



# NICARAGUA SPA DEVELOPMENT STRATEGY

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**PRONicaragua**  
INVESTMENT PROMOTION AGENCY

 **Global Spa Summit**  
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# Nicaragua at a Glance

## Tourism Growth

- 2004-2008:
  - Tourist: 11.2 % YoY Increase
  - Revenues: 16.6 % YoY
- Jan-Apr 08 vs. 09:
  - Tourist: 11.6% increase
  - Revenues: 10% increase
- Source Markets Growth (Apr 09):
  - Europe: 36.9% (Germany, England, Spain and France)
  - North America: 17.3% (USA)

## Promotion Efforts

- Tourism Development Master Plan in progress
- CATA Promotion Office in Europe
- Marketing and PR agency in US
- Participation in main Europe trade shows:
  - FITUR, Spain
  - ITB, Germany
  - World Travel Market, England
  - BIT, Italy
- Collaboration Agreement with FCCA to increase cruise traffic and visitors



# Spa Strategy

- Tourism Master Plan:
  - To position Nicaragua internationally in the 'Wellness' industry
  - Identification of potential sites for Spa location
  - Development Strategy for those sites
- Volcanoes in Nicaragua
  - More than 20 active/inactive
  - Distributed along the main tourist corridor (Pacific)
  - Multiple hot spring sources
  - Great access from main tourist destinations
- Hot Water Sources Tests Conducted in 6 different locations in 2008
  - Samples were collected and analyzed by the **SGS Institute Fresenius from Germany**, one of Europe's leading providers of non-medical laboratory analysis
  - Results on all tests concluded that "temperature and mineral concentration fulfill the requirements of a medicinal water", so the water is suited for external use e.g. in a bath"
- Government /private property

# Development Models Proposed

## Model A:

### Public-Private Enterprise

- World renowned brand to manage
- Government provides land in prime location
- Private investors to provide equity

## Model B:

### Private Enterprise

- World renowned brand to manage
- Joint venture between:
  - Local private land owner
  - Private investor to provide equity
- Government provides assistance, investment stability and fiscal incentives

# Tax Incentives and Investment Guarantees

- **10 years Tax exoneration on \*:**
  - 100% import duties and taxes
  - 100% Value Added Tax on local purchases and imports
  - 100% on Property Tax
  - Up to 90% on Income or Revenue Tax
  - RE-INVESTMENT INCENTIVE:
    - 35% of original investment = 10 ADDITIONAL YEARS OF ALL OF THE ABOVE BENEFITS

- **Investment Guarantees:**
  - International Arbitration
  - Free Currency Convertibility
  - Freedom to expatriate capital and gains
  - Private property

Source: Foreign Investment Promotion Law, Law No. 344, May 2000

\* Requirements apply

Source: Tourism Incentives Law, Law No. 306, June 1999

# What is our tourist looking for?

# What can we deliver – together?

- Mix World Class services with a proven strong culture identity destination to deliver a genuine experience and in the end to create a successful story to bring back home

# Nicaragua: Where the Key Pieces Fit Together!



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