



MARKET INSIGHTS

EUROPEAN TRAVEL COMMISSION

MARKET INTELLIGENCE GROUP

MEXICO

December 2007

This Market Insight is one of an ongoing series of market profiles produced by the Market Intelligence Group [MIG] of the European Travel Commission [ETC]. New market profiles will be added to the series and updated at regular intervals.

The members of the MIG comprise the Research Directors of the 38 National Tourist Offices (NTOs) that are members of ETC. The group regularly commissions and publishes market intelligence studies, handbooks on methodologies and best practice, and facilitates the exchange of European tourism statistics on the 'TourMIS' web platform.

More information on ETC's programme of market intelligence activities - including links to studies and sources of European tourism statistics - can be found on the organisation's corporate website: <http://www.etc-corporate.org>.

OVERVIEW

- Mexico generated 14 mn outbound tourist trips in 2006, in addition to 108 mn day trips abroad. Of the 14 mn trips, 2.8 mn were by air, 5.5 mn were overland trips to the US border region ('turistas fronterizos'), and 5.7 mn were overland trips going further afield.
- Total spending by Mexicans abroad amounted to US\$8.1 bn in 2006, ranking the country 22nd in the world in terms of international tourism expenditure, according to UNWTO.
- Provisional figures for the first six months of 2007 suggest increases of 9.7% in the number of outbound tourist trips, 7.8% in the number of outbound trips by air, and 10.8% in total spending abroad.
- Even excluding day visitors, the USA is the destination for 92% of outbound trips from Mexico. Other countries in the Americas account for 3% of outbound trips and Europe for 4% (but that 4% represents about 20% of outbound trips by air).
- Spain has traditionally been the most important destination in Europe for Mexicans, although official arrivals data seems to suggest that it was overtaken by France in 2005-06.
- More limited numbers of Mexicans visit the other major West European destinations, but the potential of the market in many smaller destinations and in the emerging markets of Central and Eastern Europe remains largely untapped.
- In October 2007, 15 airlines operated 93 flights a week, with 24,998 seats, from five Mexican airports to 13 airports in Europe. This compared with 77 flights and 21,962 seats a week in October 2006. While most flights were primarily carrying Europeans back from Mexico, the number of Mexicans travelling to Europe is growing in line with the increase in flight and seat capacity.

COUNTRY PROFILE

Currency

- Peso (PS) €1 = PS13.78 (2006)
- The Mexican peso is regarded as strong and stable against the US dollar (it has remained roughly around US\$1 = PS11 since 2003). However, since the US dollar has generally weakened during this period, the peso has declined against the euro. It traded at an average of €1 = PS13.78 in 2006, down from PS12.96 in 2003 and PS9.09 in 2002; by the middle of 2007 it had fallen further, to roughly €1 = PS15.

Population

- 105.2 mn (2007^e), growing by 1.0% a year.
- 75% of the population is reckoned to be urban. The major cities include the capital, Mexico City (with a population of 19.2 mn in 2005), Guadalajara (4.1 mn), Monterrey (3.7 mn), Puebla (3.1 mn), Toluca (1.6 mn), Tijuana (1.5 mn), León (1.4 mn) and Ciudad Juarez (1.3 mn).
- The fertility rate (the average number of children per female) is estimated at 2.4. The birth rate has declined substantially since the mid-1960s, when the population was growing by 3.5% a year. Life expectancy is 75.4 years (72.6 years for men and 78.3 for women).
- The median age is 25.6 years. The population is therefore, even by Latin American standards, relatively young, and over 700,000 young people join the labour market every year. The scarcity of employment opportunities has driven many Mexicans to emigrate. Net emigration is estimated at 450,000 per year. The overwhelming majority of emigrants go to the USA.

Age

Breakdown (%)	2005	2020 ^f
0-4	10.1	7.5
5-14	20.6	15.9
15-24	18.2	16.4
25-34	17.1	15.6
35-44	12.9	14.1
45-54	9.4	12.9
55-64	5.8	8.7
65-74	3.5	5.4
75-84	1.8	2.6
85+	0.5	0.9

- In simpler terms. 49% of the population are 0-24 years old, 39% are 25-54 and 12% are over 55.
- According to the UN, the numbers of children and young people (aged 0-24) will decline slightly from 2005 to 2020 (from 51 million to 48 million), while the numbers of those aged 25-54 will increase by a quarter (from 41 million to 51 million) and those over 55 will increase by three quarters (from 12 million to 21 million).

