

OECD - Mexico City, 13 January, 2017.

Rethinking Mexico's tourism model could help drive inclusive growth, says OECD

Looking beyond big coastal resorts and focusing on tourism models that support local and regional-level development in new destinations could help to spur sustainable and inclusive growth in Mexico, according to a new OECD report.

The **Tourism Policy Review of Mexico** finds that the potential of tourism to develop local economies in Mexico is largely unexploited. It recommends the country do more to support small businesses and local supply chains in the tourism sector, as well as developing new destinations and improving external and internal transport links, including low-cost internal flights.

Tourism is a key engine of the Mexican economy, directly accounting for 8.5% of GDP in 2014 – double the OECD average – and directly supporting 2.3 million jobs, or 5.8% of full-time paid employment, plus more in the informal tourism industry. In 2015, a record 32.1 million people visited Mexico from abroad, spending over USD 15.5 billion and ranking Mexico 9th in the world in terms of international tourist arrivals. The economic and social benefits are not spread widely enough, however.

“There is huge potential to generate sustainable and inclusive growth in Mexico through the kind of tourism that prioritises local assets and local businesses,” said OECD Secretary-General Angel Gurría. “Mexico has vast treasures inland from its coastal resorts where, with the right policies and infrastructure, tourism can create great opportunities for local communities to grow and prosper.”

Better accompanying entrepreneurs could encourage supply-side innovation and support a more diversified higher-value tourism model. This includes providing financial and non-financial support and creating new opportunities for small and micro tourism businesses to benefit from domestic and international tourism markets.

Better transport links to areas outside these coastal tourist zones could help to spread foreign tourists more evenly around the country, as would more flight options from Europe, Latin America and Asia to destinations other than Cancun or Mexico City. The opening of a new Mexico City airport in 2020 should provide room to develop new flight routes.

Key recommendations in the report include:

- Develop a more strategic approach to tourism in Mexico and focus on making sure that existing tourism plans and projects reach the implementation stage, working closely with sub-national levels of government and the private sector.
- Evolve the model of tourism development to focus on diverse tourism assets including ecotourism, gastronomy and adventure tourism that can stimulate local development.
- Continue efforts to liberalise air service agreements to better support tourism and increase connectivity for all Mexican airports.
- Direct investment and SME financing to support tourism initiatives offering strong potential.

Working with over 100 countries, the OECD is a global policy forum that promotes policies to improve the economic and social well-being of people around the world.