

REVIEW OF THE NATIONAL TOURISM POLICY IN MEXICO - CONCLUSIONS

At its 72nd session, the Tourism Committee conducted an extensive review of national tourism policy in Mexico and recent actions in that area. Document DSTI/DOT/TOU(2001)7/PART2 gave a detailed presentation of the actions carried out by the Mexican Government.

Tourism accounted for approximately 9% of Mexico's GDP and was therefore considered a primary economic activity which underpinned the country's economic development and created jobs. In the 1990s, growth in Mexico's international tourism had lagged significantly behind that of world tourism as a whole.

The Mexican Government had undertaken numerous reforms to improve the integration of tourism policy in connection with co-ordinated federal economic development efforts. In this connection, the strategies set in place for 2001-2006 sought primarily to ensure tourist satisfaction, promote sustainable development and make Mexican businesses more competitive, both nationally and internationally.

Since the events of 11 September, the Mexican tourism economy had been affected severely, due in particular to a fall-off in tourism from the United States, which was Mexico's leading tourism market.

It was in this context that Mexico's Secretariat of State for Tourism was trying to make tourism a national priority and ensure its competitiveness.

The Secretariat of State for Tourism formulated and carried out tourism policy and supervised the operations of two largely autonomous bodies—FONATUR (www.fonatur.gob.mx), the national fund for the development of tourism, and the Mexican Tourism Board (<http://www.mexico-travel.com>). The Tourism Board handled promotion, while FONATUR arranged financing for tourism enterprises and real estate transactions.

The annual *budget* of the Secretariat of State for Tourism was \$60 million, in addition to roughly \$50 million for the Tourism Board and a FONATUR budget that varied depending on tax expenditures and real estate transactions. The total number of *persons employed* by the Ministry was about 2 000 - 1 200 of whom provided services to tourists on the roads (safety, information, etc.), including 250 professionals and 550 support staff. These 800 persons were divided into three sub-Secretariats of State: for planning; policy implementation; and innovation and quality.

The industry was represented in the Ministry primarily via the National Council for Tourist Enterprises, which met once a month. The industry took part regularly in the ruling body of the Tourism Board, the composition of which was split between 51% for the public sector and 49% for the private sector, with 29 members - 14 from the private sector (aviation, hotels, credit cards, restaurants, etc.), three from the federal government (tourism, finance and FONATUR) and 12 seats that were filled on a rotating basis: six for the states and six for local authorities/main destinations. Industry co-financing was a major factor in the Tourism Board's promotional efforts, with an ultimate objective of 50%.

A number of major *tourism development* programmes had been formulated by the State, under the aegis of FONATUR. This investment fund had been created by the central bank in the 1960s to lend money for tourism development. In the 1970s the government had decided that the development of tourism ought to be planned, and it had created FONATUR. To date, FONATUR had dealt mainly with five integrally planned destinations, the largest of which is Cancun (25 000 rooms). Other projects were on FONATUR's agenda, including: nautical development of the Gulf of California (23 ports were planned, with public investment of some \$2 billion and several billion from the private sector) and development of the tourism potential of a group of beaches in southern Mexico and an island.

The National Development Plan 2000-2006 called for implementation of a *national tourism development programme*. The originality of this new policy lay more in the method than in the actions themselves and stemmed from the manner in which priorities were stated in the programme. Actions and the budget were oriented towards the client. As a result, the number of partnerships had increased significantly, and so had decentralised budgets. Each action was geared towards a specific objective which had to be measurable using a national system of indicators used to gauge the cost-effectiveness of the actions undertaken.

Local tourism development was one of the government's key objectives, because this activity could play an important role in the development of remote areas. The government's target was to be able to hand over 50 to 60% of the budget for this priority so it could be administered at the level of tourism destinations. The basic idea was to construct projects using a bottom-up approach. An inventory had been taken of destinations' needs, and priorities discussed with the local authorities. This approach made it possible to select the best projects and those consistent with the national tourism development project; these projects could receive contributions. The ultimate objective was for each development project to have contributions of one-third from the federal government, a third from local authorities and a third from the industry. In 2001, the federal government had earmarked \$25 million for the programme, which represented a total investment of roughly \$75 million.

To counter the concentration of tourism flows into Mexico's seven main destinations, the government was diversifying and developing new tourist attractions. At some flagship destinations, such as Cancun, the government was imposing new sets of rules to limit tourism development. For example, the State was raising the price of land to slow access and re-zoning certain old areas if necessary.