



LOS CABOS TOURISM OBSERVATORY

KEY PERFORMANCE INDICATORS

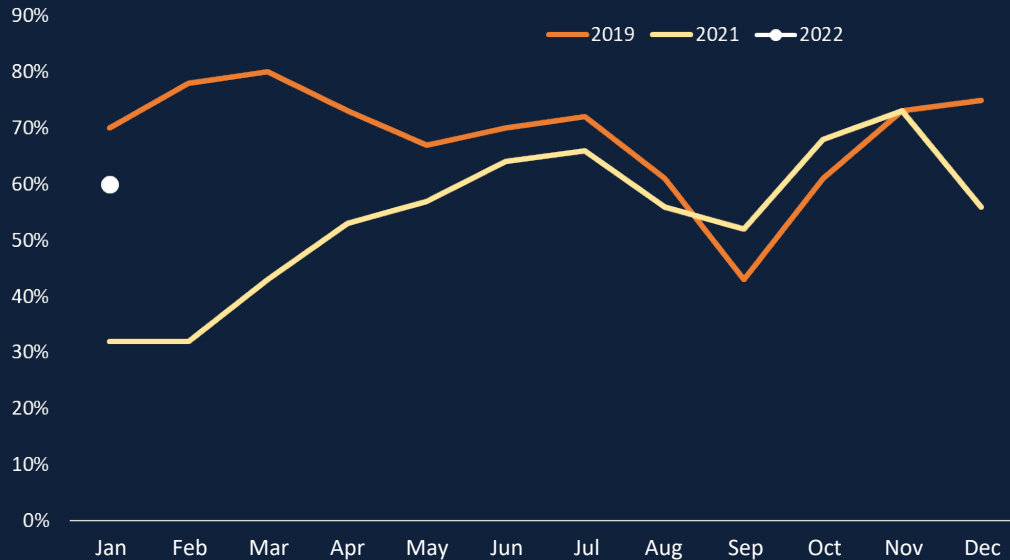
MARCH 2022



Leading indicators – Summary (Jan-2022)

Hotel Occupancy

Hotel Occupancy:



Hotel Occupancy

(Jan-2022):

60%

-10pp

(vs. Jan-2019)

SOURCE: AHLIC

Rooms Available

(Jan-2022):

22,213

+9.9%

(vs. Jan-2019)

SOURCE: DATATUR

Room Nights

(Jan-2022):

978,879

-6.6%

(vs. Jan-2019)

SOURCE: DATATUR

Air Passenger Arrivals

Total Passengers

(Jan-2022, expressed in thousands):

244.65

+6.3%

(vs. Jan-2019)

National Passengers

(Jan-2022, expressed in thousands):

82.25

+26.8%

(vs. Jan-2019)

International Passengers

(Jan-2022, expressed in thousands):

159.4

-2.1%

(vs. Jan-2019)

SOURCE: GAP

Other indicators

Cruise Ships

(Jan-2022):

30

+7 vessels

(vs. Jan-2019)

SOURCE: DATATUR

Cruise Passengers

(Jan-2022):

35,037

-34.8%

(vs. Jan-2019)

SOURCE: DATATUR

Group Business Total

RFPs (Jan-2022):

45

+11 RFPs

(vs. Jan-2019)

SOURCE: CVENT

Tourist Satisfaction:

more than expected

(Jan-2022):

67%

+27.3pp

(vs. Jan-2019)

SOURCE: TOURIST SURVEYS

Attendees to Congresses and

Conventions

(Jan-2022):

0.8%

-0.2pp

(vs. Jan-2019)

SOURCE: TOURIST SURVEYS

Tourists' origin

(Jan-2022):

64% foreigners

-7.0pp

(vs. Jan-2019)

SOURCE: TOURIST SURVEYS

In this section, the destination results are presented until the current month. However, in certain cases there is more current information available, depending on the date of publication of each source. To verify the latest information available, refer to the corresponding sections.

Leading indicators – Summary (Jan-2022)

PASSENGER ARRIVALS

- In Jan-2022, Los Cabos International Airport recorded a 6.3% (+14.6 thousand) increase in the total number of passengers arriving at the destination compared to Jan-2019, adding up to a total of 244.65 thousand (when considering arrivals only).
 - Passengers on domestic flights (82.5 thousand) represent 34.8% of total arrivals. These increased by 26.8% (+18 thousand vs. Jan-2019).
 - Passengers on international flights (159.4 thousand) represent 65.2% of total arrivals, decreasing by 2.2% (-3.4 thousand) compared to Jan-2019.

FLIGHT SCHEDULES

- The domestic market has 36.1% more available seats scheduled for the period from Mar-2022 to Aug-2022 (compared to the same period in 2019). In Mar-2022, 35.1% more is expected.
 - Mexico City, GDL, and Tijuana are the most relevant issuing markets, having 50%, 14%, and 21% of total available seats (for the next 6 months).
- There are 1.3 million seats scheduled for the U.S. in the next six months, which is 33.3% more than the same period in 2019.
 - LAX (+18.3%), PHX (+44.2%), HOU (+19.8%), DFW (31.2%), DEN (+63.8%), CHI (94.5%) and SEA (+127.4%) had the most significant increase vs. 2019. However, San Diego showed a decrease of 44.5%.

- For Mar-2022, the United States expects 22.7% more available seats than those scheduled for 2019.
- From Canada, 15.6% fewer seats are expected in the next 6 months. There was a 22.3% drop in Mar-2022.
 - Decreases are expected in Calgary (-28.8%), Edmonton (-20.9%), and Toronto (-27.6%) within the next six months. Vancouver showed an increase of 29.6% compared to 2019.

HOTEL PERFORMANCE

- Occupancy in Jan-2022 was at 60%, down 10pp compared to Jan-2019.
 - Occupancy in Cabo San Lucas decreased by 13pp compared to Jan-2019 and is now at 64%.
 - San Jose del Cabo recorded an occupancy rate of 53% (18pp lower than in Jan-2019).
 - Los Cabos Corridor recorded an occupancy rate of 54% (a 3pp increase compared to Jan-2019).
- The number of rooms available in Los Cabos increased 9.9% between Jan-2022 and 2019, reaching 22,213 this month.

- Hotels in Los Cabos recorded 206 thousand tourist arrivals, equivalent to an increase of 0.8% between Jan-2022 and 2019.
- Domestic tourism increased by 20.9% (8.1 thousand), while international tourism dropped by 3.9% (-6.4 thousand).
- In Jan-2022 there were 979 thousand rooms occupied per night, 6.6% less than Jan-2019.

TOURIST SURVEYS

- In Jan-2022, 67% of tourists rated their experience in Los Cabos as 'better than expected' (27.3pp more compared to Jan-2019, and 3pp more than in Dec-2021).
- During Jan-2022, security was perceived as 'bad' or 'regular' by 0.9% of tourists, 11.1pp better than in Jan-2019.
- Satisfaction with the airport also improved 4.2pp compared to 2019 (2.8% of tourists perceived their experience as bad or regular). It also fell 0.2pp compared to Dec-2021.
- The number of repeat tourists decreased by 6.4pp compared to 2019, reaching 41% in Jan-2022.
- 27% of tourists traveled with a package tour, down 13.9pp compared to 2019.
- The number of tourists who visited restaurants decreased by 3.2pp this month, recording 85%.

LOS  CABOS

LOS CABOS TOURISM
OBSERVATORY

PASSENGER ARRIVALS

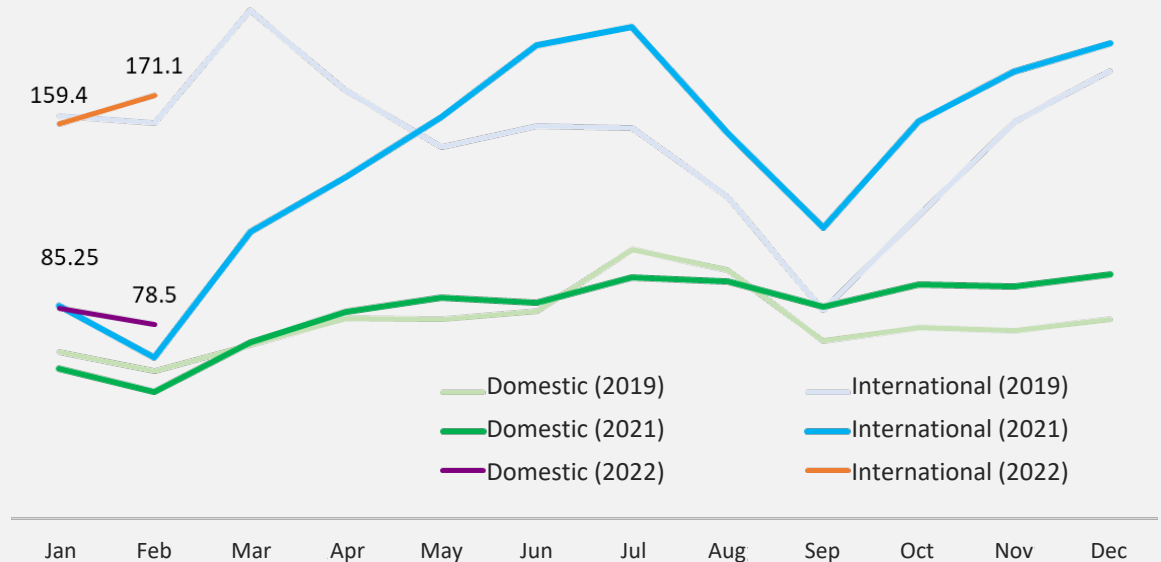


Passenger arrivals at Los Cabos International Airport, 2019-2022

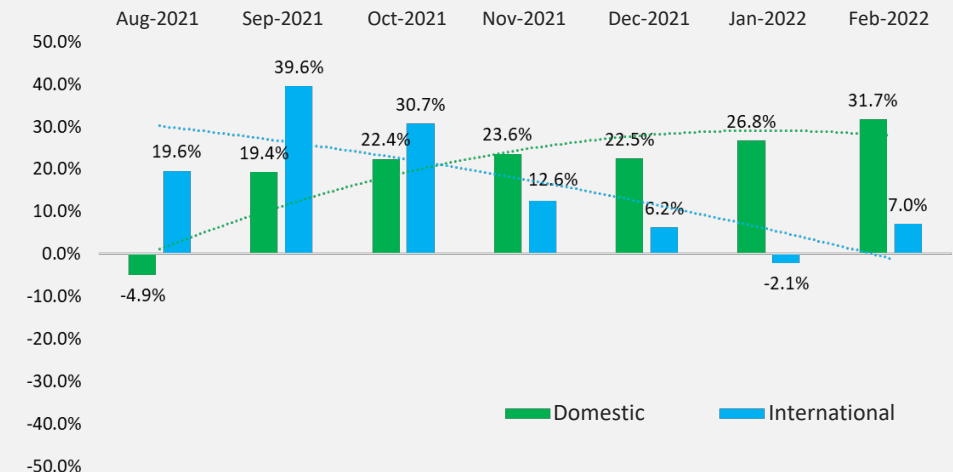
- In Feb-2022, 249.6 thousand passengers arrived at Los Cabos International Airport, which represents a 13.7% **increase** compared to the same period in 2019.
 - It also represents an average growth rate of 6.5% between Feb-2021 and Feb-2022.
- Passengers on domestic flights (**78.5 thousand**) represent 31.5% of total arrivals and increased by 31.7% compared to Feb-2019.
 - TMAC of 3.6% between Feb-2021 and Feb-2022.
- Passengers on international flights (**171.1 thousand**) accounted for 68.5% of total arrivals and decreased by 7%.
 - TMAC of 8.4% between Feb-2021 and Feb-2022.

SOURCE: GAP

Monthly arrivals (expressed in thousands)



Variation with respect to 2019





LOS CABOS TOURISM OBSERVATORY

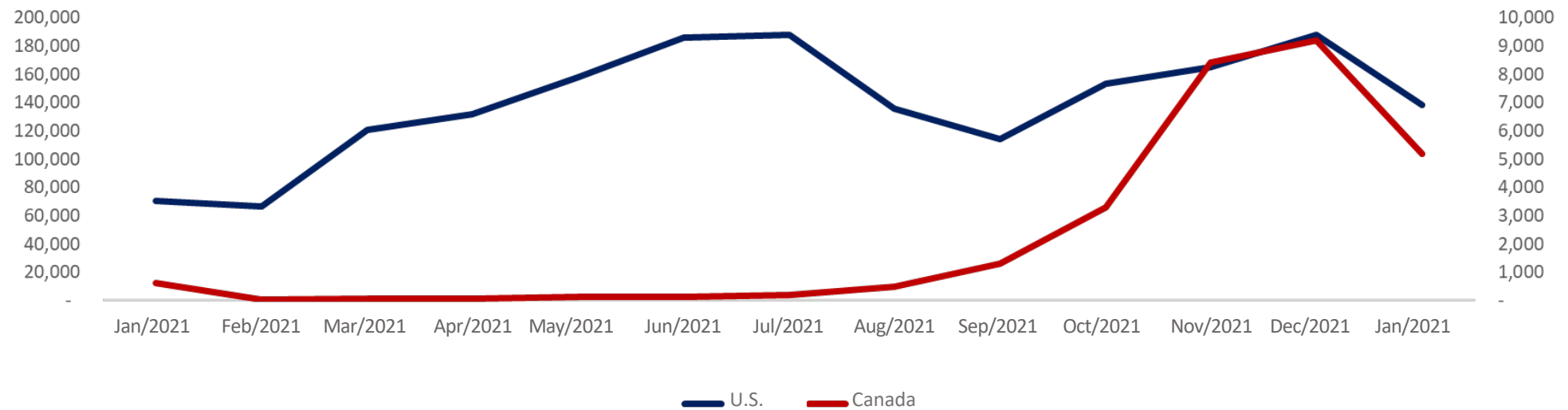
PASSENGER ARRIVALS
by nationality



International tourist arrivals by air, by origin (residence), monthly

Regions	Jan/2019	Feb/2021	Mar/2022	Apr/2021	May/2021	Jun/2021	Jul/2021	Aug/2019	Sep/2021	Oct/2021	Nov/2021	Dec/2019	Jan/2019	Δ Jan-22/ Jan-19	Δ Jan-Dec 22/ Jan-Dec 19
United States	70,454	66,275	120,361	131,784	157,649	185,830	188,099	135,769	114,095	153,027	165,218	187,942	137,967	12.8%	12.8%
Canada	628	44	75	66	144	144	211	480	1,316	3,280	8,420	9,190	5,176	-78.7%	-78.7%
Europe	32	32	39	37	61	55	136	98	62	94	299	431	255	-69.7%	-69.7%
Caribbean, Central & South America	19	18	31	24	58	76	138	138	107	130	116	155	82	-72.2%	-72.2%
Rest of the world	12	11	38	24	48	90	163	169	108	187	352	337	150	-85.8%	-85.8%
Grand total	71,145	66,380	120,544	131,935	157,960	186,195	188,747	136,654	115,688	156,718	174,405	198,055	143,630	-3.5%	-3.5%

Key Markets	Jan/2019	Feb/2021	Mar/2022	Apr/2021	May/2021	Jun/2021	Jul/2021	Aug/2019	Sep/2021	Oct/2021	Nov/2021	Dec/2019	Jan/2019	Δ Jan-22/ Jan-19	Δ Jan-Dec 22/ Jan-Dec 19
United Kingdom	5	16	16	8	25	15	50	48	7	27	81	146	98	-58.5%	-58.5%
Australia	3	1	4	4	4	12	18	21	15	19	41	44	35	-92.8%	-92.8%
South Korea	-	-	10	1	5	6	17	16	10	11	45	15	3	-97.1%	-97.1%
Grand total	8	17	30	13	34	33	85	85	32	57	167	205	136	-83.6%	-83.6%



SOURCE: INM-SIOM

International tourist arrivals by air, by origin (residence)

-3.5%

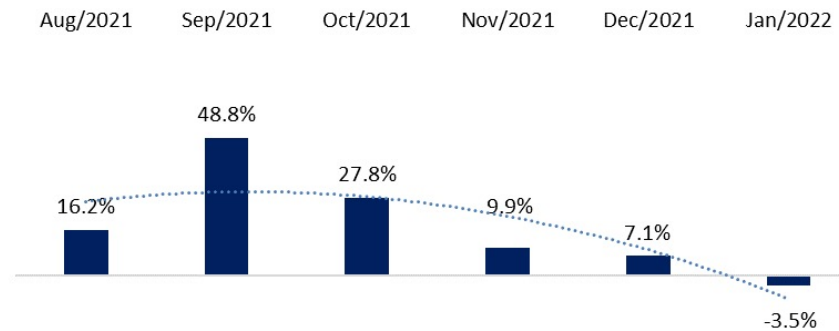
Jan-2022 vs. Jan-2019

In Jan-2022, Los Cabos International Airport recorded the arrival of 143,630 international tourists by air. This meant a decrease of 3.5% compared to Jan-2019.

