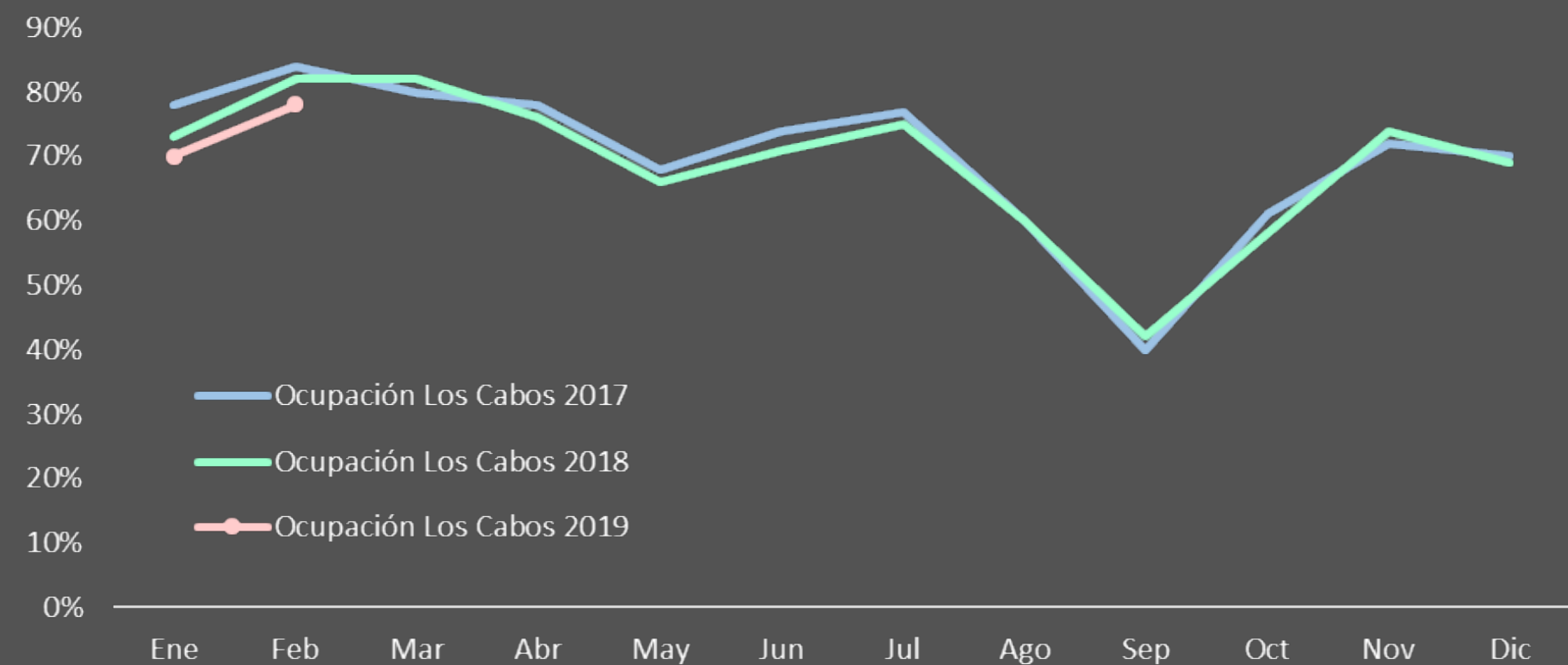


TOURISM OBSERVATORY IN LOS CABOS

April 2019

Main indicators - Summary

Hotel activity



Source: ASSOCIATION OF HOTELS OF LOS CABOS

Rooms Available
(Feb-2019):
16.834
+0.5%
Feb-2018 (VS)

Source: DATATUR

Occupancy
(Feb-2019):
78%
-4pp
Feb-2018 (VS)

Source: ASOC. DE
HOTELES DE LOS
CABOS

Rooms Per Night
(Feb-2019):
808.783
+0.4%
Feb-2018 (VS)

Source: DATATUR

Arrival of passengers by air

Total passengers
(Mar-2019, in
thousands):
275.9
+3.4%
(Vs Mar-2018)

Domestic Passengers
(Mar-2019, in thousands):
70.4
-1%
(Vs Mar-2018)

International passengers
(Mar-2019, in thousands):
205.4
+5%
(Vs Mar-2018)

Source: GAP

Total of Group Business
RFPs (Mar-2019):
31
+17 RFPs
(Vs Mar-2018)

Surveys of Tourists
Satisfaction of the tourist
(more than expected,
Feb-2019):
33.2%
-2.3pp
Feb-2018 (VS)

Passengers on a cruise
ship
(Feb-2019):
49.267
-2.1%
Feb-2018 (VS)

Participants in
congresses and
conventions (Feb-2019):
0.7% of the total
-2.5pp
Feb-2018 (VS)

Source: Surveys to Tourists

Origin of Tourists
(Feb-2019):
71.6% Foreigners
+0.5Pp
Feb-2018 (VS)

Source: Surveys to Tourists

Cruise ships
(Feb-2019):
22
+0%
Feb-2018 (VS)

Source: DATATUR



TOURISM OBSERVATORY IN LOS CABOS

DEMAND INDICATORS
PASSENGERS AND TOURISTS

Arrival of foreign tourists by air

By origin (residence), 2018-2019

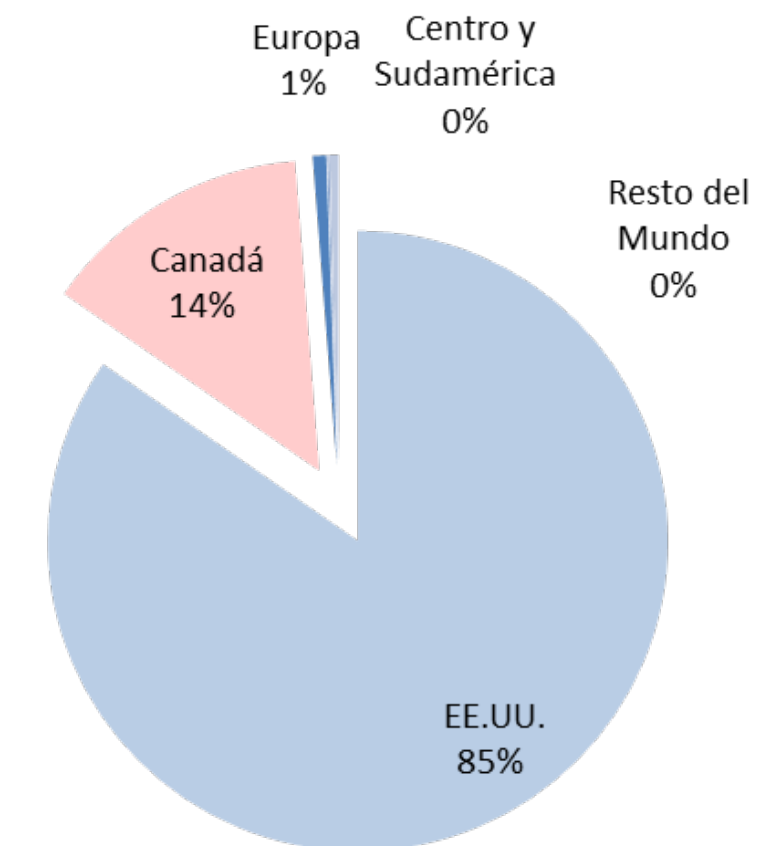
	Feb-19	Mar-19	Abr-18	May-19	Jun-19	Jul-19	Ago-18	Sep-19	Oct-19	Nov-19	Dic-18	Ene-19	19-Feb	Δ Feb-19 / Feb-18	Δ Ene-Feb-19 / Ene-Feb-19
EE.UU.	128,603	171,996	136,162	129,317	148,990	152,331	114,299	72,390	107,692	129,090	147,461	122,358	133,400	3.7%	2.5%
Canadá	20,896	21,042	13,231	5,399	3,391	3,568	4,039	3,205	6,887	16,041	21,866	24,304	22,218	6.3%	12.4%
Europa	632	774	483	464	360	608	1,138	441	535	713	1,060	841	1,097	73.6%	53.4%
Centro y Sudamérica	197	252	177	206	180	255	177	148	165	144	228	295	168	-14.7%	12.7%
Resto del Mundo	644	726	758	652	715	840	751	682	668	654	1,303	1,053	699	8.5%	31.8%
Total	150,972	194,790	150,811	136,038	153,636	157,602	120,404	76,866	115,947	146,642	171,918	148,851	157,582	4.4%	4.3%

Source: INM- SIOM

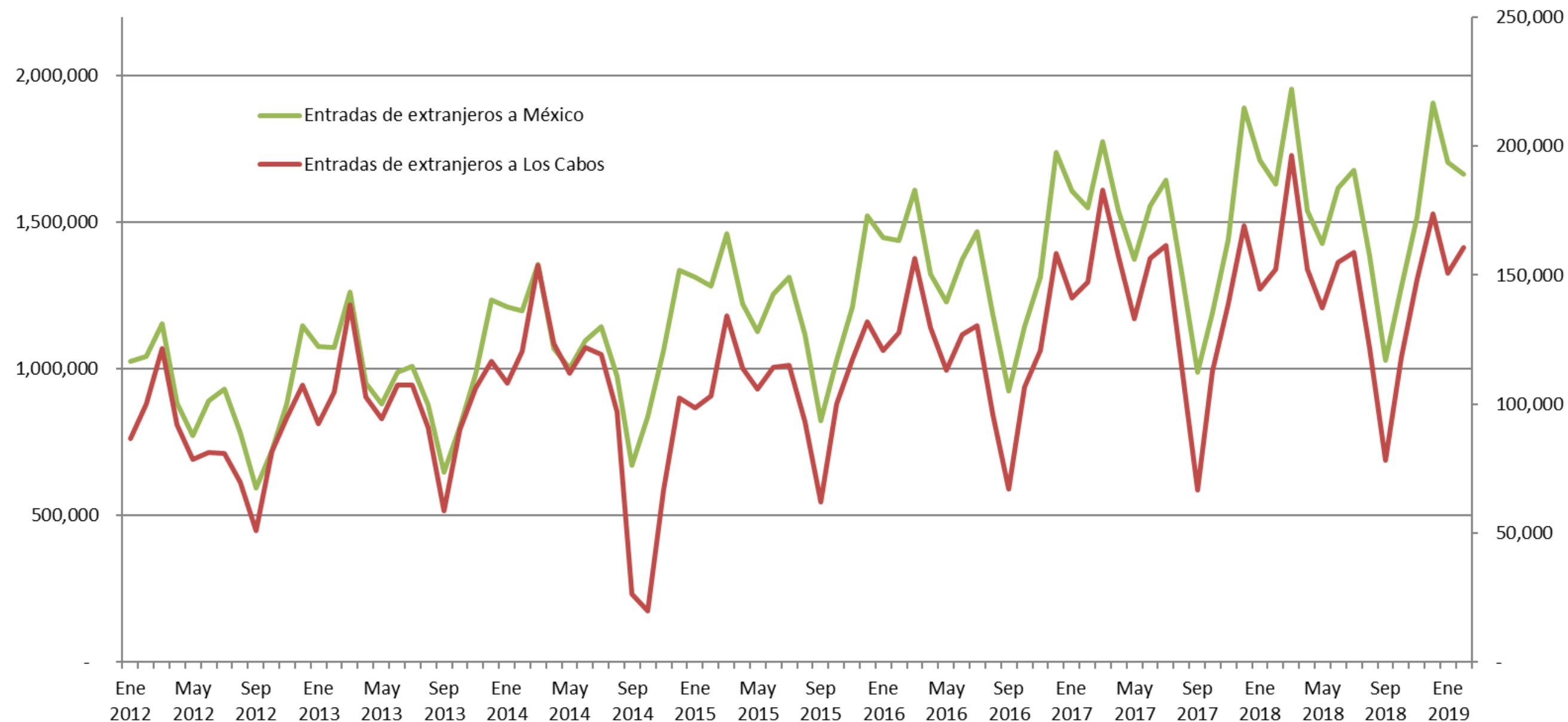
- **Feb-2019** recorded the entry of 157 thousand foreign tourists by air to Los Cabos International Airport. This meant an increase of 4.4% compared to Mar-2018, and 4.3% considering the period accumulated Jan-feb-2019 versus Jan-feb-2018.

