



**Tourism Board**

# THE UNCONVENTIONAL DESTINATION

!!!! VAT exemption for the  
meeting industry!!!!

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# BACKGROUND of the creation of Mexico Convention Bureau

• Priority segment for the Tourism Sector.



• Benchmark studies (analysis) with other countries.



• MICE Committee



APPROVED

• Marketing Committee



APPROVED

• Government Board of June 26th, 2003



APPROVED



# Mexico Convention Bureau

- New specialized area in the Mexico Tourism Board, created as a service unit to attend the MICE (Meetings, Incentive, Congress & Exhibition) Segment

THE ONE STOP SHOP FOR YOUR EVENTS IN  
MEXICO

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# STRATEGIC DEFINITION

## MCB is...

- It is a non profit service unit within The Mexico Tourism Board.
- It is the main promoter of Mexico's MICE segment.
- It is Mexico's first contact for this segment.
- MCB highly contribute to improve Mexico's economy.
- Data and information center.

## MCB is not...

- PCO nor Meeting Planners.
  - Reservation Center.
  - DMC nor Travel Agency.
  - Decision maker about the sites (we just provide suitable information)
  - Representatives of any specific destination.
  - Financing source.
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# WHAT DO MCB EXPECT?

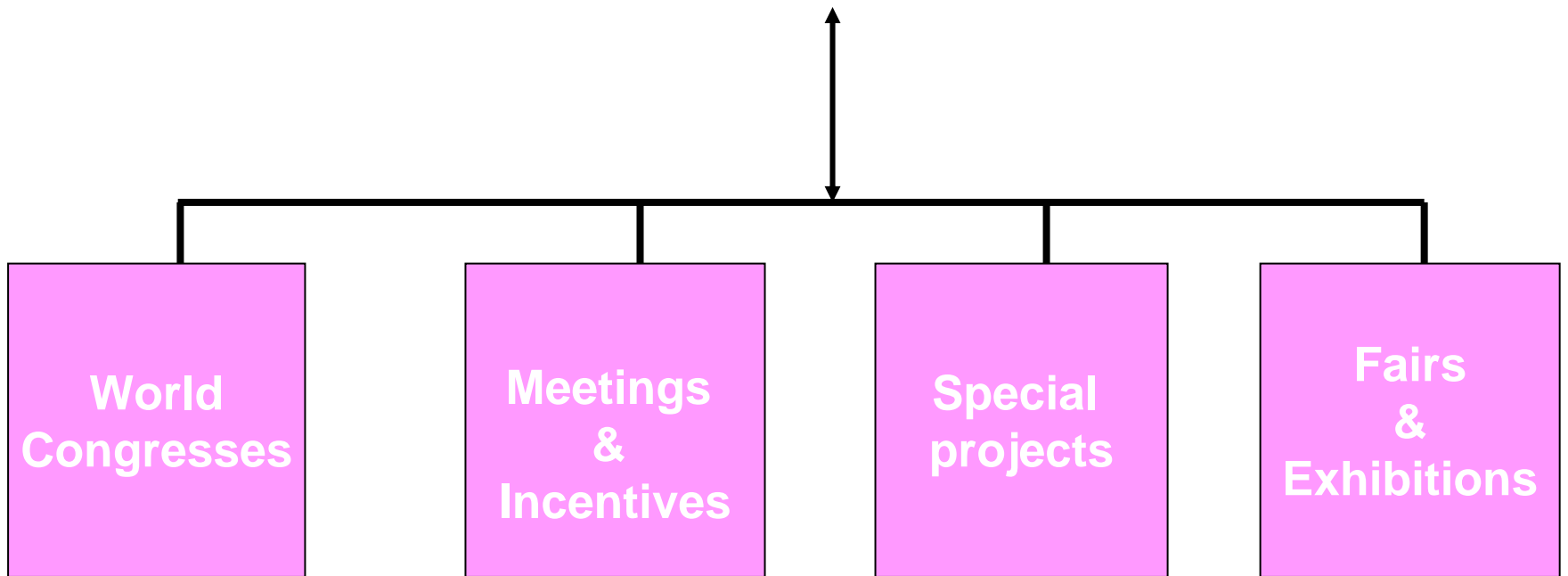
- MCB wants to play an important roll in the MICE segment, as the main intermediary for the private sector and the various government offices.
  - MCB wants to line-up all particular efforts in order to achieve one national strategy towards International Market.
  - MCB wants to become the facilitator organism for the specialized promotion of our Country at international level, to improve Mexico's visibility in the MICE market.
  - MCB wants to coordinate and to assure the optimal use of resources between our 53 destinations CVB's and similar organizations.
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# STRUCTURE

- ADMINISTRATIVE UNIT, MCB REPORT TO MEXICO TOURISM BOARD CEO.
  - MCB USES THE ADMINISTRATIVE INFRASTRUCTURE OF THE MEXICO TOURISM BOARD. (INCLUDING THE PR AND ADVERTISING AGENCIES AS WELL AS THE MKTG OFFICES ABROAD).
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# STRUCTURE

The MCB works in 4 main highways



## Why Mexico?

Among other ingredients, Mexico offers a wide variety of destinations and state of the art facilities to ensure world class events and...