Ancestry & Migration

- The Mexican population is relatively homogeneous, in that (by various estimates) 60-75% are mestizo (Amerindian-Spanish). About 12% are pure Amerindian, and 30% predominantly Amerindian. Some 10-15% are of European descent. These are mainly of Spanish extraction, but there are also substantial numbers of German, French, Italian, Portuguese, Irish, Polish, Romanian, Russian and British descent. Smaller numbers of immigrants came from China, Japan, Korea, the Philippines, Lebanon, Turkey and West Africa.

- According to the 2000 Census, there were 21.6 mn people of Mexican origin living in the USA, 8.8 mn of whom were born in Mexico (29.5% of the foreign-born population of the USA and 3.3% of the total US population). The numbers of Mexicans living in the USA in 2007 may therefore be approaching 11 mn, and the numbers of Americans of Mexican descent approaching 24 mn. These people fuel a huge demand for VFR travel to the USA and vice-versa.
- Mexico opened its borders to immigrants (especially political asylum seekers) from South America in the 1970s and 1980s. Estimates of the numbers of immigrants from each country vary widely, but are believed to be in the thousands and ten thousands rather than the tens and hundreds of thousands.
- There are reported to be about 1 mn US citizens (many of them retired) living in Mexico.

Language & Religion

- 97% of the population speak Spanish, the *de facto* national language. About 6% speak indigenous languages, of which over 60 are recognised. English is widely spoken in business circles.
- About 89% of the population are Roman Catholic and 6% (mainly in the south) Protestant. About half go to church once a week. Only 4% of Mexicans describe themselves as non-religious.

Economic Data

	2002	2003	2004	2005	2006 ^e
GDP (US\$ bn)	649	639	683	768	840
Real GDP growth (%)	0.8	1.4	4.2	2.7	4.8
GDP per capita (US\$)	6,430	6,240	6,700	7,450	8,070
Inflation (%)	5.0	4.5	4.7	4.0	3.6

Note: Because Mexico does not offer unemployment benefits and unemployment does not cover the informal sector, the official unemployment figures are not regarded as meaningful.

Mexico's Economy 2006-07

- Mexico is a middle-income country with a generally prosperous market economy, but one hampered by serious institutional and structural problems.
- Real GDP is expected to grow by about 3.0% a year in 2007-08.
- The economic cycle in Mexico is closely tied to that in the USA, which takes 85% of Mexico's exports, and the uncertain trend in the US economy in 2007 is therefore being watched with some anxiety.
- Economic growth in Mexico has been focused on exports (notably by 'maquiladora' assembly operations) to the USA and Canada, especially since Mexico joined the North American Free Trade Area (NAFTA) in 1994. Northern Mexico (where most of the maquiladoras are located) has been much more prosperous than southern Mexico. The metropolitan areas in central Mexico are also relatively prosperous.
- Given the world prosperity in 2003-07, economic growth in Mexico has been moderate. In particular, as a major oil producer, the country has not benefited from the high international oil prices as much as it might have, because of under-investment in the national petroleum monopoly, Pemex. Capacity and reserves have tended to slip in recent years.
- Like many Latin American countries, Mexico has a very unequal distribution of income, and the numbers of people who can think of taking expensive overseas journeys are limited. On World Bank definitions, about 50% of the population were classed as 'poor' in 2005, and 13% as 'extremely poor'. Nevertheless, living standards are rising, both for the middle classes and – with the help of widely admired 'conditional cash transfer' and social housing programmes – the poor. The Gini coefficient (a measure of the distribution of incomes) fell by five points to 0.51 in the five years to 2005.

TRAVEL PROFILE

Mexican Outbound Trips

Outbound travellers from Mexico ('000)						
	2001	2002	2003	2004	2005	2006
Total visitors	123,737	124,633	123,015	128,903	128,392	122,022
Tourists	12,075	11,947	11,044	12,494	13,305	14,002
Long-distance	6,423	6,492	6,603	7,398	8,000	8,486
– by air	2,031	2,037	2,063	2,349	2,565	2,757
– by land	4,392	4,455	4,540	5,050	5,435	5,729
Frontier tourists	5,652	5,455	4,441	5,096	5,305	5,516
Day visitors	111,662	112,686	111,971	116,409	115,087	108,020
% annual change						
Total visitors	-2.8	0.7	-1.3	4.8	-0.4	-5.0
Tourists	9.0	-1.1	-7.6	13.1	6.5	5.2
Long-distance	3.6	1.1	1.7	12.0	8.1	6.1
– by air	5.1	0.3	1.2	13.9	9.2	7.5
– by land	2.9	1.4	1.9	11.2	7.6	5.4
Frontier tourists	15.8	-3.5	-18.6	14.7	4.1	4.0
Day visitors	-3.9	0.9	-0.6	4.0	-1.1	-6.1

