



# TOURISM OBSERVATORY IN LOS CABOS

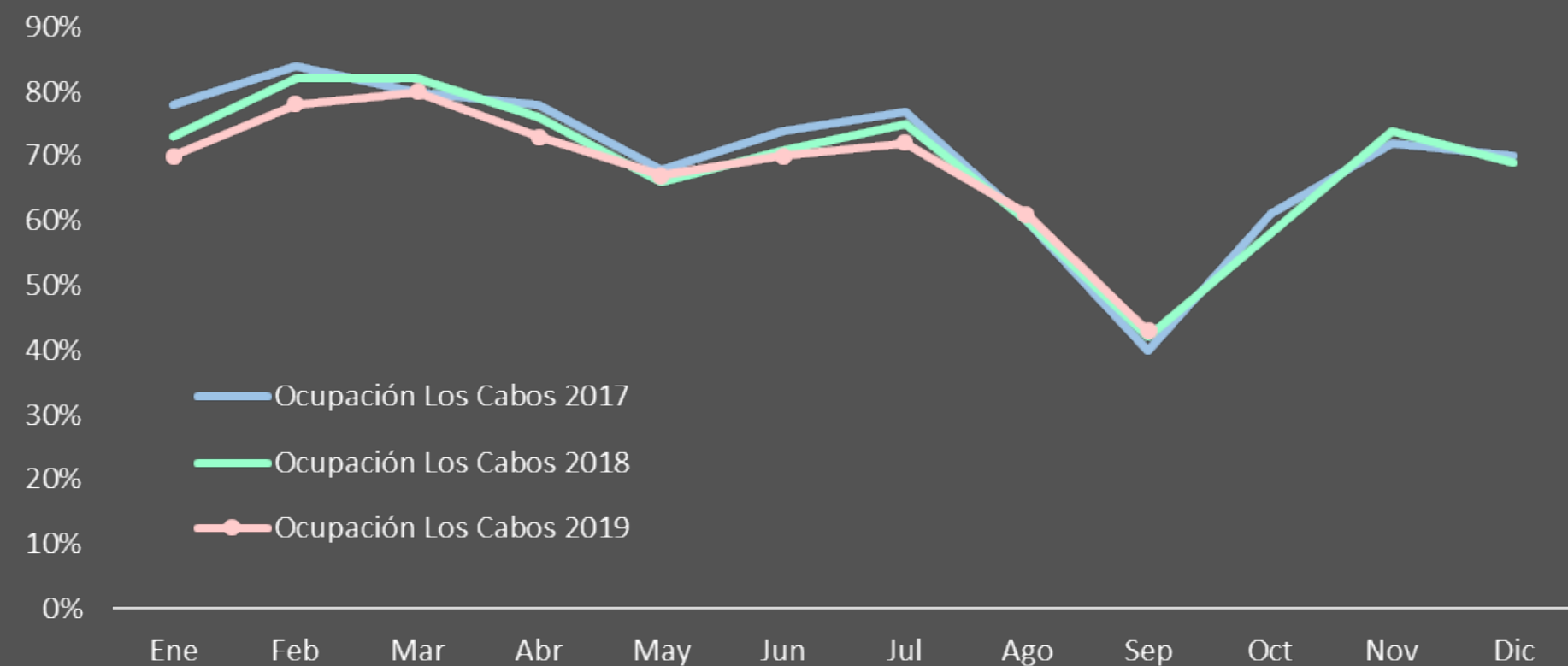
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**OCTOBER 2019**



# Main indicators - Summary

## Hotel activity



Source: ASSOCIATION OF HOTELS OF LOS CABOS

**Available Rooms**  
(Oct-2019):  
**17.374**  
**+1.04%**  
(Vs Dec-2018)

Source: AHLC

**Occupancy**  
(Sep-2019):  
**43%**  
**+1pp**  
(Vs Sep-2018)

Source: AHLC

**Rooms Per Night**  
(Sep-2019):  
**1,019,835**  
**+6.4%**  
(Vs Aug-2018)

Source: DATATUR

## Arrival of passengers by air

**Total passengers**  
(Sep-2019, in thousands):  
**156.2**  
**+8.4%**  
(Vs Sep-2018)

**Domestic Passengers**  
(Sep-2019, in thousands):  
**71.8**  
**+16.7%**  
(Vs Sep-2018)

**International passengers**  
(Sep-2019, in thousands):  
**84.4**  
**2.2%**  
(Vs Sep-2018)

Source: GAP

**Total of Group Business RFPs**  
(Jul-2019):  
**34**  
**+15 RFPs**  
(Vs Jul-2018)

**Surveys to Tourists**  
**Satisfaction of the tourist**  
(more than expected, Aug-2019):  
**34.3%**  
**-6.4pp**  
(Vs Aug-2018)

**Passengers on a cruise ship**  
(Sep-2019):  
**14.568**  
**+17.2%**  
(Vs Aug-2018)

**Participants in congresses and conventions** (Sep-2019):  
**1.2% of the total**  
**+0.5pp**  
(Vs Aug-2018)

Source: Tourists

**Origin of Tourists**  
(Sep-2019):  
**73.5% Foreigners**  
**+1.1Pp**  
(Vs Aug-2018)

Source: Tourists

**Cruise ships**  
(Sep-2019):  
**4**  
**-1 Boat**  
(Vs Aug-2018)

Source: DATATUR





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**DEMAND INDICATORS**  
**PASSENGERS AND TOURISTS**

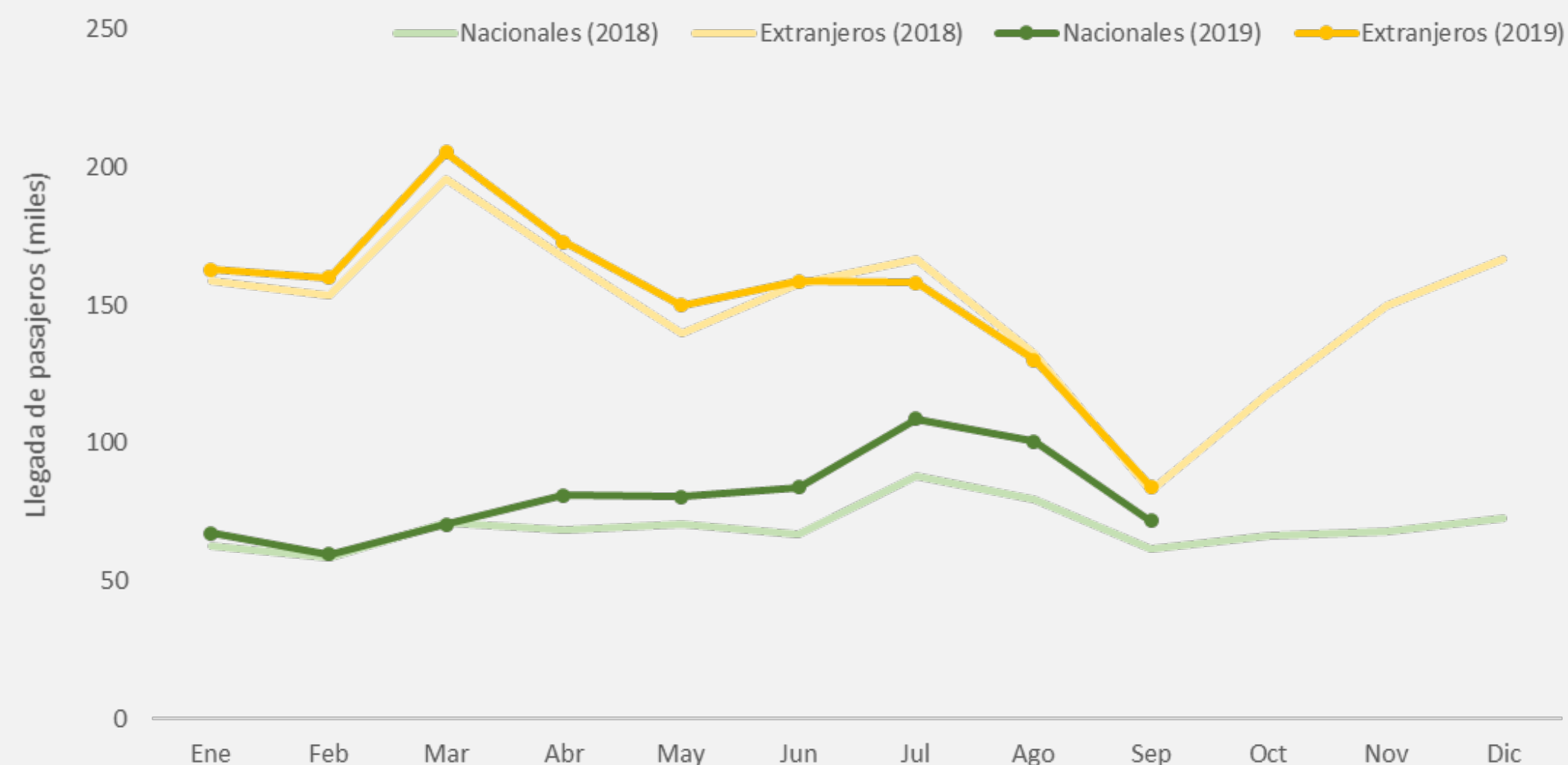


# Arrival of passengers to Los Cabos airport, 2018-2019

- Sep-2019 registered the arrival of 156.2 thousand passengers to the airport of Los Cabos, which means an increase of 8.4% compared to the same period in 2018. When comparing the accrued Jan-Sep-2019 vs previous year there is an increase of 6.2%.
- Passengers on domestic flights (71.8 thousand) represent 46% of total arrivals and had an increase of 16.7% concerning Sep-2018.
- The accrued Jan-sep-2019 presents an increase of 15.2% when moving from 628.4 thousand in 2018 to 723.8 thousand passengers this year.
- Passengers on international flights (84.4 thousand) represent 54% and had an increase of 2.2%.
- The accrued Jan-sep-2019, an increase of 2.1% of 1,354.2 thousand in 2018 to 1,382.3 thousand passengers this year.

