

LOS  CABOS

LOS CABOS TOURISM OBSERVATORY

KEY PERFORMANCE INDICATORS

MARCH 2020

Main indicators - Summary

Hotel Activity



SOURCE: LOS CABOS HOTEL ASSOCIATION

Air Passenger Arrivals

Total Passengers (Feb-2020, expressed in thousands):	National Passengers (Feb-2020, expressed in thousands):	International Passengers (Feb-2020, expressed in thousands):
246.8	67.1	179.8
+12.4%	+12.5%	+12.4%
(vs. Feb-2019)	(vs. Feb-2019)	(vs. Feb-2019)

SOURCE: GAP

Group Business Total RFPs (Feb-2020):
30
+10 RFPs
 (vs. Feb-2019)

Tourist Surveys Tourist Satisfaction (more than expected, Jan-2020):
37%
-2.7pp
 (vs. Jan-2019)

Cruise passengers (Jan-2020):
80,979
+27.4%
 (vs. Jan-2019)

Rooms Available (Jan-2020):
21,782
+9.5%
 (vs. Jan-2019)

SOURCE: DATATUR

Hotel Occupancy (Feb-2020):
79%
+1pp
 (vs. Feb-2019)

SOURCE: AHLIC

Room nights (Ene-2020):
1,133,750
+9.4%
 (vs. Ene-2019)

SOURCE: DATATUR

Attendees to congresses and conventions (Jan-2020):
1.3% of the total
+0.3pp
 (vs. Jan-2019)

SOURCE: TOURIST SURVEYS

Tourists' Origin (Jan-2020): **73.6% foreigners**
+1.9pp
 (vs. Jan-2019)

Cruise ships (Jan-2020):
26
+3 cruises
 (vs. Jan-2019)

SOURCE: TOURIST SURVEYS

SOURCE: DATATUR



LOS CABOS TOURISM OBSERVATORY

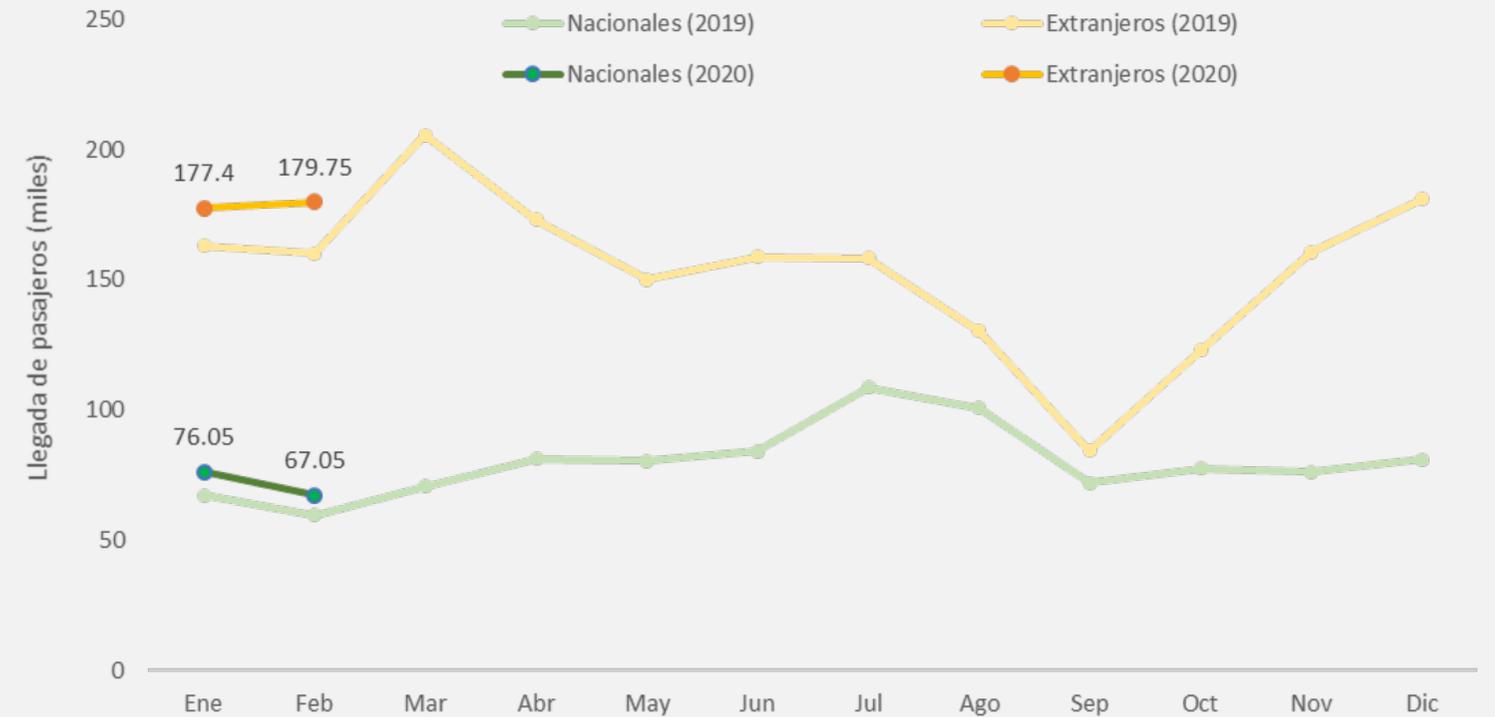
**DEMAND INDICATORS
PASSENGERS AND TOURISTS**

Passenger arrivals at Los Cabos International Airport, 2019-2020

- Los Cabos International Airport registered the arrival of 246.8 thousand passengers in Feb-2020, which implies an increase of 12.4% compared to the same period in 2019.
 - Passengers on domestic flights (67.05 thousand) comprise 27.2% of the overall arrivals, and increased by 12.5% compared to Feb-2019.
 - Passengers on international flights (179.8 thousand) represent 72.8%, and had an increase of 12.4%.

