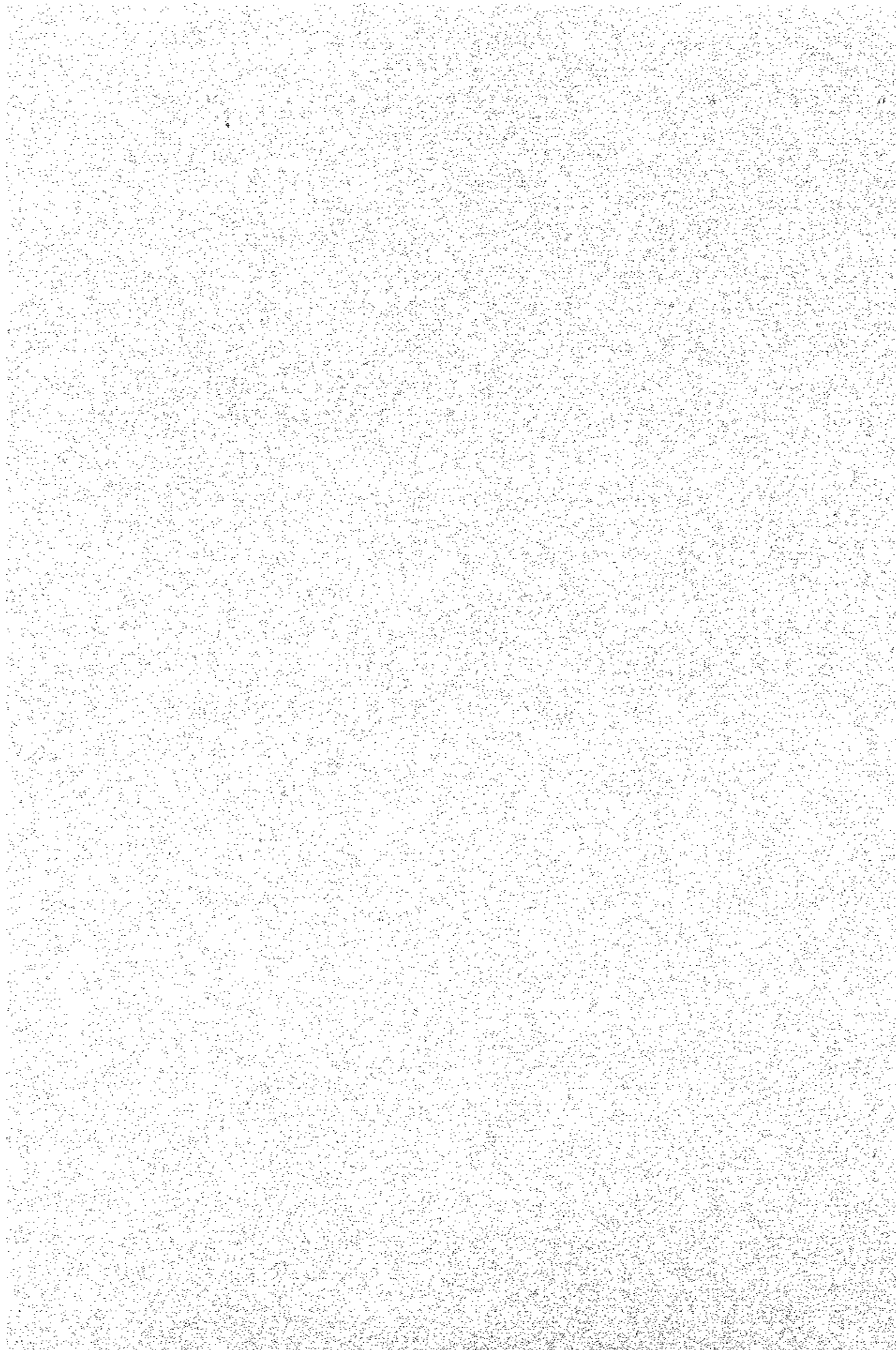


Chapter 3.

## **Tourism development and promotion plans**

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### 3. Tourism development and promotion plans

#### 3.1. Local participation in tourism

##### 3.1.1. Local participation and alternative tourism

###### (1) Definition of alternative tourism

The concept of alternative tourism has received attention since the 1980s. It is also called small tourism or green tourism. These names show that it is an anti-thesis of "conventional mass tourism" that has been favored in the past decades by many governments that consider tourism as a measure for economic development. Table 3.1 summarizes the differences between the two types of tourism.

**Table 3.1 Conventional mass tourism and alternative tourism**

	Conventional mass tourism	Alternative tourism
Accommodation		
Spatial pattern	Coastal High density	Dispersed Low density
Scale	Large scale	Small scale
Ownership	Integrated Foreign Multi-national	Home style Local Family Small business
Market		
Volume	Higher	Lower
Origin	One dominant market	No dominant market
Segment*	Psychocentric - Midcentric	Allocentric - Midcentric
Activities	Water/beach/nightlife	Nature/culture
Seasonality	Winter high season	No dominant season
Economy		
Status	Dominant sector	Supplementary sector
Impact	High import sector Repatriated profits	Low import sector Retained profits

Note: For the Segment, Psychocentric are those who prefer the familiar in travel destinations and low activity levels, while allocentric are those who tend to be more inquisitive and curious.

Source: David B. Weaver, *Annals of Tourism Research* Volume 18 1991

Alternative tourism is an experiment for a better tourism development with a smaller scale, more local opportunities, less economic leakage, and fewer undesirable impacts such as environmental deterioration, price hike for locals, cultural and morale degradation, and enlargement of economic gap.

Table 3.2 shows the relationship between market volume and adaptation to local situations by type of tourists. Integrated development targets at incipient mass tourists, mass tourists, and charter tourists that show the least adaptation to the local situations. As a consequence, the destinations that cater for the markets inevitably lose local color and become less Mexican resulting in less competitiveness in the long-haul market. Alternative tourism, however, targets at off-beat tourists, unusual tourists, and incipient mass tourists who appreciate exotic local color compared with charter tourists but still retain a sizable market volume.

**Table 3.2 Types of tourists and adaptation to local norms**

Type of tourist	Number tourists	Adaptation to local norms	Targets of integrated development	Targets of alternative tourism
Explorers	Very limited ↓	Good adaptation ↑		
Elite tourists				X
Off-beat tourists				X
Unusual tourists				X
Incipient mass tourists			X	
Mass tourists	Massive arrivals ↑	Demand Western amenities	X	
Charter tourists			X	

Source: Valene L. Smith, Host and Guests - the Anthropology of Tourism, JICA Study Team

What should be included in the category of alternative tourism is somewhat controversial. The study team, however, identified the following types of tourism would be included in alternative tourism;

- Ecotourism
- Soft adventure,
- Rural/agro tourism, and
- Budget tourism (back packing).

It is noted that alternative tourism products are often appreciated by beach tourists. They could include alternative attractions for day trip or touring of neighboring area. In other words, beach resort tourism could be enhanced by alternative tourism.

**(2) Devolution and alternative tourism**

The relationship between integrated development and alternative tourism could be compared to that of the central government and the local governments in tourism planning. Integrated development requires intervention of the central government to acquire a huge expanse of land for development, to obtain special treatment to encourage foreign investment, and to promote the tourism products toward the international travel trade. On the contrary, alternative tourism requires less investment and should be planned by local people by themselves.

Since Mexico is undertaking the devolution or decentralization of its government, so should be the tourism development scheme. Taking into account the issues which Mexican tourism is facing, and the nature of the integrated development that assumes a huge amount of investment and powerful authority, local governments which are interested in tourism should not plan a small integrated development but consider to introduce the alternative tourism concept.

The national-level government should not implement alternative tourism development directly but to assist local governments and tourism SMEs (small and medium sized enterprises) to implement alternative tourism projects. The roles of SECTUR and other national-level organizations are summarized as follows:

- Provision of tourism planning know-how,
- Financial support,
- Supply of tourism related information and statistics, and
- Marketing support of tourism products.

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### 3.1.2. Ecotourism

Ecotourism is a form of alternative tourism. Although the market volume is limited at present, it is probably one of the fastest growth segments in the world tourism market being fueled by the growing awareness of global environmental issues. Compared with beach resort tourism, ecotourism is generally more up-market oriented. Therefore economic benefit of ecotourism market is not as small as the number of arrivals suggest, and the way benefit is distributed is considered to be more preferable

The concept of ecotourism varies considerably depending on the position of people who refer to the concept. By reviewing various tourism and environmental materials, the study observed that tourism that satisfies at least one of the following conditions is claimed to be ecotourism, namely;

- Closer contact with,
- Lower impact on, and
- Financial contribution to conserve, the nature and indigenous cultures.

The travel trade side emphasizes "closer contact" that could not have been experienced by conventional mass tourism from the view point of customer satisfaction. INAH, INI, and park and reserve administrators stress its function to conserve and protect the nature and indigenous people. Customer's satisfaction is very important for the travel trade therefore they could neglect the conservation. On the contrary, those tackle ecotourism for the conservation of the nature and the well-being of indigenous people often face marketing problems.

Future direction would be to integrate the two contradictory needs: to satisfy consumers' expectation and to conserve the natural and cultural heritage. SECTUR's role would be to intermediate the two sides, by providing market information and marketing know-how to the destinations side, and by publicizing Mexican ecotourism to the market side through its worldwide network of delegation offices.

Above definition shows there exist two sub-categories of ecotourism. One is to appreciate nature and wildlife (nature ecotourism), and another is to experience exotic ways of lives in places where the western civilization has little influence (ethnic ecotourism). Fortunately, Mexico has both types of ecotourism resources. Opportunities for the Mexican tourism in this field are identified as follows;

- Camping, "nature walk" and river cruise in tropical rain forests
- Cruise in mangrove forests,
- Trekking/driving in desert,
- Bird/butterfly watching
- Cruise for marine animals such as whales, turtles, and sea-lions, and
- Stay at, or visit to, indigenous villages

### 3.1.3. Tourism related small and medium scale enterprises

Tourism has a wide variety of its related industries. It is important to promote tourism related small and medium scale enterprises in order to set up a linkage between tourism and regional development.

Hotels, restaurants, transportation, souvenirs, cultural and other tourism-related services are included in the tourism sector or tourism related industries. Therefore there are many chances for small and medium scale enterprises to participate in these activities. Even micro scale enterprises and individual persons could participate in tourism and its related industries.

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Their customers are mostly tourists thus, their business manners influence tourists' impression on destination. Therefore education of local people is required to make them learn the importance of hospitality and improvement of business manner. In some activities, such as tourist taxi, tour guide, and so on, SECTUR provides periodical training at present. In some master plan areas, FONATUR provided special training courses for local farmers and fishermen to promote their participation in tourism.

In general, small and medium scale enterprises have difficulties in fund management. In order to promote small scale enterprises, joint efforts are required among agencies which have responsibility to promote industry and to give financial assistance for the private sector.

For a better transfer of profit from the tourism sector to local community, it is effective to encourage villagers to establish an organization or a cooperative to negotiate with businesses from the outside their community on equal basis.

**(1) Agro-tourism**

Agriculture and agro-based industries are also important tourism resources. Utilization of local agriculture in tourism, such as plantation tour and agro-processing factory tour, should be encouraged. Furthermore, local agricultural and processed products, in particular, local specialty, are also attractive for tourists.

Los Cabos is a desert area and agricultural activities are not active at present. However, agriculture in a desert area is much different from usual agriculture. If technologies are improved and suitable varieties are selected, local industry will be activated. New special food and souvenirs will attract tourists in the future.

Jalisco State is renowned for its tequila distilleries. Cactus plantation and the products are attractive for international visitors. Other than cactus, there is a wide variety of agricultural products. To establish an exhibition hall for local specialties is a measure to introduce and sell their products.

**(2) Local crafts**

Mexico abounds in many local handicrafts and entertainment deriving from various traditional cultures. They would be important tourism resources in need of appropriate utilization. They would contribute to differentiate Mexican tourism destinations from competitors.

A variety of traditional handicrafts such as silverware, pottery, textile, leather goods and so on has been produced

In Baja California Sur, wood is utilized for rustic furniture, and shell crafts are produced for accessories. Other famous crafts are palm fiber clothes and hats, and colorful tin crowns.

Jalisco State boasts of a variety of local handicrafts which are exported even to other tourism destinations. During the pre-Hispanic times, cultures of the area were influenced by cultures that are different from those in the central highland of Mexico. From the archaeological point of view, this area has rich products of clay and ceramics some with gold, knitted cotton garments, plant fiber products, leather goods, and metalwork. These craft works were inherited to their descendants in the colonial time while many artisans came and brought new knowledge from Europe such as glass, graze, and forge.

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Quintana Roo State has dozens of archeological ruins, such as Cancun, Tulum, Kohunlich and Coba. Although Mayan culture had collapsed in the distant past, its cultural importance is now being reevaluated. The government makes efforts to rehabilitate these areas with development of tourist centers. Efforts are also made by local people together with old and new residents. Many craftsman migrated from other areas with a hope to reproduce folk crafts which had once disappeared. Textile, embroidery and plant fiber products are characteristics of the region. Gold and silver accessories with choral, tortoise shell and shell have been produced traditionally.

Mexico is rich in traditions of local handicrafts but their quality is not always very high. They have to be promoted as souvenirs for the tourists by improving the quality. This will give new attractiveness to tourism and contribute to the local economy as well.

In order to promote these local crafts industries together with development of the tourism sector, appropriate technical development, training and extension systems are required. To conserve traditional techniques is important while technical improvement and new development or transform of design is needed so as to cater for the new clientele

Financial support is also important to promote the crafts industry as they are generally small in scale. In case of independent craftsmen, organizing a cooperative or similar types of organizations would be worth a consideration to improve their status against jobbers .

### **(3) Folk entertainment**

To show folk entertainment such as song, dance, and so on, "Fiesta Mexicana" is held in major tourist areas. However, these "Fiesta" mainly focuses on national folk entertainment. If local folk entertainment is included in the "Fiestas" , the show would be more attractive for visitors. Training system is required to inherit the technique of entertainment. At least a facilities complex is required to introduce the culture and entertainment of respective tourism destinations.

Variety of local events/festivals are held in various areas and timings in Mexico. They are now the important tourism attractions in such tourism center in respective seasons. It is recommended to promote such existing local events or festival to the tourism attractiveness as well as to develop new events or festivals.

#### **3.1.4. Measures to promote local participation**

Measures to promote local participation in tourism is closely associated with measures to improve tourism education and capacitation. Details of the measures to promote local participation are discussed in the chapter 3.9; Enhancement of tourism capacitation and supports for tourism-related SMEs. It is also noted that promotion of local participation is a measure for social considerations since it would mitigate possible conflicts between tourism and local community.

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## **3.2. Introduction of theme parks**

### **3.2.1. Theme park as a representation of "model culture"**

There is a type of theme parks that present "model culture" to its visitors. An ideal example is the Polynesian Cultural Center in Hawaii where visitors can enjoy and experience the typical Polynesian village life in the theme park. The theme park is attached to a university, and students from various parts of Polynesia work as actors and actresses in the establishment to earn their expenses for study. Similar example is found in Edo-mura in Japan where 18th Tokyo is reproduced. Model culture is not an raw culture but the reconstruction of extracted elements from the raw culture, thus presents its essence in a understandable manner for ordinary people.

### **3.2.2. Theme park for social consideration**

Conflicts between hosts and guests are a conventional issue for tourism. In the Mexican context, it could happen that influx of tourists into indigenous villages could negatively affect their socio-cultural conditions. This type of theme parks is expected to be a solution to avoid the conflict as it diverts the greater part of tourist traffic from actual villages to tourism establishment.

This is not to assert that all the tourism demand should be enforced into theme park but there is a necessity of market segmentation in introducing tourism to rural areas. As discussed earlier, adaptation level of visitors to local situation differs considerably depending on market segment. Theme park is basically for the mass market while alternative tourism should target at market segments that tolerate local living conditions.

Production of tourist handicrafts would be another tourism opportunity for rural communities as it has less negative impacts. It should be promoted to sell in theme parks instead of inviting the masses into rural communities.

In conclusion, theme parks that present "model culture" to tourists has a function to protect local people from negative impacts of tourism. Therefore the tourism facility is needed not only from the view point of tourism products diversification but also from the view point of social consideration. From the marketing view point, themes specific to Mexico would be preferable to avoid the competitions with theme parks in the USA.

The JICA study team considers following two theme parks would be possible to develop in Mexico:

- Mexican village: Mestizo-Mexican culture and history, and
- Mayan village: Mayan culture and history.



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### 3.3. Tourism use of Mexican cities

#### 3.3.1. Conversion of traditional buildings into tourism establishments

Cities that retain Mexican ambiance is one of the most important elements of the travel in Mexico. Mexican cities are one of the potential tourism products that are not fully exploited as a tourism objective. SECTUR had already recognized the market opportunity and launched Colonial Cities Program. They are regarded, in this JICA study, as an important added value for the beach resort tourism in Puerto Vallarta. This section proposes several measures to promote the tourism use of the potential tourism resource.

Tourists seek for “authentic” experiences, and staying at a typical Mexican place would be one of the experiences. Its tourism potential is already recognized by many hoteliers, and there are examples of Mexican style accommodations. Many of them are converted from historical buildings such as hacienda, old mansion, and even bull ring. Even ordinary houses could be converted into beautiful small hotels when they retains, or could create, authenticity. The current situation, however, would be as follows:

- Owner of a potential property does not know the tourism opportunity he has,
- He does not know how he can get approval to realize his plan to convert his property into tourism establishment,
- He can not find sufficient financing to convert his property,
- He does not know how he can modify his property as a hotel,
- He does not have the know-how to operate a hotel, and
- He does not have sufficient sales know-how and channels to market his product, or
- He can not find an appropriate investor who purchases the property and convert it into a tourism establishment.

In many cities in Mexico, historical centers are conserved relatively well due to the regulations of INAH and local governments. The INAH regulations set the guidelines to control the modification of historical buildings but it does not control the use of the buildings. The difficulty to convert old buildings in historical centers depends largely on the policy of local governments, and the degrees of difficulty seem to differ by municipality. Therefore, even though conversion of a quaint building to a tourism establishment is possible, it often accompanies complicated process.

Above situation could be solved if SECTUR has a section that supports the whole process of conversion of old buildings to tourism establishments. The functions of the section would be as follows:

- Publicize the tourism value of historical buildings,
- Provide the know-how to convert the buildings into tourism establishments, and to operate hotels,
- Negotiate with concerned organizations such as INAH and municipal governments to realize the conversion,
- Find and intermediate appropriate investors and companies that would operate hotel, and
- Support tourism promotion activities, and provide market information.

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Above supporting measures are basically the same as the measures to support tourism SMEs in general. It is important that the section adopts the "one window system" that undertakes and intermediates all the above functions so that owners of properties and investors interested in operating small hotels do not need to move from one section to another.

Hotels converted from old historical buildings are relatively small, hence special know-how is needed to make them financially feasible. Tourism promotion is another issue as small hotels can not spare much budget for advertisement but their potential market could be the long-haul. There is a voluntary organization of small hotels in Mexico called "Small Grand Hotels" that aims to conduct joint tourism promotion activities and to exchange know-how among their members. This could be an idea to overcome the issues, and it may be worth while for SECTUR to support this type of organizations.

### **3.3.2. Control of traffic in historic centers**

#### **(1) Concept of "tourist area"**

"Tourist area" is defined as a place where entire place is the attraction so that tourists are encouraged to roam about the host community. It is an important element of tourism planning, and the historic centers of Mexican cities are supposed to be the areas. It is important even in beach centers where tourists mingle with locals, through which they appreciate the Mexican ambiance. Historical districts in some of Mexican cities like Oaxaca are quite well managed from the view point of tourism, but many cities share following issues.

- Traffic is often too heavy for tourists to appreciate historical buildings in an area,
- Central plazas (zocalo) are often used as parking space, and this spoils the historical townscape, and
- There is a lack of tourist facilities to appreciate the Mexican ambiance in historical centers. More specifically, commercial establishments such as cafes, restaurants and hotels that face zocalo or are located near historical buildings are needed.

The third issue would be solved by promoting tourism use of historical buildings as discussed in the previous section. It is noted that SECTUR and local tourism organizations should publicize the importance of the facilities to local governments, and encourage them to consider the amenity for tourists.

The first and second issues need the control of car traffic in the historical districts. There are following measures to cope with the problems.

#### **(2) Improvement of public transportation**

Traffic congestion in historical centers are often caused by insufficient public transportation system. Poor bus services increase the traffic of private cars and taxis in the centers, and this spoils its tourism potential. Information on bus services are not sufficiently provided for tourists, and this makes a reason for the congestion in the centers. Buses used for public transportation is not very clean and this repels tourists as well as affluent Mexicans from public transportation. Measures for the improvement of public transportation are as follows;

- Provision of information on bus and other public transportation services for visitors through hotels and tourist information centers,
- Charging of parking fees for private cars in historic centers to promote the use of public transportation,
- Installation of signs to indicate the places of bus stops, and
- Improvement of cleanness of vehicles to promote the use of public transportation.

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**(2) Installation of taxi stops**

Cruising taxis are a cause of congestion in historical centers. This could be solved by following measures:

- Installation of "taxi stops" in historical centers, and
- Banning of "taxi cruising" in specified areas that are identified to have good tourism potential.

