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## Peruvian tourism steps up from trekking to luxury experiences

The sector is setting out to attract more lucrative upmarket visitors after a pandemic low



Samuel Pacompia, chief of the community living on Lake Titicaca's floating islands, welcomes the return of tourists © FT

**Andres Schipani** in Titilaka OCTOBER 19 2023

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It was here, legend has it, that the Inca empire was born. The Sun and Moon gods sent out their children, Manco Capac and Mama Ocllo, also husband and wife, from the chilly waters of Lake Titicaca to bring order to humankind. From here, they went north to found the capital of the realm, Cusco.

Today, travellers with deep pockets can also experience increasingly regal journeys, as Peru takes its tourism upmarket. One such visit begins with a sundowner of pisco sour, wrapped in a poncho by a bonfire and gazing over sapphire blue stretching to the horizon. The calm is interrupted only by the efficient staff of the Titilaka lodge, bringing a ceviche made of trout from the lake.

Titilaka is one of several stylish lodgings owned by Ignacio Masías and partly managed by his son, Lorenzo, who are among those raising the bar. It is part of an association of luxury hotels under the Relais & Châteaux brand. “I bring the most discerning clients in the world and take them to remote places to show them the deepest Peru,” Masías says.

For years, the Inca Trail leading to the ruins of Machu Picchu was a byword for backpacker mass tourism. But Peru is now chasing luxury tourists, who do less environmental and archaeological damage while spending more. To them, the offering is cuisine in Lima, arguably the world's top gastronomic capital; charming hotels in the "Sacred Valley" linking Cusco to Machu Picchu; and Amazon cruises. And the south offers options including the Colca Canyon — one of few places where visitors are almost guaranteed to see condors — and the cradle of the Inca empire on the shores of Titicaca.

According to data from PromPeru, the state promotion agency, only 50,000 of the 4.1mn tourists in 2019, before the pandemic, were high-end visitors — those spending an average of \$5,500 over two weeks. "We are aiming at higher segments, moving from backpacking travel to luxury travel," says Angélica Matsuda, executive president of PromPeru.

However, tourism, generally, is still reeling from the Covid pandemic and the [deadly protests against President Dina Boluarte](#). Some airports and roads in the south closed for months amid the disruption, leaving tourists at Machu Picchu [stranded](#) and prompting others to cancel their trips. "Tourism plummeted," says trade and tourism minister Juan Carlos Mathews. Visitor numbers are still only about half their pre-Covid level and tourism's contribution to Peru's GDP fell to 2.2 per cent this year.

In Titilaka, close to the protest hotspot of Juliaca, there are tensions between the community and the hotel. Yet, in a protected reserve on the lake, where the Uro peoples live on islands of totora reed, Samuel Pacompia, chief of the tiny community that lives mainly off visitors, is happy tourism is returning. "Things are now recovering and we hope to finally welcome more tourists," he says from his straw gondola.

"Peru has everything to start over, and we are pushing through," agrees Virginia Mamani, manager of properties at Andean, Masías's company, which next month opens Puqio, a luxury tented camp at the Colca Canyon.

Mathews reckons "if we don't make any mistakes, if there are no insecurity issues", Peru can welcome 3.1mn travellers next year, as Cusco hosts the Asia-Pacific Economic Cooperation Forum.

As he puts it: "There is an effort to elevate the level of tourism to luxury tourism, people who spend between \$1,500 and \$2,000 a day, something that will somehow 'de-Machu-Picchu-ise' a bit, with people going to Arequipa, for example. Peru is becoming more attractive in that sector — even in Cusco there are more luxury tourists now."

Chilean luxury wilderness operator Explora, and Inkaterra, pioneer of Peruvian eco-friendly travel, are well established around Cusco. And, since 2017, Belmond, the London-based owner of the only hotel next to Machu Picchu, has run the Andean Explorer: the region's first luxury sleeper train, linking Cusco with Lake Titicaca and Peru's second city, Arequipa.

This Unesco World Heritage site, backed by snow-capped volcanoes, hosts the Hay Arequipa, an offshoot of the British literary festival, and is home to the 16th-century monastery of Santa Catalina, one of the most spectacular Catholic citadels in the Americas. The city also hosts Chicha restaurant, run by Peru's superstar chef [Gastón Acurio](#). Across a cobblestone courtyard, vicuña wool jackets carry a price tag of \$7,800.

Arequipa is where, in 2019, Masías opened Cirqa, a Relais & Châteaux hotel in the restored back rooms of a 1575 church. He also owns Atemporal, a Peruvian-style Tudor guesthouse by the Huaca Pucllana, the base of a centuries-old pyramid in Lima.

Despite recent woes, José Koechlin von Stein, the hotelier-cum-conservationist who is the founder and president of Inkaterra, which has seven luxury properties in Peru, is emphatic. "Why would I ever invest anywhere else? Peru has everything. And worldly travellers know it."