



# LOS CABOS TOURISM OBSERVATORY

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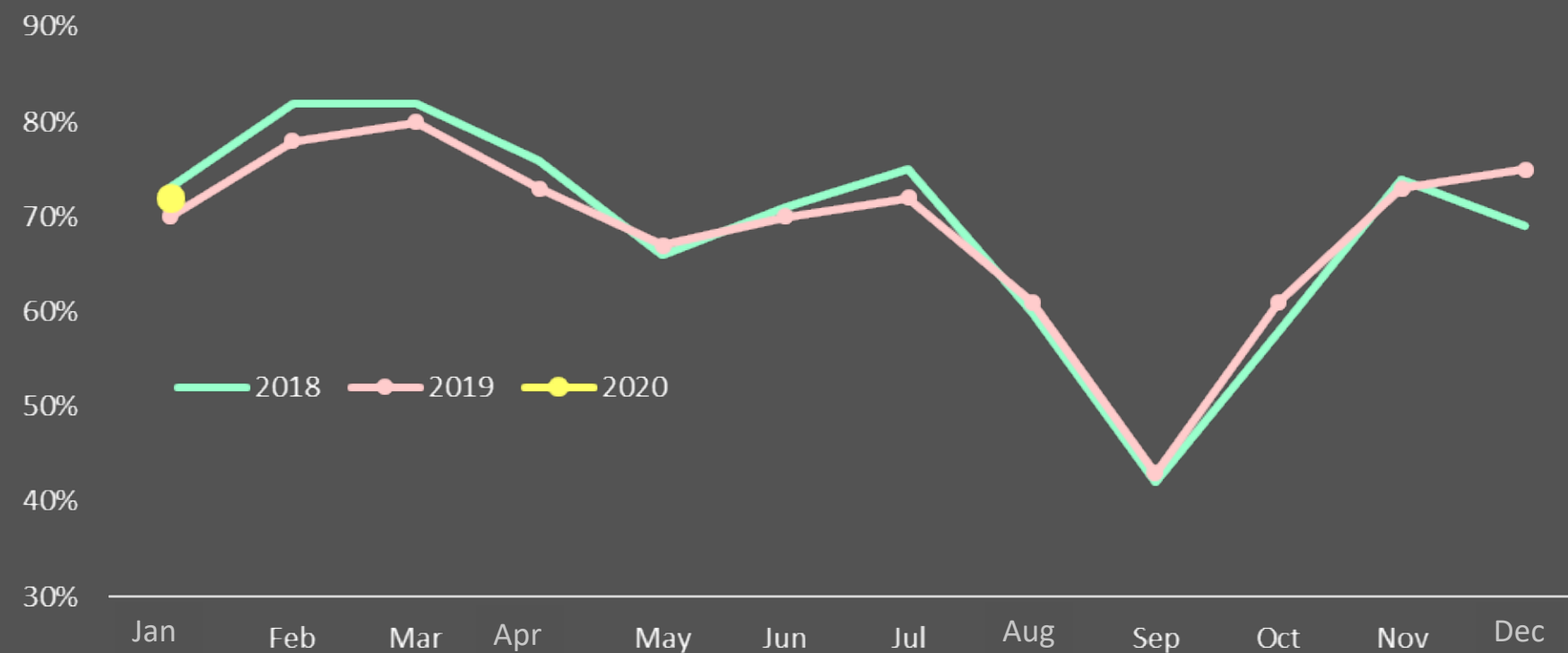
## KEY PERFORMANCE INDICATORS

**FEBRUARY 2020**



# Leading Indicators - Summary

## Hotel Performance



SOURCE: ASOCIACIÓN DE HOTELES DE LOS CABOS

**Available Rooms**  
(Dec-2019):  
**21,817**  
**+9.5%**  
(vs. Dec-2018)

SOURCE: DATATUR

**Hotel Occupancy**  
(Jan-2020):  
**72%**  
**+2pp**  
(vs. Jan-2019)

SOURCE: AHLIC

**Room Nights**  
(Dec-2019):  
**1,178,836**  
**+11%**  
(vs. Dec-2018)

SOURCE: DATATUR

## Passenger Arrivals by Air

**Total Passengers**  
(Jan-2020, thousands):  
**253.5**  
**+10.2%**  
(vs. Jan-2019)

**Domestic Passengers**  
(Jan-2020, thousands):  
**76.1**  
**+13.1%**  
(vs. Jan-2019)

**International Passengers**  
(Jan-2020, thousands):  
**177.4**  
**9%**  
(vs. Jan-2019)

SOURCE: GAP

**Total Group Business**  
**RFPs (Jul-2019):**  
**34**  
**+15 RFPs**  
(vs. Jul-2018)

**Tourist Surveys**  
**Tourist satisfaction (more**  
**than expected, Dec-2019):**  
**34.5%**  
**+1.9pp**  
(vs. Dec-2018)

**Cruise Passengers**  
(Dec-2019):  
**80,979**  
**+27.5%**  
(vs. Dec-2018)

**Congresses and**  
**Conventions Attendees**  
(Dec-2019):  
**0.8% of the**  
**total**  
**+0.5pp**  
(vs. Dec-2018)  
SOURCE: TOURIST SURVEYS

**Tourist Origin**  
(Dec-2019):  
**73.5% foreigners**  
**+2.9pp**  
(vs. Dec-2018)  
SOURCE: TOURIST SURVEYS

**Cruise Ships**  
(Dec-2019):  
**28**  
**+2 vessels**  
(vs. Dec-2018)  
SOURCE: DATATUR





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

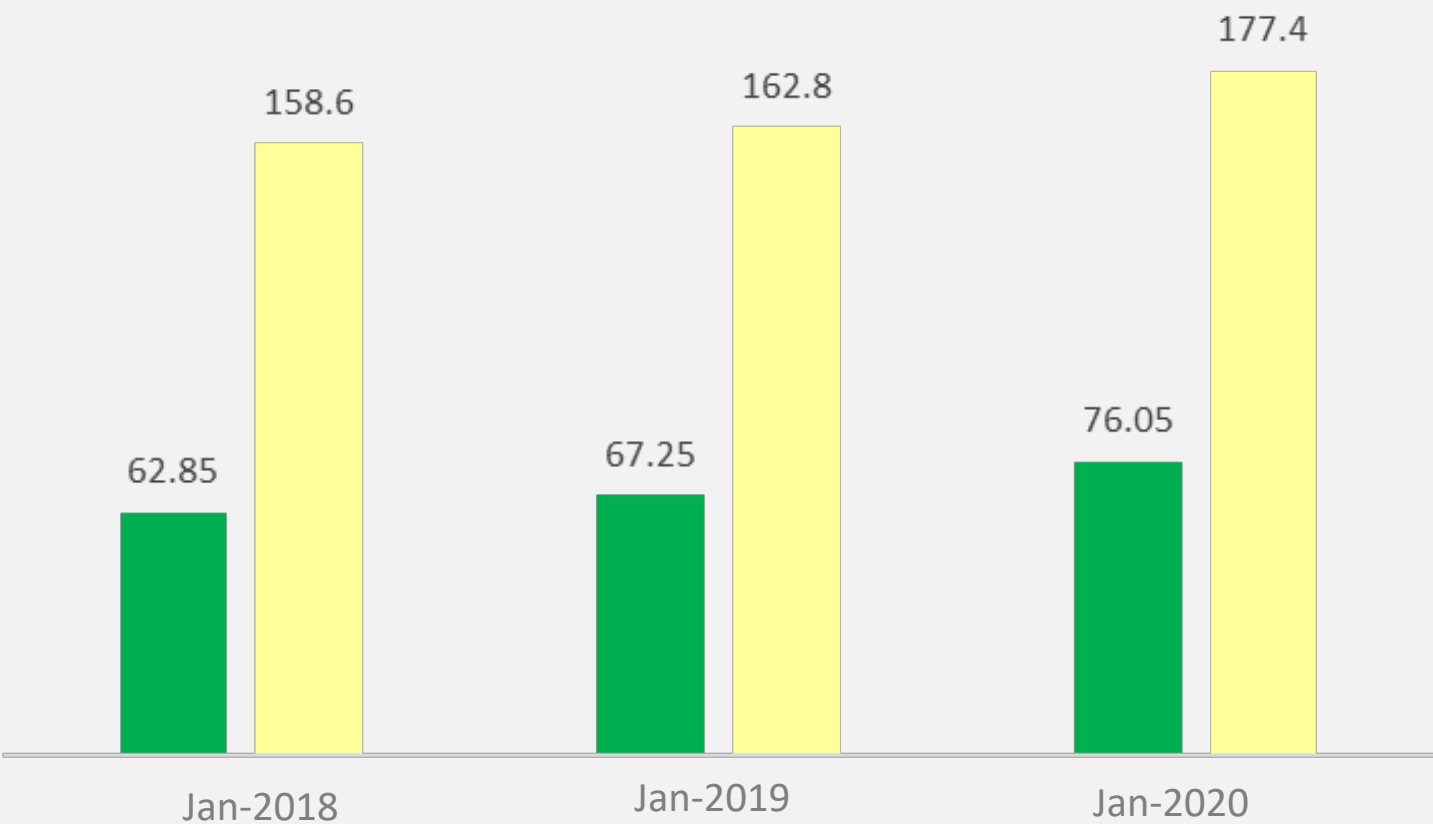


# Passenger arrivals at Los Cabos Airport, 2018-2020

- In Jan-2020, the arrival of 253,500 passengers was registered at Los Cabos Airport, which shows an increase of 10.2% over the same period in 2019.
  - Passengers on domestic flights (76,005) represent 30% of the total arrivals with an increase of 13.1% compared to Jan-2019.
  - Passengers on international flights (177,400) represent 70% and had a 9% increase.

SOURCE: GAP

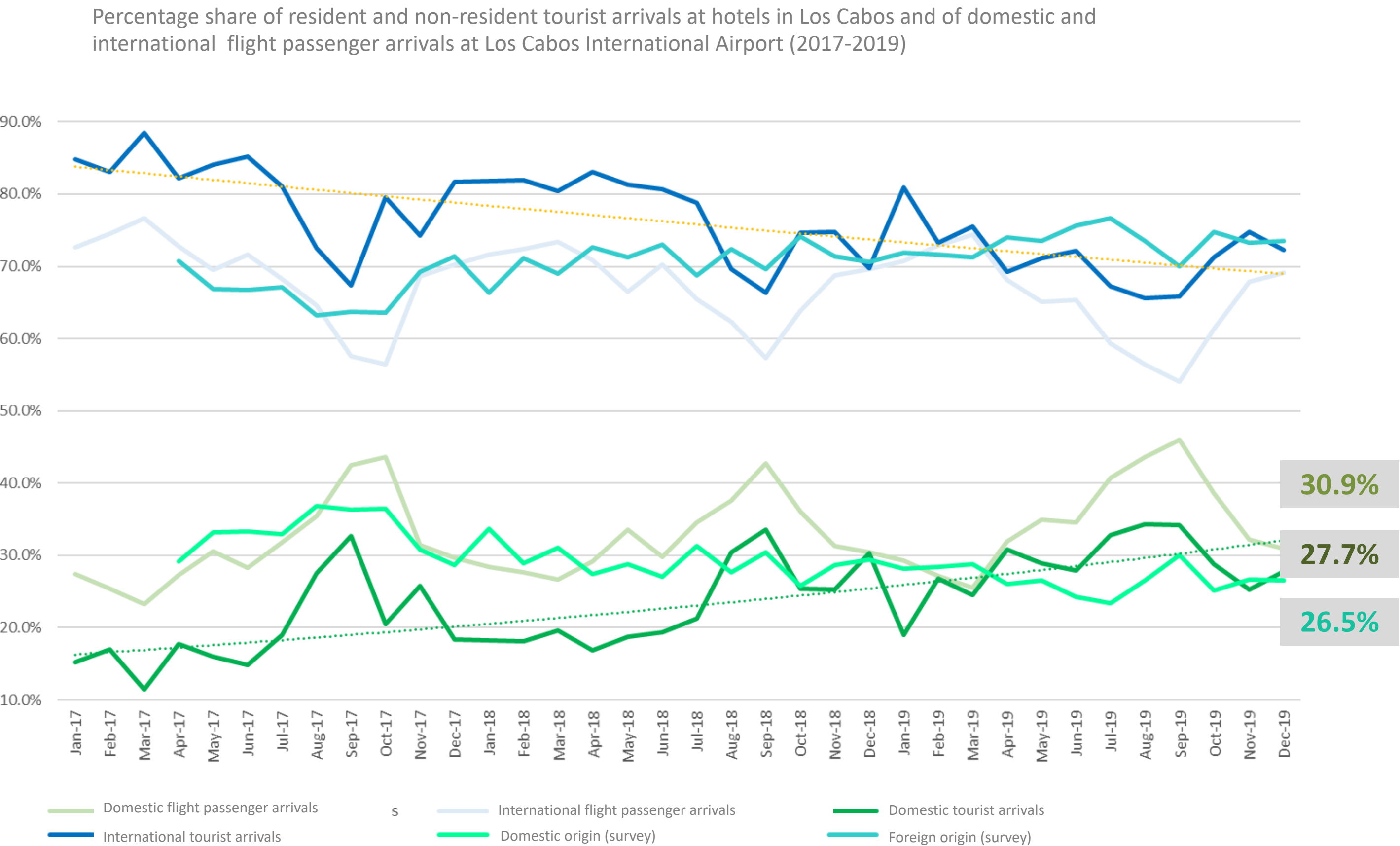
Passenger arrivals at San Jose del Cabo Airport, per month (2018-2019)