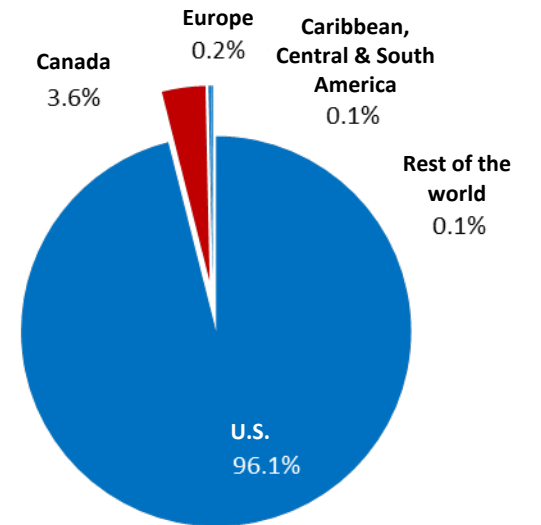
However, there is continued growth in the arrivals of Americans (+12.8 vs. 2019). All other regions show decreases.

American tourists represent 96.1% of the total.

Annual variation of international tourist arrivals by air to Los Cabos International Airport (Aug-2021 to Jan-2022 vs. 2019)



Share of international tourist arrivals by air to Los Cabos International Airport (Jan-2022)

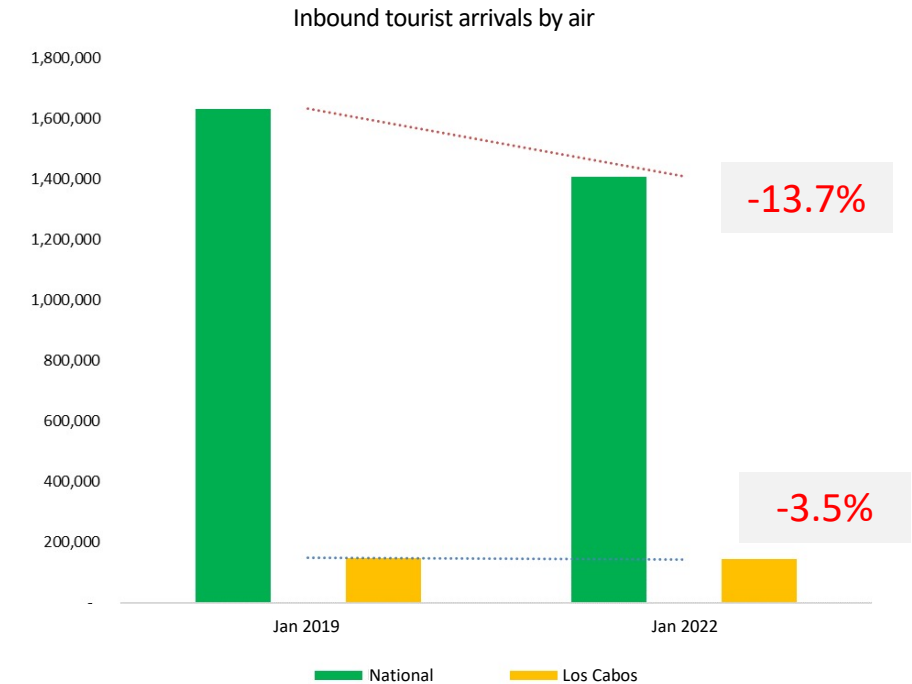


SOURCE: INM-SIOM

International tourist arrivals by air, by origin (residence), Jan aggregate

Regions	National			Los Cabos		
	Jan 2019	Jan 2022	Δ 2022/2019	Jan 2019	Jan 2022	Δ 2022/2019
United States	835,877	901,843	7.9%	122,358	137,967	12.8%
Canada	358,079	126,758	-64.6%	24,304	5,176	-78.7%
Europe	151,400	143,945	-4.9%	841	255	-69.7%
Caribbean, Central & South America	223,099	191,632	-14.1%	295	82	-72.2%
Rest of the world	65,669	45,606	-30.6%	1,053	150	-85.8%
Grand total	1,634,124	1,409,784	-13.7%	148,851	143,630	-3.5%

Key Markets	National			Los Cabos		
	Jan 2019	Jan 2022	Δ 2022/2019	Jan 2019	Jan 2022	Δ 2022/2019
United Kingdom	32,253	30,033	-6.9%	236	98	-58.5%
Australia	7,964	1,113	-86.0%	488	35	-92.8%
South Korea	8,616	1,451	-83.2%	103	3	-97.1%
Grand total	48,833	32,597	-33.2%	827	136	-83.6%



When comparing Jan-2022 to 2019, international tourist arrivals by air decreased 13.7% nationwide and 3.5% in Los Cabos.

- On a national level, the U.S. travel market increased by 7.9%, whereas the Canadian travel market decreased by 64.6%.
- In Los Cabos International Airport, the U.S. travel market grew by 12.8%, while the Canadian travel market decreased by 78.7% when comparing both periods.

SOURCE: INM-SIOM



LOS CABOS TOURISM OBSERVATORY

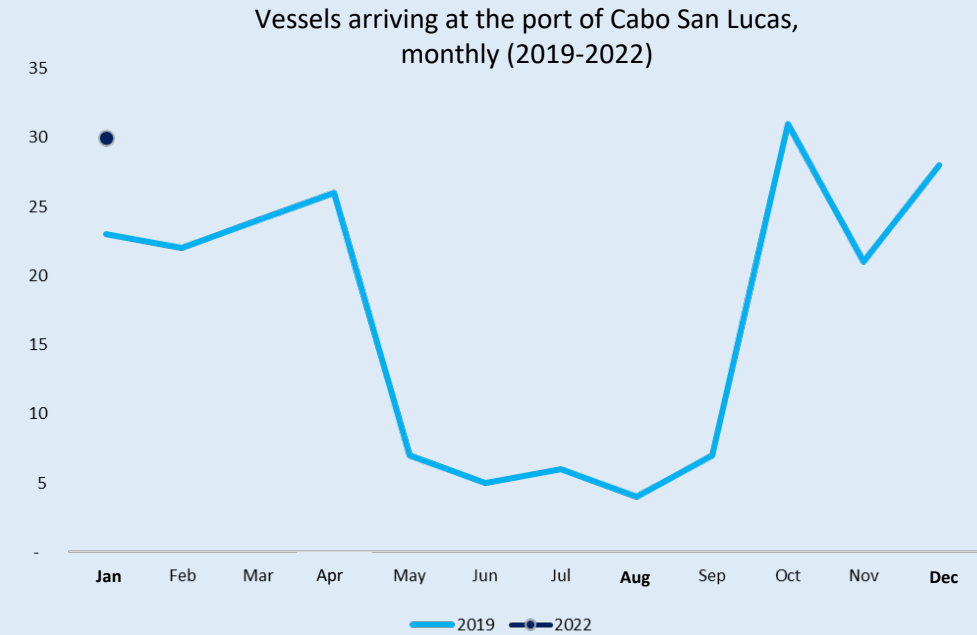
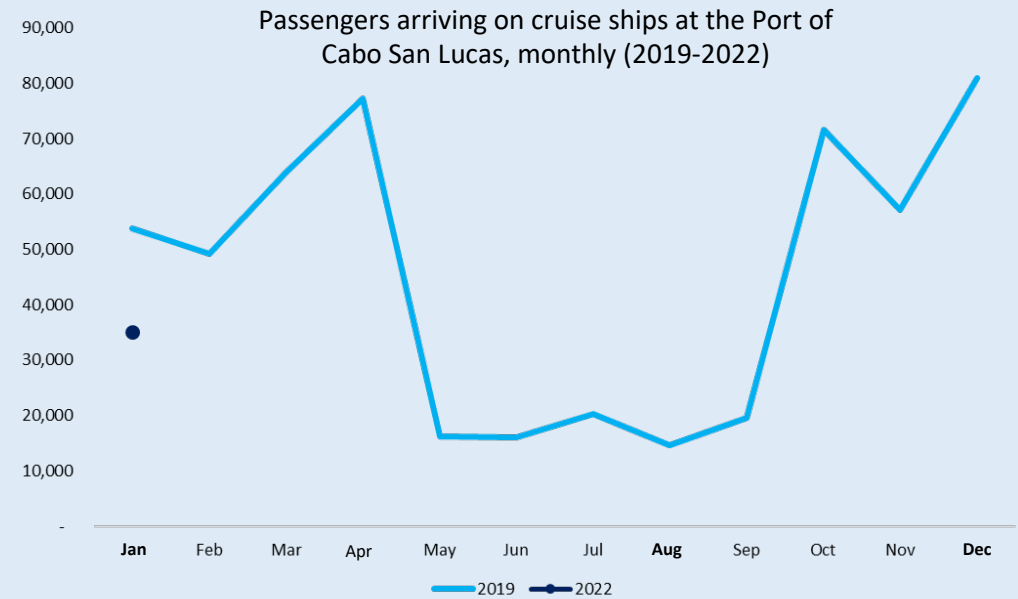
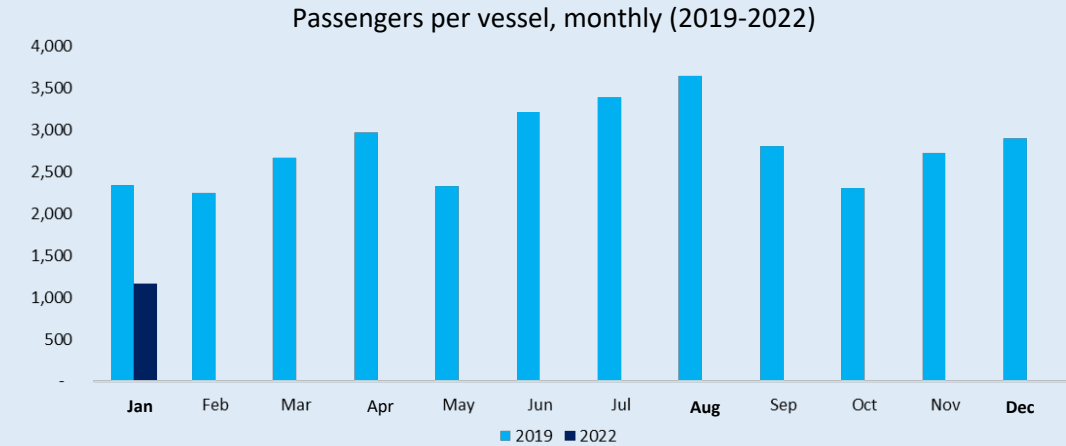
YACHT AND CRUISE SHIP ACTIVITY



Cruise activity (Jan-2022)

Cruise operations continued to improve significantly in Jan-2022, with **30 vessels arriving at the port of Cabo San Lucas carrying a total of 30,037 passengers**. However, when compared to Jan-2019 it translates into a decrease of 34.8%.

SOURCE: DATATUR-SCT

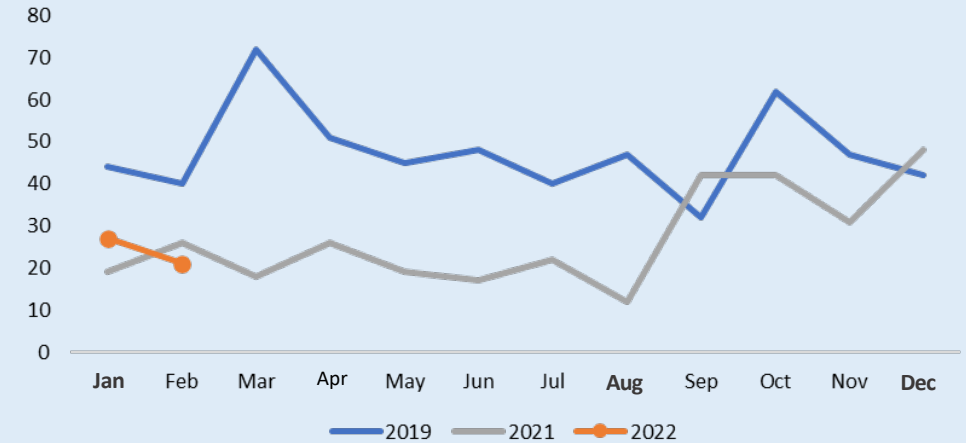


Yacht arrivals at the Port of Cabo San Lucas (Feb-2022)

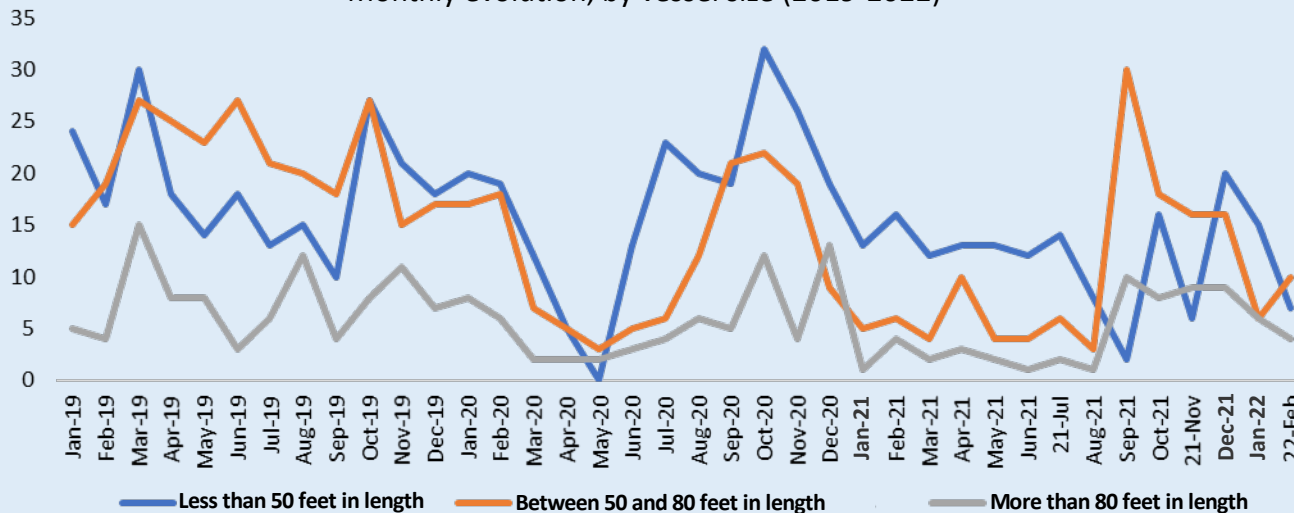
- 21 yachts arrived at the Port of Cabo San Lucas in Feb-2022. This represents a decrease of 48% compared to the same period in 2019.
 - 48% were medium-sized vessels that measured more than 50 feet in length and less than 80.