Note: According to SECTUR, visitors or 'visitantes' = tourists or 'turistas' (travellers staying abroad at least one night) + day visitors or 'excursionistas' (which include both leisure day-trippers and cross-border workers). 'Turistas internacionales' are broken down into 'turistas fronterizos' (frontier tourists) – tourists crossing by land into the US-Mexico border area (48 counties in 4 states) – and 'turistas egresivos' (long-distance tourists), travelling further afield and/or travelling by air. All 'excursionistas internacionales' are defined as 'excursionistas fronterizos'.

- Analysis of Mexican outbound travel is easily confused by the huge numbers of people crossing the border into the USA daily. However, even excluding the 100 million annual same-day visitors, the USA has accounted for 92% of outbound trips from Mexico every year since 2000. Other countries in the Americas account for 3% of outbound trips and Europe for 4%. However, that 4% represents about 20% of outbound trips by air.
- Although Mexican outbound travel did slip in 2002 and 2003, it did not suffer the catastrophic declines (related to their economic crises) that the Argentine and Brazilian markets did. The growth rates for long-distance travel shown in the table above therefore represent relatively strong performances, taking the numbers of travellers to new records.
- Provisional figures for the first six months of 2007 show a 9.7% increase in the number of outbound tourist trips, but only a 5.7% increase in the number of outbound long-distance air trips.

International Travel Expenditure (excl transport)

Total international tourism expenditure						
	2001	2002	2003	2004	2005	2006
Total (US\$ mn)	5,702	6,060	6,253	6,959	7,600	8,101
% annual change	3.7	6.3	3.2	11.3	9.2	6.6
Spend per trip (US\$)	472	507	566	557	571	579

- In terms of total outbound tourism expenditure, Mexico is the most important tourism market in Latin America. According to UNWTO, it ranked 22nd in the world in 2005 (compared with Brazil's 26th place and Argentina's 39th place). However, from Europe's perspective, Mexico ranks second to Brazil, or maybe even third to Brazil and Argentina.
- The comparatively low spend per trip is influenced by the large numbers of short-stay cross-border trips. The following figures show the average spending attributed by the Banco de México to the different categories of outbound travellers.

International tourism expenditure per trip (US\$)

	2001	2002	2003	2004	2005	2006
International tourists	229	232	257	258	275	299
Long distance	374	374	389	393	414	448
– by air	765	736	773	776	819	901
– overland	193	209	214	216	223	231
Frontier tourists	65	64	61	62	64	70
Day visitors	26	29	31	32	34	36

- According to provisional figures, total international tourism expenditure was up 10.8% in the first six months of 2007. Spending by long-distance air travellers was up 11.3%.

Leading Destinations in Europe

- For historical, cultural and linguistic reasons, Spain takes a lion's share of Mexican visitors to Europe. More limited numbers visit the other major West European destinations, but the potential of the Mexican market in many smaller destinations and in the emerging markets of Central and Eastern Europe remains largely untapped.
- Even in Spain, Mexicans represent only 0.5% of total arrivals; in other West European countries they seldom reach 0.25% of arrivals, and in Northern, Central and Eastern Europe they seldom reach 0.1% of arrivals. Considering that Mexico is a middle-income country with 1.6% of the world population, these are modest numbers.

Arrivals from Mexico in selected European destinations ('000)

Destination	2001	2002	2003	2004	2005	2006
Spain	173	213	184	193	244	240
France	104	101	na	na	369	395
Italy	63	81	73	79	105	94
UK	63	71	76	67	77	81
Germany	48	48	46	48	53	108
Belgium	18	21	18	17	18	22
Czech Republic	10	10	11	14	13	19
Hungary	na	na	na	13	13	14
Turkey	na	na	na	10	12	14
Poland	na	na	na	9	11	12
Portugal ^e	8	10	10	11	10	11
Russia	na	na	na	6	10	11
Greece	na	na	na	6	7	10

Notes: The measures for Spain, France, Italy and Turkey are 'tourists at frontiers'; for the UK, Greece, Hungary, Poland and Russia 'visitors at frontiers', including same-day visitors. The figures for Germany, Belgium and the Czech Republic represent international tourist arrivals at commercial establishments, and those for Portugal represent international tourist nights at commercial establishments divided by three (on the assumption that the average length of stay is three nights).

