

Tourism Diplomacy Council

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Introduction

The 2019-2024 National Tourism Strategy is democratic in the sense that it complies with the tenets of the System for the Democratic Planning of National Development set forth in the Mexican Constitution, the Planning Law and the General Tourism Law.

The goal of this strategy is to position Mexico as a competitive, forward-looking tourism power, turn tourism into a vehicle for the fair and equitable development of Mexico's communities and regions, and employ it as a tool for social reconciliation via the sustainable exploitation of the country's tourism assets.

A New Outlook on Tourism

Given the key role tourism plays in the Mexican economy, President Andrés Manuel López Obrador has sought to take a new outlook consisting of five specific strategies (see Table 1) designed to achieve the aforementioned goal.

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Table 1. New Outlook Strategies

Strategy	Description
Consolidate	Build high-impact infrastructure projects to promote the integration and regional development of Southeast Mexico.
Regionalize	Divide potential and existing tourism destinations into more balanced macroregions.
Spend Wisely	Spend more to be the best, not necessarily the first.
Reconcile	Reconcile economic and social growth, i.e. employ tourism as a vehicle for social integration and reconciliation, with a view to creating conditions of well-being for the Mexicans who live in tourist destinations and who have been overlooked for decades.
Diversify	Sell and position our tourism destinations and products on a more diverse range of markets.

In keeping with these strategies, the following lines of action will be taken to strengthen the tourism sector (see Table 2).

Table 2. New Outlook Lines of Action

Line of Action	Description
Capitalization of Opportunities	Should be aimed at exploiting Mexico's diversity to cater to a broad cross-section of tourists. Data for the industry reveals that just four destinations account for 84.7% of all international tourism. Clearly, greater diversification is essential, as is capitalizing on the opportunities arising from said diversification. Tourism is essential to economic development, because it ranks among the sectors that create the most jobs. According to data furnished by the World Travel & Tourism Council, over the last five years, one out of every five new jobs was created by Travel & Tourism, which in Mexico translates into 17.8% of all jobs created.
Austerity and Economies of Scale	One of the austerity measures taken by President López Obrador's administration has been to pare back the State to ensure resources are channeled into priority areas. Consequently, the tourism sector is expected to optimize use of existing resources and avoid duplicating activities in the interests of efficiency, but in this case, austerity should be synonymous with creativity and the reconceptualization of relations between participants.
Equal Cooperation by All Interested Parties	The comprehensive development of the tourism sector is critical to ensuring it reaches its full potential. In this regard, cooperation between all interested parties (the agencies and entities of state and municipal governments, and the private and social sectors) needs to be promoted to ensure their actions complement one another and that resources are being used as efficiently as possible.

Based on this new paradigm, the Ministry of Tourism (Sectur) has identified five projects it believes will spark growth in the tourism sector:

1. *The Maya Train*. This project is the one that will have the greatest impact on the tourism sector and implies the heftiest investment of recent years. The train will pass through the states of Quintana Roo, Campeche, Chiapas, Tabasco and Yucatán, delimiting the largest regional integration and development belt in Mexican history. Located in the Cancun-Tulum tourism corridor—the largest tourism corridor in the country—, a series of circuits, stations and viewpoints will take in over 190 tourist attractions, from beaches, archaeological sites and museums to Magic Towns and World Heritage cities. The idea is to appeal to different market niches and generate more revenues for the local population.
2. *Reinforce destinations*. This second project is related to the regionalization policy that will be extended to the entire country. To ensure a more balanced sector, eight macro-regions have been established: Center, Center-North and West, Northwest, Sea of Cortez, Gulf, North-Center, Yucatan Peninsula and Pacific-South.

These macro-regions are based on a gravity model drawn up by the National Population Council taking into account factors such as population, economy, infrastructure, industrial output and the social development indices of each region to anticipate investment, communication and the development of tourism.

Regionalization values and is rooted in institutionally solid programs like Magic Towns, World Heritage sites and the attractions of each of the country's 134 potential and existing tourism destinations.

To bolster this regional approach, “anchor” products will be developed for each state and destination to improve on existing ones, and specialized tourism circuits and routes will be created in coordination with state and municipal governments and the private initiative.