SOURCE: GAP

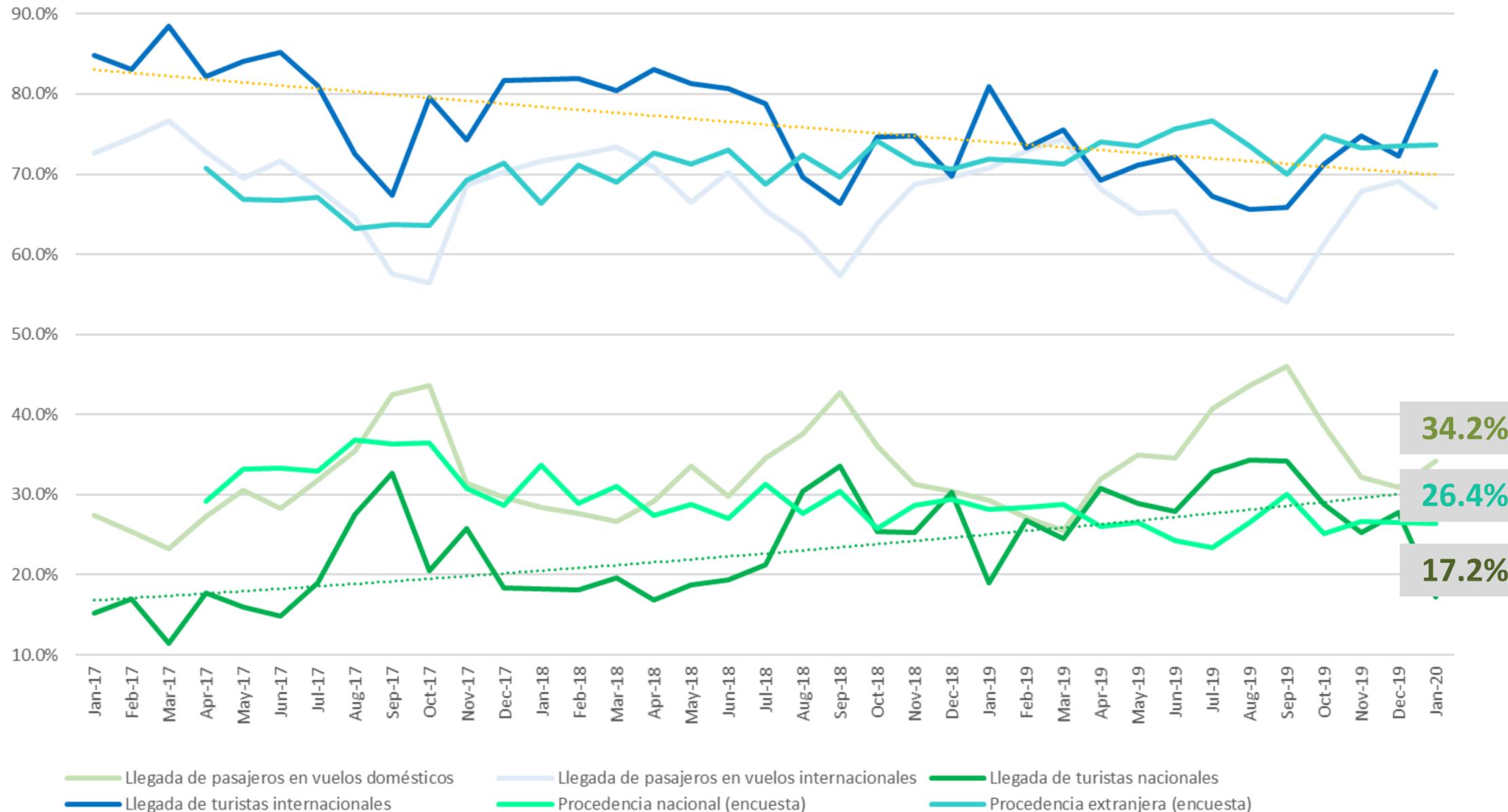
Passenger arrivals at Los Cabos International Airport, monthly (2019-2020)



SOURCE: GAP

Evolution of national and international tourism participation

Participación porcentual de las llegadas de turistas residentes y no residentes a hoteles en Los Cabos y de la llegada de pasajeros en vuelos domésticos e internacionales al aeropuerto internacional de Los Cabos (2017-2019)



- According to DataTur, the number of national residents arriving at hotels in Los Cabos has decreased 9.5pp when compared to the previous year (Jan-2019 to Jan-2020). It registers 17.2% in Jan-2020.
- Moreover, the participation of national passengers in the total registered by the Los Cabos International Airport showed a 5pp increase in the same period. It reaches 34.2% in Jan-2020.
- In turn, tourist surveys reveal a 1.7pp decrease in the participation of national tourists, reaching 26.4%.

SOURCE: DATATUR, GAP, TOURIST SURVEYS

International tourist arrivals by air, by origin (residence), monthly 2019-2020

Regiones	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Δ Jan-20 / Jan-19
EE.UU.	122,358	132,938	173,759	140,159	135,239	146,487	142,111	111,494	73,431	113,947	137,433	161,174	139,238	13.8%
Canadá	24,304	22,196	24,065	16,499	6,852	4,225	4,373	4,425	3,261	7,350	19,046	21,542	22,830	-6.1%
Europa	841	1,094	921	1,198	1,011	782	897	756	303	447	1,230	1,210	1,434	70.5%
Caribe, Centro y Sudamérica	295	168	185	286	232	134	239	200	124	102	152	148	210	-28.8%
Resto del Mundo	1,053	697	1,161	1,030	955	765	852	774	604	784	796	898	940	-10.7%
Gran total	148,851	157,093	200,091	159,172	144,289	152,393	148,472	117,649	77,723	122,630	158,657	184,972	164,652	10.6%

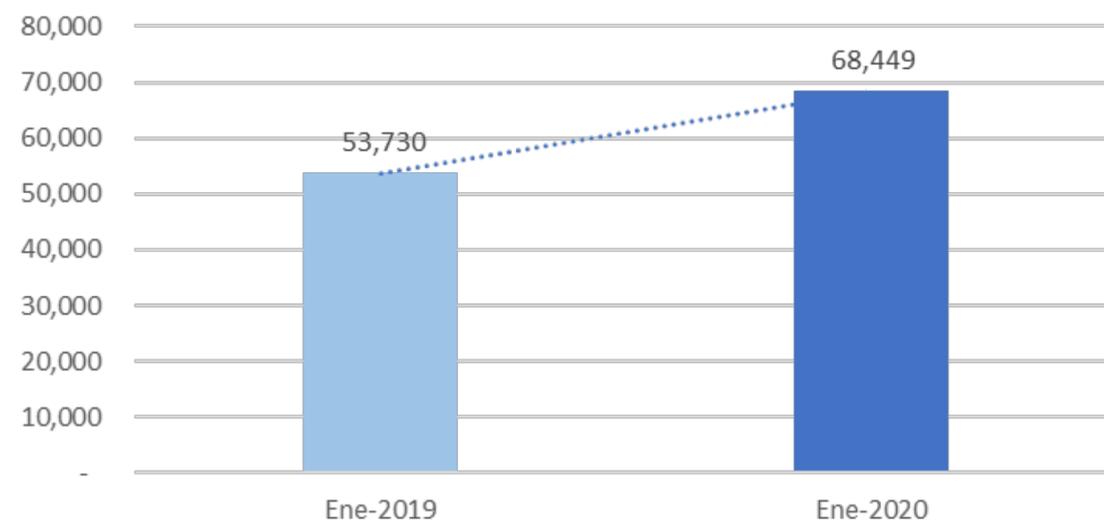
Mercados clave	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Δ Jan-20 / Jan-19
Reino Unido	236	259	272	336	131	94	184	219	73	155	827	773	942	299.2%
Australia	488	177	274	388	352	347	336	256	201	346	268	305	415	-15.0%
Corea del Sur	103	132	140	123	95	72	87	83	111	179	134	126	98	-4.9%
Total mercados clave	827	568	686	847	578	513	607	558	385	680	1,229	1,204	1,455	75.9%

SOURCE: INM-SIOM

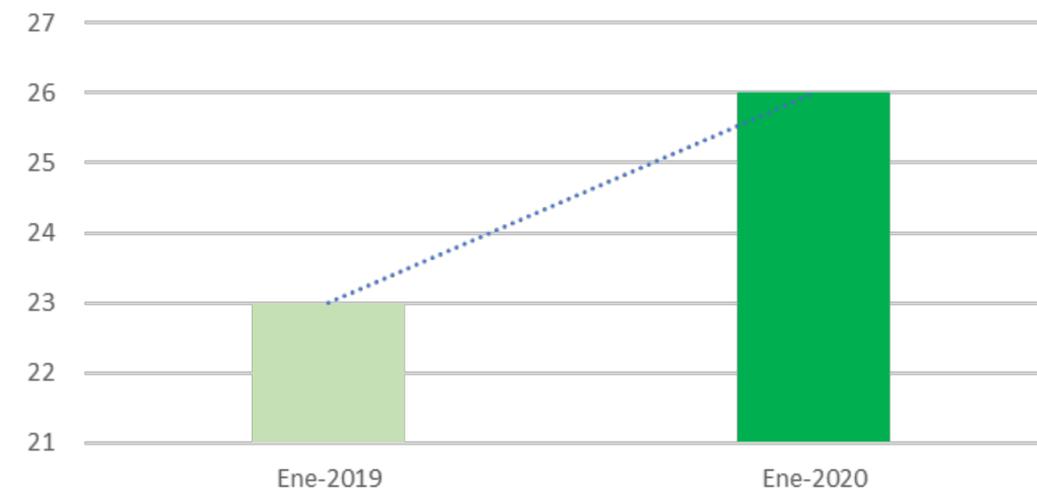
Passenger arrivals on cruise ships and vessels (2019-2020)

- In Jan-2020, the Port of Cabo San Lucas registered the arrival of 68,449 cruise passengers.
 - This means a 28.4% increase in passenger volume compared to Jan-2019.
 - Moreover, the arrival of 26 cruises was registered: 3 more vessels than the previous year.
 - This signifies an average of 2,633 passengers per vessel.