- Many European countries do not report arrivals from Mexico. Using a variety of indicators, it is possible to estimate the scale of arrivals for other destinations in 2006 with some confidence but, due to the small numbers involved, actual arrivals may differ quite substantially from year to year – as can be seen in the above table.

10,000-25,000	Netherlands, Austria
5,000-10,000	Denmark, Ireland, Switzerland,
2,500-5,000	Croatia, Sweden
Below 2,500	Albania, Bosnia-Herzegovina, Bulgaria, Cyprus, Estonia, Finland, Iceland, Latvia, Lithuania, Luxembourg, Macedonia FYR, Malta, Monaco, Montenegro, Norway, Romania, Serbia, Slovakia, Slovenia, and all other countries of eastern Europe.

Nature of Trip

- Allowing for multiple destinations on most Mexican trips to Europe, the average length of a trip to Europe is probably over 14 days.
- The available figures for arrivals and nights in individual European countries in 2004-05 (which are not often strictly comparable) suggest an average length of stay of 4-5 nights in Italy, 2-3 nights in Spain, Germany, Finland, Greece, the Czech Republic and Slovakia, and 1-2 nights in Belgium and many smaller destinations. The apparent average length of stay in the UK in recent years has been much longer and very erratic. The average length of an airborne trip to the USA was 14 nights in 2005 and 11 nights in 2006.
- Frontier statistics for Spain also suggest average stays of 15-18 days; the difference from the 2-3 nights mentioned above no doubt reflects the importance of VFR, family homes and other forms of non-hotel accommodation:

Average length of stay of Mexican tourists in Spain (%)

	2003	2004	2005
1 night	5.1	9.1	6.9
2-3 nights	11.5	14.1	14.6
4-7 nights	26.8	23.4	28.0
8-15 nights	30.7	27.1	26.0
>15 nights	25.8	26.3	24.5

- The relatively affluent Mexicans who travel independently to Europe for leisure (as opposed to VFR, business and study) – whether repeat or first time visitors – are said to spend freely on accommodation, shopping, transport and leisure activities. The Madrid Tourism Board reports that in Q1 2006 the tourists who spent the most in Madrid's shops were the Mexicans: they accounted for 19% of the total foreign visitors spend and spent an average of €1,443 each.

Purpose of Trip

Main purpose of trip for long-distance travellers (%)

	All such travellers		Those travelling by air	
	2001	2006	2001	2006
Leisure	20.0	19.1	41.5	34.4
Business	8.7	7.7	17.7	19.2
Study	1.0	0.0	3.0	0.0
Visiting family	63.1	61.4	33.8	39.2
Visiting friends	2.3	5.1	2.9	3.6
Medical attention	2.3	0.0	0.6	0.0
Shopping	2.3	4.6	0.2	0.7
Other	0.2	2.1	0.3	2.8

- The figures shown above (from SECTUR) are heavily influenced by the weight of the USA (which accounts for 92% of long-distance trips). The OTTI at the US Department of Commerce shows similar figures for arrivals by air from Mexico in 2006: 35% leisure, recreation and holidays, 28% VFR, 23% business and professional, 9% conventions and conferences and 6% other.
- Of course, many VFR and business trips have leisure components: when allowing multiple responses, the OTTI figures for leisure trips rise to 49%, VFR to 38%, business to 27% and MICE to 13%.
- Figures for Mexican arrivals in the UK (which may be no more representative of overall arrivals in Europe than those shown above) indicate that in 2001-05 62% of visits were for holidays, 8% for business, 13% for VFR, 7% for study and 10% other.

Seasonality

Breakdown of outbound trips by air from Mexico, 2005-06 (%)

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
8.4	6.4	7.3	10.5	8.1	8.3	10.5	8.4	7.8	7.8	7.7	8.7

- Schools take two weeks holiday at Christmas, two weeks at Easter and six weeks from the beginning of July.
- Leave entitlement for formal employees varies by time of service: a minimum of six days per year, plus two days for each of the first four years of service, and two days for each subsequent five-year period of service. In addition there are eight compulsory national holidays and a full week is often taken for Carnival and for Easter.
- The peak period for travel to Europe is April to September.