Source: GAP

## Passenger Arrival to the airport of San Jose del Cabo, Monthly (2018-2019)



Source: GAP

# Arrival of foreign tourists by air

## By origin (residence), 2018-2019

Regiones	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Δ Ago-19 / Ago-18	Δ Ene-Ago-19 / Ene-Ago-18
EE.UU.	114,299	72,390	107,692	129,090	147,461	122,358	133,400	173,759	140,159	135,239	146,487	142,111	111,494	-2.5%	0.2%
Canadá	4,039	3,205	6,887	16,041	21,866	24,304	22,218	24,065	16,499	6,852	4,225	4,373	4,425	9.6%	16.2%
Europa	1,138	441	535	713	1,060	841	1,097	921	1,198	1,011	782	897	756	-33.6%	47.4%
Centro y Sudamérica	177	148	165	144	228	295	168	185	286	232	134	239	200	13.0%	4.9%
Resto del Mundo	751	682	668	654	1,303	1,053	699	1,161	1,030	955	765	852	774	3.1%	26.3%
Gran total	120,404	76,866	115,947	146,642	171,918	148,851	157,582	200,091	159,172	144,289	152,393	148,472	117,649	-2.3%	1.8%

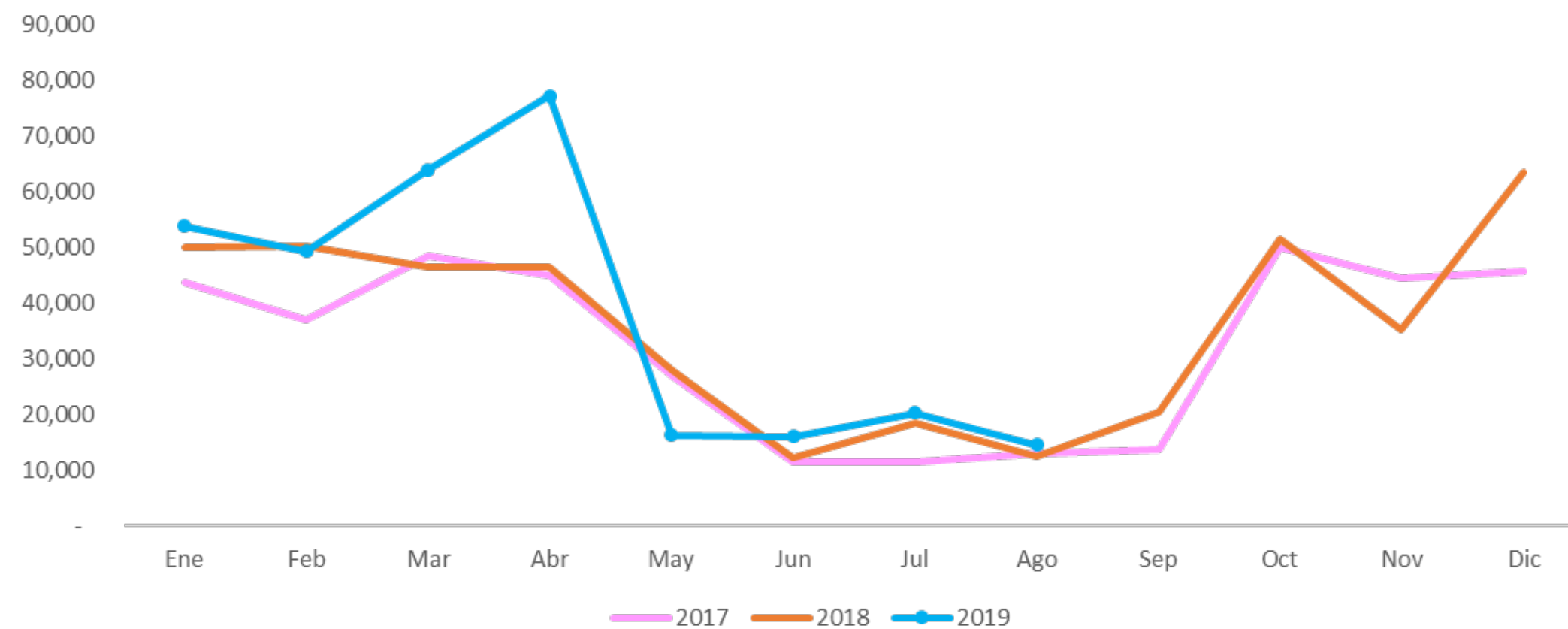
Mercados clave	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Δ Ago-19 / Ago-18	Δ Ene-Ago-19 / Ene-Ago-18
Reino Unido	280	118	140	218	326	236	259	272	336	131	94	184	219	-21.8%	12.7%
España	107	53	51	36	61	34	38	45	38	24	16	29	76	-29.0%	-5.7%
Australia	288	269	302	189	461	488	177	274	388	352	347	336	256	-11.1%	12.5%
Corea del Sur	94	107	102	115	159	103	132	140	123	95	72	87	83	-11.7%	35.8%
Total mercados clave	769	547	595	558	1,007	861	606	731	885	602	529	636	634	-17.6%	14.0%

Source: INM- SIOM

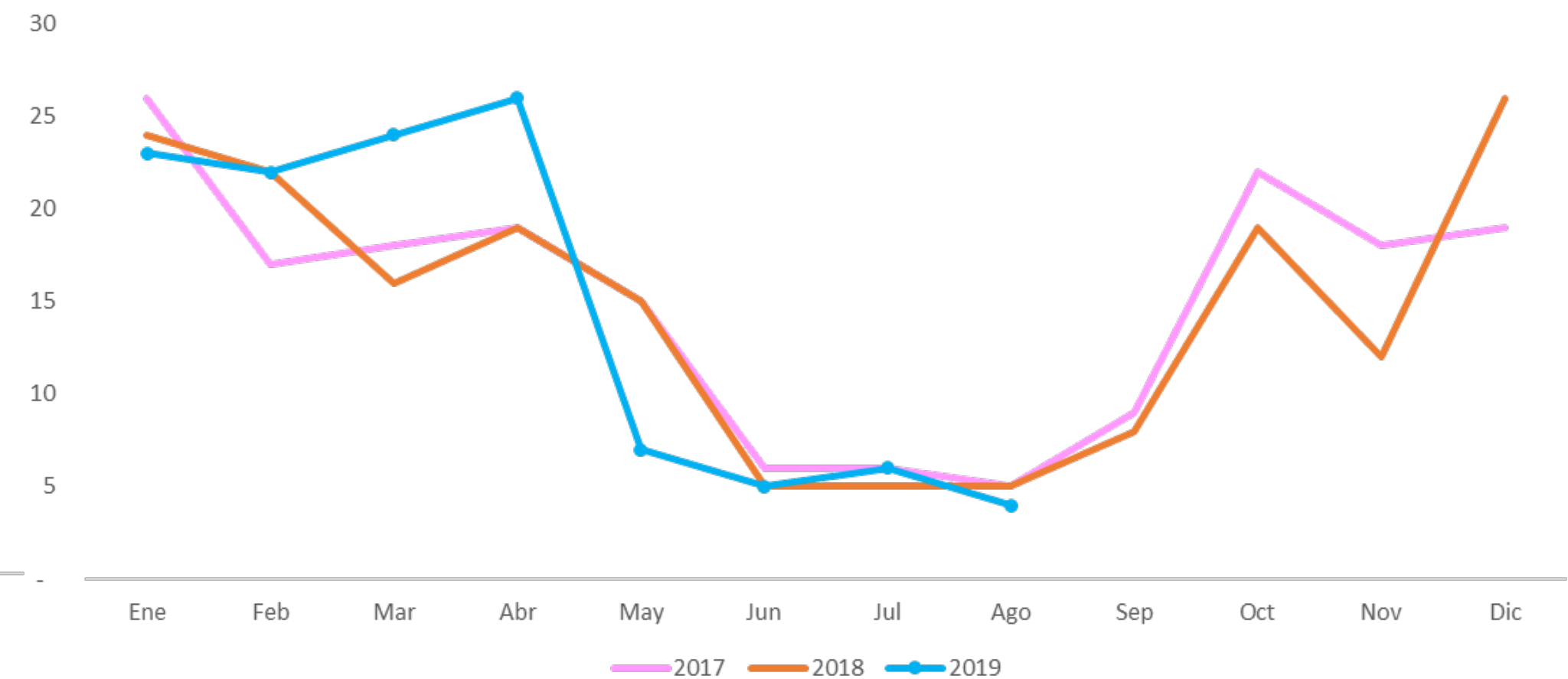
# Arrival of passengers on cruise ships and vessels (2017-2019)

- **Aug-2019** registered the arrival of 14,568 passengers on a cruise to the Port of Cabo San Lucas.
  - It means an increase of 17.2% in the volume of passengers in comparison with Aug-2018.
  - However, the arrival of cruise ships registered 1 less vessel than the previous year.
  - Translates into an average of 3,642 passengers per boat.