Pasajeros en crucero (Cabo San Lucas, 2018-2019)



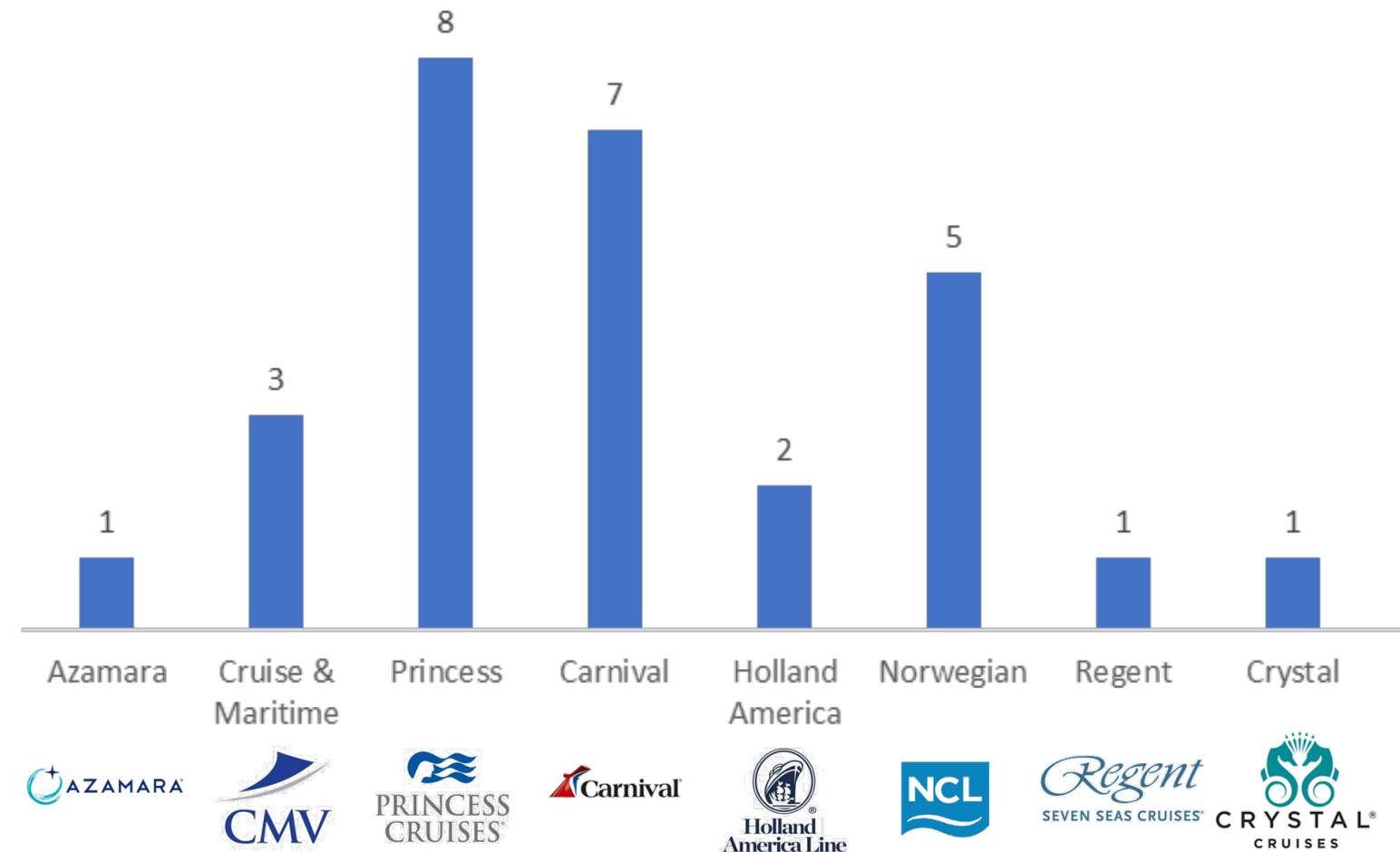
Embarcaciones de crucero (Cabo San Lucas, 2018-2019)



SOURCE: DATATUR - SCT

Vessel arrivals at the Port of Cabo San Lucas, Jan-2020

Fecha	Embarcación	Línea Naviera	Capacidad max.
01-Jan-20	Azamara Journey	Azamara	724
03-Jan-20	Astoria	Cruise & Maritime	600
05-Jan-20	Star Princess	Princess Cruises	3,300
06-Jan-20	Carnival Panorama	Carnival	5,070
06-Jan-20	Oosterdam	Holland America	2,250
06-Jan-20	Royal Princess	Princess Cruises	4,360
06-Jan-20	Star Princess	Princess Cruises	3,300
07-Jan-20	Norwegian Joy	NCL	4,620
08-Jan-20	Carnival Miracle	Carnival	2,680
13-Jan-20	Carnival Panorama	Carnival	5,070
13-Jan-20	Oosterdam	Holland America	2,250
13-Jan-20	Royal Princess	Princess Cruises	4,360
14-Jan-20	Carnival Miracle	Carnival	2,680
14-Jan-20	Astoria	Cruise & Maritime	600
14-Jan-20	Norwegian Joy	NCL	4,620
15-Jan-20	Carnival Miracle	Carnival	2,680
17-Jan-20	Pacific Princess	Princess Cruises	824
18-Jan-20	Crystal Serenity	Crystal Cruises	1,080
19-Jan-20	Norwegian Joy	NCL	4,620
19-Jan-20	Grand Princess	Princess Cruises	3,100
19-Jan-20	Seven Seas Mariner	Regent Seven Seas	752
20-Jan-20	Carnival Panorama	Carnival	5,070
20-Jan-20	Norwegian Gem	NCL	2,800
20-Jan-20	Royal Princess	Princess Cruises	4,360
25-Jan-20	Astoria	Cruise & Maritime	600
27-Jan-20	Carnival Panorama	Carnival	5,070
27-Jan-20	Royal Princess	Princess Cruises	4,360
28-Jan-20	Norwegian Gem	NCL	2,800



The 28 cruises that arrived at the Port of Cabo San Lucas in Jan-2020 were operated by 8 different cruise lines, the main ones being: Princess (8 vessels), Carnival (7), and Norwegian Cruise Line (5). As a whole, these represent a maximum capacity of 84,600 passengers.

