LOS CABOS

LOS CABOS TOURISM OBSERVATORY

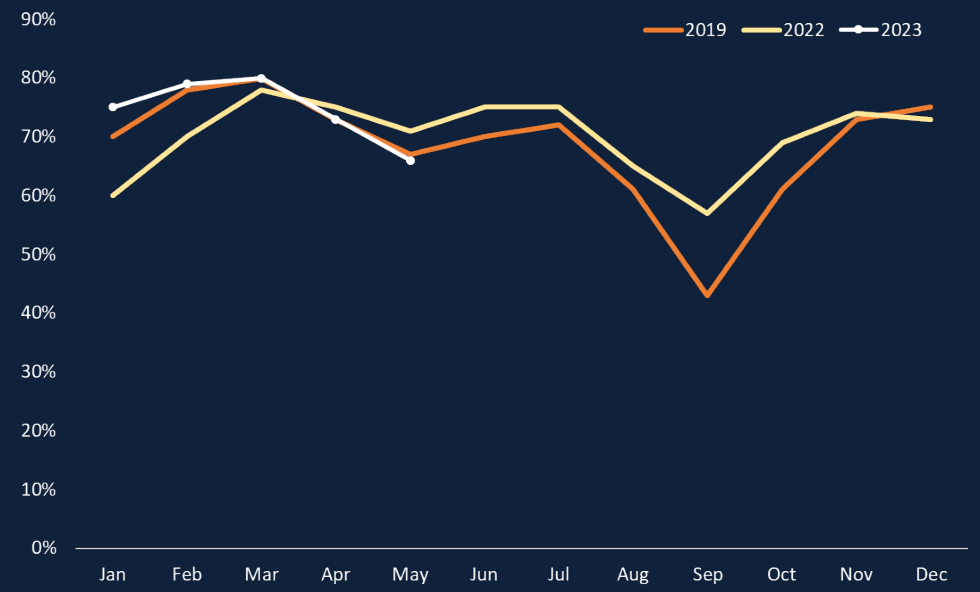
KEY PERFORMANCE INDICATORS

JUNE 2023

Key Perfomance Indicators (May-2023)

Hotel Activity

Hotel Occupancy:



Hotel Occupancy (May-2023):
66%
-5pp
(vs May-2022)

SOURCE: AHLC

Average Daily Rate (May-2023):
$475 USD
+11%
(vs May-2022)

SOURCE: AHLC

RevPAR (May-2023):
$313 USD
+3%
(vs May-2022)

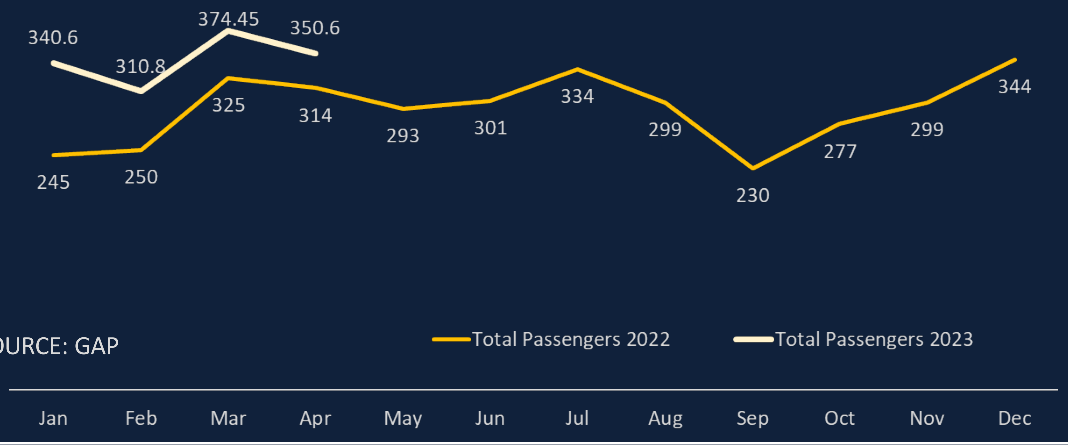
SOURCE: AHLC

Air Passenger Arrivals

Total Passengers (May-2023, ‘000s):
308.15
+5.2%
(vs May-2022)

Domestic Passengers (May-2023, ‘000s):
121.4
+14%
(vs May-2022)

International Passengers (May-2023, ‘000s):
186.75
+0.2%
(vs May-2022)



SOURCE: GAP

Tourist Satisfaction: More than Expected (May-2023):
64%
-1pp
(vs May-2022)

SOURCE: TURIST SURVEY

Satisfaction with Public Safety (May-2023):
2% bottom two
-5pp
(vs May-2022)

SOURCE: TOURIST SURVEY

Satisfaction with the Airport (May-2023):
2.5% bottom two
-2.8pp
(vs May-2022)

SOURCE: TOURIST SURVEY

This section shows results considering only the information available for the current month. To see the rest of the available and updated information for previous months, please refer to the corresponding sections in the body of the document.

LOS CABOS

Executive Summary (May-2023)

HOTEL: Occupancy in Los Cabos continues at a high level; however, in Apr-2023 there is a monthly decrease (versus 2022) in all sub-destinations and especially in El Corredor. In the Canadian market, there is again a high increase in flight scheduling for the next 6 months, driven by the Vancouver market.

- Hotel occupancy in Los Cabos in May-2023 registers 66%, 5pp lower than in 2022 (-1 than in 2019). At the sub-destination level Cabo San Lucas reached 69% (-7pp), San Jose del Cabo, 64% (-5pp), and El Corredor, 61% (-1pp) compared to May-2022.
    - The average hotel rate in Los Cabos during May-2023 was $475 USD; $11 USD more than in 2022. The highest rate is presented in El Corredor ($591 USD), however, this falls 7pp compared to the previous year; the highest growth is registered in Cabo San Lucas (+14%).
    - In May-2023, the destination's RevPAR was $313 USD; +3% versus May-2022.
    - The volume of available rooms in Los Cabos decreases 1.4% with respect to 2022, with decreases in most sub-destinations, with the exception of Cabo San Lucas, remaining at the same level.
- In addition, the supply of lodging through online platforms has 7,344 in May-2023 (an increase of 11.3% when compared to 2022). Meanwhile, occupancy reached 58% (an increase of 5 pp vs. 2022). Occupancy in this type of properties is lower than in traditional hotels, however, their average daily rate is higher ($680 USD vs. 2019; +17.3%).

TOURIST SATISFACTION: Both security and airport satisfaction continue to improve compared to previous years. However, overall tourist satisfaction drops 1pp compared to the previous year.

- In Apr-2023, 64% of tourists rate their experience in Los Cabos as "more than expected" (-1pp versus 2022).
- Satisfaction with Los Cabos airport rises 2.8 pp to 2.5% with fair or poor perception, while satisfaction with safety rises 0.5 pp to.2%.
- Repetitive tourists are down 2pp when compared to 2022: 32% in May-2023; while package tourists remain low at 23% (-10pp).
- The proportion visiting restaurants increases 3pp this month and registers 85%.

MEETINGS: Receipt of RFPs for group events continues to rise. The first months of the year are still reaching record numbers since the beginning of the observatory.

- In May-2023, the destination received 27 more RFPs than 2019 for meeting events, totaling 59.

Executive Summary (May-2023)

AIR ACTIVITY: The high growth of the domestic market (particularly in Guadalajara) and the acceleration of the recovery of the Canadian market (specifically Vancouver) continue; however, the growth of the U.S. market is slowing.

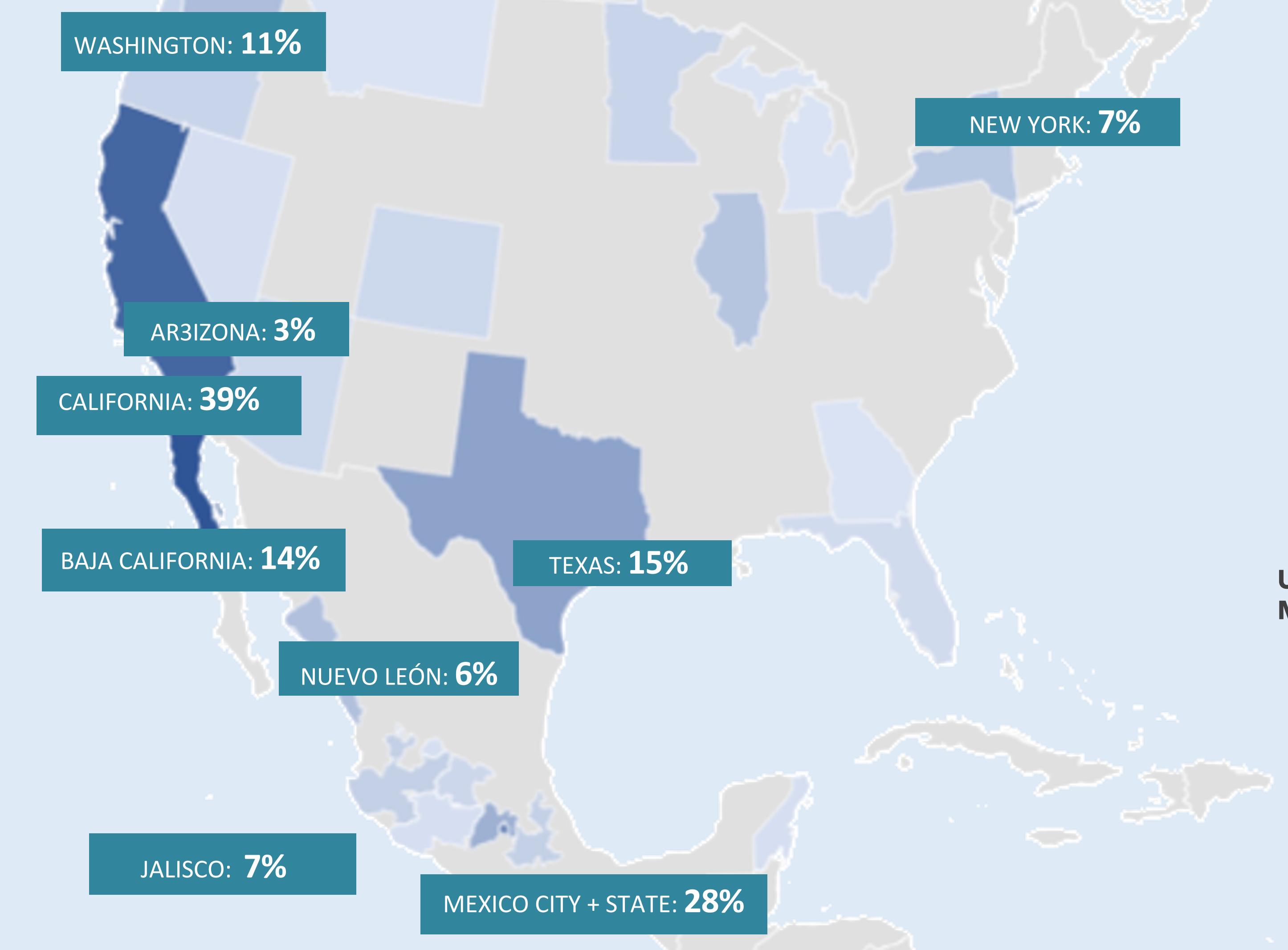
- Passengers on domestic flights (121.4 thousand) represent 39.4% of the total (an increase of 14% vs 2022).
  - Of these, 45.1% come from Mexico City, followed by Guadalajara with 21.8% and TIJ with 18.9%. Comparing the cumulative 2023 vs. 2022, Guadalajara grows 7.9%. Tijuana remains the Mexican market with the highest growth.
- Passengers on international flights (186.75 thousand) represent 63% (+6.5%).
    - Passengers on international flights (220.75 thousand) represent 60.6% (0.2% increase).
    - The main airports of origin are Los Angeles (22.9%), Dallas (14.2%) and Phoenix (15.1%).
    - California continues to be the main source of U.S. tourism to Los Cabos (25% of the total). Especially from Los Angeles and San Francisco. This result is due in part to the average cost of flying from LAX to San Jose del Cabo, which continues to be the most economical option in the United States.
    - From Canada, Vancouver (25.3%), followed by Calgary (23.9%) and Toronto (17.2%) were the main issuer for this period.
  - 90.2% of foreign tourists who entered in Apr-2023 through SJD were U.S. residents and 9.1% were Canadian.
  - Tourist arrivals from other strategic markets (Australia, South Korea and the United Kingdom) have not yet returned to pre-pandemic levels. However, in Apr-2023 showing an increase of 41% compared to 2022.
- In the cumulative Jan-Apr 2023, 59.8% of passengers started their trip from U.S. airports, the most used being Los Angeles with 97.8% more passengers compared to 2022, followed by Seattle with an increase of 7.6%. From Colombian airports there has been an increase of 52% with respect to passengers in 2022.
- A total of 4,275 commercial operations (7.9% more than in 2022) and 1,498 private operations (-13.7%) were registered at Los Cabos International Airport (SJD).
- Commercial operations averaged 72.1 passengers per operation, while private operations averaged 3.3.
- Additionally, in Apr-2023, 10,230 international tourists arrived on private flights (decrease of 11.1% versus 2022).
  - The Cabo San Lucas (CSL) airfield received 32% of these.

CRUISES AND YACHTS: Cruise ship arrivals to Los Cabos continue to grow. This month will present the second highest passenger arrivals since 2019.

- In Mar-2023, 33 cruise ships arrived at the Cabo San Lucas marina. This represents an increase of 9 vessels compared to the same period in 2022. These vessels transported a total of 96 thousand passengers (+75.5% vs. 2022).

Market Share (May-2023)

SOURCE TOURIST SURVEY



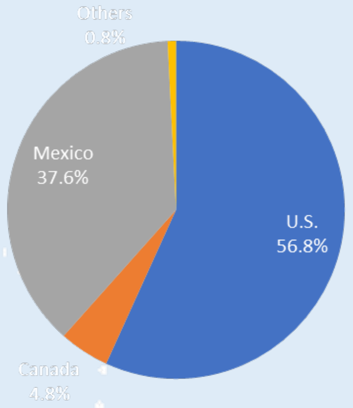
United States:
56.8%
-1.6pp (vs May-2022)

Canada:
4.8%
+2pp (vs May-2022)

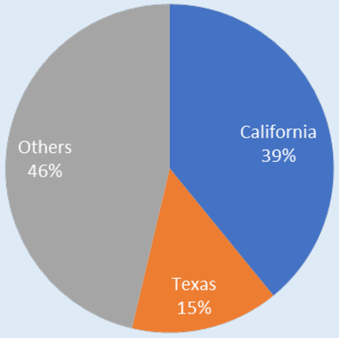
Domestic:
37.6%
+2.4pp (vs May-2022)

Others:
2.4%
-2.8pp (vs May-2022)

U.S. Market:



Total Market:



On the right side are presented the percentages for each of the tourist issuing markets to Los Cabos, while the map shows the total per each state within the same market. For example, the percentage that is presented for California (left), is the participation that that state has within the total (100%) of U.S. tourists that arrive in Los Cabos, whereas the column on the right shows the total tourists that arrive in Los Cabos representing the United States as a whole.

LOS CABOS

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TOURISM OBSERVATORY

AIR PASSENGER ARRIVALS

Key Indicators
(May-2023)

Total Passengers:
308.15 mil
+5.2% vs May-2022

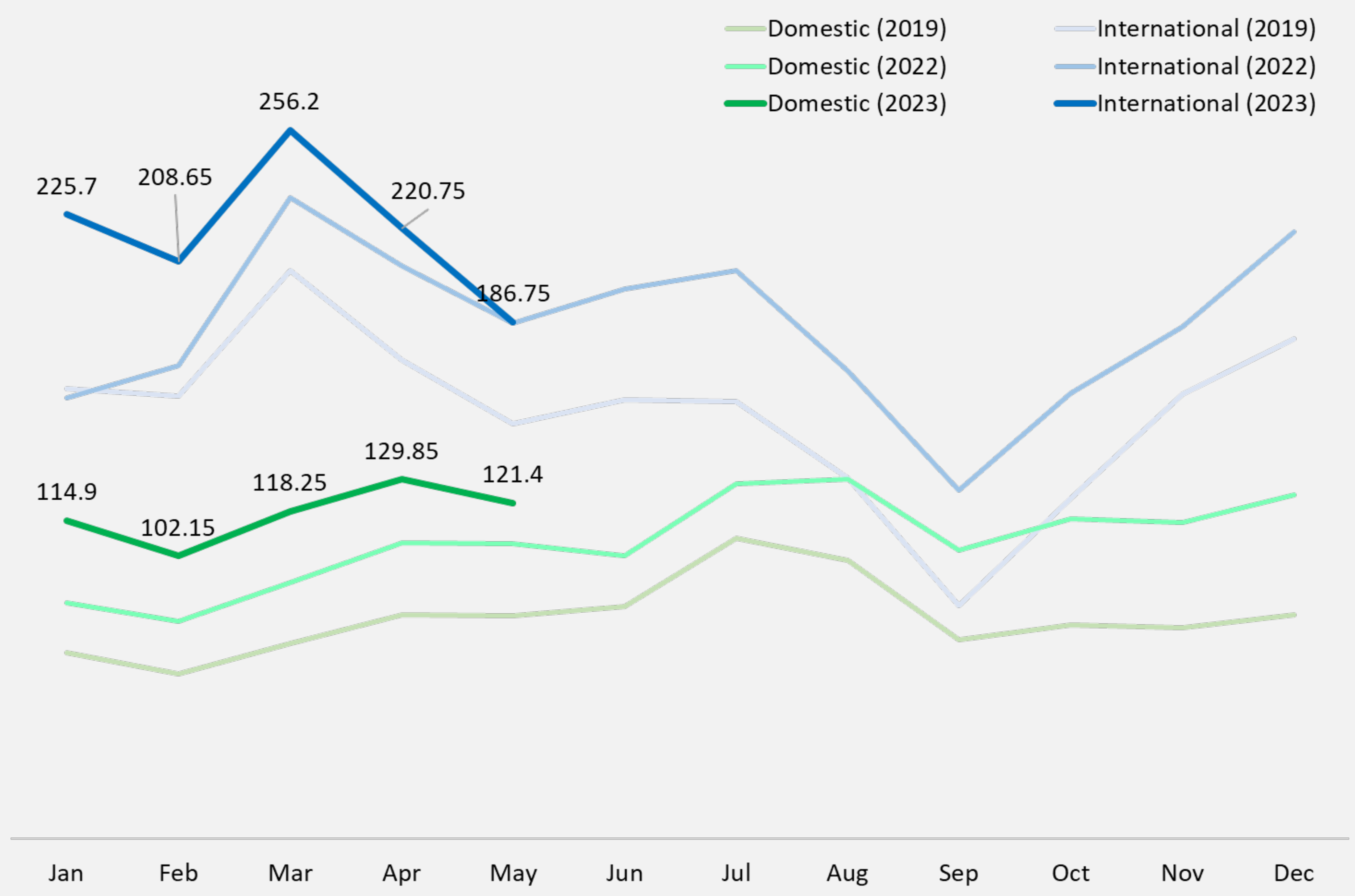
Domestic Passengers:
121.4 mil
+14% vs May-2022

