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34th Meeting of the Voorburg Group on Service Statistics

**Session: ISIC 5510 Short term accommodation activities
Turnover/output statistics**

Instituto Nacional de Estadística y Geografía (INEGI)

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**Paris, France
September 30th to October 4th, 2019**

Outline

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1.- Overview

The temporal lodging services represent a very important activity for Mexico due to the economic spill generated for national e international tourists not only in the sector, but also in other sector such as: transportation, restaurants, bars, etc.

Some important points:

- United States is still the principal touristic market for Mexico (59.2%).
- 7 out of 10 tourists that get in Mexico airway, come from United States.

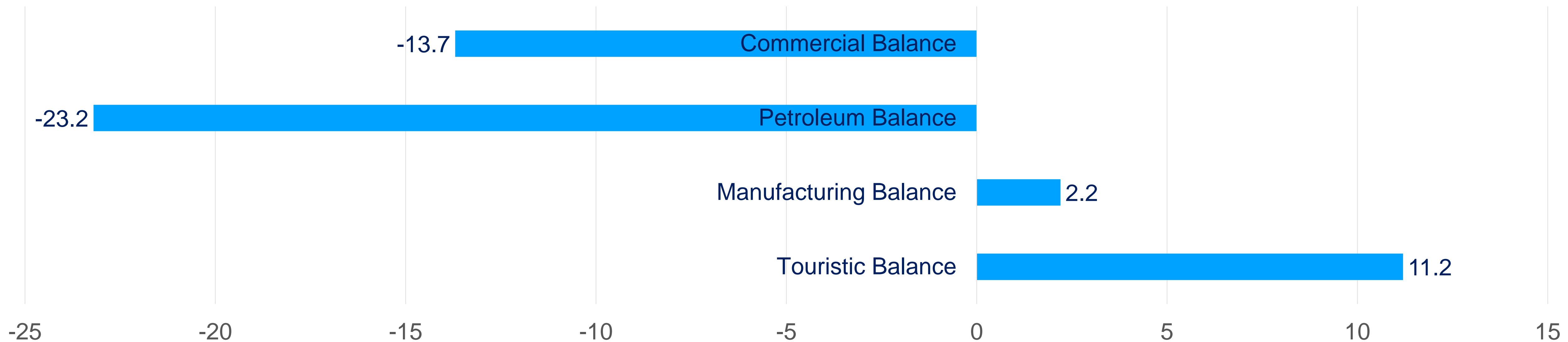Regional distribution of international tourists arrivals to Mexico airways. 2018