**(3) Parking space that harmonizes with townscape**

Plenty of cars parked in a zocalo (central plaza) are a common sight in Mexico, which spoils townscape considerably. Measures for the problem would be as follows:

- Banning of parking in specified areas such as zocalo and near important historical buildings
- Construction of underground parking lots underneath central plaza, and
- Assignment of parking spaces outside of historic center and provision of public transportation such as bus, street car, LRT (light rail transit), and even horse-drawn carriage from the parking spaces to the center (the park and ride system),
- Construction of parking buildings in historical centers. They should be designed so as to harmonize with the surrounding area, or could be converted from old buildings.

**(4) Vehicle-free promenade**

It is worth a consideration to assign a "vehicle-free promenade" in the historical centers. The area should be where commercial establishments converted from historical buildings should locate. It is an important arrangement to create a "tourist area."

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### **3.4. Legal control of tourism development**

#### **3.4.1. Alternative development system**

One of major features of tourism development in Mexico is the large-scale integrated developments called CIP (Centros Integralmente Planeados / IPC ; Integrated Planned Centers) in the coastal areas such as Cancun, Ixtapa, Los Cabos, Loreto and Huatulco. FONATUR, established in 1974, has taken the initiative in these developments. It formulated master plans, constructed infrastructure including airport and encouraged private sectors to invest in these tourism developments by financial assistance. Cancun, one of the most popular beach resorts in the world at present, is the most successful case in these developments and contributes significantly to increase in foreign tourists to Mexico and to growth of tourism sector.

However, in the Tourism Sector Development Program 1995-2000, tourism development strategy has been modified in accordance with the National Development Plan 1995-2000. Therefore, it is necessary to formulate alternative tourism development system in accordance with a tourism development strategy of the Study.

#### **(1) Advantages and disadvantages of integrated development system**

On the formulation of a new tourism development system, the integrated development system, which is evaluated to be successful as a whole, should be examined from the viewpoints of advantage and disadvantage. They are summarized below.

##### **a. Advantages**

- Intensive investment of financial and human resources facilitates high-quality development,
- Coordination with local people and organizations is relatively easy due to an untapped area,
- It is also easy to develop the infrastructure for environmental conservation,
- High-quality, large-scale development backed up by the central government is favorable to attract foreign investment and international visitors to come, and
- If the development is successful so as to receive a large number of foreign tourists in the area, favorable economic impacts would be likely to follow.

##### **b. Disadvantage**

- Huge financial requirements need strong initiative by the central government. It is inconsistent with the global trend of decentralization,
- This method is apt to center on the coastal development for a beach resort . It results in partial distribution of tourism benefit,
- Mass market orientation often results in negligence of local traditions, and tends to turn the areas into characterless tourism destinations,
- The development tends to be high-density, to cause drastic landscape alteration, and to be prone to negative environmental impacts when environmental infrastructure is not sufficiently provided,
- Developed area is prone to rapid urbanization. This could result in the loss of original attractiveness,
- Large proportion of investors from the outside could result in high-leakage of economic benefit to the outside because of the insufficient integration of tourism and local economy,

- Fierce market competition in the beach resort tourism market could fail to generate sufficient economic benefits to recover the huge development cost,
- Foreign tourists, who would be less understandable about the local community of the host country and, as a consequence, would often produce some conflicts with them.

**(2) Requirement for alternative development system**

As discussed above, though large-scale integrated development plays an important role in tourism, it is not the universal method of tourism development. Therefore a new type of development system should be introduced in accordance with tourism development strategy as a way to diversify tourism.

Basic requirements for alternative development system are as follows;

- The world tourism market has been changing. Alternative development system should comply with consumer needs in the future.,
- Tourism plays an important role in regional development because of its great economic and social impacts. Alternative development system should contribute to balanced and sustainable socioeconomic growth of Mexico.

Some details of requirements for alternative development system are presented below.

**a. Compliance with market needs and differentiation from competitors**

All large-scale integrated developments in Mexico are located in beach areas. Although Mexican tourism needs diversification for better satisfaction of its clients, it would not necessarily lead to a decrease of tourists to beach resorts. It is often difficult to distinguish Mexican beach resorts from those in other countries. Many of beach resorts developed all over the world look more or less similar to each other, which could be a factor for fierce market competition among beach destinations in spite of their claims for unique characteristics. Alternative development system, therefore, should be developed so as to enhance locality to differentiate Mexican tourism destinations from competitors.

Diversification of tourism is also needed for the domestic market which is larger than the international market. Alternative development system should comply with preference of the market and facilitate development of various types of tourism destinations, tourism activities, and tourism facilities.

Among many kinds of tourism resources in Mexico, beach has been the principal target of development. Alternative development system should put more emphasis on the utilization of historical and cultural tourism resources such as archaeological sites and historical cities, as well as natural resources in inland areas.

**b. Compliance with fundamental policies of Mexico**

Tourism policies of Mexico are toward decentralization, privatization, and attainment of sustainable development.

FONATUR has played the principal role in implementing tourism development projects. However, roles of federal government, local governments and the private sector should be rearranged to encourage decentralization and privatization.

As for environmental aspects, a new general law of environment, Ley General del Equilibrio Ecologico y la Proteccion al Ambiente (LGEEPA) was established in 1988. The law forces the application of environmental impact assessment (EIA) to large-scale tourism development. Alternative tourism development system should have less impact on environment by introducing a new concept of dispersed and low density developments.

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**(3) Key concepts of new development system**

Based on above discussions, key points of alternative tourism development system should include the following:

- Dispersed and low-density development,
- Linkage with neighboring tourism destinations,
- Involvement of local communities and industries, and
- Federal government as a policy maker and coordinator while local governments and the private sector as development leaders.

**(4) Integral Tourism Center (CTI)**

SECTUR is recently going to introduce a new tourism development concept named Integral Tourism Center (CTI, or Centros Turísticos Integrales). Objectives of CTI are to strengthen the competitiveness of Mexico in tourism market and attract more direct foreign investment through diversification of entertainment facilities (such as hotels, restaurants, culture, sports, game, spectacles, convention centers) in existing tourism destinations.

**3.4.2. Development and design guidelines**

Some unified policies are required to induce sustainable tourism development as specified as a strategy in Chapter 2. An introduction of development and design guidelines is one of the important measures to realize the strategy.

Development guidelines regulate mainly land use from the viewpoints of comfort, safety, efficiency, and conservation of locality. Design guidelines are to regulate design of facilities, infrastructure, in order to contribute to formation of pleasant landscape in tourism destinations.

There could be stricter guidelines like those applied to a tourism destination with a concept of "ecological resort." In that case, guidelines to introduce energy-saving and nature-oriented tourism facilities may be necessary.

This section focuses on development and design guidelines in general..

**(1) Development guidelines**

**a. Items to be regulated**

Development guidelines generally regulate the following aspects. Specific regulations should be determined by considering characteristics of respective tourism zones and destinations.

- Permitted land use,
- Density,
- Coverage of buildings,
- Heights of buildings,
- Set back from edge of site, and
- Set back from shoreline.

**b. Zoning**

Zoning is necessary since it is not possible to apply a single set of development guidelines to all areas of a destination. Regulations should be set by zone so as to be consistent with its roles and characteristics.

A tourism destination has the following zones in general:

- accommodation zone,
- tourists services zone,
- public building zone,
- building-free zone,
- camping ground zone,
- tourism forest zone,
- green belt zone,
- tourist excursion road zone, and
- tourist stopover zone.

**(2) Design guidelines**

The goal of landscaping in tourism planning is to provide a pleasant environment that would give a sense of relaxation which would make a contrast to artificial urban setting. The guidelines should set the following aspects:

- General guidelines for landscaping, and
- Design policies and/or physical standards for facilities (architectural guidelines).

**a. General guidelines for landscaping**

Various measures should be taken jointly to achieve the goal of landscaping.

- Major landscaping features in a tourism destination with typical scenic spots
- Basic policy for landscaping
- Basic ideas of specific measures to be taken

The guidelines for landscaping should be set by considering following aspects:

- discovery and creation of fine views,
- respect to locality and traditions,
- provision of viewpoint, and
- provision of pleasant and harmonized space.

Architectural guidelines, which are typical measures for landscape, is stated below.

**b. Architectural guidelines**

Architectural guidelines should set design criteria to create landscape that harmonizes with surrounding environment. They should include the following aspects:

- outdoor - indoor relationship,
- materials,
- colors, and
- heights.

General considerations in setting the guidelines are shown as follows though modification may be necessary according to local situations.

- Lobbies, dining areas, and other public space should be open to the outside
- Maximum use of natural ventilation rather than air-conditioning
- Small cluster constructions may provide a better solution to get close contact of tourists to the natural landscape in the provided spaces of trees and gardens among buildings
- Organizing the plant material to complement a landform, to enhance a building line or facade, to gradually unfold as attractive vista or to frame a major entrance area.
- Building design need not reproduce a traditional style exactly but should incorporate some traditional elements into modern design.
- Use of local materials should be encouraged both for the benefit of local economy and as a means to enhance indigenous characteristics.

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**(3) Priority areas in the three destinations**

It generally takes time to introducing these guidelines as reaching a consensus is not always easy. There is an urgent need to introduce the guidelines to the areas where many tourism development projects are being planned at present.

Priority areas to introduce development guidelines in the three destinations are deemed to be as follows:

- East cape in Baja California Sur
- La Paz in Baja California Sur
- Costalegre in Jalisco
- Banderas Bay area in Nayarit
- Cancun - Tulum Corridor in Quintana Roo, and
- Costa Maya in Quintana Roo.

**3.4.3. Zoning system of archeological sites**

Archeological resources play an important role in Mexican tourism. The objective of this section is to discuss on methodology for their conservation and utilization.

**(1) Conservation and utilization of archeological sites**

There are a large number of archeological sites in Mexico., Though some of the sites were fully restored, many still remain in ruins.

Before starting tourism development, a general consensus on tourism use of each archeological site has to be reached as conservation of archeological sites sometimes conflict with tourism. Coordination for the utilization should be based on the consensus.

**(2) Role of archeological resources in tourism**

At present some of major archeological sites such as Teotihuacan, Chichen Itza, Tulum and Uxmal, are major tourism sites and the consensus is to utilize these archeological sites at least to some extent. The role of archeological sites in tourism is summarized below.

- Pre-Hispanic ruins in Mexico are famous throughout the world thus attracts a large number of international tourists. Since archeological resources are unique to the country, they are useful to differentiate the tourism destination from competitors.
- Archeological resources are one of the best heritage through which Mexican people look back at their own country and culture. The National Anthropological Museum (Museo Nacional de Antropologia) in Mexico City is always filled with many visitors including young Mexican students. Archeological resources are expected to play an important role in domestic tourism including educational tours for students.

**(3) Zoning system as a means to conserve archeological resources**

Zoning system is a practical and effective measure to control activities in a widely spread area, which can be useful for conservation of archeological resources.

The objectives of zoning of archeological sites are to control utilization of archeological sites and to conserve them for future generations. It is also important to acquire some revenues from tourism to cover the cost for conservation.

INAH is in charge of conservation and utilization of archeological sites, and has already introduced a zoning system. The zoning system, however, tends to be situational, and regulations are often determined on negotiation basis. A new zoning system that is more universal as would be applicable to any archeological sites should be established.



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**(4) More accurate zoning system for archeological sites**

The new zoning system should be based on legal foundation. Its basic ideas are shown below.

- To classify an archeological site into a few zones based on the necessity of protection.
- To clarify activities permitted and prohibited in each zone.

The following is an example of a new zoning system, where an archeological site is classified into three zones.

**a. Zone A**

The core area of an archeological site including major archeological properties is designated as Zone A.

The objective of Zone A is to preserve archeological properties. Therefore, all kinds of activities which may affect the properties are prohibited. It is desirable that required investigation is completed in the zone before it is opened to the public. INAH should acquire all the land ownership in the zone in principle.

Facilities for visitors such as passage, explanation boards and route signs, are restricted to the minimum, which are to be arranged in harmony with the atmosphere of archeological sites.

If necessary, the maximum number of daily visitors to the zone should be set considering the value and conditions of archeological properties.

**b. Zone B**

Surrounding area of zone A is designated as zone B. The objectives of Zone B are as follows;

- To protect Zone A,
- To compose an atmosphere of an archeological site, and
- To provide entrance to Zone A.

Therefore, only the following facilities are permitted.

- Information center (with a small restaurant and shops),
- Low-rise museum,
- Parking lots,
- Gardens and walking way.

In this zone, design, height, material, and color of facilities are strictly regulated in order to maintain an atmosphere of the site and not to interfere with landscape. It is desirable that INAH or local government acquire all the land ownership in this zone

**c. Zone C**

Surrounding area of Zone B is designated as Zone C. The objectives of Zone C are as follows;

- To formulate a buffer area around an archeological site, and
- To protect archeological properties which might be found in the future.

Daily life of local people should be respected as much as possible in this zone. Therefore, small buildings for local people such as houses and shops, are acceptable under the conditions that excavation and investigation of ruins have priority over construction of buildings for local people in case of finding out archeological ruins. Farming and to raise livestock are allowed, though to reclaim a land, large scale developments, all kinds of factories, and mining are prohibited.

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As for tourist facilities, construction of a high-rise tourist facilities including a hotel, is necessarily prohibited. On the other hand, small and low-rise tourist facilities is permitted under the conditions that facilities are owned and operated by local people or local company.

As for archeological sites adjacent to a major tourism destination, "tourist facilities district" where tourist facilities can be build in a certain restricted manners, should be introduced in the zone. This district may contribute to ordered and harmonious land use, and to formation of tourism sites with a calm atmosphere.

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### **3.5. Revitalization of existing tourism centers**

#### **3.5.1. Seeking sustainability in tourism**

##### **(1) General**

How to expand tourism in new areas and how to exploit new resources are one of the important part of tourism development and promotion. On the other hand, how to sustain the existing tourism destinations and how to revitalize the old tourism destinations are another set of important efforts in tourism development and promotion. However, in Mexico, both government efforts and private initiatives have been directed to the former, but less attention has been paid to the latter. The sustainability of tourism destinations is important from the following reasons:

- Good conservation of old buildings or old districts in tourism destinations could add values to newly expanded tourism areas in respect of diversification of built environment.
- Well designed renovation of old buildings or old districts could revive declining tourism destinations.
- Good nature conservation in or near tourism destinations could not only attract tourists, but also gain appreciation of such efforts.
- Sustaining tourism destinations means, in terms of business, obtaining long-term returns from investments.
- Long-standing tourism destinations by efforts at sustaining their quality allow the tourism industry to conduct tourism promotion, based on established names as international tourism destinations.

There are three areas of sustaining the quality and images of tourism destinations:

- Built environment,
- Natural environment (pollution and natural conservation), and
- Socio-economic environment.

Some examples which require efforts at sustaining tourism destinations are given below.

##### **(2) Values of renovating old hotel buildings' interior and built environment in the existing tourism destinations**

In Mexico in the last 20 years, the tourism sector has developed by constructing new hotels and new hotel zones. The pattern of tourism destination development and the behaviors of the tourism sector seem to be "tourism expansionism" or "throwaway culture in tourism".

However, seen from another point of view, these phenomenon are interpreted differently. In the last 20 years infrastructure has been provided to support tourism development, tourism facilities also have been developed, and tourism destinations have become well-known. Then it becomes meaningful and valuable to renovate, redevelop, or beautify what has long accumulated, such as tourism facilities, tourism districts and hotel zones. Moreover, it becomes feasible to invest in old buildings and old districts in order to revitalize tourism economy, if favorable conditions are provided.

In other words, the past appearance of expansionism or throwaway culture does not mean that Mexican ways of tourism development cannot allow investments for sustaining nice build environment of tourism destinations. But it is now after the past 20 years of accumulation of tourism investments that such sustaining efforts become attractive investment opportunities.

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**(3) Build environmental sustainability of tourism centers**

The over 20-year old hotel buildings constructed in the Cancun's phase I development are originally of poor looking, but also have decayed. Now the room rates of those hotels are relatively low and also providing low quality of services. Such tendency toward cheap rates of low standard hotels in Cancun lowers the images of Cancun's beach resort.

Puerto Vallarta's downtown area also has old hotels and other buildings, which could become attractive to tourists if they are well maintained or improved by keeping their traditional fashion.

San Jose del Cabo's downtown is a historical town of Mexican taste. However, in order to sustain and improve the quality and images of the downtown, not only for reconstruction and renovation of old buildings, but also beautification of the downtown district itself and its surrounding areas is required.

**(4) Measures for rehabilitating built environment of the existing tourism destinations**

In order to encourage rehabilitation, renovation or redevelopment of part of the existing tourism destinations which have been decaying, it is necessary to combine the following three types of measures:

- Zone designation by certain plans,
- Financial incentives by loans of lower interest rates than commercial rates,
- Financial incentives by tax exemption.

**a. Zone designation for revitalization of the existing tourism destinations**

Town planning is necessary to designate zones for this purpose. The planning should be carried out both by city's town planning department and tourism department, in close cooperation with citizens' groups. The following four types of zones need to be designated by the town plan:

- 1) Zone where old hotel buildings need renovation and old building districts need redevelopment
- 2) Zone which needs repair/renovation of historical buildings or improvement of townscape
- 3) Zone which needs provision of sidewalks, direction boards, vegetation, parks for tourism amenity improvement
- 4) Zone which needs development of tourism facilities

**b. Financial incentives by loans of lower interest rates**

The federal government needs to provide lower interest rates of loan to private enterprises or city governments for the above four types of investments to sustain build environment for tourism.

**c. Tax exemption**

The federal government and local governments should provide tax exemption to private enterprises to encourage revitalization.

The above 1) and 4) zones would be revitalized through loan arrangement and tax exemption to the private sector. 2) and 3) zones would be revitalized by the city government.

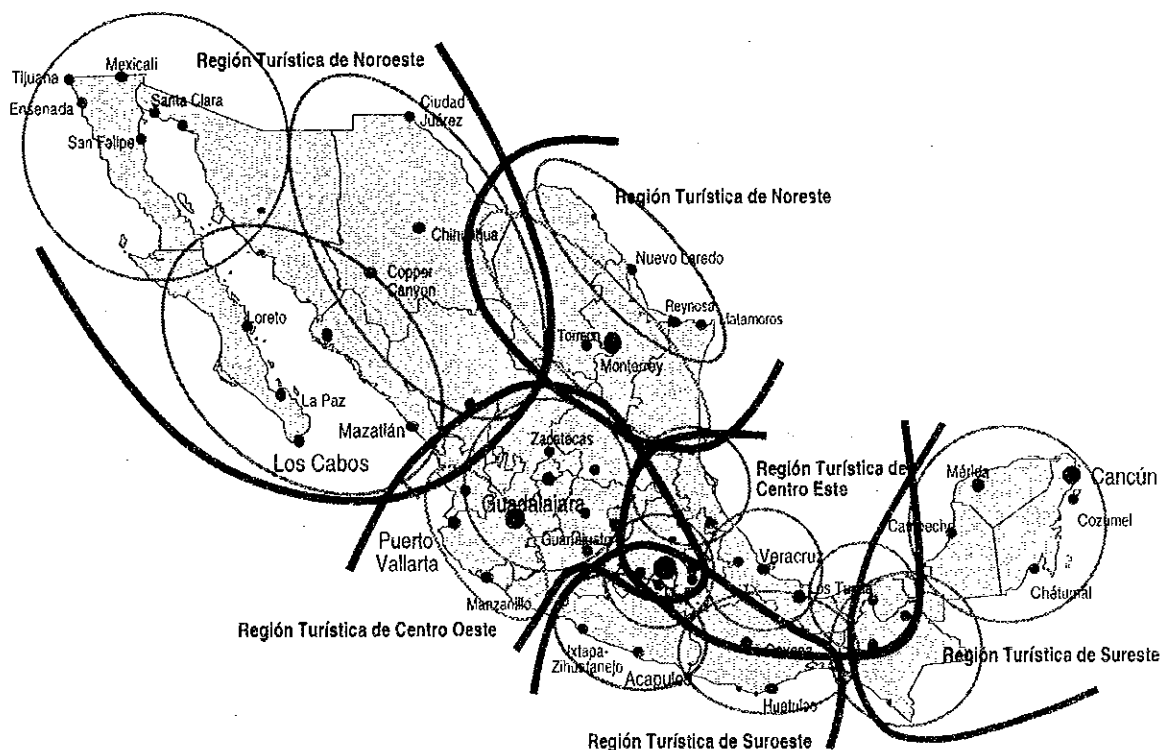
### 3.6. Introduction of tourism circuits

#### 3.6.1. Tourism circuits concept

JICA study team proposes to introduce a "tourism circuit" concept by amplifying the tourism corridor concept that is introduced in the Tourism Sector Development Program 1995-2000 as shown in Figure 3. 1.

Tourism circuits enhance the competitiveness of existing beach centers by combining them with inland tourism products as "added values." It also distributes tourism benefits to wider areas by promoting visitors to less known areas that have good tourism potential and need measures for economic development. It serves to diversify tourism markets as it appeals to the long-haul market.