SOURCE: API Cabo San Lucas

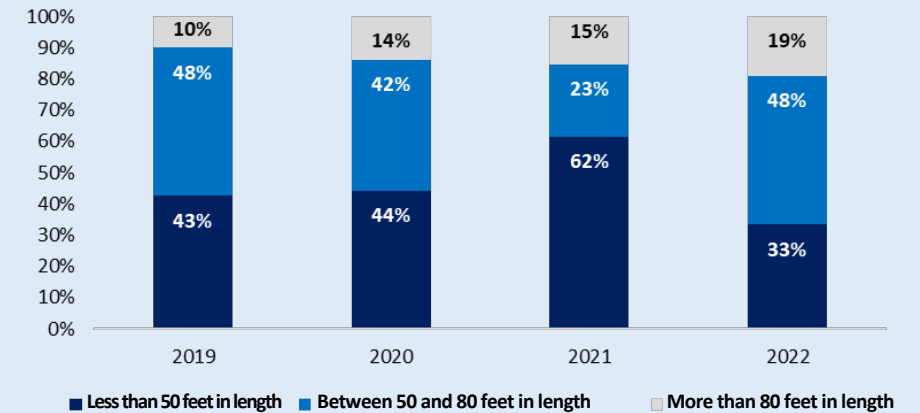
Total yacht arrivals, monthly (2019-2022)



Monthly evolution, by vessel size (2019-2022)



Arrivals distribution, by vessel size (February)





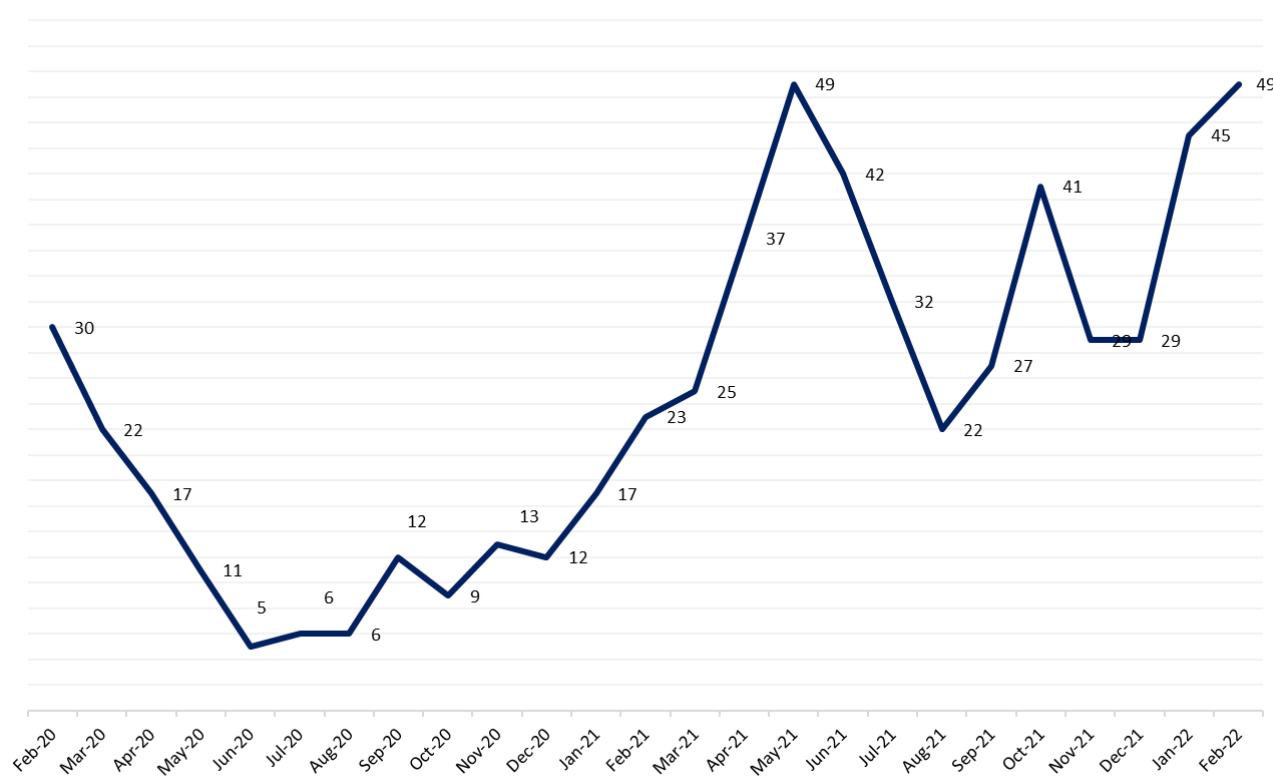
LOS CABOS TOURISM OBSERVATORY

TOURIST SURVEYS & GROUP BUSINESS



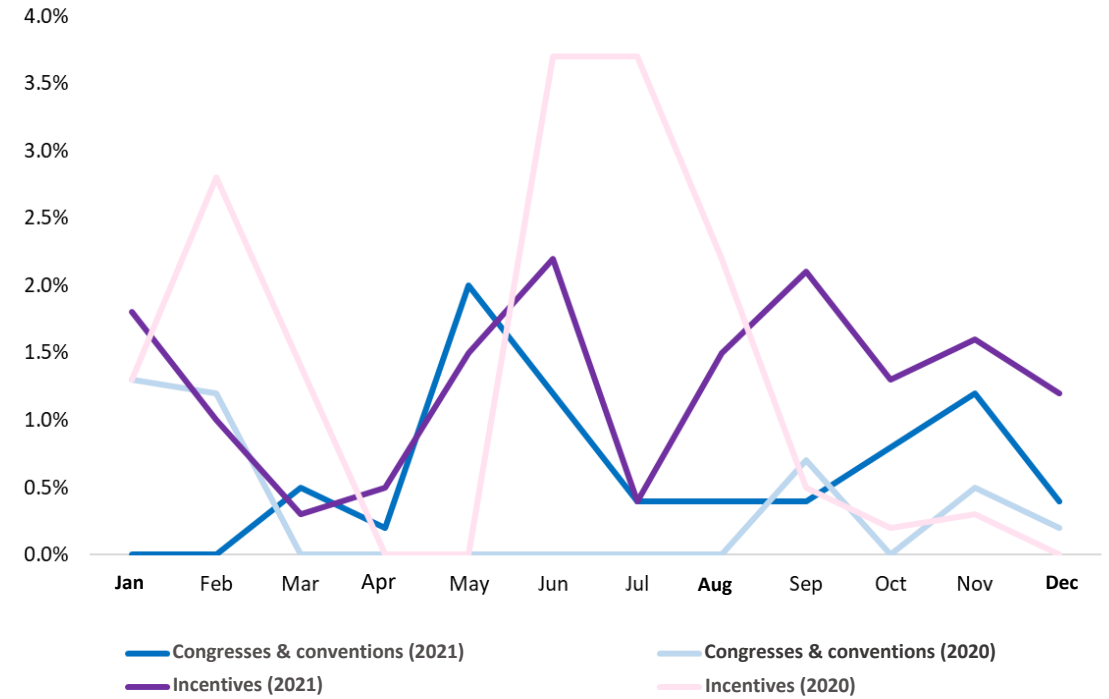
Group Business

RFPs received from meeting and group events, last 24 months (CVENT)



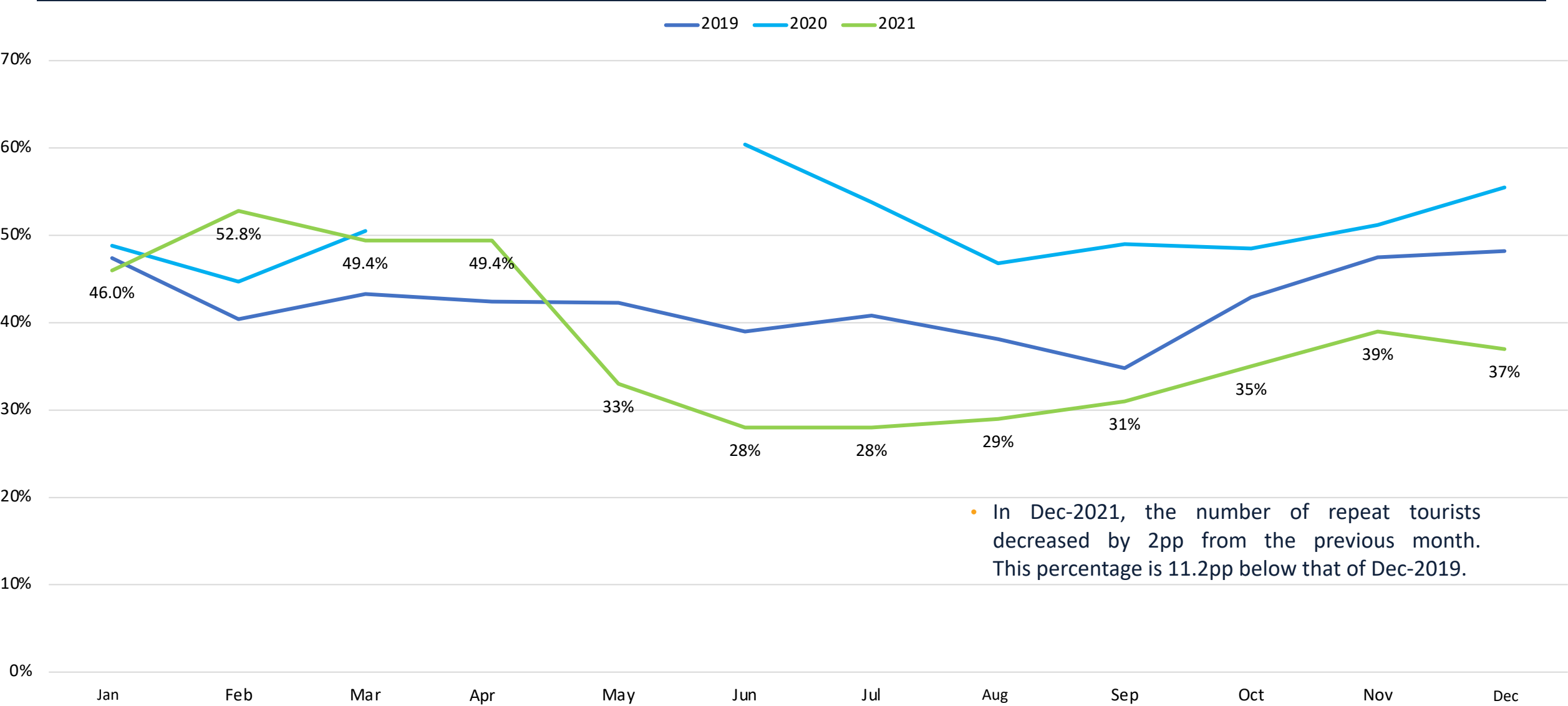
SOURCE: CVENT

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



SOURCE: Tourist surveys

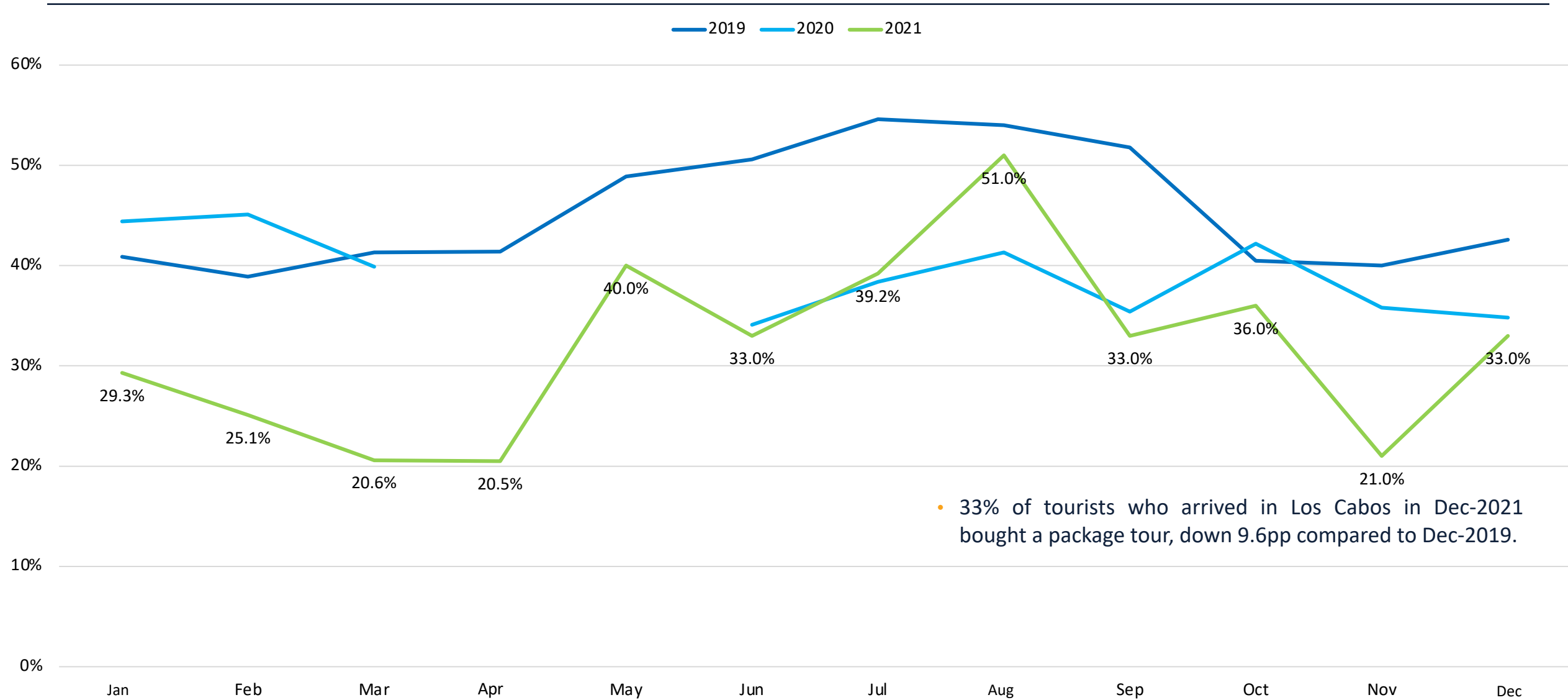
Return rate to the destination



• In Dec-2021, the number of repeat tourists decreased by 2pp from the previous month. This percentage is 11.2pp below that of Dec-2019.

SOURCE: TOURIST SURVEYS
NO INFORMATION WAS COLLECTED DURING APR-MAY-2020 DUE TO THE CONTINGENCY GENERATED BY COVID-19.

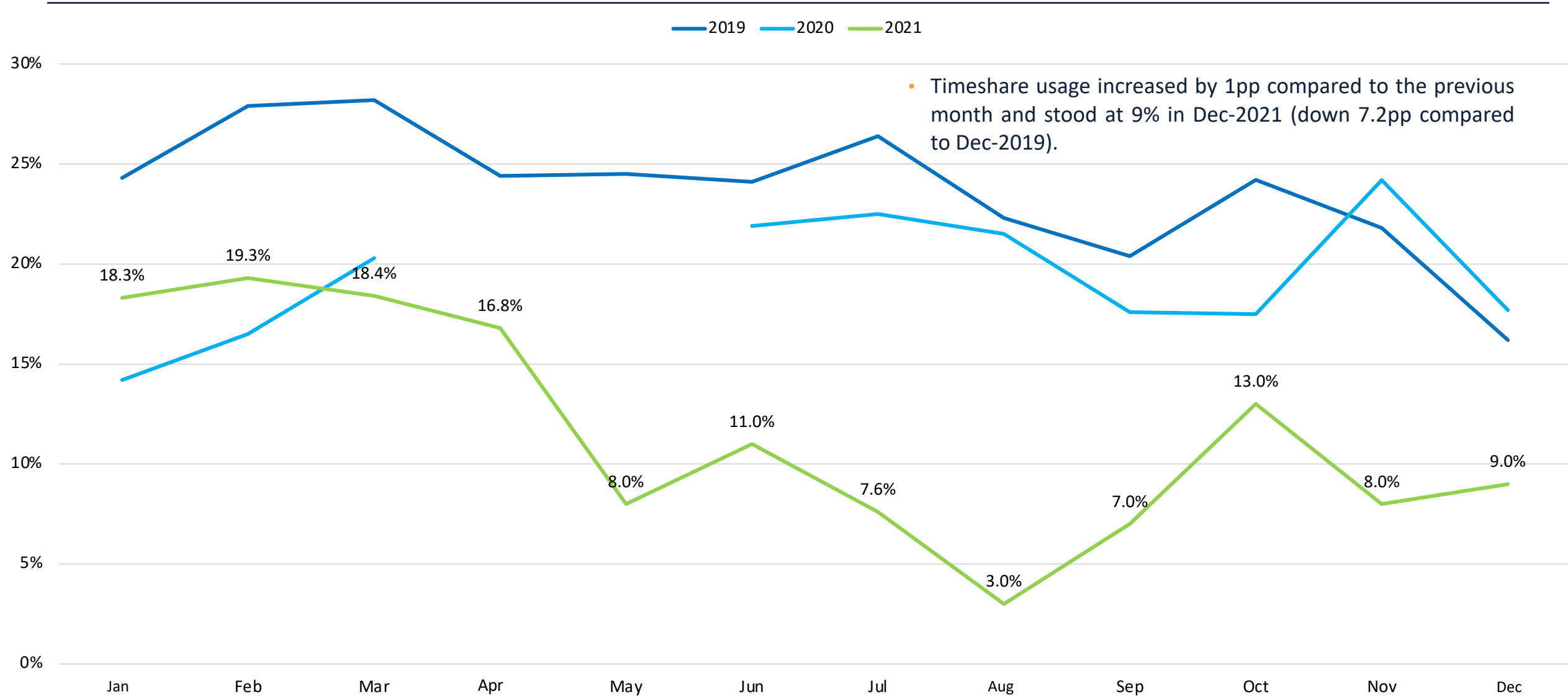
Package tour purchases



- 33% of tourists who arrived in Los Cabos in Dec-2021 bought a package tour, down 9.6pp compared to Dec-2019.

