



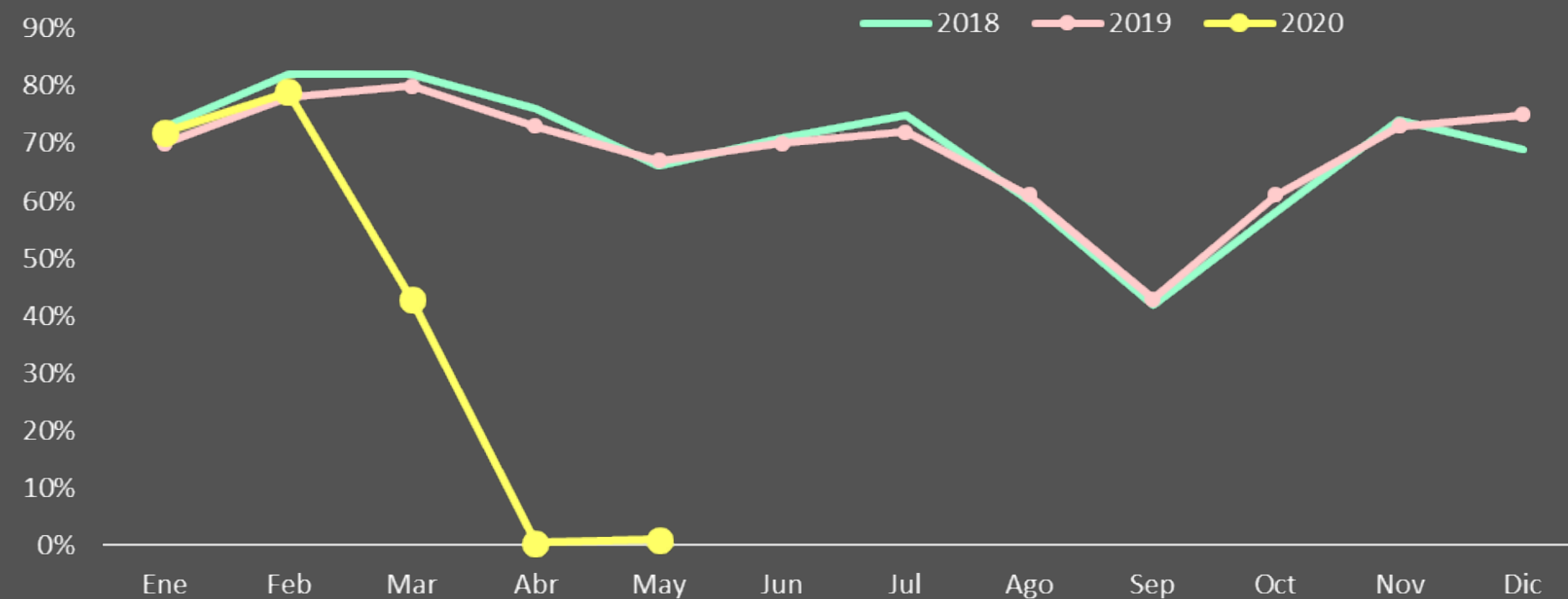
LOS CABOS TOURISM OBSERVATORY

KEY PERFORMANCE INDICATORS

JUNE 2020

Main indicators - Summary

Hotel Activity



SOURCE: LOS CABOS HOTEL ASSOCIATION

Rooms Available
(Apr-2020):
20,174
+9.3%
(vs. Apr-2019)

SOURCE: DATATUR

Hotel Occupancy
(May-2020):
1%
-66pp
(vs. May-2019)

SOURCE: AHLIC

Room nights
(Apr-2020):
3,195
-99.7%
(vs. Apr-2019)

SOURCE: DATATUR

Air Passenger Arrivals

Total Passengers
(May-2020, expressed
in thousands):
10.4
-95.5%
(vs. May-2019)

National Passengers
(May-2020, expressed in
thousands):
8.85
-89%
(vs. May-2019)

International Passengers
(May-2020, expressed in
thousands):
1.55
-99%
(vs. May-2019)

SOURCE: GAP

Group Business Total
RFPs (2020):
12
-20 RFPs
(vs. May-2019)

Tourist Surveys:

There were no surveys during this period due to the closing of the destination throughout April and May.

Cruise passengers
(Apr-2020):
0
-100%
(vs. Apr-2019)

Cruise ships
(Apr-2020):
0
-26 cruises
(vs. Apr-2019)

SOURCE: DATATUR

Main indicators – Summary

PASSENGERS ARRIVAL

- In May-2020, Los Cabos International Airport registered a 95.5% (-220 thousand) decrease in the total number of passengers arriving at the destination compared to May-2019, adding up to a total of 10.4 thousand (when considering arrivals only).
 - Passengers on domestic flights (8.85 thousand) represent 85.1% of total arrivals. These decreased by 89% (-71.6 thousand vs. May-2019).
 - Passengers on international flights (1.55 thousand) represent 14.9% of total arrivals. These decreased by 99.5% (-148.4 thousand vs. May-2019).

FLIGHT SCHEDULES

- Compared to the same period last year, the domestic market has 8.9% fewer available seats scheduled for Jun-Nov-2020. 48.7% fewer seats are expected for Jun-2020.
 - CDMX and GDL seats decreased by 11.2% and 25.5%, respectively. TIJ increased by 22.6%, and MTY by 7.5%.
- The United States market expects 18.1% fewer seats scheduled for the next 6 months. In Jun-2020, there are 71.7% less. All origins have decrements. PHX (-21.6%) and San Diego (-37.9%) had the most significant decrease. LAX and DFW were less affected, with -7.2% and -10.5%, respectively.
- From Canada, 18.7% fewer seats are expected for the next 6 months. There were no seats scheduled for Jun-2020. Calgary drops 2.4%, Vancouver 26.4%, and Toronto 31.7%.

FLIGHT SCHEDULES (Cont'd)

- It should be noted that the scheduling of flight seats for all 2020 is falling 28.9% in CUN and 22% in PVR. However, SJD fell 17.2% when compared to 2019.

HOTEL ACTIVITY

- Occupancy in Apr-2020 was 1%, compared to 67% in May-2019 (-66pp).
 - Cabo San Lucas' occupancy drops 75pp when compared to May-2019 and now stands at 2%.
 - San Jose del Cabo registers 0.4% (62.6pp less than in Apr-2019).
 - Los Cabos Corridor registered 0% (53pp less).
- The number of available rooms increased by 9.3% in Los Cabos between Apr-2019 and Apr-2020. Cabo San Lucas registered the highest growth with 17.4%.
- Tourist arrivals to hotels in Los Cabos decreased by 99.8% (-230 thousand) between Apr-2019 and Apr-2020.
 - Domestic tourism fell 99.3% (-60.6 thousand), and international tourism dropped 100% (-170 thousand).
 - There were 3,195 thousand occupied room nights in Apr-2020, 99.7% less compared to Mar-2019 (-1,131 thousand nights).

TOURIST SURVEYS

- There were no surveys during this period due to the closing of the destination throughout April and May.

CRUISE SHIP ARRIVALS

- There were no registered vessel or cruise ship arrivals at the Port of Cabo San Lucas in Apr-2020.

ADVANCE RESERVATIONS

- As of June 14th, the volume of flight bookings throughout Jun-2020 is expected to fall by 91%. This drop will decrease 16pp in Jul-2020. It will continue to decrease until October; however, said drop would increase again for November and December.
- The volume of bookings from the international market fell drastically: this decrease will reach 91% during Jun-2020, while the domestic market will have a 4pp decline (-87%).
- There was a 27% decrease in the international market trips for Oct-2020; however, the domestic market would have stopped and register -2%. In November, the domestic market already registers growth compared to the same period last year (+11%) while the international market drops again (41%).



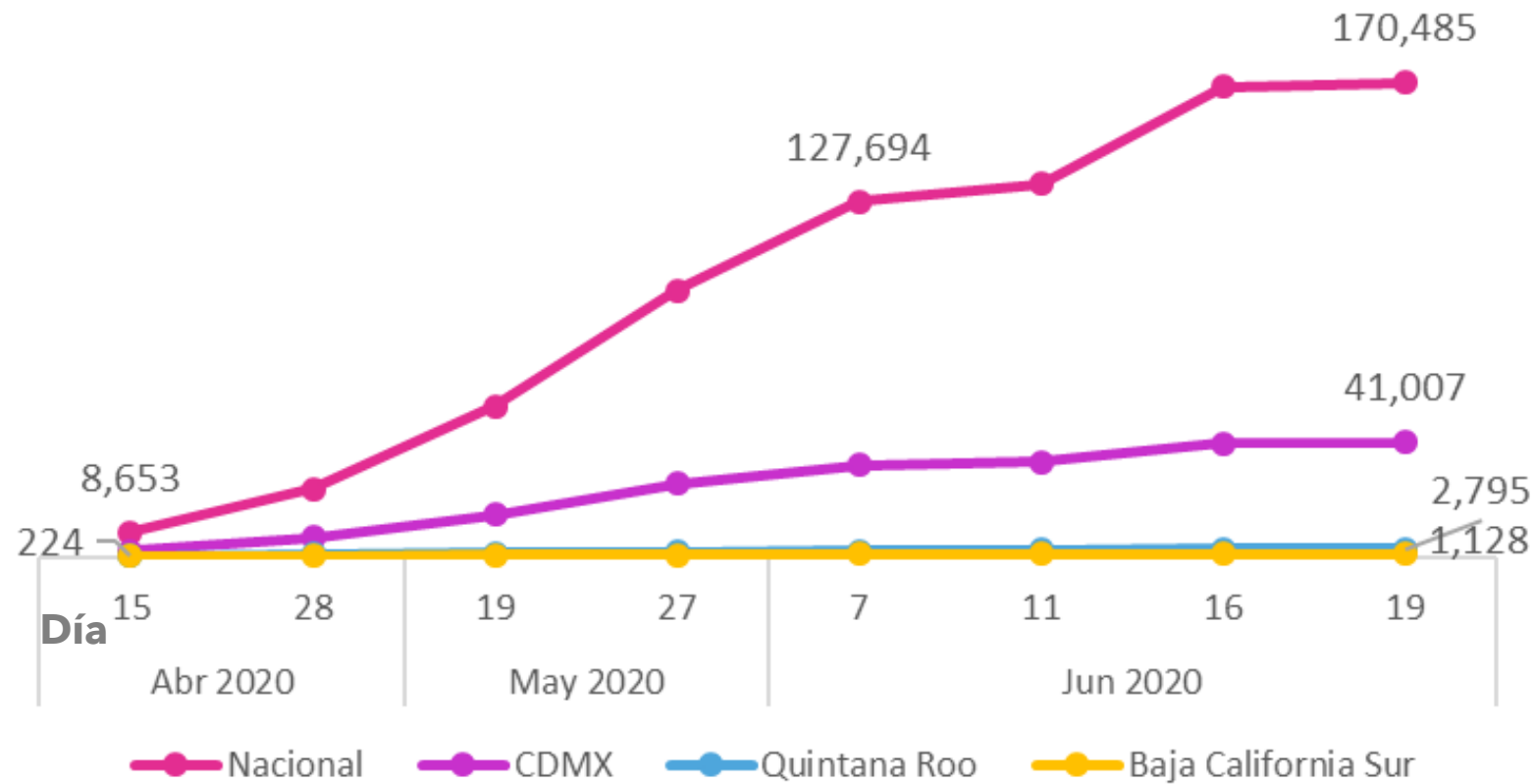
LOS CABOS TOURISM OBSERVATORY

THE IMPACTS OF COVID-19

**Report on the effects of COVID-19 on
Mexico's tourism sector.**

Confirmed COVID-19 cases overview

Confirmed cases (cumulative)