2.70%
2.50%
10.70%
11.10%
71.20%
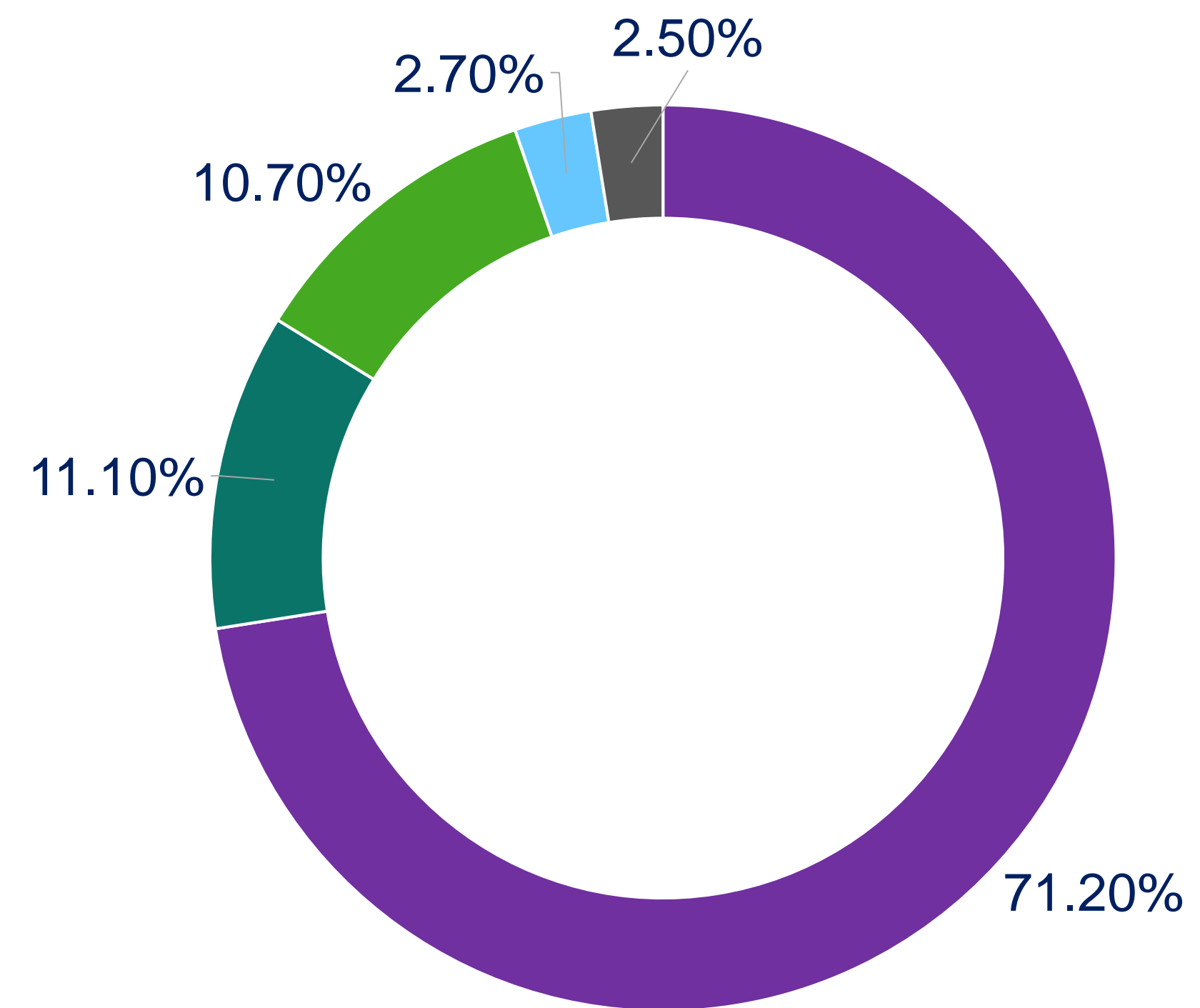
■ United States ■ Europe ■ South America ■ Asia ■ Central America

Source: The Tourism in Mexico in 2018: The year of the slowdown; page 23

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- During 2018, the income of international currencies was of 22.5 million us dollar, registering a growing of 5.5% respect to 2017.
- The balance of the Tourism Balance was of 11.2 million us dollar, showing a growing of 6.8% respect to 2018.

Compared Balance of the Tourism, Manufacturing, Petroleum and Commercial Balances 2018.
Billions of dollars

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- The arrival of tourists to hotel rooms in selected touristic centers, shows a tendency to high through the time.
- The industry is a big attraction for investors around the world and makes Mexico to strengthen and innovate to continue been one of principal touristic destinies world level.

Arrivals of tourists to hotel rooms in 25 selected tourists centers. January-December 2013-2018			
Year	Resident in the country	Not resident in the country	Total
2013	29,047,998	10,007,787	39,055,785
2014	30,249,269	11,165,735	41,415,004
2015	32,649,083	12,128,371	44,777,454
2016	34,107,822	12,994,258	47,102,080
2017	36,693,996	14,548,226	51,242,222
2018	37,295,056	14,745,853	52,040,909

Source: Panorama of Tourism Activity in Mexico, Number 26, September-December 2018, page 15

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2.- Main characteristics of the industry

Definition of the service

- According to the Mexican Tourism Secretary, the lodging services are defined as services offered by hotels and specialized establishments to create the right conditions for a night or more of tourists or visitors.

- North American Industrial Classification System, NAICS México 2013, defines the subsector 721 as economic units primarily engaged to providing accommodation services temporary in hotels, motels, hotels with casino, cabins, villas and similar.


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Classification issues

NAICS Mexico 2013		ISIC Rev. 4	
Code	**Description**	**Code**	**Description**
721111	Hotels with other integrated services	5510	Accommodation activities for short stays (Hotels with other integrated services)
721112	Hotels without other integrated services	5510	Accommodation activities for short stays (Hotels without other integrated services)
721113	Motels	5510	Accommodation activities for short stays (Motels)
721120	Hotels with casino	5510	Accommodation activities for short stays (Hotel with casino)
721190	Cabins, villas and similar	5510	Accommodation activities for short stays (cabins, villas and similar)

- Casinos are not legal activity in Mexico, there fore, there is no available information for code 721120, the foregoing based on the Federal Law of Gambling and Raffles.