SOURCE: TOURIST SURVEYS
NO INFORMATION WAS COLLECTED DURING APR-MAY-2020 DUE TO THE CONTINGENCY GENERATED BY COVID-19.

Timeshares



SOURCE: TOURIST SURVEYS
NO INFORMATION WAS COLLECTED DURING APR-MAY-2020 DUE TO THE CONTINGENCY GENERATED BY COVID-19.



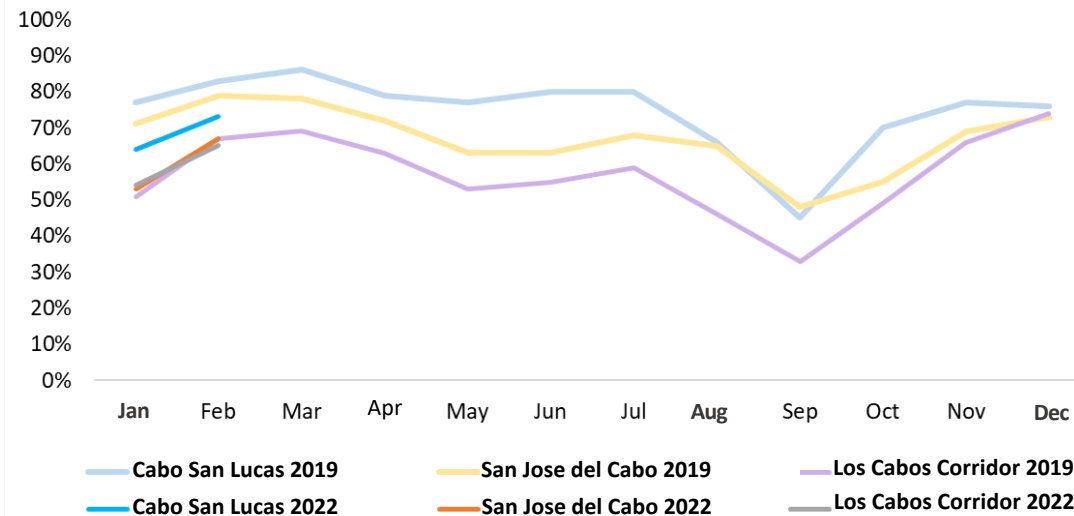
LOS CABOS TOURISM OBSERVATORY

SUPPLY INDICATORS
Hotel Performance



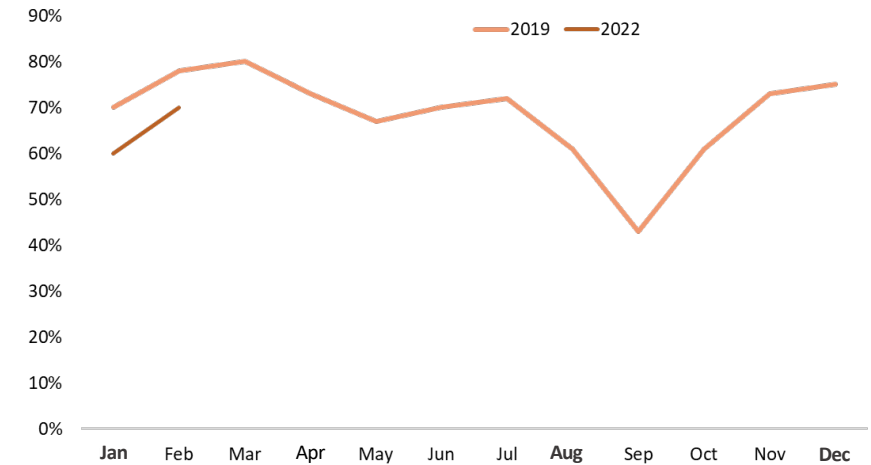
Evolution of the hotel supply in Los Cabos and sub-destinations

Monthly hotel occupancy (2019-2021)



SOURCE: AHLC

Hotel occupancy, current month (2019-2022)

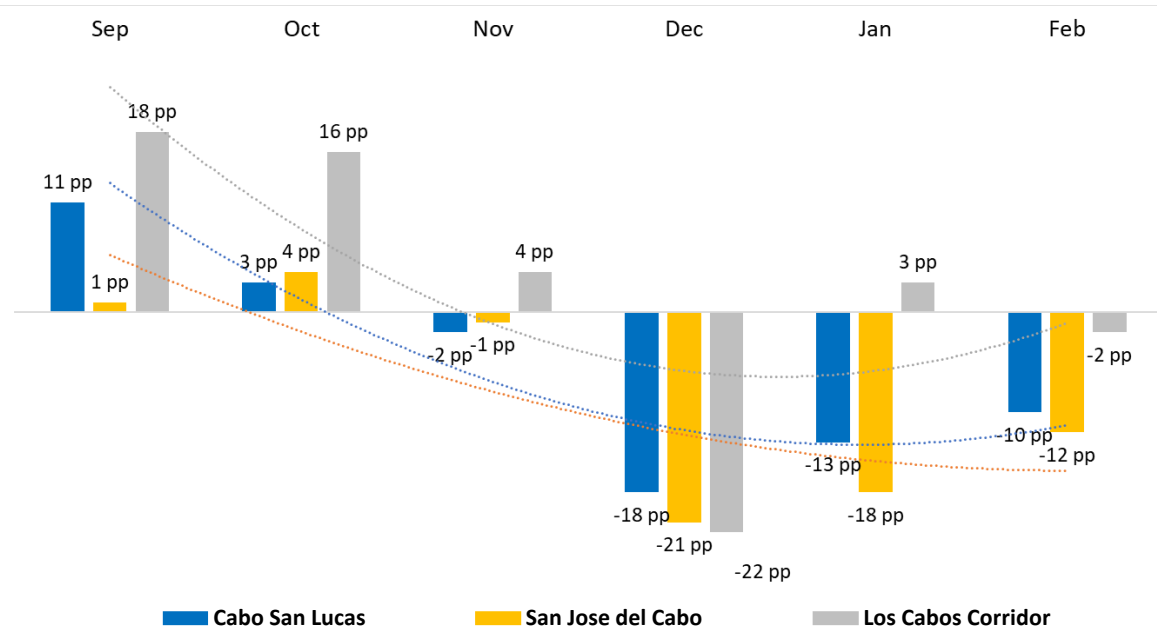


SOURCE: AHLC

- According to the Los Cabos Hotel Association, **hotel occupancy in Los Cabos reached 70% during Feb-2022**, down 8pp compared to 2019.
- In Jan-2022, 205,535 tourists arrived at hotels in Los Cabos, 0.8% more than in 2019. Meanwhile, the average stay decreased by 0.38 nights (4.76, according to DataTur).
 - The number of domestic tourist arrivals at hotels increased by 20.9% and international arrivals decreased by 3.9% in this period.
 - In Jan-2022, domestic tourism represented 22.7% of the total. A share of 19% was recorded in 2019.

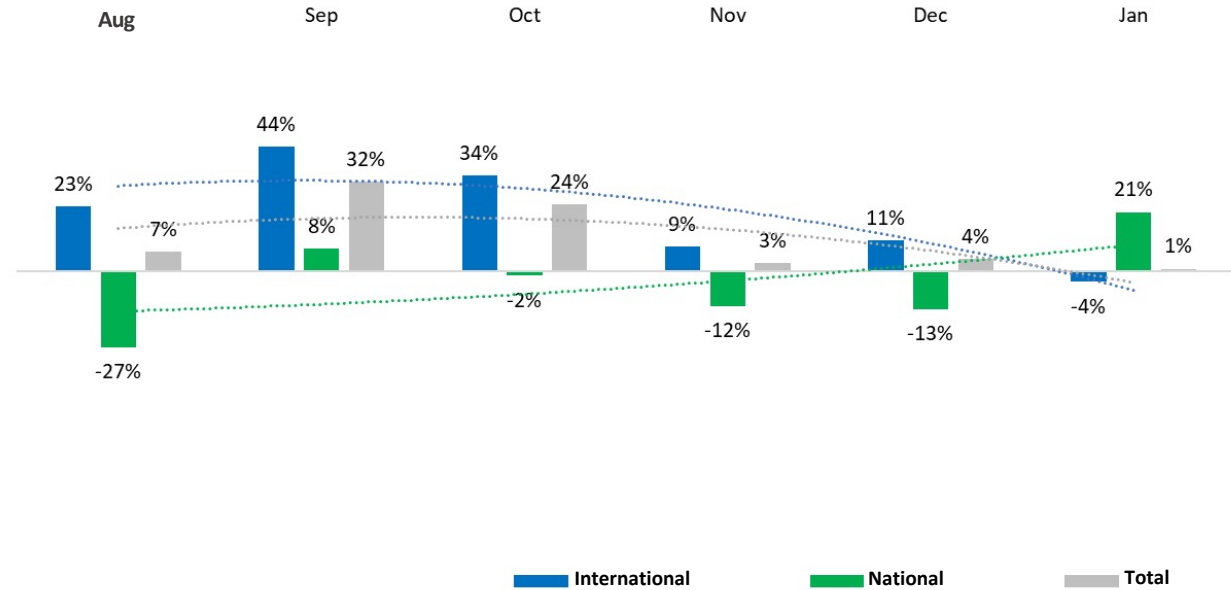
Evolution of the hotel supply in Los Cabos and sub-destinations

Annual variation in hotel occupancy, by destination
(Sep-2021 – Feb-2022 vs. 2019)



SOURCE: AHLIC

Annual variation of tourist arrivals at hotels, by origin
(Aug-2021 to Jan-2022 vs. 2019)

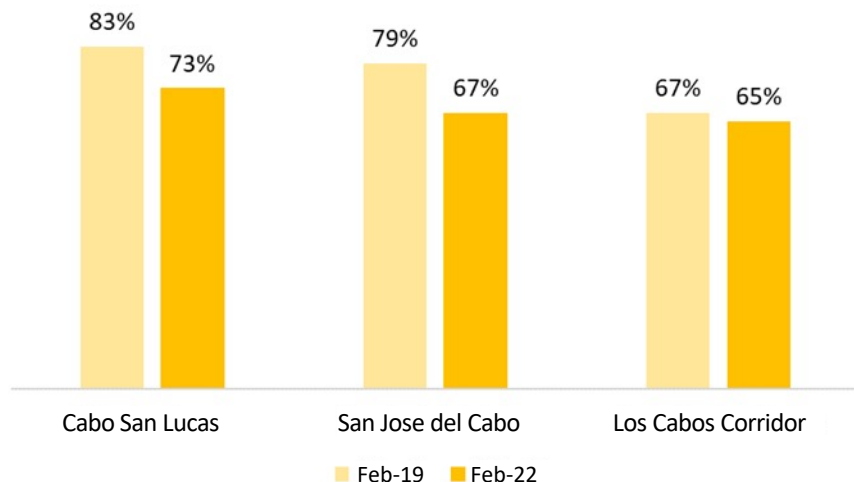


SOURCE: DATATUR

- Compared to Feb-2019, hotel occupancy in Cabo San Lucas and San Jose del Cabo decreased by 10pp and 12pp, respectively.
- However, the Corridor showed a minor decrease of 2pp.

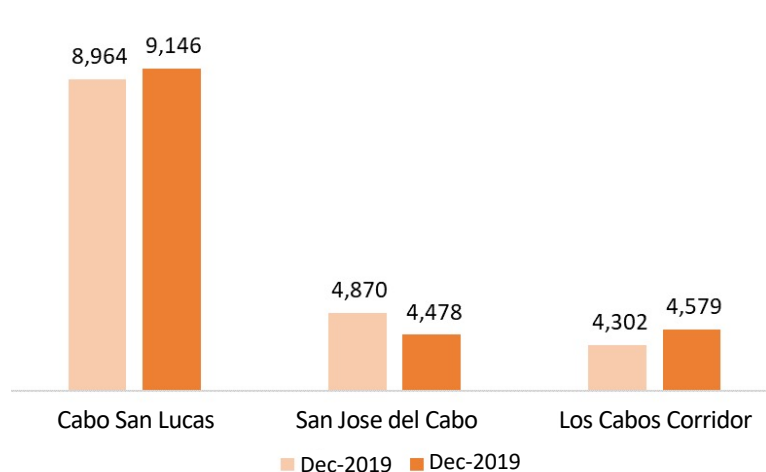
Evolution of the hotel supply in Los Cabos and sub-destinations

Hotel occupancy (February 2019-2022)



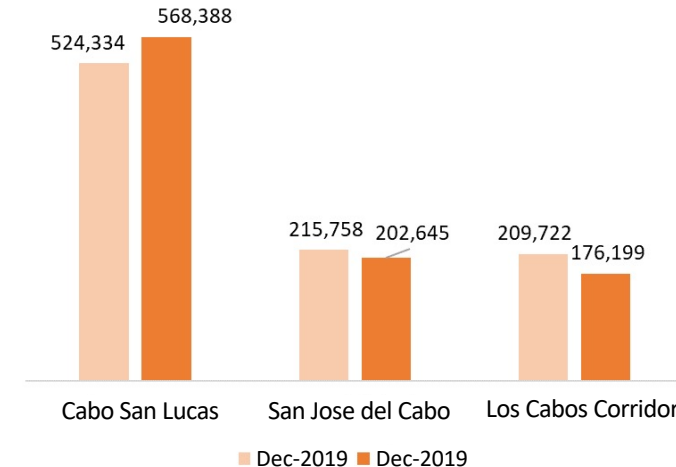
SOURCE: AHLC

Rooms available (December 2019-2021)



SOURCE: DATATUR

Room nights (December 2019-2021)



SOURCE: DATATUR

CABO SAN LUCAS

- Hotel occupancy was 73%, down 10pp when comparing Feb-2022 to Feb-2019 (AHLC).
- Its hotel supply increased 23.5% between Jan-2022 and 2019, registering a total of 9.1 thousand rooms (DataTur).
- Occupied room nights **increased 4.8%** between Jan-2019 and 2022 (DataTur).

SAN JOSE DEL CABO

- Occupancy was down 12pp when comparing Feb-2022 to Feb-2019 (AHLC): 67%.
- Its hotel supply decreased 1.9% between Jan-2022 and 2019, registering a total of 4.4 thousand rooms (DataTur).
- Occupied room nights decreased 12.4% between Jan-2019 and 2022 (DataTur).