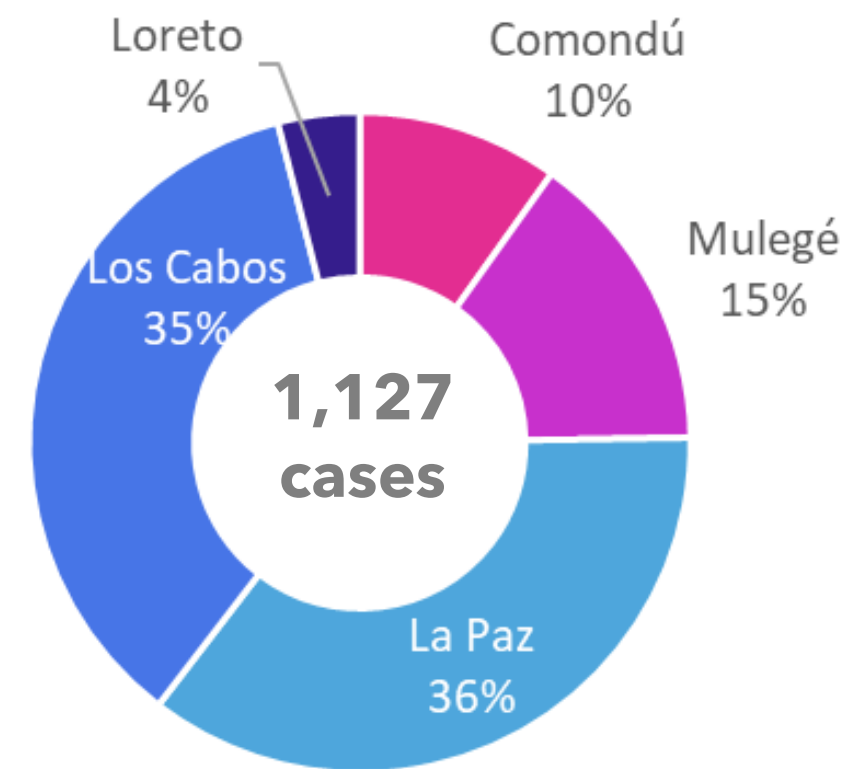


As of June 19th, 2020, there are 170,485 confirmed cases in Mexico (116 thousand more than those registered as of May 19th).

Ranking

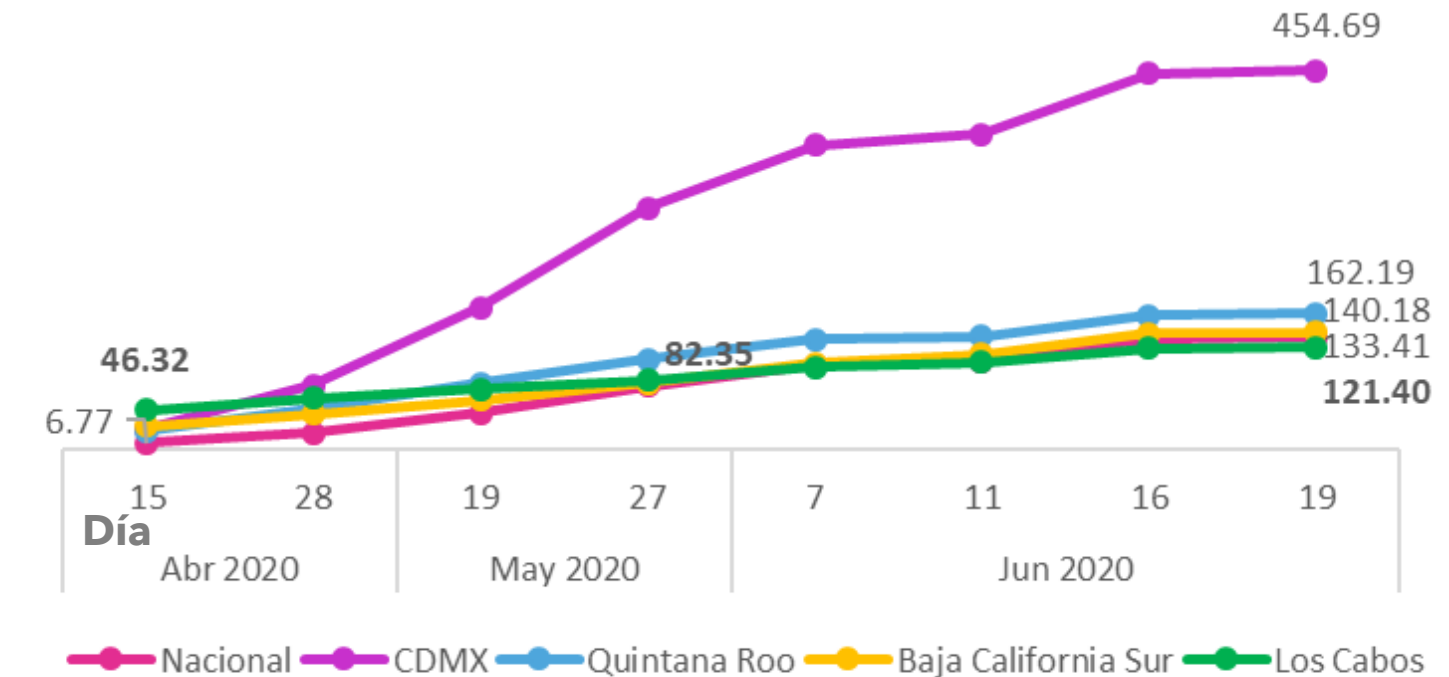
May 19	Jun 19	
1	1	Mexico City: 41,007 cases.
4	↓ 5	Quintana Roo: 2,795 cases.
6	↓ 9	Baja California Sur: 1,128 cases.

Confirmed cases by municipalities in B.C.S.



- 71% of the state's confirmed cases are concentrated between La Paz and Los Cabos (402 and 401 cases, respectively).

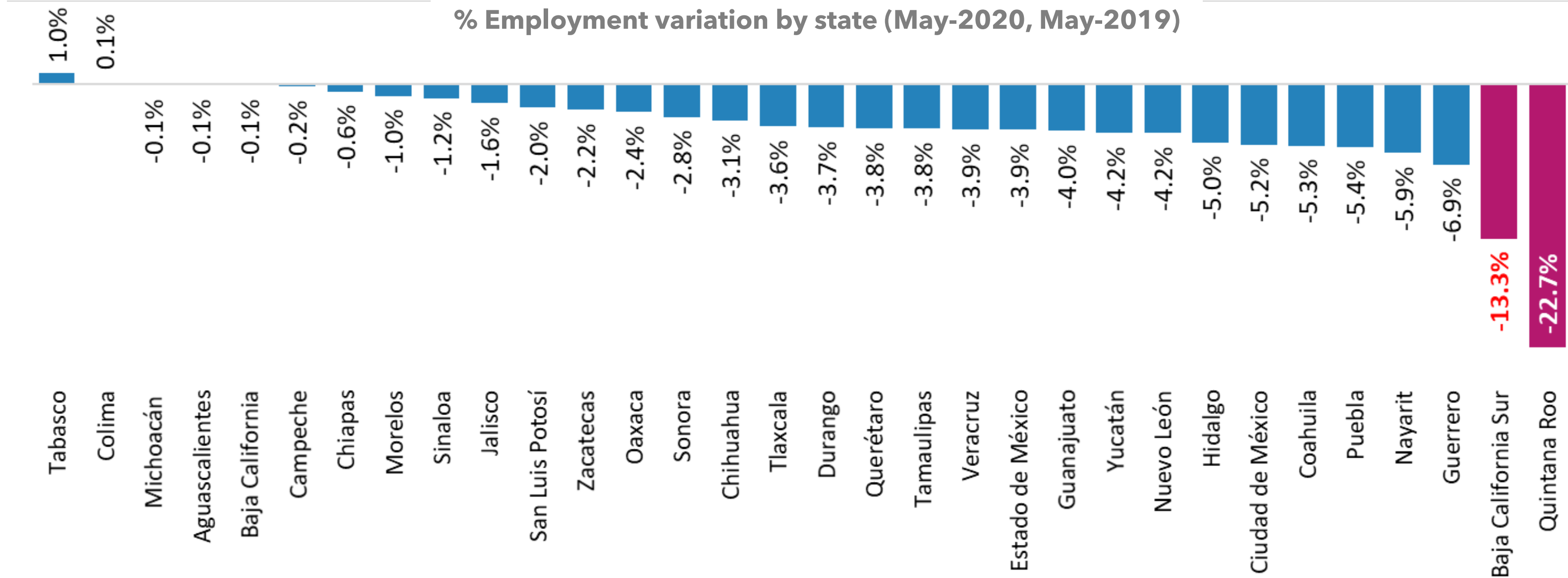
Incidence of infection



- The national average rate of infection is 133.41 cases per 100 thousand inhabitants.
- In Mexico City, it is 454.69
- In Quintana Roo, 162.19
- In Baja California Sur, 140.18
 - Los Cabos has an incidence rate of 121.40 cases per 100 thousand inhabitants.

SOURCE: SECRETARIAT OF HEALTH, GENERAL DIRECTORATE OF EPIDEMIOLOGY (www.coronavirus.gob.mx). FIGURES UPDATED AS OF JUNE 20th, 2020.

Effects on employment in Mexico



- As of May 31th, 2020, the country had a total of 19,583,170 jobs registered in IMSS, where 86.7% are permanent, and 13.3% are temporary.

- As of May-2020, there was a decrease of **344,526** (-1.7%) jobs registered in IMSS with respect to those registered in Apr-2020.

- As of May-2020, there are 162,411 registered jobs in Baja California Sur; this is **-13.3%** vs. May-2019 and **-2.4%** vs. Apr-2020.
- In Quintana Roo's case, as for May-2020, there are 358,243 jobs; this is **-22.7%** vs. May-2019 and **-5.5%** vs. Apr-2020.