**Now in Mexico:  
Sales Tax Exemption  
on Congresses, Conventions, Fairs  
and Expos Organized by Foreign  
Companies in Mexico**

# SALES TAX EXEMPTION on Congresses, Conventions, Fairs and Expos Organized by Foreign Companies in Mexico

## What is the sales tax exemption?

A reform that will eliminate sales tax on congresses, conventions, fairs and expos held by foreign companies in Mexico, starting January 2004

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# SALES TAX EXEMPTION on Congresses, Conventions, Fairs and Expos Organized by Foreign Companies in Mexico

What was the sales tax before the exemption?

10% in border Mexican States and  
15% in the rest of the country

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## SALES TAX EXEMPTION

on Congresses, Conventions, Fairs and Expos  
Organized by Foreign Companies in Mexico

What is the purpose of this  
measure?

It will help Mexico to become more competitive in the international market for congresses, conventions, fairs and expos.

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# SALES TAX EXEMPTION on Congresses, Conventions, Fairs and Expos Organized by Foreign Companies in Mexico

## Why is the MICE segment so important to Mexico?

- It enables Mexico to attract more high-income tourists
  - The services required for the organization of congresses, conventions, fairs and expos will generate well-paid jobs and stimulate development
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# SALES TAX EXEMPTION

## on Congresses, Conventions, Fairs and Expos Organized by Foreign Companies in Mexico

### How was the decision made?

- The tax incentive initiative was proposed by Mexico's tourism industry to Mexican President Vicente Fox
  - The initiative was passed in December 2002 by the Congress and it applies to events held as of January 2004
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# SALES TAX EXEMPTION

## on Congresses, Conventions, Fairs and Expos Organized by Foreign Companies in Mexico

### What does the exemption cover?

- Lodging
  - Airport/seaport/border transfers
  - Transfers between hotels and meeting places
  - Related event services such as set-up, registration, masters of ceremonies, translators, hosts, audiovisual equipment, decoration, security and cleaning
  - Food and beverages served by the hotel or the convention center and as part of the event
  - All related services contracted up to two nights before and two nights after the event
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# SALES TAX EXEMPTION on Congresses, Conventions, Fairs and Expos Organized by Foreign Companies in Mexico

What does the exemption NOT cover?

- Incentive travel
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## SALES TAX EXEMPTION

### on Congresses, Conventions, Fairs and Expos Organized by Foreign Companies in Mexico

#### How can my event qualify for the exemption?

- It must be coordinated by a Mexican hotel or venue certified by the Mexican government
  - It must be paid with a credit agency (bank, credit card company, etc.) headquartered abroad
  - Event organizers must provide migratory documents proving that all attendees reside outside Mexico, as well as contract of services
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# SALES TAX EXEMPTION on Congresses, Conventions, Fairs and Expos Organized by Foreign Companies in Mexico

## What advantages does Mexico offer?

- Proximity to the U.S.
  - Value
  - Hotel capacity
  - Top-notch meeting facilities at a wide variety of price points
  - Excellent telecommunications infrastructure
  - Cutting-edge technology
  - Strong customer service hospitality
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# SALES TAX EXEMPTION on Congresses, Conventions, Fairs and Expos Organized by Foreign Companies in Mexico

## What advantages does Mexico offer?

- 57 international and 28 national airports serviced by leading airlines
  - A 110,000 km highway network
  - More than 3,100 luxury hotels with 245,000 hotel rooms
  - 38 Convention Centers with:
    - 342,011 m<sup>2</sup> of exhibition space
    - 202,879 m<sup>2</sup> of convention space
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# SALES TAX EXEMPTION on Congresses, Conventions, Fairs and Expos Organized by Foreign Companies in Mexico

## What are some of Mexico's leading Convention Centers?

- World Trade Center, Centro Banamex and the Business and Trade Center (Mexico City)
  - Acapulco Convention Center (Acapulco, Guerrero)
  - Campeche XXI Convention Center (Campeche City, Campeche)
  - Cancun Convention Center (Cancun, Quintana Roo)
  - Monterrey International Business Center (Monterrey, Nuevo Leon)
  - Expo Guadalajara (Guadalajara, Jalisco)
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# SALES TAX EXEMPTION

## on Congresses, Conventions, Fairs and Expos Organized by Foreign Companies in Mexico

How has Mexico's business tourist segment been growing?

- From 1999 to 2002, the number of congresses and conventions in Mexico increased 551 %, the number of expos 93 % , the number of events in Conventions Centers 125 % and the amount of fair hall floor space by 160 %
  - In 2002, the MTB spent US\$7 million on promoting the MICE segment in North America.
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# SALES TAX EXEMPTION

## on Congresses, Conventions, Fairs and Expos Organized by Foreign Companies in Mexico

What important congresses and conventions has Mexico hosted recently?

- United Nations Conference on Funding for Development in Monterrey (March 2002)
  - Asia Pacific Economic Cooperation (APEC) conferences in Los Cabos (October 2002)
  - the World Trade Organization Summit in Cancun (September 2003)
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# SALES TAX EXEMPTION

## on Congresses, Conventions, Fairs and Expos Organized by Foreign Companies in Mexico

What support does Mexico offer for people who want to host their event?

The services of the Mexico Convention Bureau (*Oficina de Congresos y Convenciones de México*, or *OCC*), which:

- coordinates the country's vast network of local convention and visitors bureaus and tourism offices
  - provides information needed to help meeting planners organize events in Mexico
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iiiiiiiStarting 2004  
VAT exemption for the  
meeting industry!!!!!!





**MEXICO**

**¡¡BEYOND YOUR EXPECTATIONS!!**

¡Thank you!

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