SOURCE: CREW-CENTER.COM

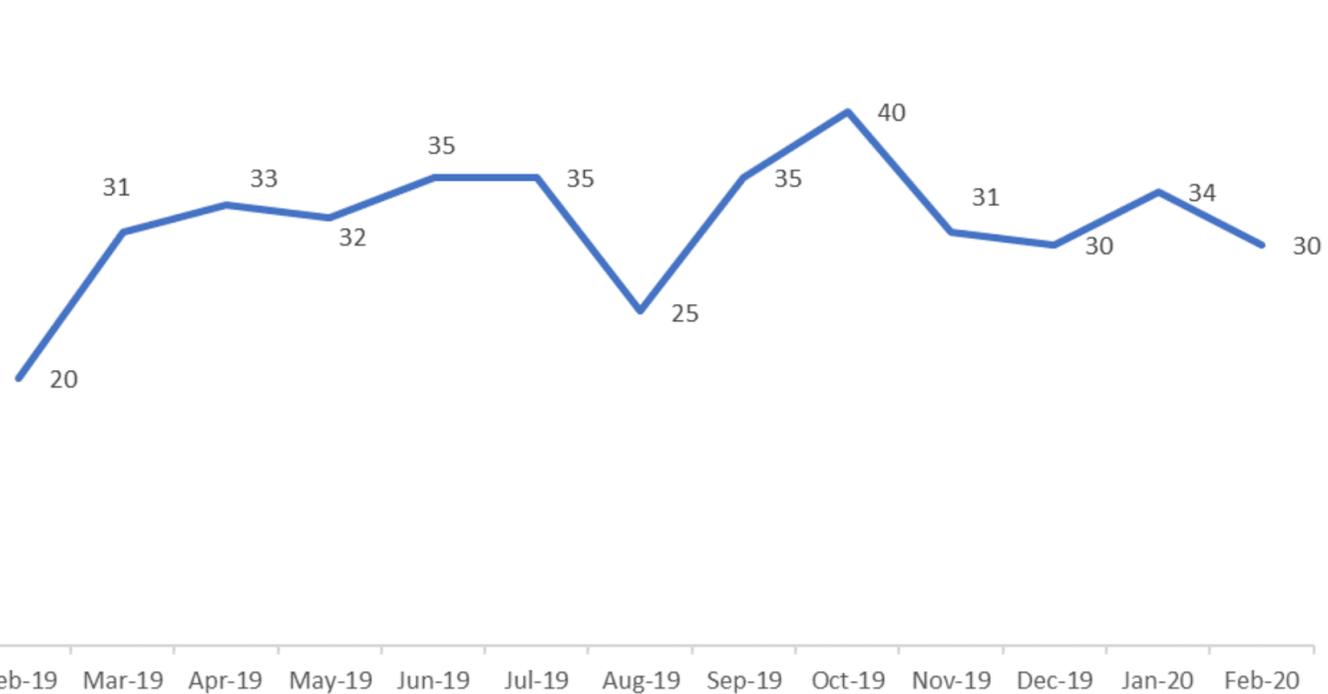


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DEMAND INDICATORS
TOURIST SURVEYS & GROUP BUSINESS

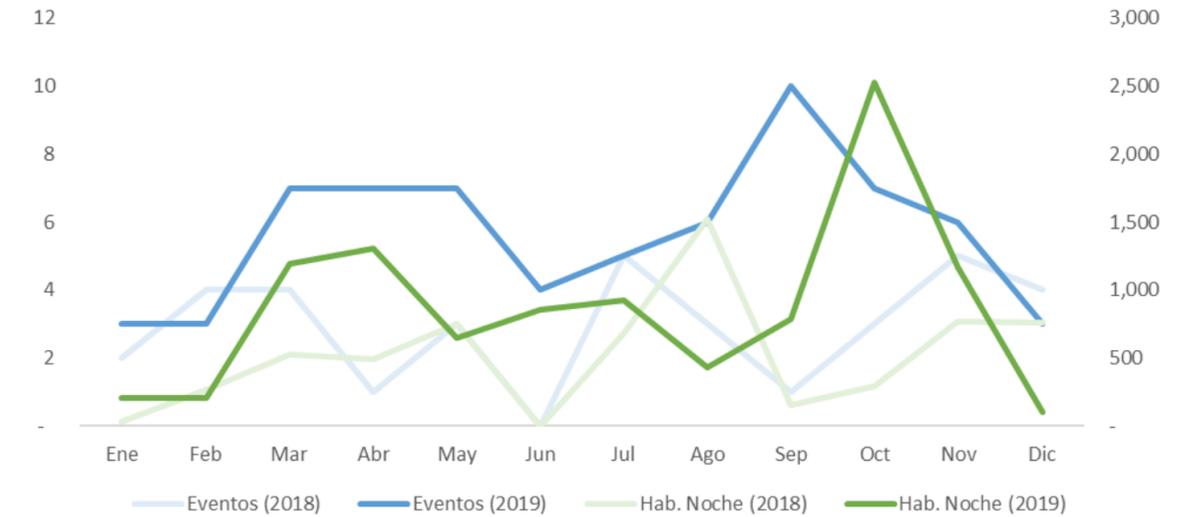
Demand indicators: Group Business

RFPs recibidos de eventos de reuniones y grupos, últimos 12 meses (CVENT)



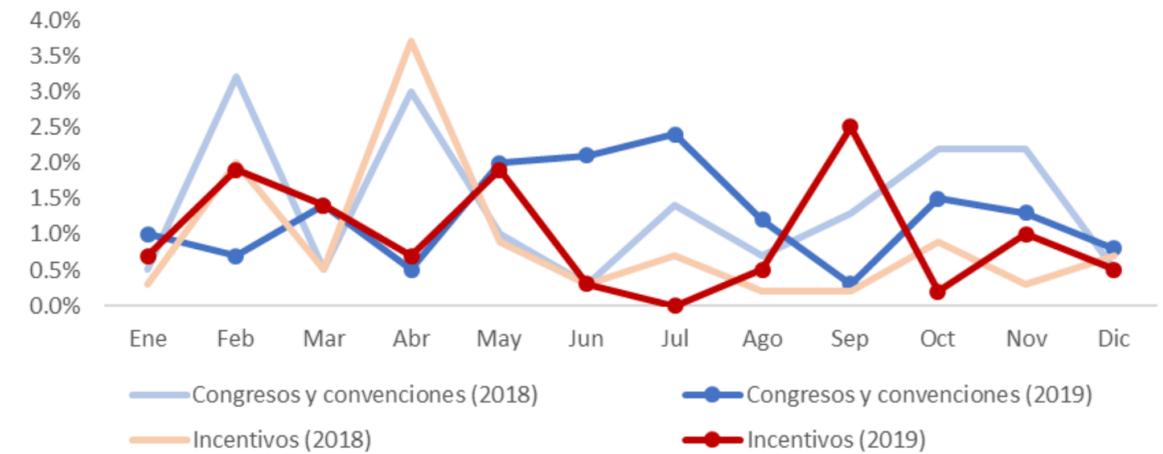
SOURCE: CVENT

Eventos y habitaciones noche confirmadas de reuniones y grupos (Helms Briscoe)



SOURCE: Helms Briscoe

Asistentes a congresos, convenciones y viajes de incentivo (% del total de turistas)



