming economic development is the city's growing business community. Despite hard times in the country's past, most notably the economic crisis of 1999, Guayaquil's businesses have succeeded in keeping both feet on the ground, overcoming problems through creativity and team leadership. Now more than ever the private sector plays an important role in the city's future, investing in its regeneration and working in solid partnership with the city administration. The commitment and determination shown by local companies has made them some of the country's key players, as well as perfect partners for interested businesses from abroad.

The city has a lot to offer, and so it is only logical for companies to entertain a wide pallet of interests. An excellent example is the consortium of enterprises led by Isabel Noboa Pontón and Cesar Mesa Maldonado, Presidents of Consorcio Nobis and its real estate division Pronobis respectively. From cookies to complete shopping and business complexes – Guayaquil's Mall del Sol - the group has covered many aspects of the city's vibrant market. Its forte is and always has been the fact that it manages to stay one step ahead of the market, keeping an eye on the future in order to preserve the sustainability of its businesses. By way of example, Isabel Noboa refers to the group's agricultural division, through which its company Ingenio Azucarero Valdez produces 33 percent of Ecuador's total sugar production. "We are planning to increase our produc-

tion capacity so we can start involving ourselves in ethanol projects," she says, adding that through this evolution the group will also enter the realm of energy production.

The Nobis touch

Through its astute vision Consorcio Nobis has the means and assets necessary to take traditional but outmoded industries and transform them into healthy, modern concerns. It was able to save one of Ecuador's most time-honored companies, La Universal, after the latest economic crisis forced the centenary foods producer to close its doors. "In the past five months La Universal has regained its market position," explains Mrs. Noboa, "and we are not only planning to grow on the national market but will also start exporting to Europe, USA, and China."

That Guayaquil has a natural talent for exporting high quality products and ideas is also evident in the group's latest project, a franchise under the moniker Equilibrium. Related to feng shui, Equilibrium is a center of alternative energy unifying homeopathic therapies, relaxation exercises, health and spiritual techniques within an aesthetically designed space. "Our objective is that Equilibrium will be our contribution to peace, positive energy, spiritual and physical stability," says Isabel Noboa. According to Pronobis President Cesar Maldonado, the business model has already attracted much interest from entrepreneurs in Venezuela, Argentina, and Colombia. "Equilibrium is a

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hybrid between a shopping mall and a health clinic. We believe this is a great project with a huge potential around the world.”

The group’s open-mindedness has played a key factor in its foray into unique ventures. Collaborative investments of \$48 million were recently made with local partners in Guayaquil’s 111-bed, technologically advanced Omnihospital and a Howard Johnson Hotel. They have been successful operations of which Maldonado says the group is “opening horizons to foreign investors in areas with 9 to 11 percent return”. This also includes an ecotourism project at the Hacienda San Rafael, an hour outside the city, where 47 plots have already been sold. “We have realized that we all want to return to having direct contact with nature and try to escape from these times of plastic,” says Maldonado. “We want to further that feeling of touching, smelling, and seeing nature. We will build a residential area and a nature hotel where one can enjoy the unique climate, culture, and gastronomy of Guayaquil.”

Eljuri, expanse and excellence

“Tourism is an interesting sector to invest in, Guayaquil is living one of its sweetest moments in this respect.” When the General manager of Ecuador’s iconic Grupo Eljuri says something to this effect, you can be assured of its worth. Juan Doumet represents a company whose expansive portfolio of businesses is one of the nation’s most influential, one that has a long history of excellence in trade and production. Established in 1925 by Juan Eljuri Chica, a descendent of Lebanese immigrants and a prominent Ecuadorian family, the company started by importing cashmere, silks, and hats from Europe. After WWII, Eljuri invested in cosmetics and built a production facility for Max Factor. Today the group represents more than 600 brands of perfumes and cosmetics. In addition, the group’s founder had the vision of bringing Japan’s technological innovations to Ecuador, forging strong partnerships with JVC, Yamaha, and Honda, to such success that the latter appointed Eljuri as its sole dealer in the region. This led Grupo Eljuri to import Chrysler and SIMCA vehicles, and establish a General Motors assembly factory.

“Tourism is an interesting sector to invest in, Guayaquil is living one of its sweetest moments in this respect.”