Public holidays, 2007-08

2007: 1 Jan*, 5 Feb*, 15-20 Feb (Carnival), 24 Feb, 21 Mar*, 5-8 Apr (Easter), 1 May*, 5 May*, 10 May, 1 Jun, 16 Sep*, 12 Oct*, 16 Dec, 25 Dec*

2008: 1 Jan*, 31 Jan-5 Feb (Carnival), 5 Feb*, 24 Feb, 20-23 Mar (Easter), 21 Mar*, 1 May*, 5 May*, 10 May, 1 Jun, 16 Sep*, 12 Oct*, 16 Dec, 25 Dec*

* Compulsory national holidays.

Accommodation

- VisitBritain reports the following breakdown for accommodation used by visitors from Mexico (average for 2001, 2002, 2004 and 2005): 60% hotel/guesthouse, 2% bed & breakfast, 10% hostel/university/school, 2% rented house, 1% paying guest with family or friend, 27% non-paying guest with family or friend, 1% own home, 6% other.
- These figures are not likely to be representative of Mexican visits to Europe as a whole, but information for other destinations is scarce.
- Spain's INE finds that, of Mexican tourists staying in Spanish hotels in 1999-2004, between 56 and 59% stayed in 4* and 5* hotels each year (11.5% to 18% stayed in 5* hotels).

Leisure / Recreational Activities

- Research by the Canadian Tourism Commission (CTC) in 2003 showed that, for their holidays, Mexicans travel primarily to see and experience what they cannot at home. Cold weather is not a deterrent, but they like trips and destinations that offer a range of activities and experiences. Trips with a strong emphasis on culture and education, as well as nature, are very popular. Enjoying local cuisine, shopping and nightlife are also rated highly.
- Few Mexicans travel abroad for sun & beach as they have abundant opportunities for this kind of holiday at home.
- Mexicans have a great love of fiestas and feasts, with fireworks, music and dancing. The national form of rodeo, *charrería*, has many aspects of a fair. Bullfighting is also popular.
- The Mexican's have an eclectic interest in sport. Much the most popular is soccer, but baseball, basketball, volleyball (including a local form, Jal-alai), tennis, golf and American football also have strong followings.
- Confirming the notion that Latin Americans go to Europe principally to see the big cities, Mexico has among the lowest figures for dispersal around the UK among long-haul markets. 80% of visitors to the UK go to London; only 45% of nights are spent outside London.
- **Activities of Mexican travellers in the USA (%^a, 2006):** Shopping 84%, dining in restaurants 67%, visits to historical places 28%, visits to amusement or theme parks 26%, sightseeing in cities 21%, visits to small towns 19%, visits to art Galleries or museums 17%, nightclubs or dancing 13%, visits to cultural heritage sites 12%, visits to casinos or gambling 11%.
- VisitBritain lists Mexican travellers interests as "history/heritage/culture, tertiary and linguistic education, fashion, music, luxury, landscape and nightlife".

- According to Wave 3 2006 of the Anholt-GMI Nation Brands Index, the top ten aspirational destinations for Mexicans are:
 - 1 Italy
 - 2 France
 - 3 Spain
 - 4 Switzerland
 - 5 Netherlands
 - 6 Canada
 - 7 Germany
 - 8 Sweden
 - 9 Japan
 - 10 Egypt
- Not surprisingly, given the political links and the large numbers of Mexicans living in the USA, Mexicans are much more preoccupied with the USA than the Brazilians and Argentines. And the destination dominates travel wish lists.
- Nevertheless, Europe is still uppermost in the minds of affluent, educated Mexicans, although it has lost out to some degree to Asia as a result of increased access to that region in the past decade, as well as to domestic destinations, which are increasingly being promoted aggressively by the tourism authorities of each state.

PROFILE OF TRAVELLERS

Nature of Overseas Travellers

- According to surveys by Synovate, Mexican travellers to Europe tend to come from the higher social classes – mainly from social groups A, with average household incomes approaching €200,000 a year, and B, with average incomes approaching €60,000. About 11 mn people fall into these groups. Some come from the 22 mn people in group C, with average incomes of around €20,000.
- This is confirmed by data from the IET in Madrid, which shows that 2.5% of Mexican travellers to Spain in 2004 came from social group A, 47% from group B, 49% from group C, and only 1% from groups D and E.
- The same source shows that 44% of Mexican travellers to Spain in 2005 were aged 25-44; 33% were older and 18% younger (the age of 5% of travellers seems not to have been given).
- In 2004 71% of these travellers had an occupation; 23% were students and 6% were pensioners, housewives, jobless and others.