SOURCE: TOURIST SURVEYS

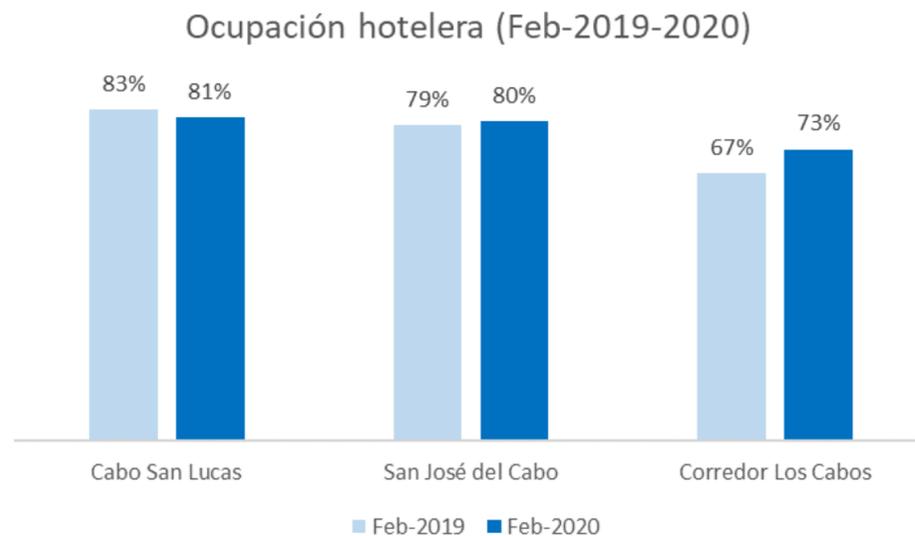


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SUPPLY INDICATORS

HOTEL OFFER

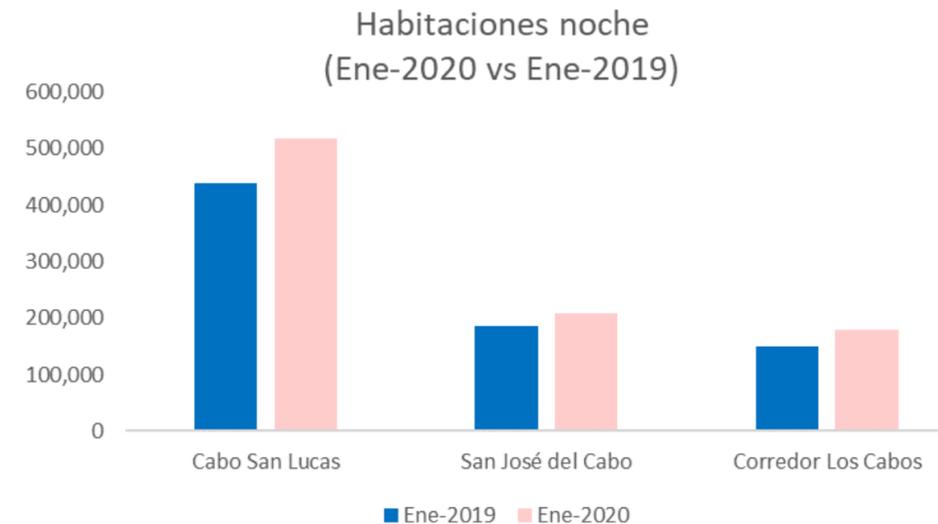
Evolution of the hotel offer in Los Cabos and sub-destinations



SOURCE: AHLC.

CABO SAN LUCAS

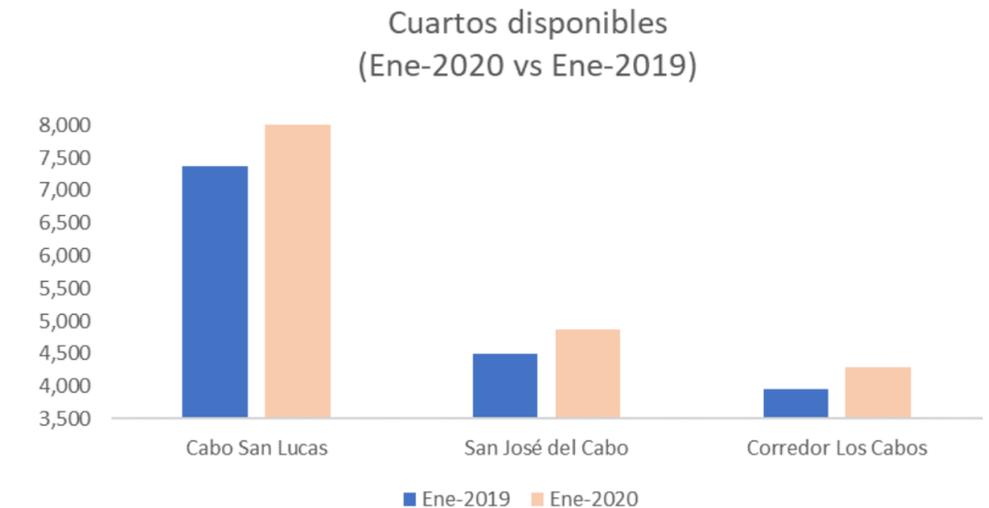
- The hotel occupancy registers 81%, which implies a decrease of 2pp (Feb-2019 vs. Feb-2020, AHLC).
- It's hotel offer increased by 21% from Jan-2019 to Jan-2020, going from 7.3 thousand to 8.9 thousand (DataTur).
- Occupied room nights grew 17.8% between Jan-2019 and Jan-2020 (DataTur).



SOURCE: DATATUR

SAN JOSÉ DEL CABO

- Occupancy grew 2pp when comparing Feb-2019 to Feb-2020 (AHLC): 80%.
- Its hotel offer grew 8.3% between Jan-2019 and Jan-2020, registering 4.9 thousand rooms (DataTur).
- Occupied room nights grew 12.1% between Jan-2019 and Jan-2020 (DataTur).



SOURCE: DATATUR

LOS CABOS TOURIST CORRIDOR

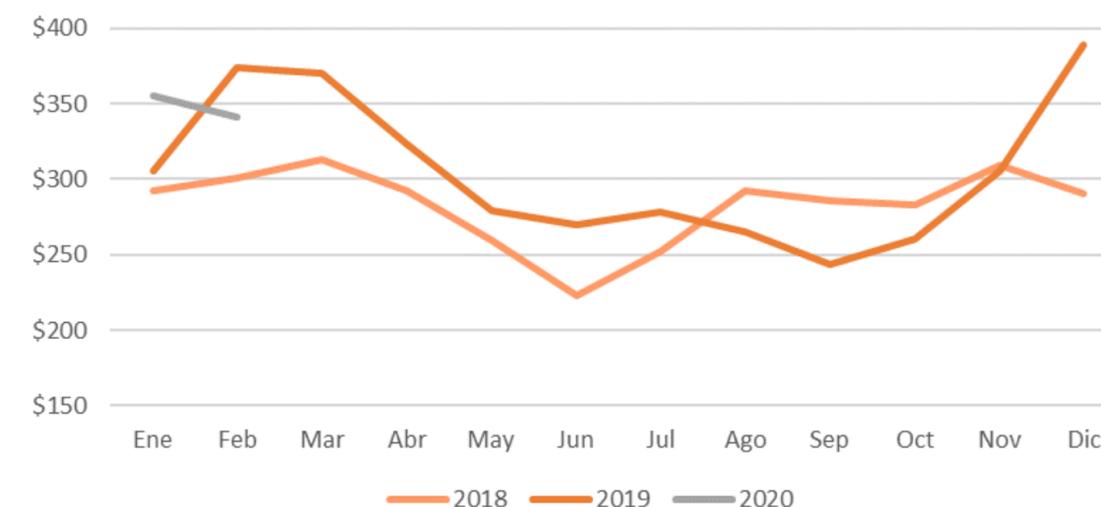
- Greatest occupancy growth in all of the sub-destinations between Feb-2019 and Feb-2020: +6pp increasing from 67% to 73% (AHLC).
- Its hotel offer grew 8.9% between Jan-2019 and Jan-2020, registering 4.3 thousand rooms (DataTur).
- Occupied room nights had the highest increase of all the sub-destinations: 18.3% between Jan-2019 and Jan-2020 (DataTur).