Juan Doumet, General Manager, Grupo Eljuri

“As the third generation takes over,” Juan Doumet says, “The group has diversified into tourism, hotels, industry, and of course the commercial area, which is our core business. The group is involved locally and internationally in

communications, banking, ceramics, airlines, fiber optics, and cable TV.” The group, which employs 6,000 people, has single-handedly transmitted a positive image of business at home and abroad, an image that is closely linked with that of the city. “Big multinational corporations are interested in investing in Guayaquil due to the success of business groups like ours and the transformation of the city these last years. It has positioned itself as one of the best cities to do business in Latin America.”

According to Doumet, the rise in interest, especially as the city has become the main generator of tourism for the country, means there is further need to develop the city’s hotel capacity, especially if it wants to become a leading destination for international conventions and exhibitions. “We must not forget the unique tax incentives which have been put in place and implemented by Mayor Nebot Saadi which makes Guayaquil a unique investment destination. It offers many benefits and opportunities,” and coming from the Eljuri Group, that means a lot.

Dole around the world

One of the most well known and recognized Ecuadorian products worldwide is bananas. Dole, the world’s largest producer and marketer of fresh fruits, vegetables, and fresh cut flowers recently celebrated its 57th year of successful operations in Ecuador. In cooperation with the Union de Bananeros Ecuatorianos S.A. (UBESA), Dole Ecuador is the country’s second biggest exporter of bananas, and together with Bananera Noboa is the main exporter to the US. Dole Ecuador stands out not only for its high quality bananas, pineapple, mangos, and avocados, but particularly for its ethical conduct and healthy relationship with its 160 producers. In 1998, UBESA became the first major food-crop exporter in South America to certify its environmental management system to ISO 14001, and Dole adheres to a strict policy not to employ children, instructing suppliers not to purchase from producers who do.

Dole Ecuador’s General Manager, Mario Padilla, says the company’s research and development department has greatly assisted all of its suppliers to maximize their production capacity. “We had producers who used to produce 1800 boxes per hectare (2.4 acres) of land. Now they have surpassed Ecuador’s production average with 3600 to 4000 boxes of banana in that same hectare.” Padilla attributes Dole’s competitive advantage to its vertical integration – it owns its production land and carton boxing company – and its strong distribution resources, with its own container terminal, transport system, cargo ships, and port facilities. From Guayaquil, Dole Ecuador feeds the markets in the USA’s West coast, Portugal, Spain, the Mediterranean countries, and the Black Sea region. “We believe in Guayaquil and Ecuador, and want to continue growing in the market with other home-grown fruits, but above all by offering our clients the best banana of the world, the banana of Ecuador.”

Building Up the Future

Guayaquil's regeneration and growth of late would not have been possible without the participation of capable professionals in the fields of construction and utilities. Behind the city's largest and most prestigious projects are some remarkable entities that have turned vision into reality. Among these, three companies in particular stand out: water systems operator Interagua and constructors Etinar and Constructora Valero.

Established in 2001, Interagua had the grand challenge of improving the quality of life for Guayaquil's inhabitants by redeveloping and managing its water systems. "When we started the concession, half the city had no access to water 24 hours a day, and there was barely any water pressure," reveals Interagua's General Manager Guillermo Mingolla. But the company was not easily deterred and set itself the task of providing 100 percent of Guayaquil's population with clean, safe water around the clock at constant pressure. "Our efforts have successfully impacted 200,000 households and we have also worked on the sewage system with 30,000 new connections." Mingolla says a large part of the equation was to educate and change the mentality of Guayaquil's people to use water wisely. To this end, the 250,000 water meters installed have helped raise awareness about usage. A total of \$350 million has been invested into the system, and the project has been lucrative for investors and shareholders, including Bechtel, the UK's Union Utilities and Italy's Edison. "During the past years Interagua has managed to cash in more than \$96 million. Therefore the city is grateful, the people are grateful, and so are our shareholders."

For the Malecón 2000 projects the Municipality invited the 5 most prominent construction companies of Guayaquil to bid for tenders. A large share of the urban regeneration projects were awarded to Constructora Valero at an estimated value of \$30 million. Among these were the Santa Elena housing developments, with 600 homes for

low-income families, the Samborondon residential area, as well as the Civil Registration building. "We needed to build the 5,000 square meter Registro Civil in just four months," recalls Luis Valero, the company's President. "This was a very big challenge, since we had never worked on a construction project for 24 hours a day non stop. We managed very well and succeeded in completing it two weeks ahead of the stipulated delivery date." Valero has been able to contribute to the sector's growth, rising at a rate of 10 percent annually that he believes is due to the economy's dollarization. "This allowed construction companies to suffer less from inflation, since today our costs only fluctuate between 3 and 6 percent and banks are not only financing us but also the end users, the buyers." Through private commissions and its real estate division, Constructora Valero aims to make revenues of \$25 million this year.

