

MEXICO'S TOURISM LOST MILLIONS OF TOURISTS



Mexican tourism industry has designed new strategies to attract tourists by progressive reopening of destinations, including beaches, archaeological sites, and the so-called “magical towns”, all deserted over the health emergency triggered by the COVID-19 pandemic.

“Mexico’s industry is facing one of the most important challenges in history. We need to make Mexican destinations much more efficient and be able to respond safely to health threats,” said Braulio Arsuaga, director of the National Tourism Business Council.

The ‘industry without chimney’ is vital for the Mexican economy, accounting for 8.7% of the Gross Domestic Product.

Industry leaders are betting on one of the largest sources of foreign exchange along with remittances from Mexicans in the US, which will add up to more than US\$40 billion this year, and compensate for the depressed oil industry.

However, the health crisis has had serious consequences for this industry, especially the dramatic drop in the number of international tourists.

Miguel Torruco, Minister of Mexico’s tourism, estimates that number of visitors from abroad will fall to 19.7 million, compared to the 23.3 million of tourists expected this year.

Minister Torruco made the announcement at the recent Tianguis Turístico Virtual, a fair that brings together thousands of businesses in the industry.

Mexico not only has recorded losses as a tourist destination, but also million-dollar investments, according to an official balance for the first half of 2020. The report states that between January and June of this year, Mexico secured foreign capital investments of US\$350.8 million for hotel projects, airlines and other tourism-related services. That figure means a loss of almost a third of foreign direct investment compared to the first half of 2019, when it received US\$507.7 million.

“Many of the tourism activities are not only recreational or cultural, but also have very serious economic implications for the economy as a whole. If before COVID-19 Mexico’s tourism was one of the strongest, it is currently one of the most affected industries,” explains Arsuaga.

In Mexico, tourism directly represents almost 2.5 million jobs, and it is expected that up to 40% of the industry’s employees will be laid off.

Some hotel chains and travel agencies have reorganized working shifts for months to avoid having to lay off workers, but still it is not enough.

The government also fears that a rise in unemployment in the tourism industry will be particularly difficult for young people and women.

Another example is the postponement of the second hotel complex that Spanish firm Iberostar planned to start building this year in Litibu sector on the Riviera de Nayarit, with 300 rooms and an

estimated investment of US\$80 million. Construction of the hotel was halted at the beginning of the pandemic, and there is still no exact date for the restart of activities.

Mexican hoteliers criticize the low scope of governmental support for tourism during the pandemic. They pointed out the importance of having a fund of sufficient resources to alleviate the negative effects of the pandemic due to the closure of some hotels for up to 90 days and in some cases suffering bankruptcies or reconversions.

It is not just hotel managers and their employees who struggle, but also thousands of tour guides, travel agencies and land and air transport, even the State itself loses income from.

Mexican airlines have registered a decrease in national travelers of 48% and 52% for international travelers, with less than half of regular passengers taking flights.

Gloria Guevara Manzo, president of the World Travel and Tourism Council (WTTC) and former minister of Mexico's tourism, says that **the most important thing is the standardization of strategies of the Government and the private sector to reactivate the tourist value chain.**

"The protocols implemented worldwide point to this direction. For example, testing for COVID-19 has proven to be a way to open tourism safely," said the expert at an event of the UNWTO broadcast online.

Now, Mexico longs for the day when more than 3,000 kilometers of beaches, 182 protected natural areas, 193 archaeological sites and 10 cities declared a World Heritage Sites are brimming with tourists again.

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