

| YEAR | APPROVED AMOUNT | INVEST. GENERATED | NEW ROOMS | REMODEL | EMPLOYMENT GENERATED |
|--------------|--------------------|----------------------|---------------|---------------|-------------------------|
| 1984 | \$182.3 | \$364.8 | 5,275 | 3,196 | 4,958 |
| 1985 | \$179.8 | \$236.0 | 5,002 | 4,688 | 5,572 |
| 1986 | \$142.0 | \$233.9 | 5,545 | 3,969 | 3,745 |
| 1987 | \$159.3 | \$288.4 | 5,058 | 1,864 | 4,067 |
| 1988 | \$ 9.4 | \$ 14.8 | 403 | 202 | 283 |
| 1989 | \$114.2 | \$373.6 | 6,800 | 4,400 | 4,446 |
| 1990 | \$ 80.2 | \$344.2 | 3,479 | 1,156 | 3,831 |
| TOTAL | \$847.7 | \$1662.2 | 30,998 | 19,331 | 26,304 |

Source: CONCANACO-SERVYTUR: Panorama de la Actividad Turística en México 1989.

FONATUR invested \$159.3 million in 1987 for the construction of 5,058 new rooms and the remodeling of another 1,864. In 1988, it only invested \$9 million as a result of the Economic Solidarity Pact, which stopped all financing not approved before December 1987; 1989 shows signs of recovery again, with a total financing of \$119 million approved to create 11,200 rooms. In 1990. In 1990, credits pproved amounted to Mex\$176 billion in addition to US\$14. Of the new rooms approved, 11% were in grand tourism hotels, 15% in five stars, 22% in four stars, 35% in three stars, 5% in one star, and 6% in time sharing (as compared to 29%, 20%, 30%, respectively, 7% in special class and 6% in time sharing establishments in 1989). Remodeled rooms were concentrated in four star hotels (53%), three star (23%) and two star (13%) ones. Total financing approved between 1984 and 1990 was distributed geographically as follows: Quintana Roo (30%), Mexico City (11%), Oaxaca (10%), Nuevo León (8%), Guerrero (7%), Sinaloa (5%), Jalisco (5%), Baja California Norte (3%) and Sonora (3%) among the most significant.

During the next five years, FONATUR will invest \$500 million in the infrastructure of the centers of Cancún, Huatulco, Ixtapa-Zihuatanejo, Los Cabos and Loreto in addition to a \$70 million credit project, destined to consolidate existing resorts and to promote the megaprojects. In order to increase the participation of economic, one and two star hotels in the FONATUR financing, the State Guarantee Funds were created to support small and medium sized companies by providing a line of credit 10 times that of the initial financing by the state government, as well as guaranteeing small firms to obtain credit at commercial banks and providing technical, administrative and promotion assistance. There are presently seven funds in Tlaxcala, Hidalgo, Sonora, Sinaloa, Chiapas and Chihuahua. This fund has accounted for much of the investments in smaller one and two star hotels.

Tourism financing programs are now available from local banks to small and medium sized investors as well as new rules on land purchase. The National Bank for Foreign Trade (BNCE) started operating a special fund for tourism in 1989 which is disbursed