SOURCE: GAP

# HOTEL offer

## Evolution of Domestic and Foreign Tourism Share



- According to DATATUR, the share of national residents in the total tourist arrivals at hotels in Los Cabos has decreased as compared to the previous year (Dec-2018 to Dec-2019). In Dec-2019 it registers 27.7%.
- While domestic passengers gained 0.5pp in the total share recorded by Los Cabos International Airport in the same period. In Dec-2019 it reached 30.9%.
- On the other hand, the tourist survey reveals a 2.9pp decrease in the share of tourists of national origin, standing at 26.5%.

SOURCES: DATATUR, GAP, TOURIST SURVEYS

# Foreign tourist arrivals by air

## By origin (residence), 2018-2019 per month

Regions	Dec/2018	Jan/2019	Feb/2019	Mar/2019	Apr/2019	May/2019	Jun/2019	Jul/2019	Aug/2019	Sep/2019	Oct/2019	Nov/2019	Dec/2019	Δ Dec-19/ Dec-18	Total 2018	Total 2019	Δ Jan-Dec-19/ Jan-Dec-18
USA	147,461	122,358	132,938	173,759	140,159	135,239	146,487	142,111	111,494	73,431	113,947	137,433	161,174	9.3%	1,559,145	1,590,530	2.0%
Canada	21,866	24,304	22,196	24,065	16,499	6,852	4,225	4,373	4,425	3,261	7,350	19,046	21,542	-1.5%	140,056	158,138	12.9%
Europe	1,060	841	1,094	921	1,198	1,011	782	897	756	303	447	1,230	1,210	14.2%	7,839	10,690	36.4%
Central & South America	228	295	168	185	286	232	134	239	200	124	102	152	148	-35.1%	2,343	2,265	-3.3%
Rest of the World	1,303	1,053	697	1,161	1,030	955	765	852	774	604	784	796	898	-31.1%	9,078	10,369	14.2%
Grand total	171,918	148,851	157,093	200,091	159,172	144,289	152,393	148,472	117,649	77,723	122,630	158,657	184,972	7.6%	1,718,461	1,771,992	3.1%

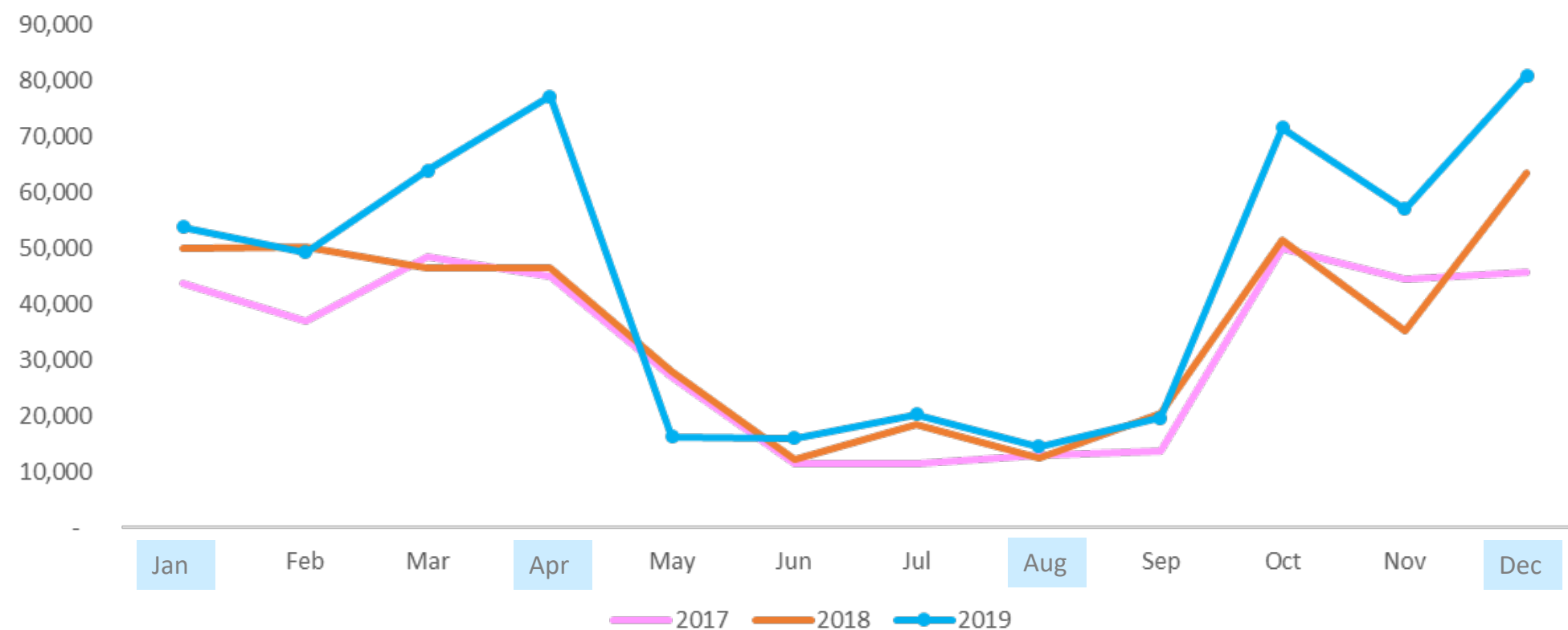
Key markets	Dec/2018	Jan/2019	Feb/2019	Mar/2019	Apr/2019	May/2019	Jun/2019	Jul/2019	Aug/2019	Sep/2019	Oct/2019	Nov/2019	Dec/2019	Δ Dec-19/ Dec-18	Total 2018	Total 2019	Δ Jan-Dec-19/ Jan-Dec-18
United Kingdom	326	236	259	272	336	131	94	184	219	73	155	827	773	137.1%	2,338	3,559	52.2%
Australia	461	488	177	274	388	352	347	336	256	201	346	268	305	-33.8%	3,548	3,738	5.4%
South Korea	159	103	132	140	123	95	72	87	83	111	179	134	126	-20.8%	1,098	1,385	26.1%
Total key markets	946	827	568	686	847	578	513	607	558	385	680	1,229	1,204	27.3%	6,984	8,682	24.3%

SOURCE: INM- SIOM

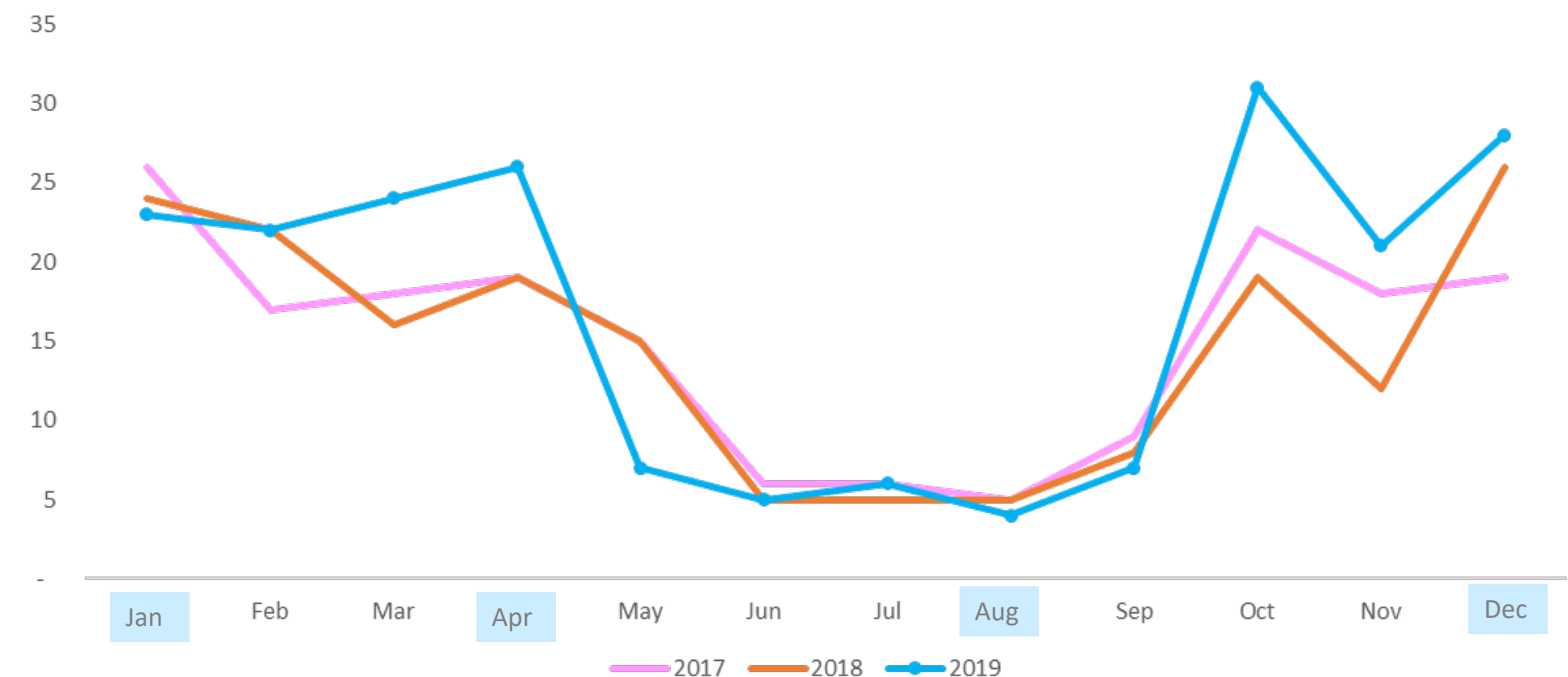
# Cruise ship and vessel passenger arrivals (2017-2019)

- In Dec-2019, 80,979 cruise passenger arrivals were registered at the Cabo San Lucas Port.
  - It shows a 28% passenger volume increment as compared to Dec-2018.
  - Additionally, 28 cruise ship arrivals were registered: 2 more than the previous year.
  - Consisting of 2,892 average passengers per vessel.