Education

- The attraction of Spain and Italy is clearly due to cultural and heritage affinities, and – at least in Spain's case – the lack of language barriers, although most Mexicans travelling to Europe are well educated and able to speak English.

Travel Companions

- Mexicans generally travel alone or as a couple or family, rarely in formal groups. They are perhaps more likely to take their children with them than many other Latin Americans. (VisitBritain reports that, of Mexicans visiting the UK in 2003, 30% were lone travellers, 30% in couples, 23% in family groups, 9% travelling with business colleagues and 3% travelling with friends). The IET reports that, of Mexicans visiting Spain in 2004, 41% were travelling alone, 34% in couples, 6% in families with children, 3% in families without children, 15% with friends and 3% with colleagues.

AIR TRANSPORT

Airports

- There are 59 authorised international airports and 26 domestic airports in Mexico, as well as numerous airfields, landing strips and heliports. The main international airport is at Mexico City (Benito Juárez).

- In October 2007, 15 airlines operated a total of 93 flights a week, with 24,998 seats, from five Mexican airports to 13 airports in Europe. This compared with 77 flights and 21,962 seats weekly in October 2006. While most flights were primarily carrying Europeans back from Mexico, the number of Mexicans travelling to Europe is growing in line with the increase in flight and seat capacity.
- The five Mexican airports are Mexico City (MEX), Monterrey (MTY), Cancún (CUN), Cozumel (CZM) and Puerto Vallarta (PVR).
- The European airports are Paris Charles-de-Gaulle (CDG), Madrid (MAD), London Heathrow (LHR), London Gatwick (LGW), Manchester (MAN), Nottingham/East Midlands (EMA), Glasgow (GLA), Amsterdam (AMS), Frankfurt (FRA), Munich (MUC), Düsseldorf (DUS), Rome Fiumicino (FCO) and Milan Malpensa (MXP).
- Flights to Moscow were withdrawn in 2001; brief experiments with flights to Shannon in 2003-04 and to Bologna in 2004-05 were not sustained, and flights to Vienna, which operated in 2006, seem to have ceased.
- Although the numbers of Mexicans travelling to Europe via the USA is estimated to have declined as a result of airport hassles caused by stepped up security and immigration controls, this is still an option appealing to some Mexicans as seat capacity has been inadequate on routes between Mexico and Europe.

Airline Traffic / Capacity

Weekly non-stop services from Mexico to Europe by leading airlines:

Airline	Originating airports	Destination airports	October 2007		October 2006	
			Flights	Seats	Flights	Seats
Aeroméxico	MEX, MTY	CDG, MAD	15	3,539	13	3,081
Iberia	MEX	MAD	14	3,898	14	4,744
Air France	MEX	CDG	11	3,458	13	3,450
Lufthansa	MEX	FRA	7	2,730	7	2,730
KLM	MEX	AMS	7	1,946	7	1,946
British Airways	MEX	LHR	4	1,374	4	1,364
LTU	CUN	DUS, MUS	2	680	2	680
Condor	CUN	FRA	3	660	2	440
Martinair	CUN	AMS	2	544	3	816
Air Europa	CUN	MAD	6	1,086	5	905
Volare	CUN	MXP	1	227	0	0
First Choice	CUN,CZM,PVR	EMA,GLA,LGW,MAN	12	2,268	0	0
MyTravel	CUN	MAN	3	1,080	0	0
Total			91	23,852	78	20,634

Note: The sum of the flights and seats does not add up to the total specified as some flights make a stop en route, e.g. Aeroméxico's MEX-MAD operates via MTY. Also, some minor carriers are not included.

- According to the DGAC, the total number of passengers carried by scheduled airlines on direct flights between Mexico and Europe rose by 10% to 2.0 mn in 2006. It has risen by an average of 8% a year since 2000. No details are available for 2007.
- Capacity between Mexico and the UK increased sharply in 2007 thanks to new services by tour operator-owned charter airlines, First Choice Airways and MyTravel Airways. Other charter airlines/low-cost carriers, such as Italy's Volare, Spain's Air Europa, Germany's LTU and Condor, and the Netherlands' Martinair, are also increasingly important – but mainly carrying Europeans to Mexico.
- The SkyTeam alliance dominates traffic flows between Europe and Mexico thanks to the presence of Aeroméxico and Air France/KLM and good Mexican connections from its US partners Continental Airlines and Delta Air Lines. OneWorld offers connections to Dublin via Chicago with American Airlines, and SkyTeam via Atlanta with Delta Air Lines.