- In Feb-2019 Americans represented 85% of the total, identical to the level recorded in the same period of 2018. The arrival of the U.S. grew 3.7%.
- Canadians represent 14% of the total, maintaining the level of Feb-2018. It should be noted that the winter season, it is the most intense in terms of outputs of Canadian tourism to sun and beach destinations. Canadian arrivals grew 6.3% in this period and 12.4% in considering the period accumulated Jan-Feb.
- The Europeans recorded the largest increase in all regions (73.6%). Their participation is of 1%.

Participation of foreign tourist arrivals by air to the airport of San Jose del Cabo (Feb-2019)



Monthly evolution of the arrival of foreign tourists by air to the international airport of SJD and at national level, 2012-2019



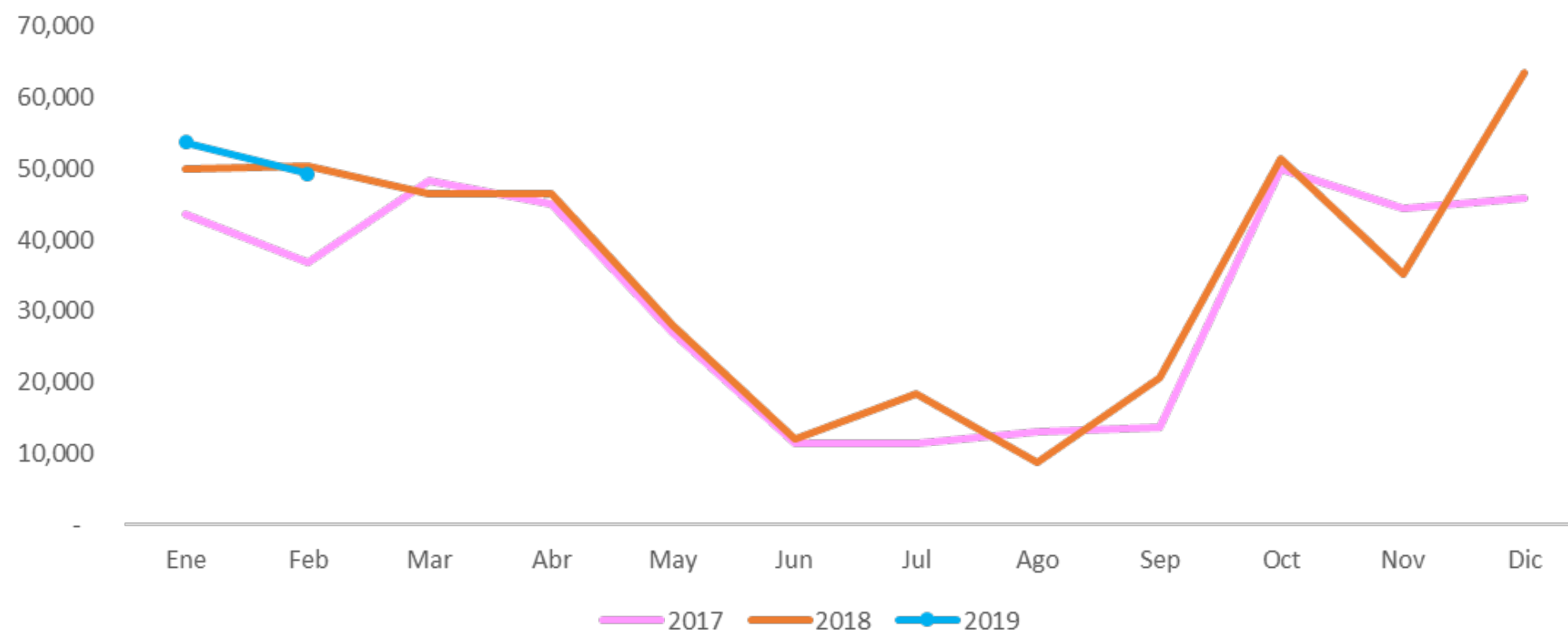
Source: INM- SIOM

- When comparing Feb-2019 versus Feb-2018, the national level increased the arrival of tourists in 2.1% while to Los Cabos rose 4.3%.
- At national level, the American market fell 2.1% while the Canadian market grew by 8.5%. Other markets were important growth, such as French (23.8%) and Colombia (21.1%).
 - At the airport of Los Cabos, the U.S. market increased 3.7% and 6.3% when comparing Canadian Feb-2019 with Feb-2018.
- In the accumulated Jan-feb confirms the negative trend in the US market (2.6%), so it is still waiting for a low or no growth at the end of 2019.

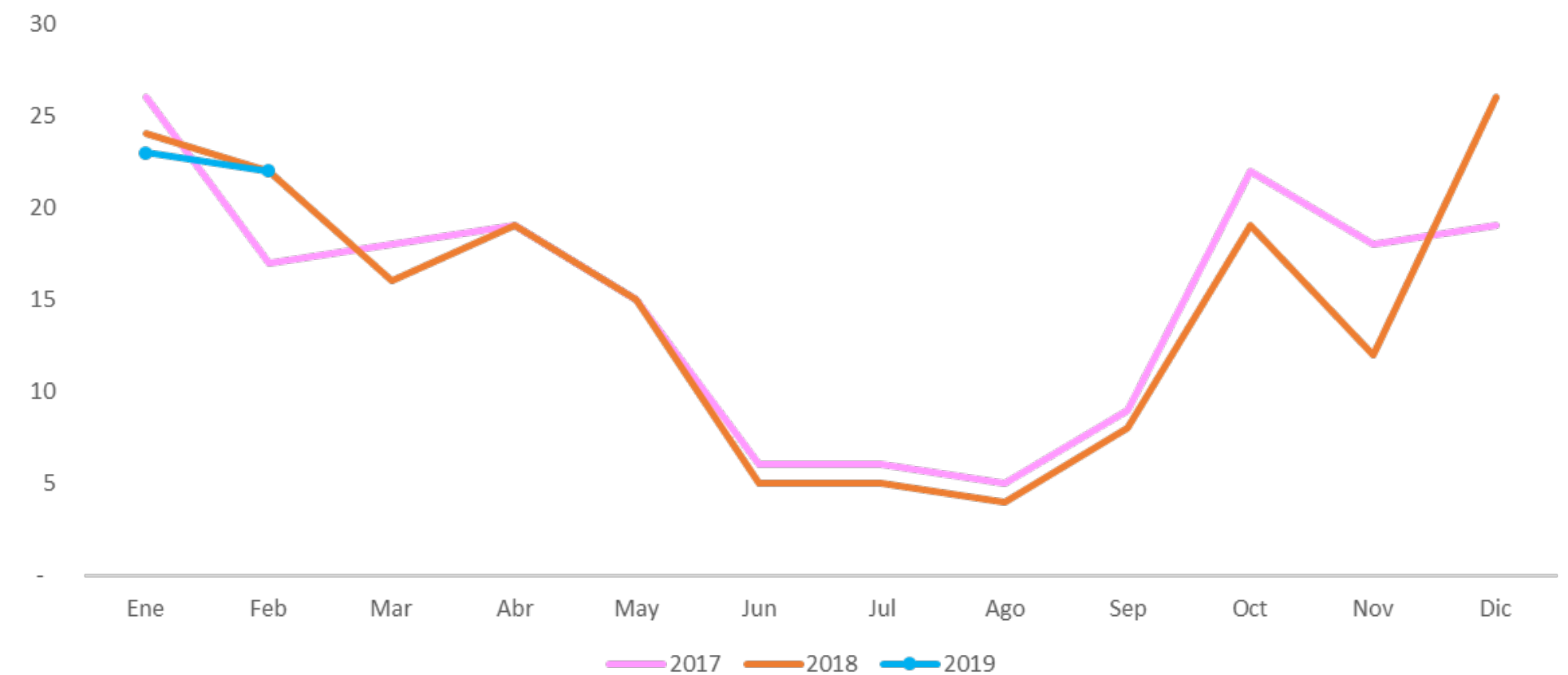
Arrival of passengers on cruise ships and vessels (2017-2019)

- Feb-2019 recorded the arrival of 49,267 passengers in 22 cruise ships.
 - It means a decrease of 2.1 per cent in the volume of passengers in comparison with Feb-2018, although when comparing with 2017 continues to increase in 33.4%.
 - Feb-2018 recorded the same number of vessels than in the previous year.

Pasajeros arribando en crucero al puerto de Cabo San Lucas, mensual (2017-2019)



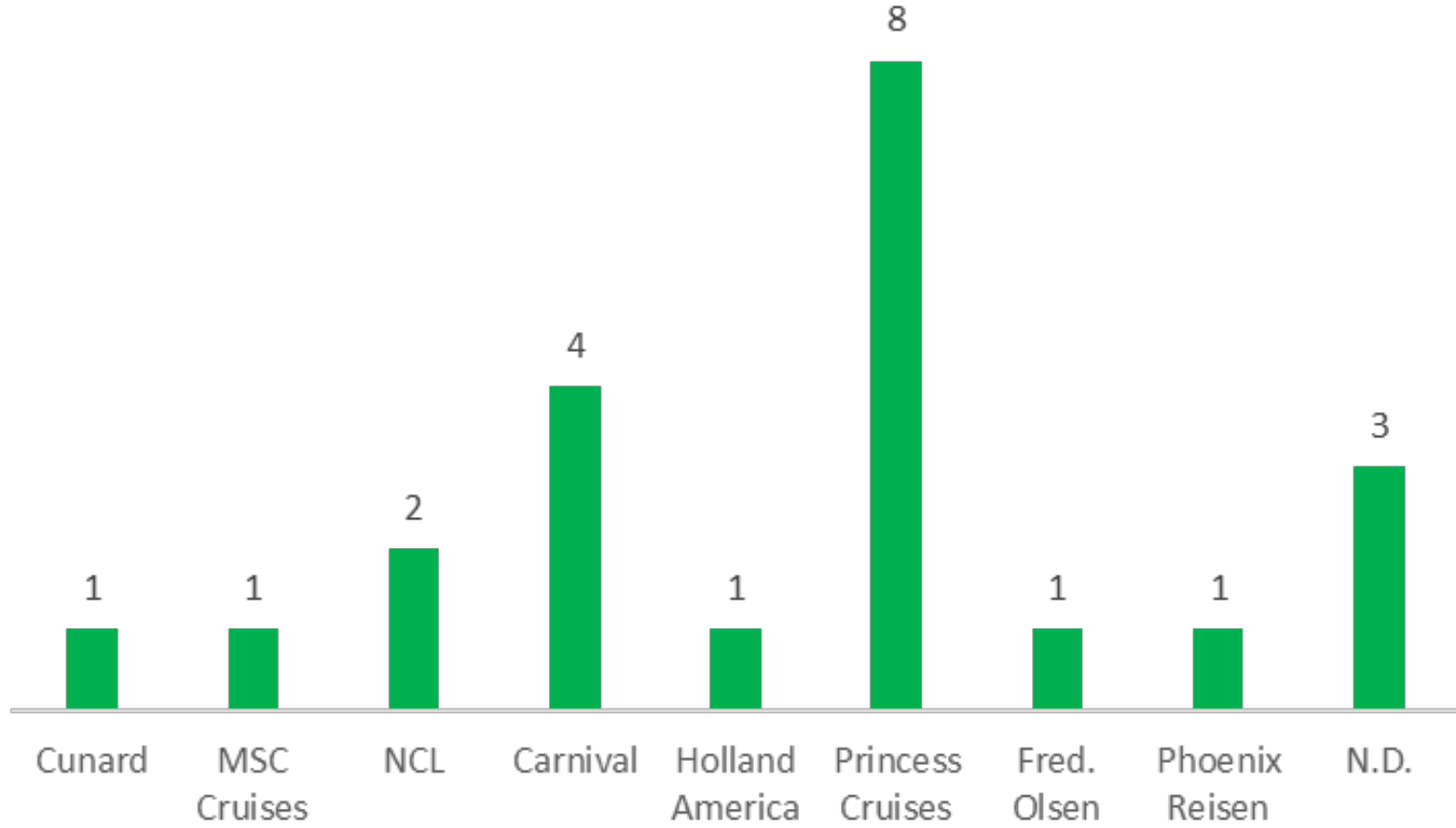
Embarcaciones de cruceros arribando al puerto de Cabo San Lucas, mensual (2017-2019)