3. *Shore up the domestic market*. In 2018, the domestic market attracted 242 million Mexican tourists, who spent over 2 billion pesos, a figure equivalent to 80% of the federal government's expenditure budget for 2017.

This project acknowledges the importance of the domestic market and is designed to encourage more Mexicans to vacation at home, while mitigating the impact of low and mid seasons via two programs: *Disfruta México* and *Sonrisas por México*. *Disfruta México* will establish agreements with tour operators and strategic domestic partners to offer low-cost travel packages, while *Sonrisas por México* will mark the implementation of the first phase of a social tourism pilot project that will enable low-income Mexicans and vulnerable groups to vacation in Mexico free of charge, the right to rest and recreation being a universal one to which each and every Mexican citizen will be entitled.

4. *Market diversification, the promotion of effective businesses and the development of marketing mechanisms.* This project was created in response to the need to make Mexico's tourism products and services more profitable, and to diversify, segment and explore emerging, consolidated and potential markets.

Two specific programs have been drawn up to this end: *Operación Toca Puertas* and *Reencuentro con Mis Raíces*. *Operación Toca Puertas* centers on diversifying markets and positioning Mexico as a benchmark international destination, primarily in high-purchasing-power niches like the United States, the United Kingdom, France, Italy, the United Arab Emirates, India, China, Korea, Japan and Russia, while the main purpose of *Reencuentro con Mis Raíces* is to groom Mexico's natural markets—the United States and Canada—, with a view to encouraging more tourists from these regions to visit the country and to spend more while they are here.

Both programs will require marketing actions with the support of Mexico's embassies and consulates, the goal being to compile specialized tour operator and investor directories for each country, establish strategic tourism intelligence channels and hold business circles to attract investment.

5. *Multi-sectorial and inter-institutional ties.* Given that the tourism industry has developed asymmetrically in terms of its true potential, the part it plays in social coexistence, integration and reconciliation needs to be clarified in years to come.

Consequently, the strategies and lines of action outlined in the work program of the Tourism Diplomacy Council (CDT) include elements of the aforementioned projects to boost tourism, in keeping with the faculties set forth in the council's operating rules.

Context

Tourism is a major cog in the Mexican economy. According to data provided by Banco de México, the country received over 41 million international tourists in 2018, positioning it sixth worldwide. During their time in Mexico, these tourists spent US\$22.51 billion, which translates into growth of over US\$1 billion compared to 2017.

According to the National Institute of Statistics and Geography (Inegi), tourism as a percentage of GDP has increased 8.32% since 1993 to stand at 8.78% in 2017, and employs 6% of the country's workforce. This is in line with trends in its contribution to global GDP, consolidating tourism as one of the most important economic activities in the world, with steady growth compared to other productive sectors.

Tourists who arrive by air spend US\$900 per capita (approximately 18,000 pesos) or more on average during each trip, although this figure increased only 1.76% between 2017 and 2018. This is the most common profile, since, according to Inegi data, most tourists enter Mexico by air and a smaller percentage by sea and land.

Of all the international passengers who visited Mexico in the 2015-2018 period, 85% entered the country by just four airports: Cancun, Mexico City, Los Cabos and Puerto Vallarta. These terminals received almost 16 million passengers in 2018, 28% more than in 2015, a trend that continued upwards during the first half of 2019, according to data furnished by Sectur.

In light of the importance of tourism to Mexico, Sectur and the Secretariat of Foreign Affairs (SRE) have entered into a Cooperation Agreement for the Promotion of Tourism, which provides for the creation of a Tourism Diplomacy Council (CDT), whose mandate is to make use of the tools and infrastructure of the Mexican Foreign Service (SEM) to promote Mexico as a tourist destination abroad.

Tourism is one of the sectors that has received the greatest support from the Mexican government, as evidenced by the continuous changes and specific actions implemented over the years to establish it as one of the pillars of the Mexican economy. Some of the most recent changes that are expected to bolster tourism in Mexico and increase related revenues by making more efficient use of State resources are discussed below.