TRAVEL PLANNING & BOOKING

Travel Formalities

- Mexicans do not require visas for the Schengen countries, the UK/ Ireland and most of the rest of Europe. Some countries, however, impose other conditions on visitors. Spain, for instance, may require Mexican travellers to demonstrate their ability to finance their stay in the country, as well as a hotel reservation or letter of invitation from the person with whom they will be staying.

Travel Decisions

- Decision lead times tend to be short in Mexico, as in some other Latin American countries. The decision to travel abroad may be taken a month or more in advance, but the rule of thumb quoted by travel agents is that booking decisions are most often taken 1-2 weeks in advance.
- OTTI reports that in 2006 airborne trips to the USA were planned an average (mean) of 39 days in advance; the median was 20 days in advance. These figures were much shorter than those for 2005.

Booking Methods

- The use of travel agents is more limited than in many other Latin American countries. Most people use a travel agent to purchase their airline tickets (although many also do so directly at airline offices) and perhaps to book hotel accommodation, but relatively few use them to plan itineraries and to book activities.
- According to OTTI, only 8% of airborne trips from Mexico to the USA in 2006 involved a prepaid package.

Information Sources

- The trade reports that Mexicans planning packaged tours rely principally on travel agents for their information, but that those travelling independently use a range of sources, including the recommendations of friends and relatives, press articles and the Internet – not least because of the limited knowledge of the travel agents.
- OTTI reports that, in planning their trips to the USA, the principal sources of information used by Mexicans in 2006 were travel agencies (37% of travellers), the internet (29%), airlines (25%) and friends and relatives (15%). Compared with 2005, the proportion using travel agencies was sharply down (by 13 percentage points), those using the internet were up 7 points and those using information from friends and relatives up 5 points.
- Newspaper readership is reportedly higher in Mexico than for magazines. Cable TV is also a means of reaching specific audiences.

Internet & Media

- The ITU reports that in 2005 Mexico had 19.5 mn main telephone lines (18 per hundred inhabitants) and 47.5 mn mobile telephone subscribers (44 per hundred inhabitants). There were about 14.0 mn personal computers and 18.6 mn internet users. These numbers are relatively low, by Latin American standards.
- Internet World Stats says that there were 22.7 million internet users in Mexico (representing 21.3% of the population) in June 2007. This was up by 736.9% compared to 2000.
- These numbers are relatively low, by Latin American standards, but VisitBritain says that it believes that internet saturation among its target market is high.
- The internet is clearly gaining in popularity for travel but there is still more 'looking' – researching information about travel and destinations on the internet – than booking.
- According to *eMarketer*, decisions about travel among internet users are based 31% on web searches against 47% personal recommendations, 26% personal visits to a travel agency, 25% on television programmes, 8% on newspaper articles and 6% 'other'.

TRAVEL TRADE PROFILE

Structure of the Travel Trade

- According to TIA, the Mexican travel trade is made up primarily of independently owned companies that vary in size. Large international players are represented, but the majority are small.
- It is suggested that the 'international tour operators' in Mexico are mostly wholesalers rather than real tour operators. For instance, it is said that only three of those who sell Spain have their own portfolio of products. And the distinction between a wholesaler and a retailer is not rigid: some wholesalers also sell direct to the public, and some major retailers sell wholesale to a number of client retailers.
- VisitBritain reports that there are around 50 major tour operators in Mexico, of whom the following are said to offer the best potential for travel to the UK: Viajes Fama, Las Estrellas, Viajes Capistrano, Viajes Excelsior, Viajes Intermex, Asatej, Texmar.
- For travel to Europe, the most important operators are said to include Euromundo, Iberojet, Julia Tours, Marsans, Tres Mares, Tames Mayorista, Euromayoristas and Opesa. Other important tour operators offering Europe are ABH Representaciones, Abiega Operadora, Adonde Viajes, American Express, Carimundi, Fama, Grupo Travel, Iberoamérica, Latín Holding, Mundo Mex, Petra and Viva Tours.
- In 2003 TIA listed the following as the top ten Mexican travel agencies / travel groups: American Express, Corporate Travel Services, Turismo Humboldt, La Casa del Viaje, Anfitriones Nacionales, Viajes de Colores, Viajes Flegueres, Viajes A Las Estrellas, Viajes Excelsior and Viajes Fama.
- The association of Mexican Travel Agents currently lists around 785 member companies, although there are approximately 2,000 travel agents operating in the country, with 60% based in Mexico City.