International Passengers:
186.75 mil
+0.2% vs May-2022

Domestic:
39.4%
Intern.: **60.6%**

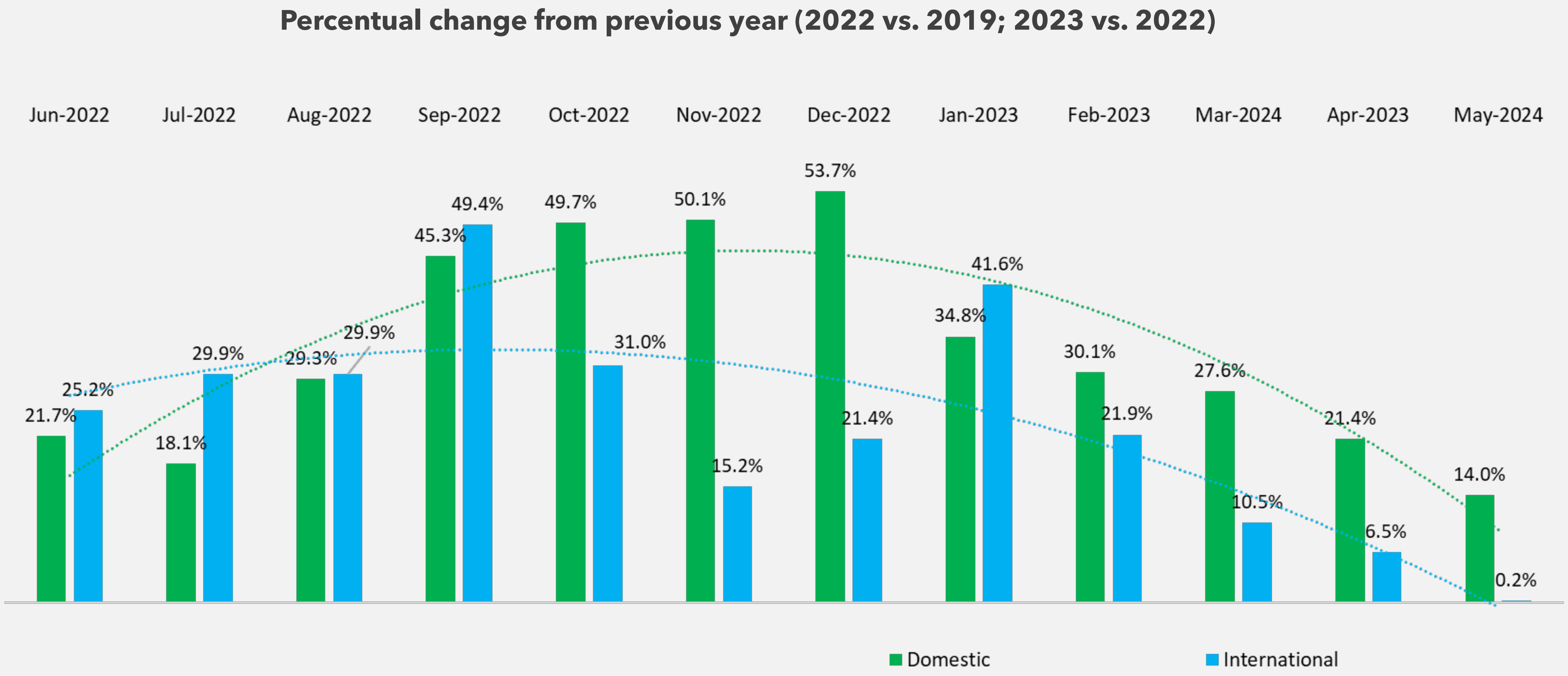
Source: GAP

Passenger Arrivals at Los Cabos Airport, 2019-2023 (May-2023)



LOS CABOS

Passenger Arrivals at Los Cabos Airport, 2019-2023 (May-2023)



SOURCE: GAP

LOS CABOS

LOS CABOS TOURISM OBSERVATORY

PASSENGER ARRIVALS BY NATIONALITY

Foreign Tourist Admittances through SJD by Country of Residence (Apr-2023)

Key Indicators
(Apr-2023)

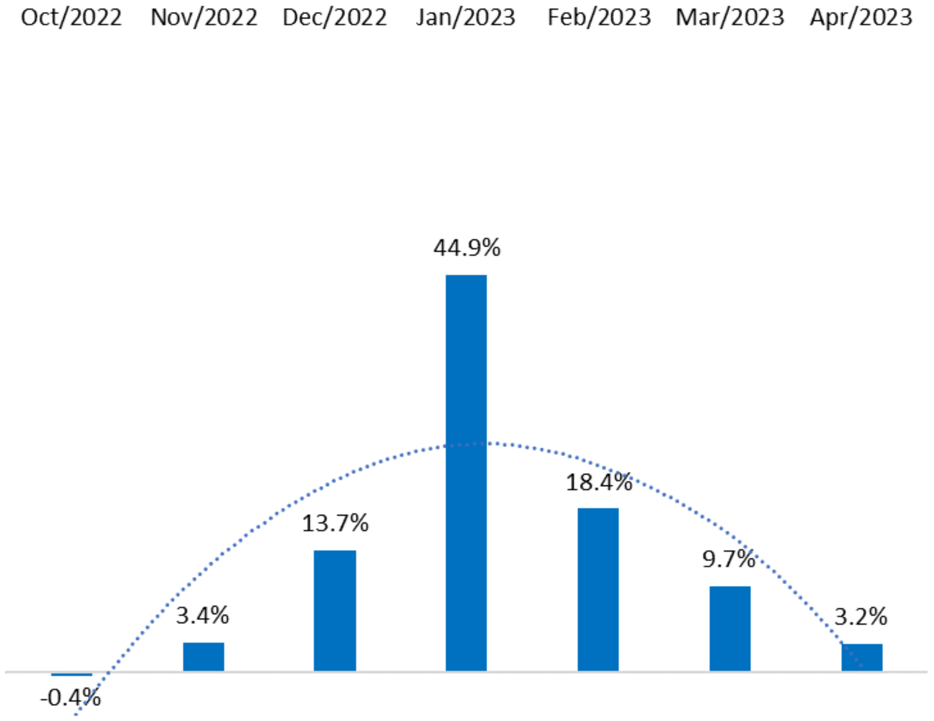
International Arrivals (Apr):
202,710 thousand
+3.2% vs Apr-2022

International Arrivals (Cum):
864.7 thousand
+16.8% vs 2022

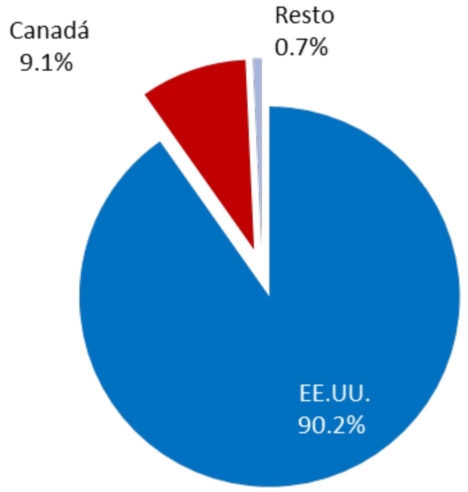
U.S.: **90.2%**
Canada.: **9.1%**

SOURCE: INM- SIOM

Annual change in foreign tourist arrivals to San Jose del Cabo airport (Oct-2022 to Apr 2023 vs. 2022)



Foreign Tourist Arrivals in San Jose del Cabo International Airport, per - Residence (Apr-2023)



Key Indicators
(Apr-2023)

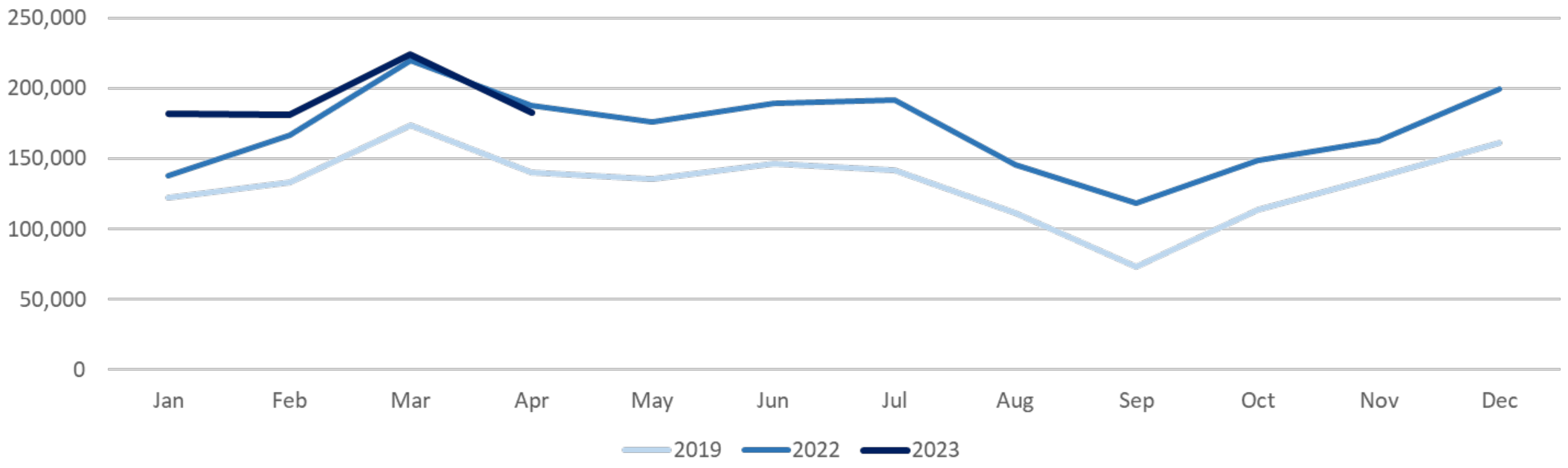
U.S. Arrivals (Apr):
182.9 thousand
-2.7% vs Apr-2022

U.S. Arrivals (Cum. 2023):
770.1 thousand
+8% vs 2022

SOURCE: INM- SIOM

International Arrivals in SJD, monthly, U.S. Residents

EE.UU.	Ene	Feb	Mar	Abr	May	Jun	Jul	Ago	Sep	Oct	Nov	Dic
2019	122,360	132,938	173,759	140,159	135,239	146,487	142,111	111,494	73,431	113,947	137,433	161,174
2022	137,967	166,842	220,094	187,961	176,380	189,451	191,412	146,061	118,447	148,776	163,034	199,602
2023	181,783	181,246	224,160	182,890								



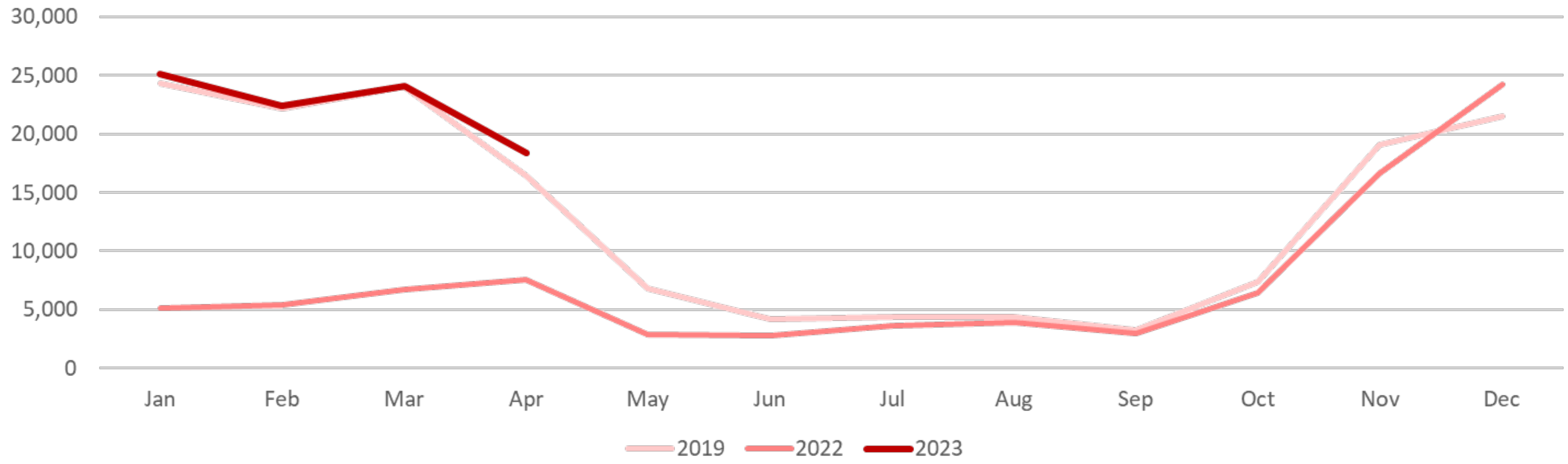
Key Indicators
(Apr-2023)

International Arrivals in SJD, monthly, Canadian Residents

Canada	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2019	24,304	22,196	24,065	16,499	6,852	4,225	4,373	4,425	3,261	7,350	19,046	21,542
2022	5,176	5,388	6,760	7,578	2,888	2,838	3,651	3,884	3,022	6,457	16,650	24,241
2023	25,135	22,404	24,097	18,354	-	-	-	-	-	-	-	-

Canadian Arrivals (Apr):
18.4 thousand
+142.2% vs Apr-2022

Canadian Arrivals (Cum. 2023):
90 thousand
+261.4% vs 2022

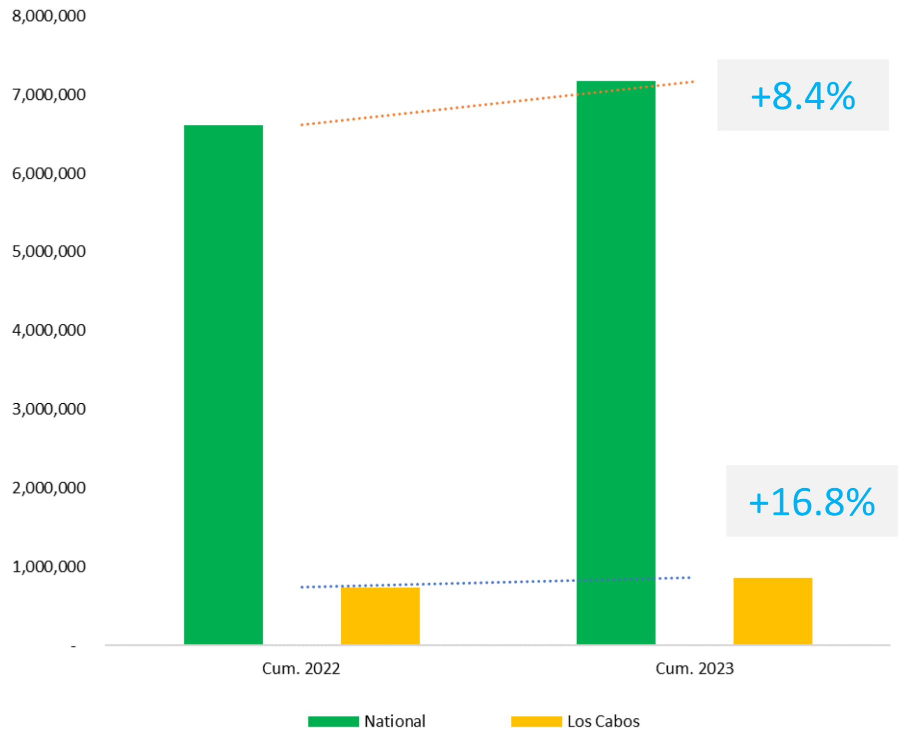


SOURCE: INM- SIOM

Foreign Tourist Admittance through SJD by Country of Residence, cumulative

Region	National			Los Cabos		
	Cum. 2022	Cum. 2023	Δ 2023/2022	Cum. 2019	Cum. 2022	Δ 2023/2022
United States	4,414,442	4,335,290	-1.8%	712,864	770,079	8.0%
Canada	643,827	1,175,889	82.6%	24,902	89,990	261.4%
Europe	672,250	689,112	2.5%	1,099	2,165	97.0%
Caribbean, South and Central A.	734,189	793,913	8.1%	363	445	22.6%
Rest	146,857	172,004	17.1%	835	2,048	145.3%
Total	**6,611,565**	**7,166,208**	**8.4%**	**740,063**	**864,727**	**16.8%**

Key Market	National			Los Cabos		
	Cum. 2019	Cum. 2022	Δ 2023/2022	Cum. 2019	Cum. 2022	Δ 2023/2022
United Kingdom	151,604	133,988	-11.6%	452	685	51.5%
Australia	151,604	133,988	-11.6%	103	637	518.4%
South Korea	6,689	15,107	125.8%	8	149	1762.5%
Total	**309,897**	**283,083**	**-8.7%**	**563**	**1,471**	**339.1%**