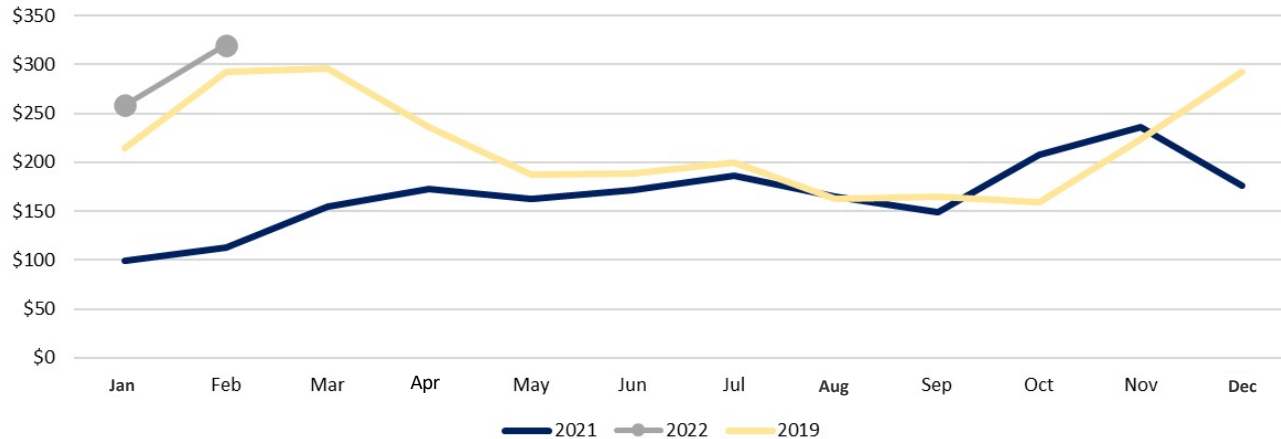
LOS CABOS CORRIDOR

- Occupancy was at 65% in Feb-2022, implying an increase of 2pp (AHLC).
- Its hotel supply increased 16.2% between Jan-2022 and 2019, registering a total of 4.6 thousand rooms (DataTur).
- Occupied room nights decreased 7.7% between Jan-2019 and 2022 (DataTur).

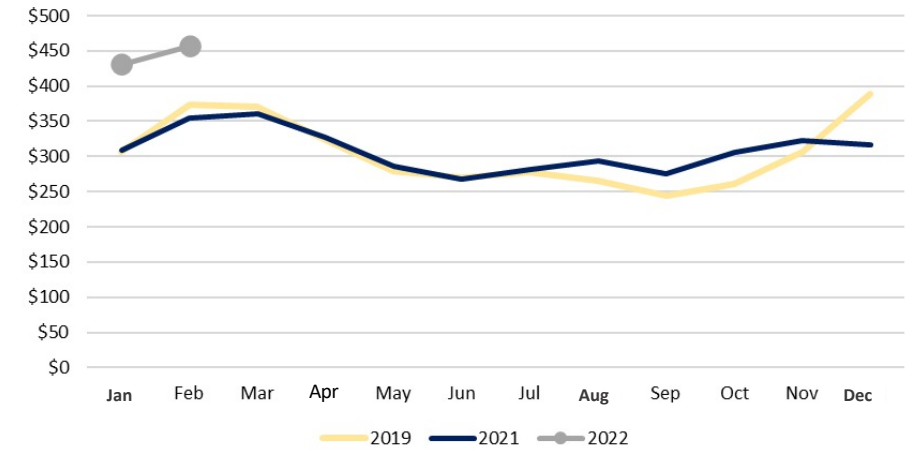
Evolution of the RevPAR and the average hotel rate in Los Cabos & sub-destinations

- The average hotel rate in Los Cabos for Feb-2022 was USD 457, 130 dollars above the last 12-month average (\$327) and 83 dollars above that of Feb-2019.
 - Cabo San Lucas recorded a **decrease of 1% (USD 3)** compared to 2019, and now stands at USD 282.
 - San Jose del Cabo **decreased its rate by 7.6% (USD 21)** and now stands at USD 254.
 - Compared to 2019, the rate in Los Cabos Corridor **increased by 8.5% (USD 47)** and recorded USD 603.
- The RevPAR in Feb-2022 was USD 320, up **28 dollars (+9.6%)** compared to Feb-2019.

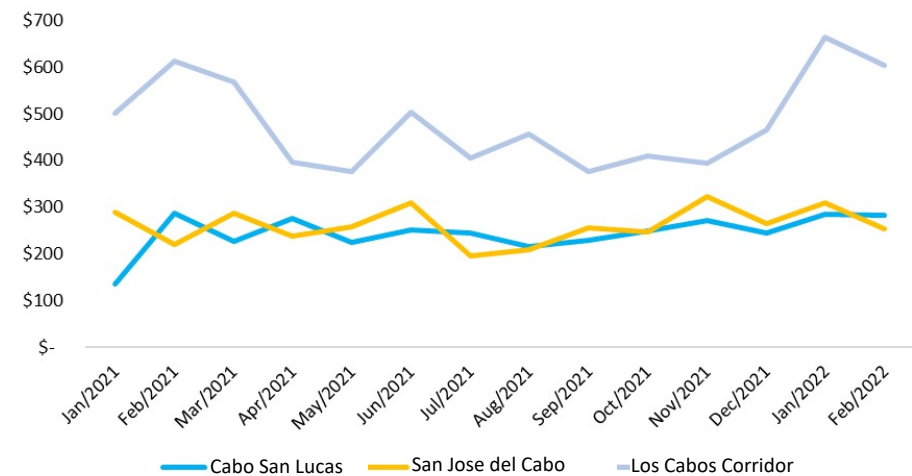
RevPAR Los Cabos (USD, 2019-2022)



Average Hotel Rate, Los Cabos (USD, 2019-2022)



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



SOURCE: AHLIC



LOS CABOS TOURISM OBSERVATORY

SUPPLY INDICATORS
Air Connectivity

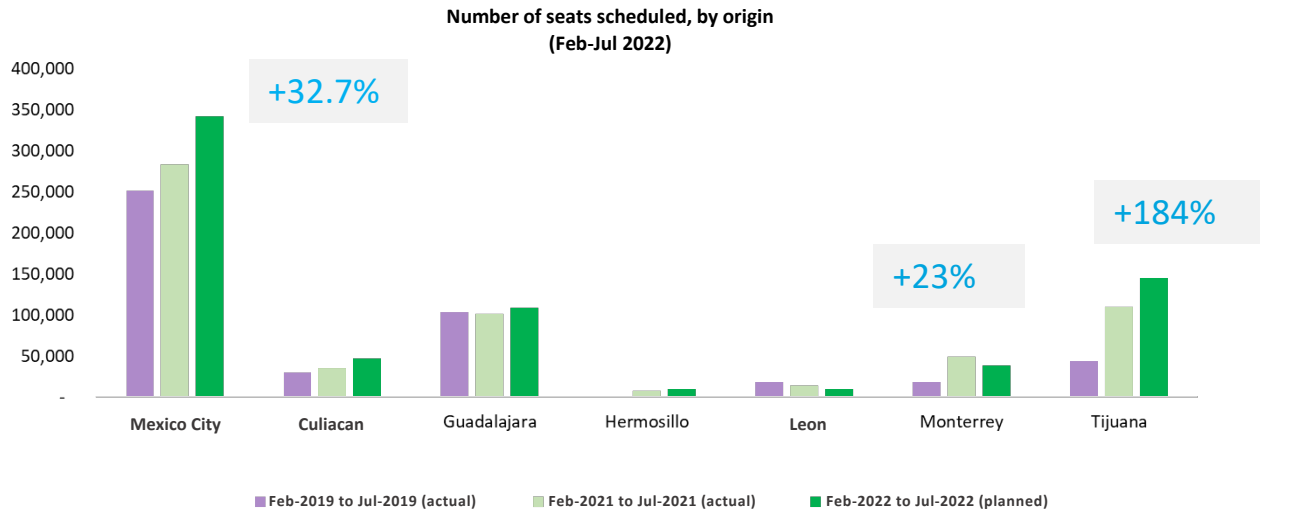
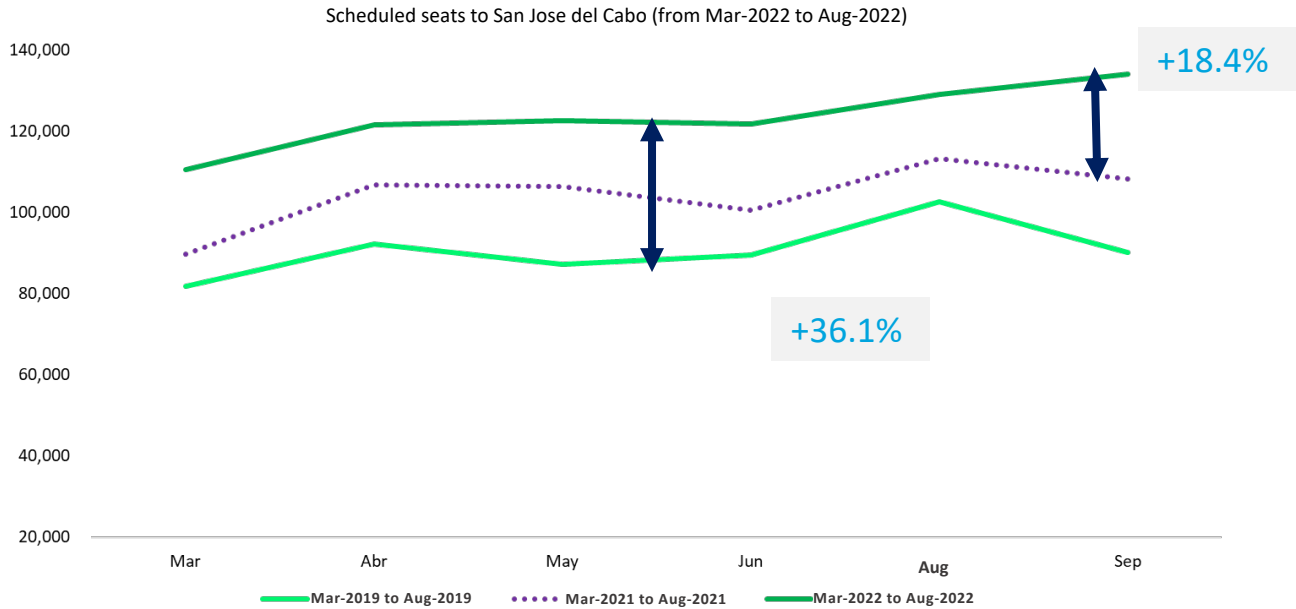


National air connectivity

SEATS SCHEDULED FROM MAR-2022 TO AUG-2022

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

- There are 740 thousand seats scheduled for the next 6 months, **36.1% more** compared to the same period in 2019.
 - However, when comparing the seats scheduled for the next six months against the 2021 schedule, the volume of programmed seats is **16.7% higher**.
 - **35% more** available seats are expected in Mar-2022 than those scheduled for 2019.
- Mexico City, GDL, and Tijuana are the most relevant issuing markets, having 50%, 14%, and 21% of total available seats (for the next 6 months). Followed by Monterrey (6%), Culiacan (7%), Leon (1%) and Hermosillo (1%).
 - Flight seats departing from CDMX, MTY, and TIJ increased by 32.7%, 23%, and 184%, respectively (compared to 2019); however, BJJ decreased by 43.5%. Consequently, TIJ's market share grew 11pp during these six months, and BJJ's dropped 2pp.
- For the next six months, 52% of the available seats will be provided by Volaris, followed by Viva Aerobus with 29% and Aeromexico with 19%. Interjet has dropped to 0%.
 - It's worth noting that this corresponds to the information provided on the OAG portal. However, given the flight suspensions announced by the airline and the sales restrictions implemented by IATA, this number would likely change.
- Load factors of domestic airlines for Dec-2021 were: Aeromexico (79%), Viva Aerobus (71%), and Volaris (73%).

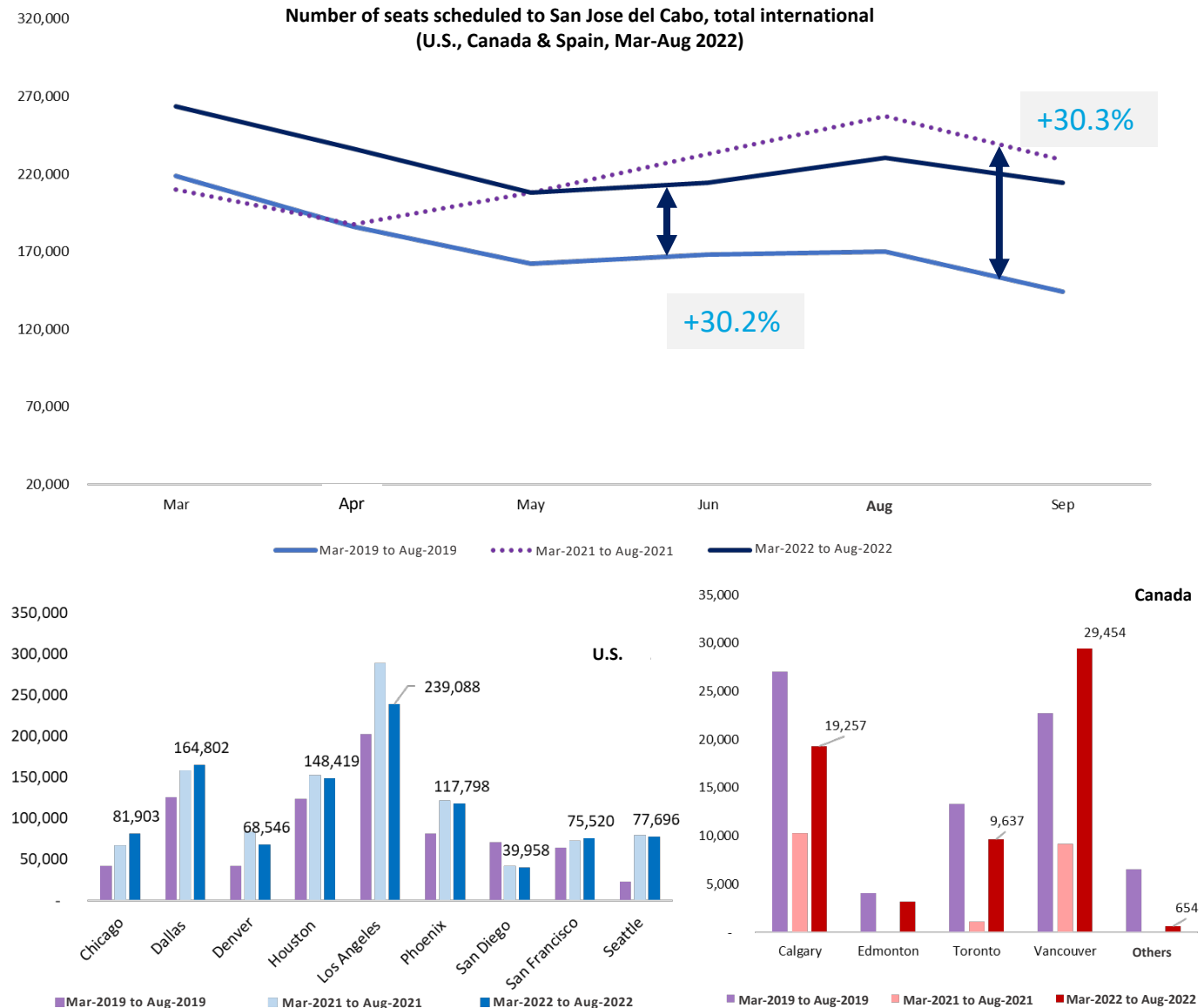


International air connectivity

SEATS SCHEDULED FROM MAR-2022 TO AUG-2022

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

- There are 1.30 million seats scheduled for the U.S. in the next 6 months, which is **33.3% more** than the same period in 2019.
 - However, when comparing the seats scheduled for the next six months against the 2021 schedule, the volume of programmed seats is **0.3% less**.
 - LAX (+18.3%), PHX (+44.2%), HOU (+19.8%), DFW (+31.2%), DEN (+63.8%), CHI (94.5%) and SEA (+127.4%)** had the most significant increase vs. 2019. **However, San Diego showed a decrease of 44.5%.**
 - Los Angeles is the main source market in the U.S. (18% of the market), followed by DFW (13%), Houston (11%), and Phoenix (9%).
 - American, Alaska, Delta, Southwest, and United Airlines are the most relevant (90% as a whole).
 - For Mar-2022, the United States expects 22.7% more seats than those scheduled for 2019.
- For Canada, there are 62,600 seats scheduled for the next six months, which is **15.6% fewer** seats compared to the same period in 2019.
 - When comparing the seats scheduled for the next six months against the 2021 schedule, the volume of programmed seats is 202% higher.
 - There are 22.3% fewer seats expected for Mar-2022 than those scheduled for 2019.
 - Decreases are expected in Calgary (-28.8%), Edmonton (-20.9%), and Toronto (-27.6%) within the next six months. Vancouver showed an increase of 29.6% compared to 2019.
 - During this period, Air Canada, Sunwing, and WestJet will reduce the number of seats by 36.2%, 62.4%, and 6.8%, respectively. **On the other hand, Swoop and Flair Airlines have added 4.9 and 6 thousand seats.**
- Load factors of international airlines for Dec-2021 were: American 74%, Alaska 78%, Delta 68%, United 77%, Southwest 72%, Sunwing 105%, Westjet 80%, Air Canada 72%.