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Market conditions

- Main indicators for Subsector 721 considering activity classes 721111, 721112, 721113 and 721190 coming from Economic Censuses 2009-2014.

NAICS Mexico 2013 Code	Establishments	
	2009	2014
721 Temporary accommodation services	17,190	19,554
721111 Hotels with other integrated services	4,098	5,973
721112 Hotels without other integrated services	10,176	9,587
721113 Motels	2,083	2,748
721190 Cabins, villas and similar	883	1,246
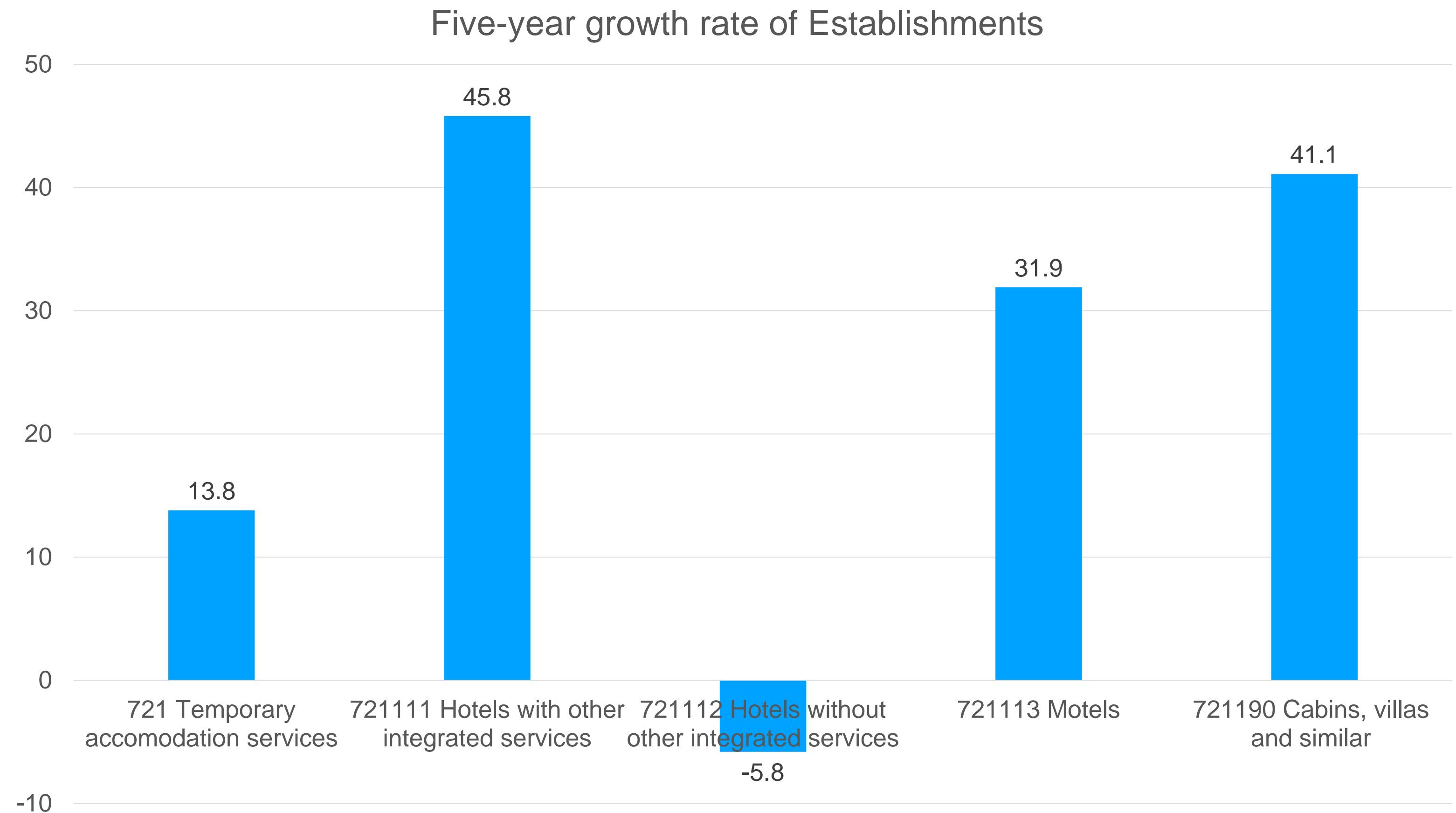
Five-year growth rate of Establishments