SOURCE: IMSS

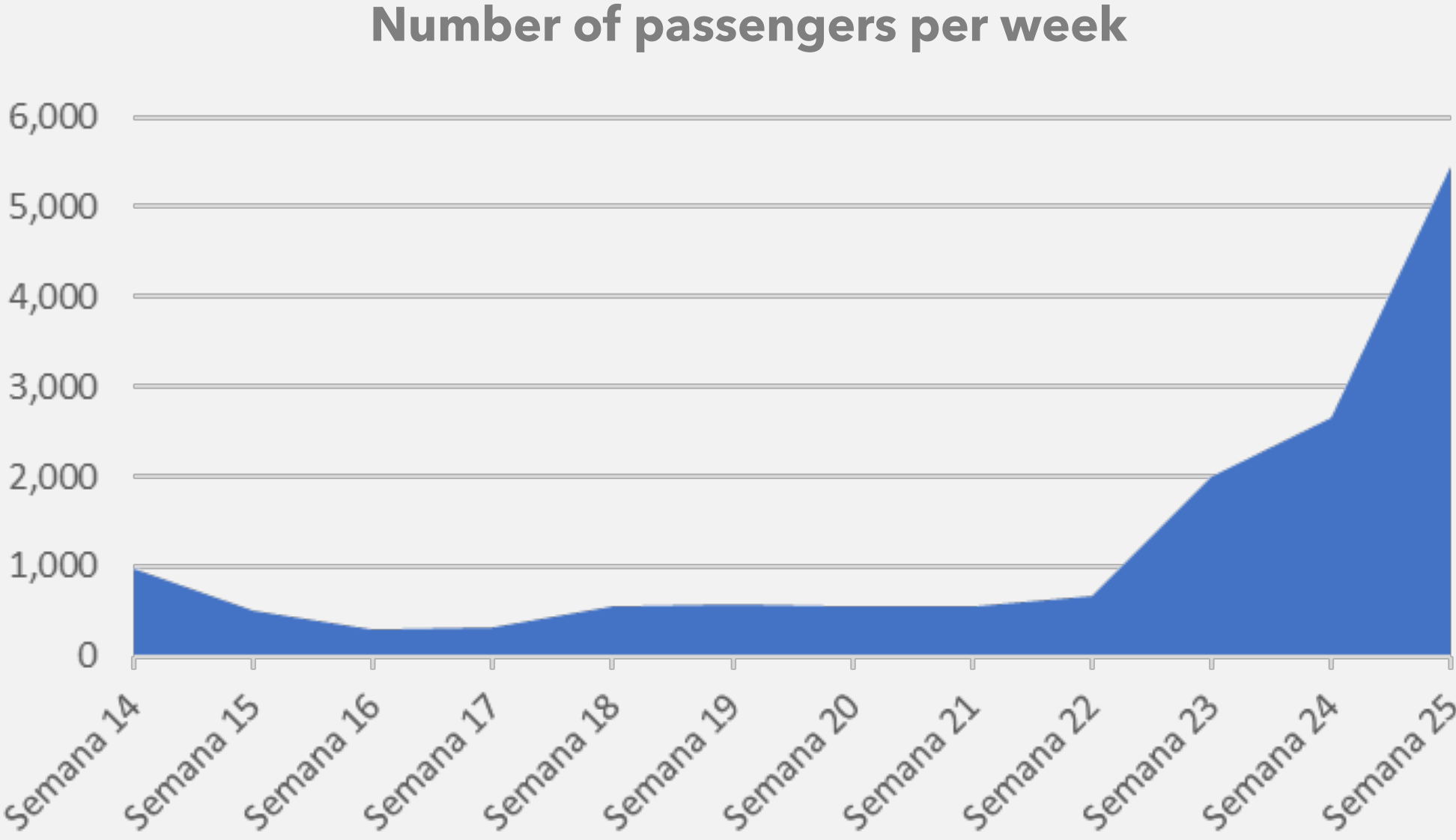


LOS  CABOS

LOS CABOS TOURISM OBSERVATORY

DEMAND INDICATORS
PASSENGERS AND TOURISTS

Number of passengers arriving at Los Cabos International Airport per week, from week 14 to 25 of 2020

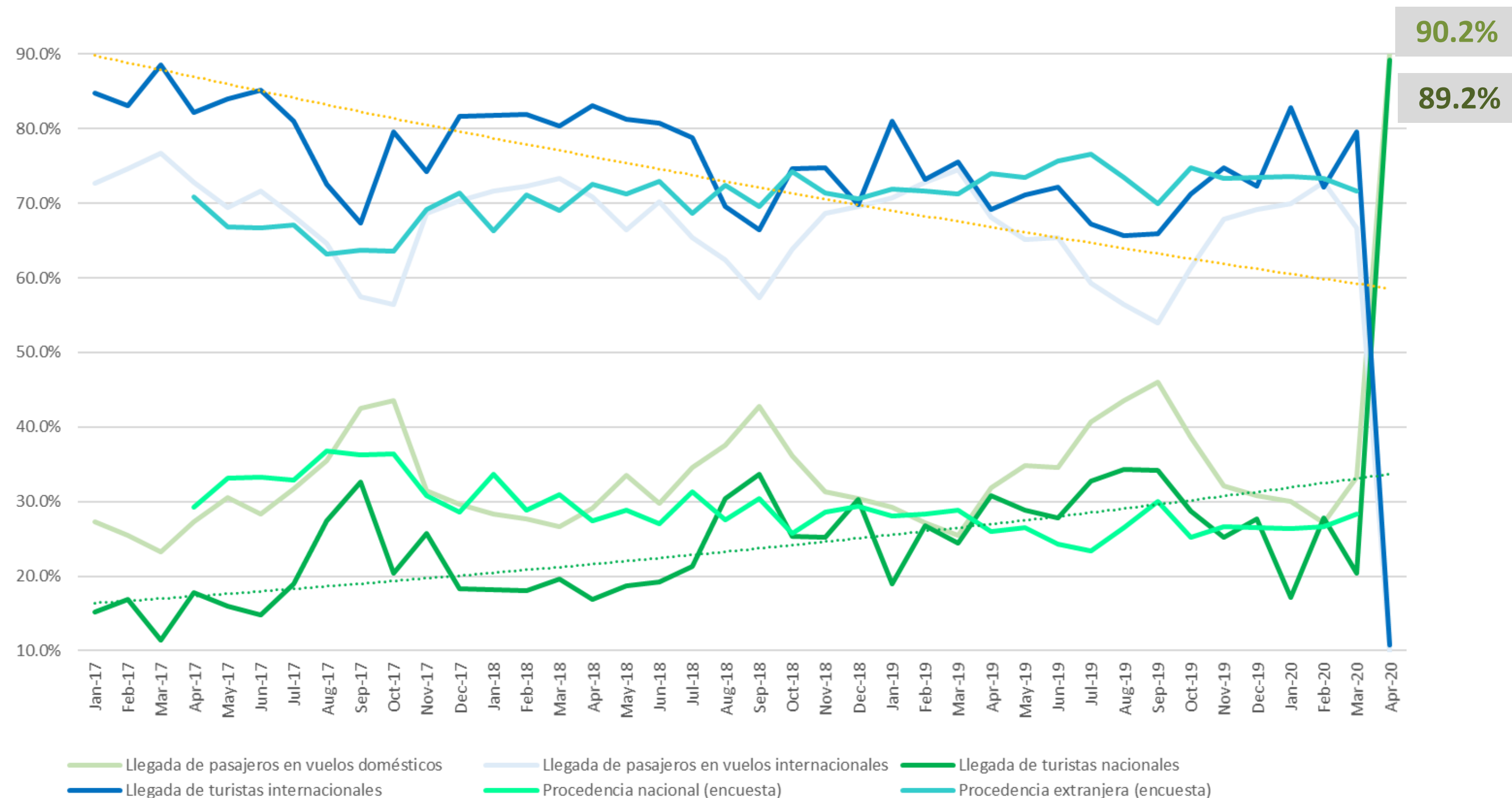


As of week 14 of the current year (April 1st), the destination closed its doors. As of week 23 (June), it has gradually increased the number of weekly passenger arrivals at Los Cabos International Airport to 5,450. Prior to the start of the pandemic, Los Cabos International Airport received an average of 80 thousand passengers per week.

SOURCE: PAXIS

Evolution of national and international tourism participation

Participation percentage of both resident and non-resident tourist arrivals at hotels in Los Cabos, including passenger arrivals on domestic and international flights at Los Cabos International Airport (2017-2019)



- According to DataTur, the number of national residents arriving at hotels in Los Cabos increased 58pp when compared to the previous year (Apr-2019 to Apr-2020). It registers 89.2% in Apr-2020.
- Moreover, the participation of national passengers in the total registered by Los Cabos International Airport showed a 53pp decrease in the same period. It reaches 90.2% in Apr-2020.
- There is no data available from Tourist Surveys for Apr-2020.

SOURCE: DATATUR, GAP, DATATUR, GAP, TOURIST SURVEYS

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

Regiones	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020	Δ Abr-20 / Abr-19	Δ Ene-Abr-20 / Ene-Abr-19
EE.UU.	140,159	135,239	146,487	142,111	111,494	73,431	113,947	137,433	161,174	139,238	151,410	82,042	508	-99.6%	-34.4%
Canadá	16,499	6,852	4,225	4,373	4,425	3,261	7,350	19,046	21,542	22,830	23,837	9,003	13	-99.9%	-36.0%
Europa	1,198	1,011	782	897	756	303	447	1,230	1,210	1,434	1,235	557	10	-99.2%	-20.2%
Caribe, Centro y Sudamérica	286	232	134	239	200	124	102	152	148	210	175	83	3	-99.0%	-49.6%
Resto del Mundo	1,030	955	765	852	774	604	784	796	898	940	622	242	-	-100.0%	-54.2%
Gran total	159,172	144,289	152,393	148,472	117,649	77,723	122,630	158,657	184,972	164,652	177,279	91,927	534	-99.7%	-34.7%

Mercados clave	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020	Δ Abr-20 / Abr-19	Δ Ene-Abr-20 / Ene-Abr-19
Reino Unido	336	131	94	184	219	73	155	827	773	942	692	357	2	-99.4%	80.7%
Australia	388	352	347	336	256	201	346	268	305	415	181	114	-	-100.0%	-46.5%
Corea del Sur	123	95	72	87	83	111	179	134	126	98	93	23	-	-100.0%	-57.0%
Total mercados clave	847	578	513	607	558	385	680	1,229	1,204	1,455	966	494	2	-99.8%	-0.4%

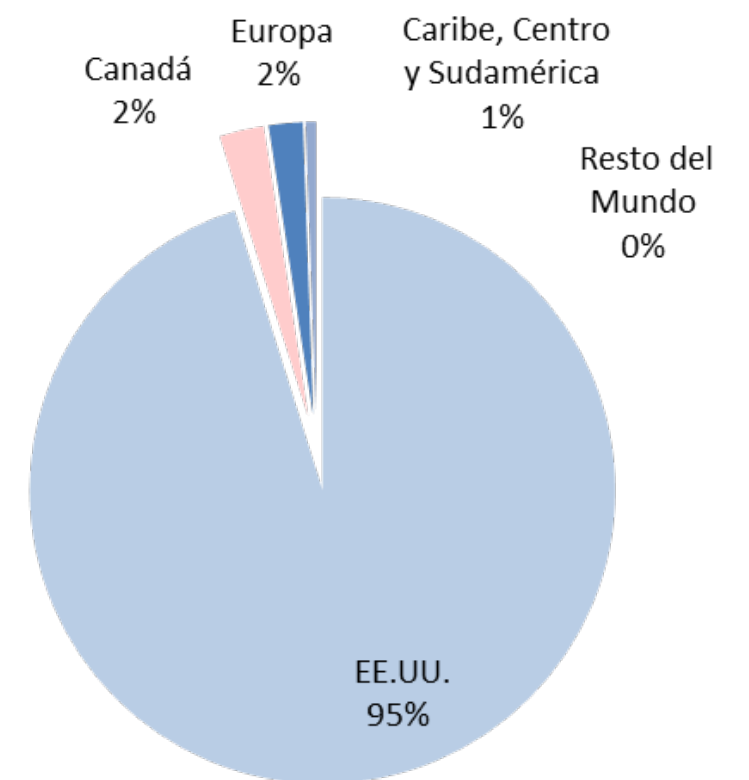
SOURCE: INM-SIOM

International tourist arrivals by air, by origin (residence)

-99.7% Apr-2020 vs. Apr-2019

- The entry of 534 international tourists that arrived by air to the Los Cabos International Airport was registered in Apr-2020. This signified a decrease of 99.7% compared to Apr-2019.
- In Apr-2020, Americans represent 95% of the total.