LOS CABOS TOURISM OBSERVATORY

PUBLIC RELATIONS



Public relations: notes and scope

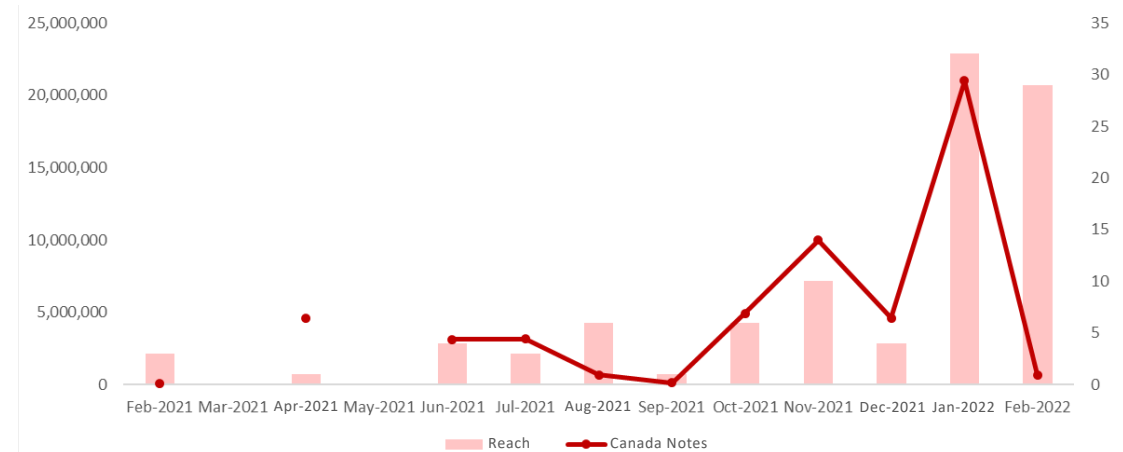
- In the domestic market:

- During Feb-2021, 49 placements were introduced, accounting for 635 thousand impressions. An average of 48 placements has been published monthly since the pandemic started in April 2020, with a **monthly reach of 3.8 million**.

- In the international market:

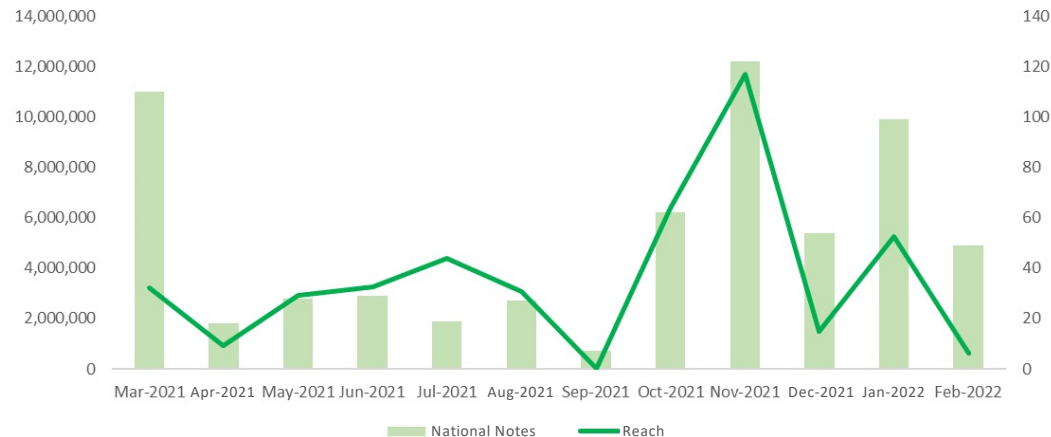
- In Feb-2022, 7 placements and 8 million impressions were achieved in the United States. An average of 22 placements has been published monthly since the pandemic started, with a **monthly reach of 607 million**.
- 29 notes were delivered to the Canadian market throughout Feb-2022, achieving 678 thousand impressions. An average of 8 placements has been published monthly since April, with a **monthly reach of 5.1 million**.

NOTES MADE FOR THE CANADIAN MARKET - TOTAL & REACH



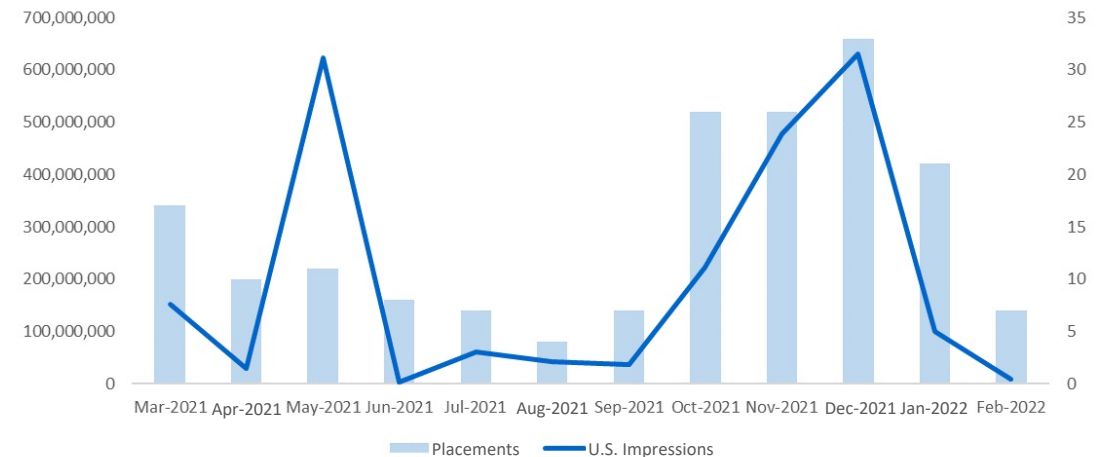
SOURCE: JESSON+CO

NOTES MADE FOR THE DOMESTIC MARKET - TOTAL & REACH



SOURCE: GAUDELLI (Feb-2018 to Jan-2019), LLORENTE & CUENCA (Feb-2019 to Jan-2022)

NOTES MADE FOR THE U.S. MARKET - TOTAL & REACH



SOURCE: NJF (Feb-2018 to Jan-2019), OGILVY (Feb-2019 to Jan-2022)



LOS CABOS TOURISM OBSERVATORY

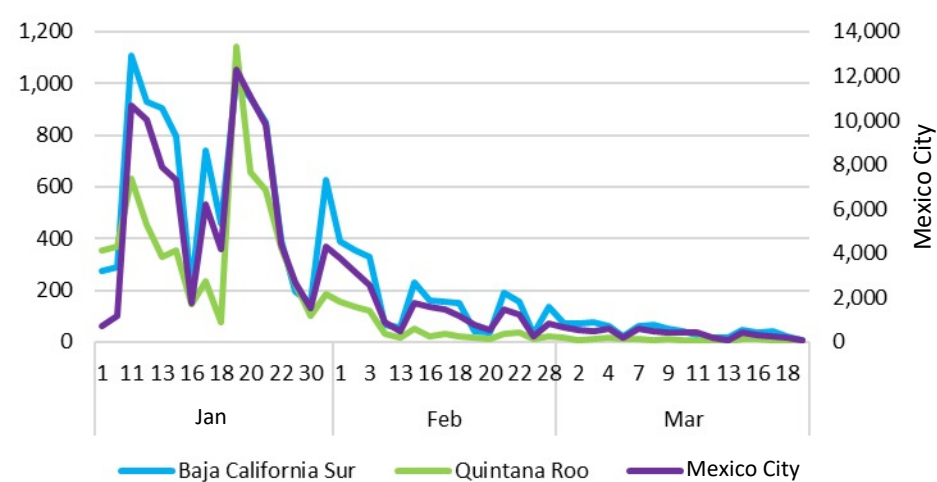
IMPACT OF COVID-19

Effects of COVID-19 on
Mexico's tourism sector

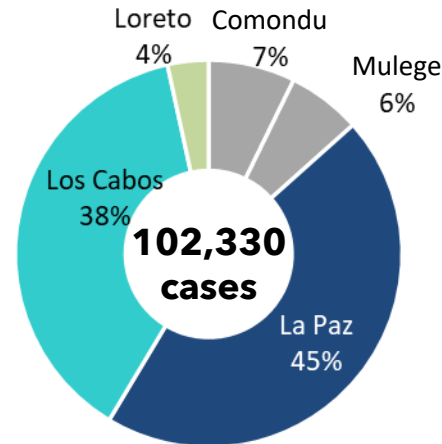


Confirmed COVID-19 cases - overview

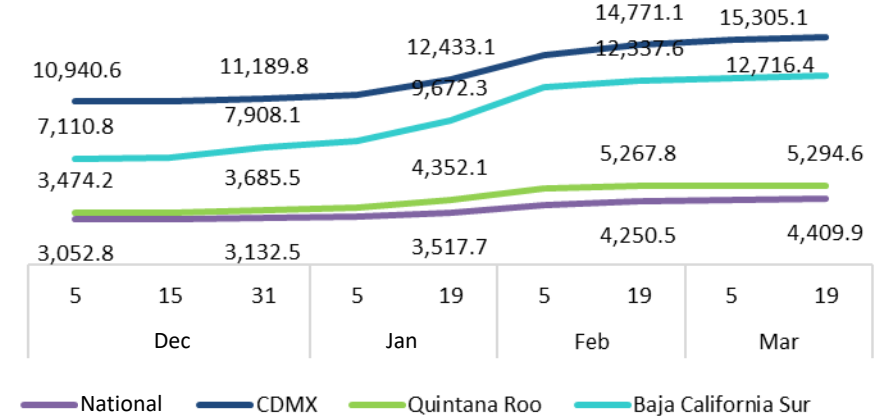
Number of daily new cases



Confirmed cases by municipalities in B.C.S.



Incidence of infection



Total confirmed cases as of March 19, 2022

National

5.91 million

- 480 thousand more cases since February 19.

Baja California Sur

102,330

- 3,048 more cases than those recorded by February 19.

Quintana Roo

91,239

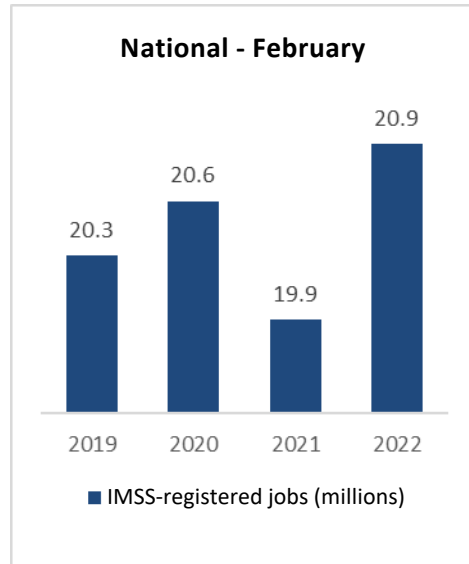
- 461 more cases in the same period.

- La Paz and Los Cabos jointly account for 83% of the total confirmed cases statewide.
- In Los Cabos, 1% more cases were recorded compared to February 19, 2022, adding 38,848 cases.
- La Paz has 5% more cases in the same period, accumulating a total of 46,250 confirmed cases.
- Loreto accumulated 3,510 cases (6% more).

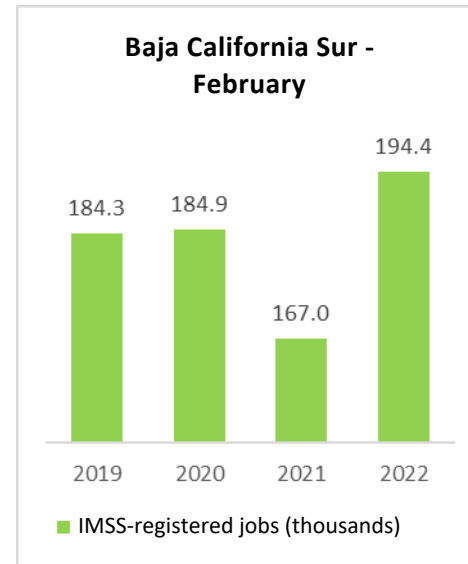
- The national average rate of infection is 4,409.9 cases per 100 thousand inhabitants.
- Mexico City recorded the highest rate of COVID-19 cases, which is above the national average: 15,305.1
- Quintana Roo: 5,294.6
- Baja California Sur is the second state with the highest rate: 12,716.4

SOURCE: SECRETARIAT OF HEALTH, GENERAL DIRECTORATE OF EPIDEMIOLOGY (www.coronavirus.gob.mx). FIGURES UPDATED AS OF MARCH 22, 2022.

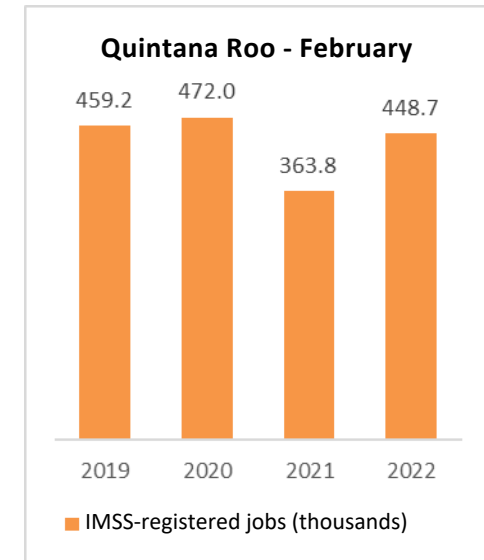
Effects on employment in Mexico



- Mexico has 3.2% more jobs in Feb-2022 compared to Feb-2019.
- As of February 28, 2022, IMSS had registered 20,941,286 jobs in the country, which is 2.5% more than those reported in Dec-2019.



- There are 5.5% more jobs in Feb-2022 than Feb-2019.
- Baja California Sur closed Feb-2022 with 194,402 jobs, 5.9% more than in Dec-2019.