But the construction boom wasn't built overnight. With 33 years of experience, Etinar has been involved in many of Guayaquil's landmark projects, as well as becoming the first contractor to work with the municipality on Malecón 2000 in 1998. "This was an interesting experience," says Etinar's President Jose Machiavello, "because we were working during the most severe economic crisis the country had lived through. We worked hard with our resources to make sure we could complete this work of art for the city." Etinar also worked on the third phase of the riverside project which included parks, family and leisure areas, as well as Puerto Santa Ana. With annual revenues of \$20 million and 2,000 employees, Etinar is heading confidently into the future and foresees strong growth in Guayaquil's construction and real estate business over the next 3 years. "Even though many in the country are pessimistic of the future outcome, we have always bet on the future development of the city and Ecuador." Thankfully for Guayaquil, many investors share Machiavello's positive views.





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State-of-the-Art Infrastructure Takes Off

Having established that Guayaquil is now a major tourism magnet, the question remains to what extent all the infrastructure developments have boosted visitor arrivals. The best person to ask would be Ezequiel Barrenechea, Vice President of Terminal Aeroportuaria de Guayaquil (TAGSA), the concession operator of the city's new international airport. Since assuming the management of Guayaquil's most prominent transport project in 2002, TAGSA, whose shareholder structure is made up of Corporacion America S.A. (CASA) and Dellair Service, set out to make the Jose Joaquin de Olmedo International Airport the most modern and capacity-rich in Latin America. From its inauguration on July 31st 2006, the airport has become the main point of arrival for visitors to Guayaquil, and Barrenechea has the numbers to prove it.

"At the moment, we have surpassed the growth expectation that we had for airport capacity," boasts the Vice President. "In the year 2003, the airport had traffic of 1.8 million passengers. In 2006 we had almost 2.5 million." Nevertheless, Guayaquil's gleaming new airport has capacity for 5 million. As capacity is measured by a passenger's boarding time, Barrenechea believes that with CASA's experience of operating 38 airports worldwide, the following 10 years will see speedier handling at Guayaquil, whereby the airport could assume capacity of 15 million. Add to that the transformation of

the airport's old terminal into a state-of-the-art convention center, and you're looking at the vanguard hub in the region.

The airport's commercial strip currently being developed will include a mini shopping mall, restaurants, a hotel, a casino, and a business center. But already the airport's innovative design has earned international accolades. "We have given great importance to the design and exterior decoration, which is characteristic of the area: water, stone, glass, unique botanical gardens, crystal clear lakes, a banana forest, iguanas, and more. It has allowed us to avoid the typical coldness of an airport." Even airlines prefer Guayaquil to other regional airports for economical and security reasons, as it is located on the coast with unique weather conditions devoid of wind or mist, and a smooth approach. Turnaround time will also be greatly enhanced with the development of the first cargo transfer airport in Latin America, to be located in Guayaquil's Daular area. "The idea is to develop an airport for planes of great capacity to support all operations coming from Asia," says Barrenechea, adding that it will also be beneficial for the municipality. Without any investments, the concession's 50.25 percent aeronautical income has already earned the city \$30 million in the past 2 years. Rightfully, there has been a lot of support from the citizens. As Barrenechea concludes: "we feel part of Guayaquil's regeneration."

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Ecuadorian airlines have something to get excited about

Guayaquil's age of regeneration has not only inspired elevated ambitions at ground level, but also up in the air. At the new International Airport's inauguration, the buzz of excitement was only equaled by the hum of jet engines, rearing to take off for higher altitudes and new destinations. The air of potential and the lengths to which Ecuadorian carriers are willing to go is best captured by the business ethos of Gabriela Sommerfeld, the charming Executive President of airline operator Aerogal: "We can do many things and we consider the world to be full of opportunities, so we could project ourselves immensely."