Source: DATATUR

Arrival of the vessels to the Port of Cabo San Lucas, Feb-2019

Fecha	Embarcación	Línea Naviera	Capacidad max.
02-Feb-19	Queen Victoria	Cunard	2,250
03-Feb-19	MSC Magnifica	MSC Cruises	3,010
03-Feb-19	Norwegian Star	NCL	2,800
04-Feb-19	Carnival Splendor	Carnival	3,710
04-Feb-19	ms Veendam	Holland America	1,627
04-Feb-19	Ruby Princess	Princess Cruises	3,080
11-Feb-19	Carnival Splendor	Carnival	3,710
11-Feb-19	Ruby Princess	Princess Cruises	3,080
12-Feb-19	Coral Princess	Princess Cruises	2,491
15-Feb-19	Balmoral	Fred. Olsen Cruise Line	1,400
17-Feb-19	Artania	Phoenix Reisen	1,260
18-Feb-19	Carnival Splendor	Carnival	3,710
18-Feb-19	Coral Princess	Princess Cruises	2,491
18-Feb-19	Grand Princess	Princess Cruises	3,100
19-Feb-19	Emerald Princess	Princess Cruises	3,800
20-Feb-19	Ruby Princess	Princess Cruises	3,080
21-Feb-19	Ruby Princess	Princess Cruises	3,080
25-Feb-19	Carnival Splendor	Carnival	3,710
27-Feb-19	Norwegian Star	NCL	2,800



The 22 cruise ships that arrived to the Port of Cabo San Lucas in Feb-2019 were operated by shipping lines, being 8 Princess Cruises (8 cruises), and Carnival (4) the main cruises this month. Princess Cruises had a maximum capacity of 24,202 passengers, equivalent to 49% of the total number of cruise passengers arriving at Cabo San Lucas in Feb-2019.

