

Business Traveler

September 2008
Business Traveler Article Reprint.



High Life

With the highest altitude of any capital city in the world, La Paz offers sky-high amenities amid an environment of political changes

That lightheaded feeling that some business travelers get while visiting La Paz isn't necessarily from the euphoria of closing a deal. It's more likely due to the altitude—at 11,800 feet above sea level, La Paz is the highest capital city in the world. So planning a successful business trip often requires getting adjusted to the oxygen level, as well as the local business environment.

Only in La Paz may you land at the world's highest commercial airport, tee off at the highest golf course, and enjoy the sportsmanship at the highest soccer stadium and the highest velodrome, where the world's one-kilometer record for bicycling was set in 2007. Of course, record-setting cyclists have already adjusted to the altitude. Varying degrees of altitude sickness are common upon arrival in La Paz—but most travelers recover relatively quickly, and some barely notice any effects. Avoiding physical exertion and alcohol—and perhaps taking the herb Ginkgo biloba or drinking coca tea—is usually enough to get you through the first 24 hours.

Once the adjustment has taken place, it's time to jump into the unique business environment of this city of just over one million (more than 1.6 million if you count the neighboring cities of El Alto and Viacha). Bolivia, as a nation, has a complex relationship with the United States. President Evo Morales, who took office in 2006, has moved to nationalize some industries, fight poverty and reduce discrimination against indigenous people, who make up some 55 percent of the nation's population. He has been critical of the economic policies of past administrations in Bolivia—and even more critical of U.S. policies, although the United States and Bolivia have traditionally maintained a cordial relationship.

Still, recent trends are affecting business travel to La Paz, according to some observers.

“Due to the withdrawal of foreign direct investors [because of] the current political climate, we might see less business travel to La Paz,” says Iván C. Rebolledo, president of the **Bolivian-American Chamber of Commerce (BACC)**, a not-for-profit, New York-based organization that aims to promote trade, commerce and investment between the United States and Bolivia. Rebolledo's organization, which was founded in 1983 and now has more than 100 corporate members, remains a firm supporter of private investment. “The BACC strongly believes that free markets and private enterprise offer the most effective means to achieve economic growth, prosperity, and social equity,” he says.

Darius Morgan, Sr., president of Crillon Tours La Paz and Crillon Tours Enterprises, a tour and incentive operator, agrees that business travel is slowing because of the current political and economic climate. But, he says, business-related incentive travel is on the rise. “The incentive market to Bolivia, and especially to Lake Titicaca, has proved to be a very productive market,” Morgan says. And, he adds, “Receptive tourism is growing as usual, and each year we are presenting new attractions.” In addition to trips to Lake Titicaca—the highest navigable lake in the world—Crillon Tours offers programs including a La Paz city tour and visits to the Yungas Valley, a region where the mountainous highlands meet the lowlands of the Bolivian Amazon.

According to Morgan, La Paz is evolving into a more visitor-friendly place. “There have been some improvements in the last years in our infrastructure,” he says. “The airport in La Paz has a new look and a new larger terminal. The road to Copacabana [the main town on the Bolivian side of Lake Titicaca] is currently being repaved—but the downtown traffic is still a major problem [in La Paz]. There are also new three- and four-star hotel options in La Paz, but conference facilities are still limited in size and capacity.”

The expanded airport and new airline services have brought some changes to the experience of arriving in and departing from La Paz, but flight connections remain much the same. “There is not enough international air service into La Paz,” says Rebolledo, noting that most nonstop flights are limited to neighboring nations, and that there are no direct European flights. But the potential for a central role in the region is clear, he adds. “Bolivia is at the center of Latin America, and it could easily become the crossroads between the East and West,” he says.

Most trips to La Paz from North America involve at least one stop (frequently in the Bolivian city of Santa Cruz), due to the capital’s high altitude, which limits the weight and size of planes at El Alto International—an airport that, at 13,000 feet, is even higher than the city of La Paz itself.

The airport suffered a loss in service last year, when Lloyd Aéreo Boliviano (LAB), long the largest Bolivian airline, discontinued scheduled service; it has only managed to stage a few charter flights since then. Plans to bring a full-fledged LAB back to the air—as well as to launch a new government-owned airline, Boliviana de Aviación—have met continued delays. In the meantime, AeroSur, a private company founded in 1992, has stepped up its international offerings, linking La Paz with destinations including Miami, Madrid, São Paulo, Buenos Aires, and Lima (although most flights stop in Santa Cruz). American Airlines, which offers nonstop service between La Paz and Miami, is currently the only U.S. carrier to fly here.