Market conditions

- Main indicators for Subsector 721 considering activity classes 721111, 721112, 721113 and 721190 coming from Economic Censuses 2009-2014.
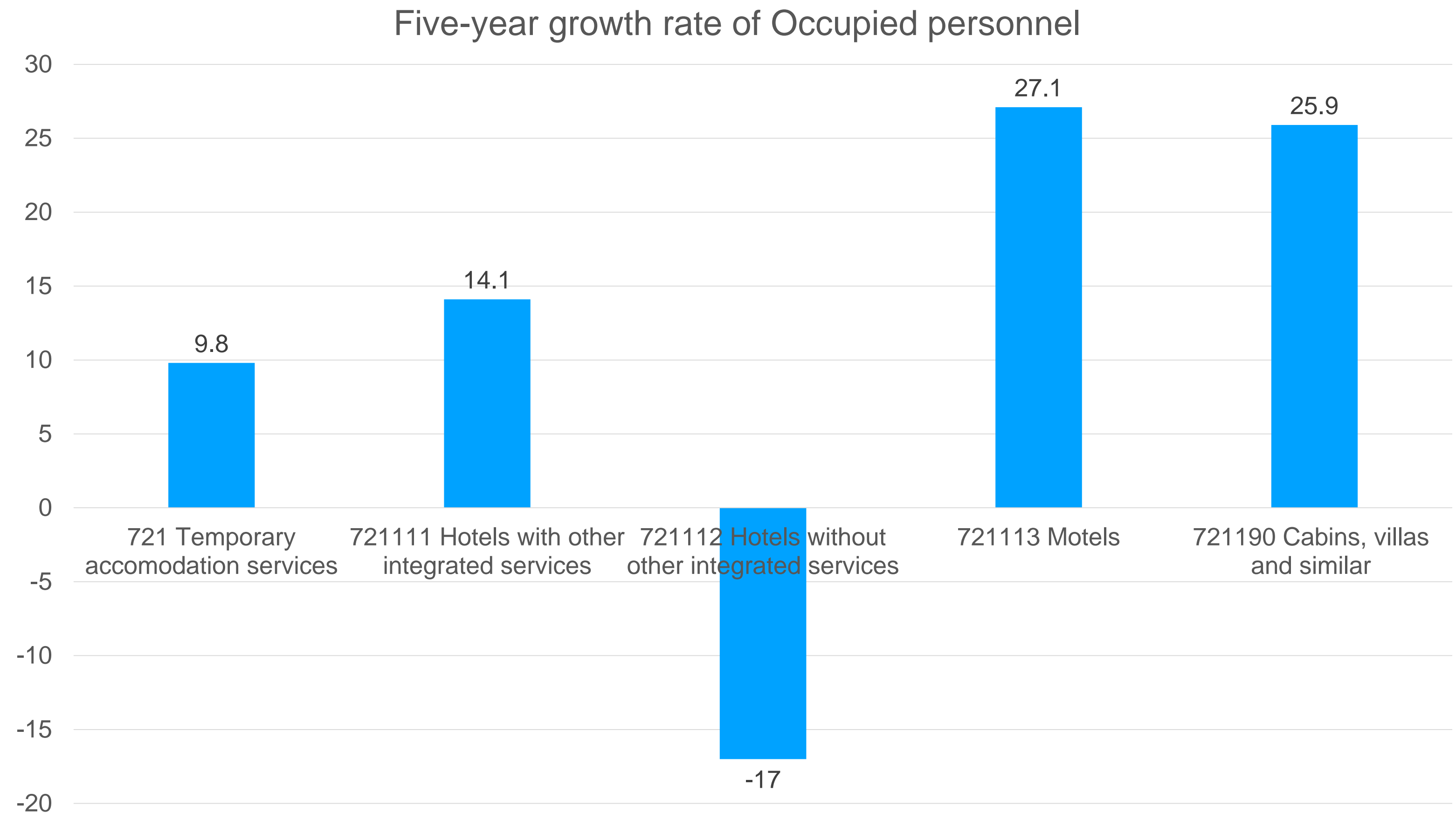
NAICS Mexico 2013 Code	Occupied Personnel	
	2009	**2014**
721 Temporary accommodation services	319,665	350,893
721111 Hotels with other integrated services	237,650	271,085
721112 Hotels without other integrated services	55,251	45,863
721113 Motels	21,229	26,976
721190 Cabins, villas and similar	5,535	6,969

Five-year growth rate of Occupied personnel

Category	Value
721 Temporary accomodation services	9.8
721111 Hotels with other integrated services	14.1
721112 Hotels without other integrated services	-17
721113 Motels	27.1
721190 Cabins, villas and similar	25.9

Market conditions

- Main indicators for Subsector 721 considering activity classes 721111, 721112, 721113 and 721190 coming from Economic Censuses 2009-2014.