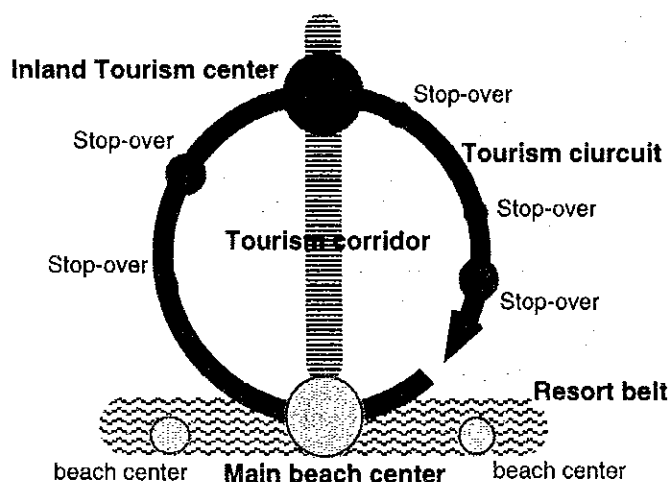
Figure 3. 1 Concept of tourism circuits



Source: JICA study team

Figure 3. 2 illustrate the structure of a tourism region. The study team defines an area that includes a resort belt and a touring circuit as a tourism region. A resort belt is a chain of beach centers along coastline. A touring circuit is connected to the resort belt, and works as "value added" for beach centers in the belt. Its function is to lure out visitors in the coastal area to inland tourist centers. It generally takes 4 to 7 days to cover a touring circuit. The length of travel was determined after examining actual tour itineraries, in particular, those of package tours using charter flights. Tourism corridor is the main artery that connects a main beach center and a inland stop-over. It is noted that the terms of "corridor" used in this study are not always identical to the conventional usage in Mexico.

Figure 3.2 Concept of tourism region



Source: JICA study team

### 3.6.2. Hierarchical system of Mexican tourism

#### (1) Transformation of tourism development and promotion policies

SECTUR's policies of the tourism development and promotion method have transformed as follows

##### a. Tourism center development

Tourism centers used to be isolated and compete with each other. FONATUR introduced the integrated development system in the middle of 1970s. In 1991 SECTUR started three special promotion programs: "Mundo Maya," "Colonial Cities," and "Northern Border" by grouping tourism centers with similar characteristics.

##### b. Corridor formation

The National Tourism Program (1995 - 2000) has newly introduced "Tourism Corridor Concept" that links tourism centers to gain more competitiveness through the cooperation of tourism centers with different characteristics. The program specifies 10 corridors as follows:

- Tijuana and Ensenada,
- San Felipe, Santa Clara and Penasco,
- Ciudad Juarez,
- Nuevo Laredo, Reynosa, and Matamoros,
- Los Cabos, La Paz, and Loreto,
- Guadalajara and Puerto Vallarta,
- Acapulco and Taxco,
- Huatulco and Oaxaca,
- El Tajin, Veracruz and Los Tuxtlas, and
- Cancun and Tulum.

Special promotion programs of Mundo Maya, Colonial Cities and Northern Border have been succeeded to the national program.

### c. Circuit formation

JICA study team proposes to introduce the tourism circuit system as a basic strategy by the target year of this study: 2010. This is an advanced concept from the tourism corridor, which aims at better contribution of tourism to the regional economy, more competitiveness through creation of added values, and diversification of tourism supply and demand.

The Mundo Maya program is regarded as a typical tourism circuit as it covers five states of southeastern Mexico (Tabasco, Chiapas, Campeche, Yucatan, and Quintana Roo) as well as the four neighboring countries; Guatemala, Belize, Honduras and El Salvador.

### (2) Hierarchical system

The tourism structure of Mexico is interpreted as being composed of four levels of hierarchy. The hierarchy is essential to orderly manage further tourism development and promotion of Mexico from the long-term perspective.

#### a. Level 4: tourism regions

The entire land of Mexico is divided into six tourism regions as shown in Table 3. 3 and Figure 3. 3. The regions, in general, are based on geographical location of the states. The west central, east central, and south western tourism regions, however, share the Metropolitan region as it is the principal international gateway.

The objective of formulation of the tourism regions is to distribute visitors from leading tourism center(s) to less developed tourism centers within the same tourism region. The tasks for the tourism regions level are:

- to set a distinctive regional tourism image, and
- to formulate a tourism circuit that targets at the long-haul markets with the medium and/or long itinerary.

The development and improvement of the main airport(s) and tourism transportation network are essential. An inter-states tourism organization should be established, and take the initiative in implementing the above tasks supported by SECTUR.

**Table 3. 3 Establishment of tourism zones**

Geographic division		Level-4; Tourism region	Level-3 Tourism zone
North/south	East/West		
North	West	1. North-West Tourism Region	1. "Mar de Cortes" North Zone 2. "Mar de Cortes" South Zone 3. "Sierra Madre Occidental" Zone
	East	2. North-East Tourism Region	4. "Caminos del Río" Zone 5. "Sierra Madre Oriental" Zone
Central	West	3. Central-West Tourism Region	6. "Mexico City and Vicinity" Zone 7. "Pacífico Central" Zone 8. "Corazón de México" Zone
	East	4. Central-East Tourism Region	9. "Huasteca - Totonaca" Zone 10. "Veracruz Central" Zone 11. "Mundo Olmeca" Zone
South	West	5. South-West Tourism Region	12. "Guerrero" Zone 13. "Oaxaca" Zone
	East	6. South-East Tourism Region	14. "Mundo Maya" North Zone 15. "Mundo Maya" South Zone

Source: JICA study team

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**b. Level 3: tourism zones**

Tourism region is divided into a few tourism zones. 15 tourism zones are proposed in the country. The objective of formulation of the tourism zones and its tasks are similar to those of tourism regions; redistribution of visitors from the main tourism center to other less known centers, and:

- to set a distinct tourism image, and
- to formulate tourism circuits through the zone that targets at the medium- and long-haul markets.

Joint development and promotion should be conducted by an organization composed state(s), municipalities as well as the Fondos Mixtos involved in the zone with supports from SECTUR.

**c. Level 2: day-trip area**

This level corresponds to the one-day trip range. In order to increase the attractiveness of the area, maximum efforts should be made to identify potential tourism resources and develop them into new tourism products. They become the added values to tourism center increase competitiveness, and also extends visitors' length of stay.

**d. Level 1: tourism center**

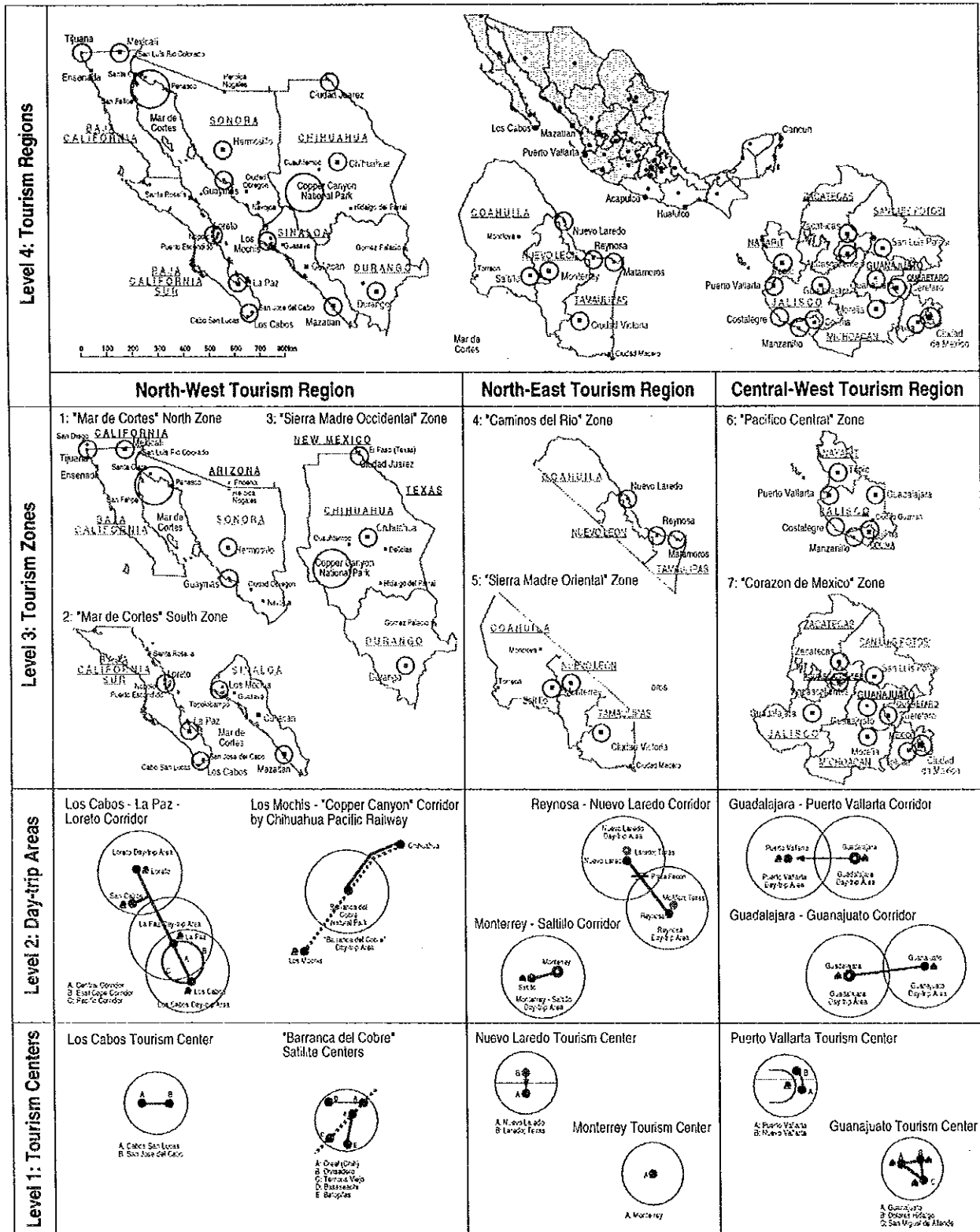
This level corresponds to a single tourism center. Tasks for the level are as follows:

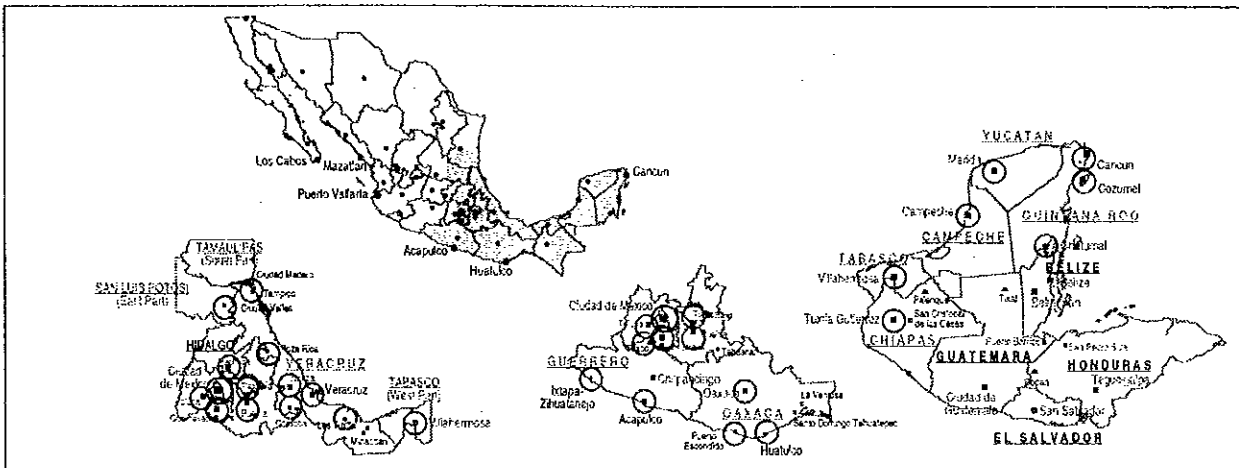
- to increase the accommodation capacity,
- to enforce promotion, and
- to develop new tourism centers.





Figure 3.3 Hierarchical system





Central-East Tourism Region		South-West Tourism Region	South-East Tourism Region
<b>8: Mexico City and Vicinity Zone</b> 	<b>9: "Huasteca - Totonaca" Zone</b> 	<b>12: "Guerrero" Zone</b> 	<b>14: "Mundo Maya" North Zone</b> 
	<b>10: "Veracruz Central" Zone</b> 	<b>13: "Oaxaca" Zone</b> 	<b>15: "Mundo Maya" South Zone</b> 
<b>Mexico City South Corridor</b> 	<b>Veracruz - Jarapa - Cordoba Corridor</b> 	<b>Acapulco - Taxco Corridor</b> 	<b>Cancun - Tulum Corridor</b> 
	<b>Veracruz - Los Tuxtlas Corridor</b> 		<b>Tuxtla Gutierrez - Palenque Corridor</b> 
<b>Toluca Tourism Center</b> <p>A: Toluca B: Tepic C: Matamoros D: Ixtapa de la Cruz</p>	<b>Veracruz Tourism Center</b> <p>A: Veracruz</p>	<b>Los Tuxtlas Tourism Center</b> <p>A: San Andres Tuxtla B: Santiago Tuxtla</p>	<b>Cancun Tourism Center</b> <p>A: Cancun B: Playa Mujeres C: Playa Mujeres D: Playa de Cancun E: Tulum</p>
		<b>Acapulco Tourism Center</b> <p>A: Old Acapulco B: New Acapulco C: East Acapulco</p>	<b>Tuxtla Gutierrez Tourism Center</b> <p>A: Tuxtla Gutierrez B: San Cristobal de Las Casas</p>
		<b>Hualuco Tourism Center</b> <p>A: Central Hualuco B: East Hualuco C: New Hualuco Area</p>	

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### 3.6.3. Outline of tourism regions

#### (1) North-west tourism region

Figure 3. 4 shows overview of the north-west tourism region.

The Pacific coast area in northern Mexico (north of the tropic of Cancer) extends to 6 states; 4 states of Baja California, Baja California Sur, Sonora, and Sinaloa around Mar de Cortes, and 2 inland states of Chihuahua and Durango. The north end of this region is in contact with four states of the USA, that is, California, Arizona, New Mexico, and Texas. From the geographical aspects, five identical geographical features of the California peninsula, Mar de Cortes, eastern seashore plain of Mar de Cortes, Sierra Madre Occidental area, and the Mexican High Plateau area locate parallel to each other providing various natural scenery and tourism resources. The climate in this region is generally dry.

##### a. "Mar de Cortes" north zone

This covers the two states of Baja California and Sonora

Visitor arrivals to the border resort of Tijuana will be induced to other areas in the zone. Mexicali, Hermosillo, Guaymas, as well as new resort bases of San Felipe, Santa Clara, and Penasco may have tourism potential.

##### b. "Mar de Cortes" south zone

This zone includes the two states of Baja California Sur and Sinaloa.

Visitor arrivals to Mazatlan and Los Cabos, which are the anchor resorts in this zone, would be induced to other areas of the zone. La Paz and Loreto, which are the traditional resorts, as well as Los Mochis, may have tourism potential.

##### c. "Sierra Madre Occidental" zone

This covers the states of Chihuahua and Durango.

Border tourism in Ciudad Juarez could be induced to other tourism centers in the zone. Copper Canyon National Park, which is the most attractive tourism resource in this zone, needs development of accommodation and roads, as well as improvement of Chihuahua-Pacific Railway that connecting Ciudad Juarez, Chihuahua, Copper Canyon, and Los Mochis.

#### (2) North-east tourism region

Figure 3. 5 shows overview of the north-east tourism region.

This region includes the Gulf of Mexico area of northern Mexico and extends to three states of Tamaulipas, Nuevo Leon, and Coahuila. The tourism region borders Texas, U.S.A. across the Rio Bravo (Rio Grande). From the geographical standpoint, this region has various natural scenery and tourism resources consisting of three geographical features including the plain along the seashore of Gulf of Mexico, Sierra Madre Oriental area, and the Rio Bravo area.

##### a. Camino del Rio zone

This covers an area along Rio Bravo that runs through the three states of Tamaulipas, Nuevo Laredo, and Coahuila.

Border tourism in Matamoros, Reynosa, and Nuevo Laredo could be induced to the upstream area of Rio Bravo. Piedras Negras and Ciudad Acuna may have potential for tourism development.

##### b. Sierra Madre Oriental zone

This covers highland areas of the above mentioned three states.

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The center of this zone is Monterrey, which is the third largest city in Mexico. Visitors to the city could be induced to surrounding areas such as Saltillo and Ciudad Victoria.

**(3) Central-west tourism region**

Figure 3. 6 shows overview of the central-west tourism region.

This region includes 15 states, namely, Nayarit, Jalisco, Colima, Michoacan, Zacatecas, San Luis Potosi, Aguascalientes, Guanajuato, Querretaro, Federal District, Mexico, Hidalgo, Tlaxcala, Puebla, and Morelos. This region is composed of the Pacific coast area and the Mexican high plateau area..

**a. Central Pacific zone**

This zone includes the four coastal states, namely, Nayarit, Jalisco, Colima, and Michoacan.

The anchor tourism centers are Puerto Vallarta, Guadalajara, and Manzanillo. The "triangle circuit" of Guadalajara, Puerto Vallarta, and Manzanillo will be developed including the completion of a highway between Guadalajara and Puerto Vallarta. Tepic, Costalegre, and Colima, the resorts along the triangle circuit, will also developed and promoted.

**b. Corazon de Mexico zone**

This covers an inland area of the central plateau.

This zone is called as "Corazon de Mexico" characterized by many beautiful historical cities. These historical cities are located within the triangle of three major cities of Mexico City, Monterrey, and Guadalajara. The three large cities as gateways, a circuit around the Colonial City will be developed and promoted.

**(4) Central-east tourism region**

Figure 3. 7 shows the outline of central-east tourism region.

This area is located along the Gulf of Mexico in central Mexico and includes Veracruz states facing the Gulf of Mexico and the neighboring areas such as southern part of Tamaulipas, eastern part of San Luis Potosi, and western part Tabasco as well as the states of the Mexico Metropolitan area such as Federal District, Hidalgo, Tlaxcala, and Puebla states.

**a. Huasteca and Totonaca zone**

This covers the northern part of Veracruz state, the northern part of Hidalgo state, the southern part of Tamaulipas state, and the eastern part of San Luis Potosi state.

This zone abounds in natural beauty, Huasteca indigenous culture, and archeological ruins including El Tajin. Development of transportation network would be vital to exploit the potential of the zone.

**b. Veracruz Central zone**

The central part of Veracruz state, the southern part of Hidalgo state, and several eastern states of the Mexico Metropolitan area are involved in the zone.

This is a historical corridor of the colonial period. The central route of Veracruz - Jalapa - Mexico City, the northern route of Veracruz - Poza Rica- Mexico City, and the southern route of Veracruz - Oaxaca - Mexico City should be developed.

**c. "Mundo Olmeca" zone**

The eastern part of Veracruz state and the western part of Tabasco state are included in the zone.

This is the birthplace of the Olmec culture. The circuit connecting Veracruz, Los Tuxtla, and Villahermosa, and extension to "Mundo Maya" should be considered.

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**(5) South-west tourism region**

Figure 3. 8 shows overview of the south-west tourism region.

This region is located along the Pacific Ocean and includes Guerrero, Oaxaca, Federal District, Mexico, Tlaxcala, Puebla, and Morelos.

**a. "Guerrero" zone**

This zone includes the Guerrero state and the some states in the Metropolitan area.

The zone includes three distinctive tourism centers of Acapulco; the oldest beach resort in Mexico, Ixtapa/Zihuantanejo; FONATUR's integrated development sites, and Taxco: a city famous for its silver crafts. The circuit of three cities is called "Golden Triangle." Two highways are under construction between Acapulco and Ixtapa, and between Taxco and Ixtapa.

**b. "Oaxaca" zone**

This covers the state of Oaxaca and some states in the Metropolitan area.

The zone includes the colonial city of Oaxaca, the archeological complex of Monte Alban, and resorts along the Pacific Ocean. The development of roads that connect Mexico City with Oaxaca and Huatulco will create an attractive set of tourism products.

**(6) South-east tourism region**

Figure 3. 9 shows overview of the south-east tourism region.

This region includes the southeast area of Mexico located south of Tehuantepec Isthmas and extends over to five states of Chiapas, Tabasco, Campeche, Yucatan, and Quintana Roo. This region borders Guatemala and Belize.

SECTUR is developing "Mundo Maya Program" since the National Tourism Modernization Program (Programa Nacional de Modernizacion del Turismo: 1991 - 1994) in cooperation with four South and Middle American countries including Guatemala, Belize, El Salvador, and Honduras. In order to further progress this program, accommodation bases and transportation networks will be developed and promoted.

**a. "Mundo Maya" north zone**

This zone includes three states of Campeche, Yucatan, and Quintana Roo in the Yucatan peninsular.

This zone is located in the "Maya Northern Lowlands" where archeological sites such as Chichen Itza, Tulum, and Uxmal are located. Merida, Izamal, and Campeche still retains the ambiance of the colonial era. The zone also abounds in biosphere reserves of jungle, Mayan ruins, and mangrove forests.

It is important to develop and promote the circuit that connect Cancun - Chetumal - Campeche - Merida to lure out visitors in Cancun to visit the rest of the tourism zone.

**b. "Mundo Maya" south zone**

This covers two states of Chiapas and Tabasco.