HOTEL OFFER

Evolution of the RevPAR and the average hotel rate in Los Cabos & sub-destinations

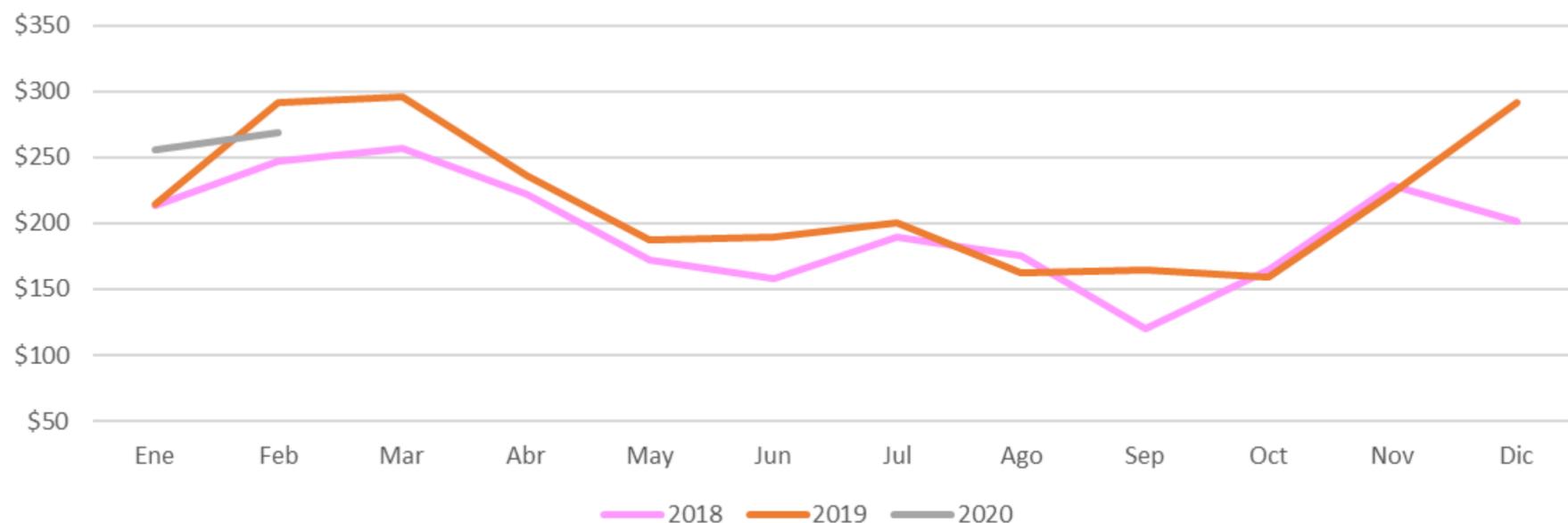
- The average hotel rate in Los Cabos for Feb-2020 was \$341 USD; \$32 USD above the average of the past 12 months; and \$33 USD less than in Feb-2019. The RevPAR was \$269 USD; 48 USD above the average of the past 12 months (\$221 USD less than in Feb-2019).
 - The Los Cabos Corridor had the highest rate, set at \$552 USD, although it decreased \$4 USD compared with Feb-2019 (-0.8%).
 - San José del Cabo reduced its average hotel rate by \$16 USD (-5.8%) and settled at \$259 USD.
 - Cabo San Lucas reduced its average hotel rate by \$17 USD (-6%) and settled at \$268 USD.

Average hotel rate, Los Cabos (USD, 2018 - 2020)

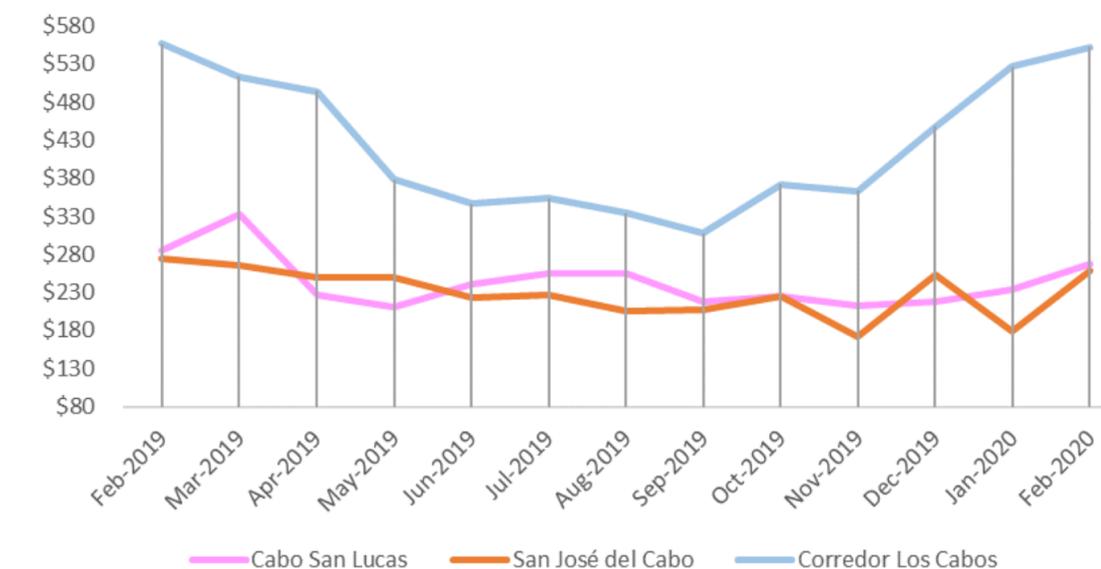


RevPAR Los Cabos (USD, 2018 - 2020)

SOURCE: AHLIC



Average hotel rate, sub-destinations (USD, monthly, last 12 months)