Source: CREW-CENTER.COM

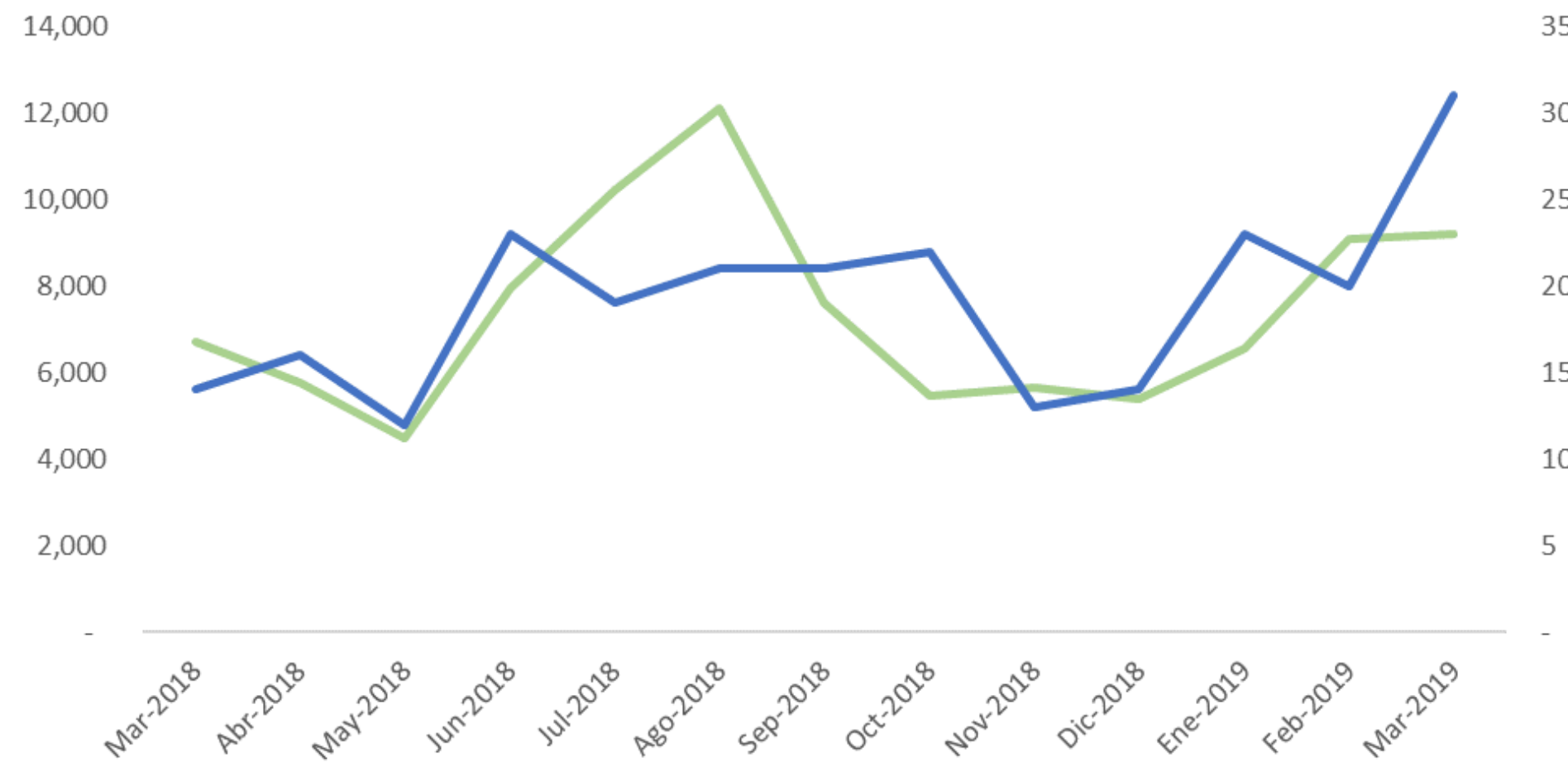


TOURISM OBSERVATORY IN LOS CABOS

DEMAND INDICATORS
SURVEYS OF TOURISTS AND GROUP
BUSINESS

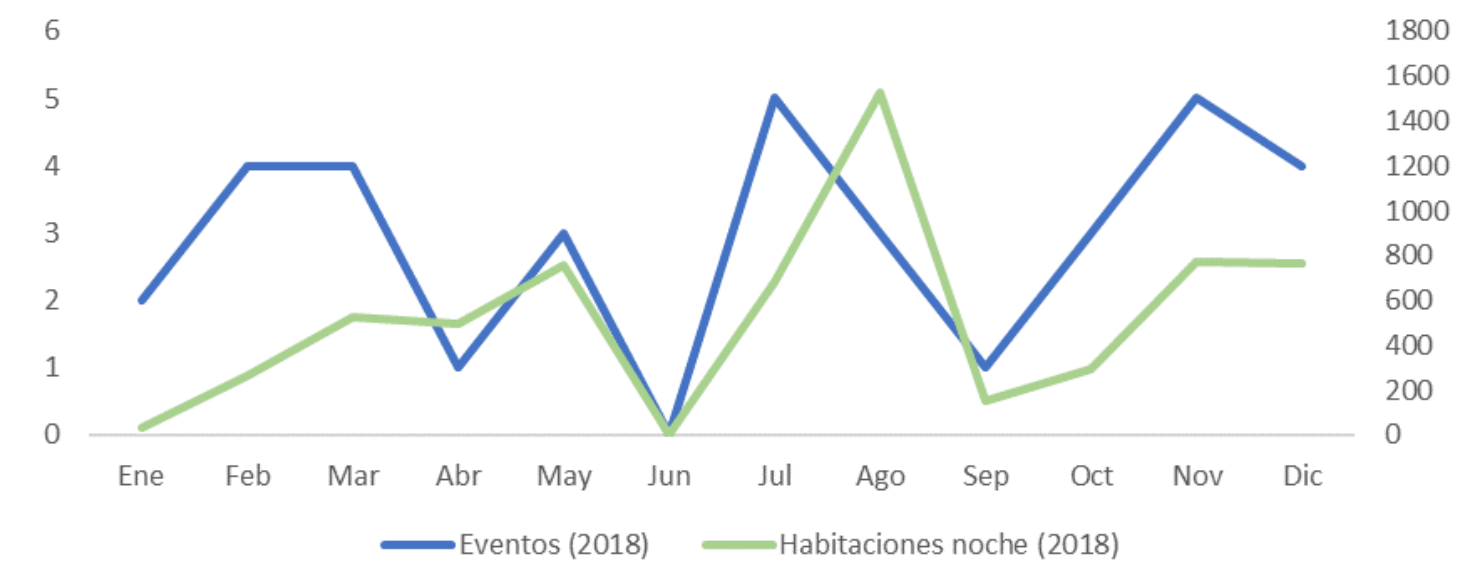
Demand Indicators: Group Business

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



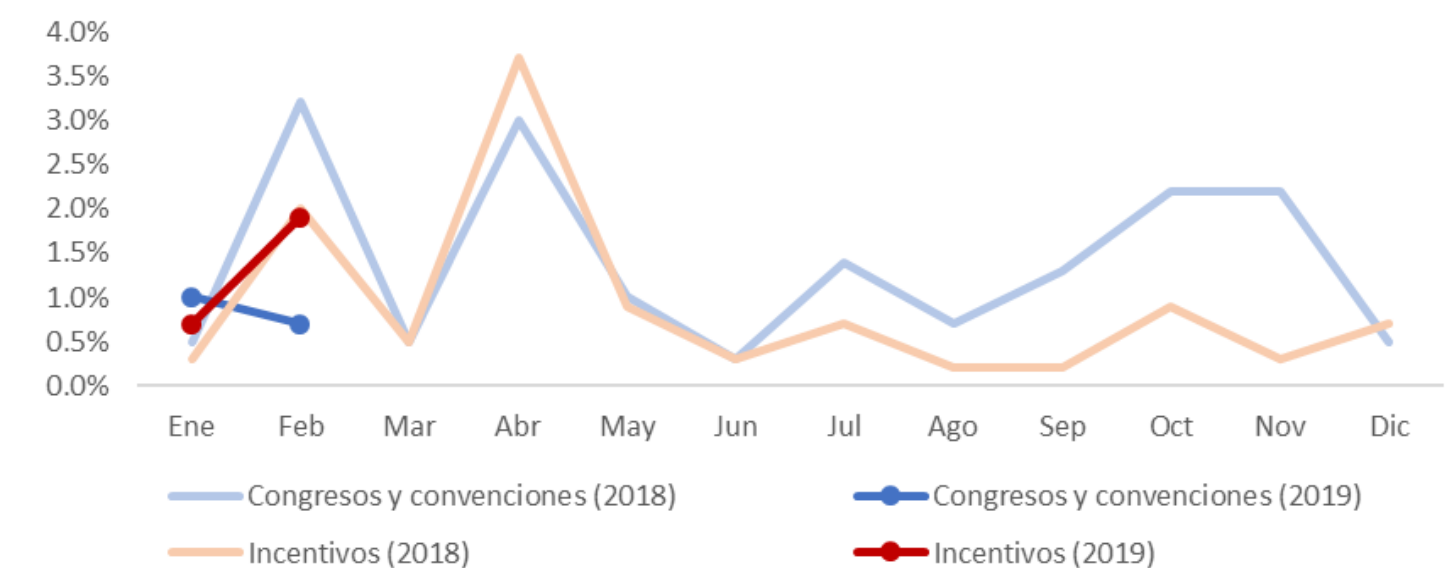
Source: CVENT

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: SURVEY OF TOURISTS

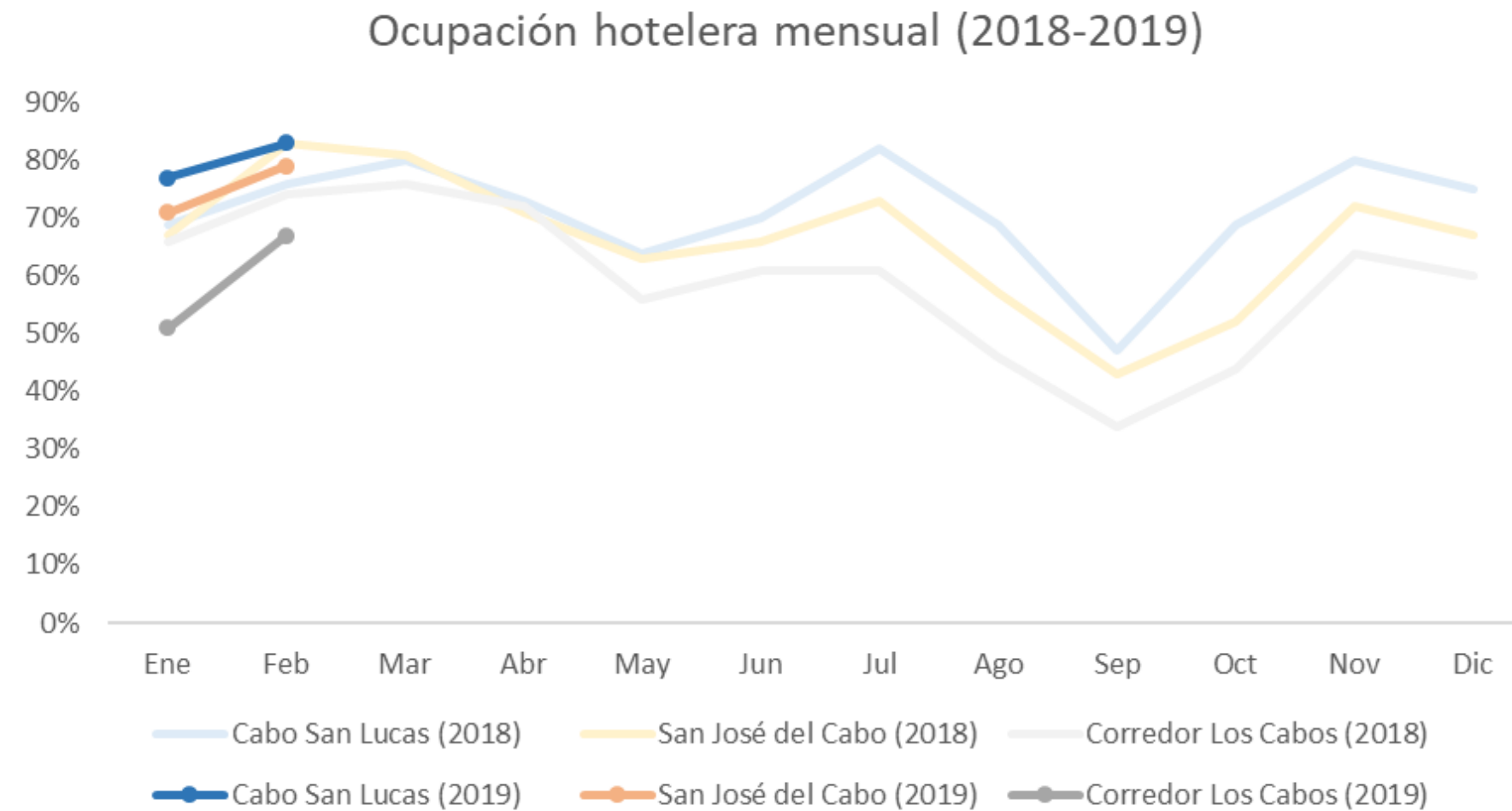
An aerial photograph of a clear, turquoise ocean. In the center, there is a large, light-colored rock. Below the rock, two small kayakers are visible, paddling in the water. The image is partially obscured by a large, white, curved shape on the right side, which contains the text.

TOURISM OBSERVATORY IN LOS CABOS

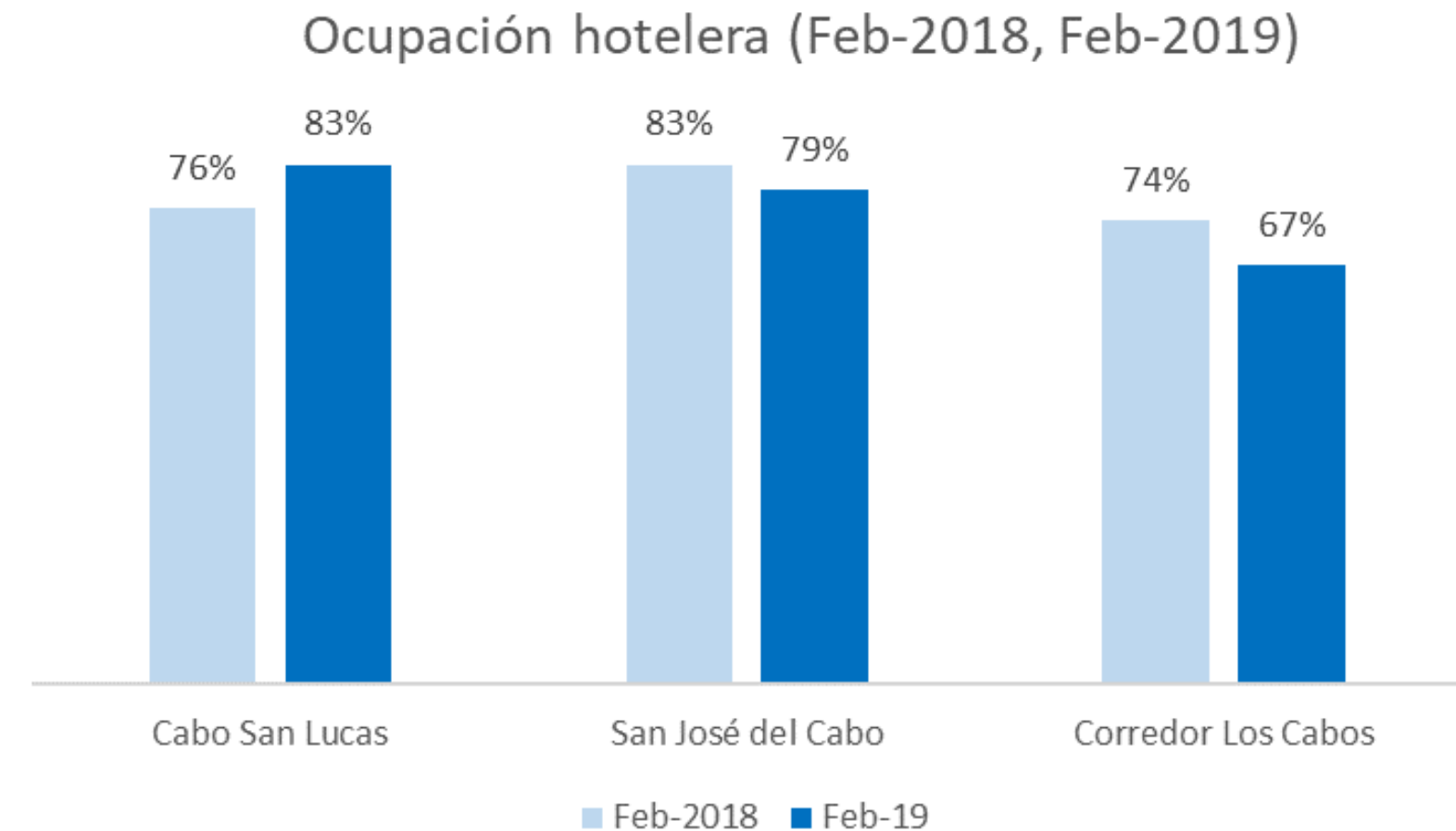
SUPPLY INDICATORS

Hotel Offer

Evolution of hotel offer for Los Cabos and Sub-Destinations



Source: ASSOCIATION OF HOTELS OF LOS CABOS



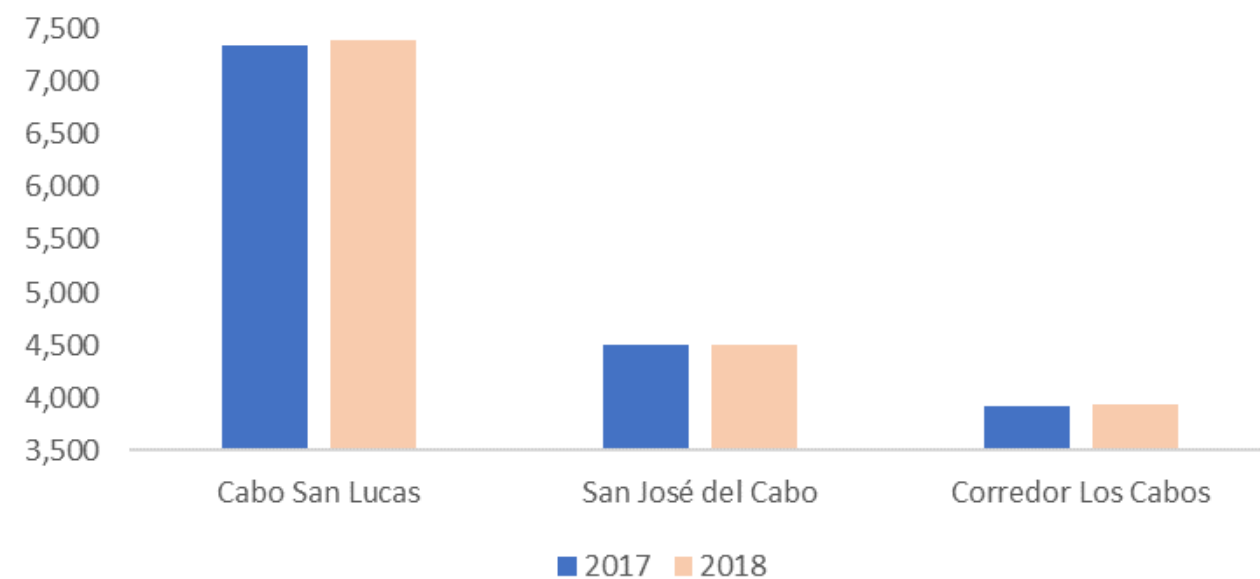
Source: ASSOCIATION OF HOTELS OF LOS CABOS

- According to the **Asociación de Hoteles de Los Cabos**, hotel occupancy in Los Cabos decreased 4pp in comparison to Feb-2018 with Feb-2019. At the level of Sub-Destiny, Cabo San Lucas continued to increase its occupation, and in Feb-2019 7pp increase compared with the previous year. However, San Jose del Cabo lost 4pp and Los Cabos Corridor 7pp.
- The arrival of tourists to Hotels to Los Cabos in Feb-2019 registered 149,036, decreasing 10.9% compared to Feb-2018 (18 thousand) and the average stay increased 0.61 nights (4.82 to 5.43; based on DATATUR).
 - International tourism fell 19.5% in this period, however, the increased 29.4%.