SOURCE: INM- SIOM

International Arrivals, all Mexico (Cum.):
7.16 millones
+8.4% vs 2022

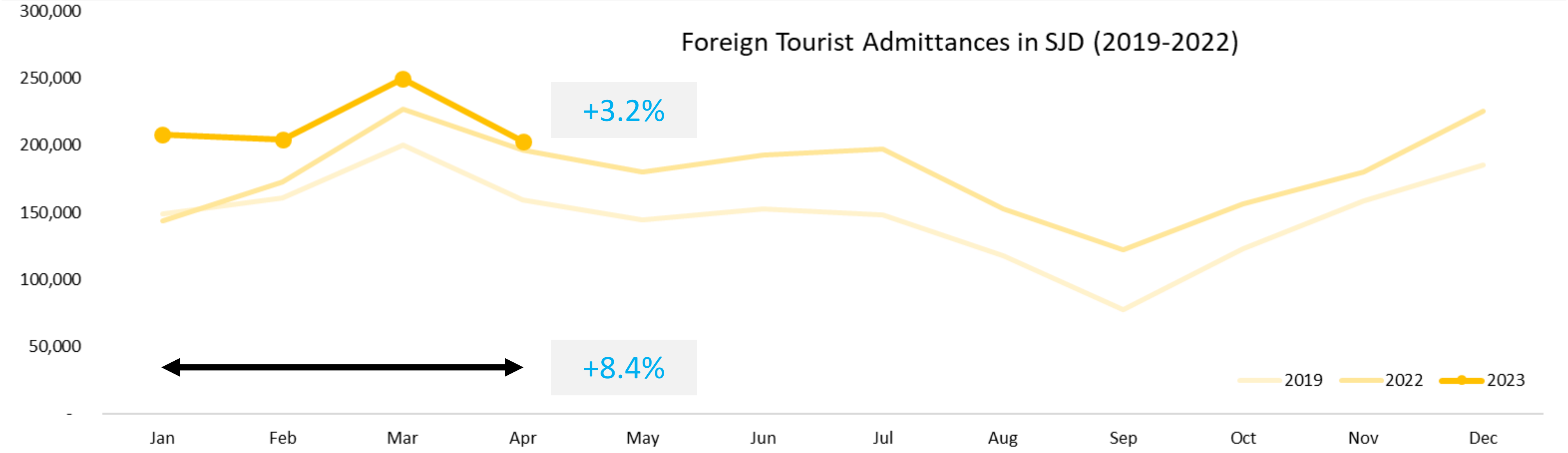
Key Markets, all Mexico (Cum.):
283 mil
-8.7% vs 2022

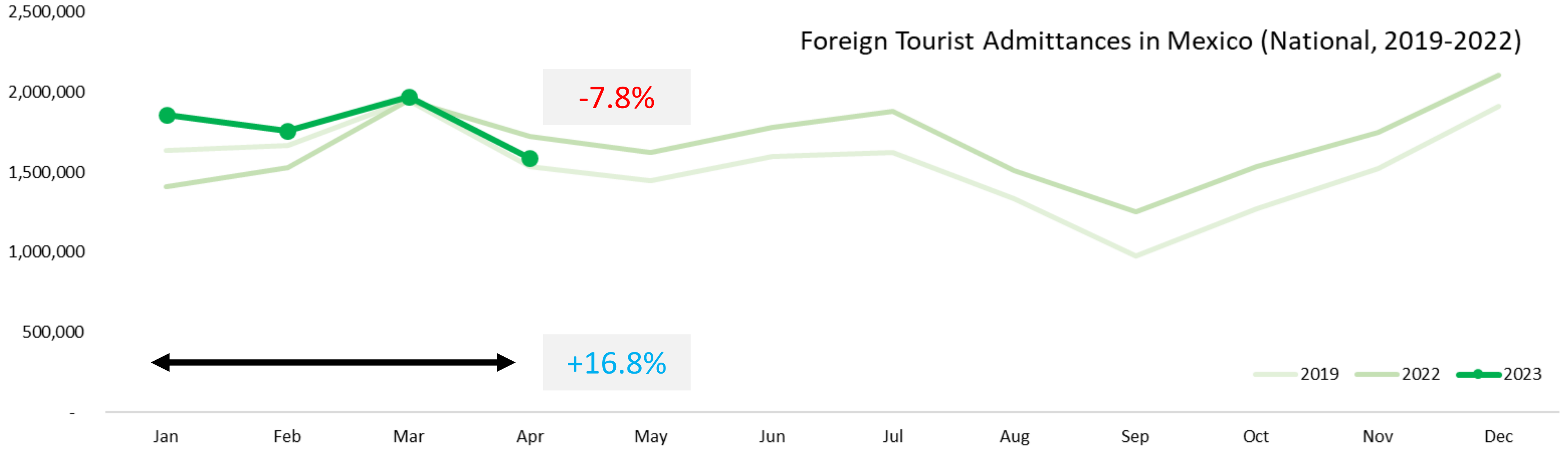
International Arrivals, SJD (Cum.):
864.7 mil
+16.8% vs 2022

Key Markets, SJD (Cum.):
1.47 mil
+339.1% vs 2022
SOURCE: INM- SIOM

LOS CABOS

Foreign Tourist Admittances through SJD by Country of Residence, cumulative Jan-Apr 2023 (cont.)





SOURCE: INM- SIOM

LOS CABOS

LOS CABOS TOURISM OBSERVATORY

CRUISE AND YACHT ACTIVITY

Cruise Activity (Apr-2023)

Key Indicators
(Apr-2023)

Vessels (month)
33
(+9 vs Apr-2022)

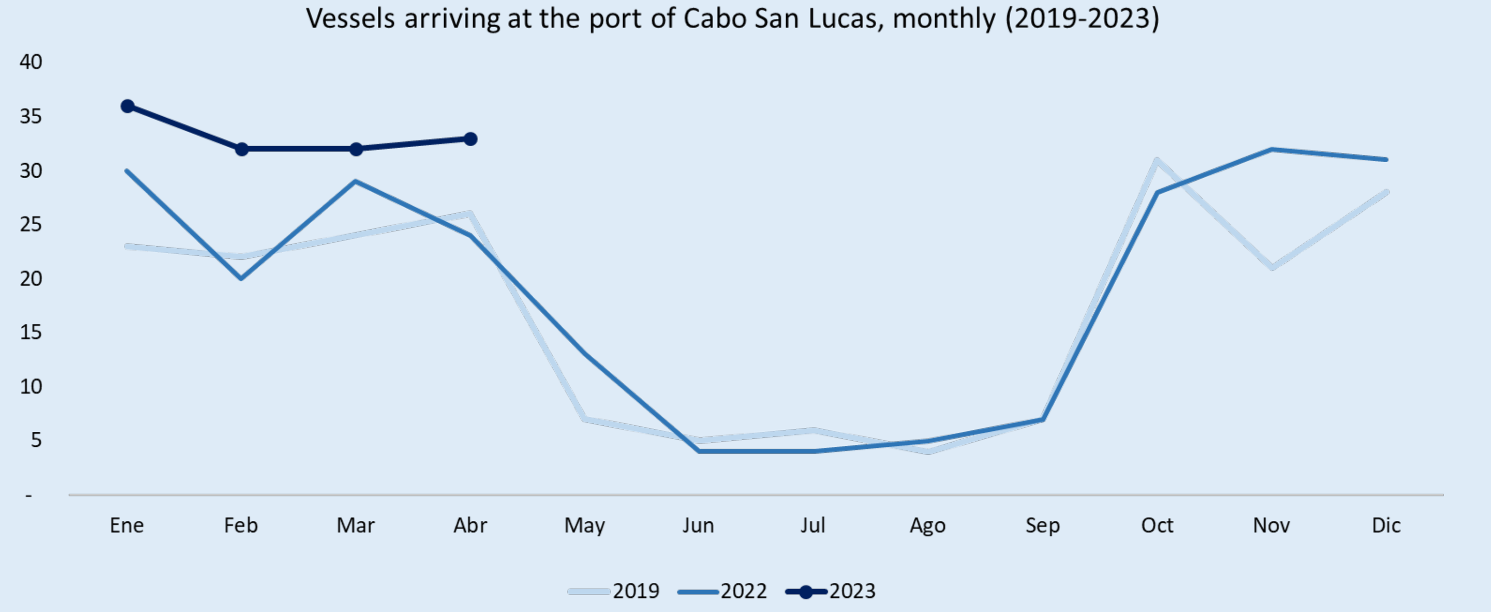
Vessels (cum.)
133
(+29.1% vs 2022)

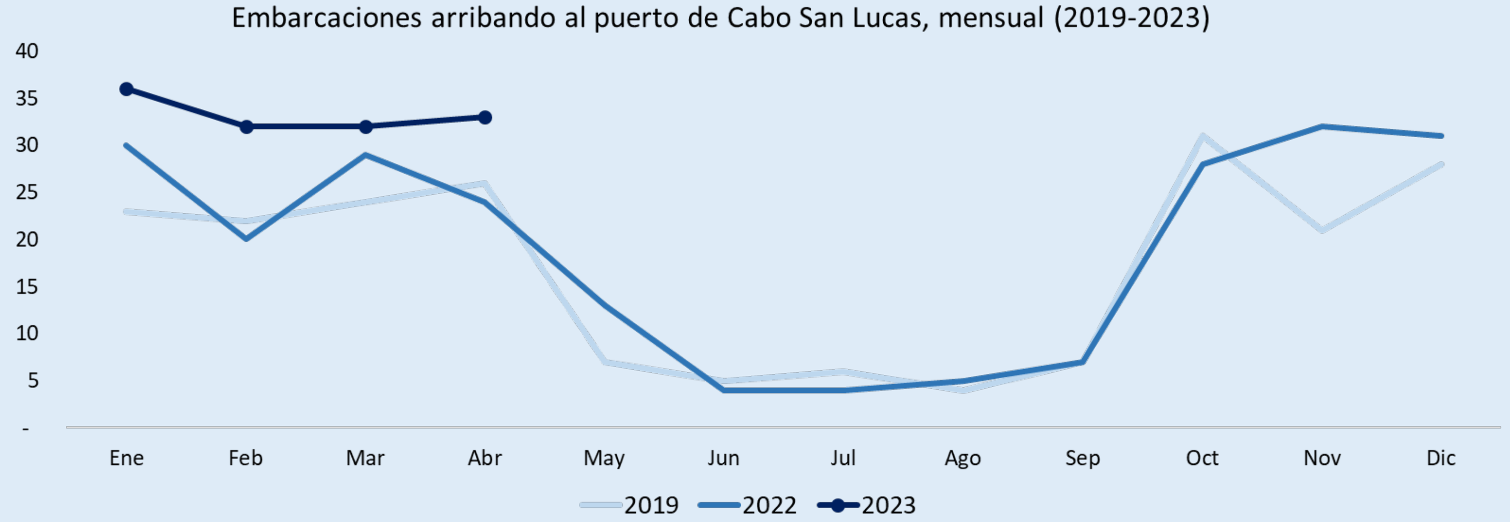
PAX (month)
95,955
(+75.7% vs Apr-2022)

PAX (cum.)
400,569
(+115.7% vs 2022)

PAX/Vessel
2,908
(+27.8% vs Abr-2022)

Source: DATATUR-SCT





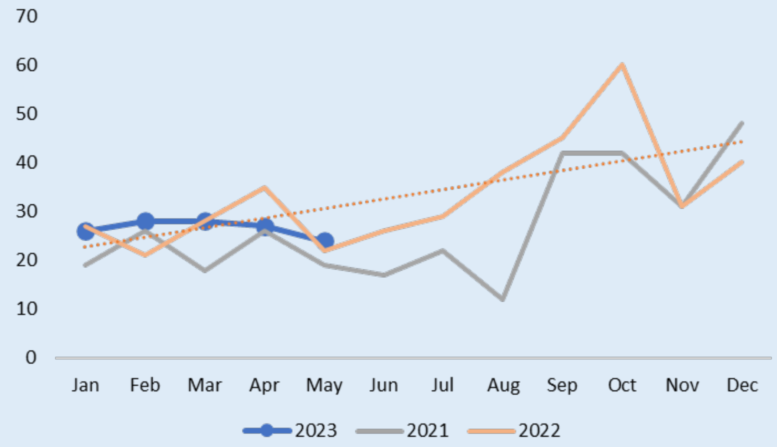
LOS CABOS

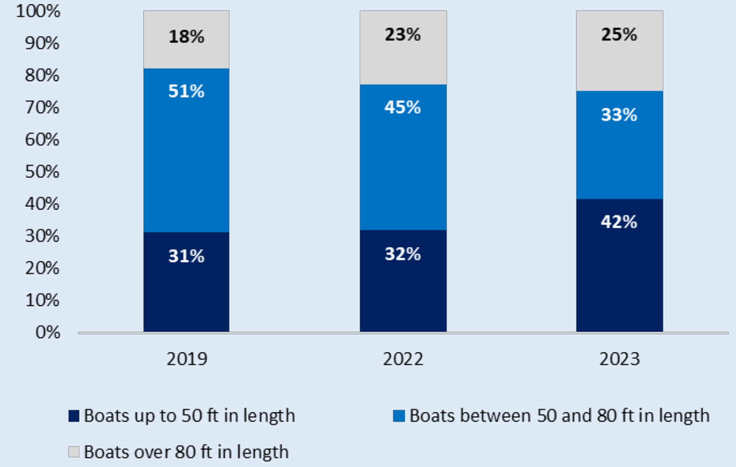
Yacht Arrivals in Cabo San Lucas (Apr-2023)

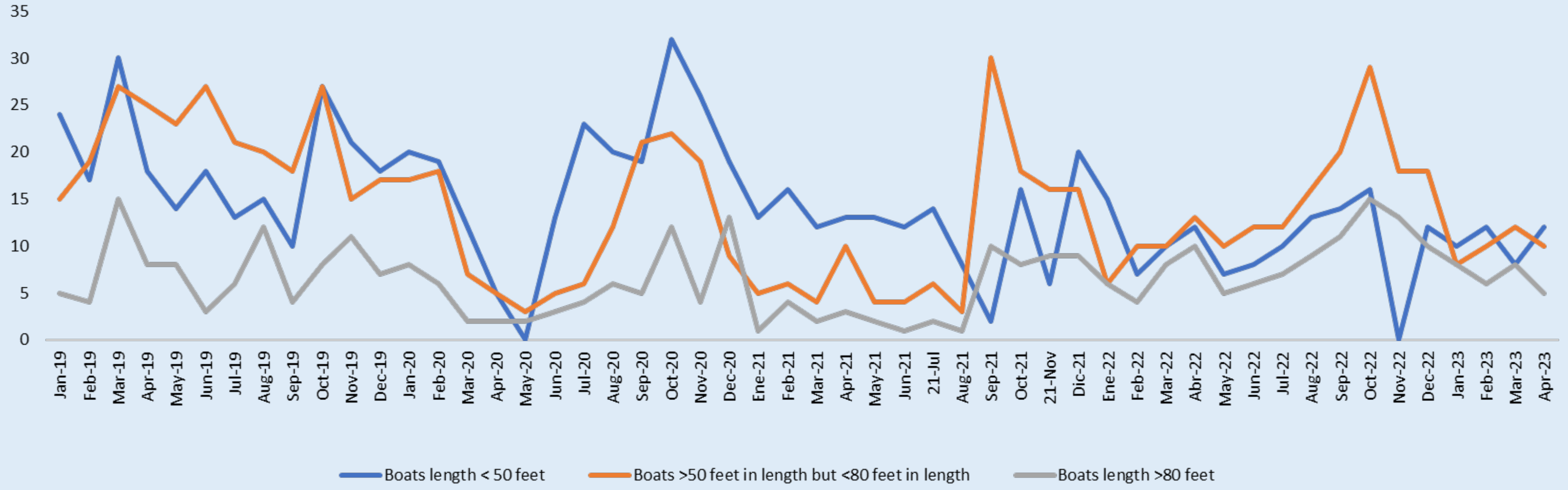
Key Indicators
(May-2023)

Yachts
(current month)
24
(+9% vs May-2022)

Yachts
(cumulative 2023)
133
(+0% vs 2022)







Source: API Cabo San Lucas

LOS CABOS

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TOURISM OBSERVATORY

TOURIST SURVEYS AND MEETINGS

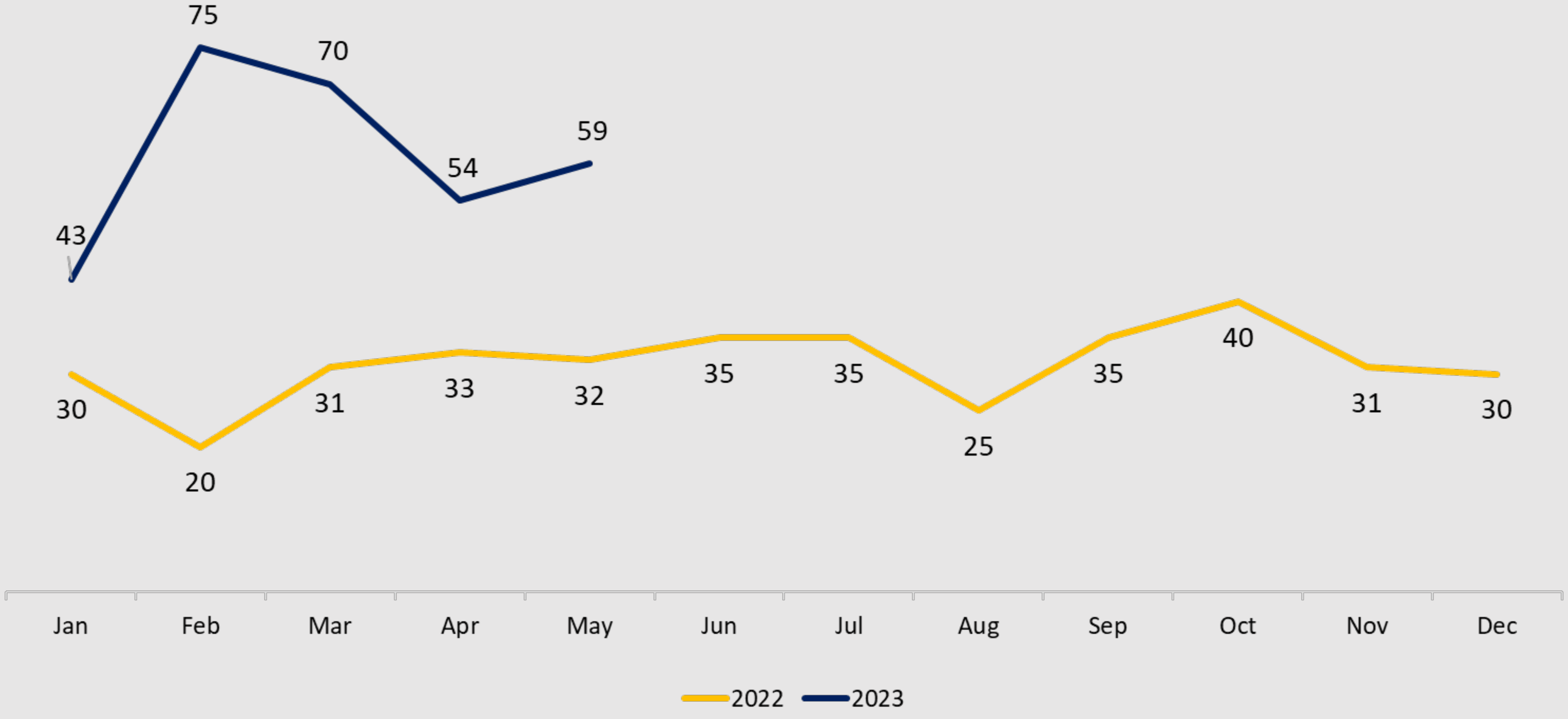
Meetings (May-2023)