INTERNATIONAL AIR CONNECTIVITY

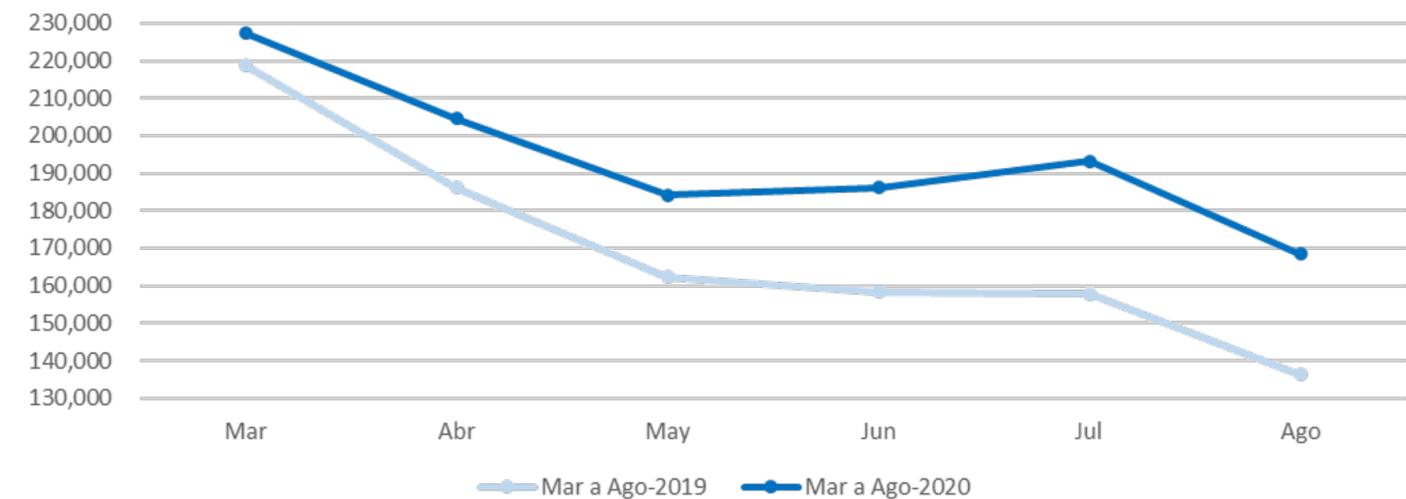
SOURCE: OAG

SEATS SCHEDULED FOR MAR-AUG-2020

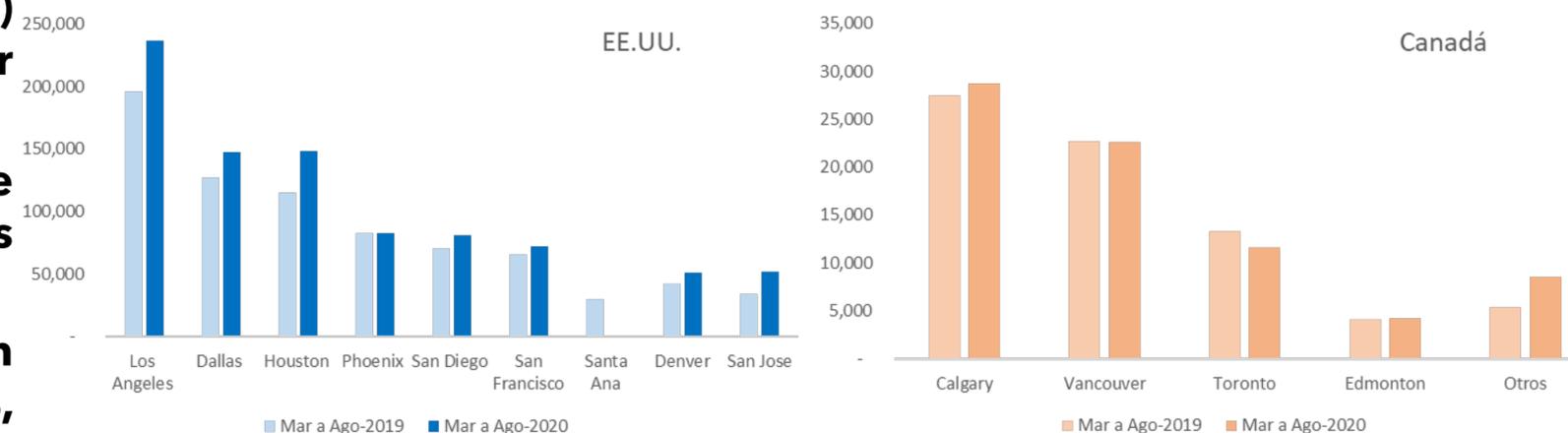
Seat offer report for the month in question and the six following months, as the case may be

- For the US, there are **3.2%** more available scheduled seats for Mar-2020 compared to the same period last year, and for the next 6 months, there are **14.1%** more scheduled seats compared to the same period in 2019.
 - The highest increase will be in **LAX (+20.1%)**, **Dallas (+16.1%)**, and **Houston (+29.3%)**. **PHX** drops **0.1%**.
- **Los Angeles** is the main issuing market in the US (**22%**), followed by **DFW** and **Houston** (both with **14%**).
- **LAX** and **DFW**'s participation in the international market increases **1pp** each, **HOU** will increase **2pp**, and **Santa Ana** falls to **0%** (-3pp). The most important airlines are **American, Alaska, and United** (accounting for **64%** as a whole).
- For **Canada**, there are **4.6%** more available scheduled seats for Mar-2020 compared to the same period last year, and for the next 6 months, there are **3.7%** more scheduled seats.
- Main issuing markets are: **Calgary (38%)**, **Vancouver (30%)**, **Toronto (15%)** and **Edmonton (6%)** through **WestJet** airlines (**56%**), **Sunwing (24%)** & **Air Canada (14%)**.
 - However, the participation of other markets increases **3pp** within the next 6 months when compared to the previous year. These markets mainly include **Montreal, Winnipeg, Kelowna, and Victoria**.
- The international airlines' occupancy factors for Dec-2019 were: **American 80%**, **Alaska 88%**, **Delta 73%**, **United 84%**, **Southwest 84%**, **Air Canada 96%**, **Sunwing 43%**, and **WestJet 85%**. All airlines increased their occupancy when comparing to Dec-2018, principally **Delta (+17pp)** and **Air Canada (+15pp)**, except for **Sunwing**, which lost **35pp**.

Programación de asientos hacia San José del Cabo (Mar-Ago 2020)



Asientos programados por origen (Feb a Jul-2020)





LOS CABOS TOURISM OBSERVATORY

PUBLIC RELATIONS

Public relations: notes and scope (last 12 months)

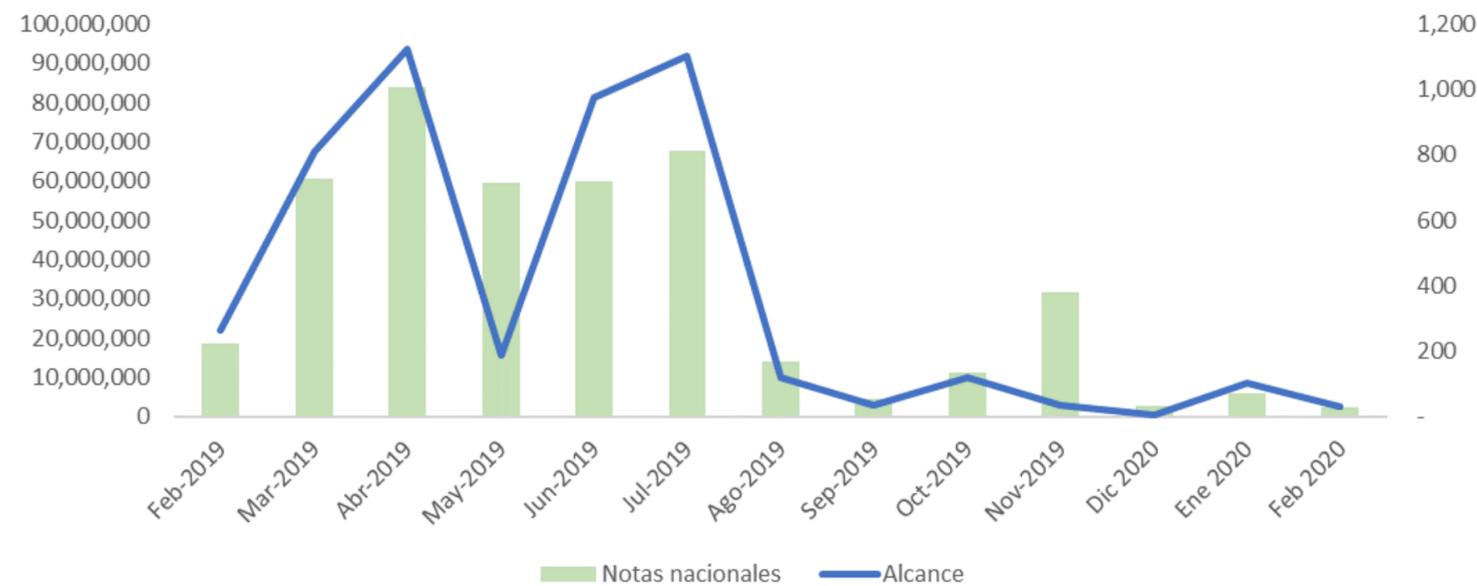
- **In the domestic market:**

- **In the period from Mar-2019 to Feb-2020 (last 12 months), there were 5,070 national press insertions (390 monthly on average), creating a scope of 387 million impacts (32 million monthly on average). 29 inserts were published throughout Feb-2020, achieving 2.6 million impacts.**