Cruise passengers arriving at the Cabo San Lucas Port, monthly (2017-2019)



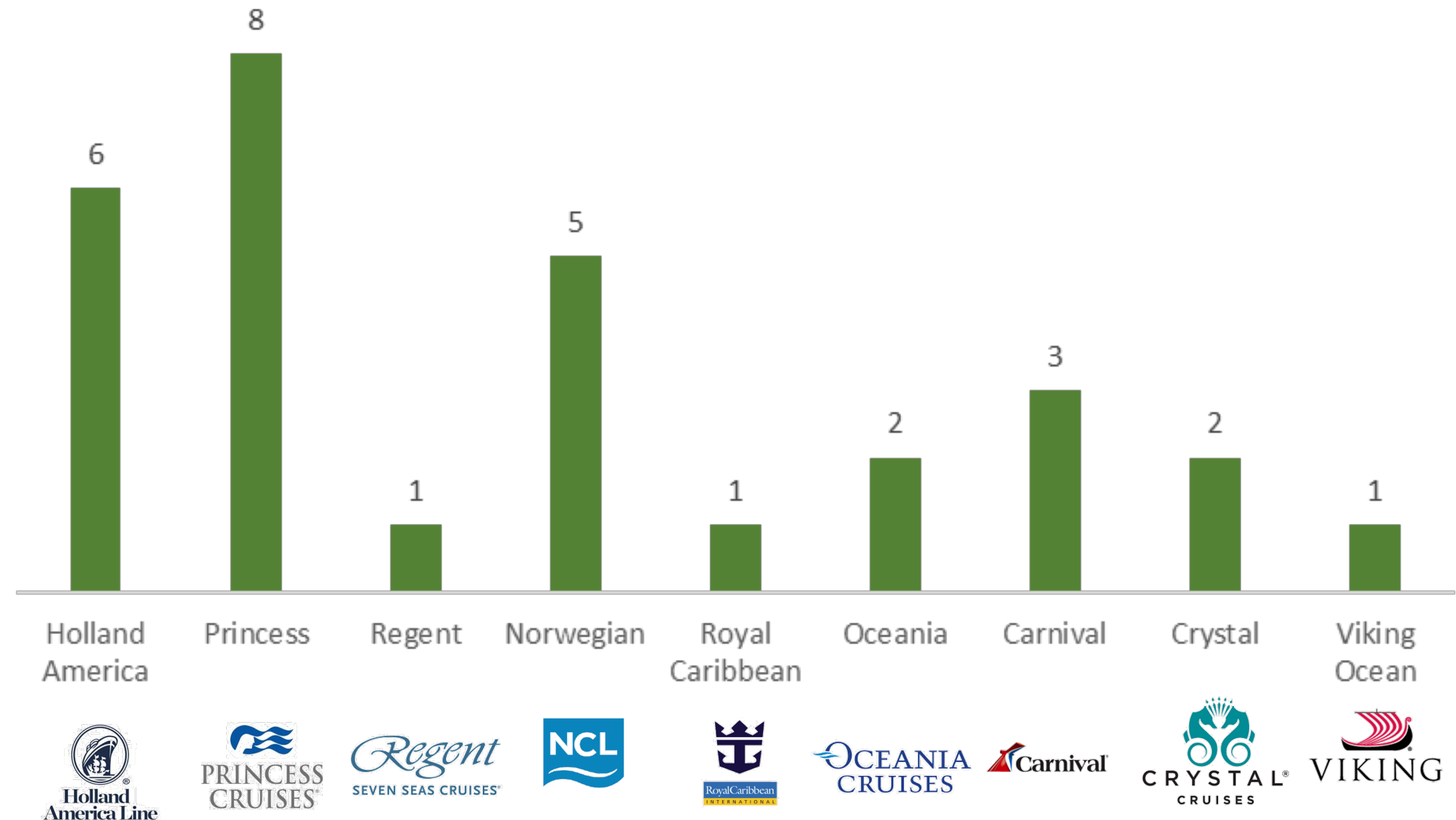
Cruise ships arriving at the Cabo San Lucas Port, monthly (2017-2019)



SOURCE: DATATUR - SCT

# Cruise ship arrivals at Cabo San Lucas Port, Dec-2019

Date	Cruise Ship	Shipping Line	Max. Capacity
02-Dec-19	ms Oosterdam	Holland America	2,250
02-Dec-19	Royal Princess	Princess Cruises	3,600
02-Dec-19	Seven Seas Navigator	Regent Seven Seas	530
03-Dec-19	Norwegian Joy	NCL	3,883
03-Dec-19	Royal Princess	Princess Cruises	3,600
03-Dec-19	Vision Of The Seas	Royal Caribbean	2,514
04-Dec-19	Oceania Sirena	Oceania Cruises	824
09-Dec-19	ms Oosterdam	Holland America	2,250
10-Dec-19	Norwegian Joy	NCL	3,883
11-Dec-19	Royal Princess	Princess Cruises	3,600
12-Dec-19	Royal Princess	Princess Cruises	3,600
16-Dec-19	Carnival Panorama	Carnival	4,716
16-Dec-19	ms Oosterdam	Holland America	2,250
16-Dec-19	Royal Princess	Princess Cruises	3,600
17-Dec-19	Crystal Symphony	Crystal Cruises	848
17-Dec-19	Norwegian Joy	NCL	3,883
18-Dec-19	Crystal Symphony	Crystal Cruises	848
20-Dec-19	ms Amsterdam	Holland America	1,380
21-Dec-19	Grand Princess	Princess Cruises	3,100
23-Dec-19	Carnival Panorama	Carnival	4,716
23-Dec-19	ms Oosterdam	Holland America	2,250
23-Dec-19	Royal Princess	Princess Cruises	3,600
24-Dec-19	Norwegian Joy	NCL	3,883
24-Dec-19	Oceania Sirena	Oceania Cruises	824
30-Dec-19	Carnival Panorama	Carnival	4,716
30-Dec-19	ms Oosterdam	Holland America	2,250
30-Dec-19	Royal Princess	Princess Cruises	3,600
30-Dec-19	Viking Sun	Viking Ocean Cruises	928
31-Dec-19	Norwegian Joy	NCL	3,883



The 28 cruise ship arrivals at Cabo San Lucas Port in Dec-2019 were operated by 9 main lines: Princess (8 vessels), Holland America (6), Norwegian Cruise Line (5), and Carnival (3) representing a maximum capacity of 81,809 passengers.

SOURCE: CREW-CENTER.COM





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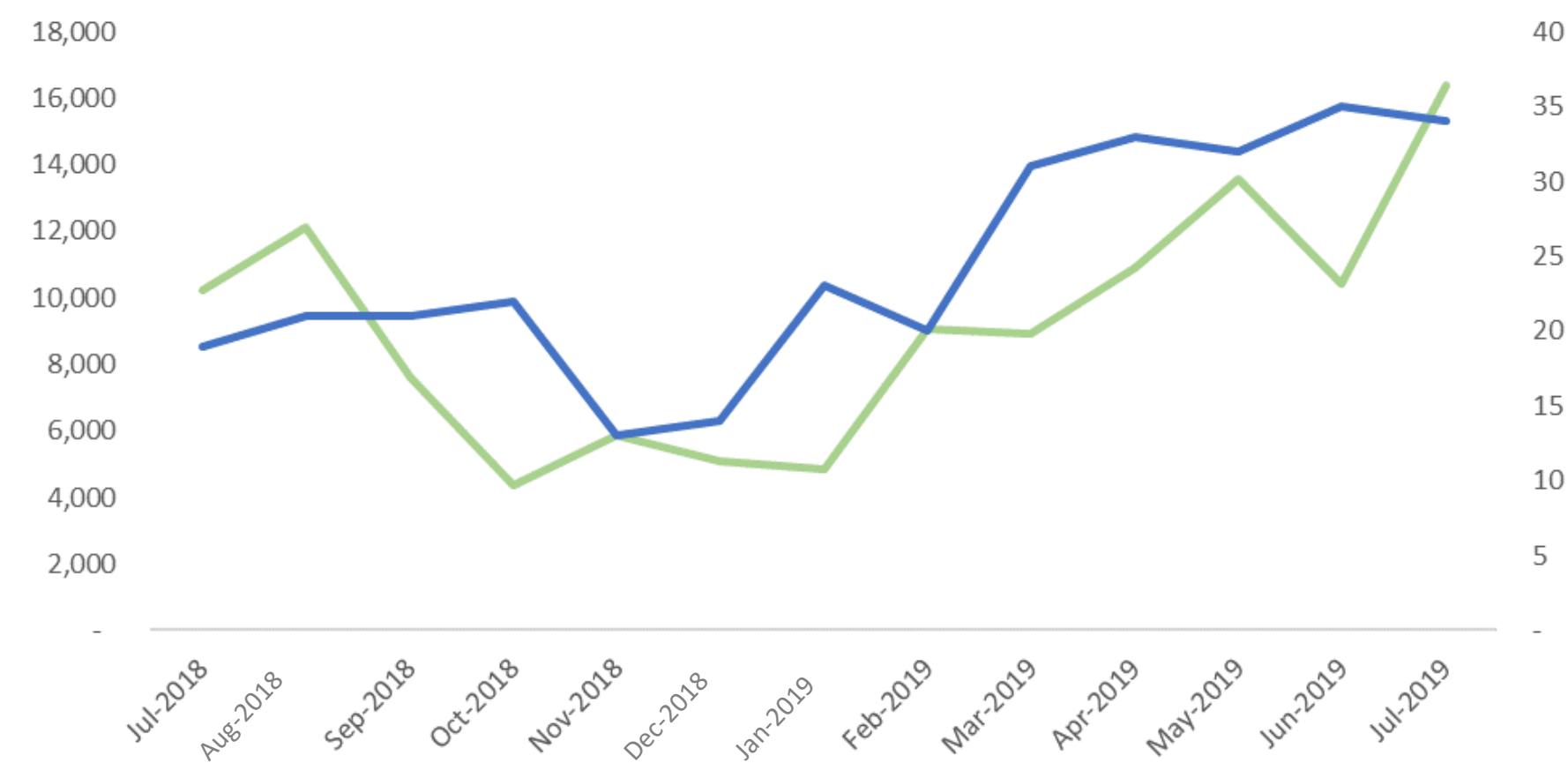
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**DEMAND INDICATORS**  
**TOURIST SURVEYS AND GROUP BUSINESS**