Key Indicators
(May-2023)

RFPs (month)
59
(+27 vs May-2022)

RFPs (cumulative)
301
(+29.2% vs 2022)

Received RFPs for Meetings and Group Events, 2022-23 (CVENT)



Fuente: CVENT

LOS CABOS

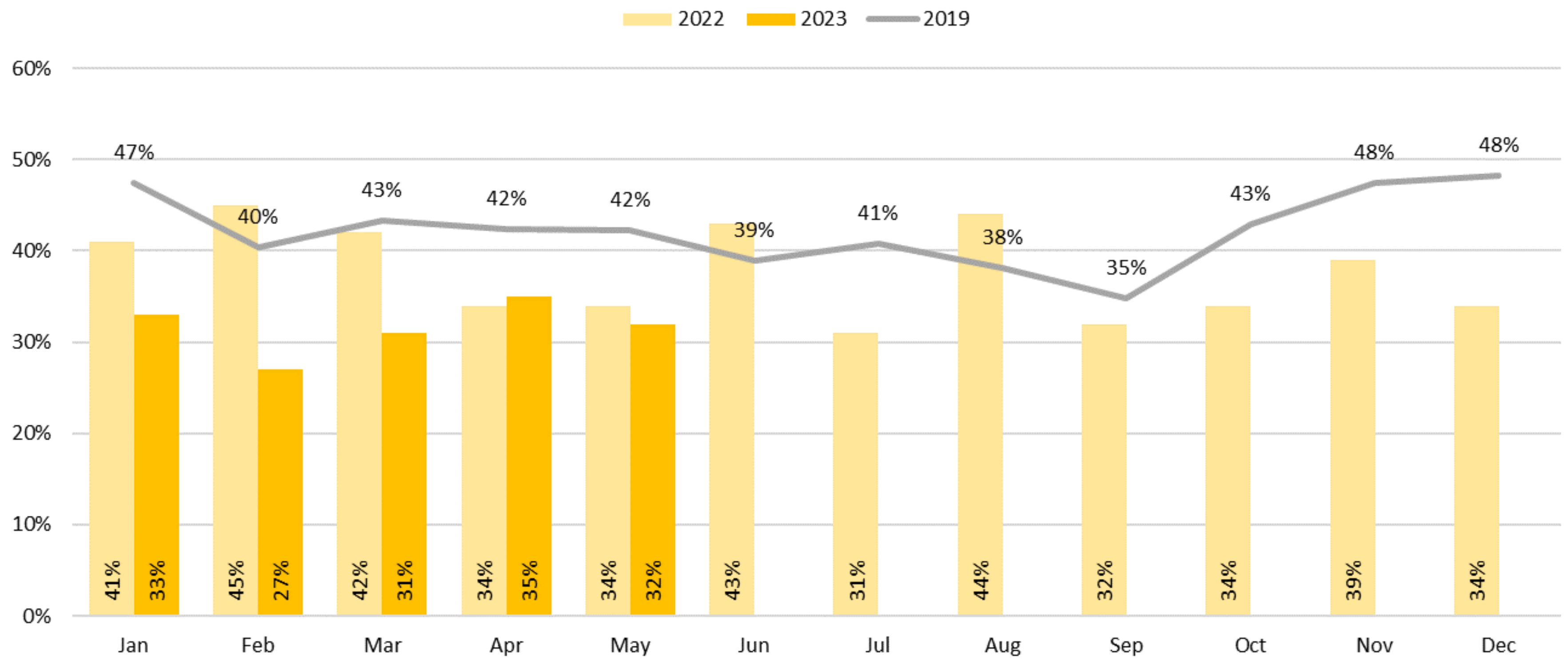
Returning Tourists

Turistas repetitivos May-2023:

32%

-2pp

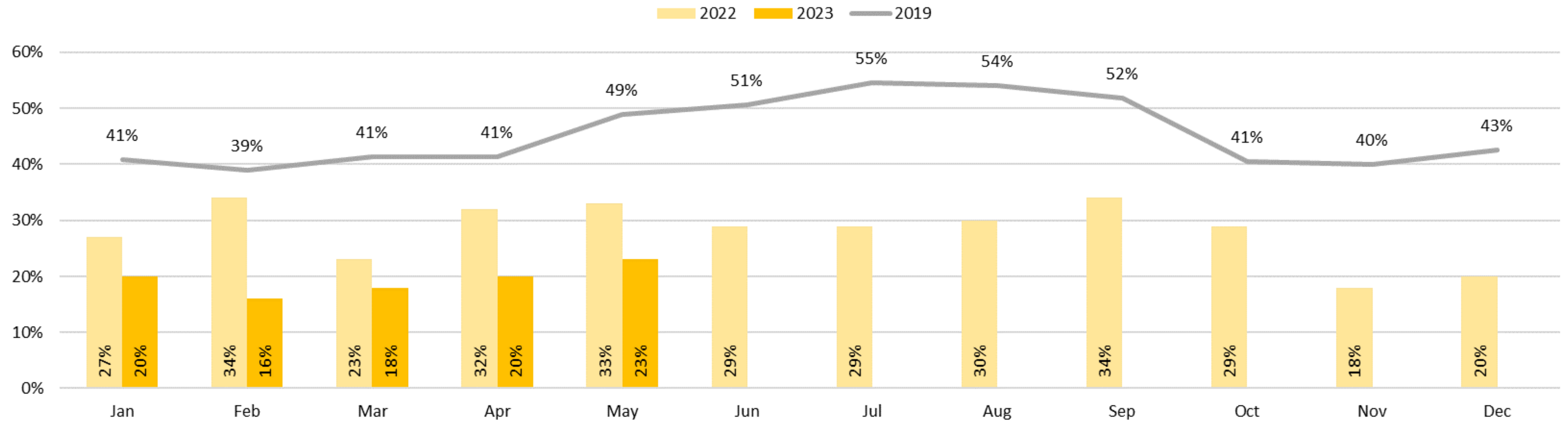
vs May-2022



SOURCE: TOURIST SURVEY

Package Tours

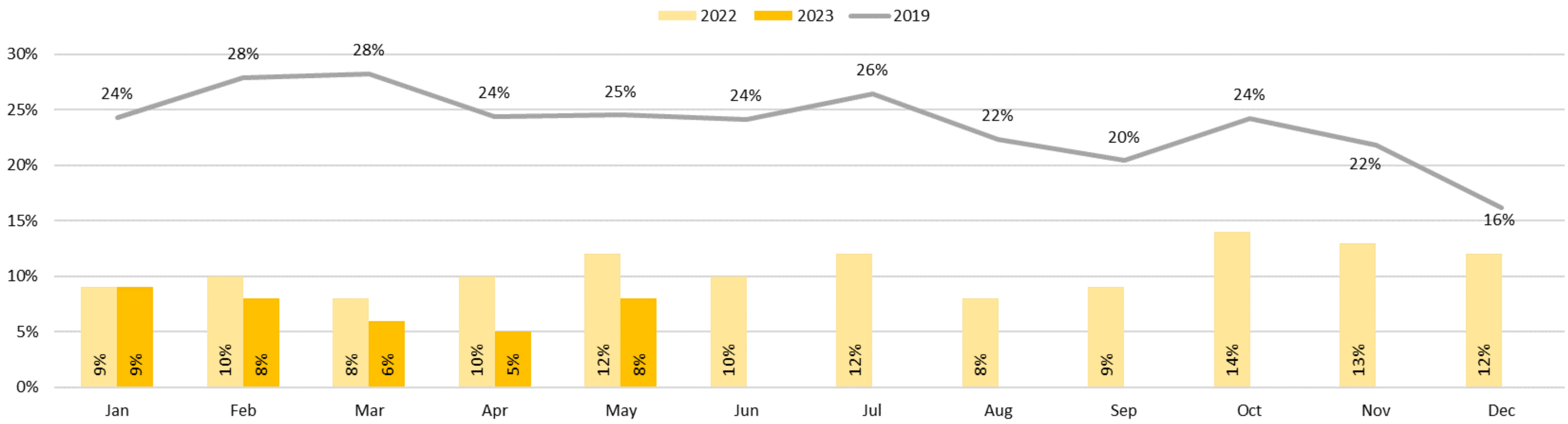
Package Tourse May-2023:
23%
-10pp
vs May-2022



SOURCE: TOURIST SURVEY

Timeshares

Timeshare Use May-2023:
8%
-4pp
vs May-2022

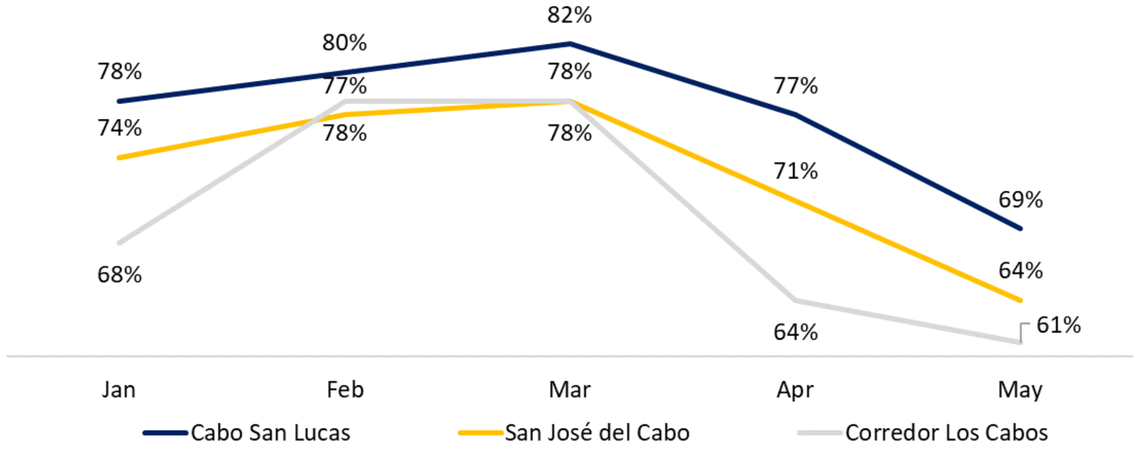


SOURCE: TOURIST SURVEY

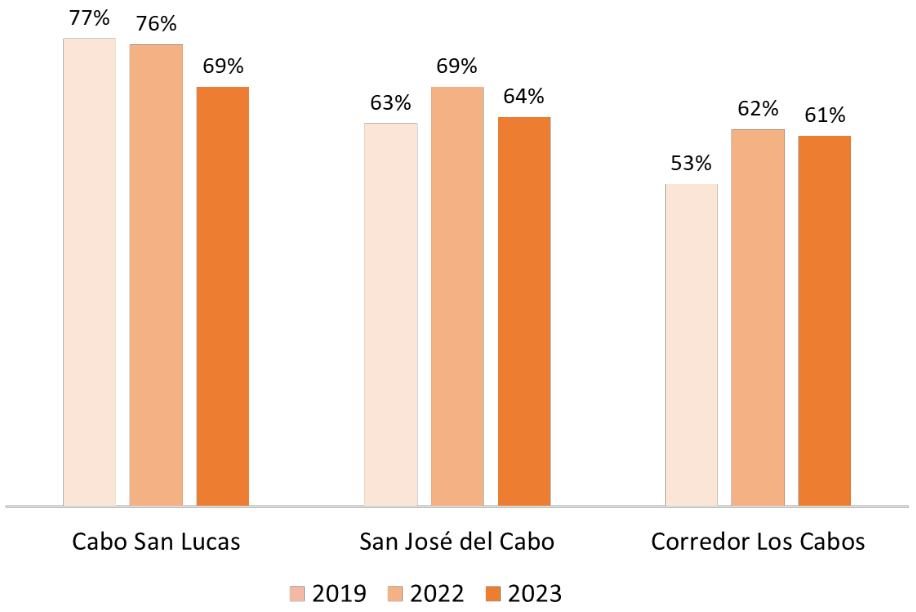
LOS CABOS TOURISM OBSERVATORY

HOTEL ACTIVITY

Hotel Occupancy for Los Cabos and Sub-destinations (May-2023)



SOURCE: AHLC



SOURCE: AHLC

SOURCE: AHLC

Cabo San Lucas:
(May-2023):
69%
-7 pp vs May-2022

San José del Cabo:
(May-2023)
64%
-5 pp vs May-2022

El Corredor:
(May-2023)
61%
-1% vs May-2022

LOS CABOS

Hotel Activity (Mar-2023)

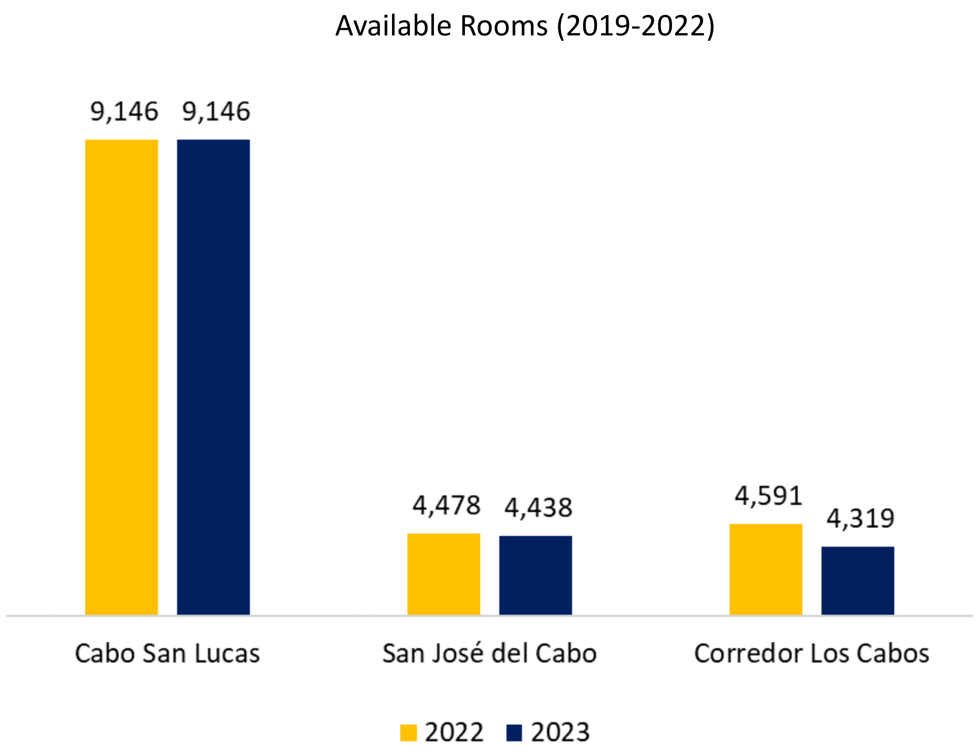
Key Indicators
(May-2023)

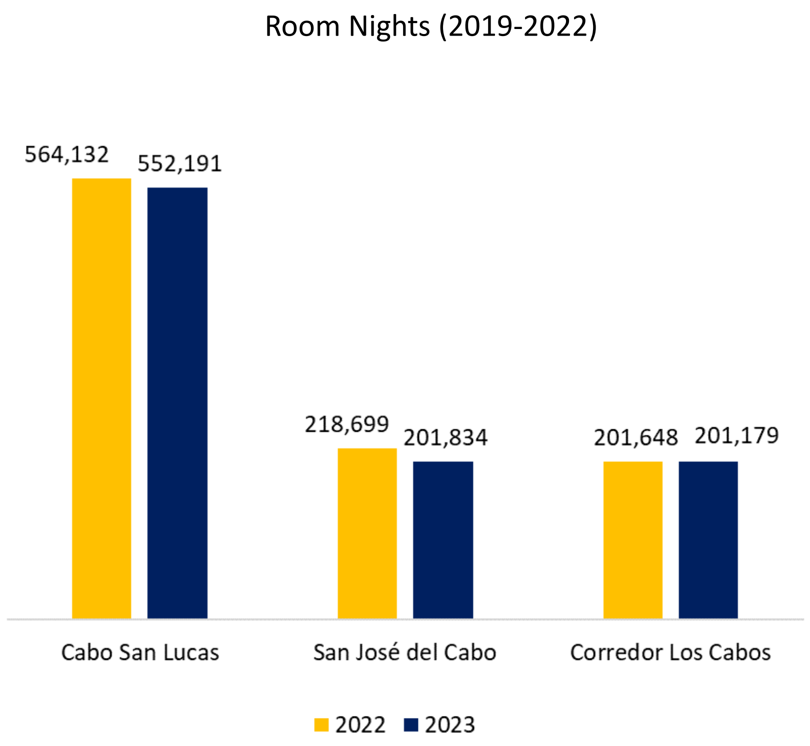
Cabo San Lucas
(Supply)
9,146 rooms
(+0% vs May-2022)

San José del Cabo
(Supply)
4,338 rooms
(-0.9% vs May-2022)

El Corredor
(Supply)
4,319 rooms
(-5.9% vs May-2022)