Aerogal in particular has cause for enthusiasm. Its rise to fame may have taken 22 years, but the real boost came in 2002, when Guayaquil's rebirth was in full swing, and the company expanded its fleet of small 12-40 passenger planes to include 150-seater Boeing 727 and 737s. Sommerfeld explains that the expansion accompanied a decision to compete with the national market leader, TAME, by emulating the successful models of international companies. Starting with daily flights between Guayaquil and Quito, Aerogal included Galapagos to its itinerary in December 2002, a destination that was originally planned, but unrealized due to infrastructural constraints on the ecologically unique islands. "In December 2002 we boarded 800 passengers," Sommerfeld recalls. "Today we board 83,000 passengers a month, an amazing change in only four years." Indeed, the carrier's accelerated success is reflected in an amazing annual growth of 200 percent.

Besides leading the market between Quito and Guayaquil with 13 daily flights and a 41 percent market share, Aerogal also heads the Quito-Cuenca route, as well as the Guayaquil-Cuenca and Guayaquil-San Cristobal (Galapagos) routes. The obvious progression was to enter the international market, and in 2006 it started two weekly flights from Quito to Bogotá, the most demanded business route for Ecuadorians. Shortly after, Aerogal pioneered a new Quito-Medellin route, capturing 30 percent market share. Peru's Lima is next on the list and within 6 months, the long-aspired destination of Miami will become a reality, which will greatly serve the tourist segment flying to Galapagos. If all goes as planned, the company's Executive President says New York and transatlantic routes may soon follow. "The country's aviation sector is growing and this is the moment to invest in it. Aerogal is one of the companies with the biggest growth, and it ratifies once more that classic procedures well applied also work in Latin America."

The first Ecuadorian airline to fly to Europe was LAN Ecuador, touching down in Madrid in 2003. It is part of the highly successful Latin American LAN group, with 55 percent Ecuadorian investment and 45 percent Chilean.










Since LAN Ecuador's operations began in April 2003, the company has transported 700,000 passengers. In 2006, passenger revenues amounted to \$140 million and cargo transport hauled in \$120 million. It already flies directly to Miami and New York, Buenos Aires, Santiago de Chile, Lima, and Bogotá utilizing a modern fleet of Airbus A320s and Boeing 767s.

"The country's aviation sector is growing and this is the moment to invest in it."

Gabriela Sommerfeld,
Executive President of AeroGal

LAN Ecuador's General Manager Juan Carlos Aguirre is impressed with Guayaquil's highly accessible airport facilities and says the new hub perfectly fits the airline's expansion plans. "We have plans to make Guayaquil our main hub for operations in Ecuador, and would like to grow by 10 percent in number of passengers and sales. We are the first airline in Ecuador to enter the prestigious One World Alliance and this plays a very important role in Guayaquil, because we build value and image for the city and the country as a whole." Aguirre adds that the hub is an excellent base for key destinations like Mexico, Venezuela, and Brazil and with LAN Ecuador's involvement, Guayaquil will achieve its vision of becoming a regional hub.

Get to know Ecuador

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A Taste of the Pacific

Serving Guayaquil's tourism evolution

The creation of a natural pearl is believed to take many years. According to Chinese legend, the world's largest, the 14 lb Pearl of Lao Tzu is said to have formed over 2 millennia, by way of human transference to ever larger clams. It is therefore not inappropriate that Guayaquil's history of development and growth has earned it the name 'Pearl of the Pacific', emanating the unique luster of the ocean's most valued gemstone.

The metaphor also perfectly suits the city's tourism campaign, as it combines Guayaquil's unique identity, its bond with nature, and its love of fine seafood. "The city has the ideal qualities to make it an authentic alternative tourism destination," says Joseph Garzozzi, Director of the Guayaquil Tourism Bureau. "It has the enchantment of the tropics, it has a rich cultural and ethnic diversity, and a cosmopolitan flavor for architecture, lifestyle, and gastronomy." The city is famous for serving marvelous combinations of shrimp, lobster, fish, and clams. Furthermore, with rich cattle and land production, Guayaquil effortlessly fuses local, Chinese, and European cuisine. Even though the tastes are rich, Guayaquil serves up a refreshingly light pallet. Its year-round benevolent climate makes for light packing, and casual clothing is the accepted dress code in most any establishment. As Garzozzi puts it, "Guayaquil is a desti-

nation that offers a unique feeling of freedom."

Reviving Las Peñas

Undoubtedly the most picturesque and unique district of Guayaquil is Barrio Las Peñas, the city's oldest neighborhood. Even if its houses are only a hundred years old, their characteristics resemble those of the 18th and 19th centuries. According to historians, Las Peñas was a compendium of all colonial ethnic groups in the 1650's, housing a hybrid of craftsmen, fishermen, merchants, artists, and from the 19th century even noble families. An enormous fire destroyed the neighborhood in 1896, but it was rebuilt in the 20th century and embraced by Guayaquil's elite. Through time, Las Peñas has reflected the architectural evolution and urban transformation of Guayaquil, and has not only become a national monument but also serves as a source of inspiration for today's regeneration, as the focal point of tourism development.