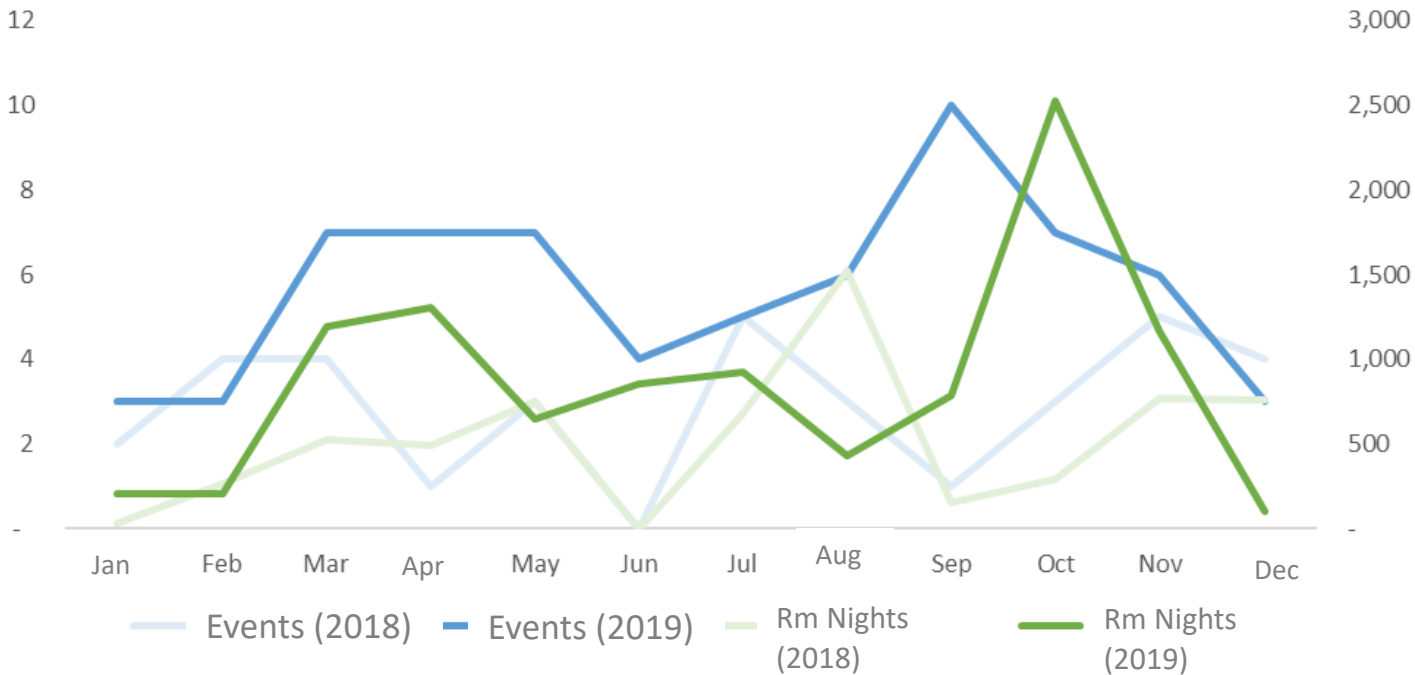
# Demand Indicators: Group Business

Event RFPs and meetings and group room nights, last 12 months (CVENT)



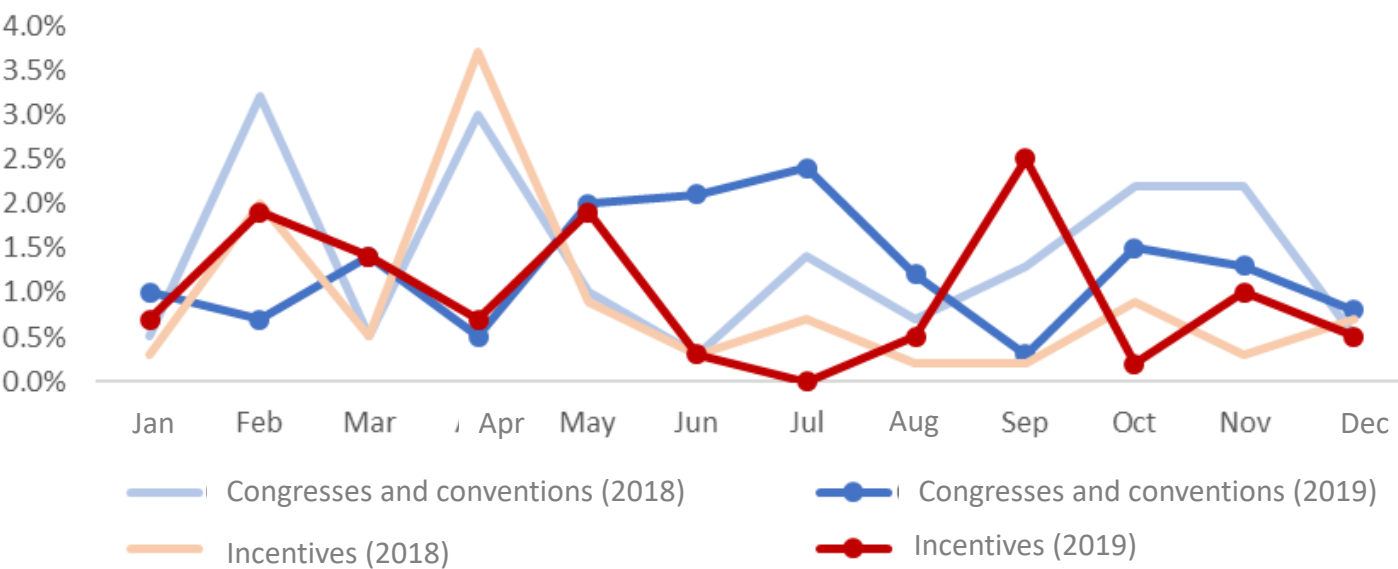
FUENTE: CVENT

Meetings and groups' confirmed events and room nights (Helms Briscoe)



SOURCE: Helms Briscoe

Congresses, conventions and incentive attendees (% 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, one in a white kayak and one in a blue kayak. The water transitions from a light turquoise near the surface to a deeper blue further out.

# LOS CABOS TOURISM OBSERVATORY

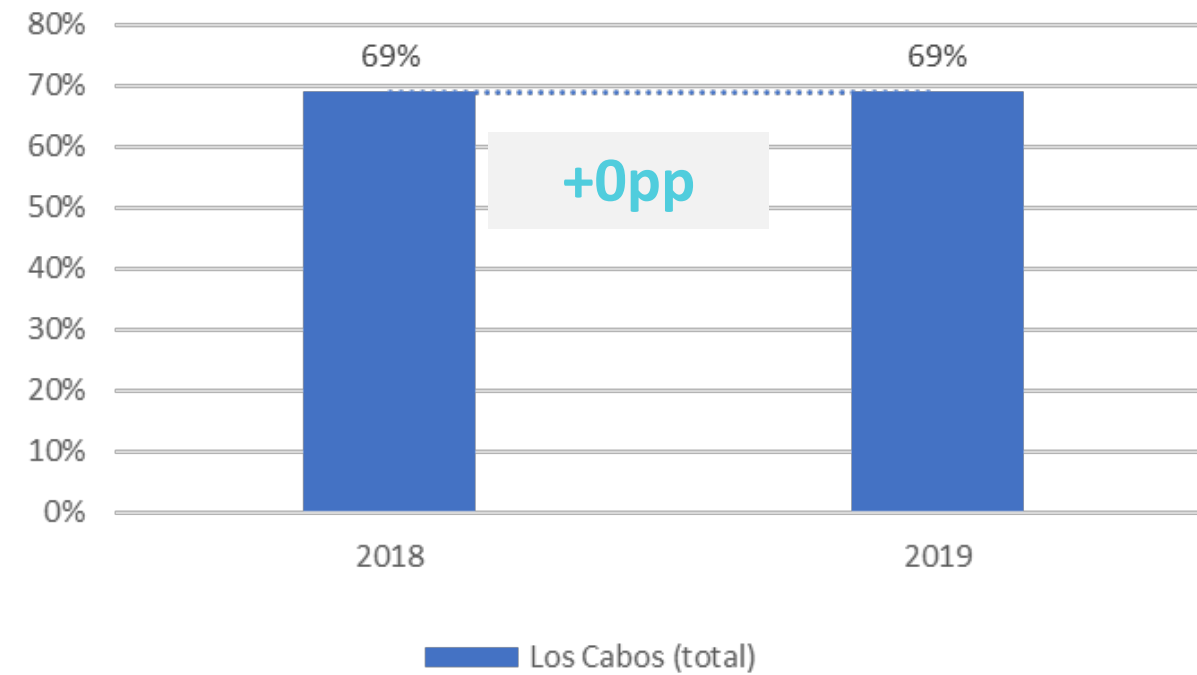
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**OFFER INDICATORS**