Source: DATATUR



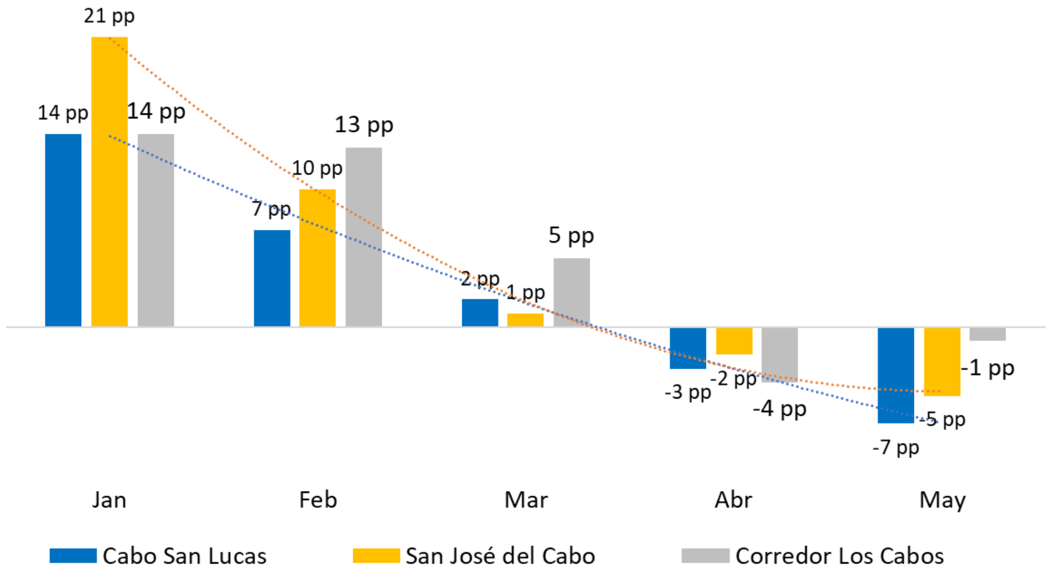


LOS CABOS

Annual Variations in Hotel Occupancy and Tourist Arrivals

Annual Variation in Hotel Occupancy, by destination

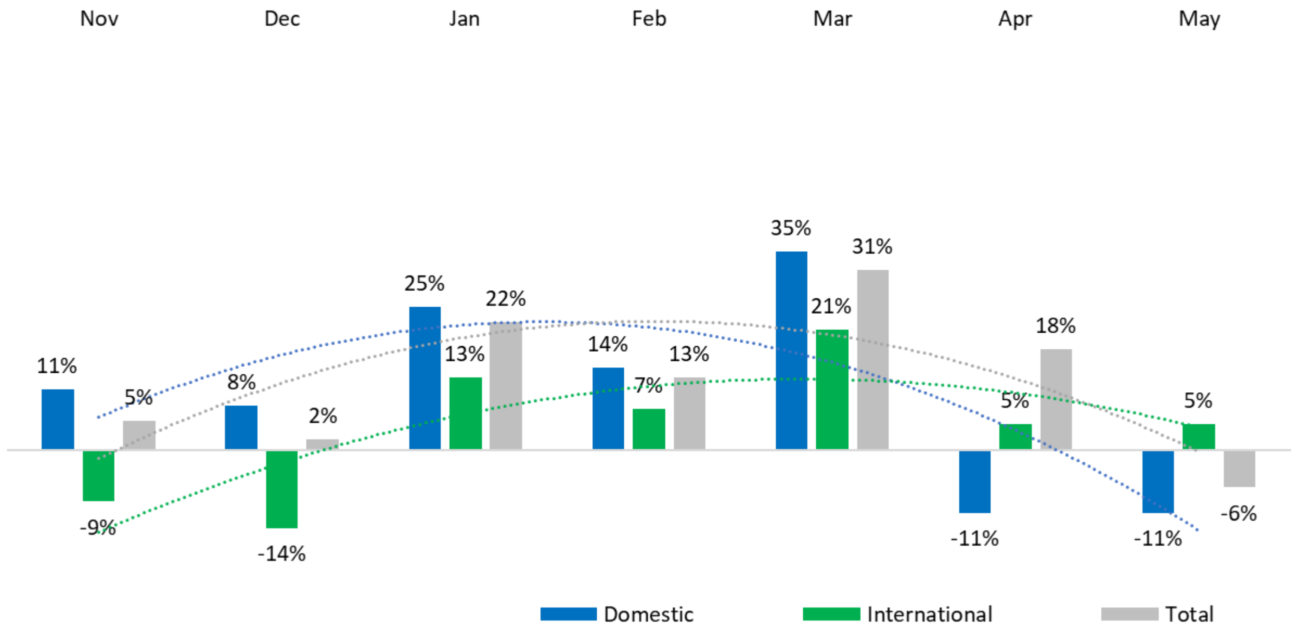
(2023 vs 2022)



SOURCE: AHLC

Annual Variation in Tourist Arrivals to Hotels, by Origin.

(Nov-2022 to May-23, vs. 2022)



SOURCE: DATATUR

Average Daily Rate and RevPAR (May-2023)

Key Indicators
(May-2023)

ADR (Los Cabos)
$475
(+11% vs May-2022)

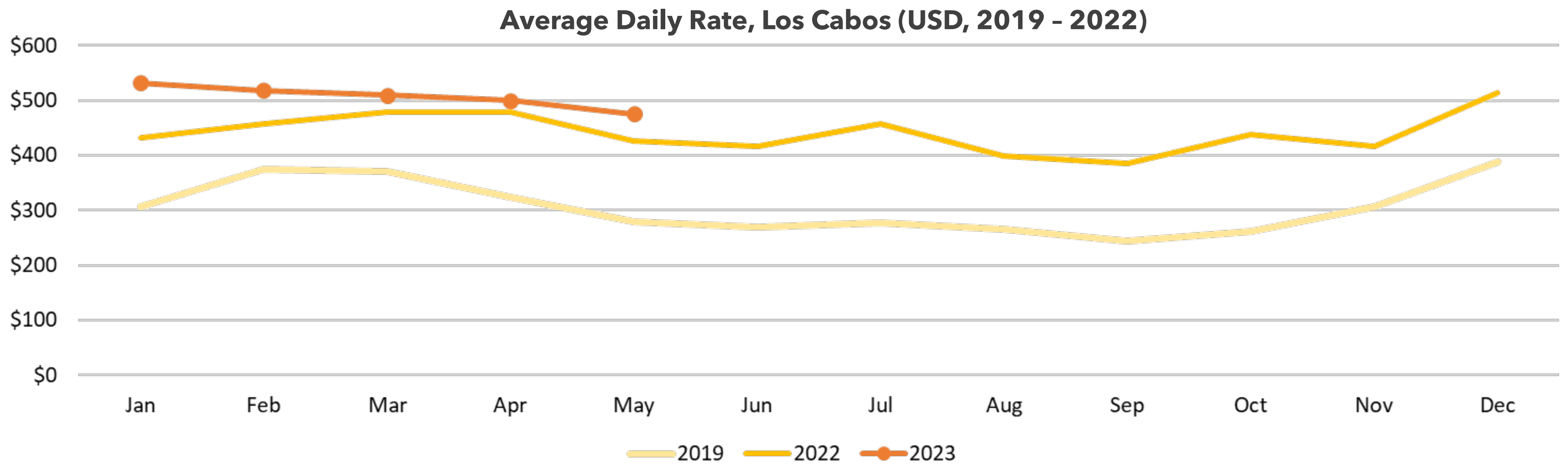
ADR (Cabo San Lucas)
$317
(+14% vs May-2022)

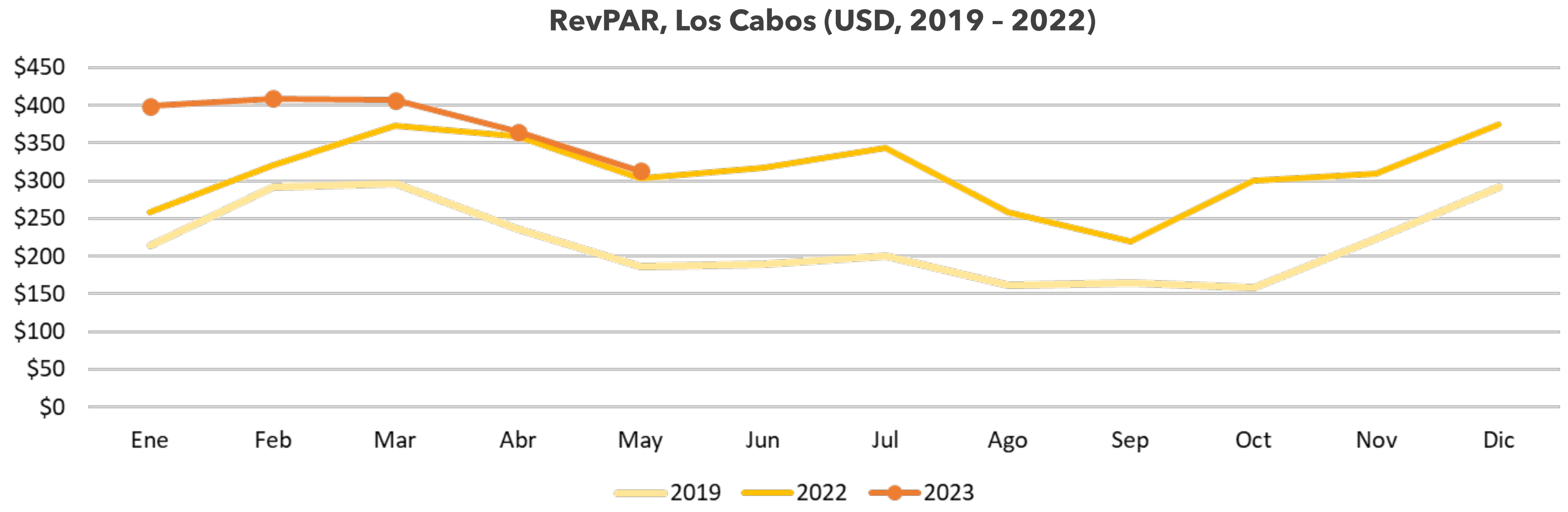
ADR (San José del Cabo)
$374
(+10% vs May-2022)

ADR (El Corredor)
$591
(-7% vs May-2022)

RevPAR (Los Cabos)
$313
(+3% vs May-2022)

Source: AHLC





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TOURISM OBSERVATORY

AIR TRAVEL CONNECTIVITY

Domestic Air Connectivity

Key Indicators

Scheduled Air Seats (next 6 months):
998 thousand
(+15.3% vs 2022)

Scheduled Air Seats (Jun-2022):
149 thousand
(+23.1% vs Jun-2022)

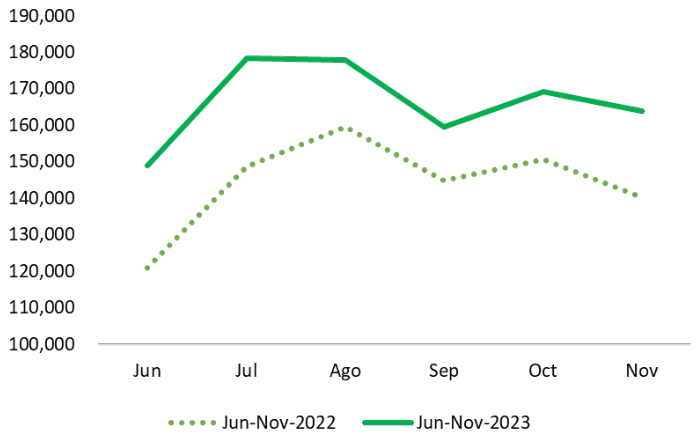
385.1 thousand
(-5.9% vs 2022)

GDL:
181.4 thousand
(+20% vs 2022)

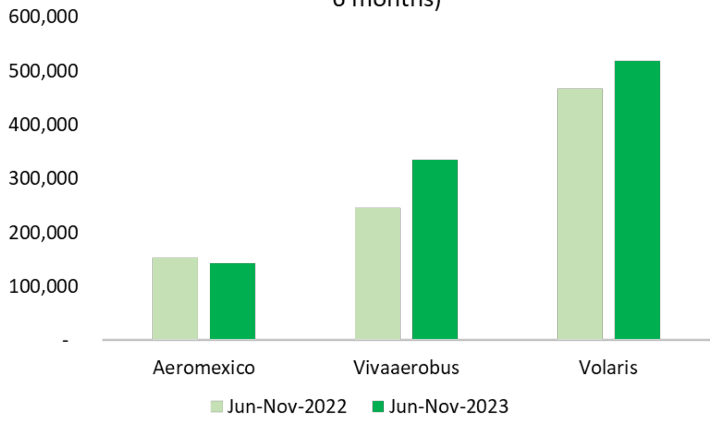
MTY:
73.4 thousand
(+3% vs 2022)

TIJ:
172.2 thousand
(+2.1% vs 2022)

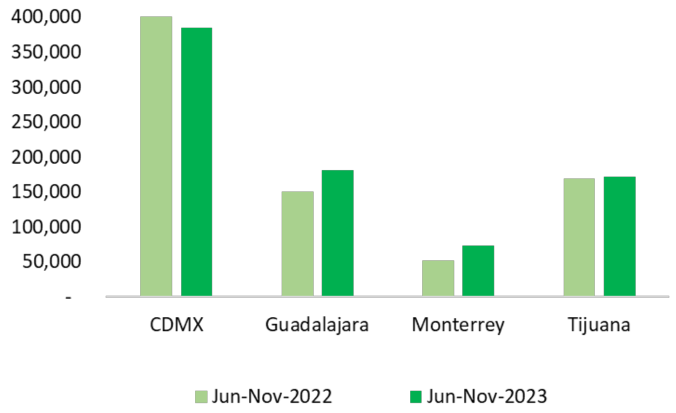
Flight Seat Scheduling to San Jose del Cabo (Domestic, next 6 months)



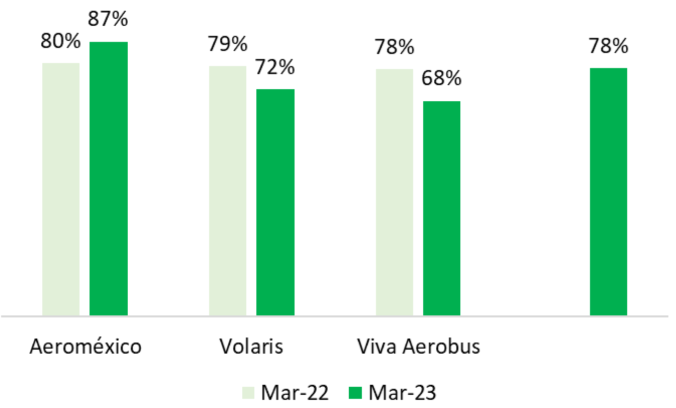
Flight Seat Scheduling per Airline (Domestic, next 6 months)



Flight Seat Scheduling per Departing Airport (Domestic, next 6 months)



Occupancy Factor of Domestic Airlines (Mar-2023)



SOURCE: OAG

LOS CABOS

Air Connectivity: U.S.

Key Indicators

Scheduled Air Seats (next 6 months): **1.16 million** (+0.8% vs 2022)

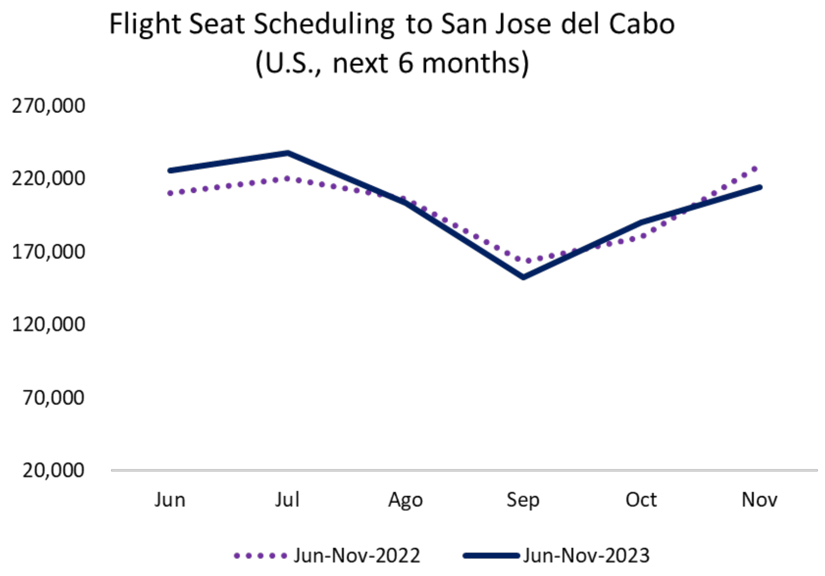
Scheduled Air Seats (Jun-2022): **215.2 mil** (+5.2% vs Jun-2022)

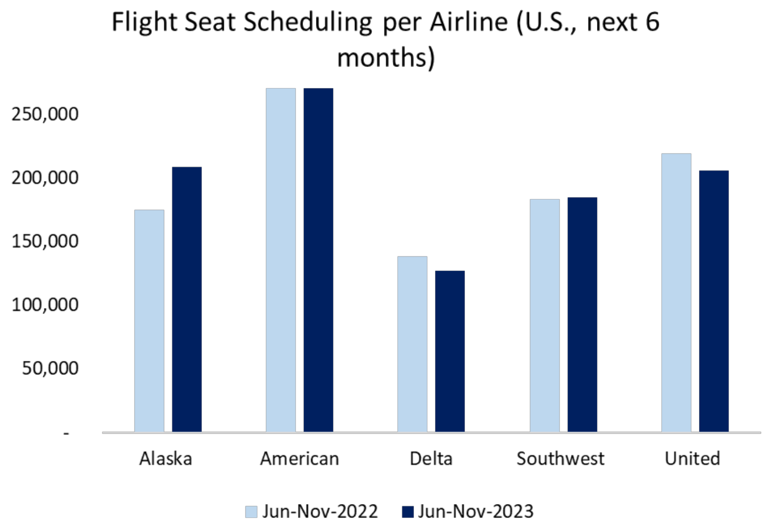
LAX: **239.4** (+17.4% vs 2022)