Participation of international tourist arrivals by air to Los Cabos International Airport (Apr-2020)



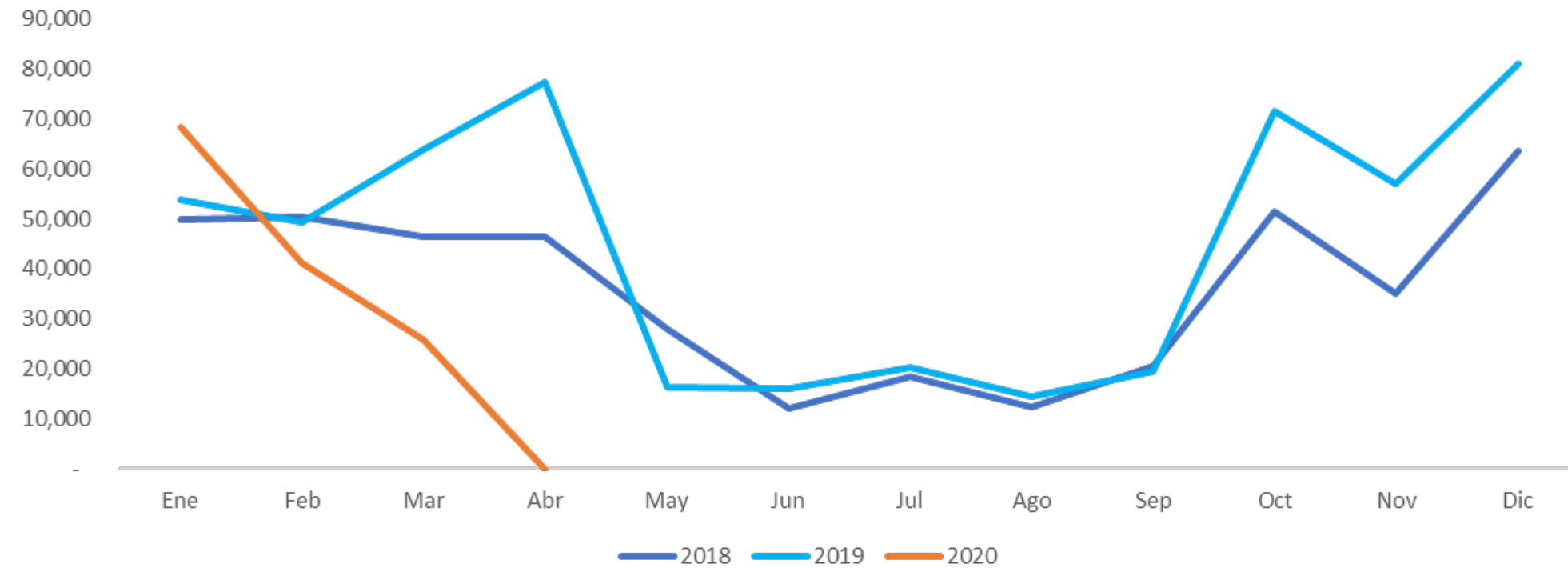
SOURCE: INM-SIOM

**Direct
impact of
COVID-
19**

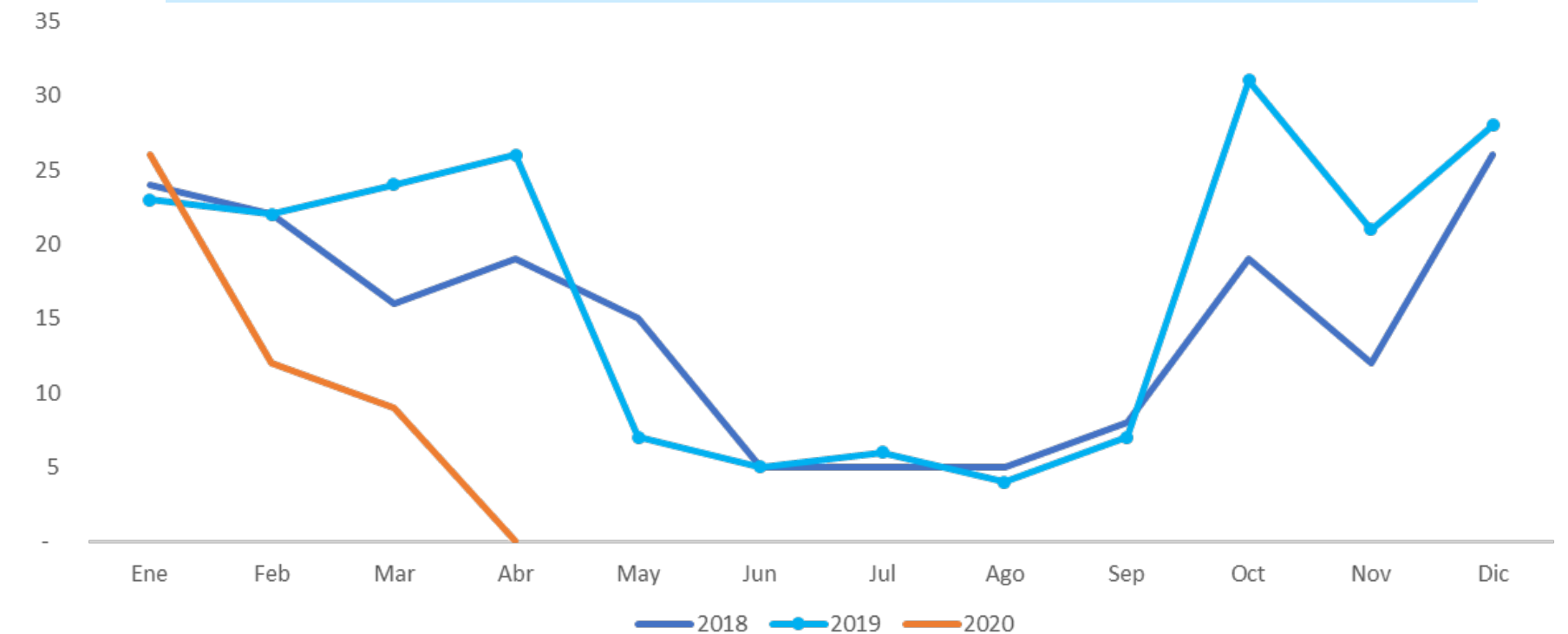
Passenger arrivals on cruise ships and vessels (2019-2020)

- There were no registered vessel or cruise ship arrivals at the Port of Cabo San Lucas in Apr-2020.

Passengers arriving on cruise ships at the Port of Cabo San Lucas, monthly (2018-2020)



Cruises arriving in the Port of Cabo San Lucas, monthly (2018-2020)