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



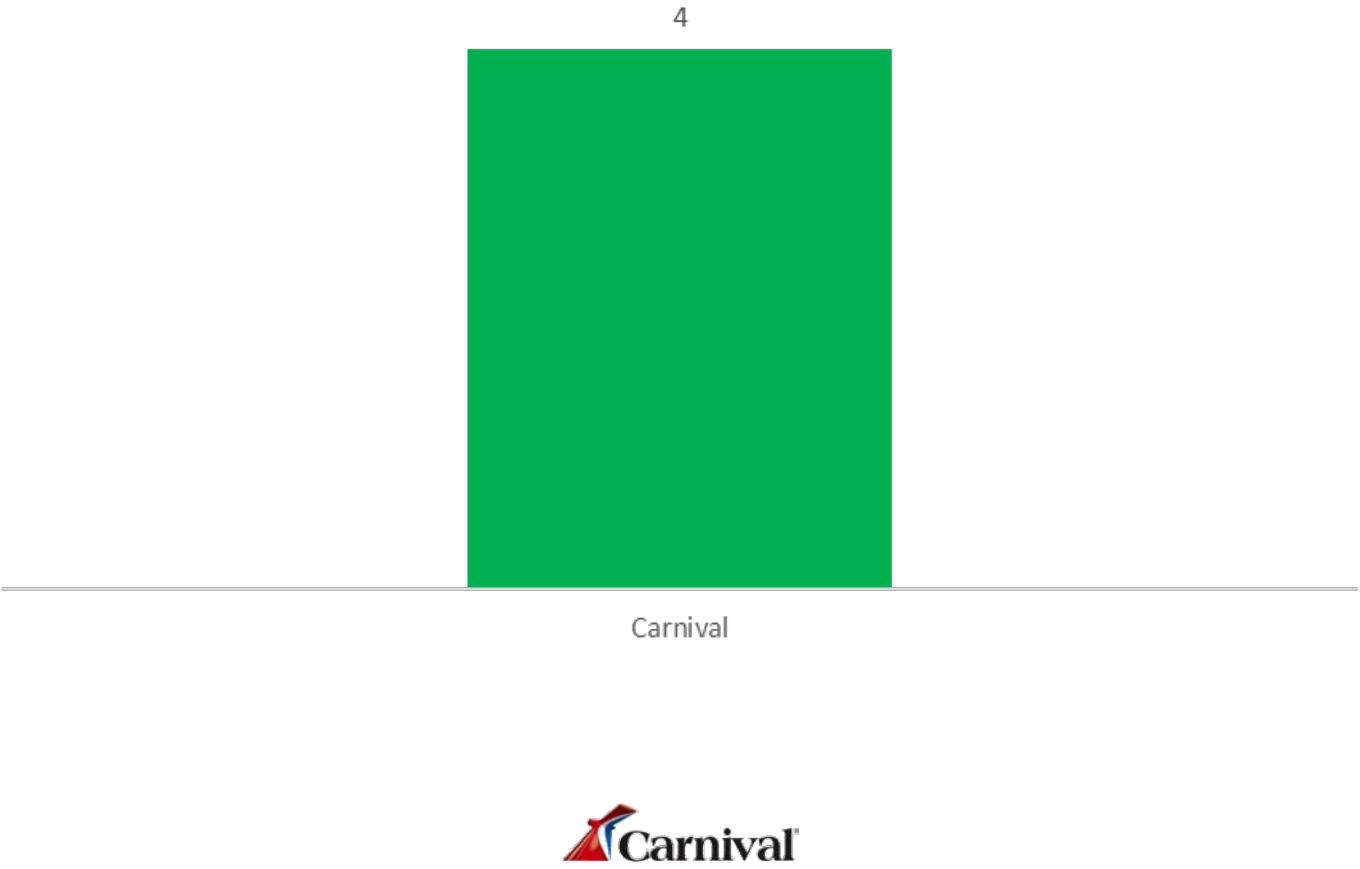
Embarcaciones de cruceros arribando al puerto de Cabo San Lucas, mensual (2017-2019)



Source: DATATUR - SCT

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

Fecha	Embarcación	Línea Naviera	Capacidad max.
05-Aug-19	Carnival Splendor	Carnival	3,710
12-Aug-19	Carnival Splendor	Carnival	3,710
19-Aug-19	Carnival Splendor	Carnival	3,710
26-Aug-19	Carnival Splendor	Carnival	3,710



The 4 cruise ships that arrived at the Port of Cabo San Lucas in Aug-2019 were operated solely by the line Carnival (With the vessel Carnival Splendor), representing a maximum capacity of 14,480 passengers.

Source: CREW-CENTER.COM





# TOURISM OBSERVATORY IN LOS CABOS

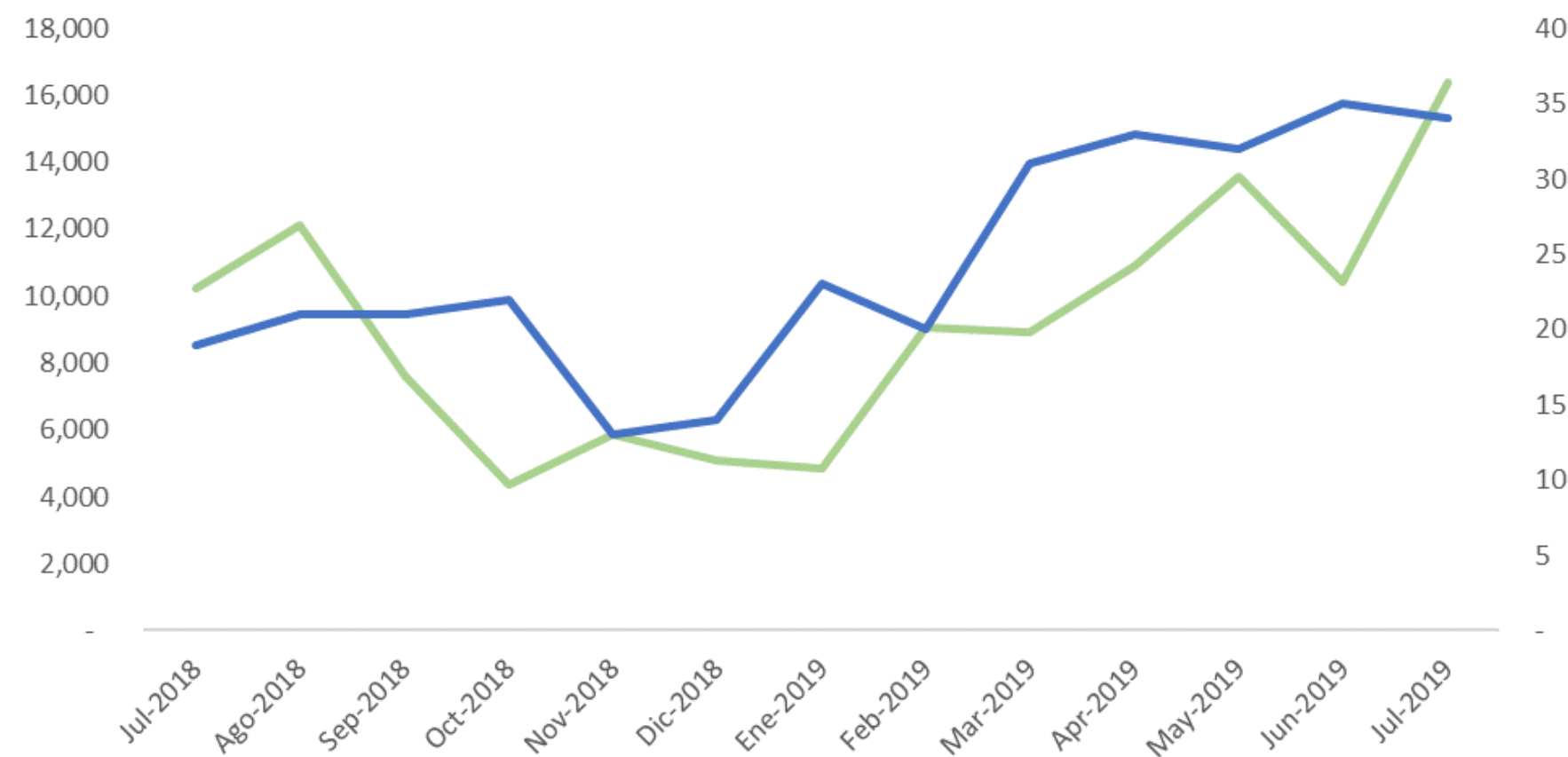
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**DEMAND INDICATORS**  
**SURVEYS OF TOURISTS AND GROUP**  
**BUSINESS**