Sectur-SRE Agreement

Taking into consideration the situation of the tourism sector and the directives of President López Obrador, on December 7, 2018, Secretary Miguel Tomás Torruco announced the disbanding of the Mexican Tourism Board (CPTM), stating that this decision was intended to strengthen promotional efforts to boost tourism and related revenues.

February 25, 2019 saw the divulgation of the 2019-2024 National Tourism Strategy, which seeks to position Mexico as a competitive, forward-looking tourism power, turn tourism into a vehicle for the fair and balanced development of Mexico's communities and regions, and employ it as a tool for social reconciliation.

The next step came on April 3, 2019 with the signing and coming into force of the Cooperation Agreement for the Promotion of Tourism, an official agreement for the professionalization and training of Mexico's diplomatic corps in tourism promotion activities, intended to give the country's tourist destinations greater international exposure and contribute to Mexico's social and economic development.

As a result, the Instituto Matías Romero (IMR) acquired new training responsibilities and the SRE created a General Office of Tourism Diplomacy.

The agreement is clear as regards the duties of each party. The first paragraph of the "Whereas" section states that:

It shall be the task of the Ministry of Tourism [...] to promote competitiveness in the tourism sector, in coordination with the appropriate agencies and entities of the Federal Public Administration. It is in the interests of Sectur to implement actions in cooperation with the Secretariat of Foreign Affairs that foster the professional-

ization and training of members of the Mexican Foreign Service in tourism promotion activities, and to promote Mexico as a tourist destination via its network of embassies and consulates.

As regards the SRE, its faculties include coordinating the promotional actions taken by agencies and entities of the Federal Public Administration overseas.

The 30th Annual Meeting of Mexican Ambassadors and Consuls held on January 8, 2019 was the perfect occasion for the two ministries to embark on their new joint working relationship, pursuant to the guidelines set forth by President López Obrador.

At the event, Secretary Torruco outlined the new strategies to promote tourism:

- The use of big data.
- Participation in major international fairs.
- The *Operación Toca Puertas* and *Reencuentro con Mis Raíces* programs.
- Harnessing of Mexico's institutional capacity for promotional ends.

He then went on to stress that the new government's goals for the tourism sector are to increase revenues and per capita spending to the benefit of local populations.

As a result, embassies and consulates are now strategic to the promotion of Mexico as a tourist destination abroad, and are required to take a planned, targeted approach to this task.

The actions implemented by the Mexican government have the support of industry actors and have been acknowledged by international bodies as being positive for the sector and as a sign of commitment to promoting tourism.

Creation of the Tourism Diplomacy Council

As mentioned previously, the austerity measures that characterize President López Obrador's administration promote the efficient use of public resources to achieve more ambitious goals on a tighter budget. These measures necessitated the disbanding of the CPTM, whose task was to

coordinate, design and implement national and international tourism promotion strategies via offices that have also been closed. This decision coincides with the far-reaching changes that are being implemented in Mexico, and in which tourism plays a major role as a driver of investment, the creation of jobs, the generation of foreign-currency revenues and, more importantly, social cohesion.

The disbanding of the CPTM and ProMéxico in no way implies the absence of promotional activities. On the contrary, institutional channels, specifically Mexico's embassies and consulates, have been strengthened. The CPTM had 21 tourism promotion offices—three in Canada, seven in the United States, three in Latin America, five in Europe and three in Asia—, but these will be substituted with 80 embassies and 67 consulates, which will now be responsible for promoting Mexico as a tourist destination overseas. What this means in terms of tourism promotion is that the country now has sevenfold the representation it previously had. It also allows for the rationalization of resources, puts the principles of austerity into practice and avoids the duplication of functions.

It was with this structure in mind that the Tourism Diplomacy Council (CDT)—a collegiate opinion and consultation body for the implementation of promotional and image strategies via Mexico's embassies and consulates abroad—was established. This body is also responsible for defining the cooperation mechanisms embassies and consulates should use when developing said promotional strategies in conjunction with Sectur.

In line with the government's austerity policy, the CDT is comprised of honorary members who receive no payment for their services and who have agreed to contribute their know-how, experience and, as per the agreements reached by the working groups, any other type of contribution that furthers the organization's established goals. This, too, is in keeping with the commitments undertaken by the private sector to Sectur and the SRE, and to the presidents of the tourism commissions in congress and the senate.