- **In the international market:**

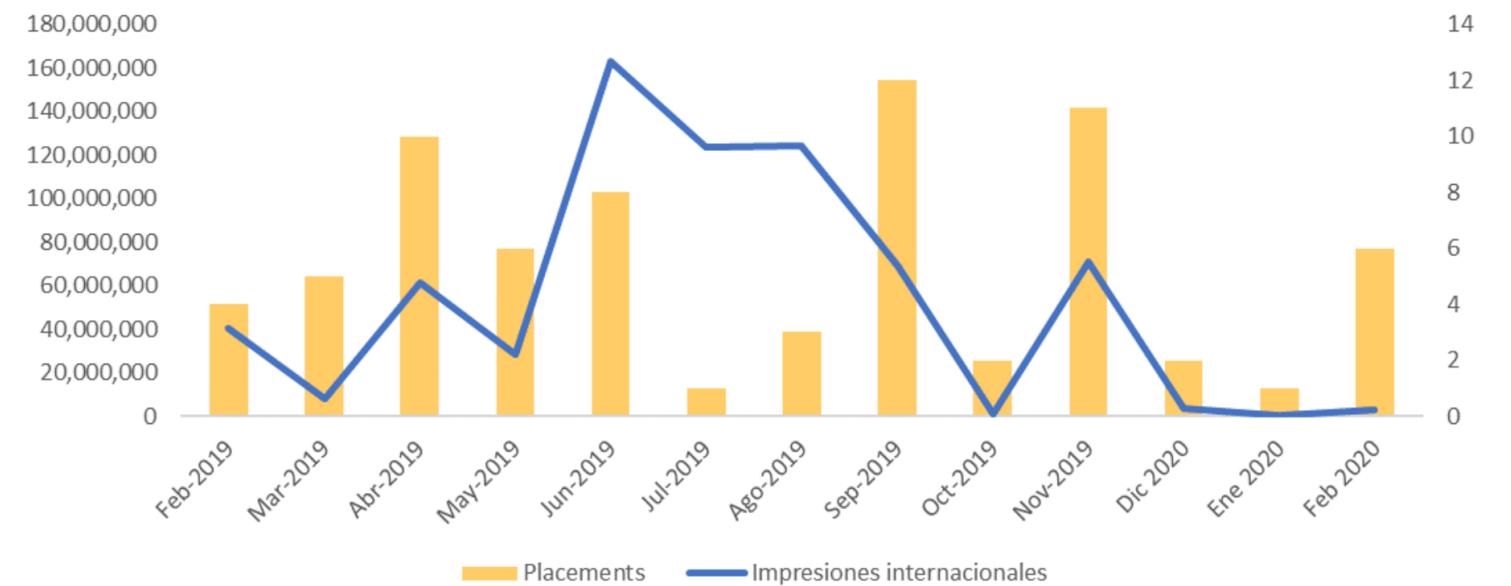
- **In the period from Mar-2019 to Feb-2020, there were 67 international press insertions (5.6 monthly on average), creating a scope of 656 million impacts (55 million monthly on average). Six inserts were published throughout Feb-2020, achieving three million impacts.**

NATIONAL NOTES' TOTAL & SCOPE (FEB-2020)



SOURCE: GAUDELLI (Feb-18 to Jan-19), LLORENTE & CUENCA (Feb-19 to Jan-20)

INTERNATIONAL NOTES' TOTAL & SCOPE (FEB-2020)



SOURCE: NJF (Feb-18 to Jan-19), OGILVY (Feb-19 to Jan-20)

DEFINITIONS

- **Congress.** Non-business-oriented meetings in which people gather in large groups, generally to discuss and exchange points of view on a topic of interest (including professional, cultural, sports, theological, social, governmental, academic, and more). These meetings often last several days and have simultaneous sessions, as well as a predefined multiannual or annual periodicity.
- **Convention.** Trade or business meetings usually sponsored by a corporation, where participants represent the company, corporate group, or customer-supplier relationships. Their participation could be mandatory, so travel expenses are borne by the corporation. This category includes general and formal legislative, social or economic meetings, to provide information, deliberate, establish consensus or deal with participants' policies, as well as address a market's, product's or brand's commercial issues. It may include a secondary presentation element.
- **Available rooms.** The number of rooms in service. It doesn't account for out of service rooms due to repair or some other cause.
- **Tourist destination.** The main target of a tourist's trip. The visiting place is fundamental for the decision-making process to plan a trip. The main reason for the trip.
- **Seasonality.** It means that tourist flows tend to be distinct across different seasons (around certain times of the year), repeating this process annually.
- **Length of stay.** It results from dividing the total number of room nights by the number of bookings per month. The obtained result expresses the number of days a tourist stays.
- **Events or incentive trips.** Incentive travel is a new strategy that recognizes people who have reached or exceeded goals generally related to sales or productivity. It is addressed to participants who have better job performance, gifting them with a remarkable travel experience.
- **Room nights.** Obtained from the daily number of rooms occupied by tourists, times their length of stay (number of nights that they spend in the establishment). Classified according to the place of origin, and residency or non-residency status.
- **Inflation.** General and continuous rise in the prices of goods and services marketed in an economy. It is the average growth rate of the goods and services' prices between one period and the next.
- **Underlying inflation.** The prices' increase in a subset of the INPC (National Consumer Price Index), which includes generics with less volatile prices. It measures the inflation trend in the medium term. The 283 generic concepts that make up the goods and services basket of the INPC are classified into subsets that respond to particular needs of analysis. Among the most well-known classification, there is the object of expenditure, which refers to the origin of goods and services' sector; and the durability of goods and the underlying inflation.
- **Passenger arrivals.** Passengers carried on scheduled services by airlines.
- **Tourist arrivals.** Corresponds to the number of tourists that visited the establishment throughout the month.

DEFINITIONS

- **Visitor's nationality.** Granted by the country that issues the passport or other identity documents, even when residing in another country.
- **Non-resident.** The person whose habitual environment is outside the Mexican territory and visits the latter for less than 12 months for any reason (including business, vacation, and more), excluding those who get paid for working in activities at the visiting place.
- **Hotel occupancy.** The accommodation occupancy rate is a supply-based concept. It is an important indicator that provides information on the use of different accommodation types and, if the data is obtained monthly, it also indicates the seasonal pattern use of tourist accommodations.
- **RevPAR.** RevPAR is the most important metric used in the hotel industry to assess the financial performance of an establishment or a chain (it assesses a property's ability to fill its available rooms at an average rate). RevPAR is short for Revenue Per Available Room (income per available room). It refers to a specific period (weekly, monthly, annual, etc.). One way to calculate RevPAR is through the formula: $RevPAR = It / \Sigma Ht$, where It equals the total room revenue and ΣHt equals the number of rooms available during a period (the multiplication of total establishment's rooms by the room nights in that period, minus the number of rooms that are not available).
- **Resident.** Individual who lives permanently or on a long-term basis in the territory of the United Mexican States.
- **Residence.** The place/country where the traveler has stayed most of the past year (12 months), or has stayed for a shorter period and plans to return within 12 months to live in that country.
- **Average daily rate.** Commonly known as ADR. It is a statistical unit that represents the average rental income per paid occupied room in a given period. Along with the occupation of the property, both are the basis of the property's financial performance. ADR is calculated dividing room revenue by the number of rooms sold. Houseguest rooms (also known as "house use") and free rooms (known as "complementary rooms") should be excluded from the denominator.
- **Tourist.** Any individual who travels outside their usual environment for less than 12 months for any reason, except those who engage in activities that will generate income at the travel destination: refugees or migrant workers, diplomats, seasonal workers, or travel employees.
- **Visitor.** Any individual who travels outside their usual environment for less than 12 months for leisure, business, religious, medical, or other reasons. Exceptions include people who engage in activities that will generate income at the travel destination: refugees or migrant workers, diplomats, seasonal workers, tourism employees, or people looking for a new residence or job.

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