Economic Development Planning, Summary 11

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Title: Realizing the Full Value of Tourism from Mexico to the United States
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Summary: As the United States seeks to attract more foreign tourists after losing a significant share of the global market between 2000 and 2010, federal agencies should focus considerably more attention on Mexico, our next-door neighbor. Almost a quarter of the tourists who visit the U.S. come from Mexico, second only to Canada. The U.S. saw 13.42 million visits from Mexico in 2011, but it has yet to tap the potential of a middle-income country with a population of 113 million and the world’s 12th largest economy.
The U.S. needs to take a new approach in promoting its tourist attractions to Mexico, starting with the message that Mexican visitors are welcome in the U.S. As well, the U.S. must address obstacles that make it more difficult for Mexicans to visit the U.S., including an onerous visa process and inadequate ports of entry with long wait times. For its part, in competing for its share of international visitors, Arizona must deal with the sometimes-harsh image that it conveys to Mexico as it deals with border problems.
Sectors: Tourism, Arizona and Mexico.
**Geographic impact:** Arizona, United States and Mexico.


**Major challenges:** The United States needs to acknowledge the importance of Mexico to this nation’s tourism industry and devote more resources to tourism promotion in Mexico. A bigger challenge is the onerous visa process that Mexicans must follow to be admitted into the U.S. Mexico is not included in the U.S. Visa Waiver Program, so prospective visitors must apply for a Border Processing Card, which includes making an appointment to be interviewed at the nearest consular office and gathering documents to prove applicants will return to Mexico. Mexican nationals are required to obtain a Mexican passport.

The U.S. land ports of entry with Mexico also pose challenges, including an aging infrastructure, heavy security and often too few Customers and Border Protection agents at the ports of entry, which result in long wait times to enter the U.S. Arizona’s SB 1070 law also has led to the portrayal of Arizona as less than welcoming to potential tourists from Mexico. These factors have contributed to a declining number of Mexicans legally crossing into the Arizona through the ports of entry, from 28 million crossings in 2009, to 24 million in 2010, to 21.7 million in 2011.

**Progress to date:** In response to a January, 2012 Executive Order on travel and tourism, the State Department and Department of Homeland Security issued a report in August 2012, stating they “have devoted considerable attention to increasing and enhancing travel with our two North American neighbors and greatest sources of visitors: Canada and Mexico” (Executive Order 13597: Improvements to Visa Processing and Foreign Visitor Processing 180-Day Progress Report”).

Travel from Brazil and China appear to be priorities for the two departments, but the State Department reports that it is improving the visa applicant experience for Mexicans through a variety of efficiency measures, including a nationwide appointment system and fee payment by credit card online or over the phone. Visas and border crossing cards for Mexicans increased 32 percent in the first six months of 2012. The report says the SENTRI program is providing expedited Customs and Border Protection processing for pre-approved, low-risk travelers through a Dedicated Commuter Lane at U.S. land border ports of entry from Mexico. Work is underway on expansion of the Mariposa port of entry in Nogales, Ariz., to expedite tourism and shipping into the U.S.
**Major implications:** With its geographical location and long relationship with Mexico, Arizona is in an ideal position to capitalize on efforts to attract more Mexican tourists to the U.S. In 2007-08, Mexican visitors spent $2.69 billion in Arizona, generating 23,400 direct jobs and 7,000 indirect jobs, according to a University of Arizona study. The study showed 99 percent of visitors were from Sonora, the state along Arizona’s southern border, and that 64 percent came here for leisure activities and 36 percent for business-related reasons. As the economies of Sonora and Mexico grow and the Mexican middle class continues to grow, Arizona stands to benefit significantly from the injection of more tourist money into the economy.

**Opportunities for alignment:** The Arizona Office of Tourism has long recognized the importance of attracting tourists from Mexico. AOT also provides information to Americans interested in crossing the border from Arizona into Mexico. Arizona’s congressional delegation, the AOT and Arizona government should seek to strengthen relations with the U.S. Department of Commerce’s Office of Travel and Tourism Industries and U.S. Customs and Border Patrol to reduce barriers to tourism from Mexico. Border communities, as well as the metropolitan areas of Phoenix and Tucson, also are in a position to work with U.S. and Mexican officials to promote tourism from Mexico. Similarly, there is a major role for retail businesses and the hospitality industry to play.

**Background:** The significant impact – and still existing potential – of Mexican tourism is “hidden in plain sight” to a United States that is focusing its international tourism promotion on China, Brazil and India. The U.S. needs to invest more time and funds in promoting the country to Mexico, which accounts for a quarter of foreign visits to the U.S.

**Five key steps**
Five key steps could go a long way in unlocking the Mexican market to the United States, generating more jobs and tax revenues in this country. They are:

- Include Mexico together with China, Brazil and India as targets for tourism promotion by the U.S. Departments of Commerce and Interior. Mexico ranks second in terms of visits to the U.S. and had the fourth-highest tourism expenditures ($8.7 billion) of any country in 2010. It’s become a middle class country with a population of 113 million.

- Actively promote travel to the United States in Mexico. The U.S. government is not making a significant and concerted effort to promote travel to the U.S. in Mexico. Much of that promotional effort has been left to cities and states. The U.S. needs to act, especially as the European Union looks to Mexico for tourists.

- Revamp the processing of tourist visas in Mexico to make it fairer, faster and safer while maintaining security standards. The process of obtaining a Border Crossing Card is expensive and onerous, often serving as a deterrent to travel. Mexico is not part of the U.S. Visa Waiver Program, which grants
citizens from 36 countries the right to enter the U.S. for a maximum of 90 days without a visa.

- Upgrade border infrastructure and invest in more staff to operate land ports of entry efficiently. The upgrading of dozens of ports of entry along the border with Mexico should be accelerated, with an emphasis that includes enhanced staffing, technology, infrastructure and communications. Long wait times and other obstacles to travel are resulting in the U.S. leaving money on the table.

- Actively facilitate Mexican tourism environments at the land ports of entry. Mexican tourists should receive a just, efficient and courteous welcome to the U.S. at the ports of entry, which serve as gateways to the U.S. The new Ready Lanes at the ports are an excellent start.