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)
Ramón Bravo Zepeda

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Outline

1. Overview
2. Main Characteristics of the industry
3. Turnover/output measurement
4. Challenges and future work
5. Conclusions
1.- Overview

The temporal lodging services represent a very important activity for Mexico due to the economic spill generated for national and international tourists not only in the sector, but also in other sectors 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

Source: The Tourism in Mexico in 2018: The year of the slowdown; page 23
• 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 2017.

Billions of dollars

-23.2 Petroleum Balance
-13.7 Commercial Balance
2.2 Manufacturing Balance
11.2 Touristic Balance

Source: The Tourism in Mexico in 2018: The year of the slowdown; page 9-10
• 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.

<table>
<thead>
<tr>
<th>Year</th>
<th>Resident in the country</th>
<th>Not resident in the country</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>29,047,998</td>
<td>10,007,787</td>
<td>39,055,785</td>
</tr>
<tr>
<td>2014</td>
<td>30,249,269</td>
<td>11,165,735</td>
<td>41,415,004</td>
</tr>
<tr>
<td>2015</td>
<td>32,649,083</td>
<td>12,128,371</td>
<td>44,777,454</td>
</tr>
<tr>
<td>2016</td>
<td>34,107,822</td>
<td>12,994,258</td>
<td>47,102,080</td>
</tr>
<tr>
<td>2017</td>
<td>36,693,996</td>
<td>14,548,226</td>
<td>51,242,222</td>
</tr>
<tr>
<td>2018</td>
<td>37,295,056</td>
<td>14,745,853</td>
<td>52,040,909</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>NAICS Mexico 2013</th>
<th>ISIC Rev. 4</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Code</strong></td>
<td><strong>Description</strong></td>
</tr>
<tr>
<td>721111</td>
<td>Hotels with other integrated services</td>
</tr>
<tr>
<td>721112</td>
<td>Hotels without other integrated services</td>
</tr>
<tr>
<td>721113</td>
<td>Motels</td>
</tr>
<tr>
<td>721120</td>
<td>Hotels with casino</td>
</tr>
<tr>
<td>721190</td>
<td>Cabins, villas and similar</td>
</tr>
</tbody>
</table>

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


<table>
<thead>
<tr>
<th>NAICS Mexico 2013 Code</th>
<th>Establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2009</td>
</tr>
<tr>
<td>721 Temporary accommodation services</td>
<td>17,190</td>
</tr>
<tr>
<td>721111 Hotels with other integrated services</td>
<td>4,098</td>
</tr>
<tr>
<td>721112 Hotels without other integrated services</td>
<td>10,176</td>
</tr>
<tr>
<td>721113 Motels</td>
<td>2,083</td>
</tr>
<tr>
<td>721190 Cabins, villas and similar</td>
<td>883</td>
</tr>
</tbody>
</table>

Five-year growth rate of Establishments
### Market conditions


<table>
<thead>
<tr>
<th>NAICS Mexico 2013 Code</th>
<th>Occupied Personnel</th>
<th>2009</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>721 Temporary accommodation services</td>
<td></td>
<td>319,665</td>
<td>350,893</td>
</tr>
<tr>
<td>721111 Hotels with other integrated services</td>
<td></td>
<td>237,650</td>
<td>271,085</td>
</tr>
<tr>
<td>721112 Hotels without other integrated services</td>
<td></td>
<td>55,251</td>
<td>45,863</td>
</tr>
<tr>
<td>721113 Motels</td>
<td></td>
<td>21,229</td>
<td>26,976</td>
</tr>
<tr>
<td>721190 Cabins, villas and similar</td>
<td></td>
<td>5,535</td>
<td>6,969</td>
</tr>
</tbody>
</table>

**Five-year growth rate of Occupied personnel**

<table>
<thead>
<tr>
<th>Category</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>721 Temporary accommodation services</td>
<td>9.8%</td>
</tr>
<tr>
<td>721111 Hotels with other integrated services</td>
<td>14.1%</td>
</tr>
<tr>
<td>721112 Hotels without other integrated services</td>
<td>-17%</td>
</tr>
<tr>
<td>721113 Motels</td>
<td>27.1%</td>
</tr>
<tr>
<td>721190 Cabins, villas and similar</td>
<td>25.9%</td>
</tr>
</tbody>
</table>
Market conditions


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

Five-year growth rate of Incomes

- 721 Temporary accommodation 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%
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 Index
Lodging services with other integrated services
(2013=100)

Source: Monthly Services Survey, INEGI, 2019
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.
3.- Turnover/output measurement

Measurement issues

**Monthly Services Survey**
- Employment dependent of the social reason.
- Employment no dependent of the social reason.
- Total remunerations.
- Goods and services consumption.
- Expenses not derived from the activity.
- Incomes from the supply of goods and services.
- Income not derived from the activity.

The information is published in weighted indexes

**Annual Private non-Financial Services Survey**
- Employment dependent of the social reason (man and woman).
- Employment no dependent of the social reason (man and woman).
- Remunerations.
- Goods and services consumption.
- Tax, financial and donations expenses.
- Financial income, subsides and donations.
- Fixed assets.

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

- INEGI
<table>
<thead>
<tr>
<th>Traditional vs. Airbnb</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Advantage of staying in a hotel</strong></td>
<td><strong>Advantage of staying with Airbnb platform</strong></td>
</tr>
<tr>
<td>Standardized experience with guests</td>
<td>Greater exchange of tips and organization of activities with the host</td>
</tr>
<tr>
<td>Fixed entry and exit times</td>
<td>Necessary to agree to the delivery of keys and schedules of entry and exit</td>
</tr>
<tr>
<td>Rent a room</td>
<td>Rents from a room, an apartment or even a house</td>
</tr>
<tr>
<td>There is cleaning service every day</td>
<td>There is no cleaning until you leave, you have to do it yourself or pay an extra fee</td>
</tr>
<tr>
<td>You have to rent different rooms for a large group</td>
<td>You can accommodate a group in the same reservation</td>
</tr>
</tbody>
</table>
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.
Thank you very much!

Further information please contact
ramon.bravo@inegi.org.mx
Conociendo México

01 800 111 46 34
www.inegi.org.mx
atencion.usuarios@inegi.org.mx

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