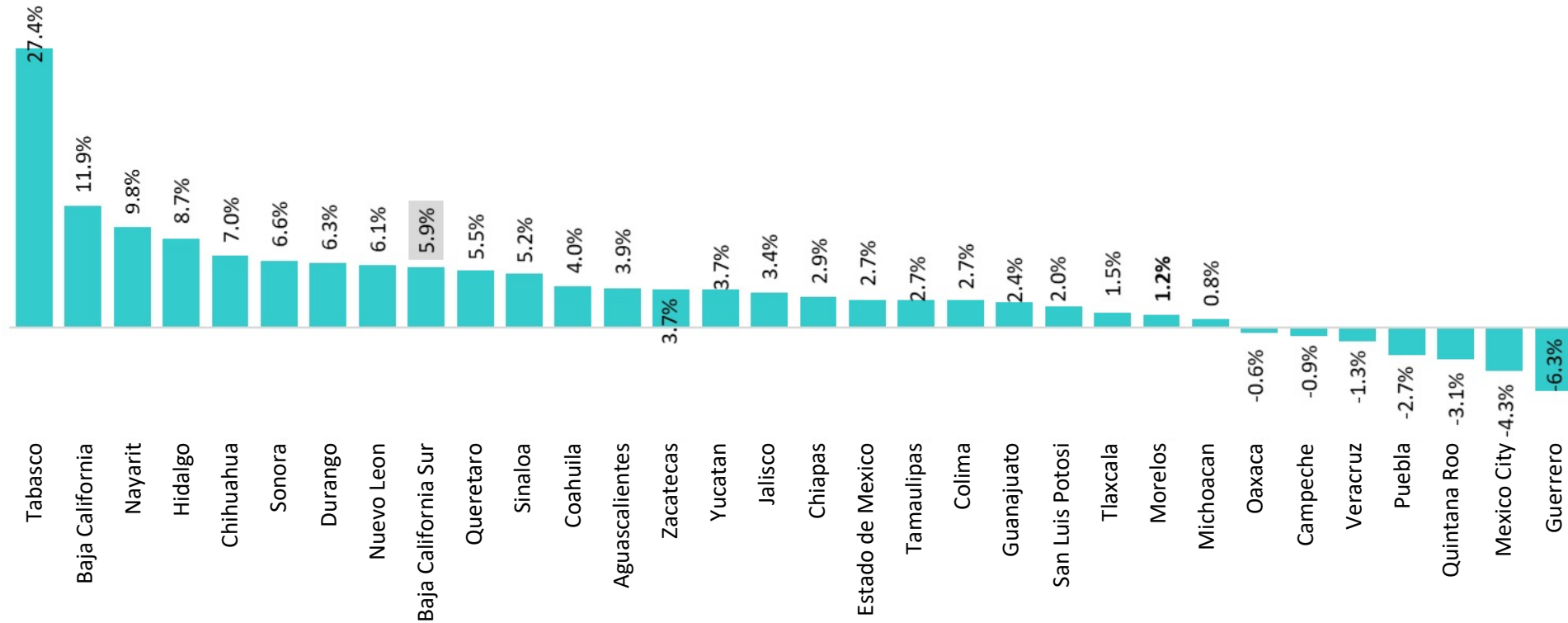


- In the case of Quintana Roo, in Feb-2022 there were 2.3% fewer jobs than those recorded in Feb-2019.
- Feb-2022 closed with 448,714 jobs, 3.1% less than in Dec-2019.

SOURCE: IMSS

Effects on employment in Mexico

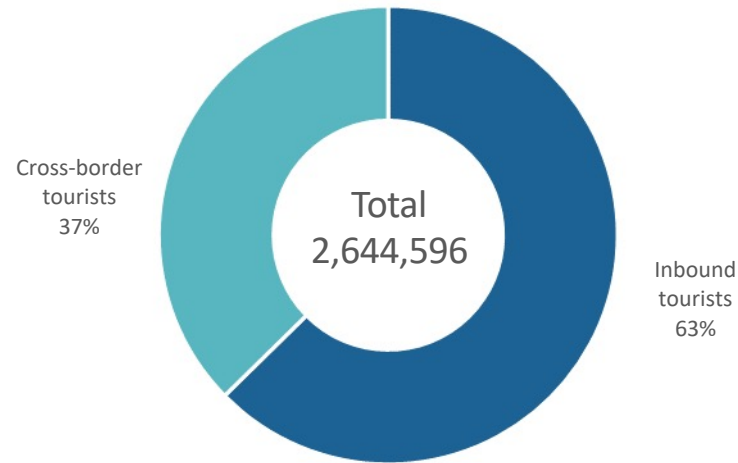
Employment variation by state (February 2022 vs. December 2019)



SOURCE: IMSS

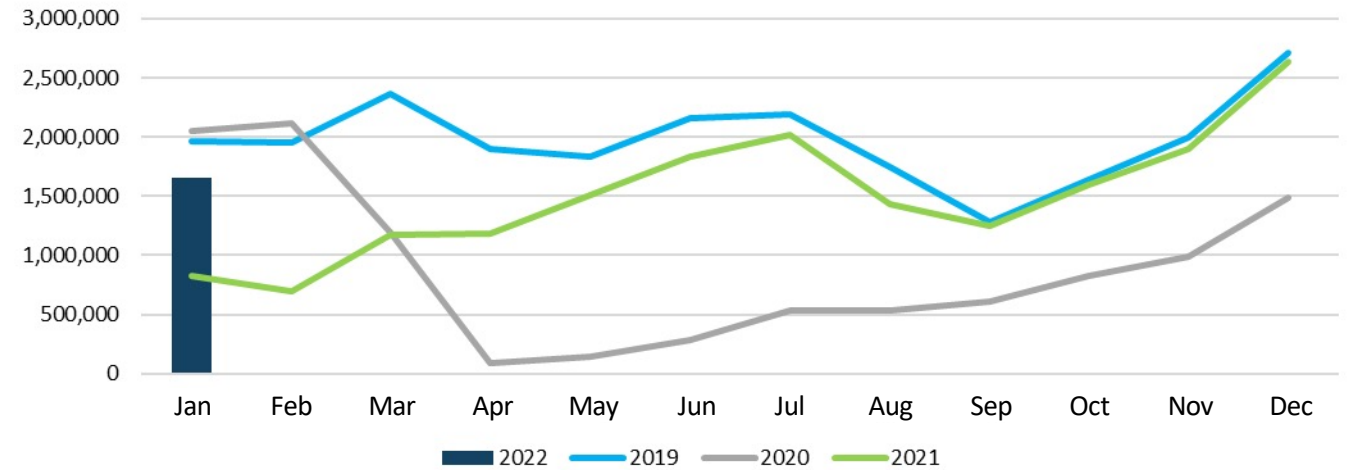
International tourist arrivals in Mexico

January 2022



- In Jan-2022, 2.64 million international tourists arrived in the country (24% fewer than in Jan-2019). 63% were inbound tourists.
- The average spending of inbound tourists arriving by air was USD 1,158 (7.8% more than the average spending in Jan-2019).

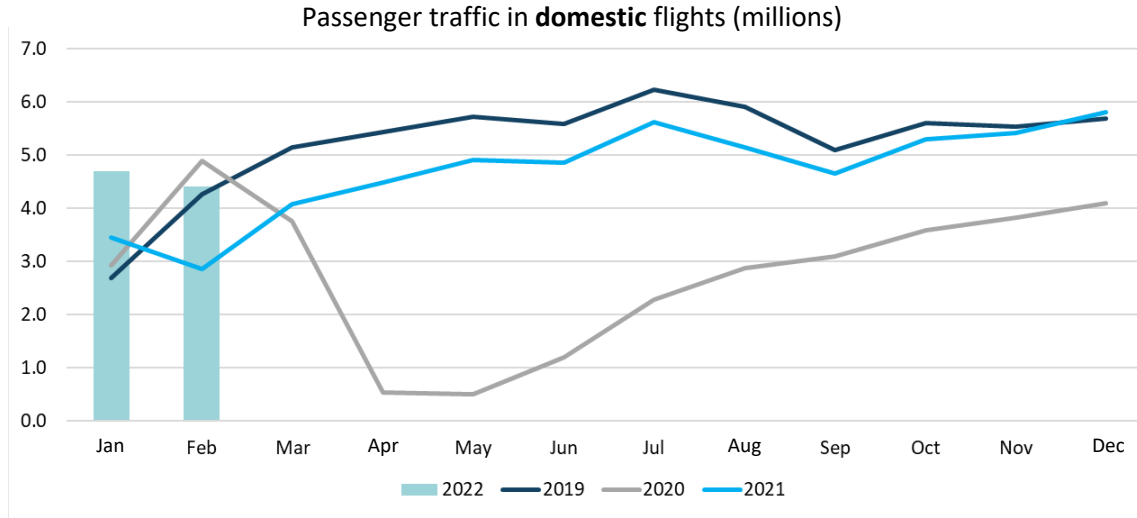
Inbound tourists



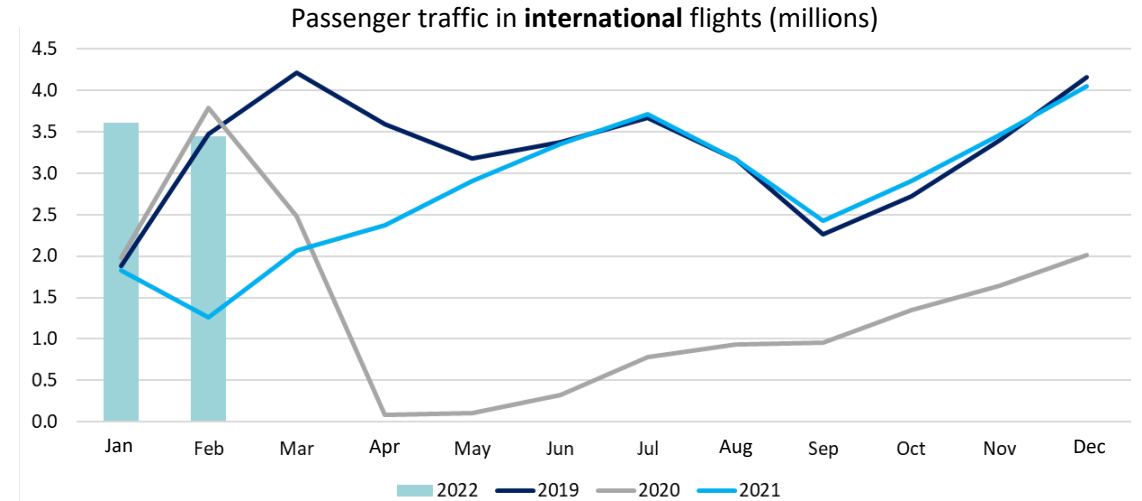
- 37.2% less inbound tourists were recorded in Jan-2022 compared to Dec-2021.
- When comparing to Jan-2019, there is a decrease of 15.5%.
- 89.6% arrived by air, and 10.4% did so by land.

SOURCE: INTERNATIONAL TOURIST SURVEYS. INEGI

Air traffic in Mexico. Airport groups



- The traffic of passengers in domestic operations during Feb-2022 was 3% higher than the traffic of Feb-2019. Compared to Feb-2021 there is an increase of 54%.



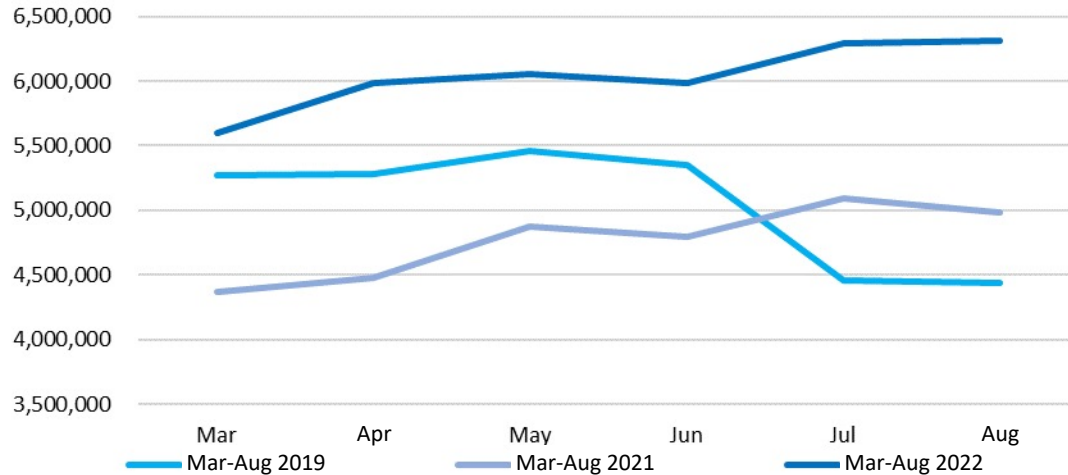
- Traffic in international operations was 1% lower than Feb-2019 and when compared to Feb-2021 there is an increase of 173%.

SOURCES: ASUR, OMA,
GAP

***TOTAL TRAFFIC FROM THE THREE AIRPORT GROUPS (ARRIVALS AND DEPARTURES), CDMX'S INFORMATION NOT INCLUDED.**

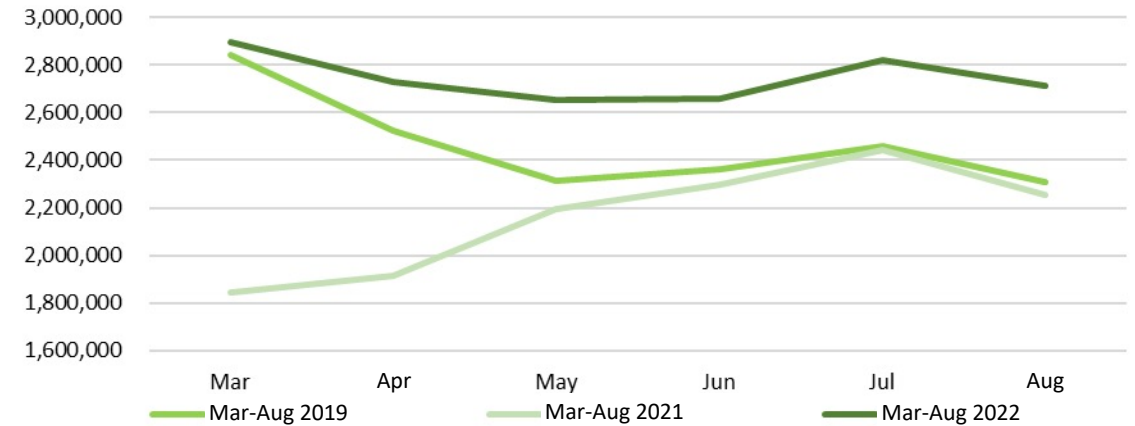
Seats scheduled for Mar-2022 and the following months for Mexico

Scheduled seats. (domestic market)



- The scheduled seats for Mar-2022 are 8.5 million for the entire country, which is **+4.8%** (vs. the scheduled seats in Mar-2019). By market of origin:
 - Domestic: 5.6 million **+6.3%** (vs. Mar-2019).
 - International: 2.9 million **+2.0%** (vs. Mar-2019).
- The supply of domestic and international seats planned for the next months is higher than that of the same period in 2019.
- The most significant increase in domestic seats is expected in Aug-2022 (42% more).