Depending on the topics to be addressed by the working groups, officials from different federal and state agencies may be invited to participate. The CDT's activities for the promotion of Mexico as a tourist destination abroad include:

1. *Marketing.* Design innovative strategies that project a positive image of Mexico abroad and that address the needs of every type of prospective tourist, with a view to creating interest in visiting the country. Said marketing strategies should take a stratified approach to the Mexican tourism market and the products it has to offer, with emphasis on foreign tourists with high purchasing power.
2. *Digital communication.* Improve the efficiency of institutional communications channels and create new ones that contribute to the positive image Mexico enjoys abroad. Using digital media to disseminate contents makes it possible to reach a much wider audience than conventional communications media can reach, and to allocate available resources more effectively. Also, the use of big data will make it possible to target users with much greater precision and offer them specific contents that reflect the interests revealed by their online consumption habits.
3. *Strategic partnerships.* With a view to making more efficient use of resources and driving home Mexico's message, all major actors in the tourism industry will have to pool their resources and political will to broaden the scope of promotional activities, facilitate operations and foster the integration of supply chains. The creation of effective partnerships will help Mexico's tourism industry move away from a pattern of asymmetrical development and become a vehicle for social integration and reconciliation whose benefits can be reaped by the population at large.
4. *Presence at international events via Mexico's network of embassies and consulates.* The tangible presence of venues belonging to the Mexican Foreign Service is central to Mexico's strategy for the promotion of tourism, because our embassies and consulates are constantly participating in cultural, business, gastronomic and political events at these locations. The participation of Mexico's foreign representations should be geared toward exploiting these venues to promote tourism products, both conventional and innovative, among potential visitors.
5. *Crisis management.* Given the economic importance of tourism to Mexico and its sizable contribution to GDP growth, mechanisms need to be established to address eventualities that could have a negative impact on

the flow of tourists to the country. These mechanisms include tools for crisis solution and the mitigation of environment impacts.

6. *Public relations via Mexico's network of embassies and consulates.* Mexico's foreign representations need to act as spokespersons for the progress and development of Mexico, and forge relations and partnerships with the relevant sectors of each country in which Mexico has a presence, the goal being to encourage foreign tourists to visit the country and, above all, diversify the country's tourist markets.

Work Program of the Tourism Diplomacy Council

The Framework Cooperation Agreement entered into by Sectur and the SRE provides for the creation of the CDT, whose purpose is to implement strategies to promote Mexico's image and its tourist destinations abroad via its embassies and consulates.

The guiding principle of the CDT's work program is to match the needs of tourists with the already wide range of tourism products and destinations Mexico has to offer. To position Mexico as a country with very diverse tourist destinations, growth needs to be fueled by investments that complement and strengthen its tourism products and services. This is where the CDT has a major role to play as a facilitator of dialogue between the government agencies responsible for promoting the industry, the business community and the SRE, which will be taking over the task of promoting the industry in a bid to attract fresh foreign investment.

To address both the challenges and opportunities of the tourism sector, the work program defines five goals that hinge on the needs of tourists, the products and services the country has to offer them and the creation of new tourist destinations, so related revenues reach the population at large. And while its lines of action are geared toward boosting the number of visitors Mexico receives every year, the work program also provides for measures to mitigate any potential negative impact on the country's resources.

About the Makeup of the Work Program

The work program brings together the viewpoints of all those involved in the tourism sector, and the conclusions of a series of round tables and meetings where experiences, studies and proposals for the promotion of Mexico as an international tourist destination were shared. These actors include Mexico's diplomatic corps (forums held at the Instituto Matías Romero and one-on-one meetings), the business community (hoteliers, airlines, ground transportation providers, travel agencies, etc.), national and international chambers and associations, state officials, consultants, academics, environmentalists, sustainability experts and influencers, among others.