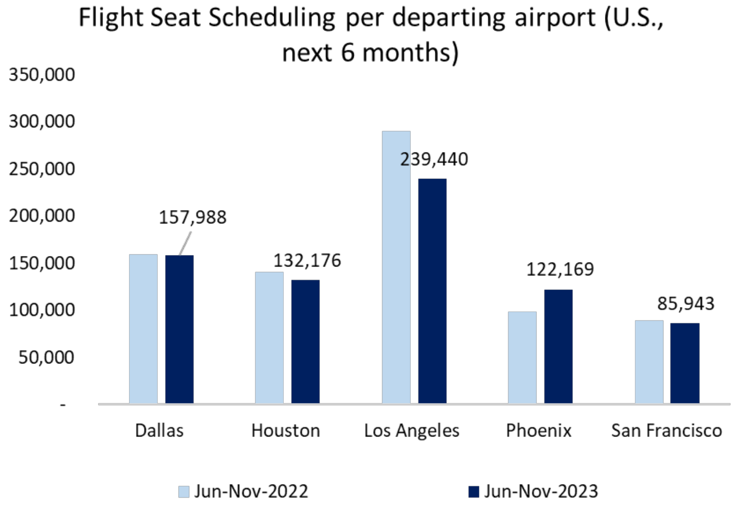
HOU: **132.2** (-5.7% vs 2022)

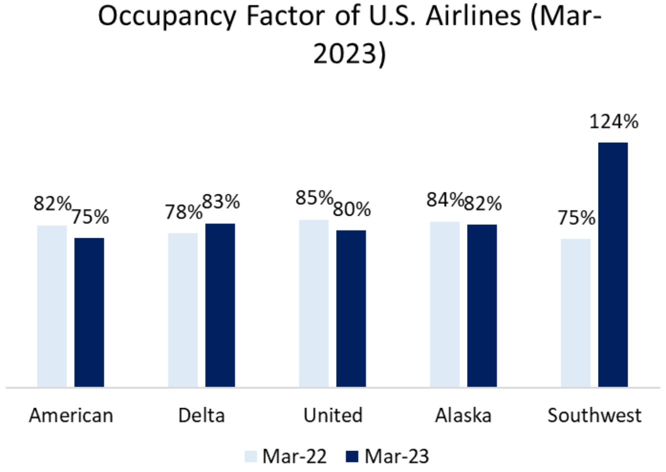
DFW: **158 mil** (-0.8% vs 022)

PHX: **122 mil** (+24.1% vs 2022)









SOURCE: OAG

LOS CABOS

Air Connectivity: Canada

Key Indicators

Scheduled Air Seats (next 6 months):
52.8 thousand
(+6.9% vs 2022)

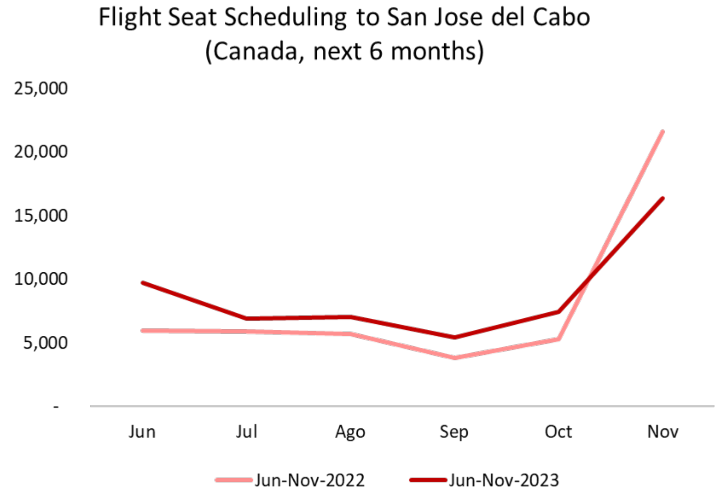
Scheduled Air Seats (Jun-2022):
9.7 thousand
(+61.9% vs Jun-2022)

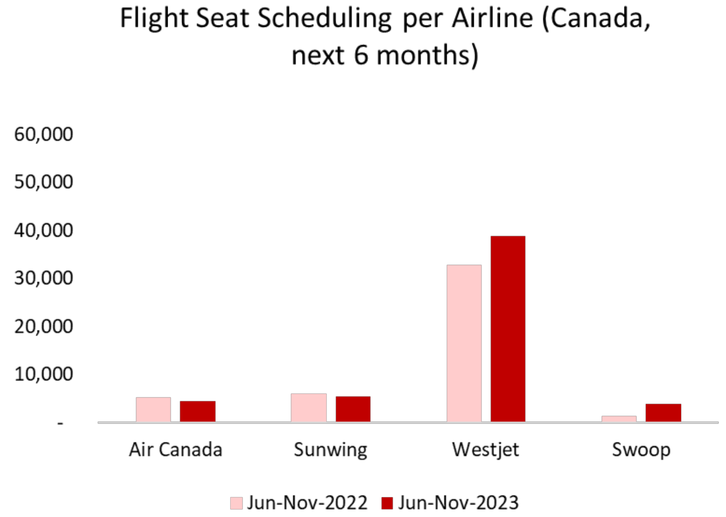
YYZ (Toronto):
5 thousand
(-18% vs 2022)

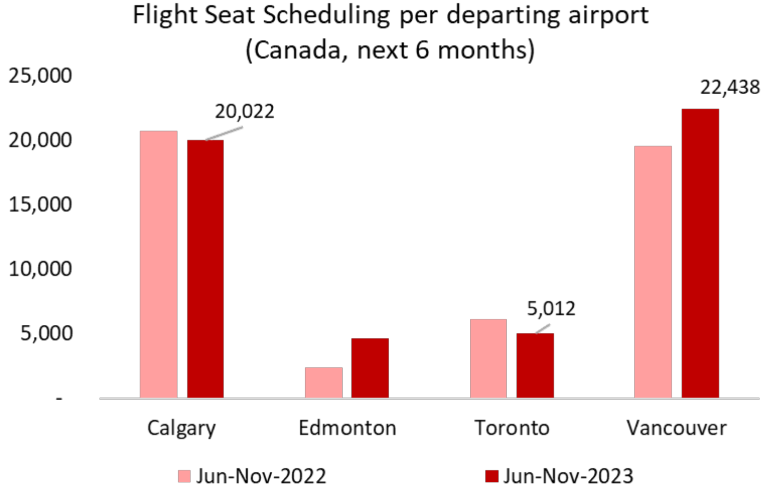
YVR (Vancouver):
22.4 thousand
(+14.8% vs 2022)

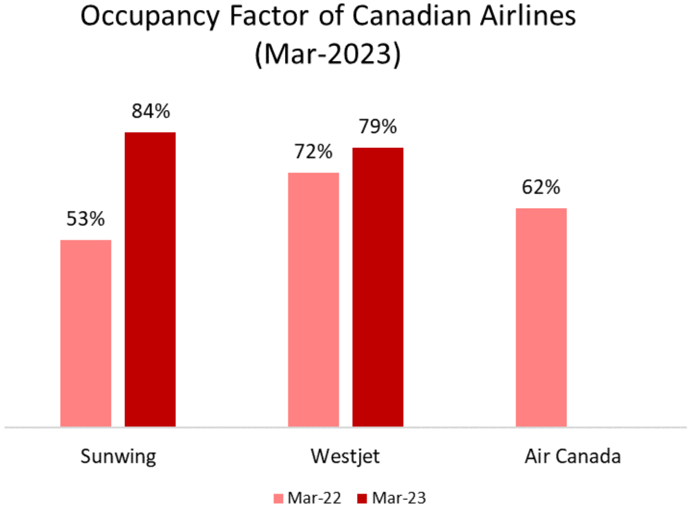
YYC (Calgary):
20 thousand
(-3.3% vs 022)

YYG (Edmonton):
4.7 thousand
(+97.8% vs 2022)









SOURCE: OAG

LOS CABOS

LOS CABOS

LOS CABOS
TOURISM OBSERVATORY

PUBLIC RELATIONS

Key Indicators
(May-2023)

Placements:
71
(-18% vs trailing 12-month average)

Reach:
3 million
(+37% vs trailing 12-month average)

SOURCE:
LLORENTE Y CUENCA

Public Relations: Placements and Reach (National)

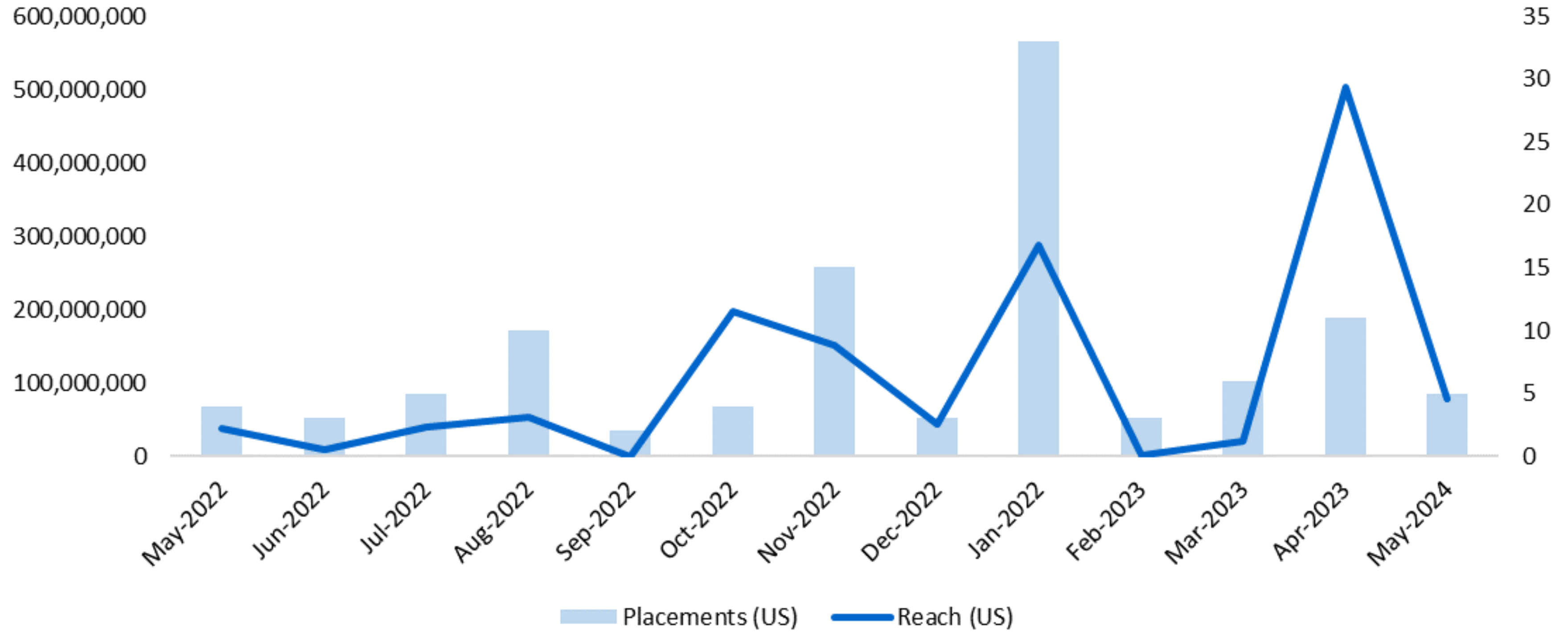
Indicadores clave
(May-2023)

Placements:
5
(-79% vs trailing 12-month average)

Reach:
77.7 million
(-63% vs trailing 12-month average)

SOURCE:
OGILVY

Public Relations: Placements and Reach (U.S.)



LOS CABOS

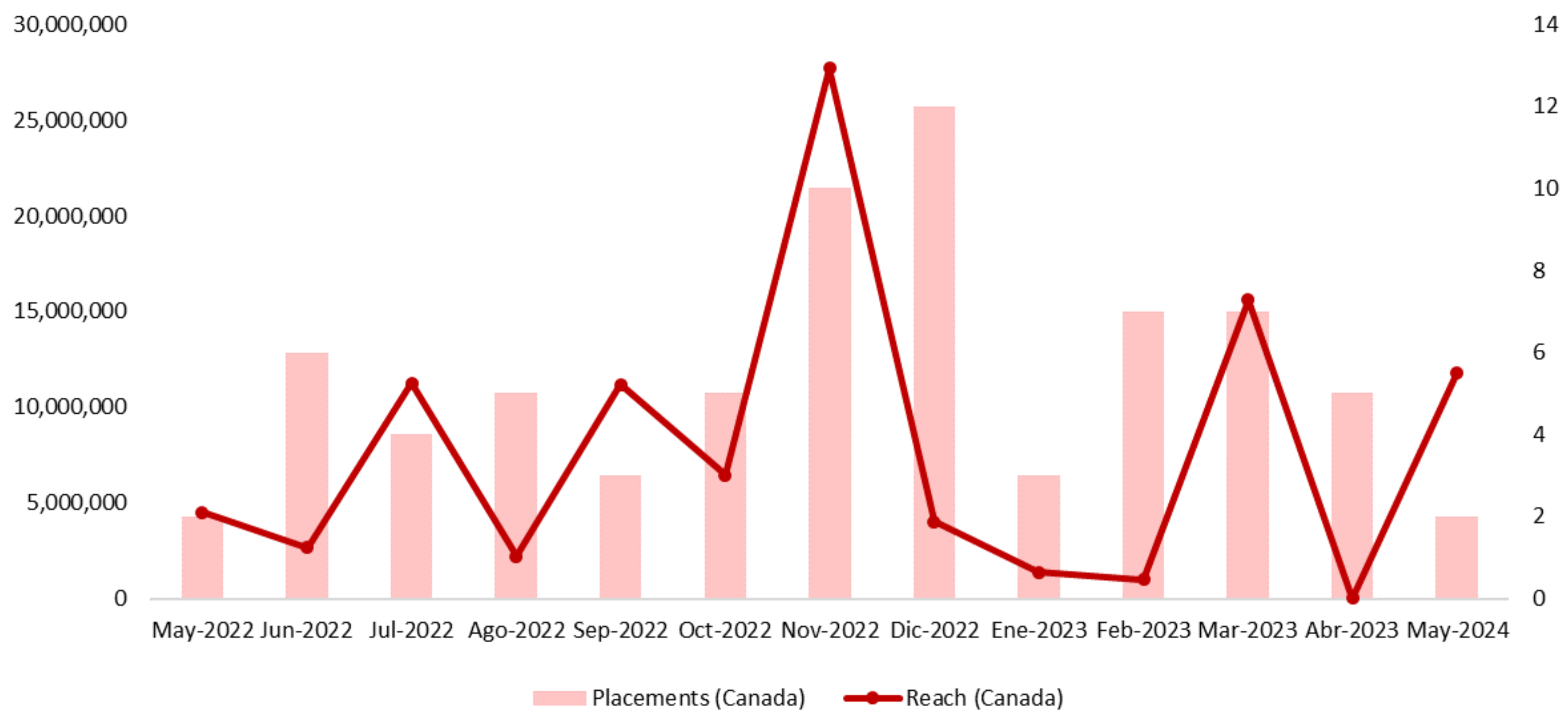
Key Indicators
(May-2023)

Placements:
2
(-70% vs trailing 12-month average)

Reach:
11.8
(+114% vs trailing 12-month average)

SOURCE:
JESSON + CO

Public Relations: Placements and Reach (Canada)



LOS CABOS

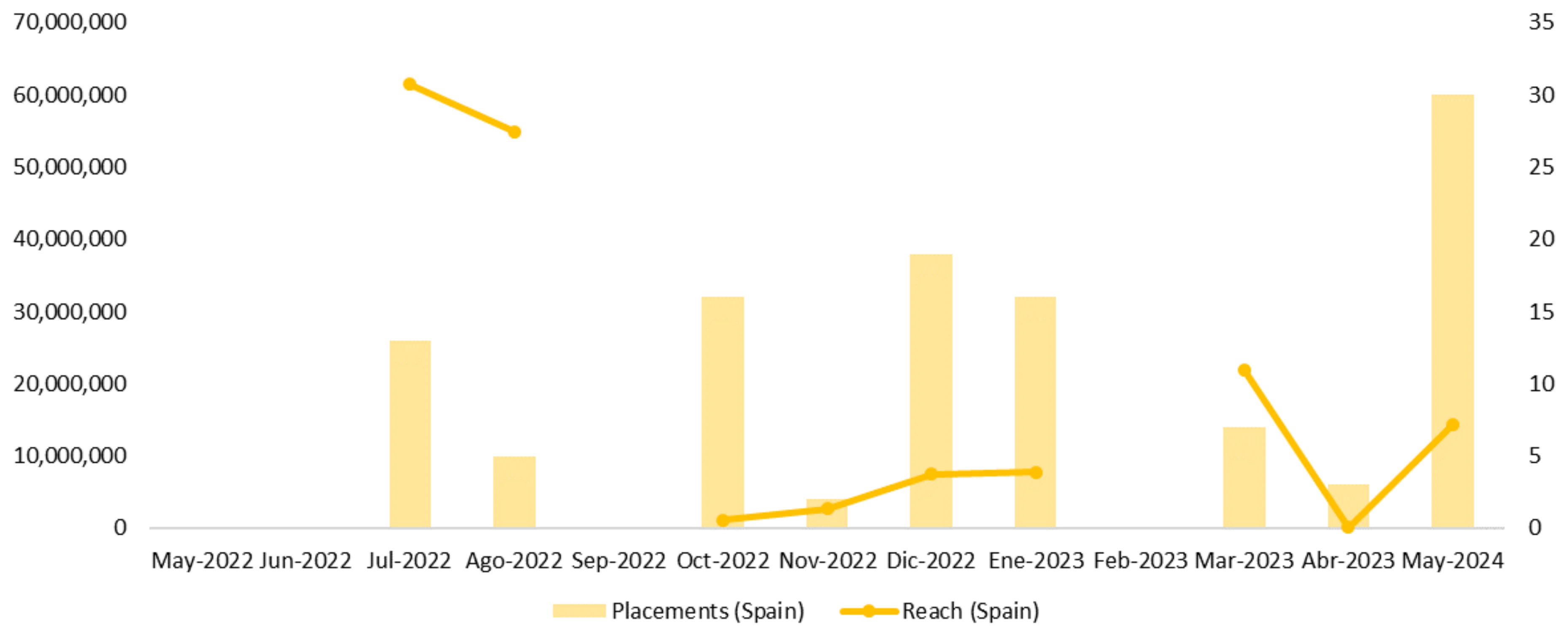
Indicadores clave
(May-2023)