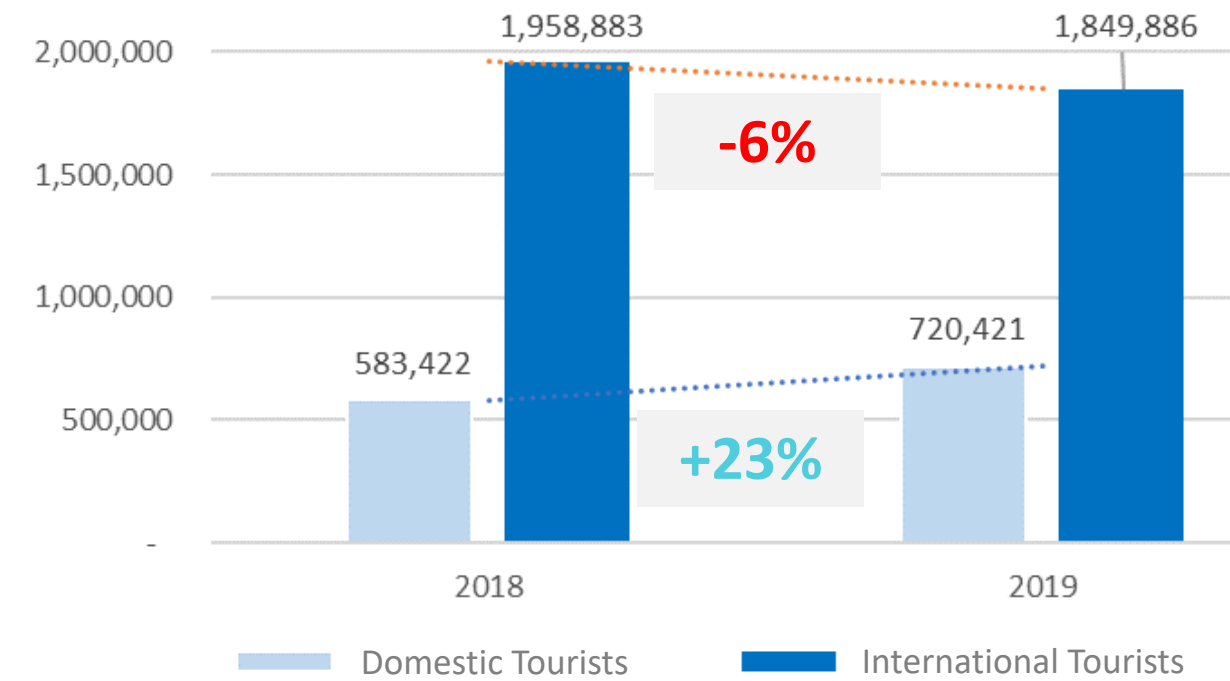
# HOTEL OFFER

## Hotel offer evolution in Los Cabos and sub destinations (Annual summary)

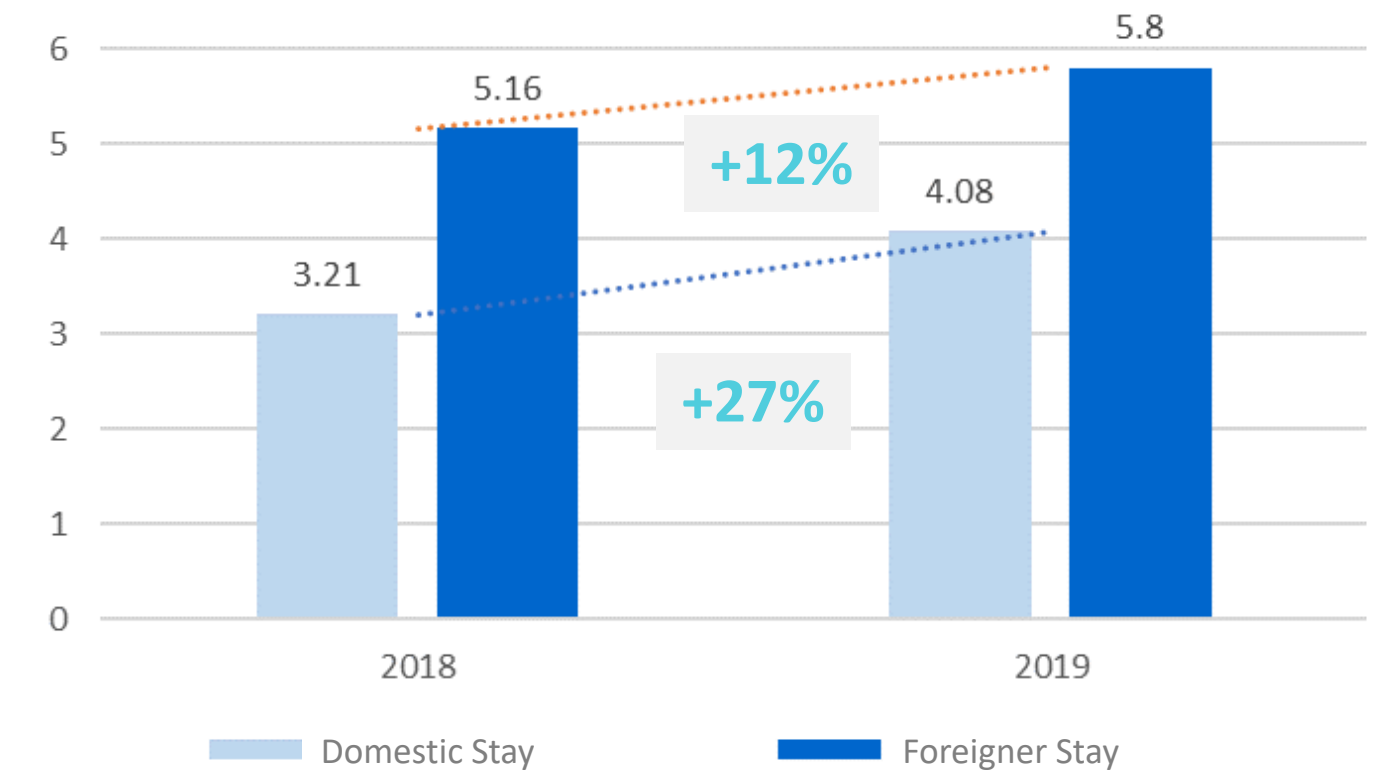
Hotel Occupancy (Los Cabos, total)



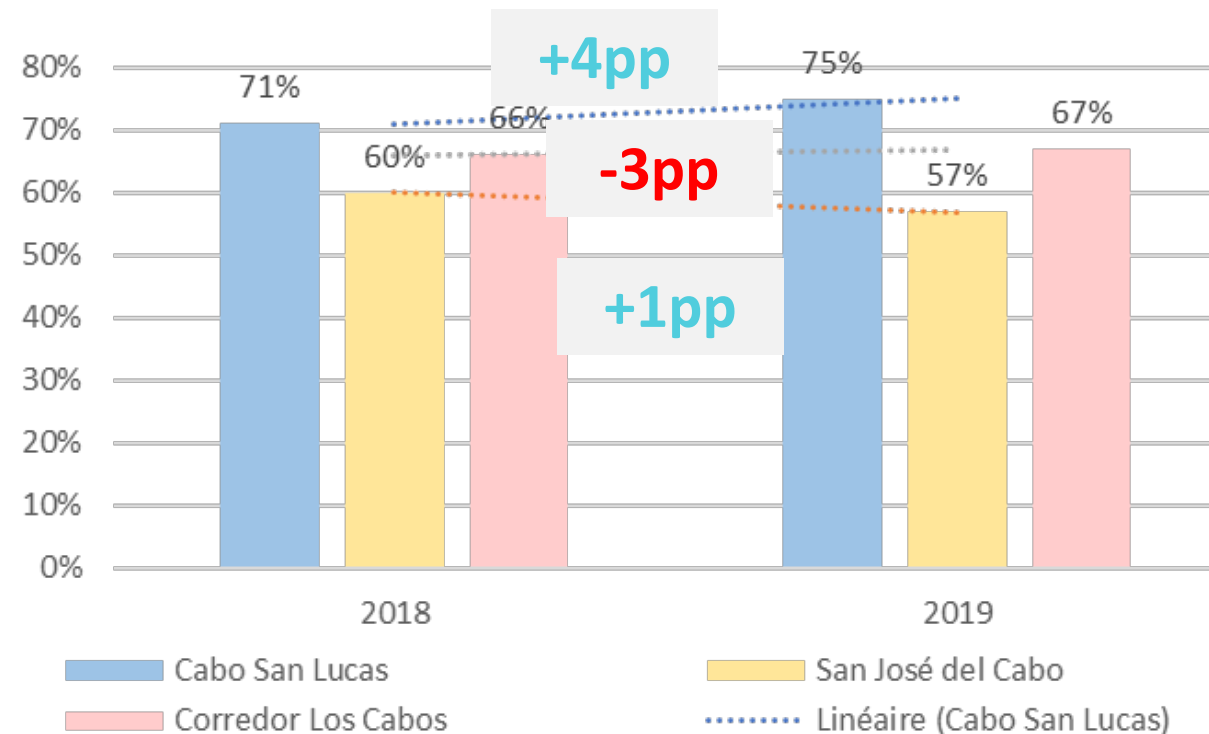
Tourist arrivals at hotels (Los Cabos, total)



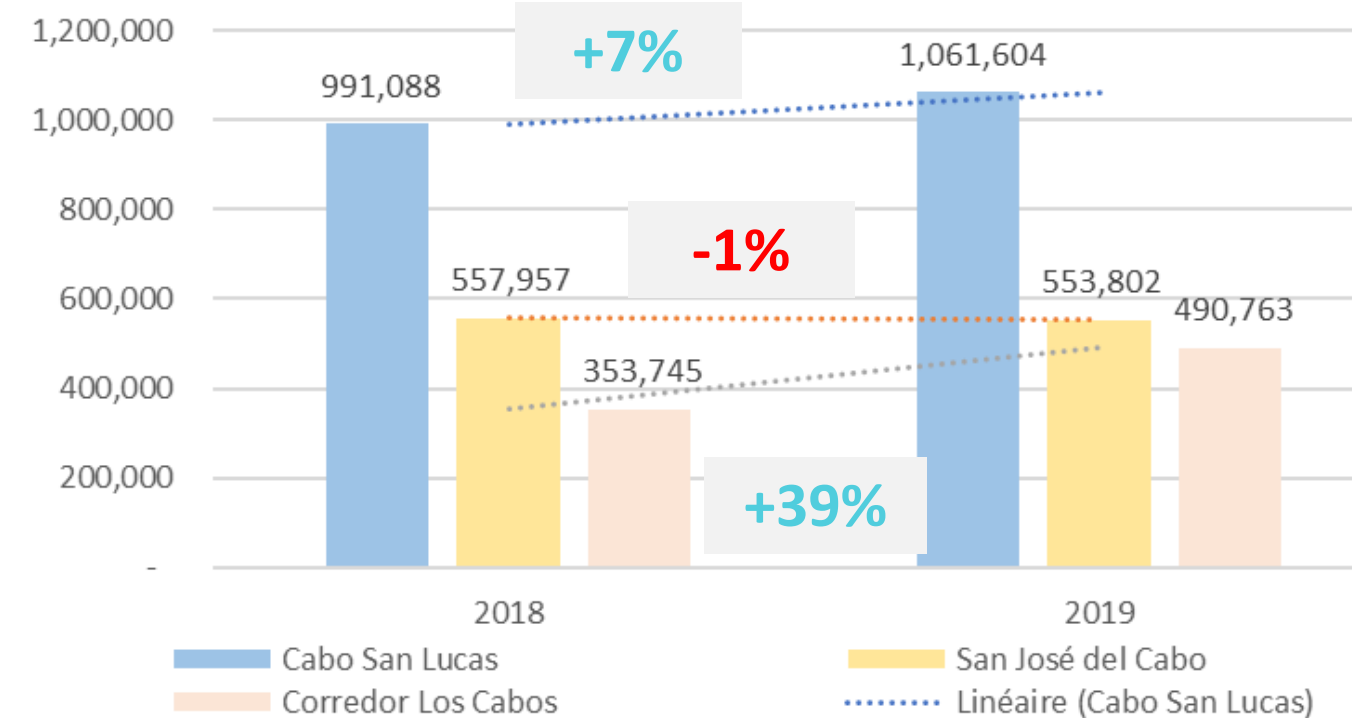
Stay (Los Cabos, total)



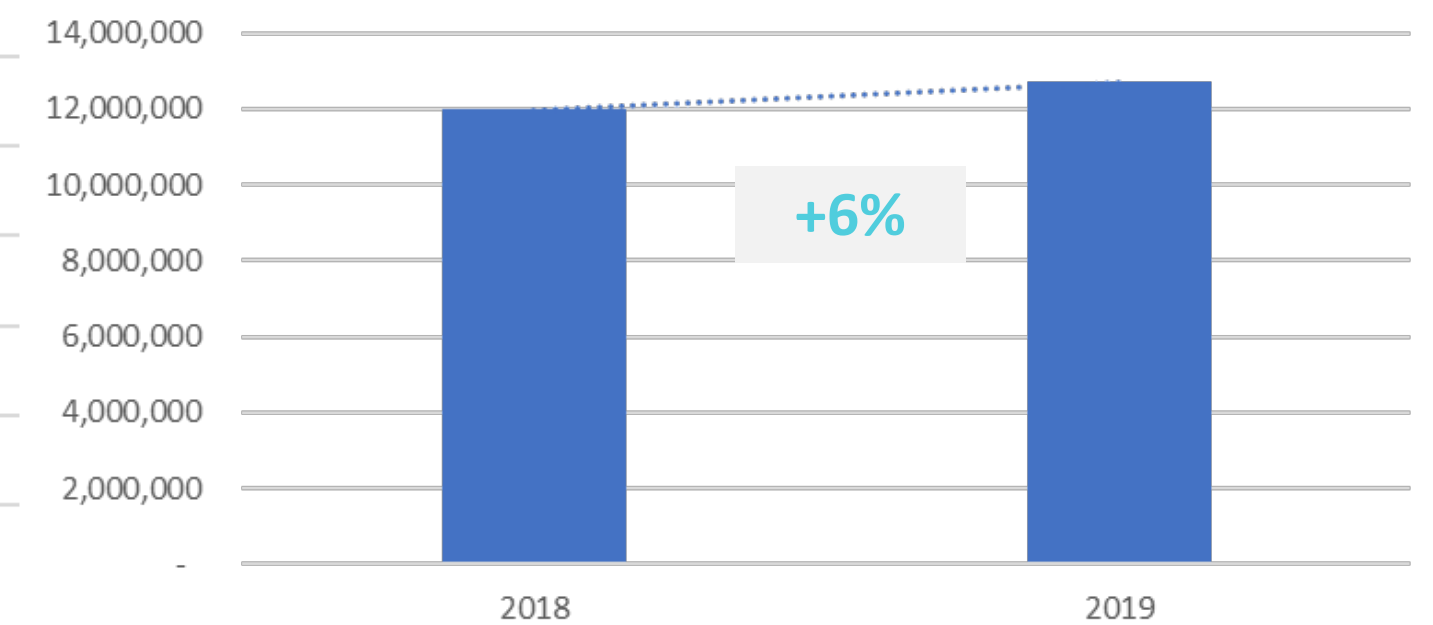
Hotel Occupancy (sub destinations)



Tourist arrivals at hotels (sub destinations)



Room Nights (Los Cabos, total)