SOURCE: DATATUR - SCT

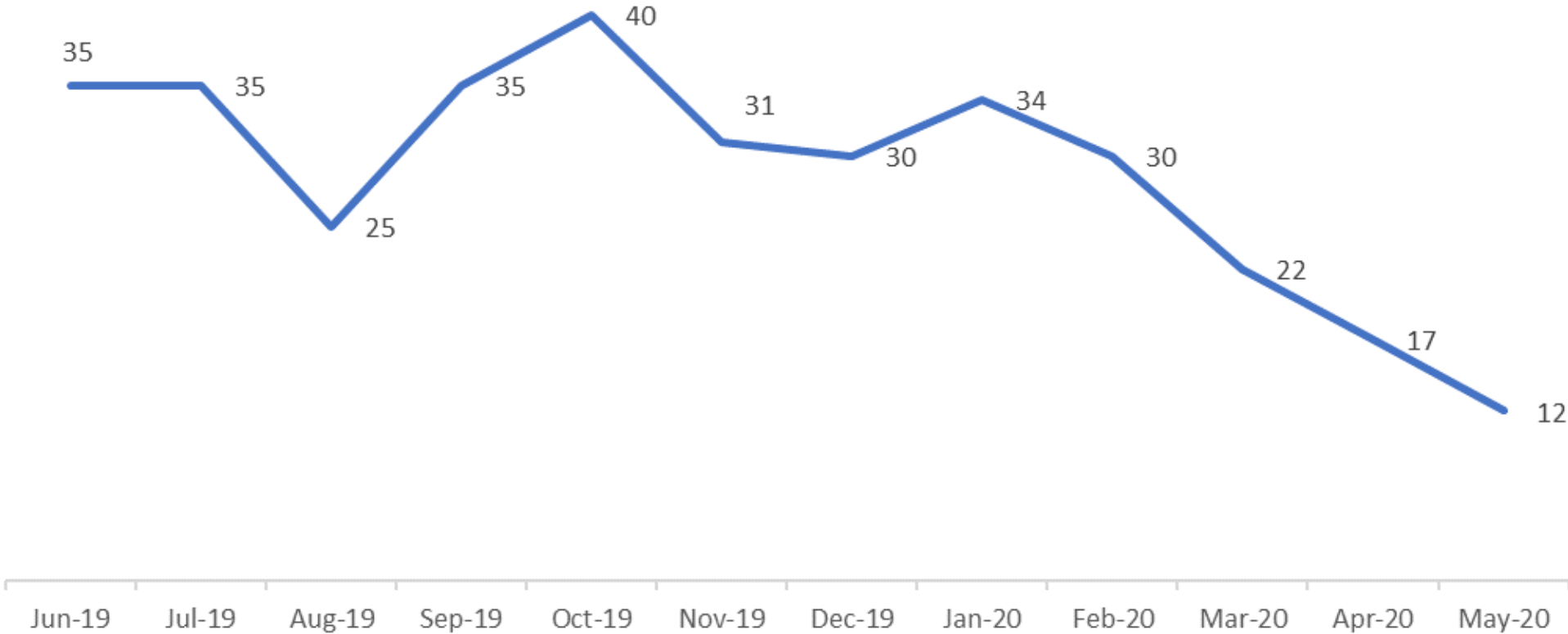


LOS CABOS TOURISM OBSERVATORY

DEMAND INDICATORS
TOURIST SURVEYS & GROUP BUSINESS

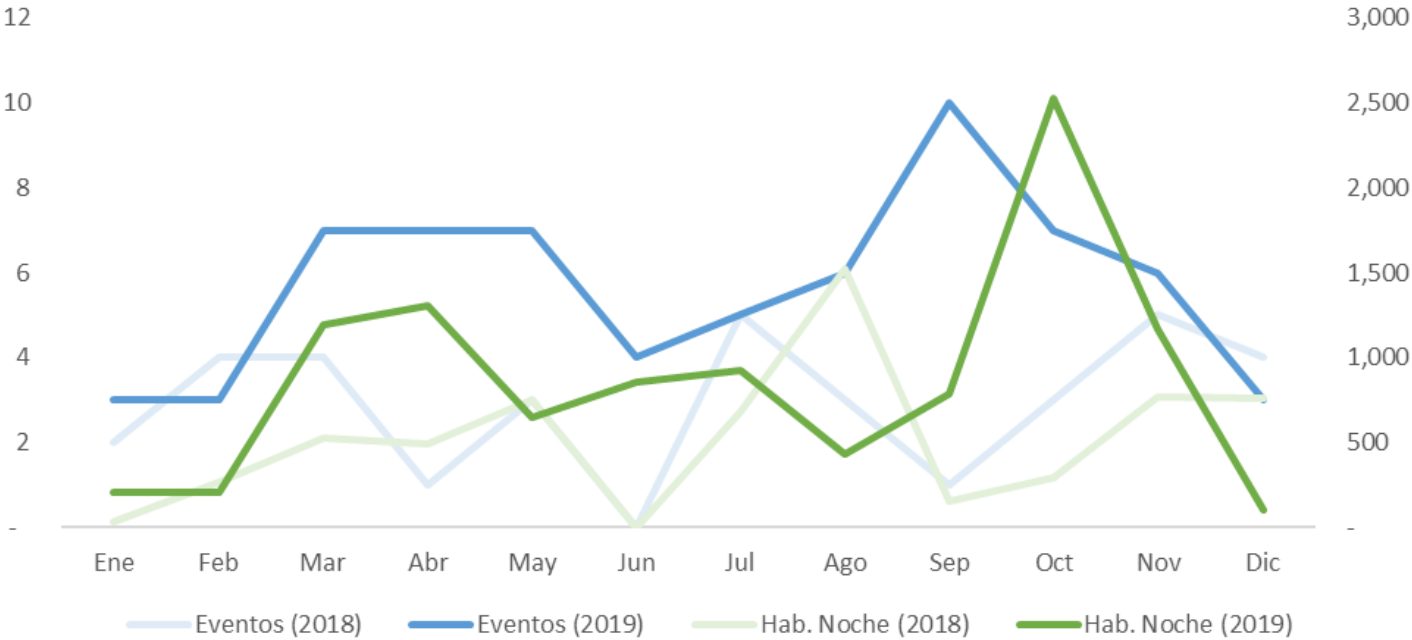
Demand indicators: Group Business

RFPs received from meeting and group events, last 12 months (CVENT)



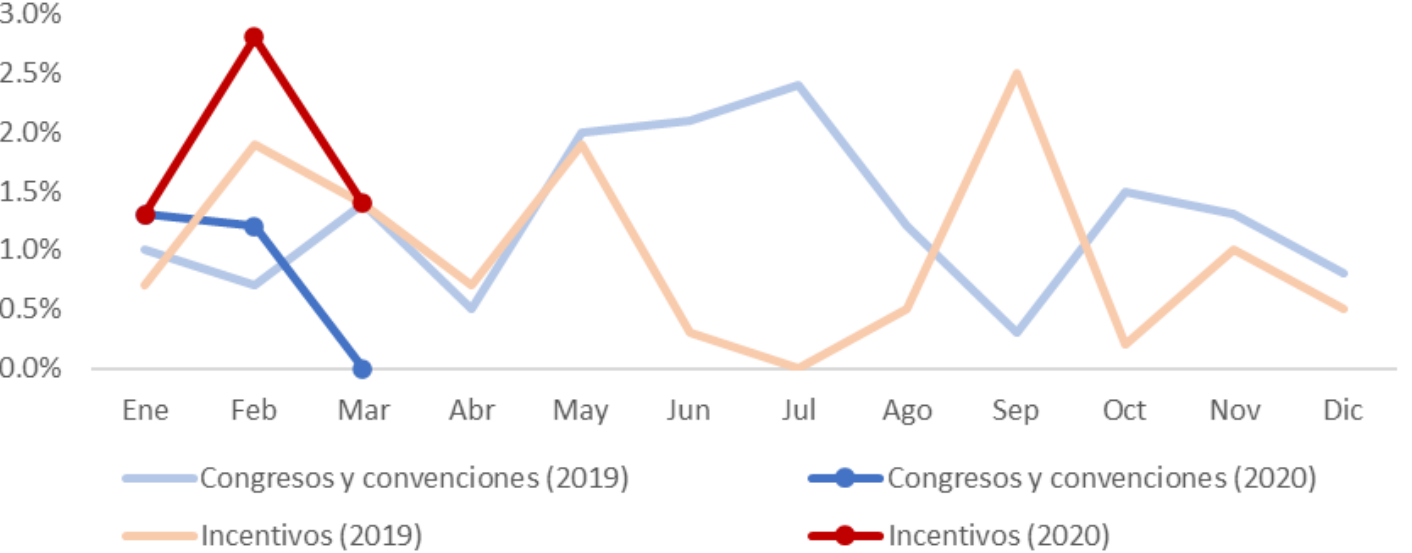
SOURCE: CVENT

Confirmed room nights and events, for meetings and groups (Helms Briscoe)



SOURCE: Helms Briscoe

Attendees to congresses, conventions and incentive trips (% of total tourists)



SOURCE: TOURIST SURVEYS

An aerial photograph of a clear, turquoise ocean. In the center, there is a large, light-colored rock. Below the rock, two small kayakers are visible, paddling in the water. The image is partially obscured by a large, curved white shape on the right side.

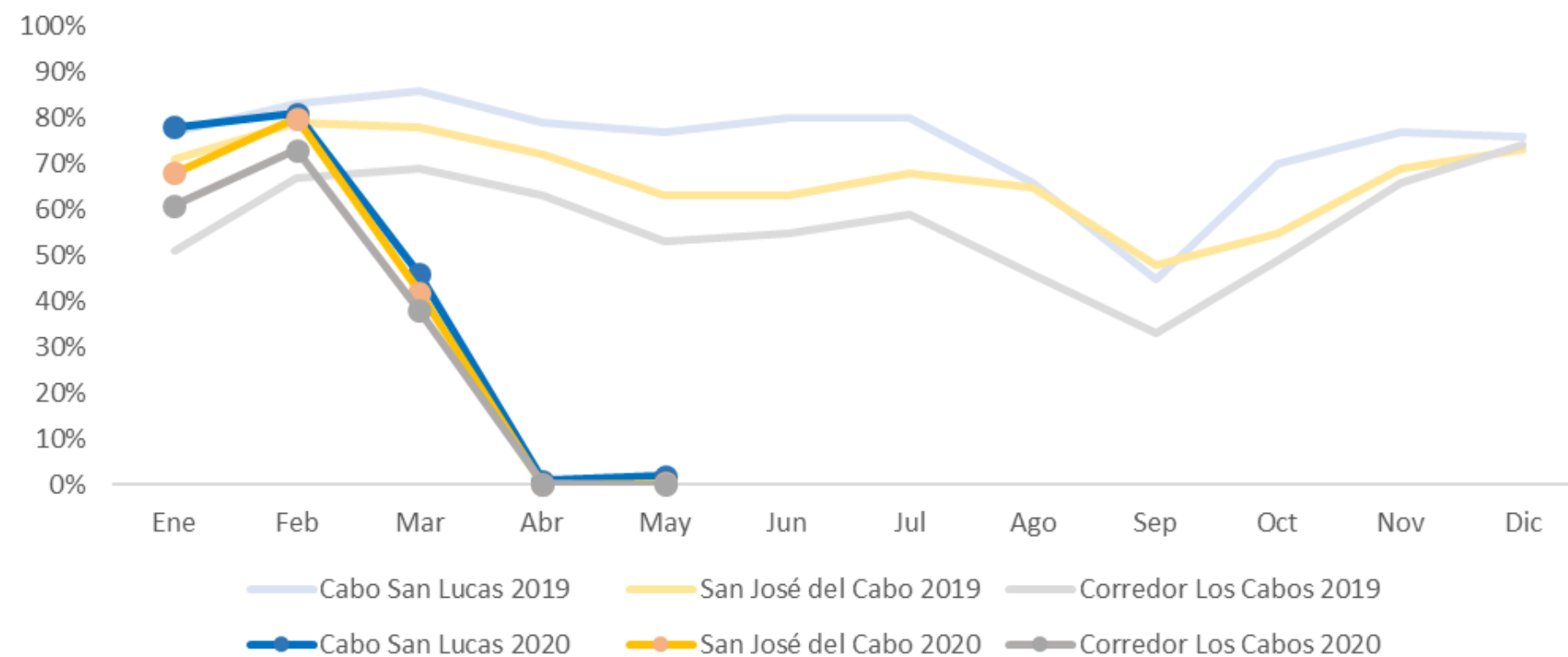
LOS CABOS TOURISM OBSERVATORY

SUPPLY INDICATORS

HOTEL OFFER

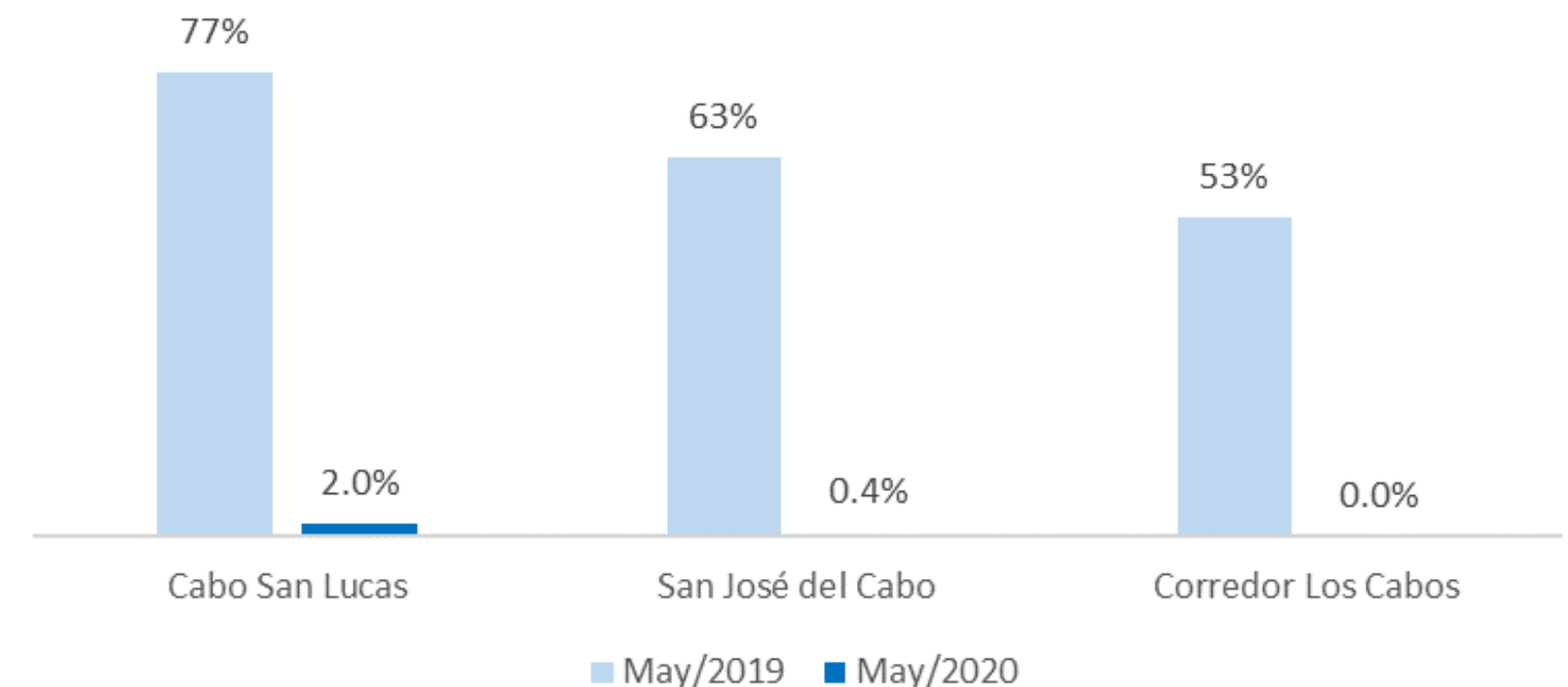
Evolution of the hotel offer in Los Cabos and sub-destinations