# Demand Indicators: Business Group

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



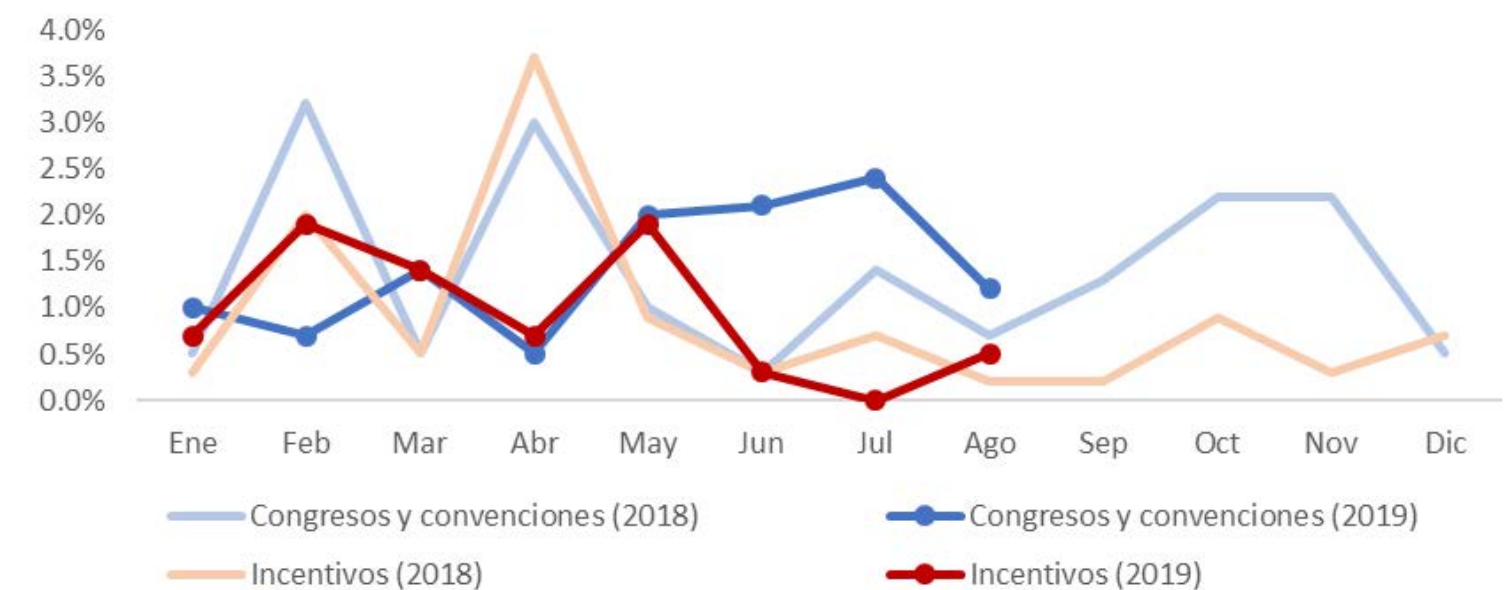
Source: Hwnd Property

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 FROM 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 serves as a background for the text.

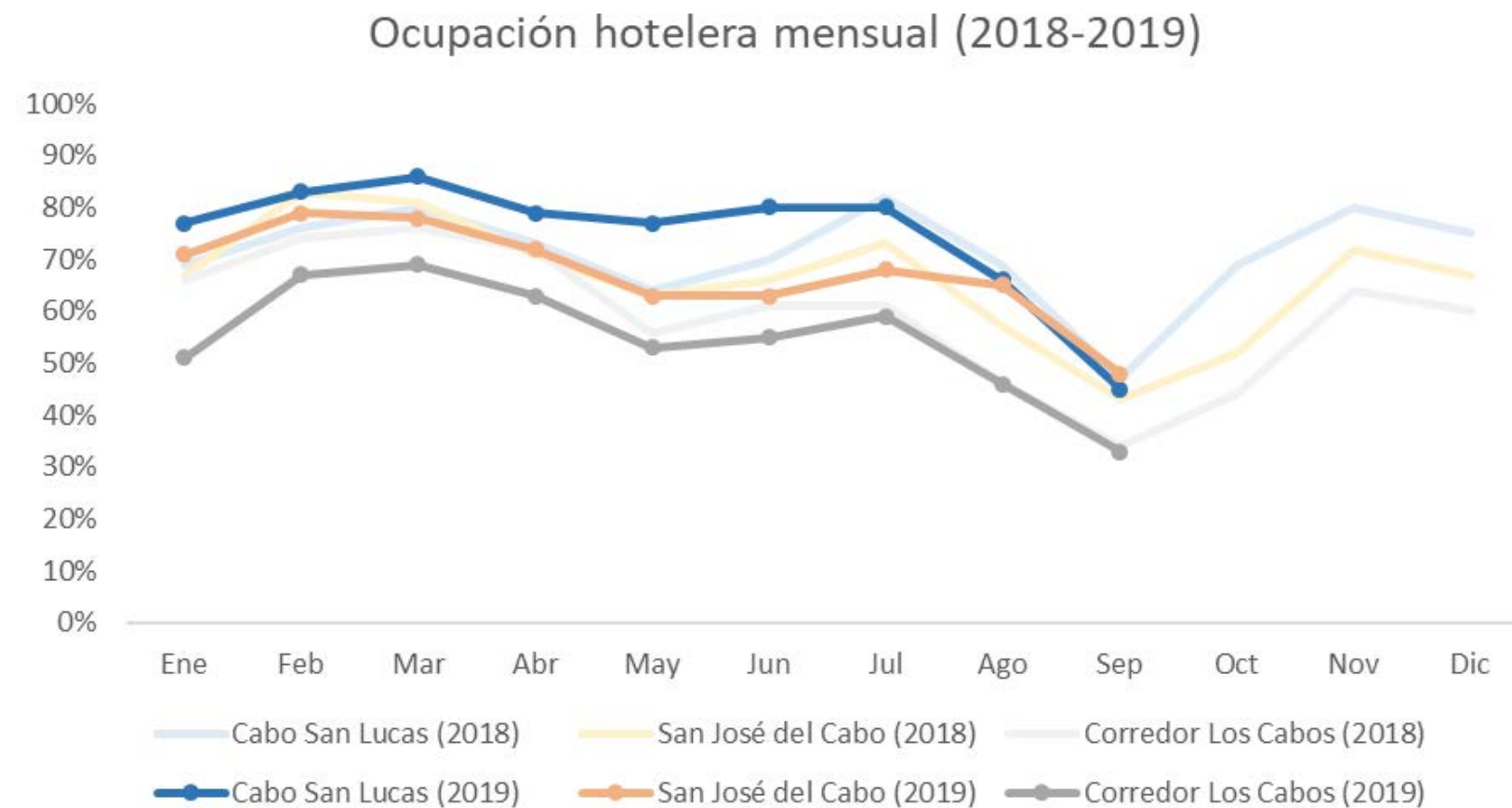
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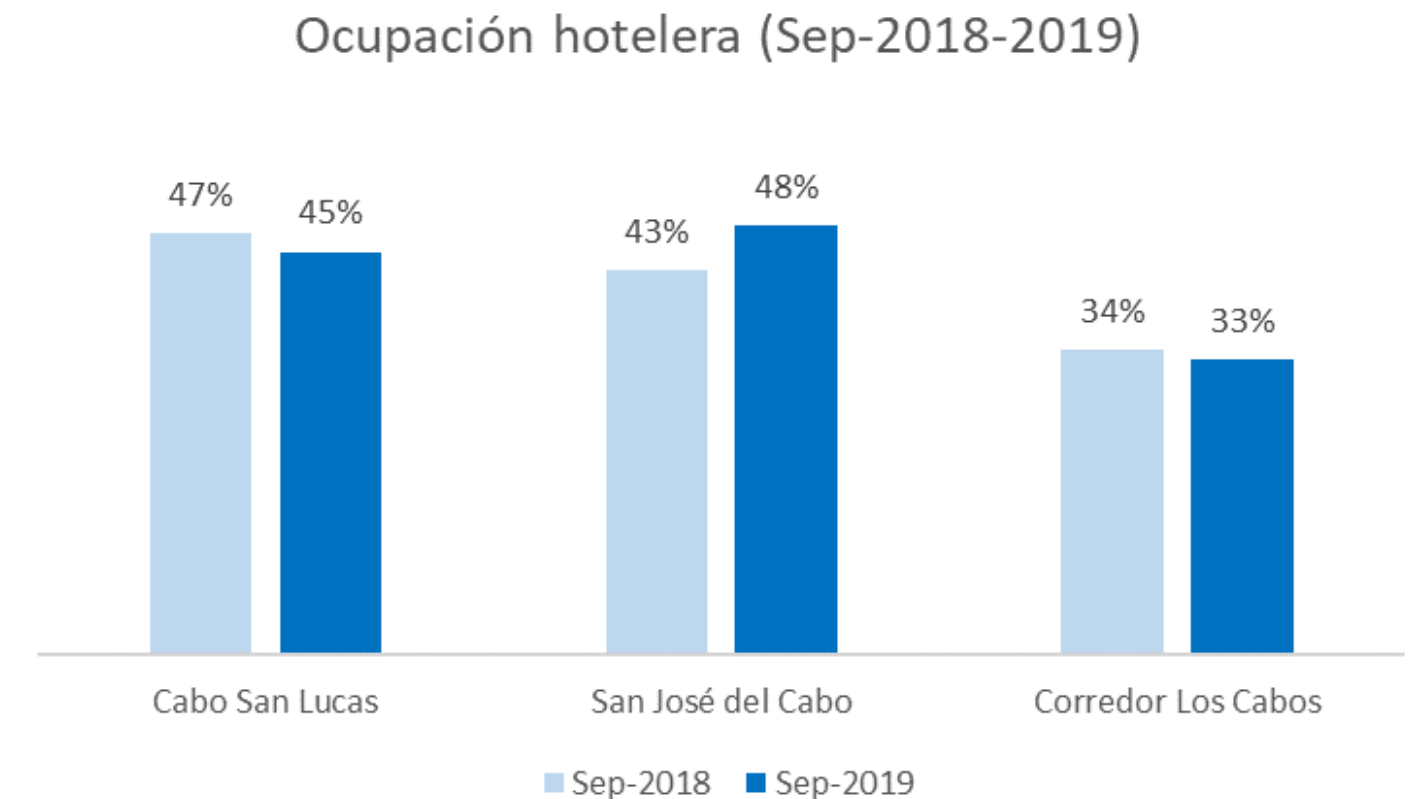
## SUPPLY INDICATORS