SOURCE: AHLIC

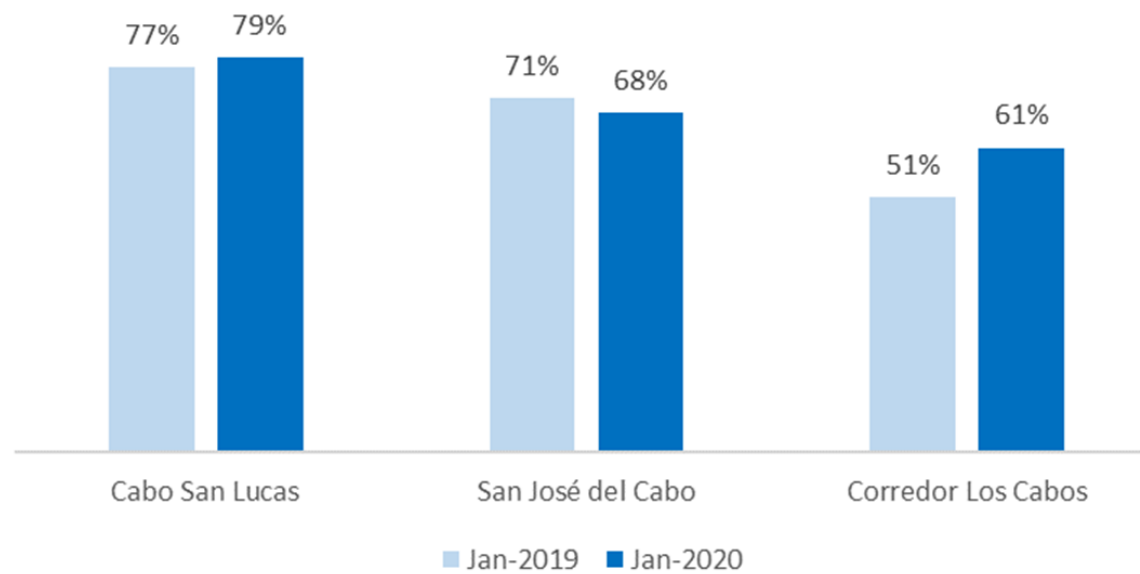
SOURCE: DATATUR



## HOTEL OFFER

# Hotel offer evolution in Los Cabos and sub destinations

Hotel occupancy (Jan-2019-2020)

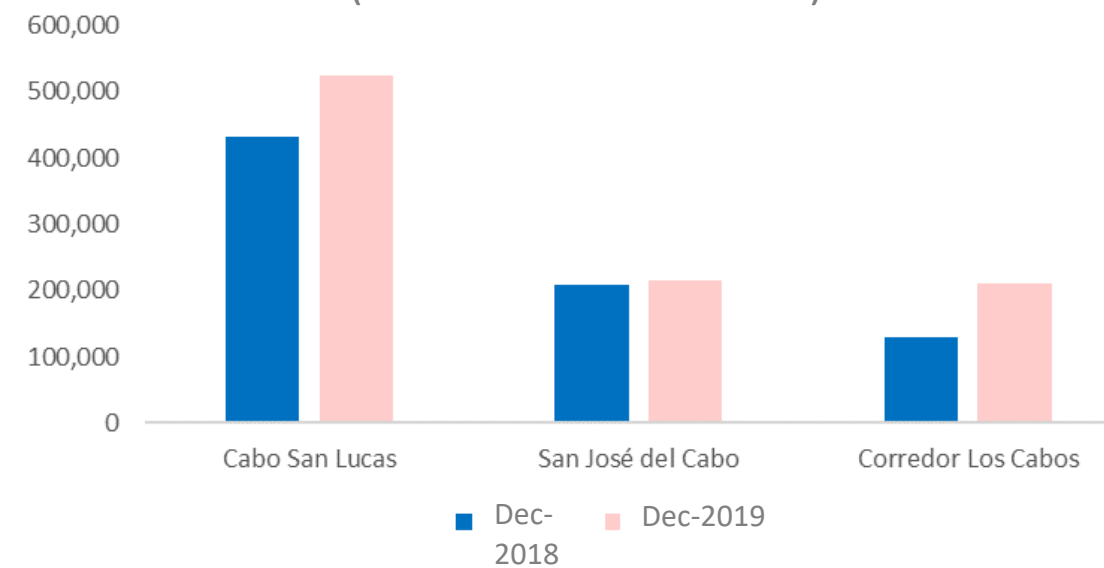


SOURCE: AHLC.

### CABO SAN LUCAS

- Occupancy registers at 76%, which demonstrates an increase of 1pp (Dec-2019 vs. Dec-2018; AHLC).
- Offer increment.- Hotel offer increased by 21% from Dec-2018 to Dec-2019, going from 7,400 to 9,000 (Datatur).
- Room nights increased by 21.8% between Dec-2018 and Dec-2019 (DATATUR).

Room nights (Dec-2018 vs. Dec-2019)

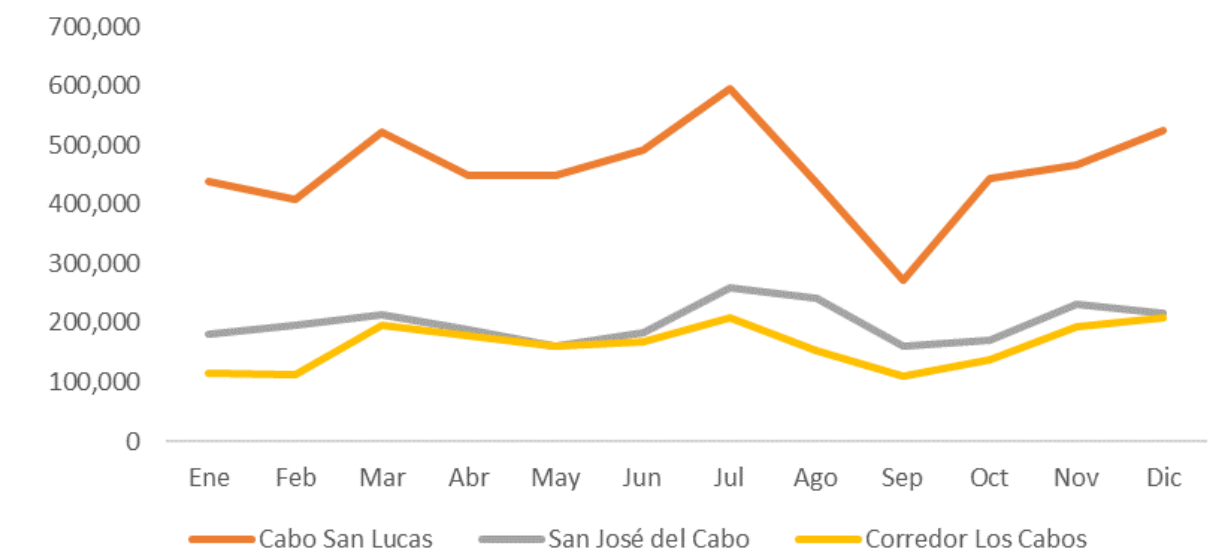


SOURCE: DATATUR

### SAN JOSE DEL CABO

- Occupancy increased by 6pp when comparing Dec-2018 with Dec-2019 (AHLC): 73%.
- Hotel offer increased by 8.3% between Dec-2018 and Dec-2019, registering 4,900 rooms (Datatur).
- Room nights increased by 3.4% between Dec-2018 and Dec-2019 (DATATUR).

Occupied room nights (monthly 2019)



SOURCE: DATATUR

### CORREDOR LOS CABOS

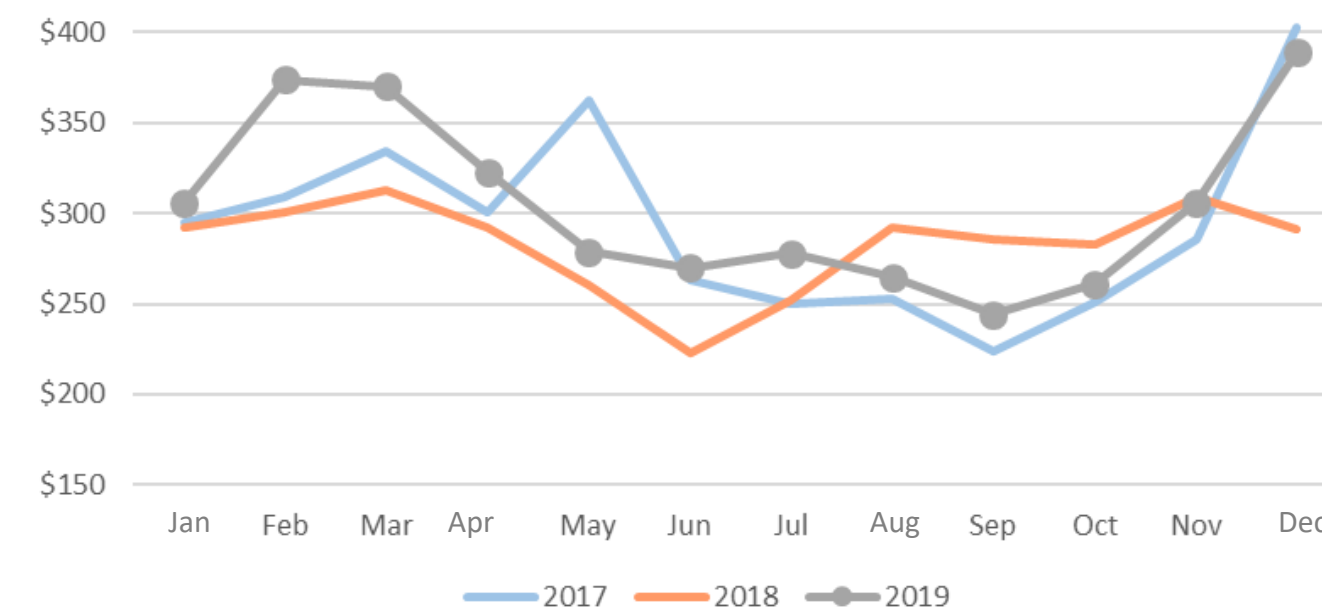
- Highest occupancy growth of all sub destinations between Dec-2018 and Dec-2019: +14pp, going from 60% to 74% (AHLC).
- Hotel offer increased by 9.3% between Dec-2018 and Dec-2019, reaching 4,300 rooms (Datatur).
- Room nights had the highest increment of all the sub destinations: 60.9% between Dec-2018 and Dec-2019 (DATATUR).

## HOTEL OFFER

# Average Rate and RevPAR evolution in Los Cabos and sub destinations

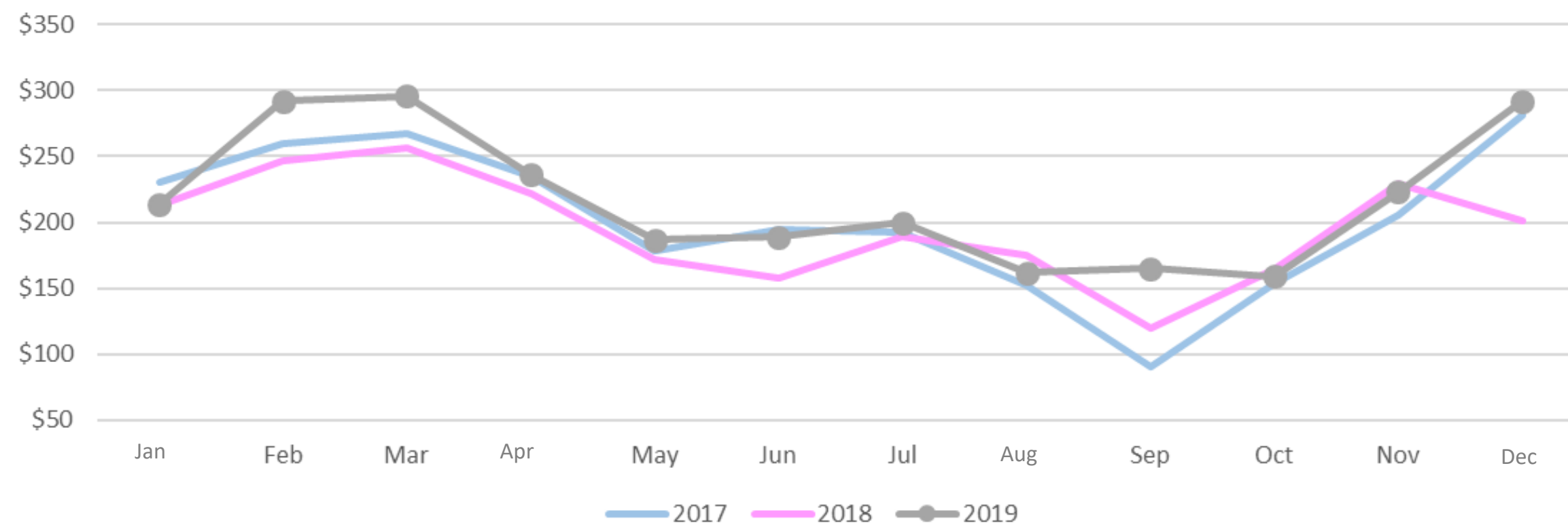
- Los Cabos average rate in Dec-2019 was \$389 USD; 92 dollars above the last 12 months' average; and 92 dollars below Dec-2018. RevPar was of \$210 USD; 82 above the last 12 months' average (9 dollars above Dec-2018).
- Corredor Los Cabos had the highest rate, standing at \$363 USD, although it had a 65 USD decrease, as compared to Dec-2018 (-15%).
- San Jose del Cabo lowered its average rate to \$67 dollars (-28%), to stand at \$172 dollars.
- Cabo San Lucas decreased its average rate by 3 USD (-1%), to stand at \$306 dollars.