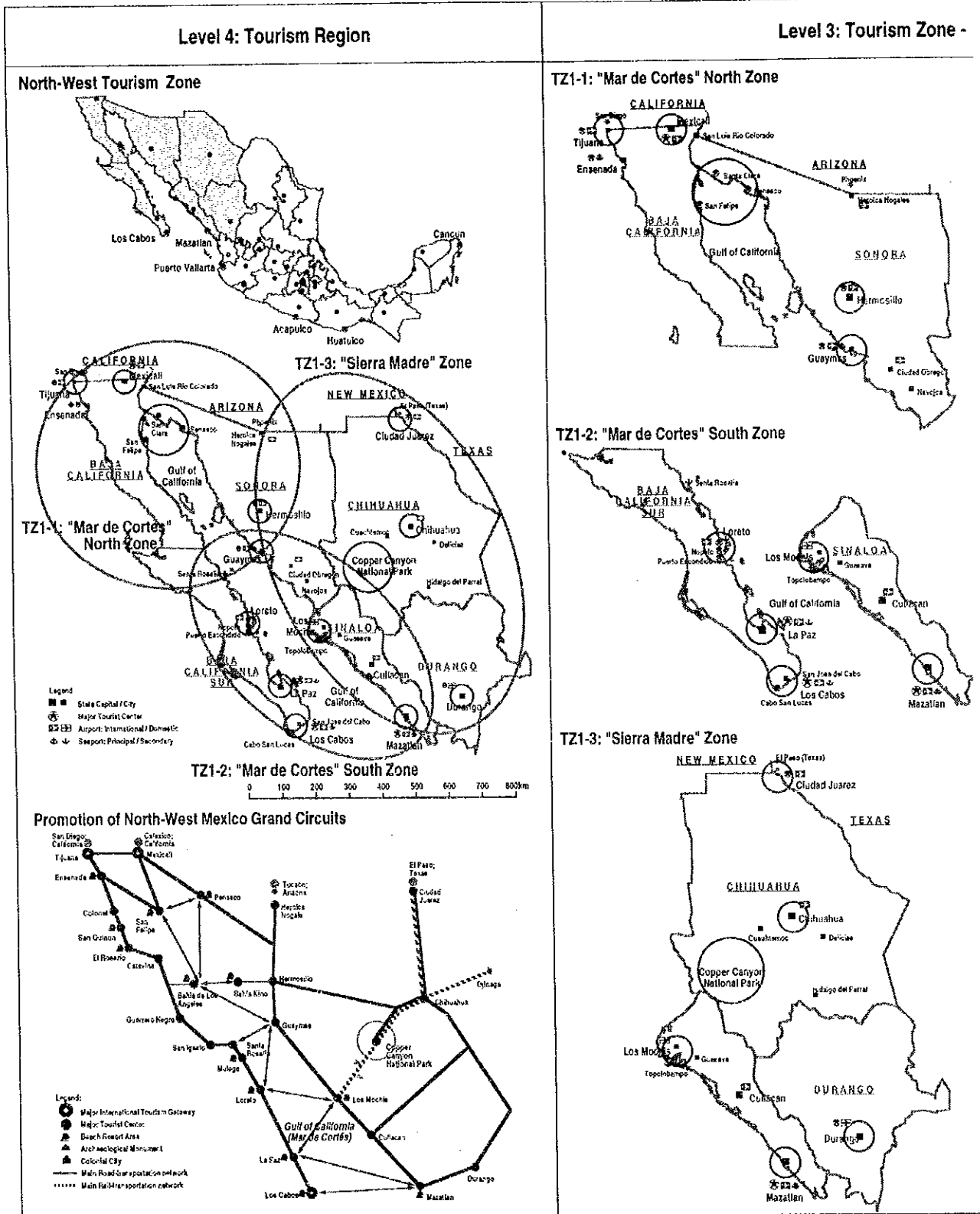
This zone corresponds to "Maya Southern Lowlands" and "Maya Highlands". There are numerous ruins including Palenque, colonial cities such as Tuxtla Gutierrez and San Cristobal de las Casas, and biosphere reserves.

Establishment of tour route that connect Villahermosa - Palenque - Tuxtla Gutierrez - Guatemala border is needed to utilize tourism resources along the route.

The overview of the tourism region in the next pages is as reference for SECTUR.



Figure 3.4 North-west tourism region





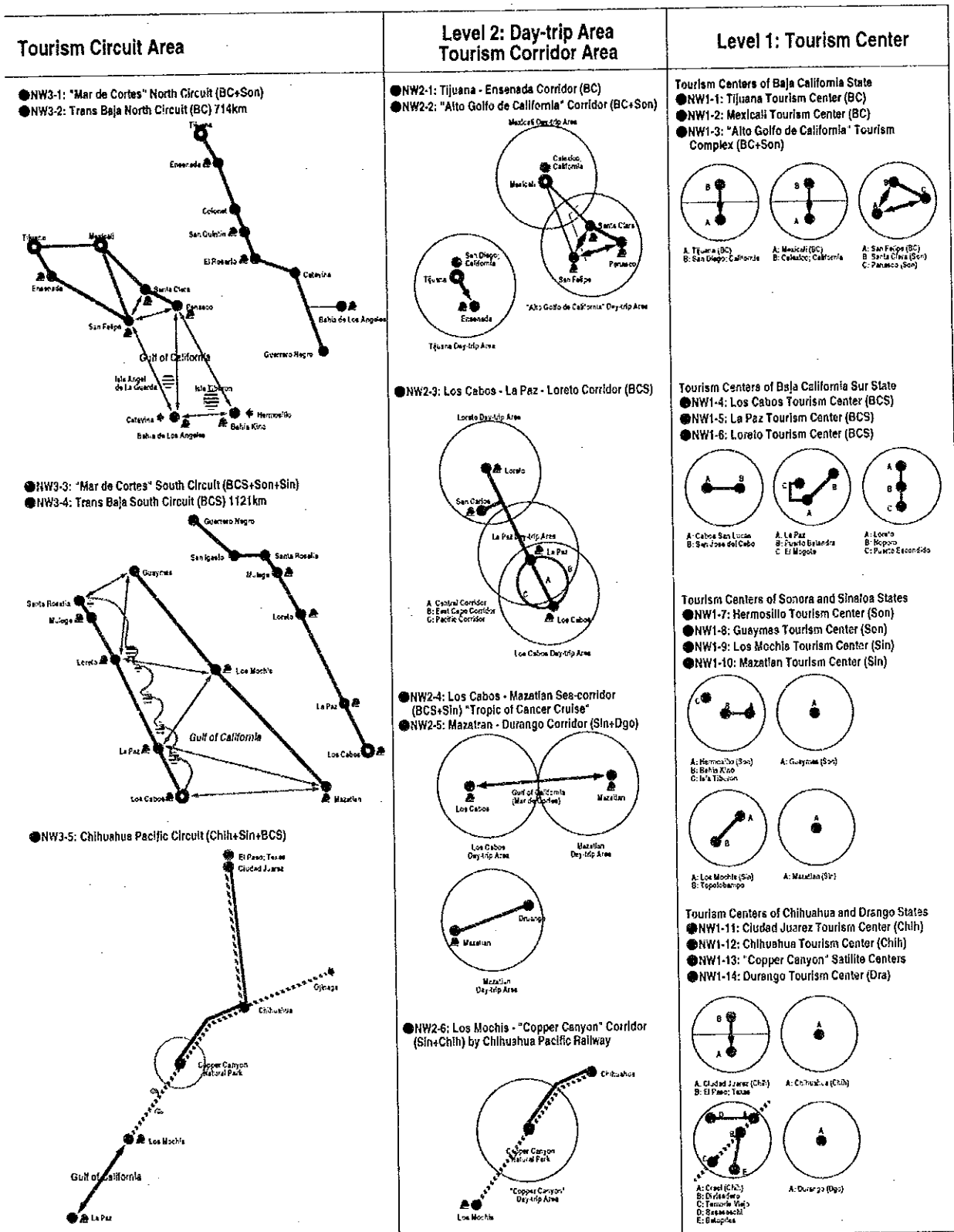
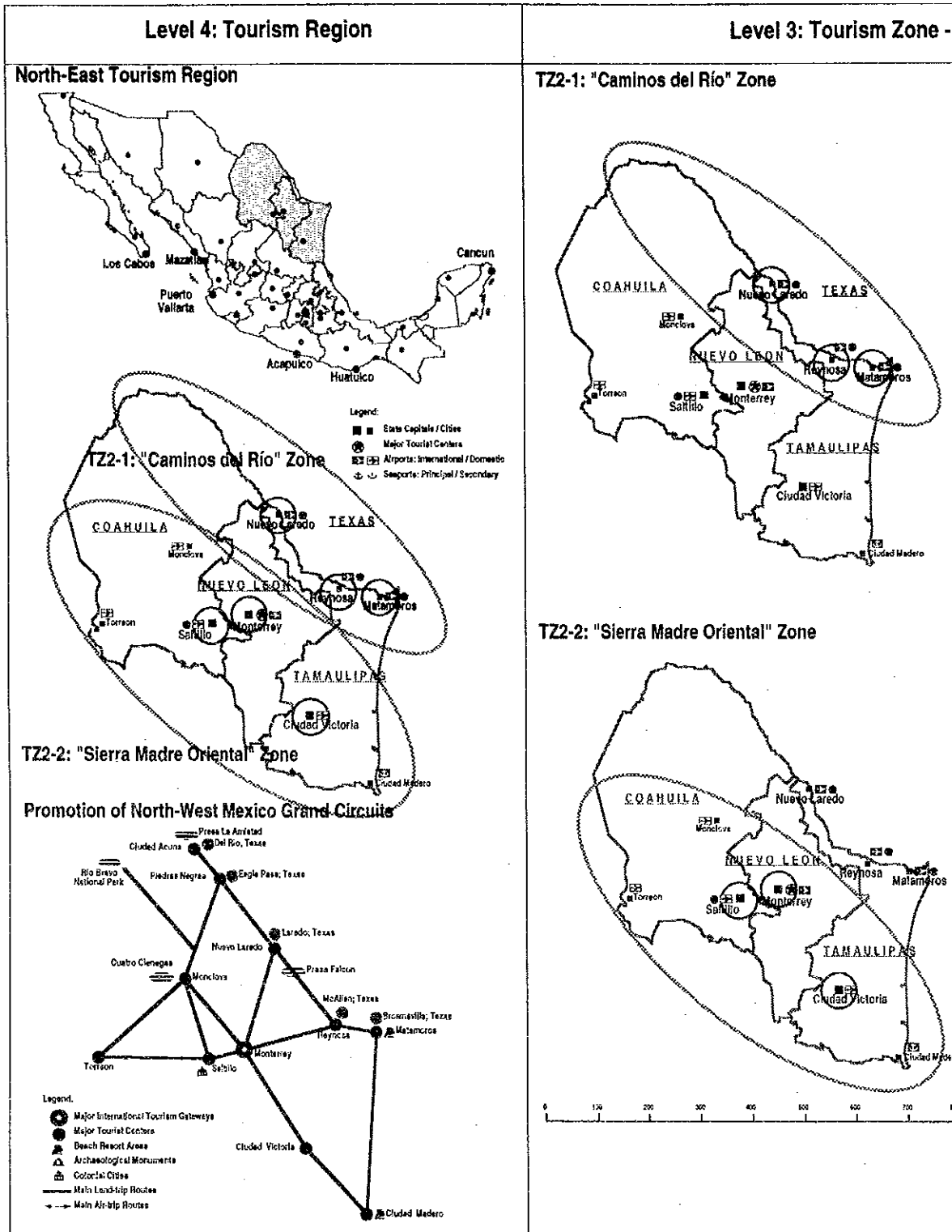


Figure 3.5 North-east tourism region



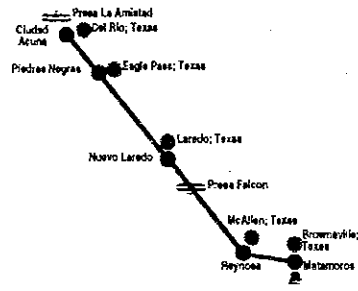
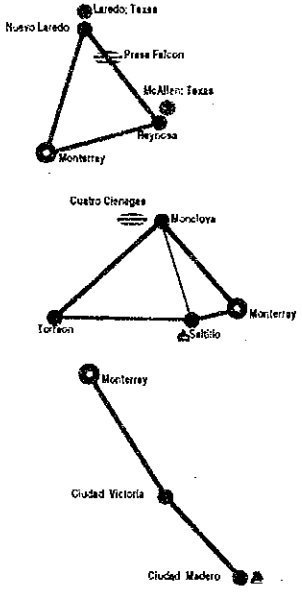
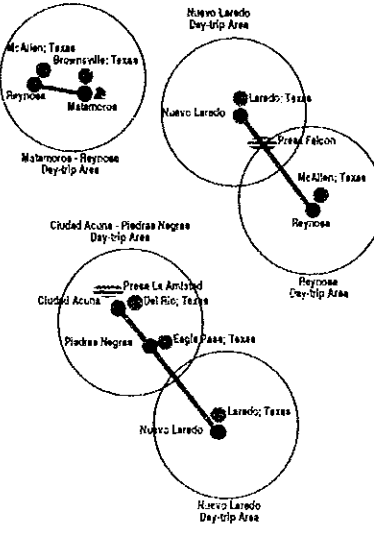
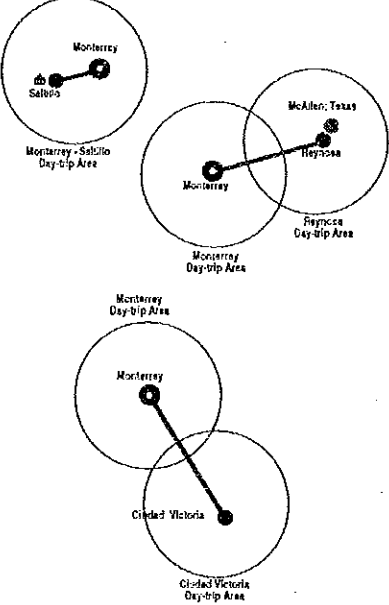
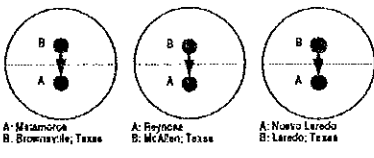
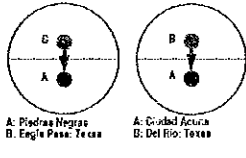
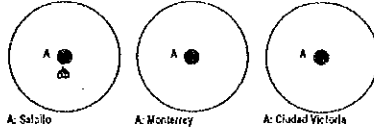
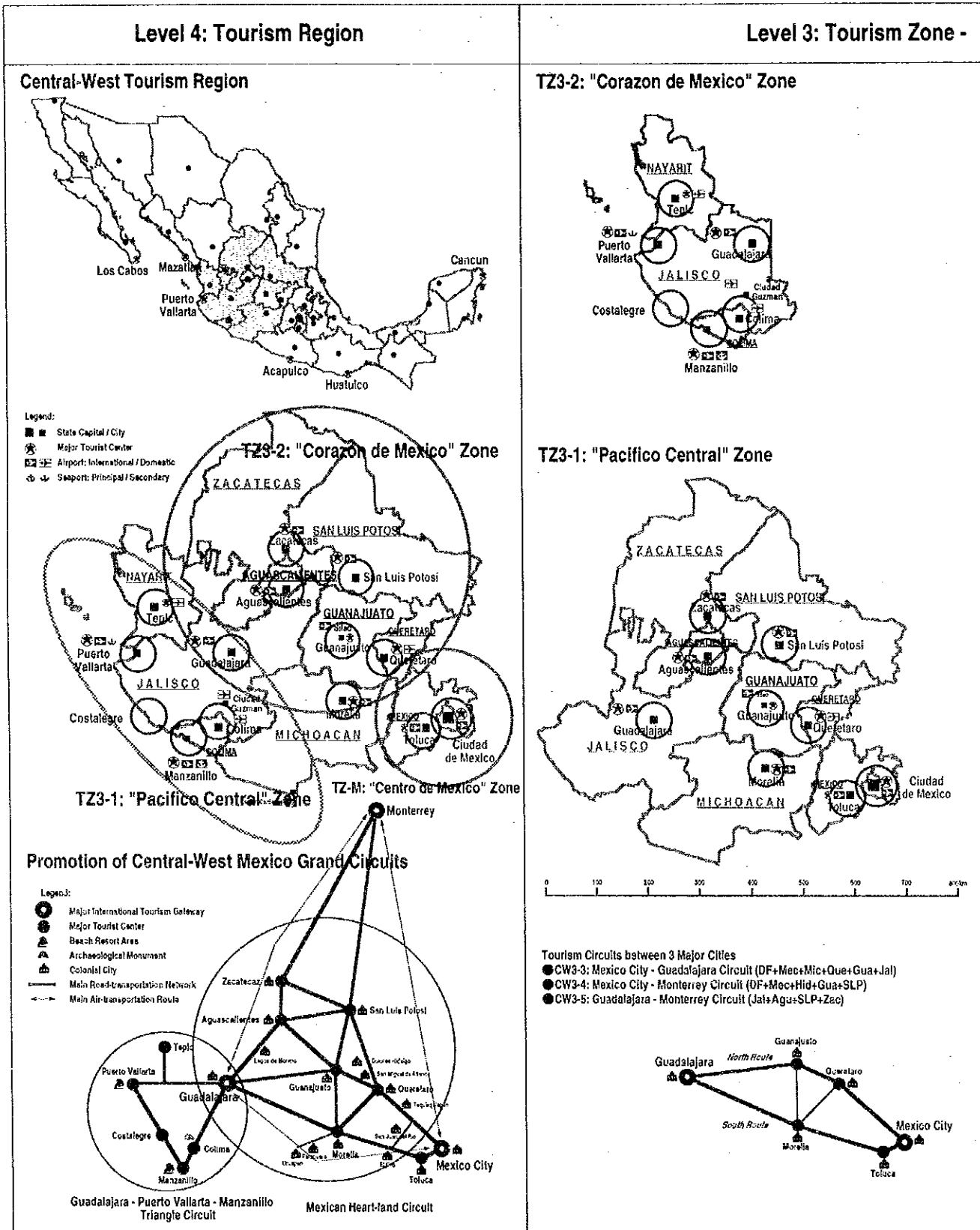
Tourism Circuit Area	Level 2: Day-trip Area Tourism Corridor Area	Level 1: Tourism Center
<p>● NE3-1: "Camino del Rio" Circuit</p>  <p>● NE3-2: Monterrey - Nuevo Laredo - Reynosa</p> <p>● NE3-3: Monterrey - Monclova - Torreon</p> <p>● NE3-4: Monterrey - Ciudad Victoria - Ciudad Madero</p> 	<p>Corridors of "Camino del Rio" - Rio Bravo (Rio Grande)</p> <p>● NE2-1: Matamoros - Reynosa Corridor (Tmps)</p> <p>● NE2-2: Reynosa - Nuevo Laredo Corridor (Tmps)</p> <p>● NE2-3: Nuevo Laredo - Ciudad Acuna Corridor (Tmps+Coah)</p>  <p>Tourism Corridors from Monterrey</p> <p>● NE2-4: Monterrey - Saltillo Corridor (NL+Coah)</p> <p>● NE2-5: Monterrey - Reynosa Corridor (NL+Tmps)</p> <p>● NE2-6: Monterrey - Ciudad Victoria Corridor (NL+Tmps)</p> 	<p>Tourism Centers of the Lower Rio Bravo</p> <p>● NE1-1: Matamoros Tourism Center (Tmps)</p> <p>● NE1-2: Reynosa Tourism Center (Tmps)</p> <p>● NE1-3: Nuevo Laredo Tourism Center (Tmps)</p>  <p>Auxiliary Tourism Centers of the Mid Rio Bravo</p> <p>● NE1-4: Piedras Negras Tourism Center (Coah)</p> <p>● NE1-5: Ciudad Acuna Tourism Center (Coah)</p>  <p>Tourism Centers of State Capitals</p> <p>● NE1-6: Saltillo Tourism Center (Coah)</p> <p>● NE1-7: Monterrey Tourism Center (NL)</p> <p>● NE1-8: Ciudad Victoria Tourism Center (Tmps)</p> 

Figure 3.6 Center-west tourism region



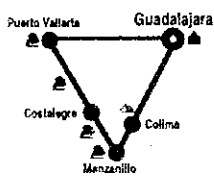
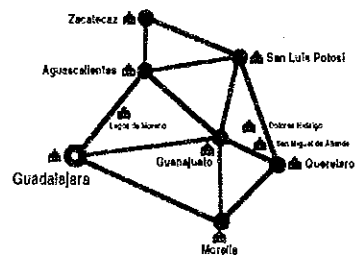
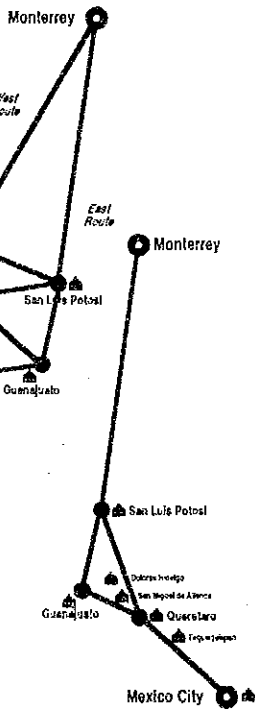
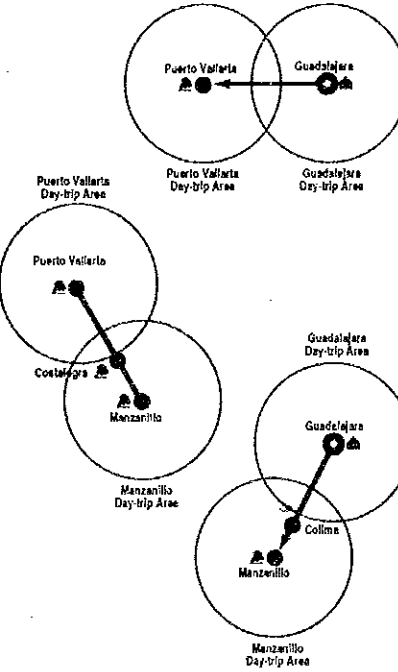