## Evolution of hotel offer for Los Cabos and Sub-destinations



Source: Ahlc



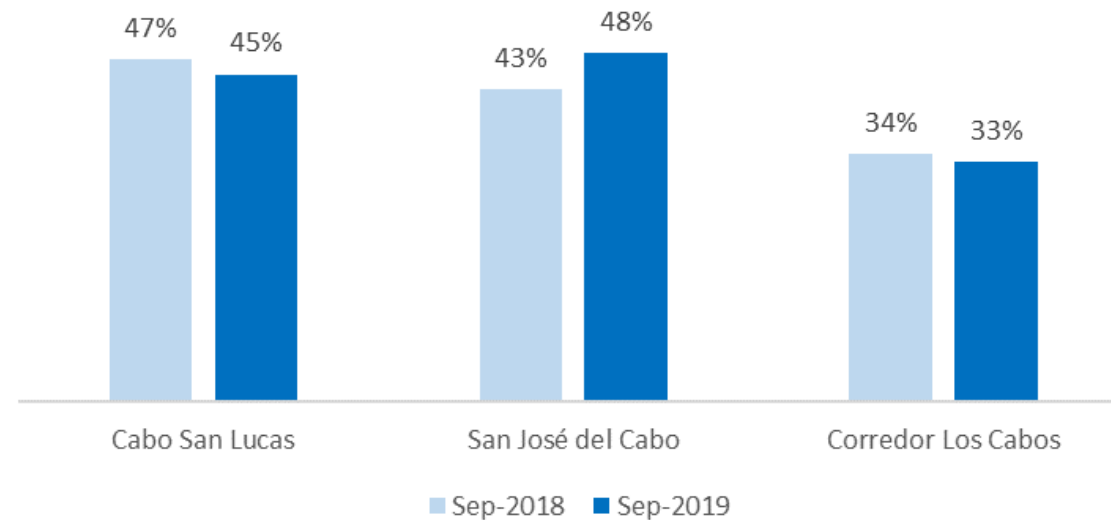
Source: Ahlc

- According to the Los Cabos Hotel Association, the hotel occupancy in Los Cabos registered 43% and increased 1pp when compared Sep-2018 with Sep-2019. At the Subdestination level, Cabo San Lucas had an occupation of 45%, decreasing 2pp compared to the previous year. While San Jose del Cabo gained 5pp and reached 48% and Los Cabos Corridor lost 1pp, registering 33%.
- The arrival of tourists to Hotels to Los Cabos in Aug-2019 registered 200 thousand, decreasing 5% in comparison with Aug-2018 (-10.8thousand) and the average stay increased 0.5 nights (4.6 in Aug-2018 to 5.1 in Aug-2019; based on DATATUR). However, the stay of domestic tourists had an increase of 0.8 (+24%) nights and registering 4.4.
- International tourism fell 10% in hotels in this period, while the domestic increased by 7.4%.
- In Aug-2019, international tourism accounted for 66% of the total, while the domestic was 34%. The previous year, registered participation of 70% and 30%, respectively.

## Hotel Offer

# Evolution of the hotel offer for Los Cabos and Sub-destinations

Ocupación hotelera (Sep-2018-2019)

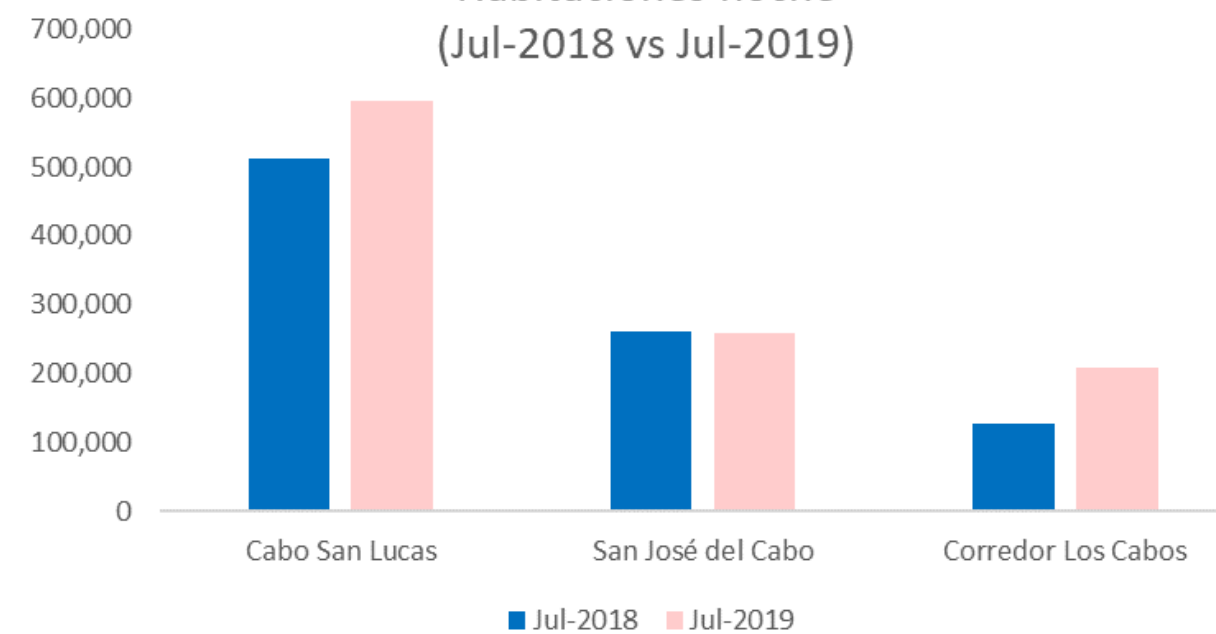


Source: Ahlc.

### CABO SAN LUCAS

- Registers 45% occupation which translates into a decrease of 2pp (Sep-2019 vs Sep-2018; AHLC).
- Increase in the supply: From Dec-2018 to Oct-2019 the hotel offer increased 8.7% from 8 thousand to 8.7 thousand (AHLC).
- The rooms night grew 11.1% between Aug-2018 and Aug-2019 (DATATUR).