Hotel Offer

Evolution of hotel offer for Los Cabos and Sub-Destinations

Cuartos disponibles
(enero a diciembre 2017-2018)

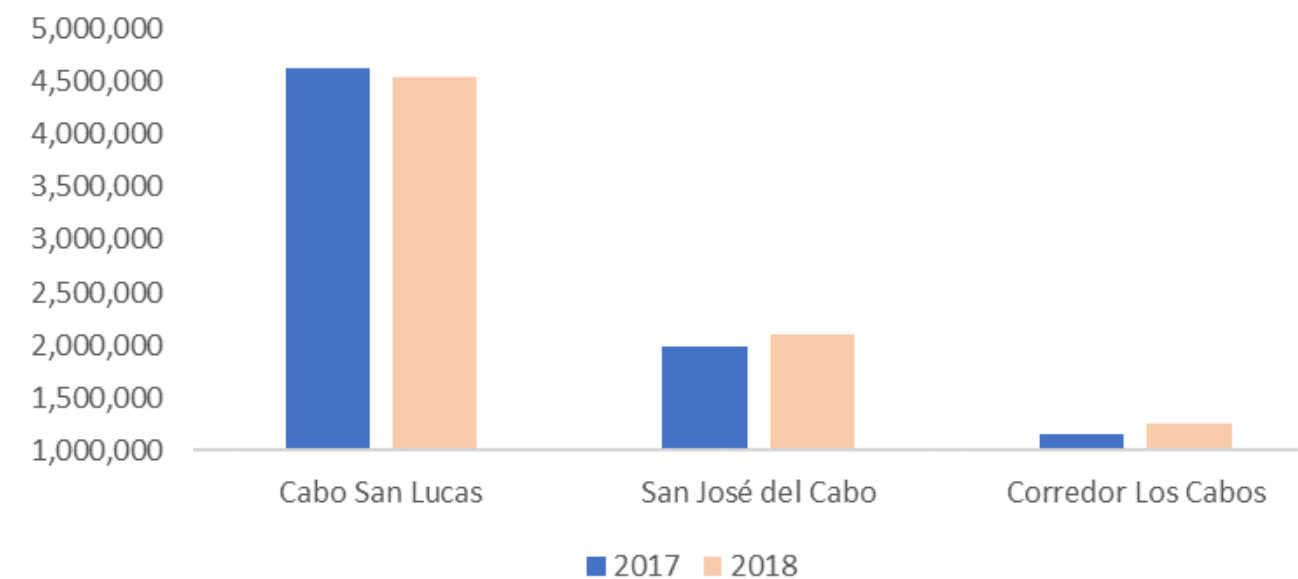


Source: DATATUR

CABO SAN LUCAS

- According to the Asoc. De Hoteles, the highest rate of occupation (Feb-2019 vs Feb-2018) of all Sub-Destinations: 83% with 7% increase..
- Decrease of the offer: From Feb-2018 to Feb-2019 Hotel offer increased 1% from 7.5 to 7.6 thousand (DATATUR).
- Rooms per night decreased 0.6% between Feb-2018 and Feb-2019 (DATATUR).

Habitaciones noche
(enero a diciembre 2017-2018)

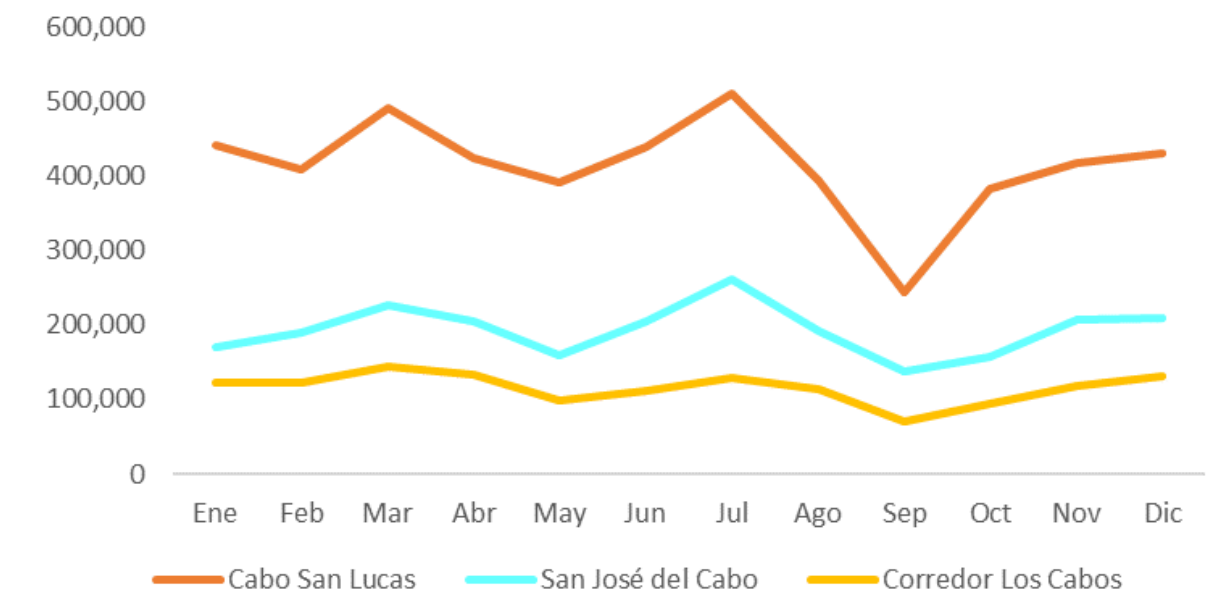


Source: DATATUR

SAN JOSE DEL CABO

- Fall of 4pp in the occupation when comparing Feb-2018 and Feb-2019 (Asoc. de Hoteles in): 83% to 79%.
- Between Feb-2018 and Feb-2019 Hotel supply has remained unchanged: 4.5 thousand (DATATUR).
- Had the highest growth in room nights: 3.9% between Feb-2018 and Feb-2019 (DATATUR).

Habitaciones noche ocupadas (mensual 2018)



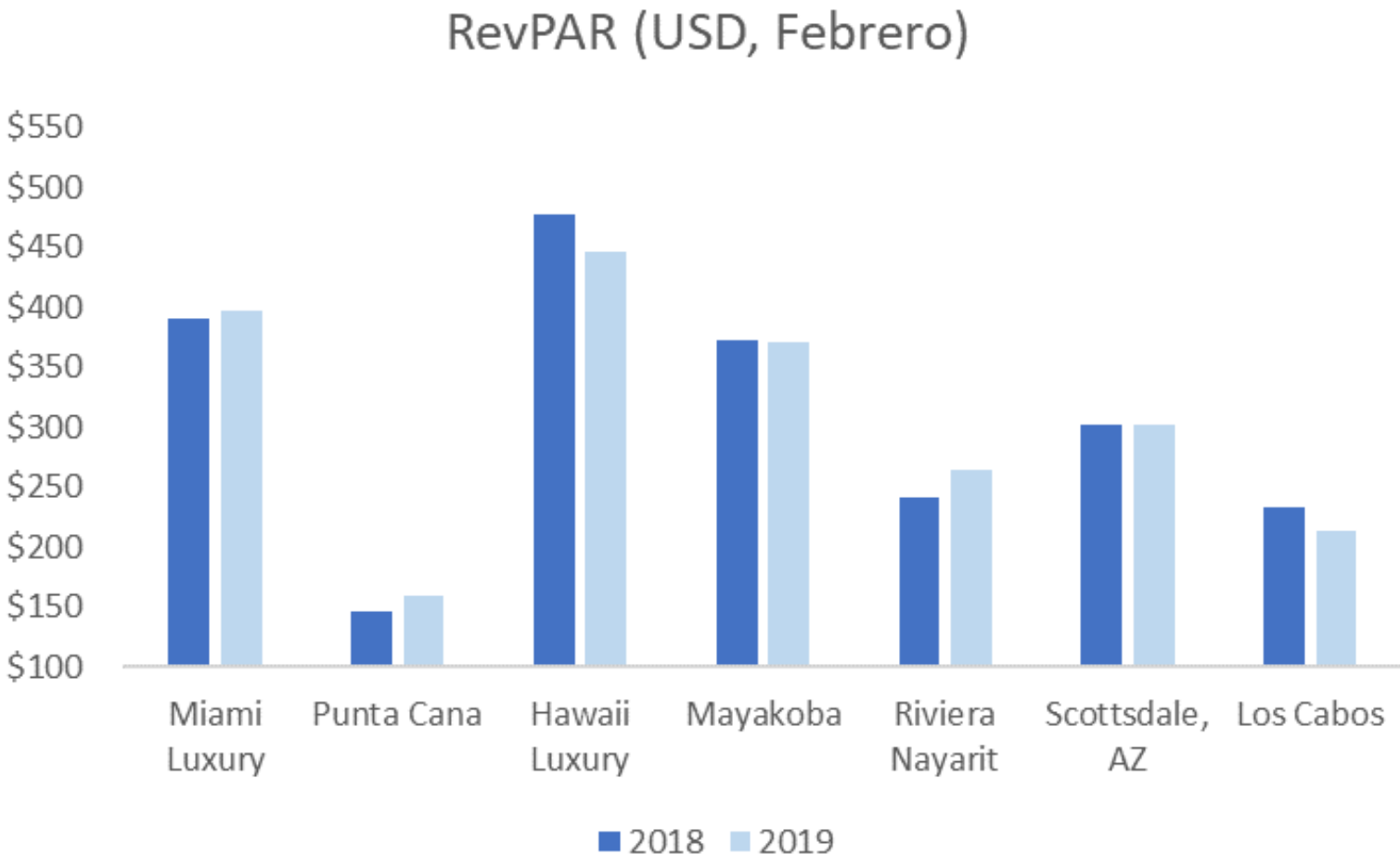
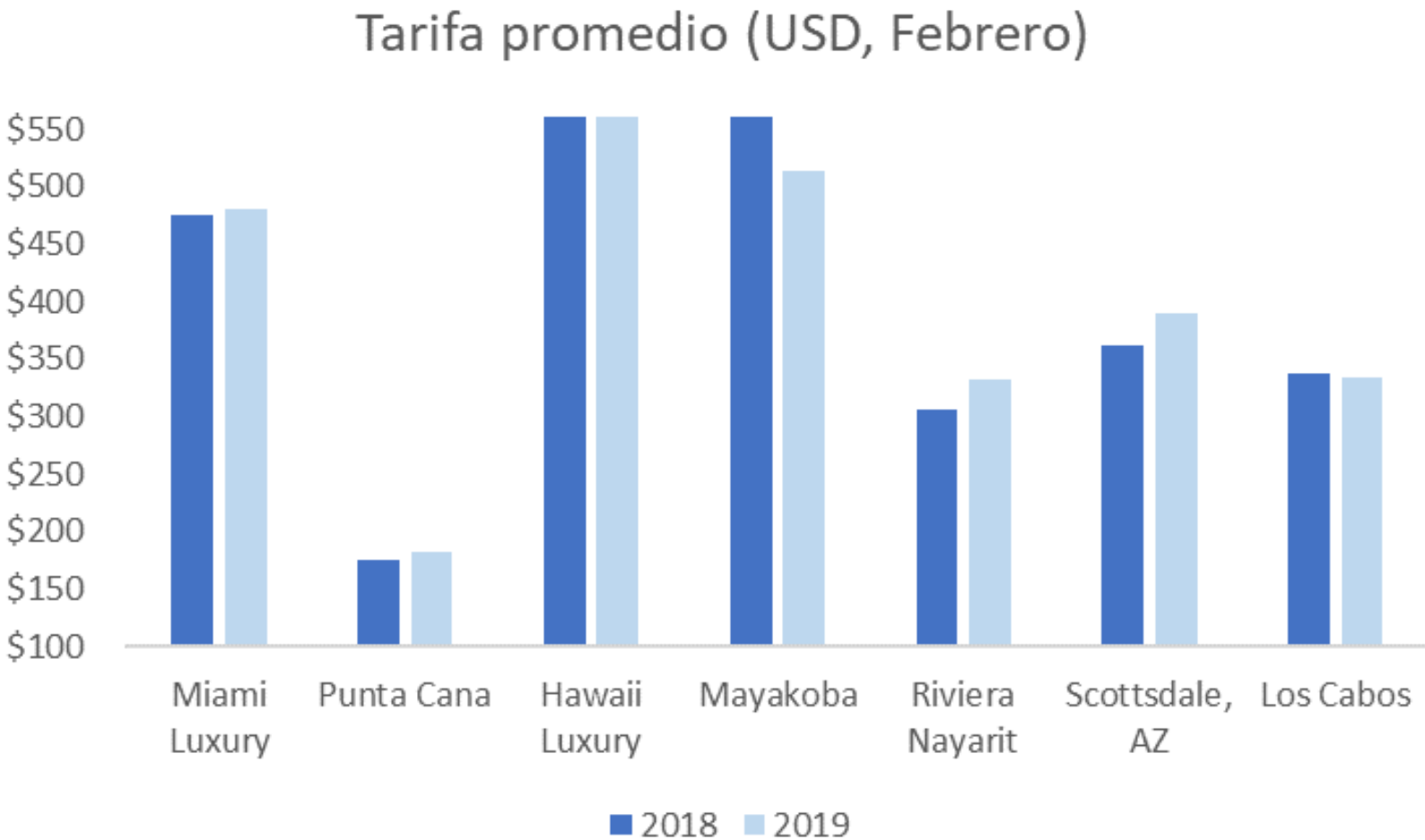
Source: DATATUR

