

# MEXICAN TOURISM CHALLENGES: INSECURITY, PESO STABILITY, AND LACK OF PROMOTION



The rising insecurity in Mexico, lack of promotion, and stability of the peso against the dollar are the main challenges that Mexico's tourism industry will face in 2020. Despite this, the country has something in its favor: its proximity to the United States and Canada markets, for which Mexico still needs to develop strategies.

"There are no reasons to expect an increase in this sector in 2020," explained Efe Gerardo Herrera, a marketing scholar at the Ibero-American University, who said that **the perception of insecurity that exists abroad, especially due to the U.S. government travel alerts, weigh heavily on the tourists' decisions.**

For Herrera, there are "few episodes of violence in tourist destinations, but that perception exists."

Another factor that poses an uninviting outlook is the disappearance of the Tourism Promotion Council of Mexico (CPTM, in Spanish), a decision that for the marketing expert was a mistake not only because tourism requires promotion, but because "if there is an insecurity issue, the strategy should be public relations, and there is none."

In the same vein, experts say that today more than ever Mexico needs a strong and firm promotion while insisting that consistency and continuity in the marketing efforts of both Mexico as a country and its destinations are needed.

The insecurity issue perhaps is the most serious problem the country has at the moment and it does not matter how much is invested in the promotion; if the security issue is not addressed, a serious problem for the tourism sector persists.

For his part, Miguel Torruco Marqués, Secretary of Tourism, said that the perception of insecurity in the country has not affected tourism, "not even despite the alerts" issued by the United States government, while also saying that, on the contrary, international receipts have increased.

**In Mexico, tourism accounts for 8.7% of the GDP, and therefore, the government seeks to implement strategies to boost the sector and to solve the tourism challenges.**

Mr. Torruco said that in 2019, Mexico received 44.7 million international visitors with an estimated expenditure of 24,816 million US dollars, increasing by 8.3% and 10.2%, respectively, compared to 2018.

The Secretary of Tourism also added that this figure is "a historical number" and recalled the CPTM shut down along with the removal of management positions, personal security elements, and other savings: "There are fewer of us, but we are more efficient. We respect the president's course [of action] of being stern and aware of the expenses."

According to the UNWTO Tourism Barometer 2018, Mexico fell to the 7th position in the

International Tourism Ranking, just below Turkey, and in the more recent figures, it ranked 17th in international tourism receipts.

Torruco explained that to improve this position, among other actions, the government has created the Tourism Diplomacy Council to replace the CPTM, and that it already has the support of 80 embassies and 7 international organizations to promote Mexico as a brand based on the population of each country.

On his behalf, the president of ALG said that while there were problems such as gulfweed (Sargassum), which was not “a hard blow” in the Mexican Caribbean, the most important destination in Mexico, “we have a great product and a strong economy in the United States.”

Experts highlight that Mexico should be the favorite destination of American tourists and before it starts looking for Chinese tourists or other source markets, which are all important, the country should turn to the United States.

**In 2019, the Ministry of Tourism of Mexico launched a promotion plan for tourist sites among the main inbound markets, starting with China.**

Other competing tourist destinations in Mexico (especially in the Caribbean) would cut off an arm to have the geographical position that Mexico has, and wasting or neglecting that position is a very important opportunity cost.

Recently, the Confederation of National Chambers of Commerce (CONCANACO) reported that the Infrastructure Plan for tourism will be announced in February while forecasting that the industry will grow at least 5% in 2020. With this, Mexico could climb the international rankings of foreign and domestic visitors.

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