Monthly hotel occupancy (2019-2020)



SOURCE: AHLC

Hotel occupancy (May 2019-2020)



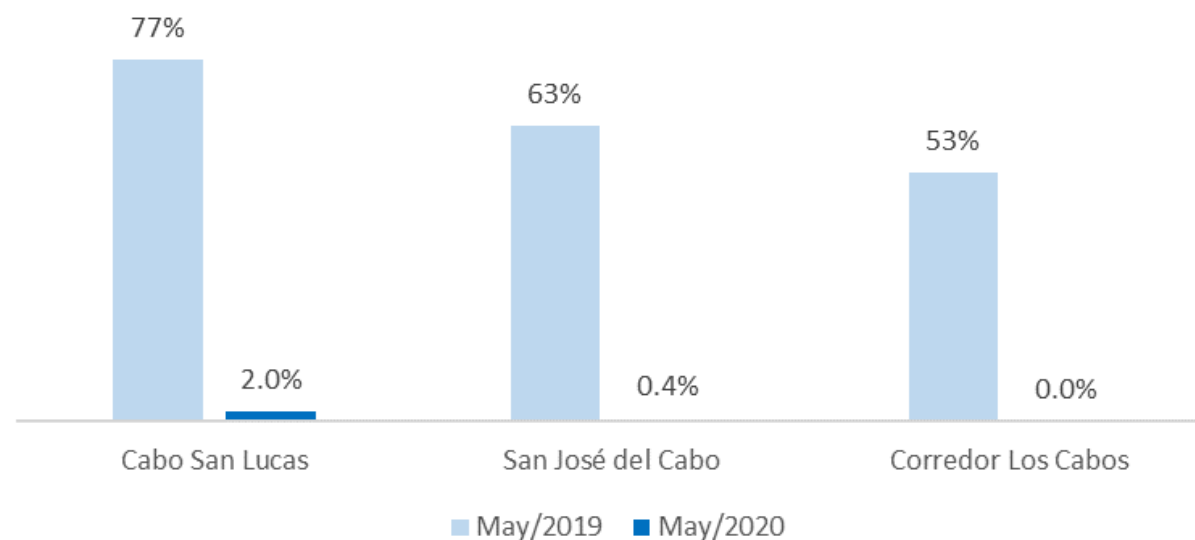
SOURCE: AHLC

- According to the Los Cabos Hotel Association, hotel occupancy in Los Cabos reached 1%, decreasing 66pp when comparing May-2019 with May-2020. On a sub-destination level, Cabo San Lucas had an occupancy of 2%, decreasing 75pp compared to the previous year. Meanwhile, San Jose del Cabo dropped 62.6pp, reaching 0.4%, and Los Cabos Corridor decreased 53pp, registering 0%.
- Los Cabos registered 483 tourists arriving at hotels in Apr-2020, 99.8% less compared with Apr-2019. The average stay increased by 1.7 nights (from 4.92 in Apr-2019 to 6.61 in Apr-2020, according to DataTur).
 - International tourist arrivals at hotels fell 100% in this period, while national tourism did so by 99.7%.
 - In Apr-2020, national tourism represented 89.2% of the total, while international tourism constituted 10.8%. The previous year, the participation of 30.8% of international tourists was registered.

HOTEL OFFER

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

Hotel occupancy (May 2019-2020)

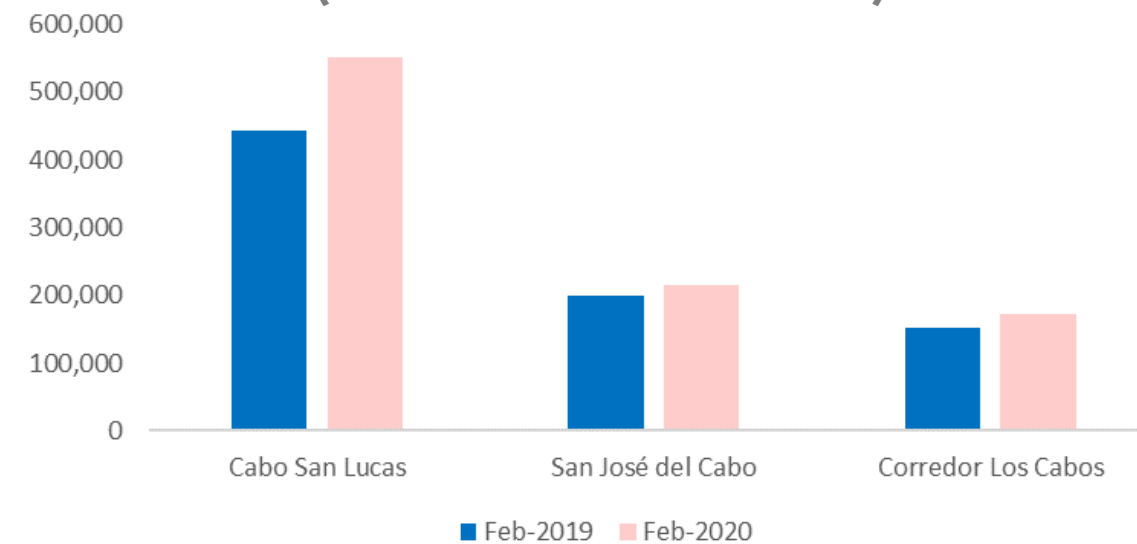


SOURCE: AHLC

CABO SAN LUCAS

- The hotel occupancy registers 2%, which implies a decrease of 75pp (May-2019 vs. May-2020, AHLC).
- It's hotel offer increased by 17.4% from Apr-2019 to Apr-2020, going from 7.7 thousand to 9 thousand (DataTur).
- Occupied room nights dropped 99.6% between Apr-2019 and Apr-2020 (DataTur).

Room nights (Feb-2020 vs. Feb-2019)

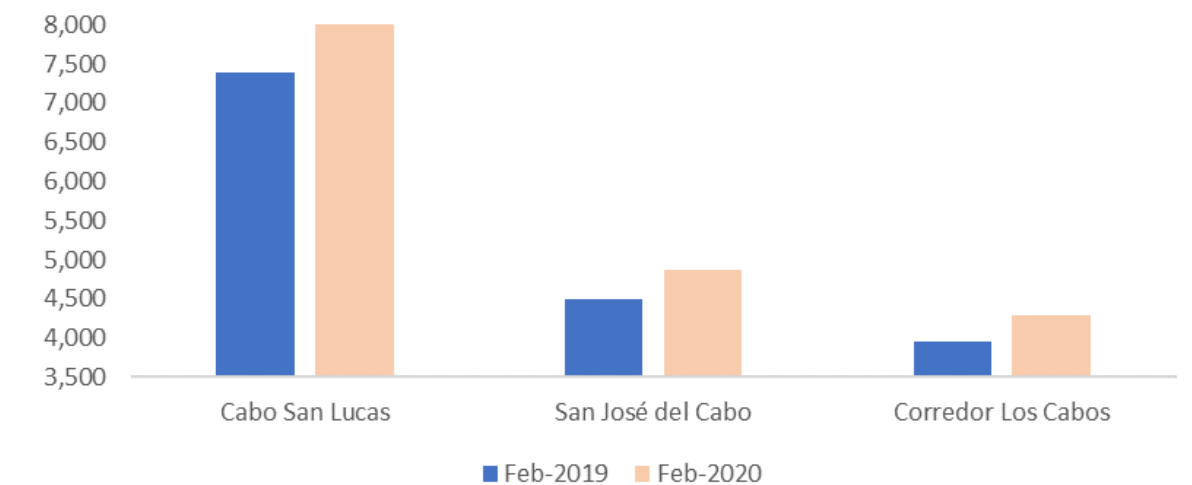


SOURCE: DATATUR

SAN JOSE DEL CABO

- Occupancy dropped 62.6pp when comparing May-2019 to May-2020 (AHLC): 0.4%.
- Its hotel offer grew 8.4% between Apr-2019 and Apr-2020, registering 4.9 thousand rooms (DataTur).
- Occupied room nights dropped 99.9% between Apr-2019 and Apr-2020 (DataTur).

Rooms available (Feb-2020 vs. Feb-2019)



SOURCE: DATATUR

LOS CABOS CORRIDOR

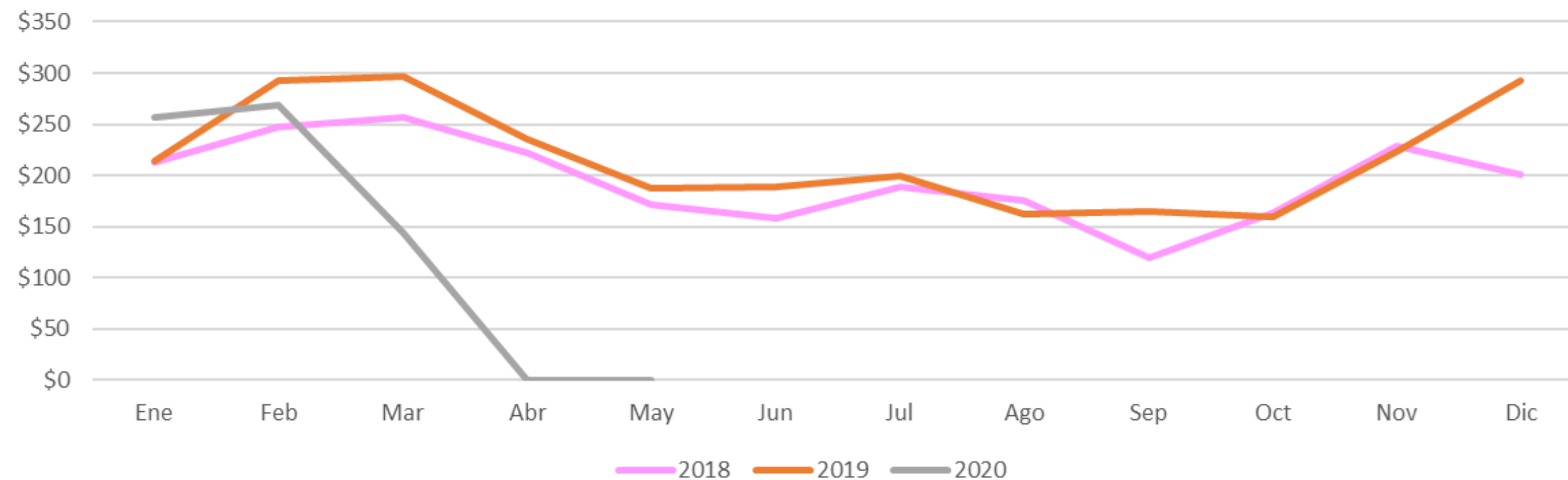
- Occupancy registers 0% in May-2020 (AHLC).
- Its hotel offer grew 10.2% between Apr-2019 and Apr-2020, registering 4.4 thousand rooms (DataTur).
- Occupied room nights decreased 100% between Apr-2019 and Apr-2020 (DataTur).