Los Cabos Average Rate (USD, 2018 - 2019)

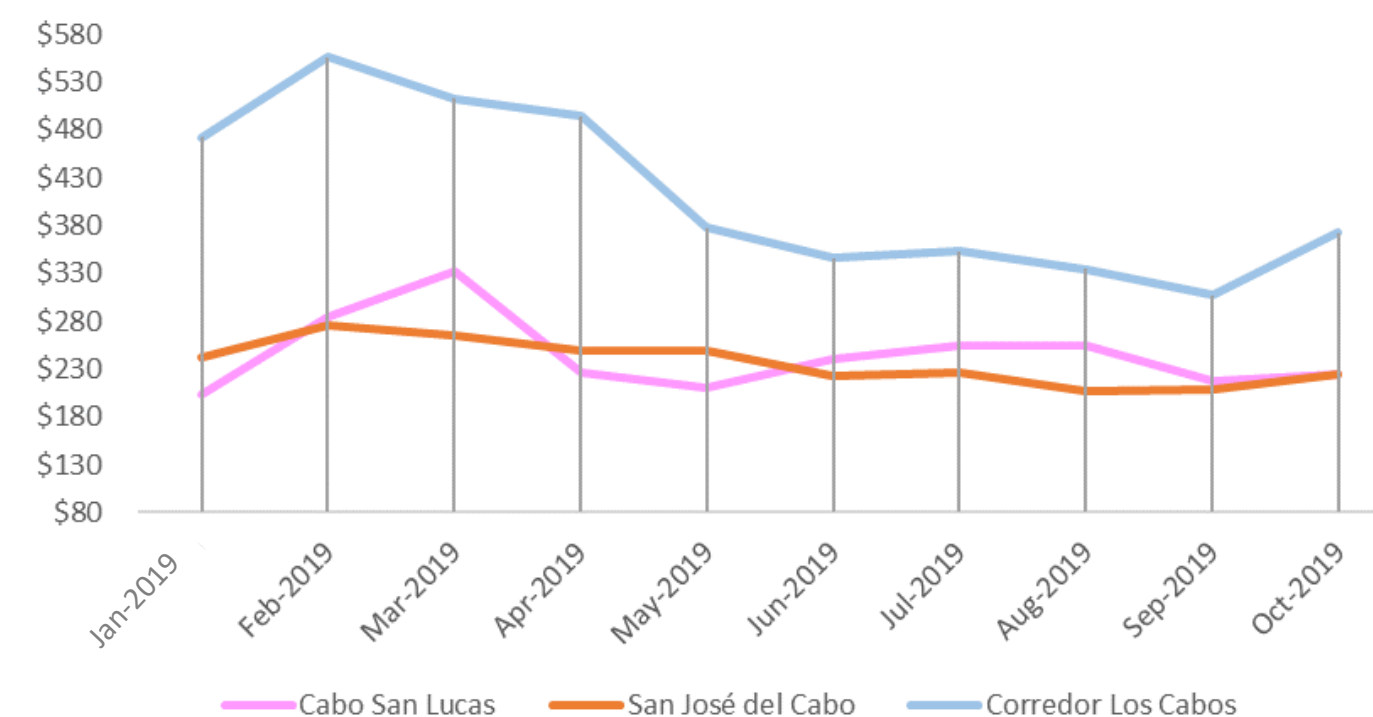


Los Cabos RevPAR (USD, 2018 - 2019)

SOURCE: AHLC



Sub Destinations Average Rate (USD, monthly, last 12 months)





# INTERNATIONAL AIR CONNECTIVITY

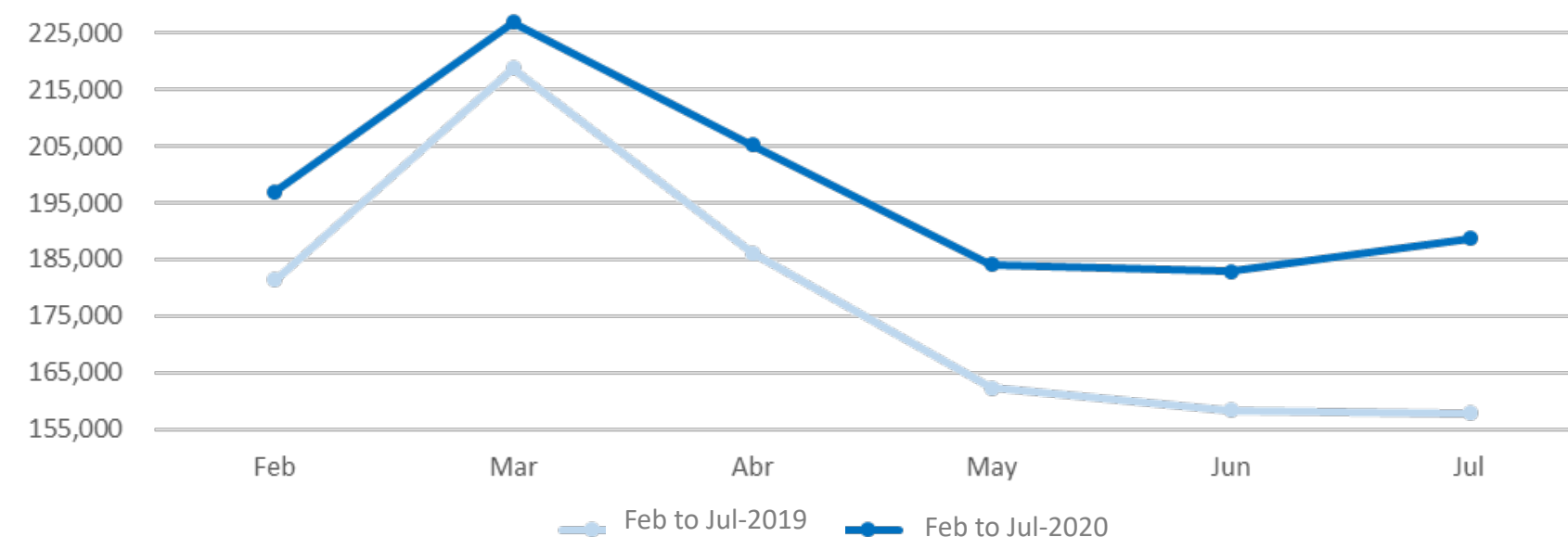
SOURCES: OAG

## SCHEDULED SEATS FOR FEB-JUL-2020

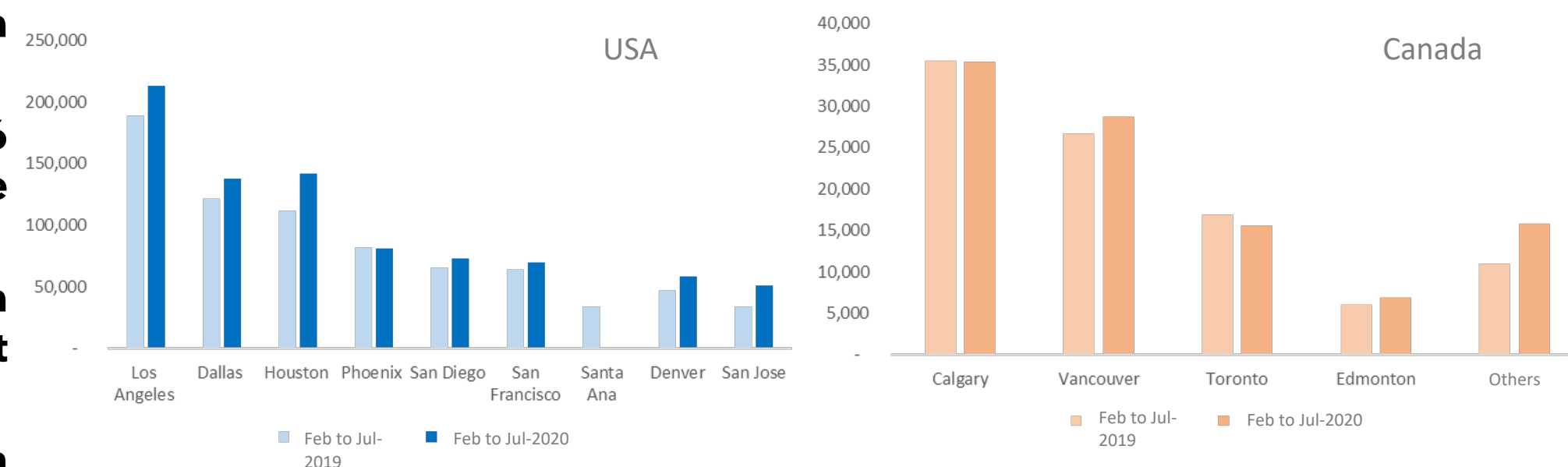
Seat offer report for the month in question and the following 6 months, as the case may be

- For the US, in Feb-2020 there are 6.7% more scheduled seats than in the same period last year, and for the next 6 months there are 10.9% more scheduled seats than the same period in 2019.
  - The biggest increments are present in LAX (+12%), Dallas (+14%), and Houston (+27%). PHX drops by 0.8%.
- The main issuing market in the US is Los Angeles (20%), followed by DFW, and Houston (both with 13%).
- LAX's and DFW's participation in the international market increased by 1pp each; HOU will increase by 2pp and Santa Ana falls to 0% (-3pp). The most important airlines are American, Alaska, and United (concentrating 63% as a whole).
- For Canada, in Feb-2020 there are 14.5% more available scheduled seats than in the same period in the previous year, and for the next 6 months there are 6.7% more.
- The main issuing markets are Calgary (35%), Vancouver (28%), Toronto (15%) and Edmonton (7%); through WestJet (51%), Sunwing (27%), and Air Canada (15%).
  - However, other markets' share will increase by 45pp within the next 6 months compared to the previous year. These markets mainly include Montreal, Ottawa, Winnipeg, Regina, Kelowna, and Victoria.
- Load factors of international airlines for Oct-2019 were: American 82%, Alaska 88%, Delta 74%, United 84%, Southwest 84%; Air Canada 87%, and WestJet 88%. No data is available for Sunwing in Canada.
  - When compared with Nov-2018, we mainly observe a 5pp decrease in Delta, from 79% to 74%.