Habitaciones noche (Jul-2018 vs Jul-2019)

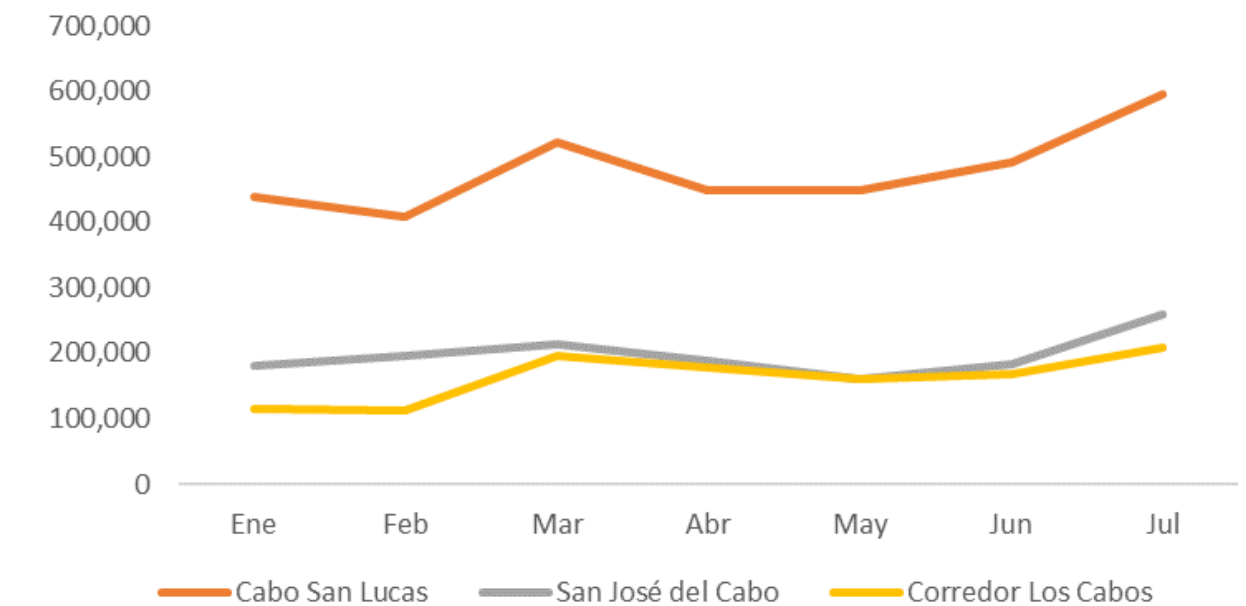


Source: DATATUR

### SAN JOSE DEL CABO

- The occupation grows 5pp to compare Sep-2018 and Sep-2019 (AHLC): 48%. The greatest of all Sub-destinations.
- Between Dec-2018 and Oct-2019, the hotel offers increased by 1.7%, registering 4.3 thousand quarters (AHLC).
- Rooms night grew 25.8% between Aug-2018 and Aug-2019 (DATATUR).

Habitaciones noche ocupadas (mensual 2019)



Source: DATATUR

### Los Cabos Corridor

- Drop in the occupation between Sep-2018 and Sep-2019: -5pp from 34% to 33% (AHLC).
- Between Dec-2018 and Oct-2019, the hotel offer decreased by 2.4%, registering 4.1 thousand quarters (AHLC).
- The rooms night had the largest increase of all Sub-destinations: 36.7% between Aug-2018 and Aug-2019 (DATATUR).

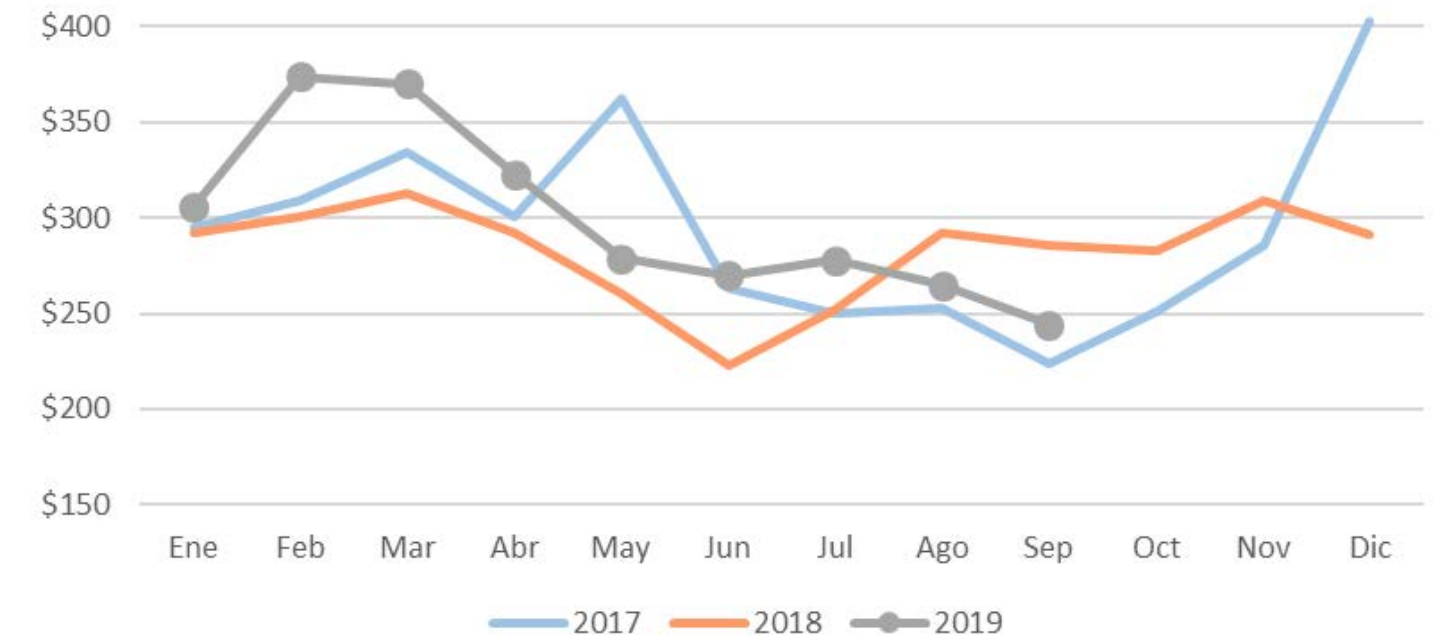


## Hotel Offer

# Evolution of the average rate and RevPAR Of Los Cabos and Sub-destinations

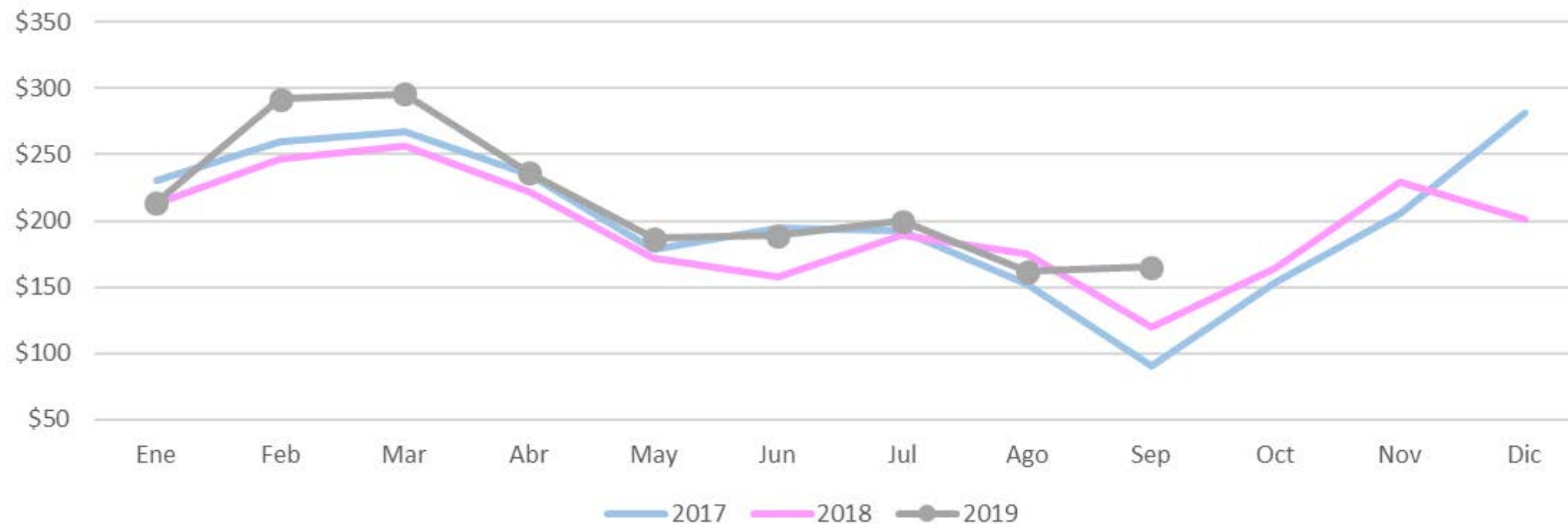
- The average rate in Los Cabos in Sep-2019 was USD 244; \$55 below average last 12 months; and \$42 below that in Sep-2018 (or a decrease of 27%). The RevPar was USD 165; 46 below average last 12 months (45 dollars above Sep-2018).
- The Corridor of Los Cabos had the highest rate, located at USD 307, and a decrease of 44 USD comparing with Sep-2018 (-13%).
- San Jose del Cabo, for the first time in a year, presents decreases concerning the previous year, breaking a trend of steady growth, reducing its average rate at 83 dollars (-29%) to \$208.
- Cabo San Lucas increased its average rate of USD 1 (0.5%), to 218 dollars.