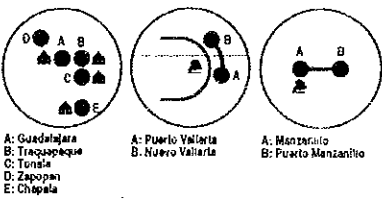
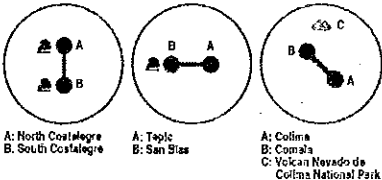
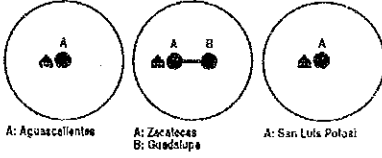
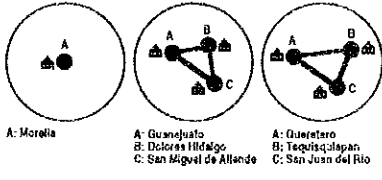
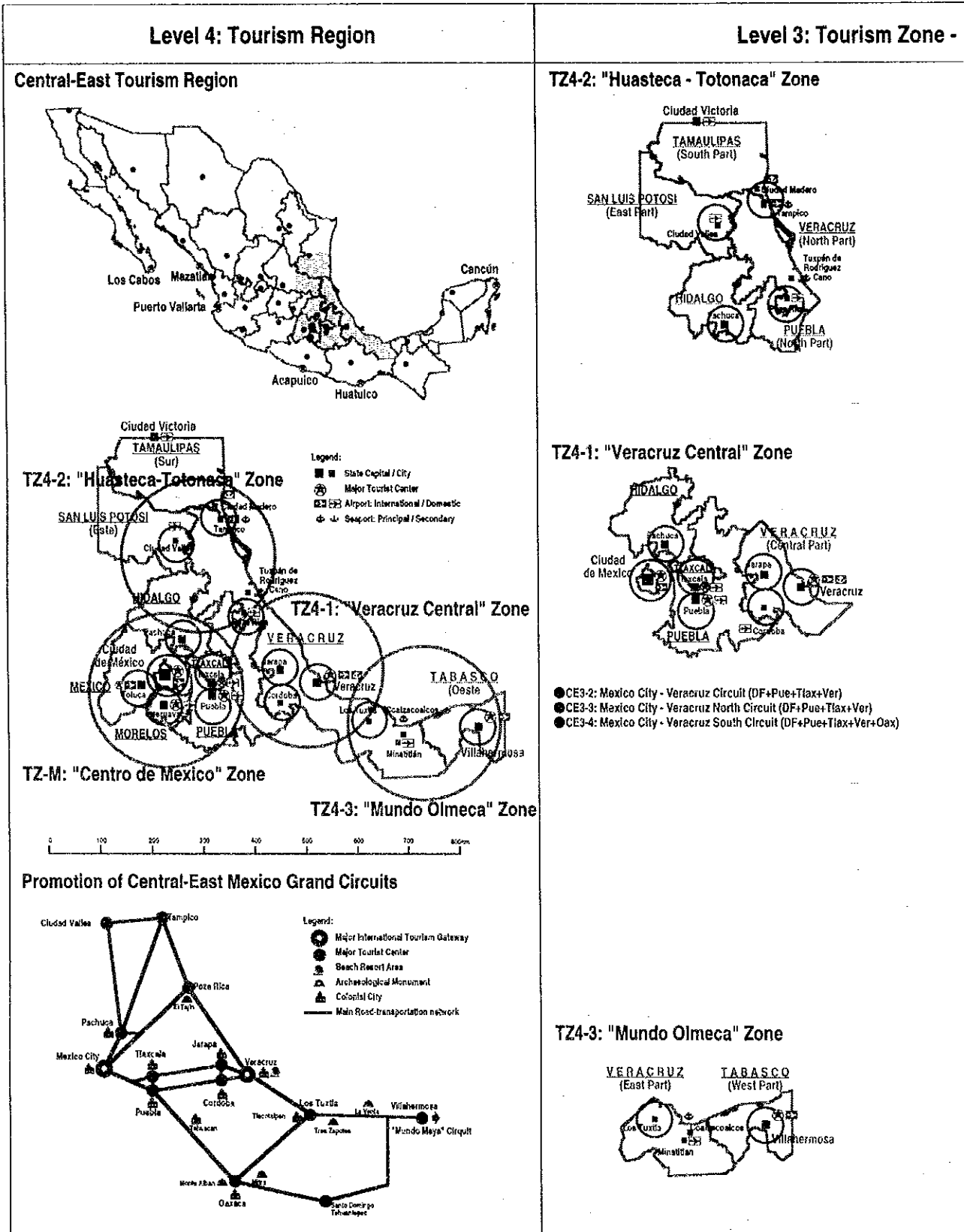
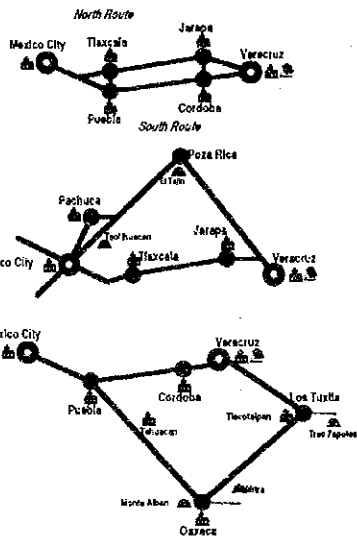
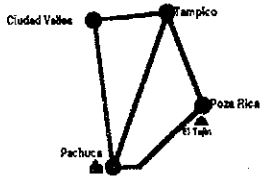
Tourism Circuit Area	Level 2: Day-trip Area Tourism Corridor Area	Level 1: Tourism Center
<p>● CW3-1: Guadalajara - Puerto Vallarta - Manzanillo Triangle Circuit (Jal+Nay+Col) 922km</p>  <p>● CW3-2: Mexican Heart-land Circuit</p>  	<p><b>Tourism Corridors of Pacific Central Zone</b></p> <ul style="list-style-type: none"> <li>● CW2-1: Guadalajara - Puerto Vallarta Corridor (Jal+Nay)</li> <li>● CW2-2: Puerto Vallarta - Manzanillo Corridor (Jal+Col)</li> <li>● CW2-3: Guadalajara - Manzanillo Corridor (Jal+Col)</li> </ul>  <p>● CW2-4: Mexico City West Corridor (DF+Méx)</p> 	<p><b>Major Tourism Centers of Triangle Circuit</b></p> <ul style="list-style-type: none"> <li>● CW1-1: Guadalajara Tourism Center</li> <li>● CW1-2: Puerto Vallarta Tourism Center</li> <li>● CW1-3: Manzanillo Tourism Center</li> </ul>  <p><b>Auxiliary Tourism Centers along the Triangle Circuit</b></p> <ul style="list-style-type: none"> <li>● CW1-4: Costalegre Tourism Center</li> <li>● CW1-5: Nayarit Tourism Center</li> <li>● CW1-6: Colima Tourism Center</li> </ul>  <p><b>Tourism Centers of North Area</b></p> <ul style="list-style-type: none"> <li>● CW1-7: Aguascalientes Tourism Center</li> <li>● CW1-8: Zacatecas Tourism Center</li> <li>● CW1-9: San Luis Potosí Tourism Center</li> </ul>  <p><b>Tourism Centers of East Area</b></p> <ul style="list-style-type: none"> <li>● CW1-10: Morelia Tourism Center</li> <li>● CW1-11: Guanajuato Tourism Center</li> <li>● CW1-12: Querétaro Tourism Center</li> </ul> 

Figure 3.7 Central-east tourism region



**Tourism Circuit Area**

●CE3-1: Tourism Circuits of "Huasteca - Totonaca" Zone

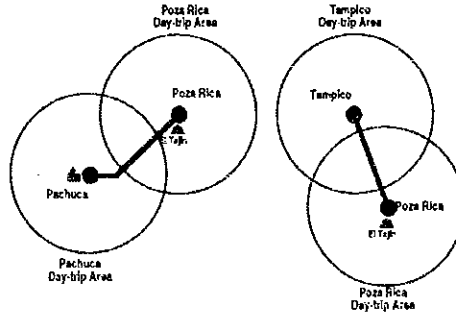


●CE3-2: Veracruz - Villahermosa Circuit (Ver+Tab)

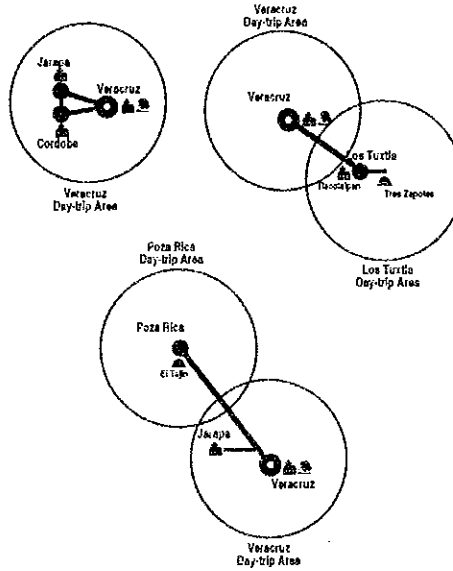


**Level 2: Day-trip Area Tourism Corridor Area**

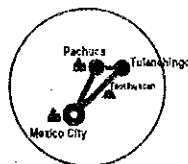
Tourism Corridors of "Huasteca - Totonaca" Zone  
 ●CE2-1: Pachuca - Poza Rica Corridor (Hgo+Ver)  
 ●CE2-2: Poza Rica - Tampico Corridor (Ver)



Tourism Corridors from Veracruz City  
 ●CE2-3: Veracruz - Jarapa - Cordoba Corridor (Ver)  
 ●CE2-4: Veracruz - Los Tuxtlas Corridor (Ver)  
 ●CE2-5: Veracruz - Poza Rica Corridor (Ver)

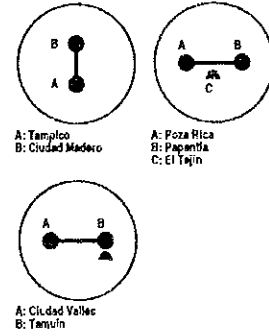


Mexico City North Corridor  
 ●CE2-6: Mexico City - Pachuca Corridor (DF+Hgo)

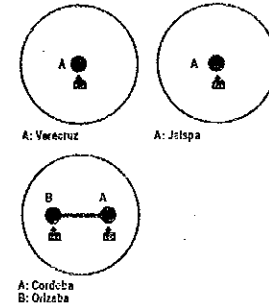


**Level 1: Tourism Center**

Tourism Centers of "Huasteca - Totonaca" Zone  
 ●CE1-1: Tampico Tourism Center (Ver)  
 ●CE1-2: Poza Rica Tourism Center (Ver)  
 ●CE1-3: Ciudad Valles Tourism Center (SLP)



Tourism Centers of "Veracruz Central" Zone  
 ●CE1-4: Veracruz Tourism Center (Ver)  
 ●CE1-5: Jalapa Tourism Center (Ver)  
 ●CE1-6: Cordoba Tourism Center (Ver)



Tourism Centers of "Mundo Olmeca" Zone  
 ●CE1-7: Los Tuxtlas Tourism Center (Ver)

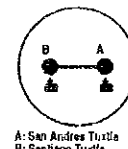
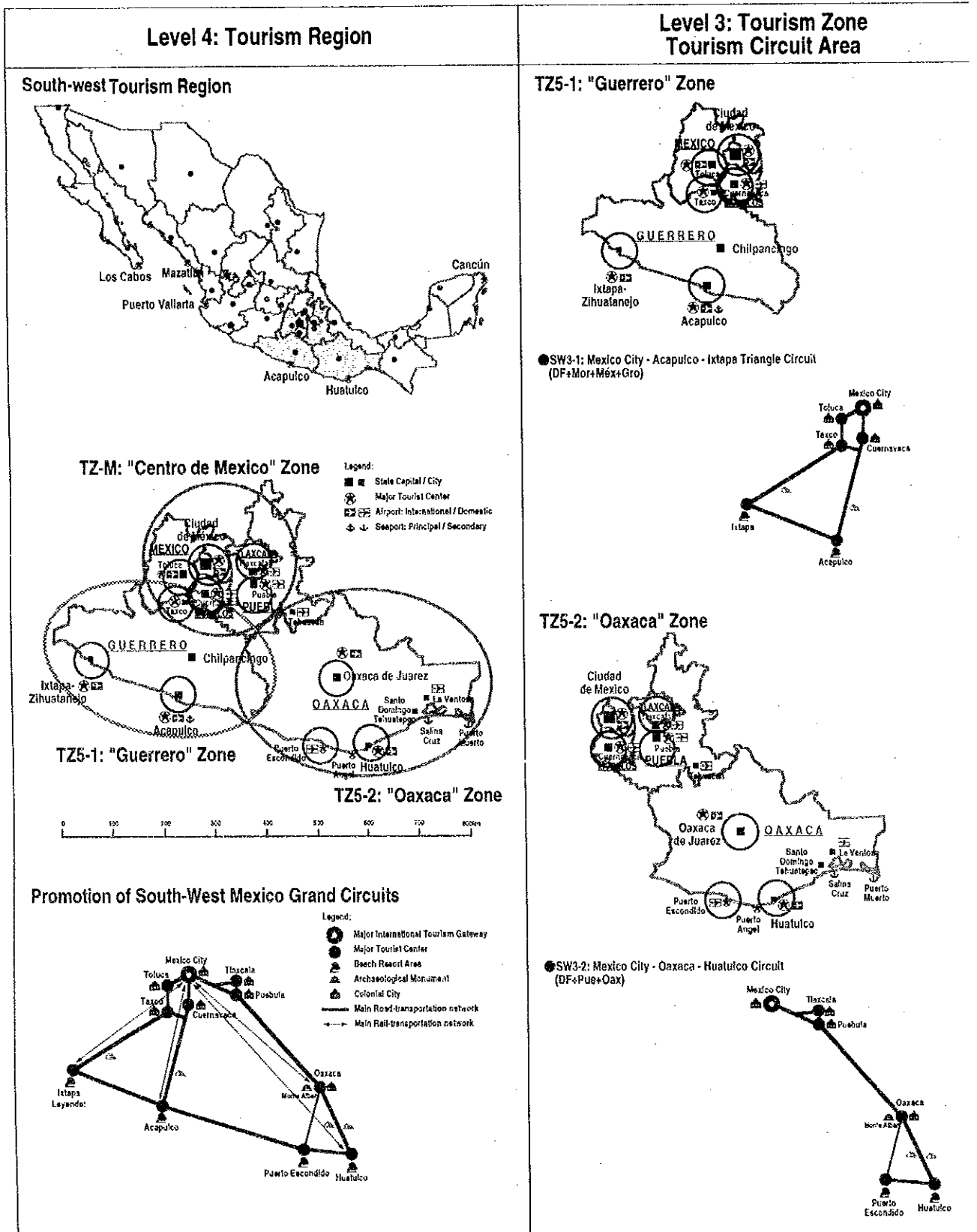


Figure 3.8 South-west tourism region

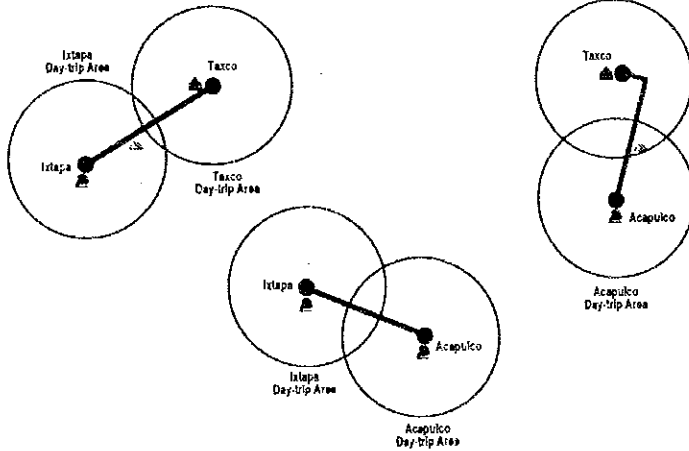




## Level 2: Day-trip Area Tourism Corridor Area

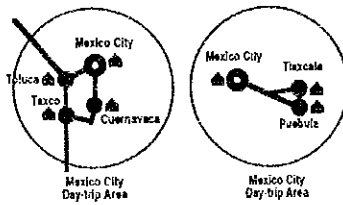
### Tourism Corridors of Guerrero State

- SW2-1: Acapulco - Taxco Corridor
- SW2-2: Taxco - Ixtapa Corridor
- SW2-2: Acapulco - Ixtapa Corridor



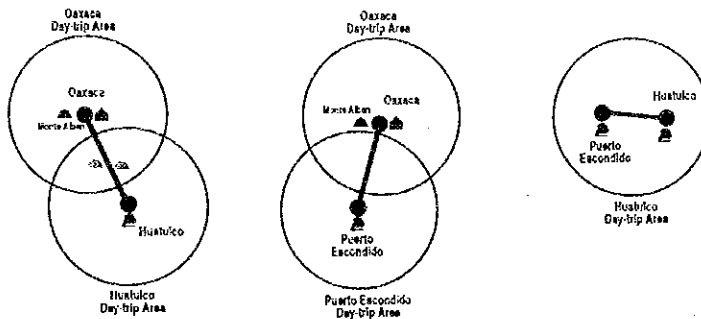
### Tourism Corridors from Mexico City

- SW2-4: Mexico City South Corridor (DF+Méx+Mor)
- SW2-5: Mexico City East Corridor (DF+Pue+Tlax)



### Tourism Corridors of Oaxaca State

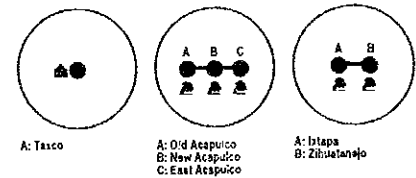
- SW2-6: Oaxaca - Huatulco Corridor
- SW2-7: Oaxaca - Puerto Escondido Corridor
- SW2-8: Huatulco - Puerto Escondido Corridor



## Level 1: Tourism Center

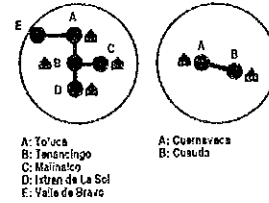
### Tourism Centers of Guerrero State

- SW1-1: Taxco Tourism Center
- SW1-2: Acapulco Tourism Center
- SW1-3: Ixtapa Tourism Center



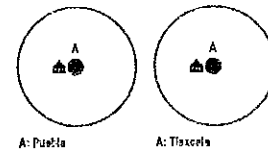
### Tourism Centers of South DF

- SW1-4: Toluca Tourism Center (Méx)
- SW1-5: Cuernavaca Tourism Center (Mor)



### Tourism Centers of East DF

- SW1-6: Puebla Tourism Center (Pue)
- SW1-7: Tlaxcala Tourism Center (Tlax)



### Tourism Centers of Oaxaca State

- SW1-8: Oaxaca Tourism Center
- SW1-9: Huatulco Tourism Center
- SW1-10: Puerto Escondido Tourism Center