NAICS Mexico 2013 Code	Incomes (million mx pesos)	
	2009	**2014**
721 Temporary accommodation services	94,161.429	103,835.883
721111 Hotels with other integrated services	81,950.937	94,369.148
721112 Hotels without other integrated services	8,730.036	5,339.080
721113 Motels	2,516.856	3,417.781
721190 Cabins, villas and similar	963.600	709.874

Five-year growth rate of Incomes

- 721 Temporary accomodation services: 10.3
- 721111 Hotels with other integrated services: 15.2
- 721112 Hotels without other integrated services: 38.8
- 721113 Motels: 35.8
- 721190 Cabins, villas and similar: -26.3
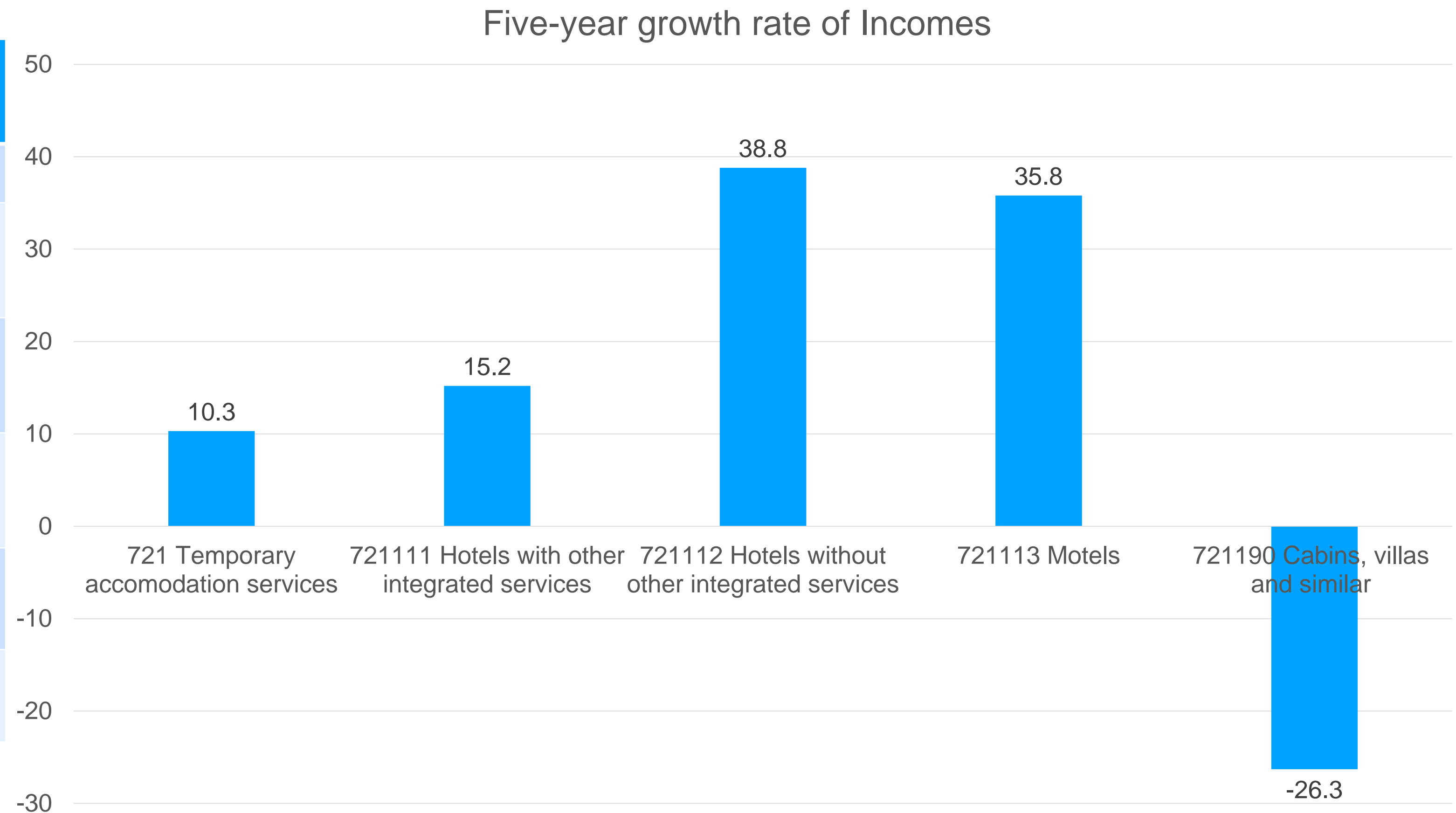
# Percentage share of activities respect to the subsector 721