Average Rate Los Cabos (USD, 2018 - 2019)

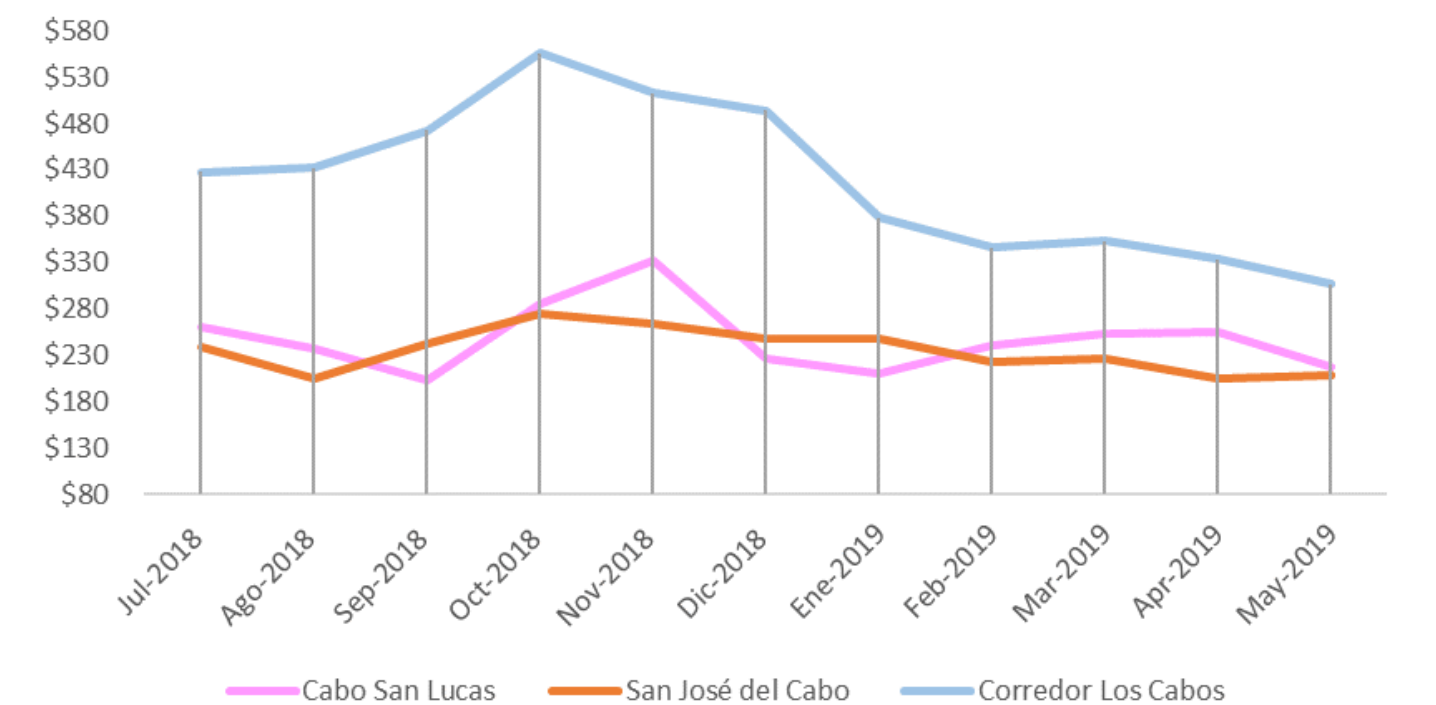


RevPAR Los Cabos (USD, 2018 - 2019)

Source: Ahlc



Average Rate Sub-destination (USD, monthly, last 12 months)



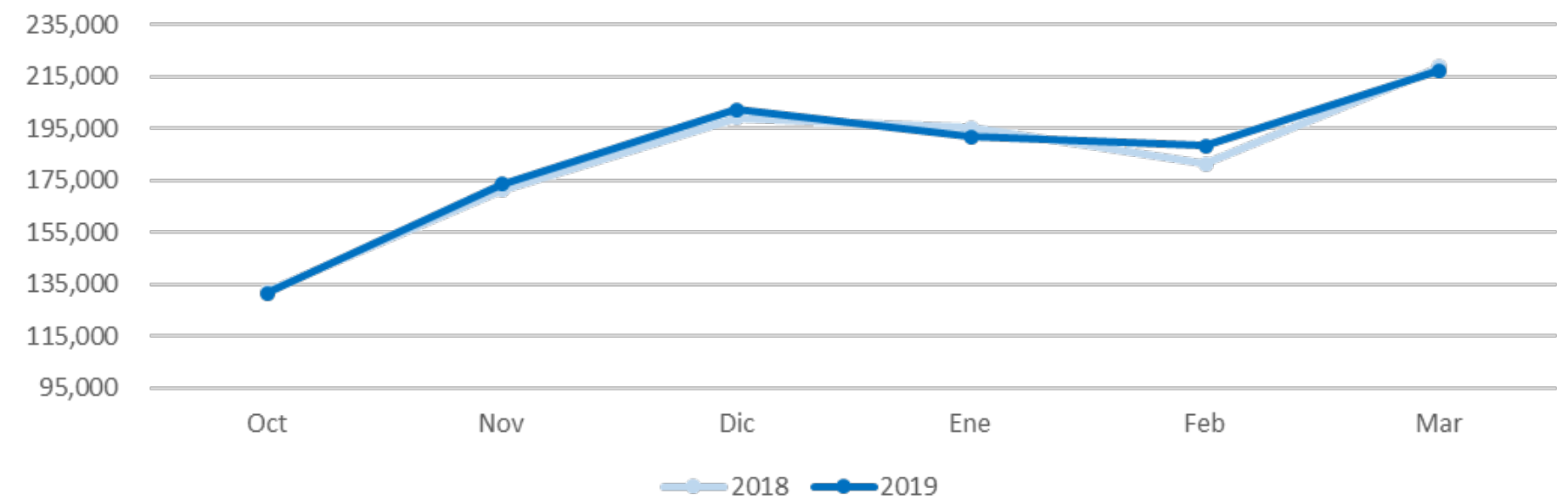
# INTERNATIONAL AIR CONNECTIVITY

Sources: OAG

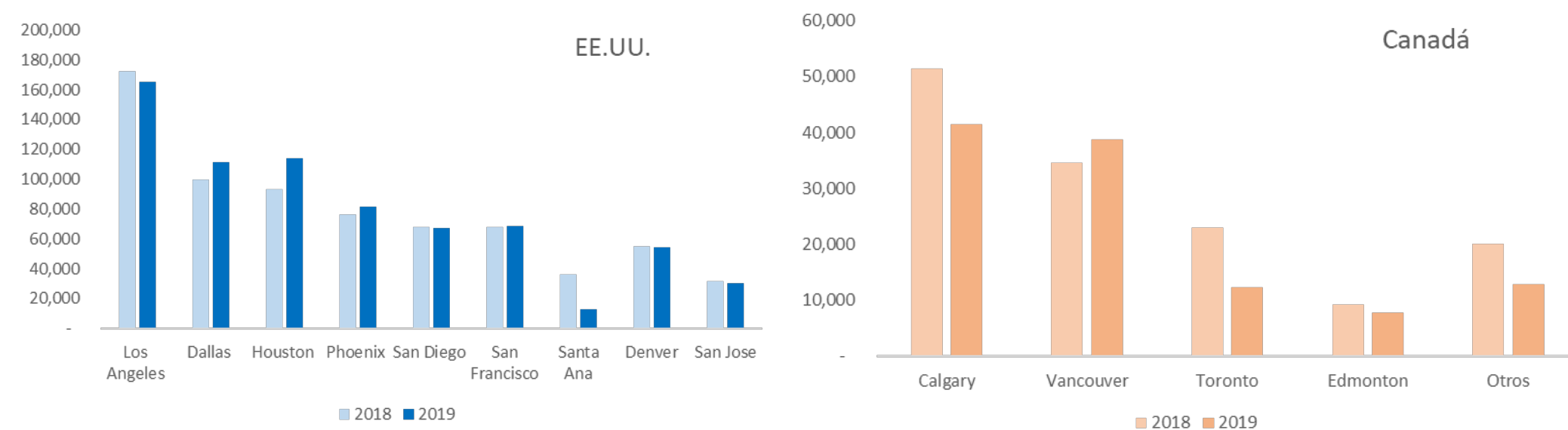
## SCHEDULED SEATS FOR OCT-2019 - MAR-2020

- For the USA, in Oct-2019 there are 0.3% less scheduled seats available than in the same period of the previous year and for the next 6 months, there are scheduled 0.7% more than for the same period of 2018.
- The greatest growth will be in Dallas (+11.7%), Houston (+22.3%) and Phoenix (6.9%). Los Angeles and San Diego show drops (-4.2% and -0.7%).
- The main market in the US is Los Angeles (17%), followed by Dallas (11%), and Houston (11%). All of California as a whole represents 37% of the seats available from the U.S. to SJD in this period.
- The participation of LAX in the international market will decrease 1pp, however, those of DFW and HOU will increase 1pp each one. American, Alaska Airlines, Delta, United, and Southwest are the most important (concentrating 88% as a whole).
- For Canada, in Oct-2019 there are 12.7% more scheduled seats available than in the same period of the previous year and for the next 6 months, there are 18.2% less scheduled than for the same period in 2018. However, as of the date of preparation of this report, there is no up-to-date scheduling from Sunwing into the OAG system. It is estimated that Sunwing will operate 19,372 seats in the next 6 months, from Vancouver, Calgary, and Toronto. In such a way that the actual decrease of seats from Canada, would be equivalent to -4.1%.
- The main markets are Calgary (37%) Vancouver (34%), Toronto (11%) and Edmonton (7%); through airlines WestJet (65%), and Air Canada (23%). The factors of occupation of the international airlines for Jul-2019 were: American 84%, Alaska 90%, Delta 67%, United 90%, Southwest 86%; Air Canada 89% (to Apr-2019), Sunwing 91%, and WestJet 91%.
- When comparing with Jul-2018, it is observed that American Airlines declined 6pp, Delta 18pp; while United increase their occupation by 5pp.

