

Guadalajara Propels the Meetings Industry's Recovery

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Mexico is Latin America's leader in business events, meetings, and conventions. The country has the promotional and business bases and the equipment to host a more significant number of possibilities. The western region stands out, where Guadalajara has positioned itself as the preferred destination.

Pedro Delgado Beltrán, director of the Hospitality division of Newmark Mexico and Latin America, a real estate company, highlights this in his analysis of the meetings industry. In the report, Delgado highlights that in Mexico, before the pandemic, there were 53 fairgrounds with 453,000 square meters of exhibition space, and in recent years 160,000 square meters have been added, representing a 30 percent growth.

Delgado Beltrán pointed out that according to the Strategic Information Portal of the Meetings Industry in Latin America [PEIIR], Mexico registered a 10.7 percent growth in March and April 2022, slightly more compared to the same period of 2021. It marks a positive double-digit increase for the first time since the pandemic began and after eight negative two-month periods.

This data generates higher expectations for the next two months. The Mexican Council of the Meetings Industry anticipates a recovery of 80 percent by the end of 2022 and 100 percent by 2023.

"This year, we estimate the same number of events as in 2019, representing the growth of 18 percent in the previous year [2021]. Although the sanitary measures came to stay with certain restrictions, these have generated changes in the way conventioners travel, especially in what refers to companions and stays, highlighting that people continue to do business at fairs and expos, but they arrive alone. Stays used to be three days today, they are two, on average, so it will be a challenge to recover the duration," said the director of the Hospitality division at Newmark Mexico and Latin America.

"As tourism opens up, there will also be the collateral of meetings, with companions, more participants, and, eventually, support the economic spillover in the localities. Concerning attendance, participation, and perception, the PEIIR records that 68 percent of the events were in face-to-face format and the rest virtual or hybrid, highlighting that the number of jobs is recovering. However, 59 percent of the companies had hired 60 percent of the employees before the pandemic."

Delgado Beltrán emphasized that the western region, mainly Guadalajara, has regained its position as a leading venue for the country's largest annual trade fairs, conventions, and business expositions. Examples are the International Book Fair, Expo ANTAD, Jewelry, InterModa, AeroSpace Meeting, Talent Land, Business Summit,

and Expo Tequila.

Regarding entertainment, Delgado Beltrán noted that one of every three tickets is sold outside the state, causing people to travel to Guadalajara, stay overnight, consume and spend, capturing about 15 percent of the tourism bill in the western region.

“This generates business, opportunities in the area, being Expo Guadalajara the fairground of the West that received 460 events during 2021 and, for this 2022, it is estimated to reach 550 events. The business and meetings sector contributed to close to 55 percent of hotel occupancy. It is anticipated that a hotel room occupancy of 63 percent will be recorded by the end of the year. These are numbers comparable to 2018-2019, which speaks of a clear recovery of the activity of expos and fairs in the area,” Delgado Beltrán said.

The executive added that this would not be possible without infrastructure and support facilities around Expo Guadalajara, ranging from industrial clusters to temporary residences, lodging establishments, and commercial and service areas.

As for shopping centers, mainly in Zapopan, they have a profitable area of close to 100,000 square meters and have an average occupancy rate of close to 86 percent, which speaks of the commercial strength that Guadalajara has as a showcase for commerce in the region.

The opportunity for hotel investment continues to be present. In recent years, nearly US\$240 million has been used to incorporate more than 1,000 new rooms in the Guadalajara Metropolitan Zone. The western city has several national and international land and air connectivity routes from the United States, Latin America, and Europe and has more than 24,000 hotel rooms.

In Zapopan, models of mixed-use projects are emerging, such as La Perla, whose final projection estimates 350,000 square meters of construction, 4,500 parking spaces, and 236 stores on a land area of close to 64,000 square meters. The La Perla project is close to Plaza del Sol and Expo Guadalajara. They represent new investment opportunities to exponentially increase their value by targeting their products and services to a high-spending segment.

Pedro Delgado noted that Mexico is the leader in Latin America, followed by Brazil. The meetings industry in Latin America reported an 11.7 percent increase in March-April this year, the sixth two-month period to register double-digit growth over the same period in 2021 and for the first time. With this, it exceeded expectations that will continue to rise. Different actors attributed the excellent results to a resurgence of activity, a temporary boom, and the reopening of borders. It is worth noting that Colombia did not present good results, representing an opportunity within the Latin American industry.

“Western Mexico is doing well. Meetings are a detonating factor in positioning Jalisco as a venue for the largest events and as a business hub, as there continues to be movement, growth, and opportunity for new projects and investments,” concluded Delgado Beltrán.