Online Travel

- It is reported that 40% of Mexican internet users have made online purchases, 46% of which were travel related.
- According to HotelMarketing.com (July 2007), Travelocity has launched travelocity.com.mx, the company's first Spanish language site in North America, offering a wide range of products, including flights, hotels, car rentals, vacation packages and activities, as well as the special negotiated deals offered by Travelocity companies worldwide.

KEY TRENDS AND FORECASTS

Key Characteristics of Mexican Outbound Travellers

- Mexicans' travel interests are clearly very heavily focused on the USA, where so many have friends and relatives and perhaps business interests. Relatively large numbers of travellers also go to neighbouring countries of Central America and the large Hispanic islands of the Caribbean (Cuba, Haiti, the Dominican Republic and Puerto Rico), but there appears to be little interest in the tourist havens of the smaller islands. South America is also attractive – and the fact that most of its inhabitants speak Spanish is an advantage. But Europe attracts three quarters of Mexican visitors to the Eastern Hemisphere.
- Travellers to Europe are drawn very largely from the 33 million people in social groups A, B and C. However, most Mexicans in social group C, and almost all in groups D and E, would seek to take their family holidays within Mexico, or possibly in the USA or neighbouring Central American countries.
- All Mexicans travelling to Europe can speak Spanish and most can speak English. They expect to spend a good deal of time in restaurants, and to eat well and at modest prices.

Short-term Prospects

- Long-distance outbound travel from Mexico seems to be growing steadily.
- The modest share of the Mexican market held by many European countries suggests good potential for growth, but the preoccupation of leisure and business travellers with the USA and neighbouring destinations remains a daunting obstacle. Domestic tourism is also a strong competitor.
- The increases in international airfares are keeping the costs of travelling to Europe high.

- The decline in the value of the US dollar (and with it the Mexican peso) is also damaging the price-competitiveness of Europe as a destination. This contrasts with the experience of many other Latin American markets, whose currencies have risen against both the dollar and the euro.
- On the positive side, airline capacity to Europe from Mexico has increased, although much of this is primarily intended to carry Europeans to Mexico.

NOTES

- a Multiple responses possible/percentages add up to more than 100%
- e Estimates
- f Forecasts

SOURCES OF INFORMATION

Principal statistical sources (by section):

- **Country Profile:** International Monetary Fund (IMF); United Nations Department of Economic & Social Affairs Population Division; The Economist Intelligence Unit (EIU).
- **Travel Profile:** Secretaría de Turismo (SECTUR); Banco de México; World Tourism Organization (UNWTO); US Department of Commerce – Office of Travel and Tourism Industries (OTTI); Travel Industry Association of America (TIA); Instituto Nacional de Estadística de España (INE); Instituto de Estudios Turísticos, Madrid (IET), VisitBritain; Canadian Tourism Commission (CTC); Anholt-GMI Nation Brands Index; The Travel Business Partnership (TBP) from various industry sources.
- **Profile of Travellers:** SECTUR; OTTI; INE; IET; VisitBritain; Synovate; TBP.
- **Air transport/Airlines:** Dirección General de Aeronáutica Civil (DGAC); SRS Analyser.
- **Travel Planning and Booking:** OTTI; TIA; IET; VisitBritain; Instituto de Turismo de Portugal (ITP); *ETC Media Review*.
- **Travel Trade Profile:** *ETC Media Review*; VisitBritain.

FURTHER INFORMATION

Secretaría de Turismo (SECTUR)	www.sectur.gob.mx
Asociación Mexicana de Agencias de Viajes (AMAV)	www.amavnacional.com
Consejo Nacional Empresarial Turístico (CNET)	www.cnet.org.mx
Confederación Nacional de Asociaciones de Agencias de Viajes de México (CONAAV)	www.conaav.org
Dirección General de Aeronáutica Civil (DGAC)	www.dgac.sct.gob.mx
Instituto Nacional de Estadística Geografía e Informática (INEGI)	www.inegi.gob.mx
World Tourism Organization (UNWTO)	www.unwto.org
Pacific Asia Travel Association (PATA)	www.pata.org

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