Goals, Strategies and Lines of Action of the Work Program

The work program's goals, strategies and lines of action are geared toward bolstering Mexico's image abroad, so as to contribute to the country's economic and social development by generating more and more equitably distributed tourism revenues. This, however, can only be achieved through more efficient management of activities to promote Mexico as a tourist destination abroad and the professionalization and training of members of the Mexican Foreign Service in such activities. The goals of the CDT's work program are as follows:

1. Position Mexico as a competitive, forward-looking, diverse tourist destination
2. Boost the productivity of the tourism sector
3. Diversify markets of origin by focusing on countries with niches that have high purchasing power
4. Develop and consolidate specialty niches (cultural, sports, medical, wellbeing, gastronomic, eco- and adventure tourism)
5. Promote the organic, sustainable growth of the industry

Goals 1 and 2 center on exploiting the country's tourism resources to the full, implementing far-reaching promotional efforts, and developing tourism infrastructure and human capital throughout the industry's entire

production chain. Mexico needs to capitalize on its many and varied tourist attractions and create high-value products targeting traditional destinations, while offering a broad range of differentiated products in other parts of the country. To ensure the diversification of its tourist destinations brings in more revenues and that flows of tourists are evenly redistributed, the development and promotion of traditional and new destinations must be balanced.

Publicity campaigns to showcase the attractions of Mexico's tourist destinations also need to be shored up with the development of infrastructure and quality policies that meet the main needs of all types of tourists. Also, more in-depth knowledge of the typology of tourists is required and this information needs to be incorporated throughout the entire production chain. Likewise, service providers need to be trained in quality standards, excellence in services being a key factor in the success of both traditional tourist destinations and new ones.

Goal 3 is designed to increase flows of foreign tourists who tend to gravitate to certain geographical zones. To ensure sustained growth, Mexico needs to remain an attractive destination to traditional markets and at the same time strengthen its position on emerging markets in Latin America, Europe and Asia. Specifically, the country will be seeking to implement strategies that cater to the needs and demands of two markets in particular: the United States and Asia.

The U.S. market is of vital importance to tourism in Mexico, because most U.S. tourists have high purchasing power, while geographical proximity means it is considerably cheaper for U.S. tourists to visit Mexico than it is for their Latin American, Asian and European counterparts. Maintaining flows of U.S. tourists is also an opportunity for them to get to know Mexico at firsthand, so they can return home to relay the country's progress directly by word of mouth.

The other segment of interest to Mexico is the Asian market, due to the considerable flows of tourists this region produces. In 2016 alone, the World Bank calculated that China had incorporated 135 million tourists into the world and that's not including its two special administrative regions, Hong Kong and Macao. The profile of the average Asian tourist is one of medium purchasing power, although approximately one fifth of Asian tourists have high purchasing power, which means they are free

to choose from a wide range of destinations, regardless of cost. This is the segment the CDT's tourism promotion efforts will be focused on in Asia.

Goal 4 addresses the needs of tourists and the exploitation of new opportunities in the sector. Its success will require the development of specialty niches (cultural, sports, medical and wellbeing, gastronomic, eco and adventure tourism), as well as infrastructure and training to ensure Mexico is equipped to receive tourists from all over the world.

Finally, goal 5 is intended to point the CDT's work program in the direction of sustainable, organic growth. The success of the strategies proposed cannot be measured merely in terms of flows of tourists; the sector's sustainability must also be taken into consideration if we are to secure its future. This, in turn, demands actions to address the possible negative impacts an increase in the number of tourists visiting the country might have, such as environmental pollution, the loss of natural and cultural heritage sites, the saturation of spaces or an unequal distribution of benefits.

It is imperative the Mexican government have the necessary tools and strategies at its disposal, so it can act quickly and efficiently in the event of a contingency or situation that could have a negative impact on the tourism industry. Consequently, the work program establishes Line of Action 1.5.1 on crisis management and Strategy 5 on the reduction and mitigation of environmental impacts.

On drawing up the work program, the conclusions of the three virtual forums held to professionalize members of the Mexican Foreign Service were taken into account, reflecting the transparent, dynamic process by means of which the heads of foreign representations came together to discuss the initial actions to be taken by their embassies and consulates to address the new challenges posed by the tourism market. The CDT's goals, strategies and lines of action represent an outlook shared by Sector and participants in these virtual tourism promotion training forums, while laying the foundations for changes in the way public policies in support of tourism are drawn up in Mexico.