Placements:
30
(+25% vs trailing
12-month average)

Reach:
14.3 million
(+143% vs trailing
12-month average)

FUENTE:
ROMAN

Public Relations: Placements and Reach (Spain)



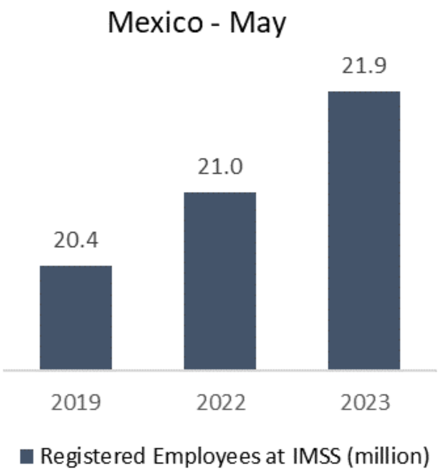
LOS CABOS

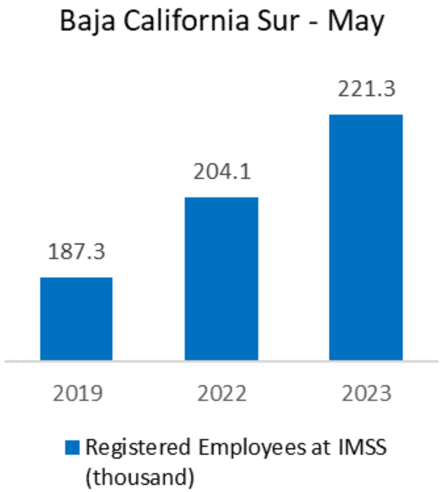
LOS CABOS
TOURISM OBSERVATORY

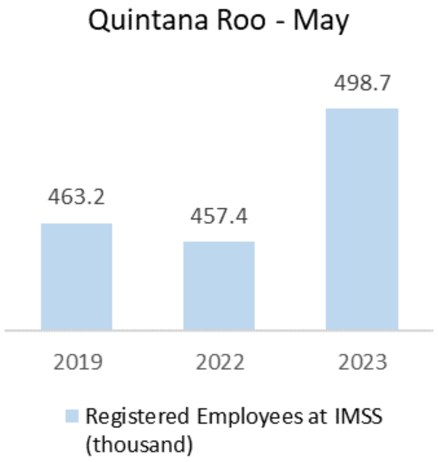
COVID-19 IMPACT

Impacts on the Mexican tourism sector as a consequence of the COVID-19 pandemic.

Impact on Employment in Mexico







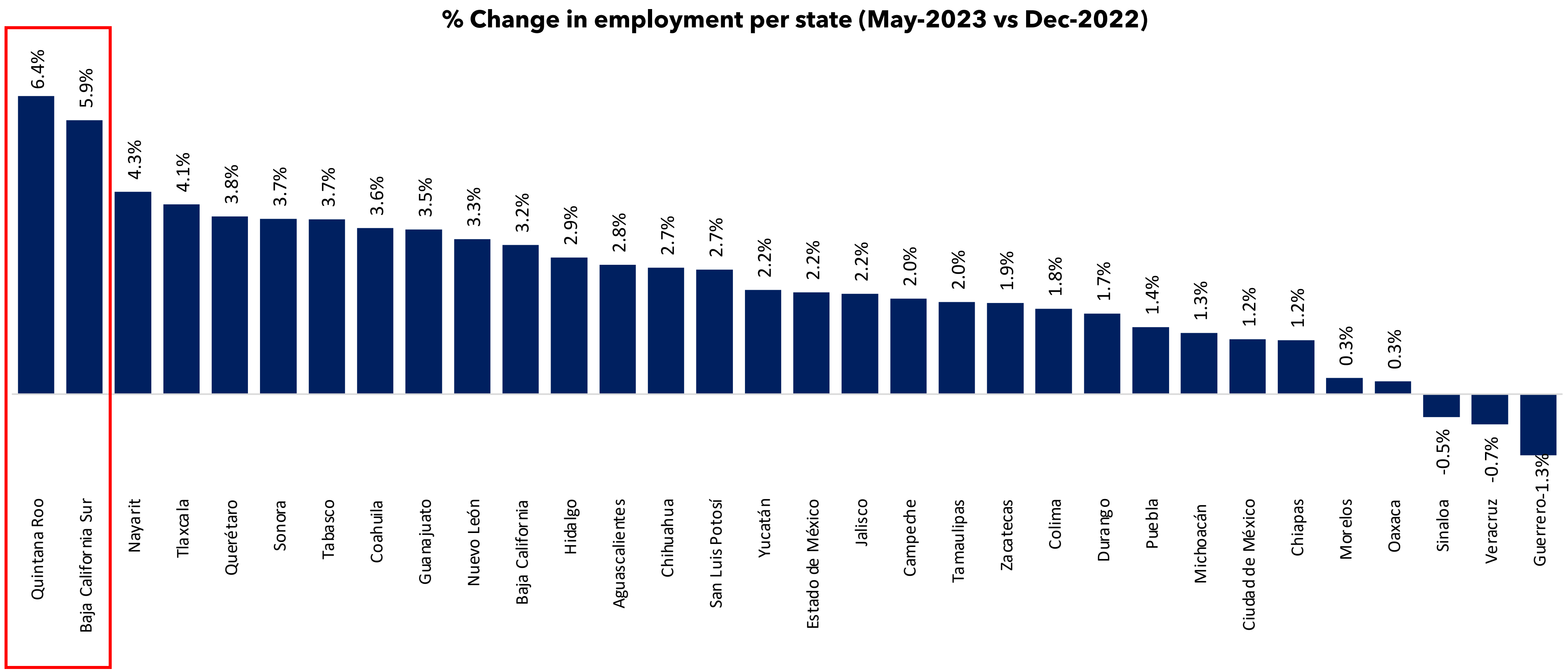
Employment (National):
21.9 million
+4.1%
vs May-2022

Employment (Baja California Sur):
221.3 thousand
+8.4%
vs May-2022

Employment (Quintana Roo):
498.7 thousand
+9.0%
vs May-2022

SOURCE: IMSS

Impact on Employment in Mexico

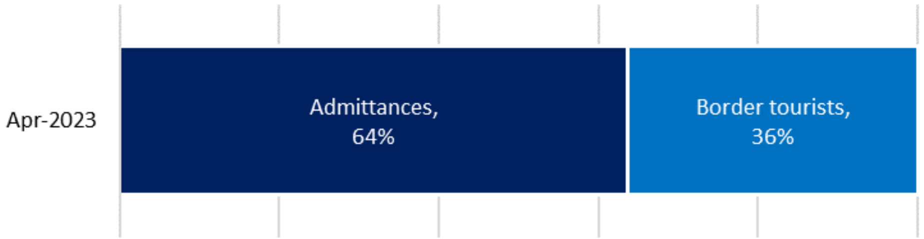


SOURCE : IMSS

International Tourist Arrivals in Mexico

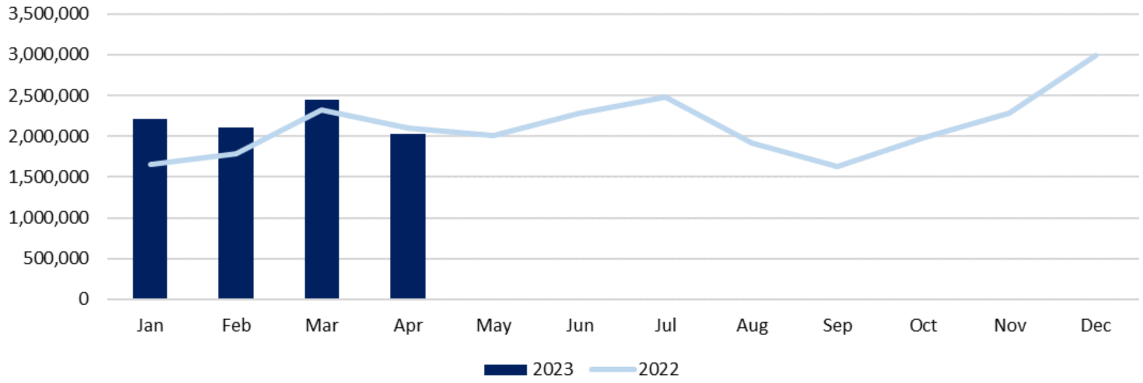
Air Activity in Mexico - Airport Groups

International Tourist Arrivals

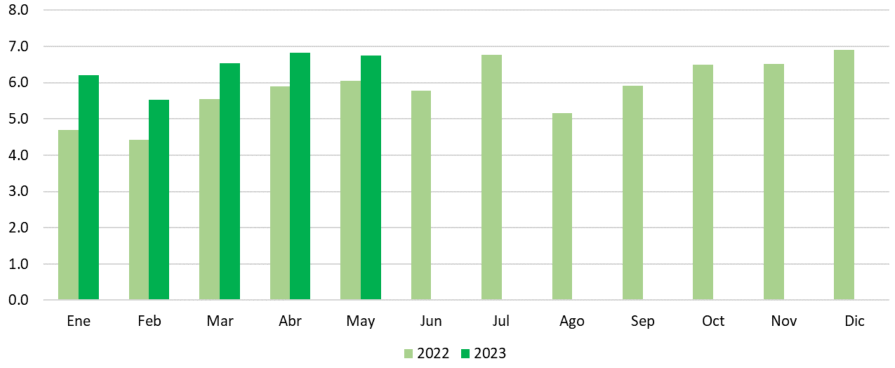


Apr-2023	Apr-2022	VAR
3,174,982	3,067,800	3.5%

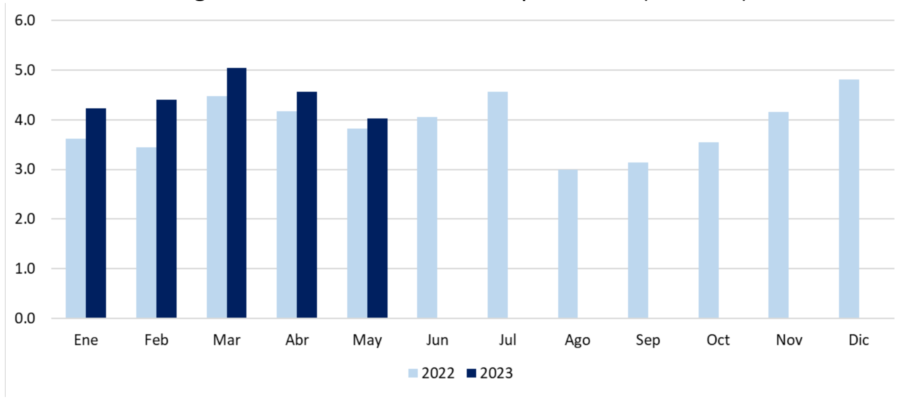
International Tourist Admittances



Passenger traffic in domestic operations (millions)



Passenger traffic in international operations (millions)



International tourist arrivals:
3.17 million
+3.5%
vs Apr-2022

International admittances:
2.02 million
-3.5%
vs Apr-2022

Average expenditure of inbound tourists by air:
$1,175 USD
+3.0%
vs Apr-2022

PAX In domestic operations:
6.8 million
+11.0%
vs May-2022

PAX in international operations:
4.03 million
+6.0.0%
vs May-2022

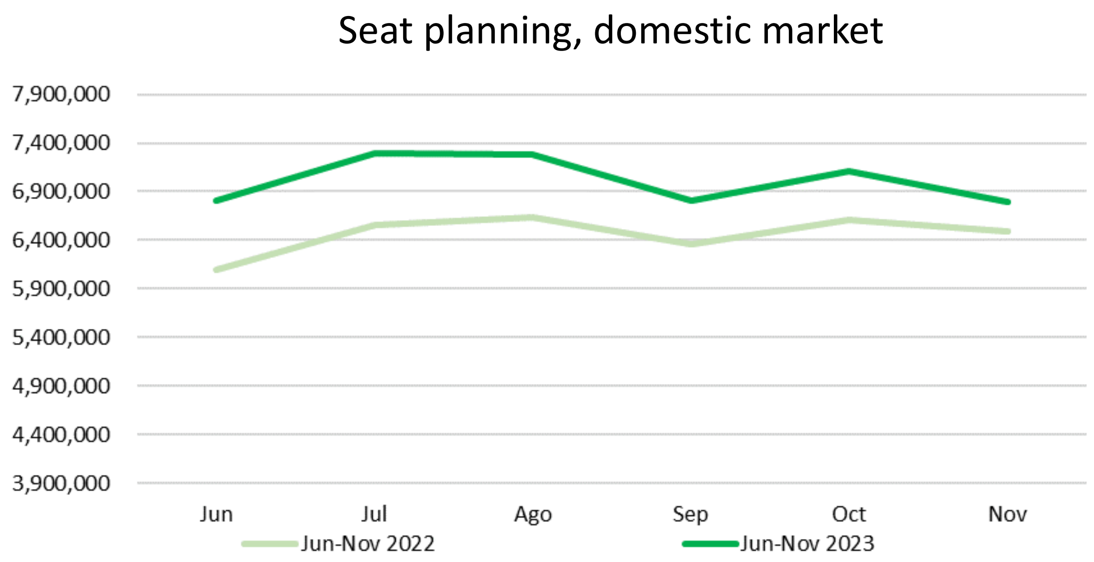
SOURCE: INTERNATIONAL TOURIST SURVEY. INEGI

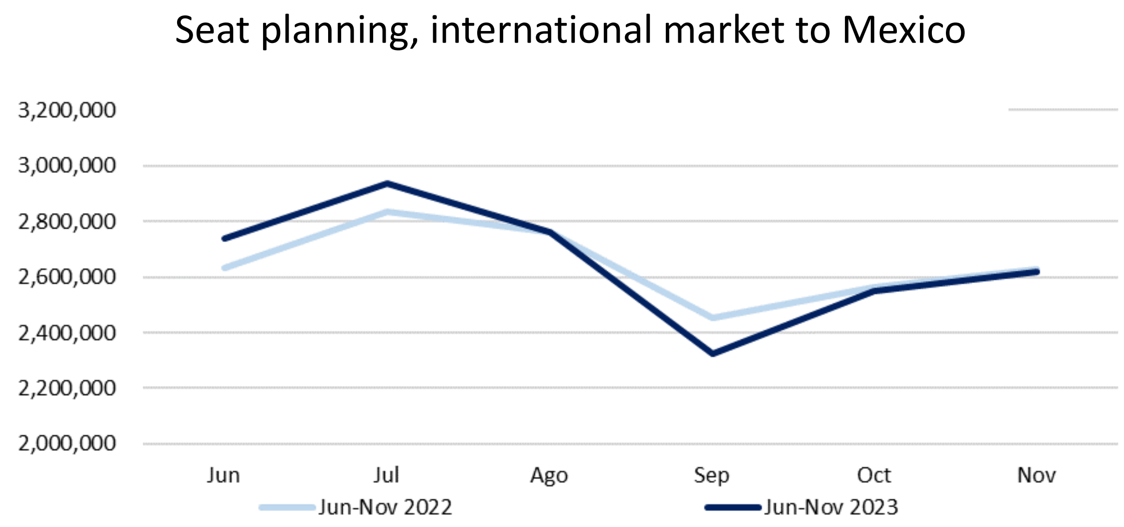
***TOTAL TRAFFIC OF THE THREE AIRPORT GROUPS (ARRIVALS AND DEPARTURES), INFORMATION FROM MEXICO CITY IS NOT INCLUDED.**

SOURCE : ASUR, OMA,GAP

LOS CABOS

Seat planning for Mexico (Feb-2023 and beyond)



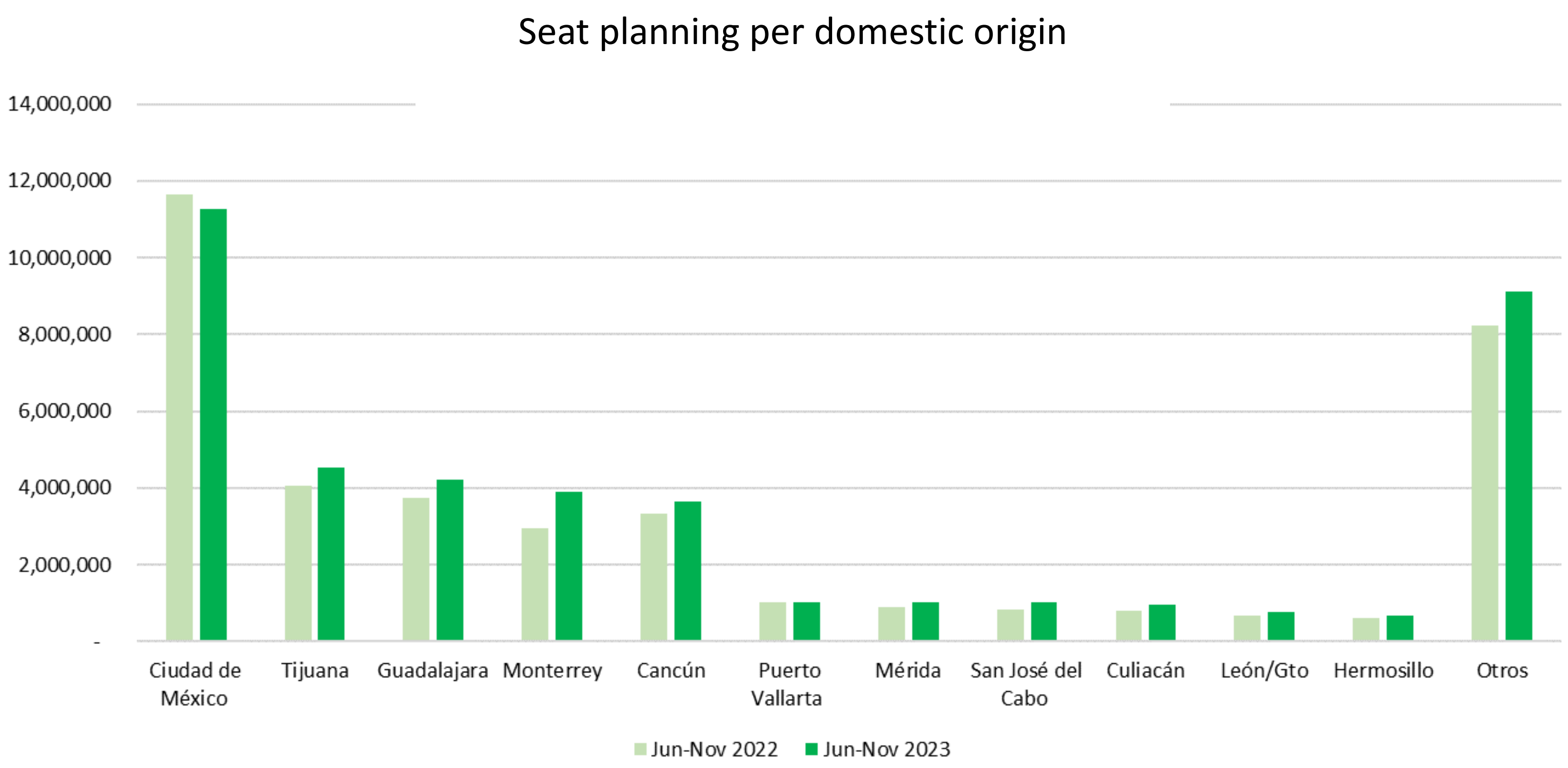


Domestic Seats:
42.1 million
+8.7%
vs Jun-Nov 2022

International Seats:
15.9 million
+0.4%
vs Jun-Nov 2022

SOURCE : OAG
SEAT PLANNING AS OF THE LAST WEEK OF MAY 2022 AND 2023, RESPECTIVELY.