Scheduled seats. International market to Mexico

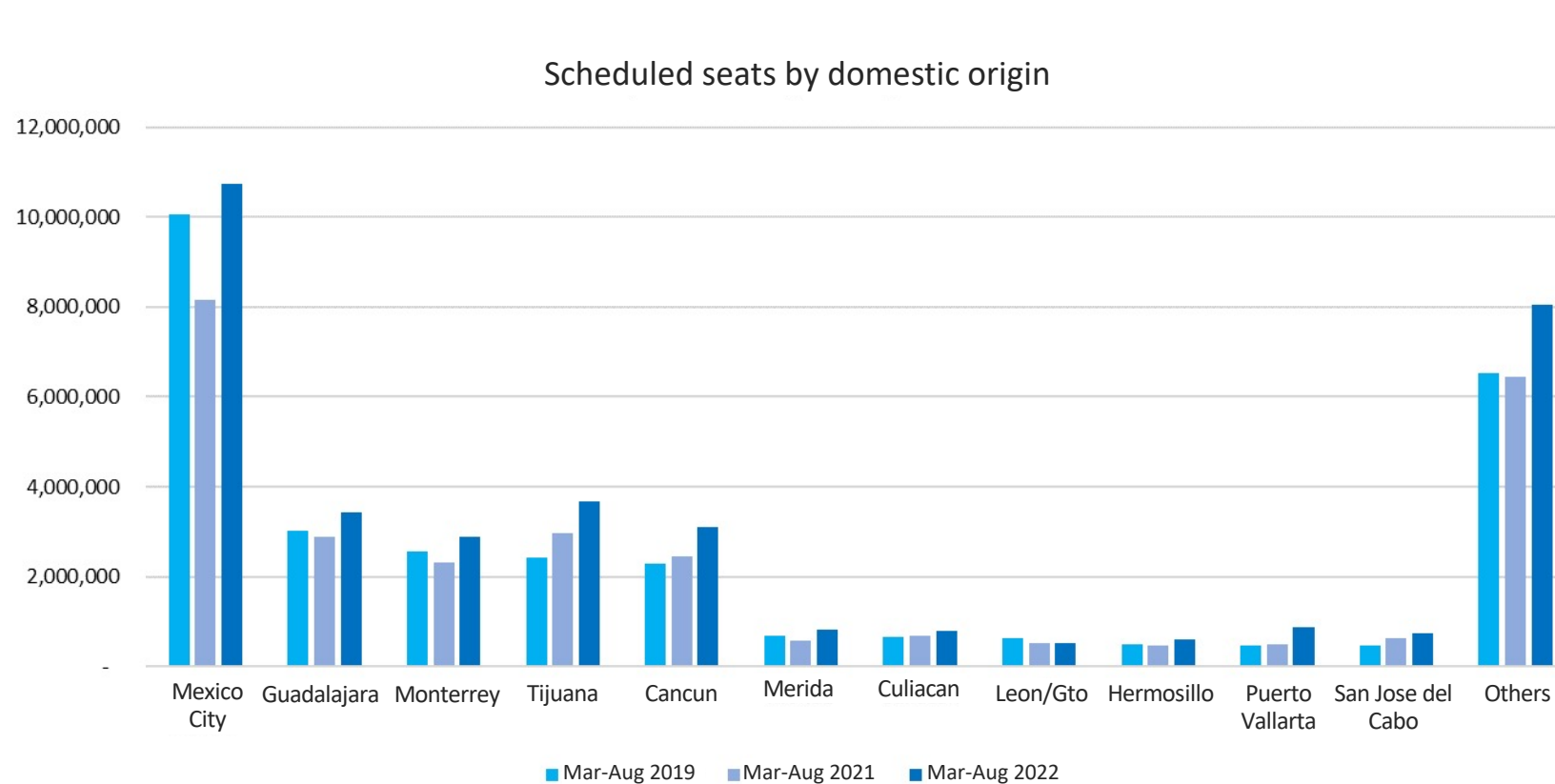


- A supply of 52.7 million seats is planned between Mar-2022 and Aug-2022, **+16.9%** more than the total planned for the period Mar-Aug 2019. By market of origin:
 - Domestic: 36.2 million **+19.7%**
 - International: 16.5 million **+11.2%**
- The most significant increase in international seats is expected in Aug-2022 (17.5% more compared to Aug-2019). The supply of seats is expected to increase by 8% in Apr-2022 compared to Apr-2019.

SOURCE: OAG

Scheduled seats as of February 28, 2019, 2021, and 2022, respectively.

Seats scheduled for the upcoming months, by markets, to Mexico



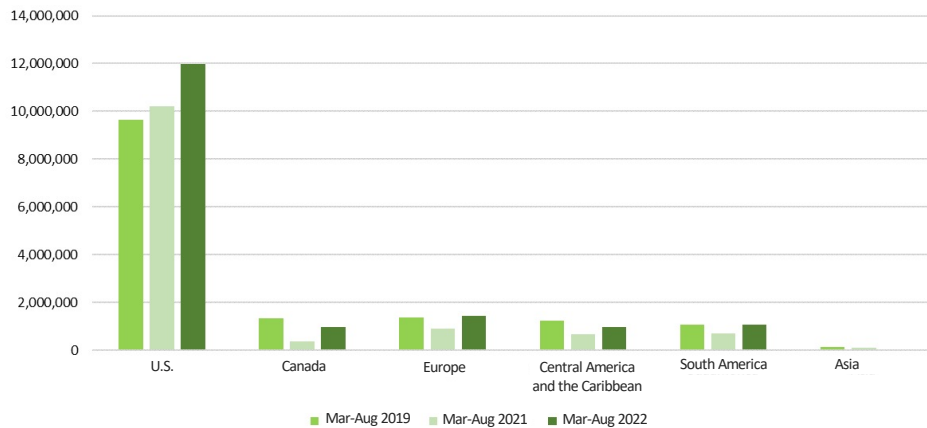
**Domestic
Mar-Aug 2022 vs.
Mar-Aug 2019**

- CDMX: 10.73 million
+6.7%
- Guadalajara: 3.44 million
+13.9%
- Monterrey: 2.88 million
+12.9%
- Tijuana: 3.69 million
+51.8%
- Cancun: 3.10 million
+35.1%
- Merida: 813,000
+17.9%
- San Jose del Cabo: 734,000
+58.3%

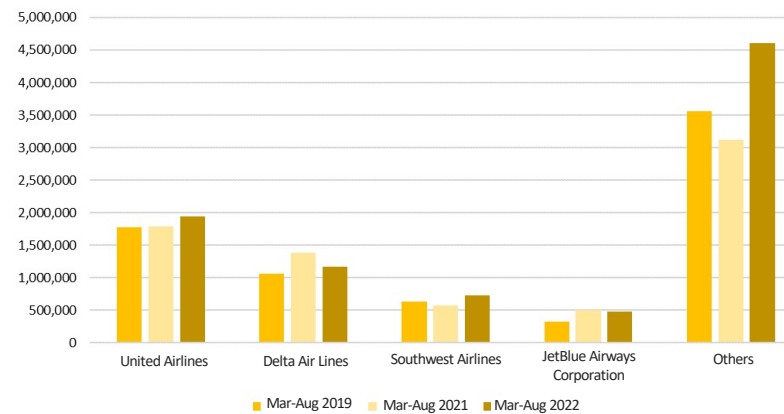
SOURCE: OAG
Scheduled seats as of February 28, 2019, 2021, and 2022, respectively.

Seats scheduled for the upcoming months, by markets, to Mexico

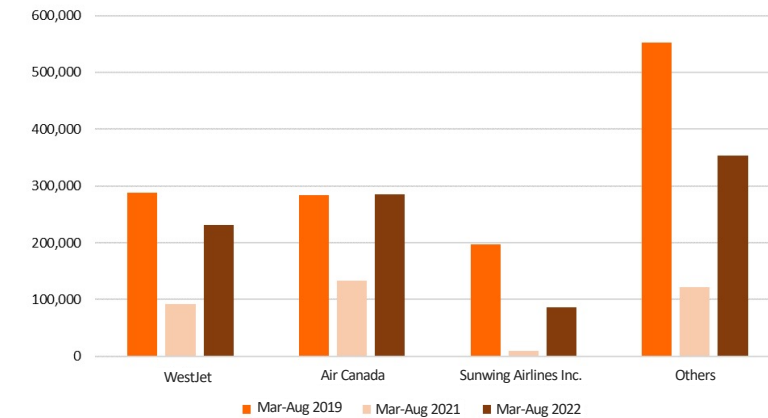
Scheduled seats. International market by region



Scheduled seats by airline. U.S.



Scheduled seats by airline. Canada



U.S.

- Accounts for 72.8% of the scheduled international seats from Mar-2022 to Aug-2022 (65.2% in the same period of 2019).
- 11.99 million seats for the next six months (+24.1% compared to the period from Mar-2019 to Aug-2019).

%VAR of scheduled seats

- Houston: 1.6 million +31.5%
- Los Angeles: 1.3 million +4.6%
- Dallas: 1.6 million +43.0%
- Chicago: 922,000 +22.2%
- New York: 667,000 -14.1%

Canada

- Accounts for 5.8% of the scheduled international seats from Mar-2022 to Aug-2022 (8.9% in the same period of 2019).
- 958 thousand seats from Mar-2022 to Aug-2022 (-27.6% compared to the same period of 2019).

%VAR of scheduled seats

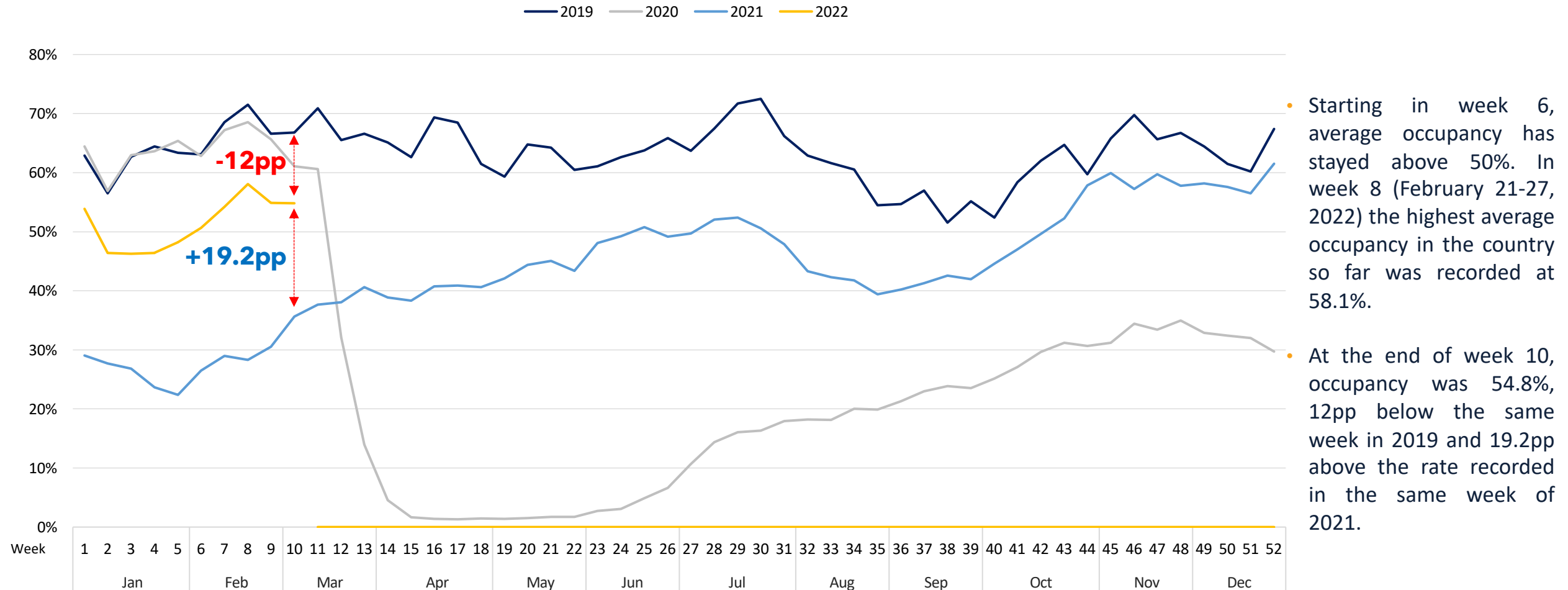
- Toronto: 345,000 -22.7%
- Vancouver: 211,000 -16.3%
- Montreal: 197,000 -28.4%
- Calgary: 122,000 -33.1%

SOURCE: OAG

Scheduled seats as of February 28, 2019, 2021, and 2022, respectively.

Hotel indicators in Mexico

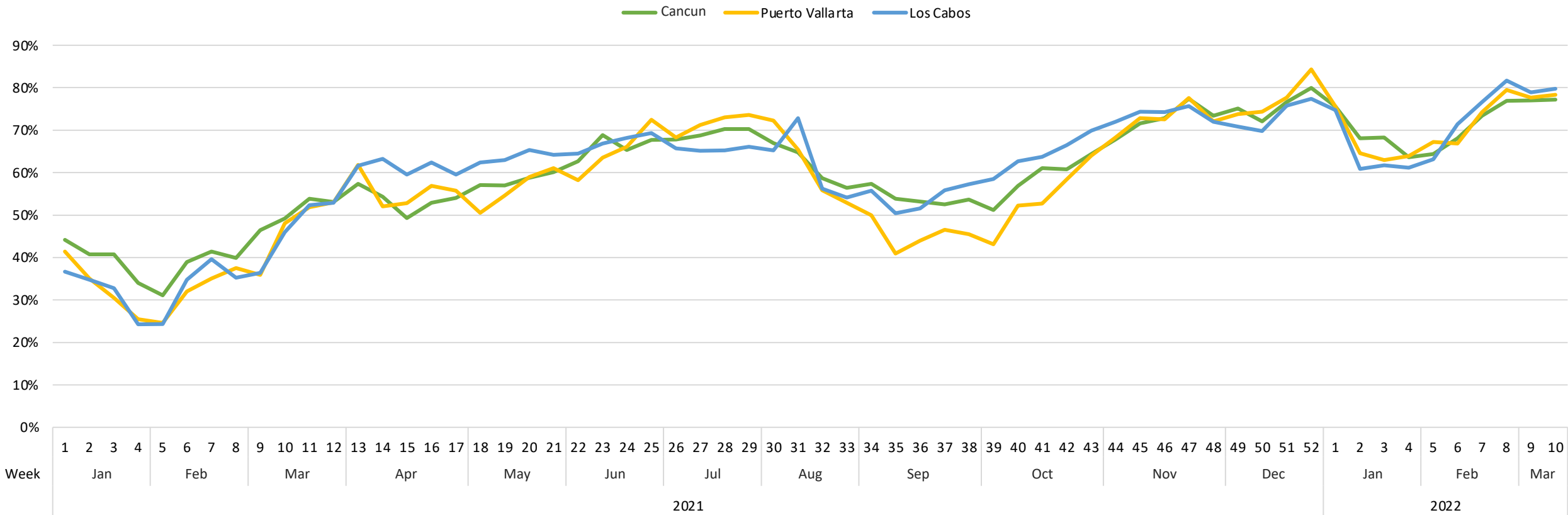
Hotel occupancy in Mexico (average of 12 resorts)



SOURCE: DATATUR. MONITORED DESTINATIONS: VILLA HERMOSA, AGUASCALIENTES, TUXTLA GUTIERREZ, QUERETARO, PUEBLA, PUERTO VALLARTA, SAN CRISTOBAL DE LAS CASAS, LOS CABOS, CANCUN, MEXICO CITY, ACAPULCO, AND SAN MIGUEL DE ALLENDE.

Hotel indicators in Mexico

Hotel occupancy in Cancun, Puerto Vallarta and Los Cabos



- Since week 7 of 2022, all three destinations have maintained an occupancy rate above 70%. Even Los Cabos reached 81.7% in week 8.
- At the close of week 10 (March 7-13, 2022), Los Cabos had a higher occupancy rate than Cancun and Puerto Vallarta:
 - Cancun: **77.2%**
 - Puerto Vallarta: **78.4%**
 - Los Cabos: **79.7%**

SOURCE: DATATUR





LOS CABOS TOURISM OBSERVATORY

DEFINITIONS



Definitions

- **Available rooms.** The number of rooms in service. It doesn't account for out of service rooms due to repair or some other cause.
- **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.
- **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.
- **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.
- **Hotel occupancy.** The accommodation occupancy rate is a supply-based concept. It is an important indicator for many effects. It 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.
- **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.
- **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.
- **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). Excludes whether remuneration is received or not for the activities performed in the place visited.
- **Passenger arrivals.** Passengers carried on scheduled services by airlines.
- **RevPAR.** RevPAR is the most important metric used in the hotel industry to assess the financial performance of an establishment or a chain (it assesses a property's ability to fill its available rooms at an average rate). RevPAR is short for Revenue Per Available Room (income per available room). It refers to a specific period (weekly, monthly, annual, etc.). One way to calculate RevPAR is through the formula: $RevPAR = It / \Sigma Ht$, where It equals the total revenue generated by the rooms in a period (t) and ΣHt equals 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 in the period (t) minus the rooms not available.

Definitions

- **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.
- **Resident.** Individual who lives permanently or on a long-term basis in the territory of the United Mexican States.
- **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.
- **Seasonality.** It means that tourist flows tend to be distinct across different seasons (around certain times of the year), repeating this process annually.
- **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.
- **Tourist arrivals.** Corresponds to the number of tourists that visited the establishment throughout the month.
- **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.
- **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.
- **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.
- **Visitor's nationality.** Granted by the country that issues the passport or other identity documents, even when residing in another country.



LOS CABOS TOURISM OBSERVATORY

Los Cabos Tourism Observatory aims to provide the destination's investors and participants with an overview of its current and future situation contextualizing all available information. It has been published every month since February 2019.

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