HOTEL OFFER

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

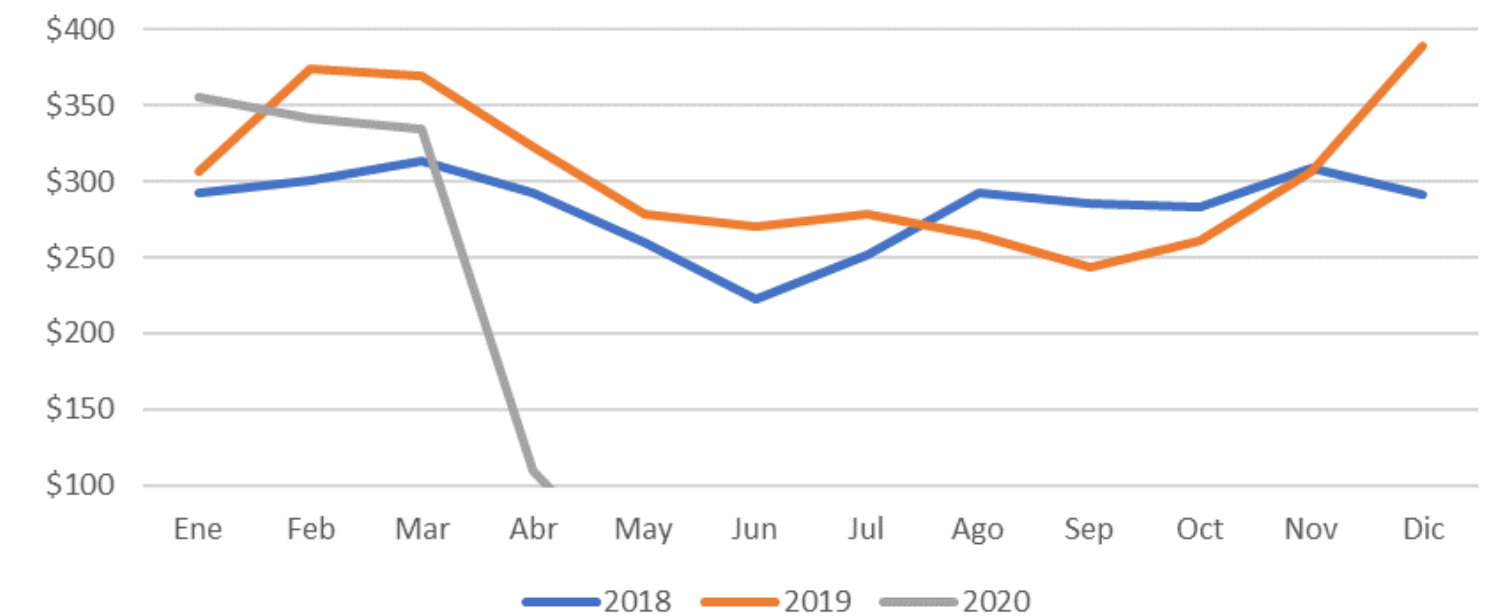
- This month, there is not enough data on the average rate and RevPAR of Los Cabos.

RevPAR Los Cabos (USD, 2018 - 2020)

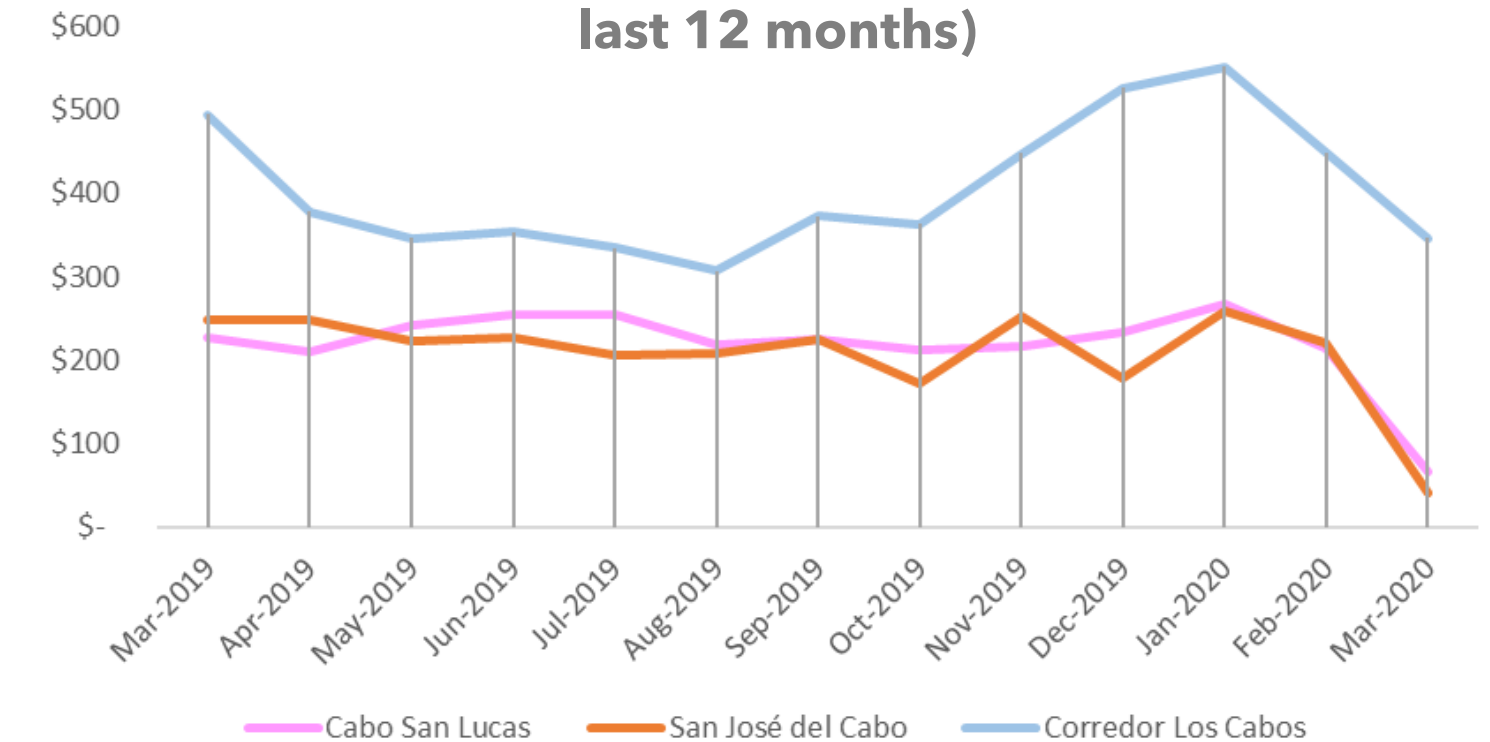


SOURCE: AHLC

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



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



INTERNATIONAL AIR CONNECTIVITY

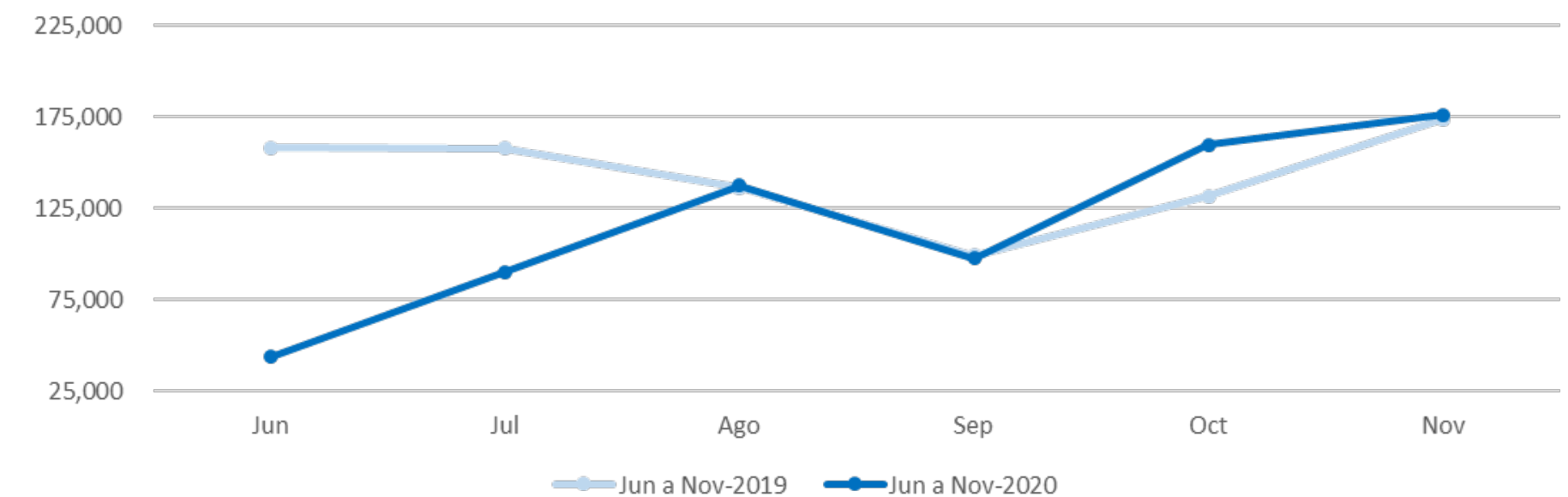
SOURCE: OAG

SEATS SCHEDULED FOR MAY-OCT-2020

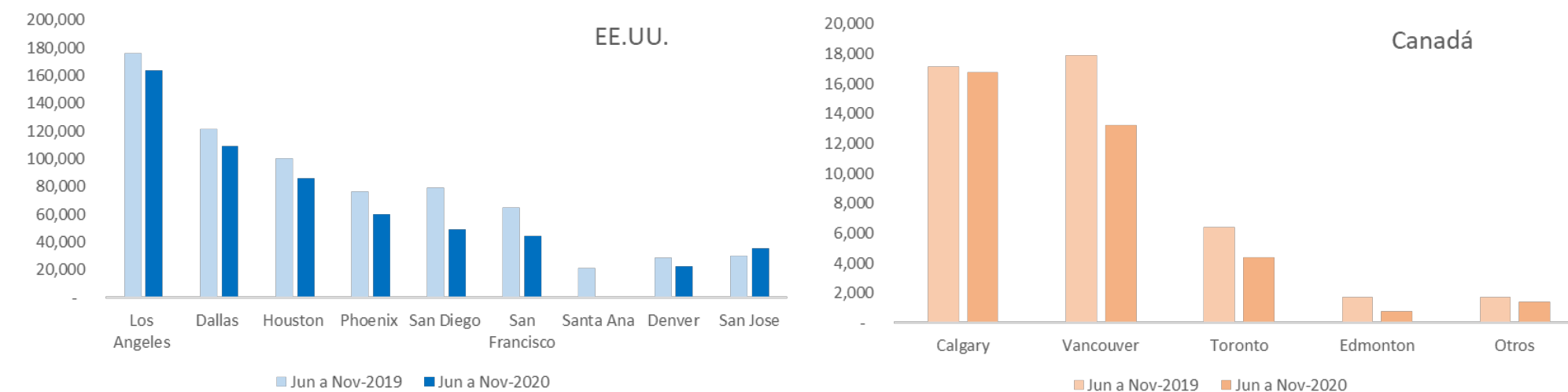
Seat offer report for the month in question and the 6 following months, as the case may be