Seat planning for Mexico



Domestic
Jun-Nov 2023:

CDMX
11.27 million
-3.2%
vs Jun-Nov 2022

Tijuana:
4.53 million
+11.6%
vs Jun-Nov 2022

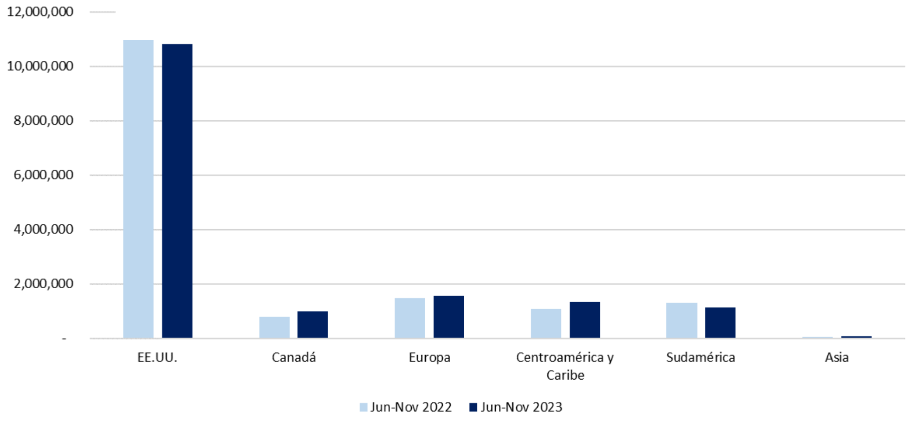
Guadalajara:
4.21 million
+12.7%
vs Jun-Nov 2022

San José del Cabo:
1 million
+20.4%
vs Jun-Nov 2022

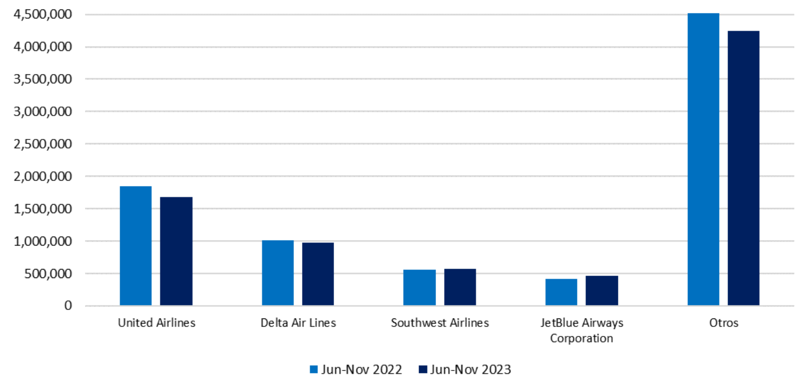
SOURCE : OAG
SEAT PLANNING AS OF THE LAST WEEK OF MAY 2022 AND 2023, RESPECTIVELY.

Seat Planning for Mexico for the Coming Months

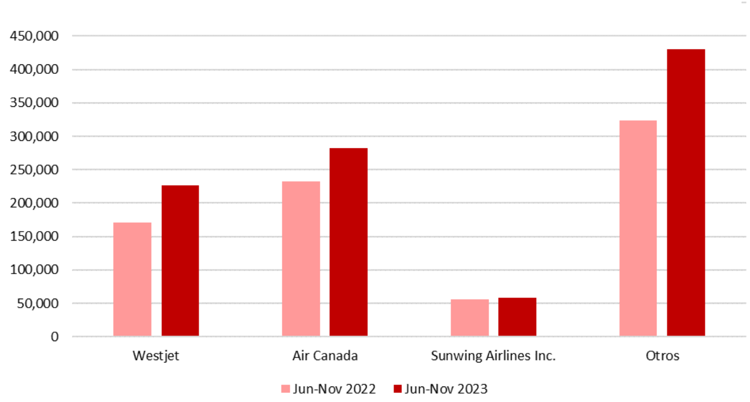
Seat planning per region



Seat planning per airline, U.S.



Seat planning per airline, Canada.



U.S.

10.81 million seats

-3.4%

vs Jun-Nov 2022

67.9%

%VAR planned seats

Dallas: **1.5 million** **-4.5%**

Los Ángeles: **1.4 million** **+3.6%**

Houston: **1.4 million** **-9.7%**

Chicago: **824 thousand** **-0.8%**

vs Jun-Nov 2022

Canadá

996 thousand

+27.1%

vs Jun-Nov 2022

6.3%

%VAR planned seats

Toronto: **390 thousand** **+28.4%**

Montreal: **210 thousand** **+15.0%**

Vancouver: **224 thousand** **+29.3%**

Calgary: **109 thousand** **+31.5%**

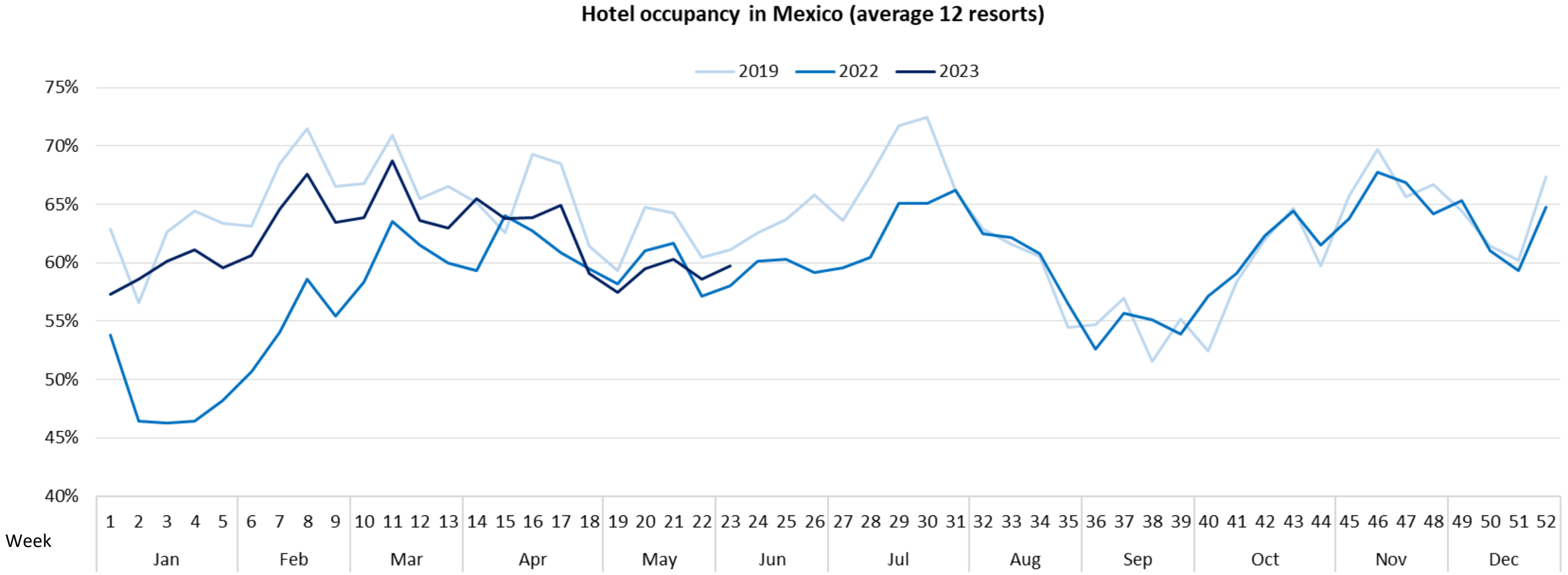
vs Jun-Nov 2022

SOURCE : OAG

SEAT PLANNING AS OF THE LAST WEEK OF MAY 2022 AND 2023, RESPECTIVELY.

LOS CABOS

Hotel Indicators in Mexico



Average Occupancy, week 23:

59.7%

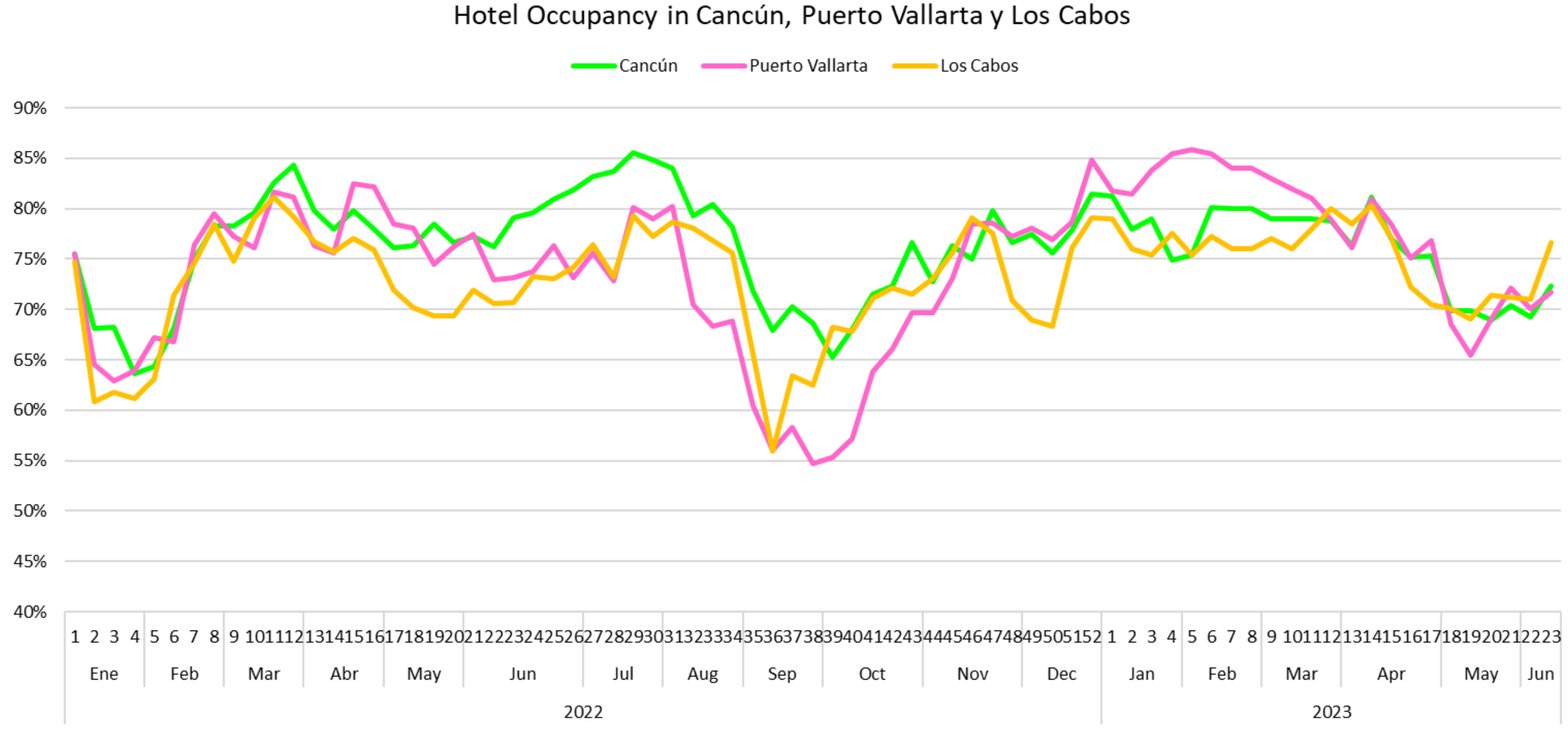
+1.6pp

vs same week of 2022

SOURCE : DATATUR.

MONITORED DESTINATIONS: VILLAHEROMSA, AGUASCALIENTES, TUXTLA GUTIÉRREZ, QUERÉTARO, PUEBLA, PUERTO VALLARTA, SAN CRISTOBAL DE LAS CASAS, LOS CABOS, CANCÚN, CIUDAD DE MÉXICO, ACAPULCO Y SAN MIGUEL DE ALLENDE.

Hotel Indicators in Mexico



Cancún:
72.3%

Puerto Vallarta:
71.7%

Los Cabos:
76.6%

+4.3pp vs Cancún

+4.9pp vs Puerto Vallarta

Week 23 (Jun 5-11 2023)

SOURCE : DATATUR

LOS CABOS

LOS CABOS
TOURISM OBSERVATORY

GLOSSARY

Glossary

- **Congress**. Non-business-oriented meetings in which large groups of individuals gather, generally to discuss and exchange points of view on a topic of interest. They usually have a duration of several days and simultaneous sessions, as well as a predefined multiannual or annual frequency.
- **Convention**. Trade or business meetings usually sponsored by a corporation, in which participants represent the same company, corporate group or customer or supplier relationships. Sometimes participation is mandatory and travel expenses are paid by the corporation. Includes those general and formal meetings of a legislative, social or economic body, in order to provide information, deliberate or establish consensus or address policies on the part of the participants, as well as to address business issues around a market, product or brand. They may contain a secondary exhibition component.
- **Rooms available**. The number of rooms in service. It does not include rooms that are out of service due to repairs or any other cause.
- **Tourist destination**. The primary destination of a tourist trip that is fundamental to the decision to make the trip. See also main reason for a tourist trip.
- **Seasonality**. Means that tourist flows tend to concentrate around certain times of the year, repeating this process annually.
- **Length of stay.** It is the result of dividing the total number of overnight tourists 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**. Incentive travel is a modern management strategy focused on recognizing people who achieved or exceeded objectives commonly related to sales or productivity, targeting participants who demonstrate improved job performance with an extraordinary travel experience.
- **Room nights**. This is obtained from the daily record of the number of tourists occupying the establishment's rooms, by length of stay (number of nights spent in the establishment) and is classified according to their place of origin, into residents or non-residents.
- **Inflation**. Continuous and generalized growth in the prices of goods and services sold in an economy. It is the average growth rate from one period to another of the prices of a basket of goods and services.
- **Underlying inflation**. It is the increase in prices of a subset of the CPI (National Consumer Price Index), which contains the least volatile items. It measures the inflation trend in the medium term. The 283 generic concepts that make up the CPI basket of goods and services are classified or grouped into subsets that respond to particular needs of analysis, among the best-known classifications are by object of expenditure, that which refers to the sector of origin of goods and services, and that of durability of goods and underlying inflation.
- **Passenger arrivals**. Passengers transported on airline aircraft with established routes and itineraries.
- **Tourist arrivals**. Corresponds to the number of tourists registered by the establishment during the month.

Glossary

- **Nationality of a visitor.** That of the country issuing the passport or other identity document, even if they habitually reside in another country.
- **Non-Resident.** A person whose usual place of residence is outside Mexican territory and who visits Mexico for a period of less than twelve months for any reason (business, vacations and others). Excluded if remuneration is received for the activities carried out in the place visited.
- **Hotel occupancy.** The occupancy rate of accommodations is a concept based on supply. It is an important indicator for many purposes. It provides information on the differences in utilization among the various types of lodging establishments. It also indicates the seasonal pattern for tourist accommodations.
- **RevPAR.** 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. It always refers to a specific period (weekly, monthly, yearly, etc.). One way to calculate RevPAR is through the formula: RevPAR = It/ΣHt, where It is equal to the total revenue generated by rooms in a period t. and ΣHt 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 in period t minus the unavailable rooms.
- **Resident.** Individual whose usual environment is in Mexican territory.
- **Residence.** The place/country where the traveler has stayed for most of the previous year (12 months) or has stayed for a shorter period and expects to return within 12 months to live in that country.
- **Average daily rate** (commonly referred to as ADR) is a statistical unit that represents the average revenue per occupied room paid in each period. The ADR along with the occupancy of the property are the basis for the financial performance of the property. ADR is calculated by dividing room revenue by the number of rooms sold. House guest rooms (known as house use) and complimentary rooms (known as complementary) should be excluded from the denominator.
- **Tourist**. Any person traveling away from his or her usual location for a period of less than 12 months and for any reason, except persons engaged in activities that will generate income for them at the travel destination; refugees or migrant workers; diplomats; seasonal or border workers; or tourism employees.
- **Visitor**. Any person who travels away from his or her usual location for a period of less than 12 months for any reason, except persons who engage in activities that will generate income for them at the travel destination: refugees or migrant workers; diplomats; seasonal or border workers; tourism employees; or persons seeking to establish a new residence or employment.

LOS CABOS TOURISM OBSERVATORY