The hill of Santa Ana, on which Las Peñas is perched, is the site of Guayaquil's foundation in 1547. Adding to its charming present, the brand new Puerto Santa Ana project could be called the genesis of Guayaquil's future. Built on 10 acres of the old National Brewery facilities, Santa Ana Port is to become a magical and harmonic recreational complex, civic plaza, and Marina. In keeping with the area's colorful architecture, hotels, offices,

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"Ours is a culture that from its deepest roots was open, it always wanted to connect with the world."

Joseph Garzozzi,

Director of the Guayaquil Tourism Bureau

But the word that blends best with Guayaquil's tourism offerings is evolution. At only an hour's flight from the Galapagos islands, where timeless untouched biodiversity inspired Charles Darwin's Theory of Evolution, Guayaquil is the archipelago's logical gateway. Joseph Garzozzi says the dynamic duo's natural selection formed the basis of the Tourism Bureau's new concept, GG Evolution. "In the Galapagos, on one hand, you will see the evolution of all animal species through time and environmental circumstances, and on the other is Guayaquil's boom in urban regeneration, a paradigm of change." This combination aims directly at attracting the higher market segment, as a 4-day excursion to the archipelago from Guayaquil costs around \$1,000.

The demand for such high-end nature and eco-tourism trips is high, and its growth has required the creation of new luxury hotels. "The first-class hotel business in Guayaquil has an average occupancy of 75 to 80 percent, an indication that more hotels are urgently called for," Garzozzi points out, "and this is an opportunity to encourage investors in this field. Guayaquil currently counts more than one million visitors annually, which is very significant." Internally, it has become the most visited city by Ecuadorians, and international visitors bound for the Galapagos are spending increasing amounts of time in the city.

Leading in gold and green

Among Guayaquil's established luxury hotels are internationally renowned chains such as the Four Points Sheraton and the Hilton Colon. But by far the most prestigious is the Oro Verde Hotel Guayaquil, the only member of The Leading Hotels of the World in Ecuador. Having recently celebrated its 25th anniversary, the city's first five-star hotel is the jewel of Ecuador's Oro Verde Hotel Group. "We have five hotels, two of which are in Guayaquil," says Sergio Rosarios, the hotel's General Manager. "There is the four-star Unipark Hotel in Guayaquil and the Oro Verde Hotels in Cuenca, Machala, and Manta. The Oro Verde Hotel Guayaquil represents 60 percent of the group's revenue."

The hotel's European style and tailor-made service has distinguished it as the residence of choice for dis-



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cerning businessmen and tourists alike. Leading the green evolution, Oro Verde is also the only hotel in Ecuador with environmental standards certificates (ISO-9000, ISO-1400, ISO-1800). Although the immense Hilton may have more rooms, Rosarios says the Oro Verde’s relationship with customers and its gastronomic offerings make all the difference. “We believe a hotel with too many rooms loses its charm, and the client passes from being a name to a room number. We want to know our clients by name and make sure they feel even better than at home.”

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Sergio Rosarios, General Manager of the Guayaquil Oro Verde Hotel

Sergio Rosarios is thrilled with the changes that have taken place in Guayaquil. The city’s push to establish itself as a top convention destination is very much in line

with the Oro Verde’s pioneering vision, as it was the first hotel in Guayaquil with exhibition and conference facilities. “The mayor has done a fantastic job in improving the city. He never stops working. Each time we see more projects being completed to achieve the ultimate goal of becoming the most modern city in Latin America.”

Tourism Director Joseph Garzozzi elaborates on the new convention center being created at the old airport terminal building, saying it offers convenient advantages for participants from out of town. “People exhibiting can bring their materials in the same plane and unload it at the same airport where the event will take place.” Another reason for choosing Guayaquil are the numerous opportunities for post-convention tours which could combine a whole host of activities, be it in adventure sports like surfing or relaxed excursions to the Pacific beaches on the Ruta del Sol. “And of course,” Garzozzi reminds us, “there is the possibility to experience life on the haciendas, enjoy rodeos, learn about the over 100 varieties of mango, or taste an excellent mixture of liquor and cacao juice – that is unique!”

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