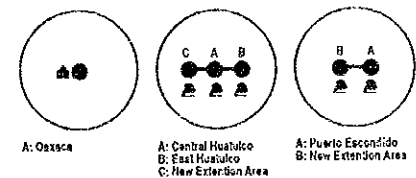
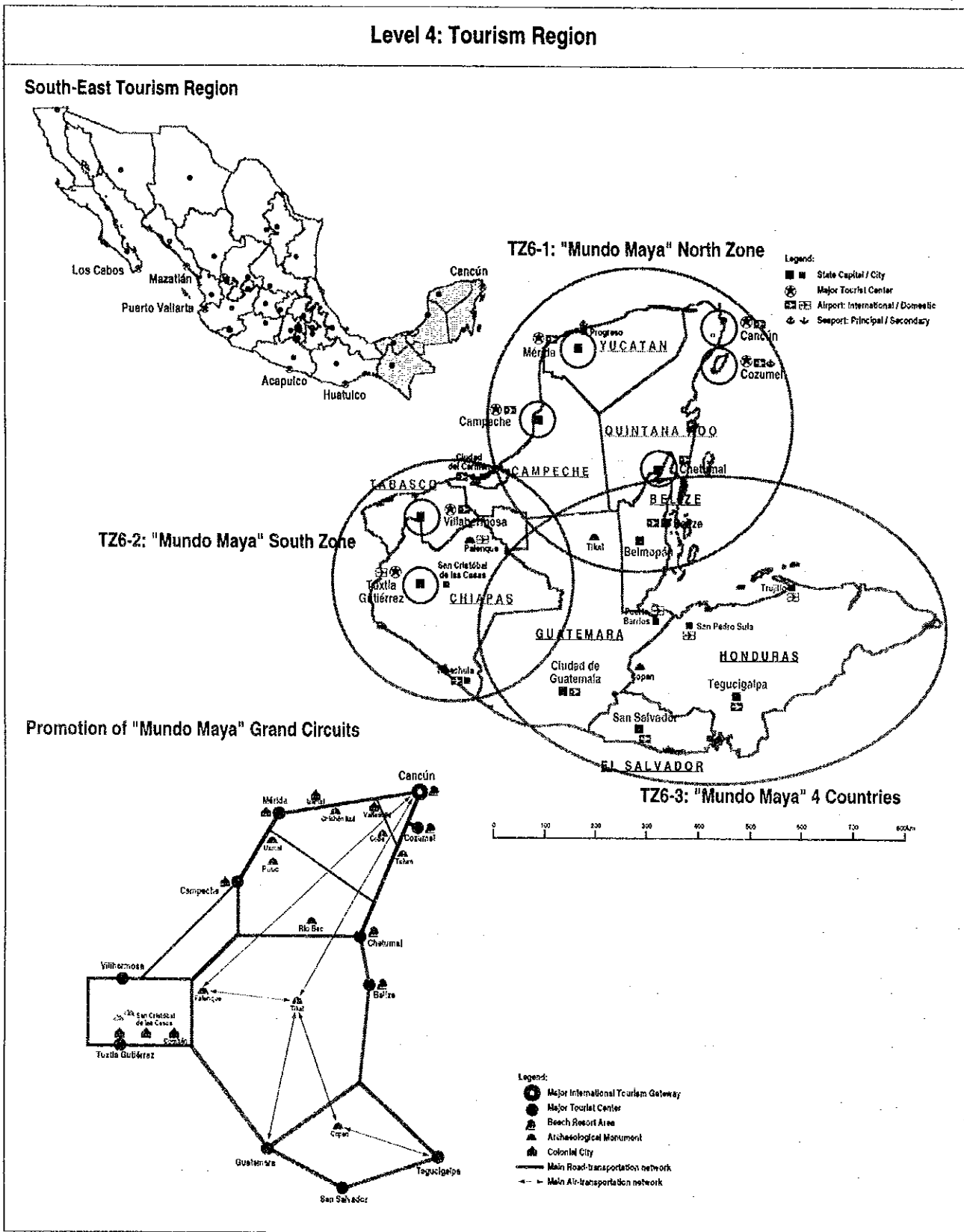
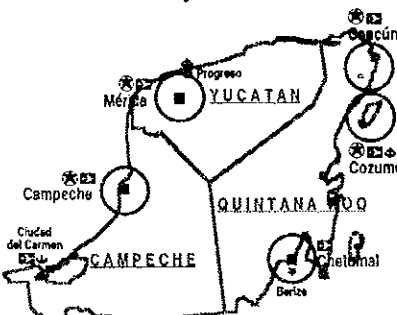
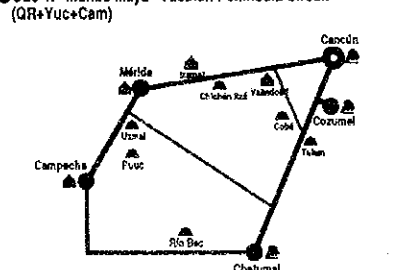
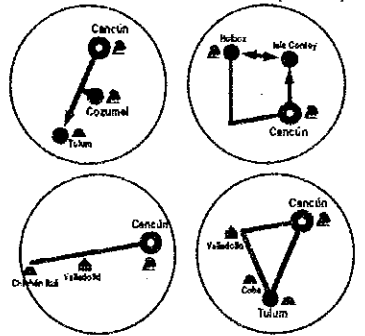
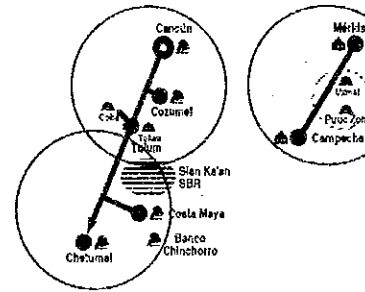
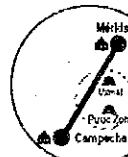
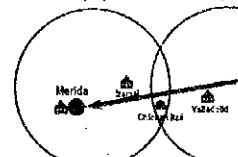
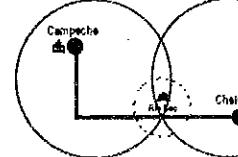
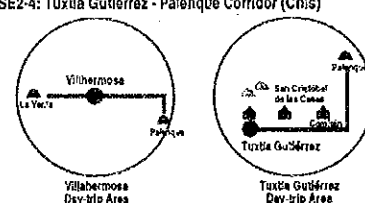
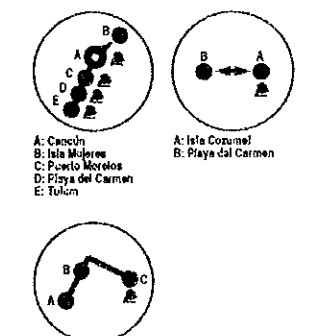
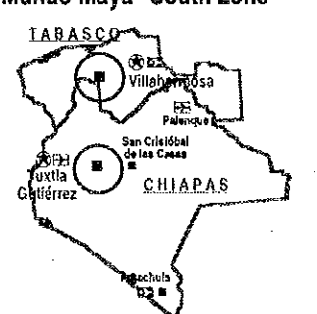
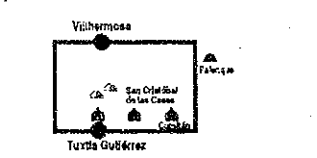
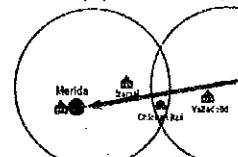
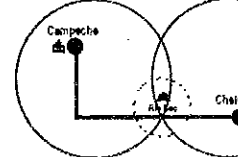
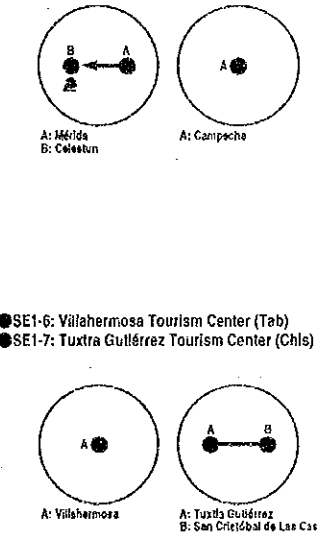
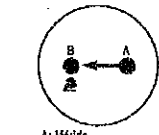
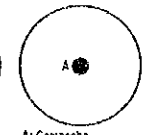

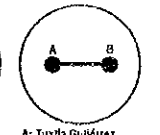


Figure 3.9 South-east tourism region



Level 3: Tourism Zone Tourism Circuit Area	Level 2: Day-trip Area Tourism Corridor Area	Level 1: Tourism Center
<p><b>TZ6-1: "Mundo Maya" North Zone</b></p>  <p>●SE3-1: "Mundo Maya" Yucatan Peninsula Circuit (QR+Yuc+Cam)</p> 	<p><b>Cancún Day-trip Area</b></p> <ul style="list-style-type: none"> <li>●SE2-1: Cancún - Tulum Corridor (Qro)</li> <li>●SE2-2: Cancún - Contoy - Holbox Corridor (Qro)</li> <li>●SE2-3: Cancún - Chichén Itzá Corridor (Qro+Yuc)</li> <li>●SE2-4: Cancún - Tulum - Valladolid Corridor (Qro+Yuc)</li> </ul>  <p><b>Tourism Corridors of Yucatán Peninsula</b></p> <ul style="list-style-type: none"> <li>●SE2-5: Cancún - Chetumal Corridor (Qro)</li> <li>●SE2-6: Mérida - Campeche Corridor (Yuc+Camp)</li> <li>●SE2-7: Cancún - Mérida Corridor (Qro+Yuc) 315km</li> <li>●SE2-7: Chetumal - Campeche Corridor (Qro+Camp)</li> </ul> <p><b>Cancún Day-trip Area (North Quintana Roo)</b></p>  <p><b>Chetumal Day-trip Area (South Quintana Roo)</b></p>  <p><b>Mérida Day-trip Area</b></p>  <p><b>Campeche Day-trip Area</b></p>  <p><b>Tourism Corridors of "Mundo Maya" South Zone</b></p> <ul style="list-style-type: none"> <li>●SE2-3: Villahermosa - Palenque Corridor (Tab)</li> <li>●SE2-4: Tuxtla Gutiérrez - Palenque Corridor (Chis)</li> </ul> 	<p><b>Tourism Centers of Quintana Roo State</b></p> <ul style="list-style-type: none"> <li>●SE1-1: Cancún Tourism Center (Qro)</li> <li>●SE1-2: Cozumel Tourism Center (Qro)</li> <li>●SE1-3: Chetumal Tourism Center (Qro)</li> </ul>  <p>A: Cancún B: Isla Mujeres C: Puerto Morelos D: Playa del Carmen E: Tulum</p> <p>A: Isla Cozumel B: Playa del Carmen</p> <p>A: Chetumal B: Bacalar C: Coala Maya</p>
<p><b>TZ6-2: "Mundo Maya" South Zone</b></p>  <p>●SE3-2: "Mundo Maya" Tabasco - Chiapas Circuit (Tab+Chis)</p> 	<p><b>Mérida Day-trip Area</b></p>  <p><b>Campeche Day-trip Area</b></p>  <p><b>Tourism Centers of "Mundo Maya" South Zone</b></p> <ul style="list-style-type: none"> <li>●SE1-4: Mérida Tourism Center (Yuc)</li> <li>●SE1-5: Campeche Tourism Center (Camp)</li> <li>●SE1-6: Villahermosa Tourism Center (Tab)</li> <li>●SE1-7: Tuxtla Gutiérrez Tourism Center (Chis)</li> </ul>  <p>A: Mérida B: Celestun</p> <p>A: Campeche</p> <p>A: Villahermosa</p> <p>A: Tuxtla Gutiérrez B: San Cristóbal de Las Casas</p>	<p>●SE1-4: Mérida Tourism Center (Yuc)</p> <p>●SE1-5: Campeche Tourism Center (Camp)</p>   <p>A: Mérida B: Celestun</p> <p>A: Campeche</p> <p>●SE1-6: Villahermosa Tourism Center (Tab)</p> <p>●SE1-7: Tuxtla Gutiérrez Tourism Center (Chis)</p>   <p>A: Villahermosa</p> <p>A: Tuxtla Gutiérrez B: San Cristóbal de Las Casas</p>

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### **3.7. Decentralization and multi-state tourism administration**

#### **3.7.1. General**

Generally speaking, intervention or involvement of the public sector in tourism are justifiable in the following cases:

- 1) The private sector's participation is unlikely due to low profitability, and
- 2) The private sector's participation is unlikely due to huge investments.

Based on the above two criteria, the public sector is expected to play the following roles for the tourism sector:

- 1) To formulate tourism policies and plans,
- 2) To encourage tourism development by coordinating with other government agencies,
- 3) To establish marketing strategies,
- 4) To create, improve and appeal the images of tourism destinations as well as Mexico as a whole,
- 5) To promote and guide tourism education both for the general public and the tourism sector,
- 6) To prepare and analyze basic tourism statistics, and to conduct surveys for monitoring various tourism activities,
- 7) To regulate and supervise the tourism sector for consumer protection and fair business transactions;
- 8) To secure safety for tourists,
- 9) To preserve, improve and utilize tourism resources and products,
- 10) To improve tourism-supporting infrastructure, such as roads and airports,
- 11) To provide public services in tourism destinations, such as water supply, sewage treatment and garbage disposal, and
- 12) To implement projects which are unprofitable or requires a long term to payoff.

In Mexico, SECTUR and its related organizations are major actors in tourism administration. SECTUR, in particular, is responsible for establishing basic policies and institutional framework, and for promoting inter-ministerial coordination for developing and sustaining tourism in Mexico.

There is a worldwide trend for privatizing government roles including those for tourism development and promotion. On the other hand, past experiences in East Asia show that strong involvement of governments in tourism is vital to develop international tourism. Therefore, while participation of the private sector and decentralization to local governments are inevitable, it is also necessary to strengthen government functions and enhance government performance in particular areas of tourism.

Based on the above basic understandings, the following sections will identify issues and recommend strategies in tourism administration and institutional frameworks.

#### **3.7.2. Tourism administration at the federal government level**

##### **(1) Past and current efforts of restructuring**

##### **a. Restructuring of SECTUR**

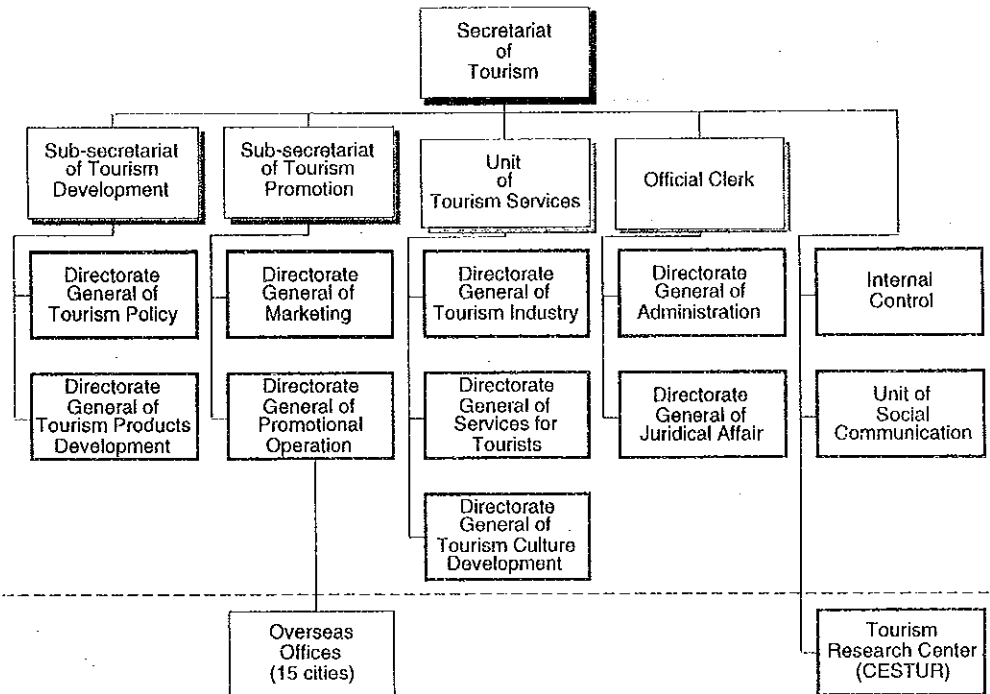
Modernization Program of the Public Administration 1995-2000 states that a review study of sizes and costs of administrative organizations and of relations between governmental organizations in the Mexican government needs to be conducted, and that the following two directions needs to be pursued;

- to devolve power and resources of the federal government to state and municipal governments; and
- to restructure internal organizations of the federal government and to promote decentralization in specific areas.

Tourism Sector Development Program 1995-2000, newly formulated in the middle of 1996 under the new administration, states that SECTUR shall continue reorganization into the directions set by the Federal Law of Tourism, which was revised in 1992.

Under the new minister in June 1996, SECTUR conducted restructuring of the internal organization and reduced the number of managers and staff. The organization chart of SECTUR after the last restructuring is shown in Figure 3. 10. The new organizational structure introduced a sub-secretariat in charge of tourism development which used to be in charge of FONATUR. New organization structure also introduced a sub-secretariat which in charge of both international and domestic tourism promotions which had been conducted independently by the former organization. Reduction of the number of staff was not very remarkable so far.

Figure 3. 10 The latest restructured organization chart of SECTUR



Source: JICA study team

#### b. Mexican Tourism Promotion Council (CMPT)

SECTUR has made a significant step for restructuring action tourism administration being establish Mexican Tourism Promotion Council (Consejo Mexicano de Promoción Turística-CMPT) that it would be the most suitable organization for decentralization of tourism promotion functions at most.

According to the articles of CMPT, SECTUR's promotional practical functions would be transferred to CMPT and that subsequently, SECTUR would concentrate on formulation of promotion policies and marketing strategies.

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## (2) Examples of Japanese tourism administration

Structure of Japanese tourism-related organizations might be suggestive as an example of “a small government and supplementing organizations” in tourism administration. As most jobs for actual implementation are conducted by semi-governmental organizations and public utility associations supported by the private and public sectors including local governments, the central government can avoid an increase of the number of personnel in the Tourism Department of the Ministry of Transport without sacrificing policy-making functions.

As a result, the department is operated by only 47 staff, the same number as 25 years ago despite the fact that the numbers of Japanese travelers and international arrivals have increased eighteen times and five times, respectively as many as those 25 years ago.

Followings organizations are backed up by favorable treatment and financial cooperation from the central and local governments as well as contributions from the private sector and individuals:

- Japan National Tourist Organization (JNTO),
- Japan Tourist Association (JTA),
- Japan Travel Bureau (JTB Foundation),
- Japan National Trust,
- Regional Culture and Art Promotion Center, and
- International Tourism Development Institute of Japan (ITDIJ)

## (3) Proposed further restructuring of SECTUR

Figure 3. 11 shows a direction for restructuring of SECTUR and its related organizations.

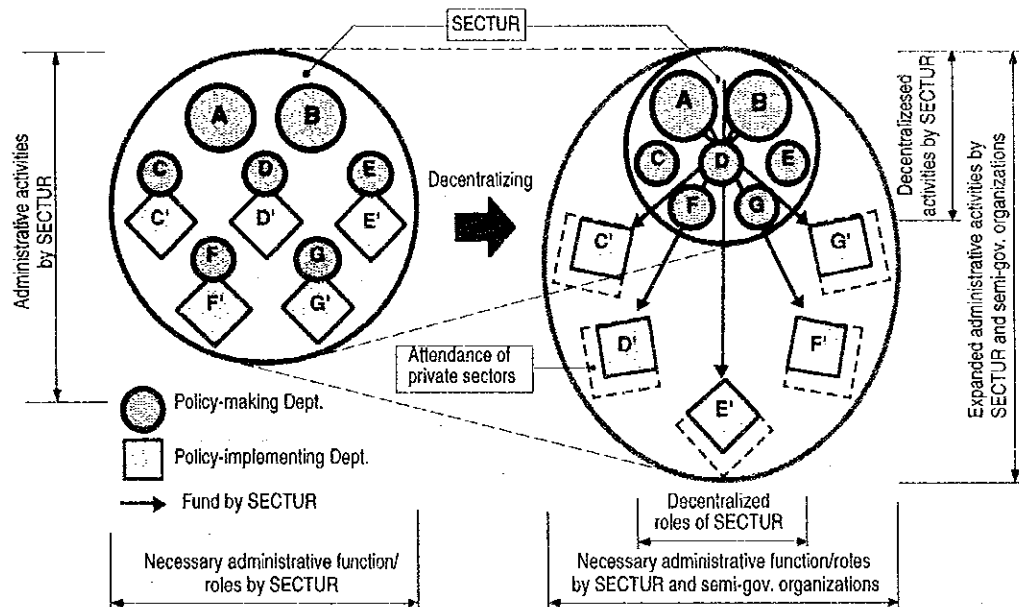
To solve the problems as discussed previously, and to encourage SECTUR to concentrate on policy-making, it would be preferable that tasks other than policy-making should be transferred to the semi-governmental or privatized organizations. Concentration and expansion are two important directions for SECTUR's restructuring.

The direction toward “small government” is attained by reducing roles and functions of SECTUR, which would result in the reduction of the number of SECTUR staff. SECTUR should be the agency specializing in nationwide policy formulation, ministerial coordination, and supervision of devolved activities (See circle A and B in Figure 3. 11).

The direction toward expansion is achieved by strengthening capabilities of policy implementation. However, this direction of expansion could only be attained by creating semi-governmental or privatized organizations, which will utilize its connection with government, vitality and know-how of the private sector, and the capabilities for coordination between the public and private sectors. SECTUR, however, should maintain functions of controlling and supervising the semi-governmental organizations through technical guidance and budget allocation, even though such organizations are independent from SECTUR. Thus, SECTUR could maintain its influences on, and extend coverage of, tourism development and promotion.

Tasks to be transferred to the organizations would be implementation functions such as statistics, marketing, promotion, tourist information services, product development, research, education/training, and stimulation of the industry (circles and squares other than Circles A and B, such as C and C' in Figure 3. 11 show policy-making and policy-implementing functions, respectively).

Figure 3.11 The conceptual idea of the study team on Further Steps for Restructure of SECTUR



Source: JICA study team

It is recommended that the number of the semi-governmental or privatized organizations should be kept minimum by integrating related functions as possible. The followings are the possible roles/functions to be transmitted to the organizations.