Selling Points

Regardless of the current political and economic climate, not everyone agrees that business travel has slowed. According to Juan Carlos Pacheco, general manager of the 239-room Radisson La Paz (the only major hotel in the city to fly the flag of a major international chain), corporate travel is booming, thanks to the city’s continued role as an economic, political, and cultural hub. “La Paz has become an obligatory stop for business travelers that have their activities focused in various South American capitals,” he says.

Indeed, since Bolivia has the second-largest natural gas reserves in South America, as well as a wealth of minerals and hydrocarbons, the capital city is logically an important place on the international map.

Bolivia has stepped up its presence on the regional front, becoming more active in the Organization of American States, the Rio Group (an international organization of Latin American and Caribbean nations), and in Mercosur, the regional trade organization. One of the nation’s

biggest state-owned revenue producers, Yacimientos Petrolíferos Fiscales Bolivianos (YPFB), has a contract to supply Brazil with natural gas, through existing pipelines, until 2019. In 2006, YPFB signed a contract with Argentina that will increase export levels until 2010, ultimately resulting in a fourfold increase over current levels. (The U.S. Department of State's Bureau of Western Hemisphere Affairs, however, predicts that Bolivia will not be able to simultaneously meet these obligations and also provide for its own domestic market, noting that from 2006 to 2007, production was estimated to decrease as the result of a lack of investment.)

The Radisson's Pacheco says that Bolivia's capital offers a greatly improved experience for travelers. "The city of La Paz is currently the safest capital in Latin America, with the lowest crime rate," he claims. "Its growing population has brought about greater development and a proliferation of gastronomy and entertainment, which varies from delicious Creole flavor to international cuisine."

To be sure, La Paz offers a surprisingly international array of options for dining and entertainment. Travelers may indulge in everything from Chinese and Japanese delicacies to Argentinean steak and Bolivian Novo Andino (fusion) cuisine. Business entertaining is big at venues like Vienna, a multi-function bar and restaurant with three floors of event space and custom gourmet menus for groups of 15 to 40.

City tours are a good way for business travelers to get an overview of the city's offerings. Top sites include Plaza San Francisco, home to the San Francisco Museum, a religious complex that exhibits historical artifacts. Nearby is Sagarnaga Street, where traditional Bolivian handicrafts and souvenirs are sold. For a more unique experience, head to the Mercado de las Brujas, or Witches' Market, on Calle Linares between Sagarnaga and Santa Cruz streets. Here, you can pick up handy items like aphrodisiacs, llama fetuses, and other animal parts, perfect for use in traditional Aymara rituals.

If these charms fail to cast a spell on hesitant clients, consider a networking visit to the 18-hole La Paz Golf Club. Founded in 1912 by British expats, it's the highest-elevation grass course in the world, located some 20 minutes from the city center. The club also features tennis courts, paddleball courts, a soccer field, basketball and volleyball courts, indoor and outdoor swimming pools, and a gymnasium.

Another popular way to entertain clients is with a visit to a peña, a hall where Bolivian folkloric groups dance and play pre-Hispanic Andean musical instruments. Recommended places to enjoy a performance include Ojo de Agua, which stages shows that showcase the traditions of the Quechuas, Aymaras, Guaraníes and other indigenous groups. (The venue can also stage shows for private groups of up to 100.)

Lodging options are headlined—at least for international travelers—by the Radisson, which has a 24-hour business center, meeting space and a health club with indoor heated swimming pool, sauna and whirlpool. The 36-room Casa Grande offers free entrance to the La Paz Golf Club and a fitness center, and the recently renovated Ritz Apart Hotel All Suites has a 24-hour business center and a six-person meeting room.

As a capital city, La Paz may still lack the extensive infrastructure of neighboring countries, and it continues to face an array of unique challenges. But Rebolledo says that Bolivia is naturally positioned to play a leading role in the region, both in terms of business opportunities and for business travel. "If you can weather the current climate and are extremely patient, you can expect great returns on investments, especially in commodities," says Rebolledo, "But be prepared to strap yourself in, because it will be a bumpy ride."