Early Warning System

IFC-46438

Xcaret Hotels

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Quick Facts

Countries	Mexico
Specific Location	Quintana Roo, Mexico
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2022-10-31
Borrower	DESTINO XCARET, S.A.P.I. DE C.V.
Sectors	Construction, Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 100.00 million
Project Cost (USD)	$ 520.00 million

Project Description

Founded in 1985, Grupo Xcaret S.A.P.I. de C.V. (the “Group”,or “company”) has been the leading owner and operator of an integrated ‘all fun inclusive’ tourism offering in the Riviera Maya (Mexico), gradually becoming one of the largest tourism groups in Mexico. Their businesses include parks, tours,hotels, and other support units. The Group employs more than 14,000 workers (colaboradores) across four main business lines (Hotels, Parks, Tours and Sailing). Xcaret is an IFC client, with two existing loans: (i) the first, consisting of US$70 million, committed on May 29, 2021 and fully disbursed by December 2021, and (ii) the second, executed under the RSE COVID-19 facility for US$20 million, committed on December 22, 2021, with disbursement planned in the coming months.

Please refer to the environmental and social review summary for the project at: https://disclosures.ifc.org/project-detail/ESRS/44383/grupo-xcaret The Group’s Master Plan envisions the construction of a total of nine developments inside the property owned by Destino Xcaret (‘DX’), home to four of Xcaret’s theme parks (Xcaret, Xenses, Xplor and Xplor Fuego) and its three hotels (Hotel Xcaret Mexico, Hotel Xcaret Arte and La Casa de la Playa). The company works with two construction companies named Xdifica and Grupo Pole. Together, these provide the Group with architectural design, civil engineering, procurement, and construction (EPC) services on all new developments.

The proposed investment is for an up to US$300 million A and parallel loan package to the hotel companies of the Group, where IFC will provide US$70-100 million in the form of an A-Loan for the construction of phase 2 of Hotel Xcaret Mexico (HXM), doubling the hotel’s existing capacity from 900 to 1,800-rooms. This is a greenfield project, with construction commencing in January 2023, and commissioning sometime in mid to late 2025. The hotel will include public areas, lobbies, pools, restaurants, bars, a convention center, transportation station, underground parking, a new spa, and ‘back of house’ areas connected to phase 1 of HXM by an underground service tunnel accessible only to colaboradores where all supporting services are located.

Early Warning System Project Analysis

This is a Category B project according to IFC's Policy on E&S Sustainability. The project's key E&S risks are expected to include; (i) the company's capacity, commitment, systems and governance structures to assess and manage E&S risks and impacts; (ii) management of labor and working conditions; (iii) occupational health and safety (OHS); (iv) management of third parties and suppliers; (v) pollution prevention, including the generation, recycling and reuse of materials and waste; (vi) resources efficiency of water supply and energy consumption; (vii) community health and safety; (viii) emergency preparedness and response, including life and fire safety; (ix) management of impacts to biodiversity and ecosystems; (x) use of security forces; and (xi) potential impacts to cultural heritage.

Investment Description

- International Finance Corporation (IFC)

The total project cost is US$520 million, which is expected to be financed with long-term debt of US$300 million. The proposed IFC investment is an up to US$100 million A Loan, and the remaining US$200 million will be parallel loans.

Private Actors Description

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Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	GRUPO XCARET, S.A.P.I. DE C.V.	Undisclosed	-

Contact Information

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Bank Documents

- Environmental and Social Review Summary

Campaign Documents

- Global Labor Justice - International Labor Rights Forum Report (2023)