Activity with most of participation along the years is 721111 *Hotels with other integrated services*, in which, seasonality behavior is evident over time, where increases are strongly correlated with holiday periods and other external aspects as volatility in exchange rate, politic aspects and others.

Incomes 2014

- 721111 Hotels with other integrated sevices
- 721112 Hotels without other integrated services
- 721113 Motels
- 721190 Cabins, villas and similar

1%
3%
5%
91%
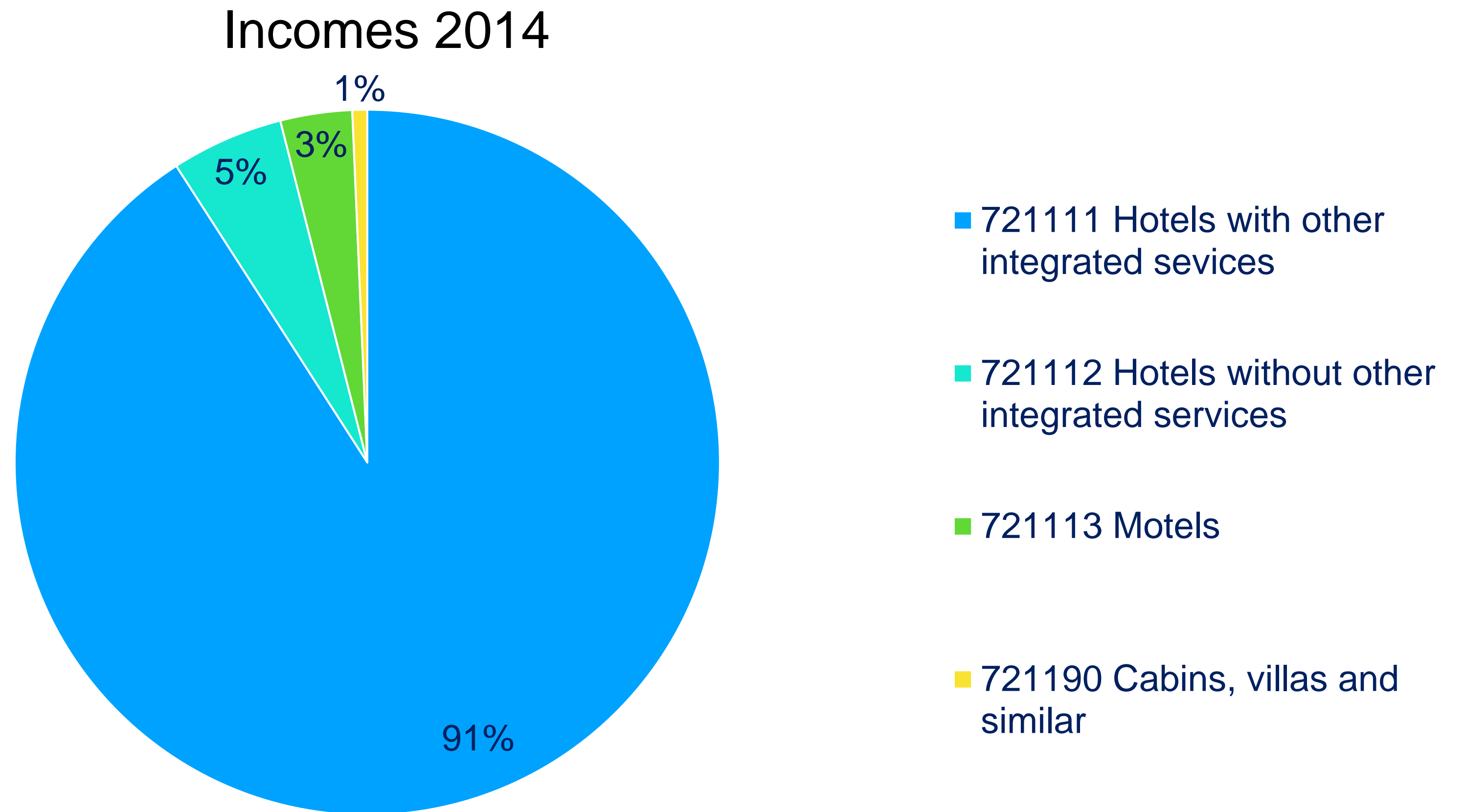
Economic Censuses 2009-2014