Seat scheduling to San Jose del Cabo (Feb to Jul-2020)



Scheduled seats by origin (Feb-Jul-2020)







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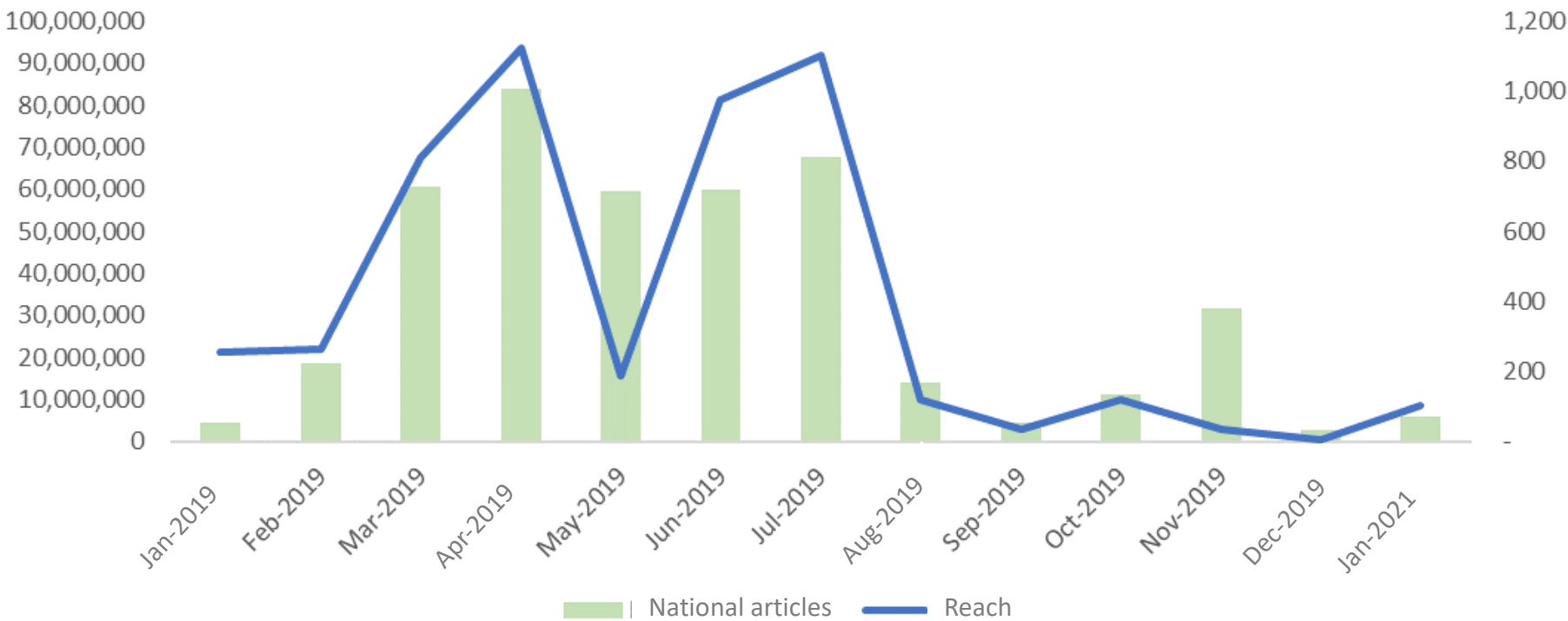
## PUBLIC RELATIONS



# Public relations, articles, and reach (Jan-2020)

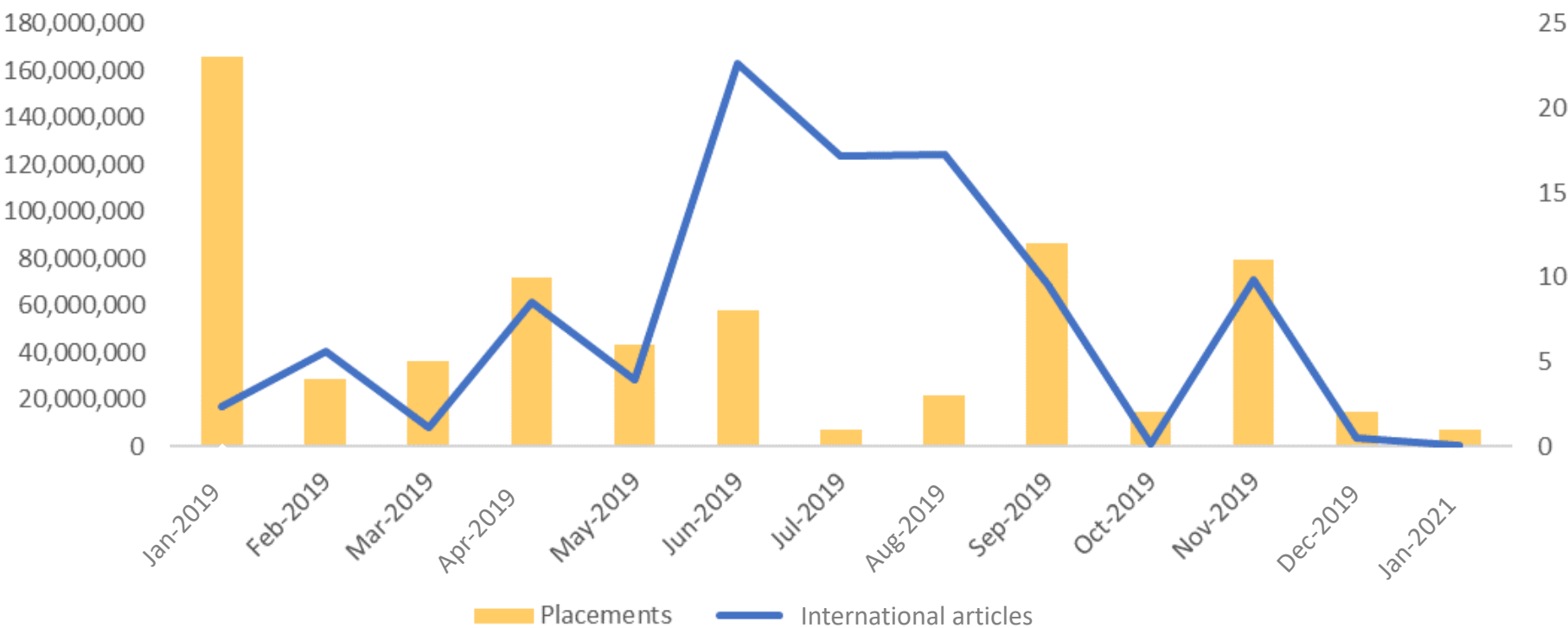
- In the domestic market:
  - In the period from Feb-2019 to Jan-2020 (the last 12 months) there were 5,041 articles in the national press (on average 420 per month), generating a reach of 407 million impressions (on average 34 million per month). During Jan-2020, 71 articles were published, achieving 8.7 million impressions.
- In the international market:
  - In the period from Feb-2019 to Jan-2020 there were 65 articles in the international press (on average 5.4 per month), generating a reach of 693 million impressions (on average 58 million per month). During Jan-2019, 1 article was published, achieving 266,000 impressions.

TOTAL NATIONAL ARTICLES AND REACH (JAN-2020)



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

TOTAL INTERNATIONAL ARTICLES AND REACH (JAN-2020)



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

# DEFINITIONS

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- **Congress.** Non-business-oriented meetings in which large groups of individuals gather, generally to discuss and exchange points of view about a topic of interest (professional, cultural, religious, social, sports, governmental or academic, among others). They usually last several days with simultaneous sessions, as well as a predetermined multiannual or annual frequency.
- **Convention.** Guild or business meetings normally sponsored by a corporation, in which the participants represent the same company, corporate group or customer or supplier relationship. Sometimes participation is mandatory, thus, travel expenses are borne by the corporation. It includes general and formal meetings of a legislative, social or economic body, in order to give information, deliberate or establish consensus or discuss policies by the participants, as well as discuss business issues around a market, product or brand. They may contain a secondary component of exposure.
- **Available rooms.** It is the number of rooms that are in service. It doesn't count the rooms that are out of service due to repair or some other reason
- **Tourist destination.** The main destination of a tourist trip is the place to be visited which is essential for the decision to make the trip. See also main reason for a tourist trip.
- **Seasonality.** It means that tourist flows or currents tend to concentrate around certain times of the year, repeating this process annually.
- **Stay.** It results from dividing the total tourist nights by the number of tourist arrivals per month. The result obtained expresses the number of days of stay of the tourist.
- **Events or incentive trips.** An incentive trip is a modern management strategy focused on recognizing people who reached or exceeded objectives commonly related to sales or productivity, aimed at participants who demonstrate better performance in their work with an extraordinary travelling experience.
- **Room Nights.** It is obtained from the daily registry with the number of tourists occupying rooms at an establishment, by their length of stay (number of nights they spend at the establishment) and is classified according to their place of origin, by residents and non-residents.
- **Inflation.** Continuous and generalized growth in the prices of goods and services that are sold in an economy. It is the average growth from one period to another of the prices of a basket of goods and services.
- **Underlying inflation.** It is the increment of prices of a subset of the NCPI (National Consumer Price Index), which contains generics with less volatile quotes. It measures the inflation trend in the medium term. The 283 generic concepts that integrate the basket of goods and services of the NCPI are classified or grouped into subsets that respond to particular analysis needs, amongst the most well-known classifications are those of object of expenditure, which refers to the sector of origin of the goods and services and of durability of the goods and underlying inflation.
- **Passenger arrivals.** Passengers transported in airline aircrafts with established routes and itineraries
- **Tourist arrivals.** Corresponds to the number of tourists registered by the lodging establishment during the month.



# DEFINITIONS

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- **Visitor's nationality.** That of the country which grants a passport or another identity document to the visitor, even if they usually reside in another country.
- **Non-resident.** A person whose habitual environment is outside the Mexican territory and who visits the latter for a period of less than twelve months for any reason (businesses, vacations, and other). Excludes received remuneration for activities carried out in the visited place
- **Hotel occupancy.** The occupancy rate of accommodation is a concept based on the offer. It is an important indicator for many purposes. It provides information on the differences in use between the different types of lodging establishments and if presented in monthly data it also indicates the seasonal pattern of the use of tourist accommodations.
- **RevPAR.** The RevPAR is the most important metric used in the hotel industry to assess the financial performance of an establishment or chain. It is an abbreviation of Revenue Per Available Room, income per available room. It always refers to a certain period (weekly, monthly, annual, etc.). One way to calculate the RevPAR is through the formula:  $RevPAR = It / \Sigma Ht$ , where  $It$  is equal to the total income generated by the rooms in a period  $t$ . and  $\Sigma Ht$  is equal to the total number of rooms available in a period  $t$ . That is, the rooms of the establishment or chain multiplied by the number of nights of period  $t$  minus rooms not available.
- **Resident.** Individual whose habitual environment is in the territory of the Mexican United States.
- **Residence.** It is the place/country in which the traveler has remained during most of the previous year (12 months) or has stayed for a shorter period and expects to return within the 12 months to live in that country.
- **Average daily rate.** The average daily rate (commonly known as ADR) is a statistical unit that represents the average income per occupied room, paid in a given period of time. The ADR along with the occupancy of the property are the basis for the financial performance of the property. The ADR is calculated by dividing the income of the rooms, by the number of rooms sold. Rooms of house guests (known as "House use") and free rooms (known as complimentary) must be excluded from the denominator.
- **Tourist.** Any person who travels outside of their usual location for a period of less than 12 months for any reason, except for people who engage in activities that will generate income at the travel destination; refugees or migrant workers; diplomats; seasonal or border workers, or travel employees.
- **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 people who participate in activities that will generate them income at the travel destination; refugees or migrant workers; diplomats; seasonal or border workers, or tourism employees, or people searching for a job or to establish new residence.



# LOS CABOS

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