Programación de asientos hacia San José del Cabo (Oct-2019-Mar-2020)



Seats are programd by origin (Jul-dec, 2018-2019)







# **TOURISM OBSERVATORY IN LOS CABOS**

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## **PUBLIC RELATIONS**



# Public Relations, notes, and scope (Sep-2019)

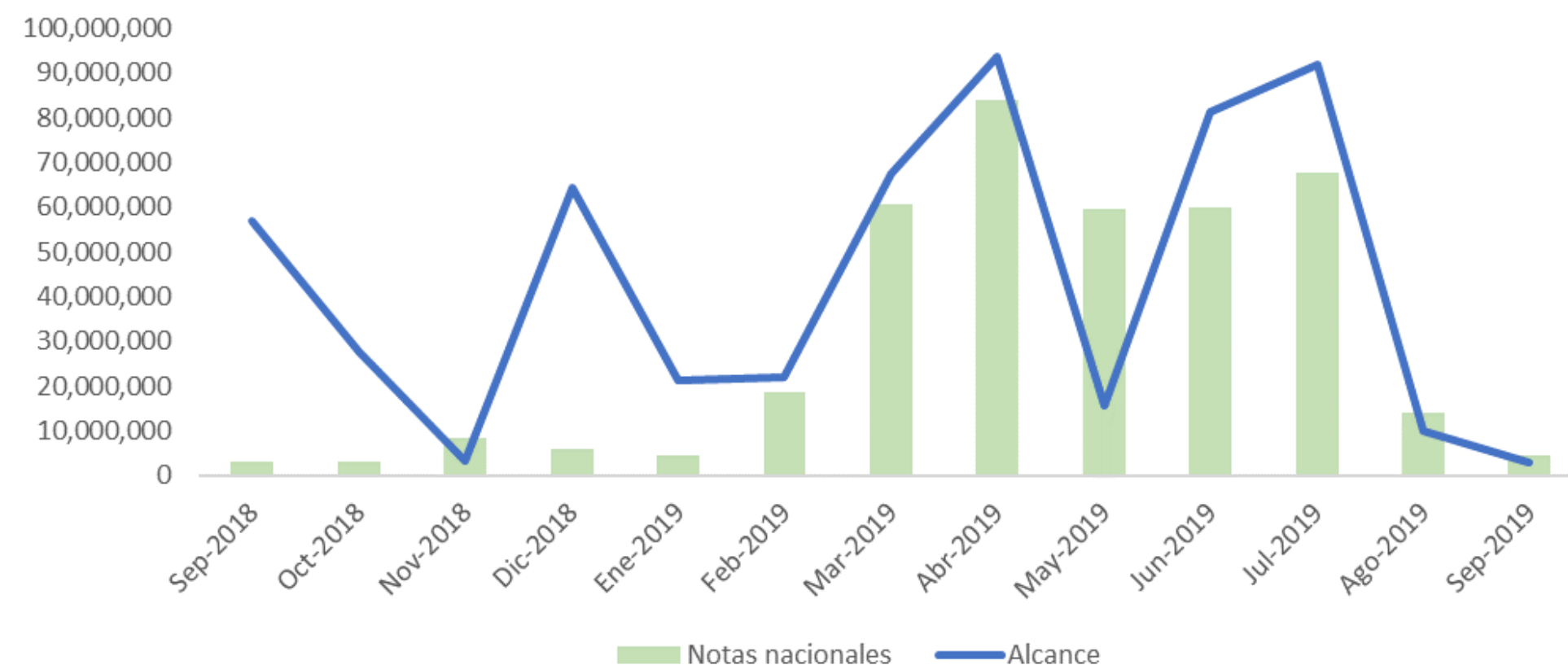
## In the domestic market:

- In the period from Oct-2018 to Sep-2019 (last 12 months), there were 4,686 insertions in the national press (391 per month on average), generating a scope of 501 million impacts (42 million per month on average). During Sep-2019, 52 insertions were published achieving 2.8 million impacts.

## In the international market:

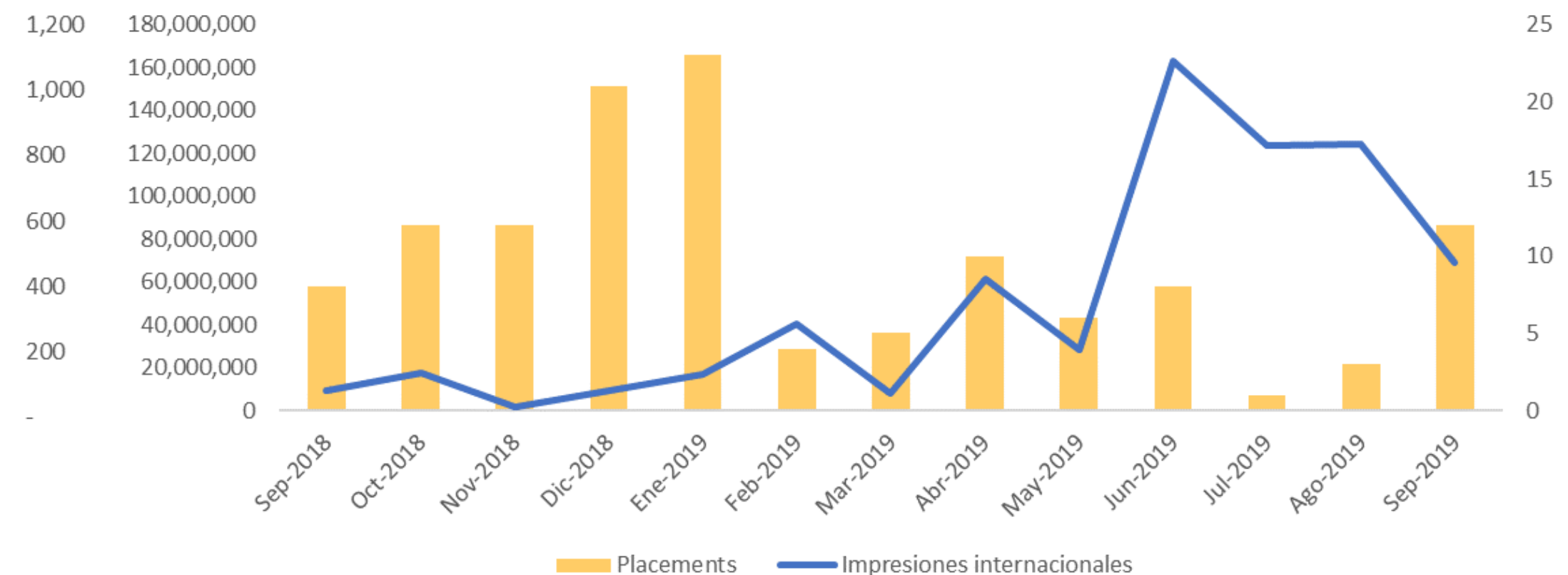
- In the period from Oct-2018 to Sep-2019, there were 117 insertions in the international press (10 per month on average), generating a scope of 663 million impacts (45 million per month on average). During Sep-2019 12 insertions were published achieving 69 million of impacts.

TOTAL OF NATIONAL NOTES AND SCOPE (SEP-2019)



Source: GAUDELLI (Feb-18 to Jan-19), LLORENTE AND CUENCA (Feb-Sep-19)

TOTAL OF INTERNATIONAL NOTES AND SCOPE (SEP-2019)



Source: NJF (Feb-18 to Jan-19), OGILVY (Feb-Sep -19)



# Definitions

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- **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
- **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 an extraordinary travel experience.
- **Rooms per night.** Is obtained from the daily record number of tourists that occupy the rooms of the establishment, for their time of stay, (number of nights spent in the establishment) and is classified according to their place of origin, in residents or non-residents.
- **Inflation.** Continued growth and widespread use of the prices of goods and services that are expended in an economy. It is the average rate of growth from one period to another of the prices of a basket of goods and services.
- **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

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- **Nationality of a visitor.** The country that grants 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 a remuneration is received for the activities developed in the place visited
- **Hotel 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.  $\Sigma Ht$  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.
- **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.



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