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Incomes Index
Lodging services with other integrated services
(2013=100)
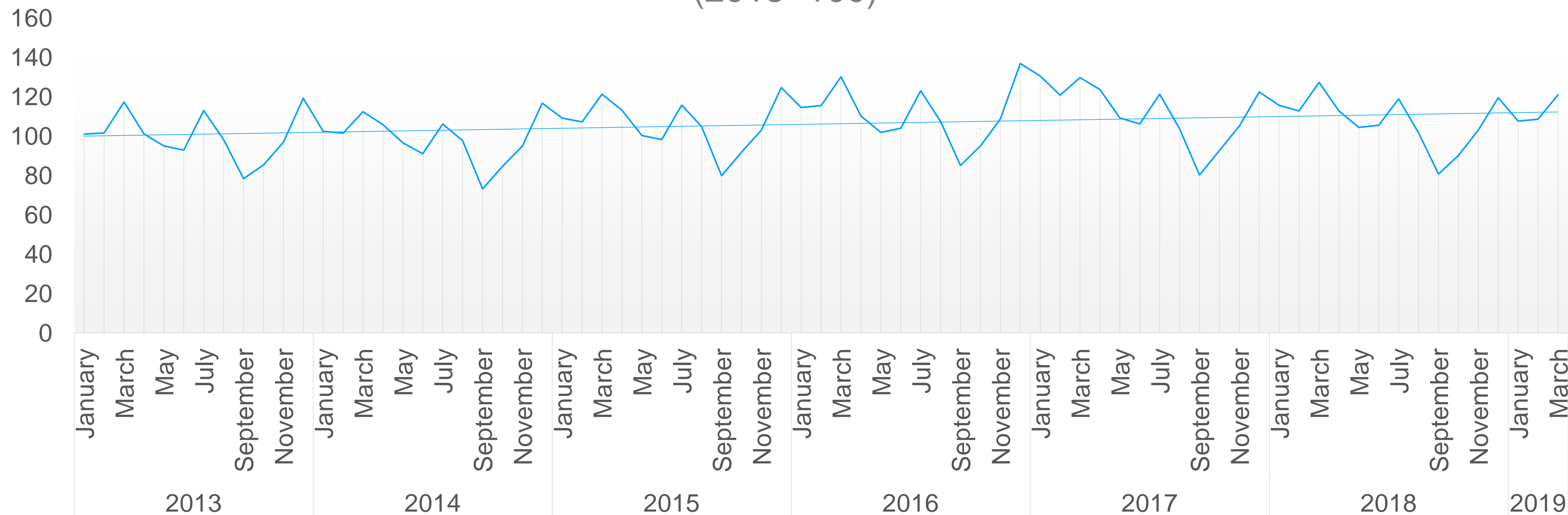
Source: Monthly Services Survey, INEGI, 2019

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Goods and services generated by the industry (according to North American Products Classification System (NAPCS Mexico, 2013)

- Temporal lodging services with other integrated services such as restaurant, bar, nightclub, laundry, beauty spa, golf camp, among others.
- Temporal lodging services in timeshare mode in hotels with other integrated services.
- Temporal lodging services in waterparks and spas (registered with the same social reason), like hotels with other integrated services.
- Temporal lodging services in motels with other integrated services.
- Temporal lodging services in motels without other integrated services.
- Temporal lodging services in timeshare mode in bungalows, cabins and villas.
- Temporal lodging services in bungalows, cabins and villas.
- Temporal lodging services in typical houses for traveler people.
- Temporal lodging service in hostels.