Los Cabos Corridor

- Greater fall in the occupation between Feb-2018 and Feb-2019: -7pp from 74% to 67% (Asoc. de Hoteles).
- Between Feb-2018 and Feb-2019 hotel supply has remained unchanged: 4 thousand (DATATUR).
- The rooms at night also decreased: 8.2% between Feb-2018 and Feb-2019. However, their average stay increased 0.41 nights (DATATUR).

Evolution of the average rate and RevPAR For Los Cabos and selected competitors (2018-2019)

Hotel Offer



Source: Smith Travel Research

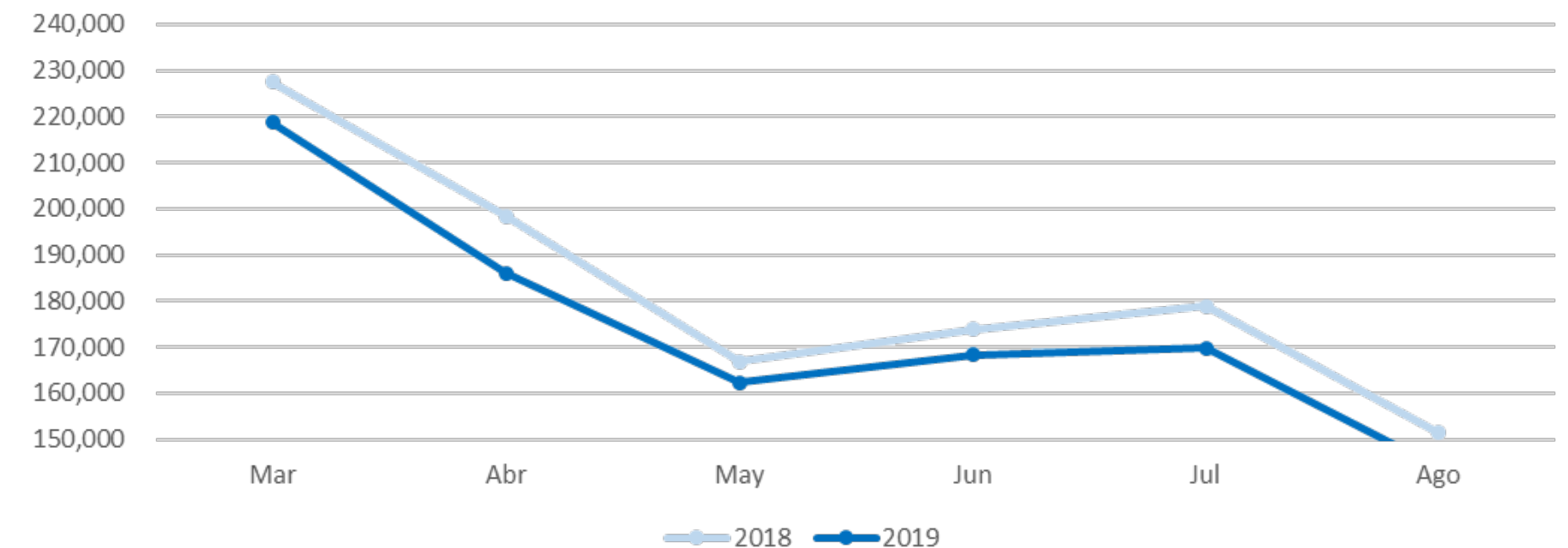
International air connectivity

Sources: OAG

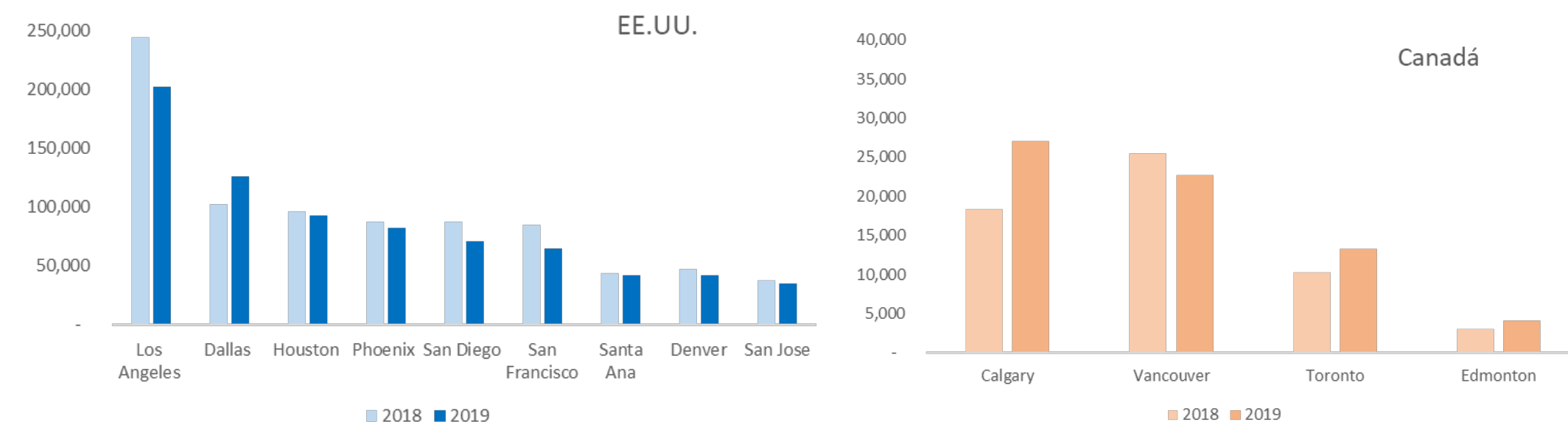
SCHEDULED SEATS FOR MAR-AUG, 2019

- **March-2019** has 3.9% less scheduled seats available than in the same period in 2018 and for Mar-Aug 2019 there are 4.3% less scheduled than for the same period in 2018.
 - **Feb-2019** had registered a decrease of 6.8 per cent in the volume of scheduled international seats, comparing with Feb-2018.
- The main market in the US is **Los Angeles (18%)**, followed by **Dallas (11%)**, **Houston** and **Phoenix (8% each)**, **San Francisco** and **San Diego (6% each)**. All of California as a whole represents the 43% of the seats available from U.S. to SJD in this period.
 - The participation of LAX in the international market will decrease 3pp however the DFW will increase 2pp. American, Alaska Airlines, Delta, United And Southwest the most important (concentrating 97% as a whole).
- For Canada, the main markets are **Calgary (36%)** **Vancouver (28%)**, **Toronto (17%)** and **Edmonton**; through the airlines **WestJet (48%)**, **Sunwing (33%)** and **Air Canada (18%)**.
 - The Seats scheduled from Canada as a whole will grow by 25.9%. The participation of Calgary will increase 8% and Vancouver will decrease by 8%.
- The factors of occupation of the international airlines for Jan-2019 were: **American 77%**, **Alaska 86%**, **70%**, **Delta United 80%**, **Southwest 81%**; **AirCanada 84%**, **Sunwing 88%**, and **WestJet 81%**.
 - When comparing with Jan-2018, there are similar factors, except in the case of Southwest which increased its market in 5pp (US) and Air Canada And Westjet lost 4pp and 3pp respectively (Canada market).

Programación de asientos hacia San José del Cabo (Mar-Ago 2019)



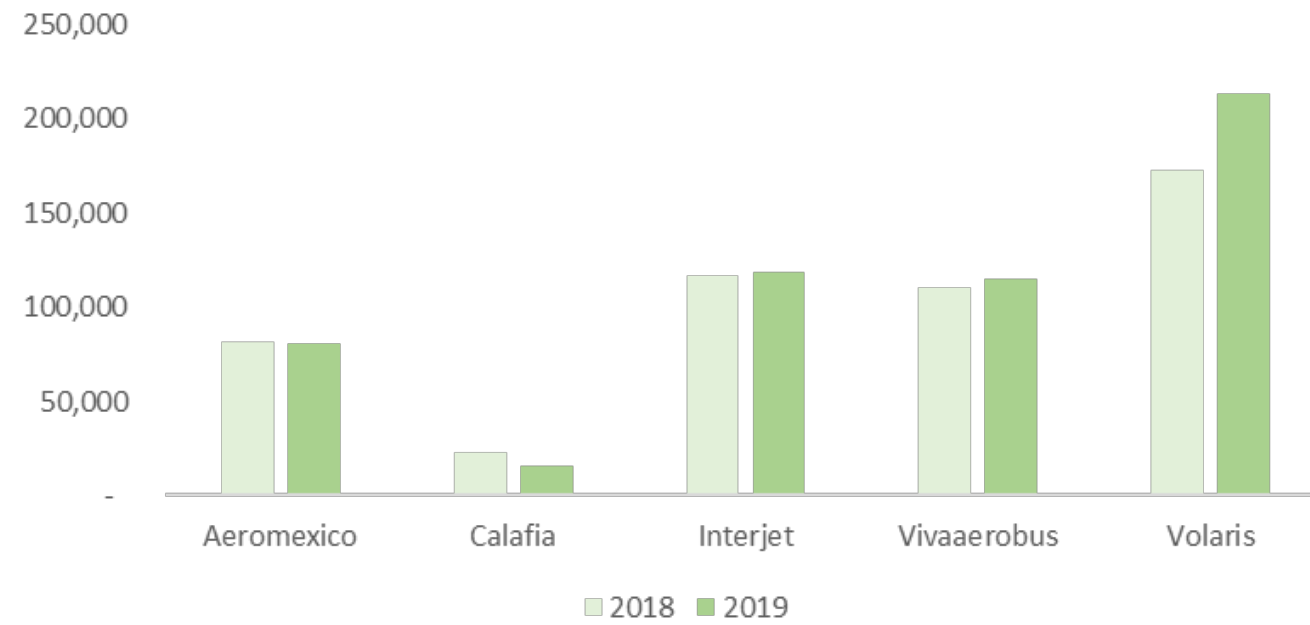
Scheduled seats by origin (Sea-Ago 2019)