**a. Tourism information services**

Tourist information services are provided by SECTUR's delegation offices in foreign countries as well as many tourism information offices in Mexico and by Green Angels. It is recommended that tourism information services should be transferred to semi-governmental or privatized organization(s).

Green Angels which have the largest number of staff in SECTUR and has been receiving financial support from the private sector is worth special consideration. The following are possible measures to earn its operation cost.

- to utilize Green Angels' vehicles as mobile advertising billboards,
- to charge a fixed handling fee per unit of time when Green Angels repairs tourist's cars,
- to charge a certain fee for tourist information such as guidebooks, brochures, maps, etc. and statistics provided by SECTUR. The quality of the above materials and services should be improved to meet the charge,
- to add a role similar to that of Tourist Police for certain budget allocation.

On the other hand, SECTUR and /or the local government should provide financial supports to Green Angels to facilitate its effective activities and roles.

**b. Statistics, marketing, product development and promotion**

SECTUR's functions of preparing statistics, marketing, product development, and tourism promotion should be transferred to semi-governmental organization(s). Mexican Tourism Promotion Council (CMPT) could be an possible organization that would undertake, at least, some of the functions since it already has similar functions including that of tourism promotion. Major roles of the organization(s) would be as follows:

- 
- to coordinate tourism promotion activities conducted by various Fondos Mixtos of respective tourism destinations so as to avoid overlapping of activities and to maintain continuity,
  - to organize joint tourism promotion activities through regional inter-state Fondo Mixto, and
  - to take the initiative to coordinate tourism promotion activities at the national level toward distant tourism markets such as Europe and Asia taking into account the consumers' needs in respective markets.

#### More involvement of the private sector

It is recommended that the organization(s) should be organized in a way in which tourism-related organizations such as CONCANACO-Servytur (Service industry committee of Chamber of Commerce), National Council of Tourism Enterprises, and CANAERO (Chamber of Airlines ) could participate in its decision-making process.

#### Funds from SECTUR and local governments

Like the case of Green Angels, SECTUR and/or local governments should provide financial supports to the organization(s), not only to support its activities, but also to sustain SECTUR's influences in accordance with the tourism policies of SECTUR and local governments.

The government should study the possibility of raising funds when it initiates to establish the above organizations by such ways as:

- obtaining subsidies or contributions from federal and local governments,
- soliciting patronage from enterprises including indirect tourism beneficiaries like beer companies, and
- requesting sponsorship in preparing promotion materials such as for guidebooks, brochures, maps, and videos.

#### Demarcation of roles between SECTUR and the new organization(s)

No functions of SECTUR has been transferred to semi-governmental organizations after the recent restructuring that took place in June 1996. The roles and functions between SECTUR and semi-governmental organizations are not clearly demarcated at least in the official documents the study team obtained.

SECTUR still has the functions of marketing and promotion even though CMPT was tasked to undertake the functions. It is recommended that the government should transfer the role of promotion activities to CMPT or other new semi-governmental organization. Thus, semi-governmental organization could obtain financial resources and know-how to conduct promotion activities at the national level. In the field of tourism promotion, SECTUR should concentrate on formulation of tourism promotion and marketing strategies.

### **3.7.3. Tourism administration at the state government level**

#### **(1) On-going decentralization of tourism administration**

##### **a. Present government policy about decentralization**

National Development Plan 1995-2000 stated the following policies of government restructuring:

- to promote a new federalism to strengthen states and municipalities,
- to promote decentralization and regional development, and
- to continue restructuring of governments and modernization of the public administrations.



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In compliance with these policies and the Federal Law of Tourism, SECTUR's new national tourism sector development policy states that SECTUR should continue to promote reorganization of tourism administration in the following areas:

- to promote more efficient and larger participation of states and municipalities in tourism administration, and
- to promote more participation of state and municipalities in job creation, promotion activities, and preparation of local statistics.

**b. Decentralized functions**

The following functions are supposed to be transferred from SECTUR to states governments according to "Funciones Descentralizadas por la SECTUR a los Gobiernos de los Estados en Materia Turística" issued on 18th January, 1995:

- to organize, operate, supervise and evaluate the implementation of the decentralized functions,
- to formulate local programs,
- to check all legal aptitude,
- to collect information about state tourism,
- to be responsible for conservation of archaeological zones,
- to develop all kinds of services in the private and social sector,
- to improve all transportation services,
- to analyze, integrate and disseminate tourist information,
- to design and manage information systems,
- to encourage and support organizations and coordination of tourism service providers,
- to coordinate training of public servants related to tourism,
- to give information and orientation to tourists covering important centers,
- to support emergency services,
- to participate in tourism promotion with SECTUR through institutes, companies and other organizations,
- to update dynamic information system of National Tourism Register in SECTUR, and
- to regulate and control tourism services, etc.

**c. Progress of decentralization**

SECTUR has made much progress in simplification of administration and reduction of personnel by devolving operation and control functions from SECTUR to local governments. However, it is desirable that the decentralization of SECTUR's functions to local governments should be substantiated by financial supports to local governments. Otherwise the following unfavorable situations would emerge:

- malfunction of local governments due to lack of funds and know-how ;
- unproductive competition among local entities;
- inadequate control of the tourism industry and;
- disordered development by different bodies.

As a result, such situations would adversely affect the quality and competitiveness of each tourism destination and the country as a whole.

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**d. Key issues and recommendation on decentralization**

Mal-functioning due to insufficient annual budgets

It is reported that reasonable amounts of human and financial resources have not been allocated to state tourism authorities after SECTUR's state offices were closed in January 1995. This situation resulted in mal-function of state tourism authorities in conducting devolved roles from SECTUR, and disordered tourism administration at the state level due to the lack of budget.

It is recommended that reasonable amounts of annual subsidy or budgets corresponding with the devolved functions from SECTUR should be allocated to state tourism authorities.

Poor utilization of special funds for implementing tourism development plans

State governments are able to obtain additional budgets according to an agreement with SECTUR in case their plans are approved by SECTUR. However, only a few states made use of this scheme. Even state government officials do not know the scheme. It is also reported that some states have difficulty in creating plans to apply for the special budgets due to unsatisfactory planning skill. Besides, the criteria of SECTUR's decision-making for the budget allocation has not been clearly explained to state governments.

Training for decentralization

The knowledge on the new system, procedures, and know-how regarding decentralization should be entrenched among state tourism officers by the following two ways:

- Officers in state tourism authorities need to study the new system and procedures for decentralization.
- SECTUR should make more efforts to realize decentralization in tourism administration by hosting seminars on the special subsidy system for state governments.

**(2) Lodging tax**

It was published by Official Bulletin issued on 30 December 1995 that the Lodging Tax would become effective on 1 April 1996. The tax is a state and purpose-oriented tax imposed on hotel room charges. Each state can decide whether the state introduces it or not, and what tax ratios would be imposed. For example, 2 % lodging tax is imposed in the states of Quintana Roo and Jalisco, and it is still under discussion in the state of Baja California Sur. However, it was dismissed in the state of Guerrero.

It is highly appreciated in that it is a break-through for local governments to secure own source of fund for tourism. The tax should be utilized not only for the purpose of tourism promotion but also for improvement of tourist services, development of tourism products and attractions, and for tourism education to improve satisfaction of tourists to increase competitiveness of destinations from a long-term perspective.

**(3) Tourism promotion activities by Fondos Mixtos**

Major tourism destinations have an organizations called Fondo Mixto which conduct tourism promotion activities. Fondo Mixto is run by funds contributed on equal basis from SECTUR, state governments, and the private sector tourism organizations like hotel association, and travel agents association. In many cases there are difficulties in raising funds from the private sector.

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In order to solve the fund raising problem from the private sector, it is necessary to encourage wider range of private enterprises including those not directly related to tourism to participate in Fondo Mixto. It is also necessary to raise funds for tourism promotion by soliciting sponsorship for promotion materials, such as for brochures, guidebooks, and videotapes.

**(4) Establishment of inter-state administration for tourism region**

Generally speaking, local organizations are completely absorbed in matters of the area under their jurisdiction. As a consequence, they are prone to ineffective competition with neighboring states and municipalities. Promoting only a limited number of tourism products do not meet the demands of the market as visitors do not concern administrative boundary. In addition, constraints in tourism infrastructure are only solved by collaboration with neighboring states and municipalities.

The study team proposed to introduce "tourism circuits" as one of the important measures to improve Mexican tourism. As previously explained, tourism region is a area that contains a tourism circuit of 5 to 7 days which extends to several states.

The importance of inter-state tourism promotion is increasingly recognized. SECTUR is now promoting the following regional programs covering several state:

- Mundo Maya Program,
- Northern Border Program, and
- Region-based Colonial Cities Program (Tesoros Coloniales), and
- Huasteca Program.

In order to introduce tourism circuits, it is necessary to establish and strengthen inter-state coordination among tourism destinations. In order to transform a tourism region into a single integrated competitive tourism destination, SECTUR should play the following roles:

- to initiate establishment of an organization for inter-state coordination of tourism administration,
- to provide technical assistance for the organization in order to formulate joint plans for tourism development and promotion
- to coordinate between concerned state governments
- to coordinate between state governments and other related government agencies for inter-state tourism development and promotion
- to coordinate between concerned Tourism Boards of each inter-state region

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### **3.8. Improvement of travel conditions**

#### **3.8.1. Tourism information system**

Tourism information is crucial for government organizations to establish tourism policies, and for the travel trade to draft marketing strategies, and for consumers to travel smoothly. Therefore it should be collected and analyzed systematically. Organizations such as SECTUR, states government, municipalities, Fondos Mixtos and the private sector should be involved in the procedures. The collected information should also be extensively provided for all segments such as governments, trade and consumer sectors by establishing the proper distribution channels.

The tourism information are broadly divided into two categories, namely, market information and travel information. Market information is the information on the consumer side like visitor statistics and tourism-related topics in tourist-generating countries. Travel information is the information on the destination side such as tourist attractions, hotels, and restaurants. Various types of tourism information are summarized from the following view points,

- providing body,
- required contents,
- information sources,
- compilation of basic data,
- distribution channel, and
- bodies to be supplied.

All basic information should be provided to SECTUR from the various information sources for filing, analysis and processing, and editing to be provided to the public upon their requirements. All the procedures should be carried out in a systematic and continuous way in a department of SECTUR.

A program that standardizes the data and information as well as collecting procedures such as classification, timing for supply and so on, should be established by SECTUR since various agencies would be involved in the procedures.

#### **(1) Market information**

This kinds of information serves to establish marketing strategies and tourism administrative policies both at the central and the local government levels as well as the private sector level. The information is composed of the following items, and the details are shown in the following tables.

1) Tourist information includes:

- Statistics on international visitor arrivals (Table 3. 4),
- Statistics on outgoing Mexicans (Table 3. 5),
- International tourism receipt and expenditure (Table 3. 6), and
- Volume of domestic travels and its expenditure (Table 3. 7),

2) Statistics on numbers of Hotels including rooms and employees. (Table 3. 8), and

3) Convention statistics (Table 3. 9).

**Table 3. 4 Statistics on international arrivals**

Providing organization	SECTUR, Bank of Mexico
Requested contents	Classification of country of residence (nationality), month, age, gender and port of entry (With regard to the classification of county of residence, statistics prepared by SECTUR and Bank of Mexico covers only a very few country such as USA and Canada. Number of country classification should be at least 20 including the countries where SECTUR has its regional offices.)
Information source	Immigration and Bank of Mexico
Compilation of basic data	Needed to take the recommendations on tourism statistics by WTO as much as possible for the purpose of international comparison. If the way of compilation is decided after careful study, it should not be change shortly.
Maintenance	After obtaining basic data, the compilation should be made at the earliest convenience and SECTUR and related organization should keep the statistics by the proper way as long as possible
Distribution channel	SECTUR's head office, SECTUR's representative offices in the foreign countries, Other central government agency offices, State government and Municipalities offices, Tourism related organization such as WTO and PATA. Issuance of periodical publication written in both Spanish and English. (SECTUR should prepare a system which provides the information through such computer network ex. Internet. )
Organizations to be supplied	Travel trade sectors (Tour operator, Travel Agent, Airline, Hotel and Restaurants, etc.) Public sectors (State and Municipality offices, Central government organizations in charge of economy planning) Others: Mass Media, etc.

Source: JICA study team

**Table 3. 5 Statistics on Mexican resident's travels to foreign countries**

Providing organization	SECTUR
Requested contents	Classification of destinations, purpose, month and gender.
Information source	Mexican Immigration office and Statistics from the countries which were visited by Mexican travelers.
Compilation of basic data	SECTUR should compile the statistics based on the above data.
Maintenance	SECTUR keeps data as long as possible and revise the statistics at least once a year.
Distribution channel	SECTUR's head office, SECTUR's representative offices in the foreign countries, Other central government offices, State governments and Municipality offices. Issuance of periodical publication written in both Spanish and English, Computer network
Organizations to be supplied	Travel trade sectors (Tour operator, Travel Agent, Airline, Hotel and Restaurants, etc.) Public sectors (State and Municipality offices, Central government organizations in charge of economy planning) Others: Mass Media, etc. and such international organizations as WTO, etc.

Source: JICA study team

**Table 3. 6 International tourist receipt and expenditure**

Providing organization	Bank of Mexico, SECTUR
Requested contents	International Tourist Receipt, Expenditure and Balance
Information source	Bank of Mexico
Compilation of basic data	Based on international standards such as IMF formula and/or WTO
Maintenance	Implemented by Bank of Mexico
Distribution channel	Bank of Mexico, SECTUR's head office and its representative offices, Other government offices, State government and Municipal offices, IMF and other international financial institution, WTO. Issuance of periodical publication written in both Spanish and English.
Organizations to be supplied	Financial institutions, Public sectors, Travel trade sectors and Mass media, etc.

Source: JICA study team

**Table 3. 7 Volume of domestic travel and its expenditure**

Providing organization	SECTUR and INEGI
Requested contents	Total volume, Number of arrivals as each destination, Classification of travel type and month
Information source	Sample surveys
Compilation of basic data	In accordance with international standards such as WTO, etc.
Maintenance	implemented by SECTUR and INEGI
Distribution channel	SECTUR's head office and representative offices, INEGI, Other government offices, State and Municipal offices. Issuance of periodical publication written in both Spanish and English
Organizations to be supplied	Public sectors, Travel trade sectors, Mass media

Source: JICA study team

**Table 3. 8 Statistics on hotel**

Providing organization	SECTUR, FONATUR and/or Hotel association
Requested contents	Volume of hotel guest arrivals, Average length of stay, Classification of domestic and international guest and areas, Occupancy rate, Number of rooms, major facilities, etc.
Information source	Hotels and other kinds of accommodation
Compilation of basic data	SECTUR Standards
Maintenance	SECTUR, FONATUR and/or Hotel association
Distribution channel	SECTUR's head office and representative offices, Other federal government offices, State and Municipal offices, International tourism organization such as WTO. Issuance of publication written in both Spanish and English.
Organizations to be supplied	Travel trade sectors, Public sectors, Mass media

Source: JICA study team

**Table 3. 9 Convention statistics**

Providing organization	SECTUR or Convention Bureau
Requested contents	Number of conventions held and their attendants (classified by domestic/international, places held, kinds of convention)
Information source	Convention organizer, Convention hall, Association, Newspaper and Magazine
Compilation of basic data	In accordance with international standards
Maintenance	Implemented by SECTUR or convention bureau
Distribution channel	Same organizations as the "statistics on hotel" and convention relate organizations, ICCA
Organizations to be supplied	Same organizations as the "statistics on hotel" and convention organizers and associations

Source: JICA study team

It is noted that there are different kinds of hotel statistics prepared by various agencies, which often lack in consistency. SECTUR should take initiative in establishing a unified statistics system.

**(2) Travel information**

**a. Information for consumers**

Travel information should be composed of the following items:

- Tourism attraction at the tourism spots and areas,
- Transportation,
- Hotel and accommodation,
- Restaurant and specialties of foods,
- Shopping,
- Organized tours,
- Frontier formalities, security and sanitary conditions, and
- General information of the area such as history, population, culture, office hours, holidays, language, religion, time difference, voltage, currency and money exchange

Table 3. 10 shows the specification of the travel information.

**Table 3. 10 Travel information**

Providing organization	SECTUR and other central government agencies, State governments and Municipalities, Fondos Mixtos, Airlines, Bus operating companies, Tour operators, Travel Agents, Hotels and other kinds of accommodation, Mass Media, etc.
Information source	Same as the above
Compilation of basic data	Information should be as accurate as possible and be provided quickly by related organizations according to SECTUR classification
Maintenance	Tourist information is apt to change often. Therefore, the related organizations should always pay a keen attention to get new information and revise them accordingly.
Distribution channel	Travel information centers in Mexico operated by SECTUR, state government and Municipalities, SECTUR's representative offices in foreign countries, Publication (SECTUR seems to have a limited kinds of the information oriented travel brochures written in foreign languages, but to need ones.), Airlines, Hotels, Mass media, Explanation boards written in foreign languages at least in English, etc.
Organizations to be supplied	General consumer sector in Mexico and foreign countries, Tour operators, Travel agents and Mass Media, etc.

Source: JICA study team

Although brochures that provide travel information are produced by various organizations but its quantity tends to be limited at present. Unlike brochures that aim to motivate consumers to visit Mexico, the quantity has more priority than quality as far as travel information brochures are concerned. In addition to printed materials, it would be increasingly important to provide the information through Internet.

**b. Information for the travel trade**

Tourism related organizations such as tour operator, travel agencies, convention organizers, and airlines require following information for their marketing activities.

- Hotel list with number of rooms, facilities and their charges,
- Convention facilities, their capacities and charges,
- List of reliable land operators and bus operators,
- List of restaurants with their capacities and charges,
- List of agents for guides and translators with their fares,
- Customs formalities for exhibition and convention,
- Grope rates for admission of tourism related facilities, and
- Operation days and hours for the tourism related facilities.

### **3.8.2. Tourist reception services**

#### **(1) Sense of arrival**

Sense of arrivals, or visitors' first impression at a gateway city could largely influence their entire impression of a country. Airport facilities, services provided there, the manner of officers at custom, immigration and quarantine, and waysides scenery from airport to the city center are important factors to create the sense of arrival. Therefore tourism authorities have to pay much attention to create a favorable sense of arrivals.

The study team identified following problems at the airports in the study areas as well as in Mexico City which is a gateway to beach destinations from the long-haul market.

#### **a. Airport facilities and services**

- Airport capacity seems to be small in the light of demand. The guide signs in the facilities are not easy to be understood. Its lighting is insufficient and the facilities are not very clean.
- Most airport terminal building in Mexico have not been constructed by the indigenous Mexican architecture style. In order to enhance the sense of arrival and to let visitors relax, each airport building, especially ones at the resort's regions would be required to be constructed in the Mexican architectural way with cozy atmosphere.
- At such airports as Mexico City (Benito Juarez) and Puerto Vallarta, etc., international and domestic passengers are using sometimes same lounge at the time of arrival and departure. As this would cause some troubles to both international and domestic passengers, the lounges should be separated each other.
- The baggage cart provided by the airport can not bring out to the taxi stand. This causes a lot of inconvenience for visitors, especially for international FIT travelers with large baggage. (Benito Juarez Airport)
- The fares and how to use of the airport taxi are not explained in English nor other foreign languages in the Benito Juarez airport. International visitors with no knowledge about the airport needs the information.
- The space for the immigration inspection areas is small and not very clean.
- Connection between International and Domestic sections at the Benito Juarez Airport is not convenient, this is crucial as the representative hub-airport of Mexico.
- Many international visitors have little idea about appropriate amount of money to be paid for porters. The organization concerned is required to show a reasonable guide line for the charge through a notice-board of the terminal building and/or SECTUR's printed materials.



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- Security in Benito Juarez Airport should be improved
  - No gate number is printed on the boarding pass of departing passengers therefore they have to ask around.
  - Banks and/or money exchangers should be located near the customs inspection area at the Benito Juarez Airport.

**b. Customs inspection**

- Arriving passengers are asked at the customs to push a button that randomly chose passengers for intensive inspection. Since this system is not informed beforehand, it often embarrasses the passengers.
- Arrived passengers sometimes have to fill out the customs clearance form at the inspection area. The form needs to be delivered to passengers before the arrivals through airline companies.

The immigration and quarantine offices do not have serious problems at present.

**(2) Information services for visitors**

**a. Public outlets of Mexican tourist information**

SECTUR's 15 representative offices provide tourist information in foreign countries. National System of Tourism Information shows that there are 134 information centers in Mexico, which provide information for both domestic and international visitors. The outline of the centers is as follows.

SECTUR has four tourist information centers, three in Mexico city. The one at the Benito Juarez International Airport is jointly managed by SECTUR and the immigration office. Total number of staff is around 20, most of them speak English, and some speak French and Italian. Kinds of information provided are accommodation, transportation, restaurant, explanation on tourist site, shopping, package tours, etc. hotel reservation service is also available. The toll-free telephone information service available 24 hours a day all the year round within Mexico and USA. Green Angels provide car-repairing service and tourism information.

State and municipal governments operate tourist information centers in the central district of major cities. The number of staff who can speak foreign language, however, is often limited.

Future directions should be as follows:

- SECTUR should obtain feed backs from independent travelers for necessary information.
- Tourist information centers operated by the public sectors such as SECTUR, states and municipalities should communicate and share travel information through computer network.
- The related organizations should provide the information directly to consumers through computer network.