- For the U.S., there are **71.7% fewer** available scheduled seats for Jun-2020 compared to the same period last year, and for the next 6 months, there are **18.1% fewer** scheduled seats compared to the same period in 2019. *Important: See note on seat scheduling in the executive summary.*
 - Almost all origin airports have decrements, except for San José, CA (+18.2%). PHX (-21.6%) and San Diego (-37.9%) have the highest decrease. LAX and DFW have the lowest, with -7.2% and -10.5%, respectively.
- Los Angeles is the main issuing market in the U.S. (24%), followed by DFW and Houston (16% and 13%, respectively).
- LAX participation in the international market increases 2pp.
- American, Alaska, and United Airlines are the most relevant (71% as a whole).
- For Canada, there are no scheduled seats available for Jun-2020, and for the next 6 months, there are 18.7% fewer scheduled seats.
 - Calgary dropped 2.4%, Vancouver 26.4%, and Toronto 31.7%. Toronto will lose 2pp of participation, while Calgary will gain 8pp.
 - Swoop will reduce the frequency of its flights by 100%, Sunwing will do so by 45.5%, and WestJet 11.4%. AC will increase it by 22.4%.
- The international airlines' occupancy factors for Mar-2020 were: American 49%, Alaska 28%, Delta 46%, United 48%, Southwest 8%, Air Canada 60%, and WestJet 34%. Alaska and Southwest lost 56pp and 73% respectively, when comparing to Mar-2019. There is no available data on Sunwing's occupancy this month.

Programación de asientos hacia San José del Cabo (Jun-Nov 2020)



Asientos programados por origen (May a Oct-2020)





LOS CABOS TOURISM OBSERVATORY

PUBLIC RELATIONS

Public relations: notes and scope (last 12 months)

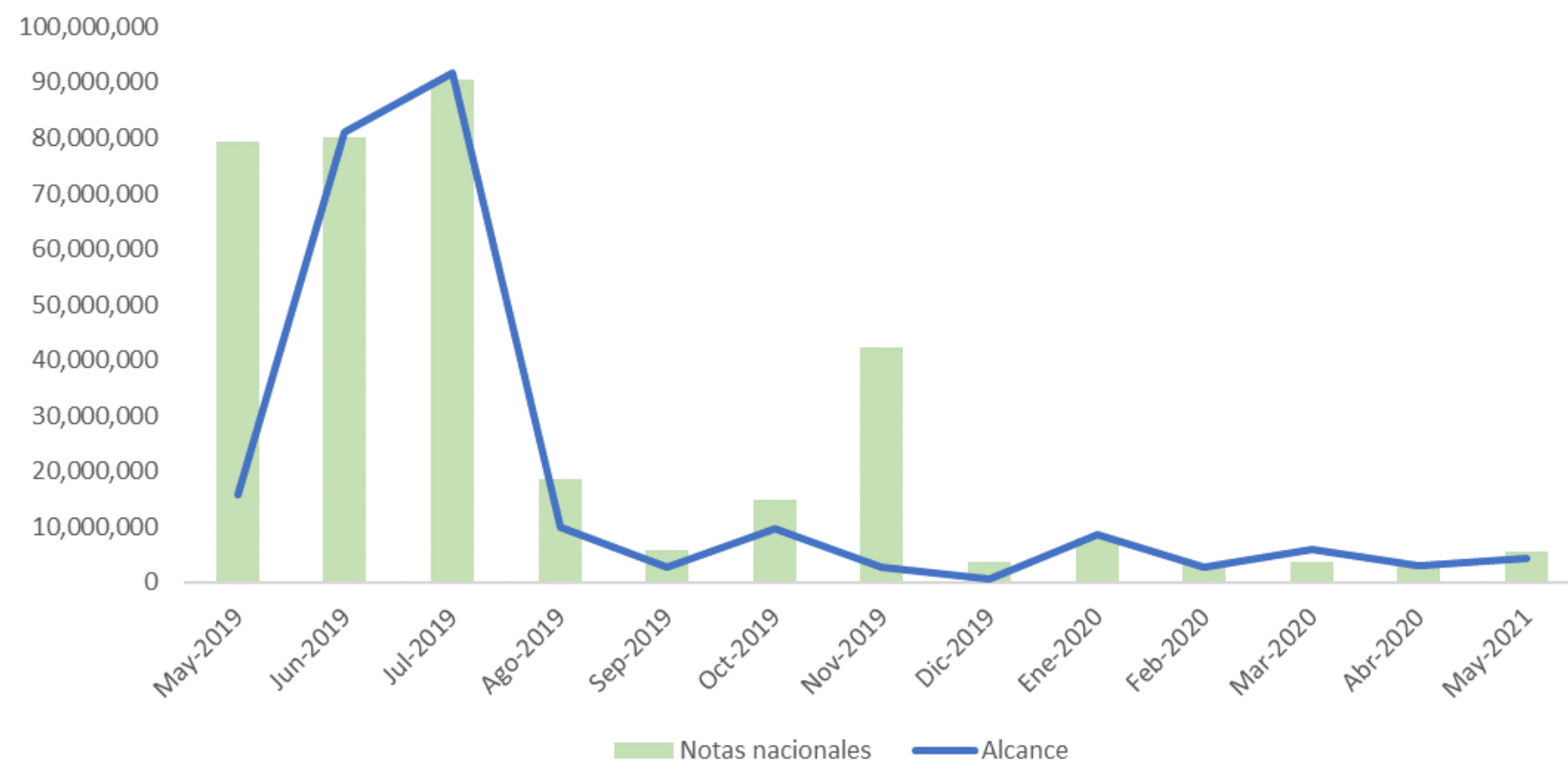
- In the domestic market:

- In the period from Jun-2019 to May-2020 (last 12 months), there were 2,509 national press insertions (209 monthly on average), creating a scope of 224 million impacts (18.6 million monthly on average). 49 inserts were published throughout May-2020, achieving 4.4 million impacts.

- In the international market:

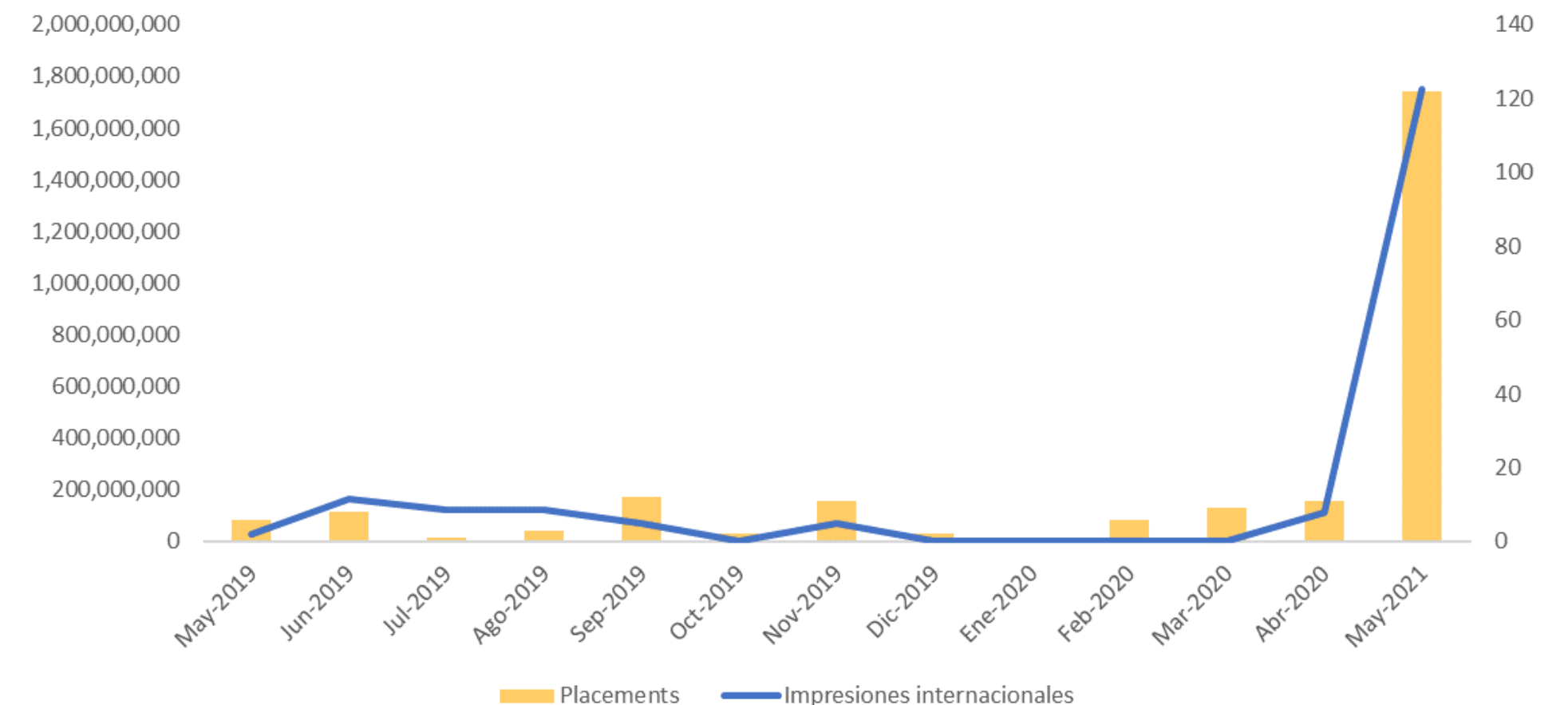
- In the period from Jun-2019 to May-2020, there were 188 international press insertions (15.6 monthly on average), creating a scope of 2,418 million impacts (201.5 million monthly on average). 122 inserts were published throughout May-2020, achieving 1,748 million impacts.

NATIONAL NOTES' TOTAL & SCOPE (MAY-2020)



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

INTERNATIONAL NOTES' TOTAL & SCOPE (MAY-2020)



SOURCE: NJF (Feb-18 to Jan-19), OGILVY (Feb-19 to May-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: $\text{RevPAR} = \text{It} / \Sigma \text{Ht}$, 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.

LOS CABOS

LOS CABOS TOURISM OBSERVATORY

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