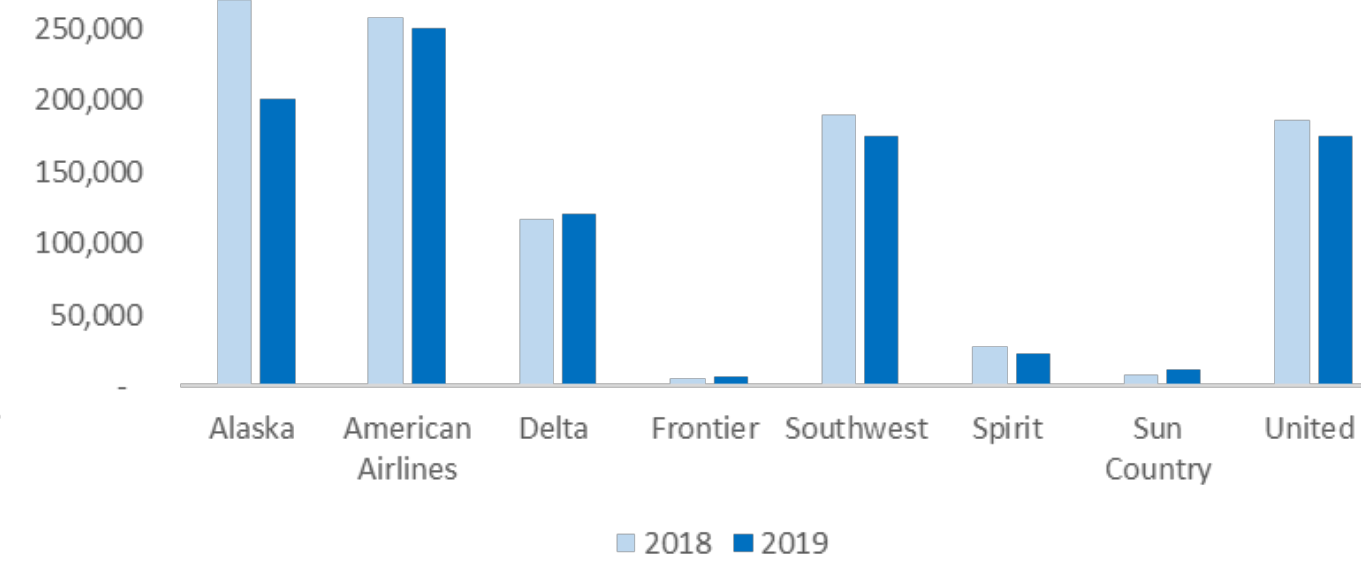
AIR CONNECTIVITY BY AIRLINE

Sources: OAG

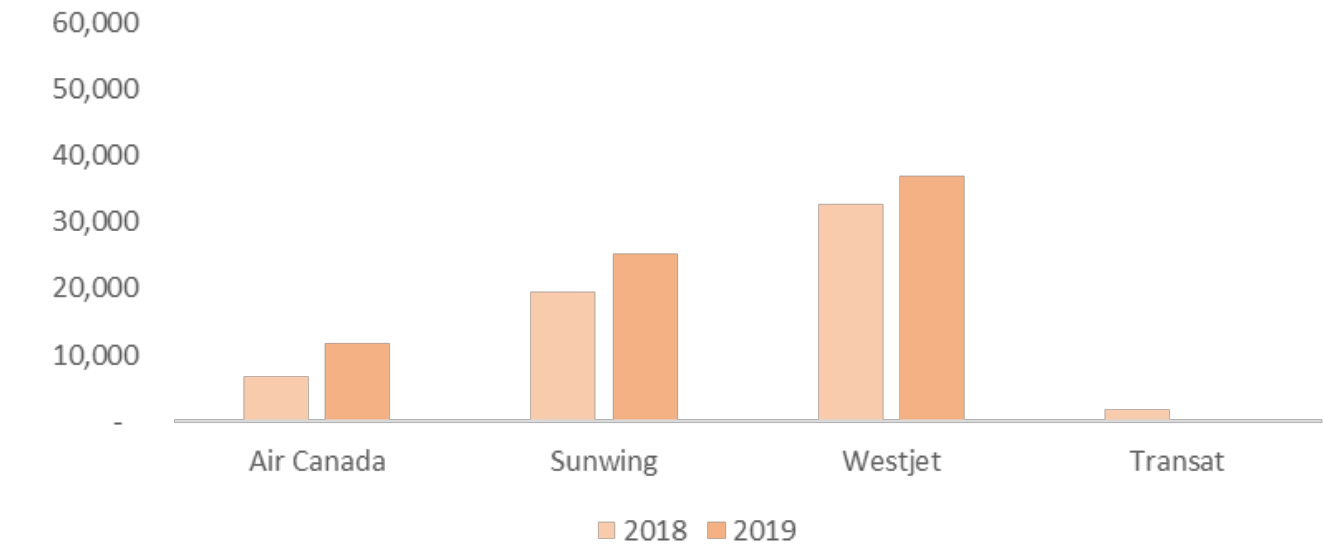
Asientos programados por aerolínea, nal. (Mar-Ago)



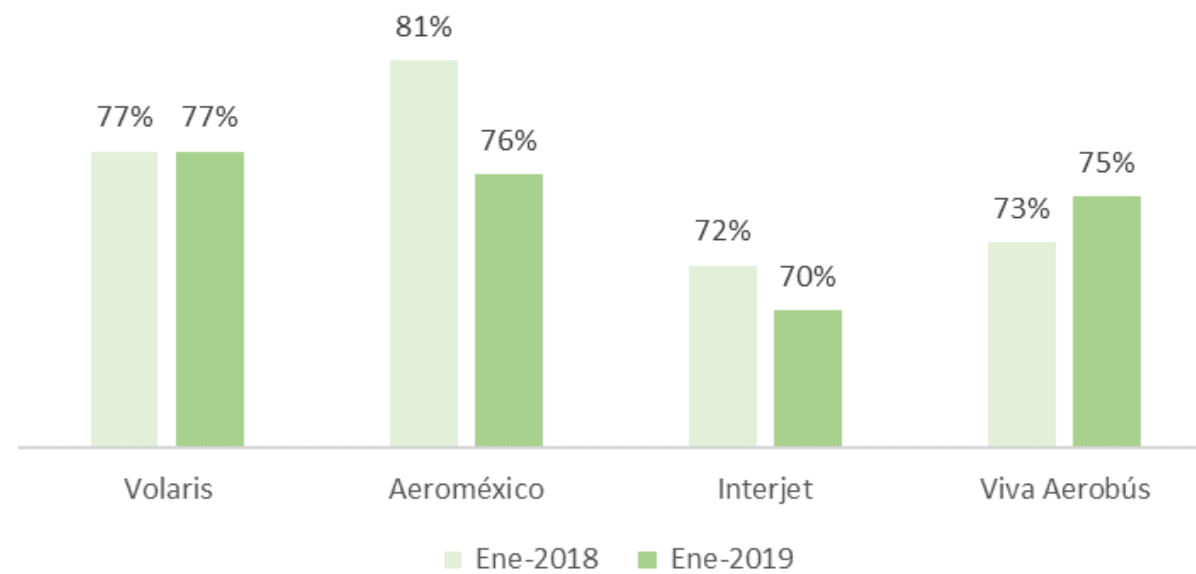
Asientos programados por aerolínea, Mar-Ago (EE.UU.)



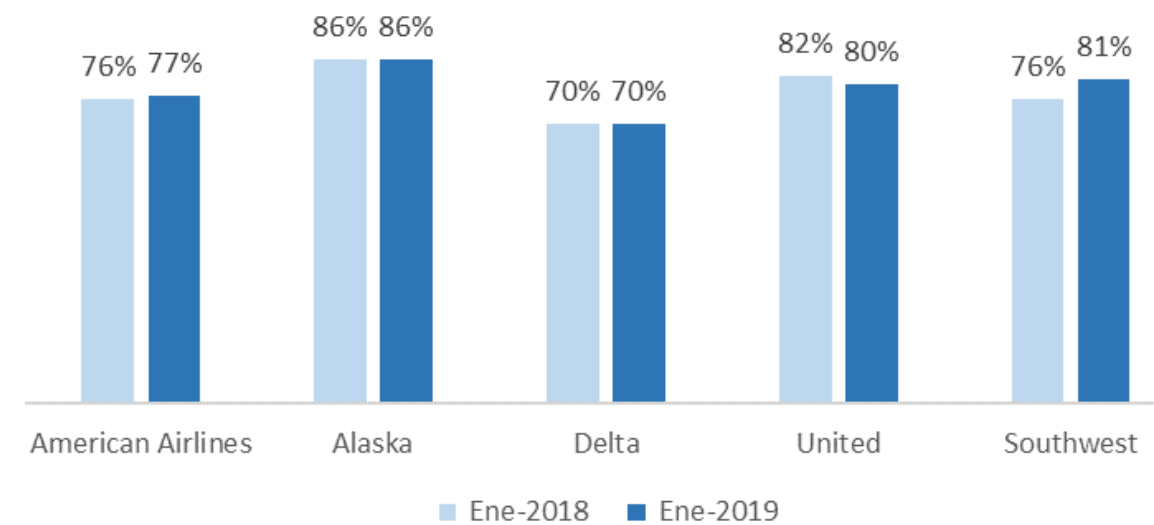
Asientos programados por aerolínea, Mar-Ago (Canadá)



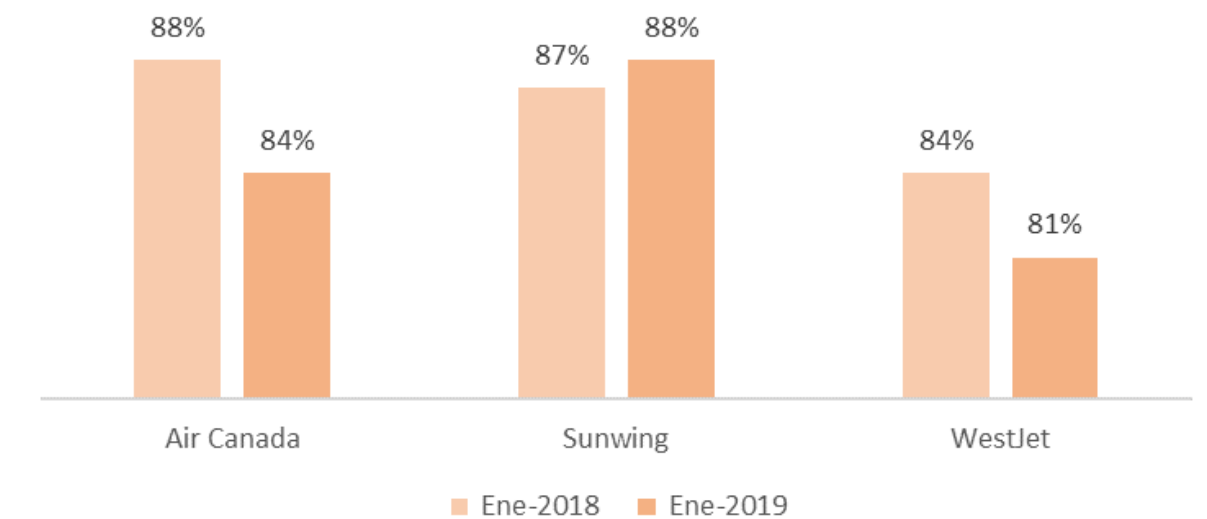
Factor de ocupación de aerolíneas nacionales (Ene-19)



Factor de ocupación de aerolíneas estadounidenses (Ene-19)



Factor de ocupación de aerolíneas canadienses (Ene-19)





TOURISM OBSERVATORY IN LOS CABOS

**OUTBOUND CANADA MARCH
2019.**

**MONTHLY UPDATE OF CANADIAN TRAVEL
ABROAD MADE BY THE CONFERENCE
BOARD OF CANADA. MARCH 2019
PUBLICATION**

Canadian travel abroad during Jan-2019 vs Jan-2018

Canadians made 2.77 million trips to the United States and other destinations, this represents an increase of 1.4% vs Jan-2018:

- **Toward the United States:**
 - Approximately 1.42 million trips (in Jan-2018 1.39 million were recorded).
 - The automobile trips decreased by 5.2%, while other means increased by 8%.
 - The direct flights to Miami increased by 3.4%
 - The direct flights to Los Angeles declined 2.9%.
 - The direct flights to Hawaii increased by 6.1%.
- **Toward Mexico, Caribbean and Central America:**
 - Close to 814 thousand Canadians came to destinations in Mexico, the Caribbean and Central America in Jan-2019 (3.2% vs 2018).
 - Mexico and Dominican Republic covered the 59.7% Of the activity during Jan-2019 (59.3% Jan-2018).
 - There was a decrease of 1.4% in arrivals of Canadians to Dominican Republic during Jan-2019 vs Jan-2018. The decrease for Punta Cana was 2.5%.
 - During the month, in Mexico there were 358 thousand arrivals from Canada, 5.8% more vs 2018.
 - 70% of Canadian visitors that arrived to Mexico, traveled to Cancun and Puerto Vallarta, however, Los Cabos showed a greater increase in its share of arrivals:
 - Cancun 4.9%
 - Los Cabos 15.5%
 - Puerto Vallarta 8.6%

Source: THE CONFERENCE BOARD OF CANADA, OUTBOUND CANADA MARCH 2019

An aerial photograph of a rugged coastline. The water is a vibrant turquoise color, contrasting with the dark, jagged rock formations. Two people are visible on surfboards in the lower left, riding a small wave. The sky is a clear, pale blue.