**b. Publication**

Many kinds of brochures produced by some departments of SECTUR are available in Spanish. Some of the information are also available in English though the availability is sometimes limited. Besides the above, the private sector, state governments, municipalities, and Fondos Mixtos also produce various kinds of printed materials for visitors for their own interests.

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There are two types of tourism brochures. One is to create a favorable destination image and motivate consumers to visit a destination. Another is to provide visitors with practical and detailed travel information. Tourism reception services the latter type of brochures which SECTUR tends to neglect. They are essential for visitors who do not use package tour, which constitute more than 70% of visitors to Mexico according to the airport survey conducted by the study team

**c. Sign and explanation board**

There are very limited number of signs, explanation boards and panels at tourism sites like museum and historical building. Even if they are available, very few of them are written in foreign language as well. It is advised that SECTUR would promote to install signs and explanation boards in Spanish and, at least, in English.

**(3) Services at hotels**

The study team identified following points that need improvement of services in hotels. They are,

- insufficient capability to command foreign languages even at restaurants in international class hotels,
- slow check-in and check-out procedures at hotel's front desk, and
- unwillingness to respond to guests' requests, and indifference to guest's situation.

The above issues would be improved by introducing better management systems and provision of proper education to staff.

**(4) Wayside facilities**

Wayside facilities located along highways and trunk roads, supply overland tourists with services such as rest, meals, information, and car repairing services. These kinds of facilities are quite important for a convenient and comfortable trip, and contribute to a safe and pleasant trip as well. Therefore these facilities are required to be placed at suitable intervals based on their function and also on the character of road.

**a. Wayside facilities along the highways**

Service areas and parking areas are provided along highways. The former is arranged by longer intervals than the latter with all kinds of functions required for car trips. The latter is situated at shorter intervals with limited functions required for occasional or emergency service.

In Mexico, highway network has developed rapidly in the past decade though the current traffic volume is not very large. Wayside facilities, however, should be reexamined for expansion in the expectation of traffic volume growth in the near future. Green Angel, a kind of highway patrol, provides mechanical and information services on the highways.

**b. Wayside facilities along general roads**

Wayside facilities with many kinds of functions are rather rare for the general roads. In Japan, the idea of "Michi-no-eki" which means station on roadside in Japanese, was introduced five years ago and more than hundred of diversified facilities are completed. The concept of "Michi-no-eki" might be of some help for introducing a wayside facilities to Mexico. It provides:

- some kinds of information on the region such as history, culture, landscape, special products and so on,
- opportunities for communication between visitors and hosts, and
- opportunities for cooperation among groups and organizations along the road.

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**c. Sign and symbols**

Signs and symbols on the roadside are also wayside facilities, major functions of which is to indicate directions for tour routes and tourism related facilities. These signs and symbols are generally provided well in Mexico. A further refinement of this aspect would be to improve the installation in major tourist spots and their surrounding areas.

**(5) Security and safety**

Security and safety problems for tourism include traffic accidents, sudden illness, some kinds of crimes and so on. They are one of the most common issues for visitors therefore special importance should be attached to improve the security and safety conditions in the country.

From the viewpoint of tourism, security and safety issues are divided into two. One is actual security and safety issues, and another is the issues arising from the image of security and safety condition.

**a. Actual security and safety**

When a tourist arrived at a tourism destination, issues on security and safety are actual issues, not those in imagination. It seems that there are little problems regarding security and safety conditions according to the surveys by the study team, except in Mexico City and a few remote areas.

**b. Security and safety in imagination**

When someone is considering a trip abroad, his/her decision is influenced by his/her perception of security and safety conditions of respective destinations. The perception is formed based on some kind of information, which is not always correct and up-to-date. For example, they may mistake a local and trivial event for serious incidents throughout the country, or may confuse one country with another. This is a problem arising from the lack of accurate knowledge and exact information. Some topics contribute greatly, better or worse, to form an image of a country.

From this point of view, much attention should be paid to Mexico City to improve the image of Mexico because it is the most important gateway to Mexico and is the capital of Mexico as well.

**(6) Transportation services**

**a. General**

It is worthy of special mention that choice among vehicles have been diversified, and availability of alternatives is important. For example, there are two kinds of ideas about a fare of vehicles. One is to attach more importance to the price than the travel time and services. Another is the opposite to the above. Both alternatives should be provided for the visitors to Mexico.

**b. Convenience**

Convenience of vehicles include acceptable travel time and easiness of transfer. A ferryboat between Mazatlan and La Paz takes too much time for tourists to chose it as a transportation measure. Connection between Baja California Peninsula and Mexico mainland is one of major issues for developing tourism network.

**c. Fare**

Taxi fare system which determines fare on a negotiation basis should be improved. The ticketing system of airport taxi such as the one at Mexico City Airport is preferable in this context.

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**d. Amenity**

Tourists have come to attach importance on the amenity of vehicles therefore it should be improved with special emphasis. Followings are the examples:

- Long-distance express bus with comfortable reclining seat,
- High-decker bus with a large space for baggage,
- Ferryboat with private room,
- Ferryboat with wide public space.

Amenity is important in terminal facilities as well. From this point of view, a port area with a good atmosphere should be utilized as an attractive tourism resource.

**e. Provision of information services on public transportation**

Almost no information on the above such as time tables, fares and location of terminals, etc. has been available through the printed materials provided by SECTUR and/or the related organizations. The above information should be provided for the convenience of international and domestic travelers through publications and the internet, etc.

**f. Others**

Activities of non-licensed and/or illegal taxi drivers have to be shut out from airports.

**(7) Provision of public spaces in the tourism centers**

**a. Attractiveness of urbanity in tourism centers**

There are many kinds of factors that influence the attractiveness of a public space in a tourism center. They are not only related to tourism facilities but also to urban functions such as shopping centers, shops, markets, restaurants, concert halls, art museums, museums, convention halls, botanical gardens, and churches.

The public space provides visitors with opportunities for contacts with those in different hotels as well as with local people. Such contacts are one of the important attractiveness of a destination, in particular, for the long-term visitors.

Such spaces are available at city centers in many of the traditional tourist centers. The core district would be planned and developed by adding some tourist-oriented facilities and infrastructure, to make the place into further prosperity.

Integrally planned centers should have a proper layout of the public space to allow complex activities of the visitors. A poor example is found in the tourist center of the Cancun tourist zone. An open spaces facing the Caribbean Sea should be arranged to break the monotonous long row of hotels.

**b. Development of tourism related facilities**

Tourism centers in Mexico, without exception, lacks in tourism facilities except restaurants. Development of the facilities which can be viable even in a smaller development, should be encouraged to attract not only tourists but also local residents. Possible facilities are as follows:

- Golf course,
- Amusement park including theme park,
- Aquarium,
- Museum,
- Botanical garden, and
- Zoo.

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**(8) Implementation of customer satisfaction survey**

In order to improve reception services for tourists to each destination of Mexico and to make a quality control of tourism products, SECTUR, states, municipalities and Fondos Mixtos, etc. should conduct a customer satisfaction survey at airport and/or tourism related public places in Mexico. In accordance with the results, the related organizations should improve services at the earliest convenience.

**3.8.3. Visitor management system**

A tourism development inevitably has negative and adverse impacts. This section focuses on these negative aspects of tourism development and examines measures to cope with them. Firstly, negative impacts on the natural environment and cultural heritage are discussed. Secondly, adverse effects on local communities and indigenous people are examined.

**(1) Overflow control system**

**a. Negative impacts of tourism development**

Mexico is rich in cultural and archeological resources, and also has natural resources. The growth of tourist activities and urbanization have caused deterioration of tourism resources such as beach and sea water. Restored archeological ruins are well managed and are open to the publics, which are attractive to private sector for developing tourism facilities.

**b. Legal framework**

Environmental impact assessment (EIA) , ecological ordinances, nature protected area and so on, have been already introduced in accordance with federal law. However, regular monitoring of water quality is rare in Mexican beach destinations. Some kinds of voluntary codes of conduct concerning environment were set up.

**c. Basic concept of the system**

Basic concepts of visitor management system/ overflow control system is to control the number of visitors who can enter some defined tourist destination area for preservation of important resources. Furthermore, it is required to develop a new system for looking after tourists who cannot enter the objective facility and also who have to wait for entrance.

Required tourism facilities for introducing this system are museum, restaurant, play lot, restaurants, mini-theater, and parking space.

**(2) Avoiding conflicts with community and/or spoiling of community**

In the master plan areas such as Cancun, Los Cabos, and so on, tourism facilities are developed on vacant land where few people lived when the development was started. Therefore, the tourist area had been developed with less consideration on local people and/or communities. In these areas, many migrants have come in with the development of tourism. At present, there are some problems in their community, due to rapid population growth.

On the contrary, more serious conflicts could occur in the case of development adjacent to local communities. In surrounding areas of Cancun, Huatulco and Puerto Vallarta, there are residential areas of indigenous population. In case the indigenous communities are not open to the outside, tourism development should keep certain distance from the area. In some of areas, the communities may allow some visitors. In that case, careful arrangement should be made not to exceed the appropriate carrying capacity. Advises from anthropologists and other appropriate persons are required in developing tourism in the sensitive areas.

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### **3.9. Enhancement of tourism capacitation and supports for tourism-related SMEs**

The tourism services in Mexico have been tailored and provided to satisfy visitors from North America. Mexico's tourism industry, however, needs to cater for more diverse markets, which requires diversification of tourism products, facilities, and services.

The "services" is one of the crucial components of tourism. It incorporates the following elements:

- tangible elements for use such as physical structure, facilities and equipment,
- intangible services offered such as housekeeping, telephone and restaurant operation, and
- manner or style in which services are provided.

The quality of services is dependent on how each service provider care for guests' needs, convenience and comfort. It is related not only to hospitality of those treat guests, but also to manners, attitudes, technical knowledge, accuracy, and communication skills.

#### **3.9.1. Key issues on quality of tourism services**

According to the interview survey with US tour operators, they evaluate that the quality of Mexican tourism services is reasonable if prices of travel is taken into account. Japanese tour operators, however, consider that only a limited number of top-level hotels in Mexico provide satisfactory services to their Japanese customers. The questionnaire survey on tour operators in Europe conducted by the study team also shows that the services quality relative to hotels prices are not satisfactory and American manner is not appreciated by European visitors.

In order to exploit Asian and European markets, it is important not only to improve the quality of services, but also to change manners or styles suiting more to other markets, especially Asian and European markets. It is necessary to be aware of the presence of different manners or styles in which rendering services other than those tourists from North America.

Although the study team encountered good hospitality throughout Mexico, there are serious problems of hospitality services at hotels in major tourism destinations. This means that there are structural obstacles to improve tourism services.

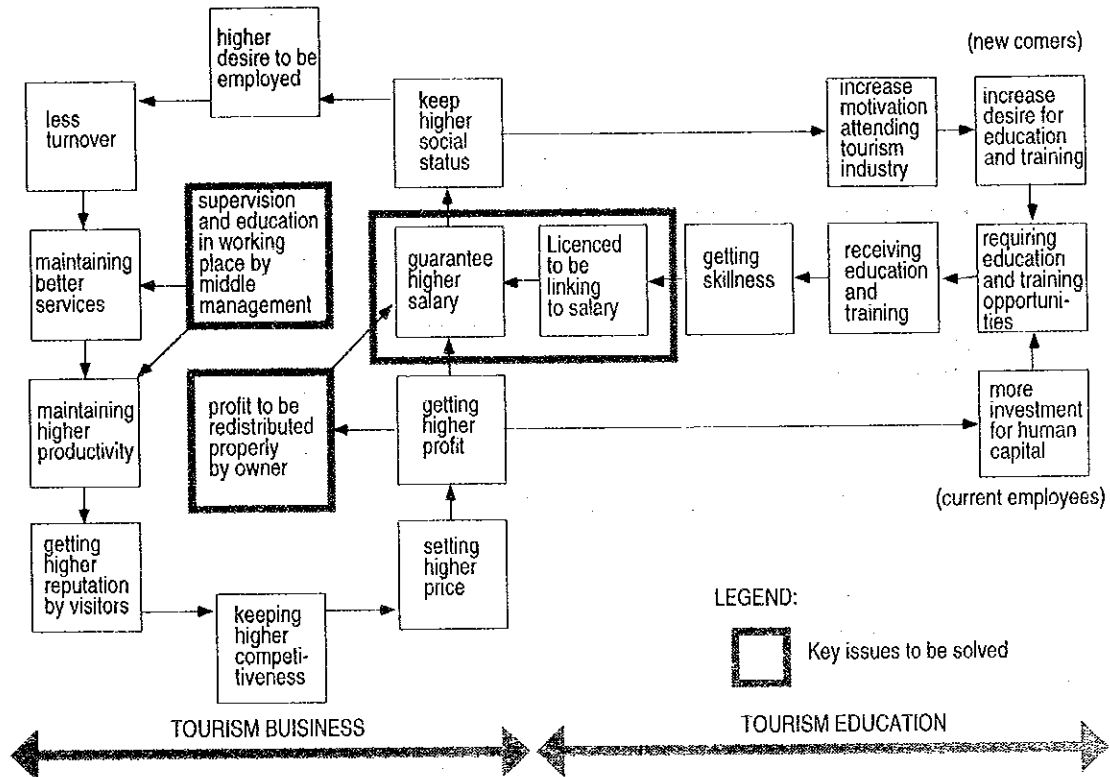
The service problems in hotels in tourism destinations are considered to be caused by a management style of tourism establishments. It seems that hotel management does not give high priority to providing high quality services in their business operation.

Figure 3. 12 illustrates a constructive cycle, however at the same time, if it is reversed, it can also depict a vicious cycle of existing structural problems involving a poor level of services and deprivation of opportunities for tourism education.

- The complaints from hotel guests about poor services do not reach the hotel management.
- In many cases the hotel management is not always aware of low quality of services they provide.
- The hotel management also does not recognize the difficulty to cope with diversifying tourism markets by providing such poor services.
- The middle-level managers do not always take the leadership of systematically improving services by supervising and training those who immediately provide services to hotel guests.

The number of employees who have undergone training programs is small (only 16.7%) according to the National Survey of Jobs and Tourism Training. In order to solve the structural problems on tourism services, it is necessary to establish a management system of encouraging the middle-level managers to take the leadership of improving services and of encouraging immediate service providers to developing their professionalism based on improved services.

Figure 3.12 Constructive cycle for service improvement



Source: JICA study team

### 3.9.2. Improvement of management of the tourism industry

#### (1) Utilization of results of visitor survey at airports for hotel services

State tourism authorities should conduct visitor surveys at airports and utilize the survey results for improvement of hotel services and other tourism services, by feeding back to hotels and other tourism facilities. Both visitor surveys at airports and suggestion forms at hotels have not been well utilized for this purpose.

#### (2) Production of training manuals on management and leadership

SECTUR should produce training manuals for company management and leadership for improvement of the level of services. The training manuals should target at the followings:

- to improve top management's awareness of the importance of the quality of services, and
- to encourage middle-level managers to take the leadership to improve the quality of services.

At the same time, SECTUR should hold training seminars using the training material. SECTUR has produced many kinds of training manuals for the tourism industry. However, those manuals have not covered the management of companies and leadership of middle-level managers.

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**(3) Adequate rewarding for employees**

To provide adequate levels of salary to employees is important to solve the vicious cycle of the problem of poor services and to attain higher quality of services.

The minimum wages of workers in Mexico are relatively low compared with the level of Mexico's national economy. The low wages for service workers in the hotel industry are determined based on that they get tips from hotel guests. Tips are not adequate incentives for encouraging workers to improve their work discipline and services quality. On the other hand, Mexico's hotels are operating at relatively low room occupancy rates. This means that the hotel management gets much higher share of the profits than workers. If Mexican hotels can increase occupancy rates by management efforts, they can give higher shares of their profits to employees.

**3.9.3. Improvement of tourism education**

**(1) Practical aspects in tourism education**

**a. Lack of practical aspects in tourism education**

Since the present tourism education does not well cover practical aspects of the tourism industry. Therefore, graduates from tourism schools and courses cannot fully utilize what they learn at schools in actual working environment.

**b. Strengthening of practical aspects in tourism education**

In the curriculum of tourism education and training, it is necessary to emphasize practical aspects and actual environment of working of the tourism industry.

**(2) Diversification of service manners/styles**

**a. Problem of targeting at single market**

Since the tourism sector of Mexico is mainly targeting at Northern American market, the tourism education is also designed for Northern American markets. This results in rigid ideas of manners and styles in which tourism services are provided.

**b. Emphasis of different manners and styles of tourism services**

It is necessary to teach the importance of service quality and diversified manners and styles of tourism services.

In order to cater for diversified needs of tourism markets, it is necessary not only to improve the quality of services, but also to change manners and styles of services by market segment.

**(3) Hospitality services**

**a. Lack of professionalism of providing hospitality services in tourism education**

Since Mexican tourism industry has not recognized the importance of hospitality services, Mexican tourism education and training has not emphasized the importance of professionalism of providing hospitality services.

**b. Emphasis of hospitality services in tourism education**

It is highly recommended to put the subject of hospitality services and professionalism of service providers in the central place of tourism education and training.

**(4) Management and leadership**

**a. Lack of strong management for improvement of service quality**

Mexico's tourism education and training has not paid much attention to top management and middle-level managers' leadership for quality services.



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**b. Emphasizing of management and leadership in tourism education**

For refining tourism education and training, it is essential to include management and leadership for improvement of the quality of services.

**(5) Introduction of certification program corresponding with remuneration**

It is highly recommended for the federal government to entrust states or nationwide associations with the implementation of examinations to assess skills and qualifications by occupation. As certificate guarantees the level of knowledge and skills of recruits and employees, it ensures credibility to the employer. On the other hand, it would give incentives for the employees as transfer from one level of occupation to the next would be guaranteed through credit attained by qualification.

Qualification examinations of employees in the service fields (front desk, bellboys, waiters/waitresses) should include the following points to check:

- Skills and attitudes in customer services,
- Hospitality (Service-minded), and
- Basic conversation skills in foreign languages, preferably English, to carry out customer services.

An incentive system should be introduced that mandates the employer to guarantee remuneration increases at regular increments and/or promotion for their employees with qualifications and/or acquired qualifications

Employment guidelines should be introduced that specifies the number or percentage of certificate-holder's employment according to, for example, ranking, number of stars, and status of a hotel.

**(6) Consolidation of existing tourism education and training facilities**

Independent tourism education courses

Development Program for the Tourism Sector shows that facilities for practical training courses are poor in terms of size and quality. In general, they suffer from financial problems. Another problem is that there exists no relationship among tourism-related courses provided by various educational institutions.

Consolidation of courses

Efforts should be made to integrate and maximize the existing facilities by expanding their scale, enforcing the facilities and faculty, and in turn consolidating them into groups of comprehensive tourism training schools.

**3.9.4. Supporting measures for tourism SMEs**

Public sector's supports for small and medium-sized enterprises (SMEs) managed by the members of host communities would be an important measure to induce positive tourism impacts on host communities. This type of supports should be emphasized since past tourism developments tended to regard local communities only as a source of labor force. Tourism SMEs, however, has following constraints in general:

- The size problem resulting in small business turnover, which is mostly translated into family income and the therefore small capacity to save and invest in the expansion or upgrading of the business
- The limited access to information, in particular, market information and information on available support measures and programs
- The limited access to working capital and investment financing often caused by the non availability of any collateral, and
- The lack of business training.

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Following measures to support tourism SMEs are necessary to overcome the constraints:

**a. Financial support**

Access to finance for working capital and/or business expansion is vital for the success and development of SMEs. There would be some approaches to the constraint.

One is to establish a fund to support tourism SMEs at an appropriate organization, which would use the fund as collateral to the financing institution. Another is to establish a financing institution for tourism SMEs. The third way would be to promote SMEs to establish co-operatives and the cooperatives provide the security for member loans.

FONATUR has a financing function but has not been very positive in financing tourism SMEs. In view of the importance of tourism SMEs for reconciliation of local communities and tourism, there is a strong need to establish a system to facilitate financing for enterprises owned and run by local people. The system makes an prerequisite to promote various types of alternative tourism that is supposed as one of the important measures to diversify Mexican tourism.

**b. Training support**

There is a strong need in SMEs for training in advanced business and management techniques. Though SECTUR actively provide various programs for tourism education, it tends to focus on the capacitation of employees at large-scale beach resort hotels. The programs are to educate local people as tourism employees rather than to support tourism SMEs.

Admitting the necessity to educate low level employees and middle-class managers who educate the employees, more emphasis should be placed to nurture tourism entrepreneurship in rural areas. Besides, the programs should consider more various types of tourism enterprises, and provide the know-how to operate small lodges and home stays as well as alternative tourism.

Tourism SMEs, in particular, in rural areas tend to have limited access to the training opportunities. This should be improved through the improvement of information support.

**c. Information support**

It is suggested for SECTUR to provide tourism SMEs with information on market trends in the tourism sector, business opportunities. Such information could be distributed by sending newsletter and hosting seminars on tourism on a regular basis.

In providing market information, more efforts should be placed to give information by market segment. More specifically, SECTUR and other tourism organizations should provide information on market segment other than beaches as tourism SMEs tend to engage in non-beach tourism sector.