

travelling to Mexico come from the U.S., 6% from Canada, 4% from Latin America and 3% from Europe.

The Mexican hotel and restaurant industry is mostly owned and managed by the private sector and in the past years, state owned hotel interests have been sold to private investors (such as the Presidente hotel chain to Stouffer hotels). Mexican Government agencies such as the Council of National Resources for the Assistance of the Youth (CREA) and several worker's unions own and manage hotels in the most important local resorts. They offer special discounted rates to their affiliates and groups. Mexican banks also maintain substantial interests in hotels and in some cases are investing in the construction of new hotels.

4.1 HOTELS

The Mexican hotel industry is ranked eighth worldwide in number of rooms. It presently consists of 7,514 registered hotels and motels offering 308,992 rooms. This is a 4% decrease as compared to 1990, because of the reduction of the number of small and medium sized hotels, despite the growth in large high class hotels. However, it still represents a 52% growth over the 5,300 establishments and 262,000 rooms of 1983 and a dramatic increase over the 76,000 rooms of 1960. This industry is expected to grow by 3%-4% annually in the next four years as a result of increased investments in the sector, led by the Mexican Government's support. The administration of President Salinas has defined tourism as the most promissory source of economic growth and has established a 5 year target to almost duplicate the number of tourists to 10 million a year by 1994 with a total income of \$5 billion.

Mexico's hotels and motels can be divided into categories as follows:

CATEGORY	NO. OF ESTABLISHMENTS		NO. OF ROOMS	
	1989	1990	1989	1990
Special Class	23	25	3,756	3,777
Grand Tourism	17	18	6,343	7,472
Five Stars	126	127	30,815	29,901
Four Stars	379	378	43,075	42,295
Three Stars	774	752	43,284	42,394
Two Stars	1,199	1,168	46,089	44,405
One Star	1,155	1,021	35,855	32,812
Economy	1,863	1,710	45,759	42,685
Other	2,435	2,315	66,999	63,251
TOTAL	7,971	7,514	321,975	308,992

Source: CONCANACO-SERVYTUR: Panorama de la Actividad Turística en México 1989, 1990.