TOURISM OBSERVATORY IN LOS CABOS

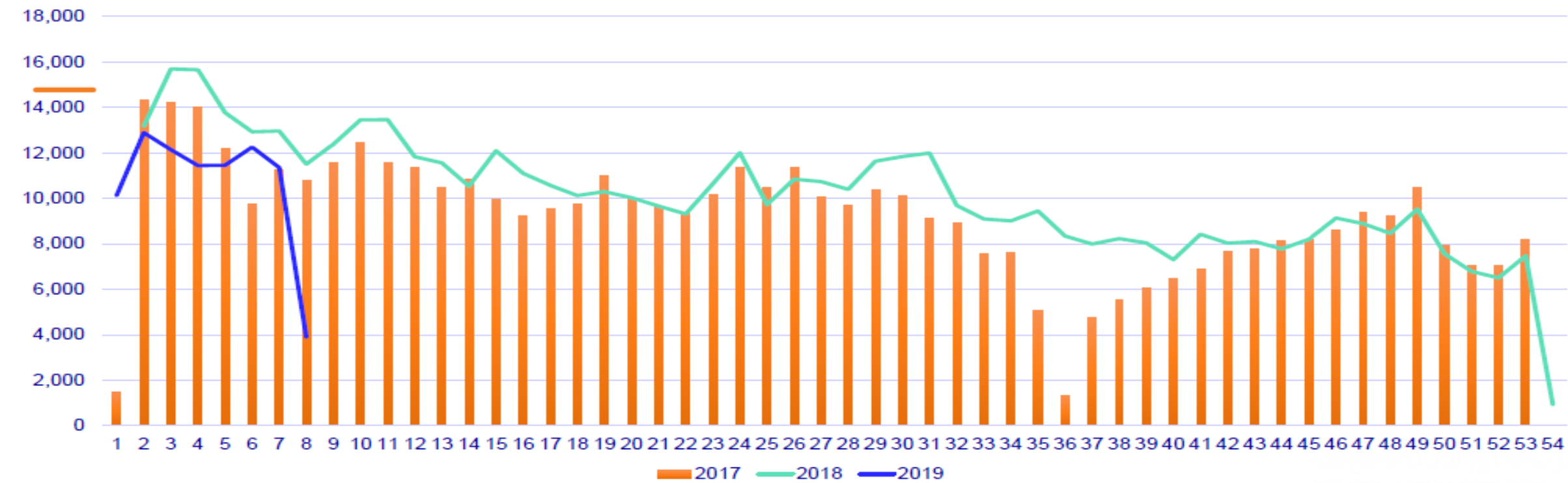
LOS CABOS MARKET WATCH.

Data relating to trends in reservations, stays and rates in Los Cabos. Information provided by business partners of Los Cabos and booking engines. February 2019 publication.

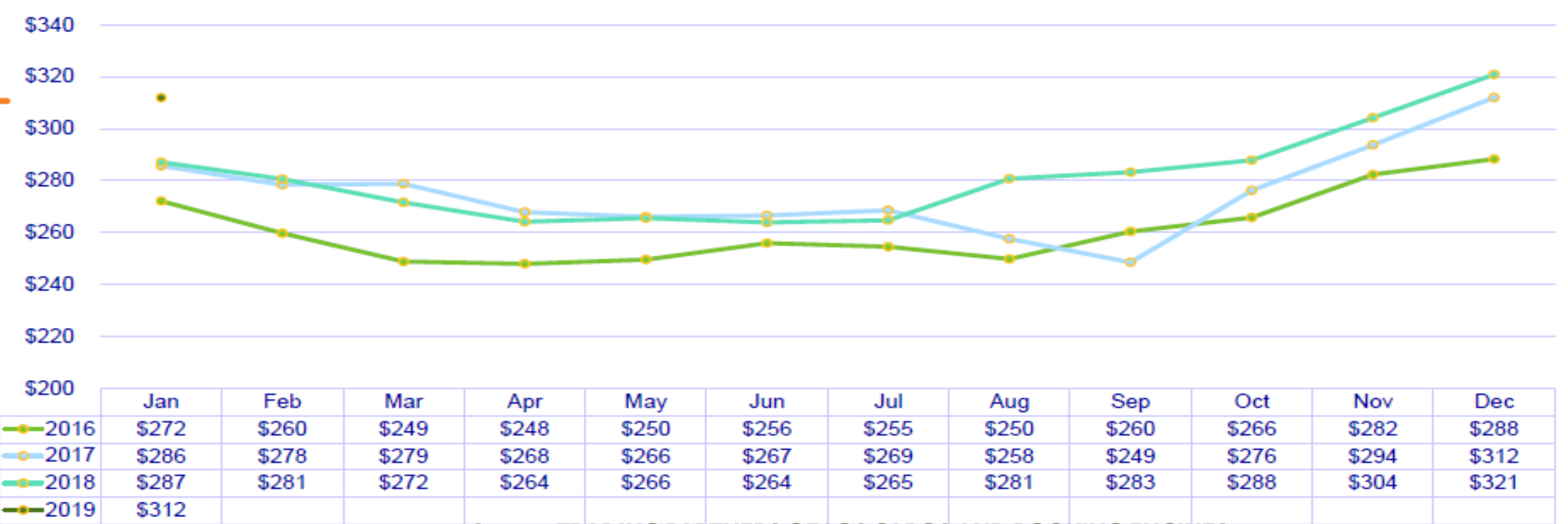
Trends in bookings and daily rates available

- During most of 2018 the booking trend remained higher than the data registered in 2017. However, in the last week of the year there was a reduction.
- During the weeks 35 to 39 (Aug-Sep) of 2017, there was a drop in the trend of reservations, which coincides with the Travel Alert for Mexico issued by United States.
- The available daily rate is lower in 2018 during the months of April to July (\$264 - \$266 USD), in 2017 was in August (\$258 USD) and September (\$249 USD). The highest in the 2018 were presented in November and December (\$304 and \$321 USD respectively).
- In January 2019 the daily rate available was \$312 USD, 9% more than the rate recorded in 2018.

Booking Trends 2017, 2018 and 2019



Daily available rates 2016, 2017, 2018 and 2019



Source: TRADING PARTNERS OF LOS CABOS AND BOOKING ENGINES

Definitions

- **Congress.** Meetings are not very business oriented in which takes place the encounter of large groups of individuals, usually to discuss and exchange views on a topic of interest. (Professional, cultural, sporting, religious, social, government or academia, among others) usually have a duration of several days and with concurrent sessions, as well as a multi-annual frequency or predefined.
- **Convention.** Trade or business meetings usually sponsored by a corporation, in which the participants represent the same company, corporate group or relations of customer or supplier. Sometimes the participation is mandatory, so, travel expenses are borne by the corporation. Includes those general meetings and formal of a legislative body, social or economic, in order to give information, deliberate or establish consensus or deal with policies on the part of the participants, as well as treat trade issues around a market, product or brand. Can contain a secondary component of exposure.
- **Rooms available.** Is the number of rooms or rooms that are in service. Does not account for the rooms by repair or some other cause are out of service
- **A tourist destination.** The main target of a tourist trip is the place visited which is essential for the decision to travel. See also main reason for a tourist trip.
- **Seasonality.** Means that the flows or tourist flows tend to concentrate around certain times of the year, repeating this process annually
- **Stay.** Results from dividing the total number of tourists night between the number of tourist arrivals per month. The result expresses the number of days of stay of the tourist.
- **Events or incentive trips.** The incentive trip is a modern strategy focused on management to recognize people that met or exceeded objectives commonly related to sales or productivity, addressed to the participants that demonstrate a better performance in their work with a extraordinary travel experience.
- **Rooms per night.** Se gets the daily record the number of tourists that occupy the rooms of the establishment, for your time of stay, (number of nights you spend the night in the establishment) and is classified according to their place of origin, in residents or non-residents.
- **Underlying inflation.** The rise in the prices of a subset of the CPI (Consumer Price Index), which contains generic ones with quotes less volatile. Measures the tendency of inflation in the medium term. The 283 generic concepts that make up the basket of goods and services in the CPI are sorted or grouped into subsets that respond to particular needs of analysis, between the classifications are the best known of by object of expenditure, which refers to the origin of the goods and services and the durability of the assets and underlying inflation.
- **Arrival of passengers.** Passengers transported by aircraft of airlines with established routes and itineraries
- **Arrival of tourists.** The number of tourists correspond to those recorded by the establishment during the month.

Definitions

- **Nationality of a visitor.** The country that grants you the passport or identity document, although habitually resident in another country.
- **Non-resident.** Is the person whose usual environment is outside of the Mexican territory and that visit this last for a shorter period to 12 months for any reason (business, vacation, and others). Excludes if you receive remuneration for the activities developed in the place visited
- **Occupancy.** The rate of occupation of the lodgings is a concept based on the offer. It is an important indicator to numerous effects. Provides information about the differences of use between the various types of lodging establishments and if it occurs in monthly data also indicates the seasonal pattern of the use of tourist accommodations.
- **RevPAR.** The RevPAR It is the most important gauge used in the hospitality industry to assess the financial performance of an establishment or a string. It is an abbreviation of the English Revenue Per Available Room, Income per available room. Always refers to a specific period (weekly, monthly, yearly, etc.). A way to calculate the RevPAR It is through the formula: $RevPAR = It / \Sigma Ht$, Where it is equal to the total revenue of the rooms in a period t. ΣHt It is equal to the total number of available rooms in a period t. That is to say, the rooms of the establishment or chain multiplied by the number of nights of period t least the rooms are not available.
- **A resident.** Individual whose usual environment is located on the territory of the United Mexican States
- **Residence.** Is the place/country in which the traveler has remained during the greater part of the previous year (12 months), or has remained for a shorter period and intends to return within 12 months to live in that country.
- **Average daily rate.** The average daily rate (commonly known as ADR - for its acronym in English Average Daily Rate) Is a statistical unit that represents the average income per occupied room, paid in a given period of time. ADR along with occupation of the property are the bases for the financial performance of the property. The ADR is calculated by dividing the income of the rooms, including the number of rooms sold, should be excluded from the guest rooms of the house (known as "House use") and rooms free of charge (known as Complimentary) Of the denominator.
- **Tourist.** Any person who travels outside of their usual location for a period of less than 12 months and for any reason, except persons who engage in activities that will generate income in the travel destination; refugees or migrant workers; diplomats; seasonal workers or border crossings, or employees of travel.
- **Visitor.** Any person who travels outside of their usual location for a period of less than 12 months for any reason, with the exception of persons who participate in activities that will generate income at the travel destination: refugees or migrant workers, diplomats, frontier workers or seasonal, employees, or persons seeking to establish a new residence or employment.

TOURISM OBSERVATORY IN LOS CABOS

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