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3.- Turnover/output measurement

Measurement issues

Monthly Services Survey	Annual Private non-Financial Services Survey
* Employment dependent of the social reason.	* Employment dependent of the social reason (man and woman).
* Employment no dependent of the social reason.	* Employment no dependent of the social reason (man and woman).
* Total remunerations.	* Remunerations.
* Goods and services consumption.	* Goods and services consumption.
* Expenses not derived from the activity.	* Tax, financial and donations expenses.
* Incomes from the supply of goods and services.	* Financial income, subsides and donations.
* Income not derived from the activity.	* Fixed assets.
The information is published in weighted indexes	Information is published in absolute values at current thousand pesos

Main characteristics of the survey statistical design

Probabilistic design

Confidence level: 95%

Rate of non-response: 15%

Relative error: 10%

Non-probabilistic design

Coverage of the design variable: ≤60%
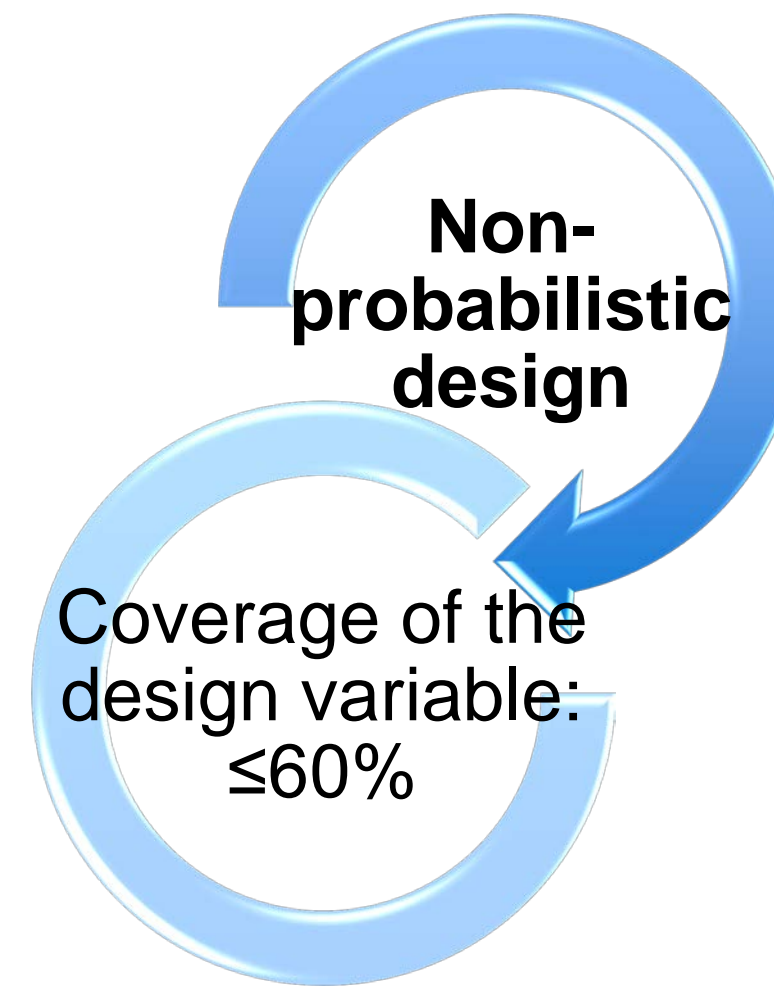
Information at national level

4.- Challenges and future work

- Digital Economy / Electronic commerce
- New products and services
  - Intelligent Hotels
  - Increases the interest of boutique hotel in Mexico and the world
- Changes in travelers needs
  - Smaller rooms
  - More common zones to socialize
  - Vegetarian food
  - More environmental commitment
- Alternative lodging

airbnb

HomeAway®

couchsurfing

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Traditional vs. Airbnb

Advantage of staying in a hotel	Advantage of staying with Airbnb platform
Standardized experience with guests	Greater exchange of tips and organization of activities with the host
Fixed entry and exit times	Necessary to agree to the delivery of keys and schedules of entry and exit
Rent a room	Rents from a room, an apartment or even a house
There is cleaning service every day	There is no cleaning until you leave, you have to do it yourself or pay an extra fee
You have to rent different rooms for a large group	You can accommodate a group in the same reservation

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5.- Conclusions

- Due to the meaningful of lodging industry, in Mexico, administrative units, associations, cameras and others, offer statistic data in order to develop public policies according to the reality of the country.

- The importance of generated statistics is to identify new tendencies of sector as result of technologic changes, the identification of new agents in the market and changes in demand of travelers or tourists.

- Nowadays, there are no statistics available that include the services of digital platforms for accommodation, specifically AIRBNB among other apps.

- It is necessary to generate in timely way the information that users are already demanding, to have the elements to make decisions that will lead them to adapt to the constants changes in the sector.

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Thank you very much!

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