

TOURISM IN MEXICO IS IN NEED OF INNOVATION AND INVESTMENT



The Covid-19 pandemic disrupted the international tourism industry more than any other in the world. The data for tourism in Mexico says it all - a 72% drop in international tourist arrivals in 2020 and a recovery of just 4% in 2021, which is still 72% below the 2019 level.

Mexico is seen as one of the countries whose international tourism has had a more agile recovery. **Although in 2021 Mexico ranked third in international visitors, when in 2019 it ranked seventh, we should not assume this as a triumph.** The competitive advantages of tourism in Mexico are still in place, but this advance is circumstantial and is uneven among different types of travel. Let us remember that many companies, especially the smaller ones, did not survive.

According to the World Economic Forum's Travel and Tourism Competitiveness Index, Mexico managed to advance between 2007 and 2018 from 40th place to 19th place, but there are indicators in which Mexico occupies the last positions, such as biodiversity protection and transportation infrastructure. The future of the country's tourism needs to look beyond the short term. It requires leadership that supports the transformation of the sector in the short and long term, a collaborative vision, focused on competitiveness, progress towards zero emissions and the Sustainable Development Goals, in a very uncertain global environment.

The more than two years of pandemic generated a rapid digital transformation, changing people's habits and attitudes, with implications on how and why people travel. The growing need to contain risks and mitigate climate change add to the challenges, but we must remember that technological changes and advances also open up opportunities and that businesses have a critical role to play in leading change, for their businesses and for their tourism communities. Facing the challenges and taking advantage of the opportunities will undoubtedly require an articulation of public and private efforts at all levels.

On the supply side, tourism in Mexico needs to strengthen its multimodal connectivity, its responsible international travel facilitation processes, strengthen the resilience of its tourist destinations, formalize, professionalize and digitize its SMEs to take advantage of new technologies and improve the traveler experience. Companies also need to invest and innovate in product evolution to take advantage of trends in traveler attitudes and habits. There are great opportunities for tourism services to evolve, not only toward geographic diversification but also to generate high-value products.

On the demand side, in the short term it is necessary to focus efforts on attracting travelers to large cities. In this sense, the industry, cultural, sporting and gastronomic events sector can be useful in this regard. It is also necessary to strengthen the image of the country's destinations, taking into consideration that competing destinations have robust promotional and public relations budgets and strategies.

In terms of infrastructure, there is an urgent need to address the existing backlog in tourist communities to provide them with water supply, drainage, treatment, mobility, lighting, telecommunications, health services, etc. There is also a need to evolve the telecommunications

infrastructure and strengthen cybersecurity mechanisms and legal frameworks to take advantage of ICTs in an effective and secure manner. Mexico can make its tourist destinations smarter, more collaborative and strengthen their governance.

In terms of processes, the new environment and the experience of the pandemic have made it clear that it is essential to have professional mechanisms for monitoring, managing risks and attending contingencies in tourist destinations, for the protection of visitors, residents and employees of the tourism sector. It is essential to align efforts at the national, state and local levels and to collaborate internationally with the industry itself and the relevant authorities. It is also necessary to align and improve the impact of marketing investments, make supply chains sustainable and develop human capital competencies at all levels, in companies and governments.

Finally, the sector's institutional arrangements also require an introspection process and updating, expanding alliances with professional and business associations such as the construction industry and commerce, for which the tourism sector is an important driver of their demand.

In the current situation, Mexico needs to avoid complacency. Based on an updated diagnosis, Mexico needs to facilitate the collaboration between the private sector, government, academia and society. This is the only way to take advantage of the enormous potential of this sector, improve international competitiveness, and protect people and the planet.

Date: 2022-03-06

Article link:

<https://www.tourism-review.com/tourism-in-mexico-needs-substantial-changes-news12428>