

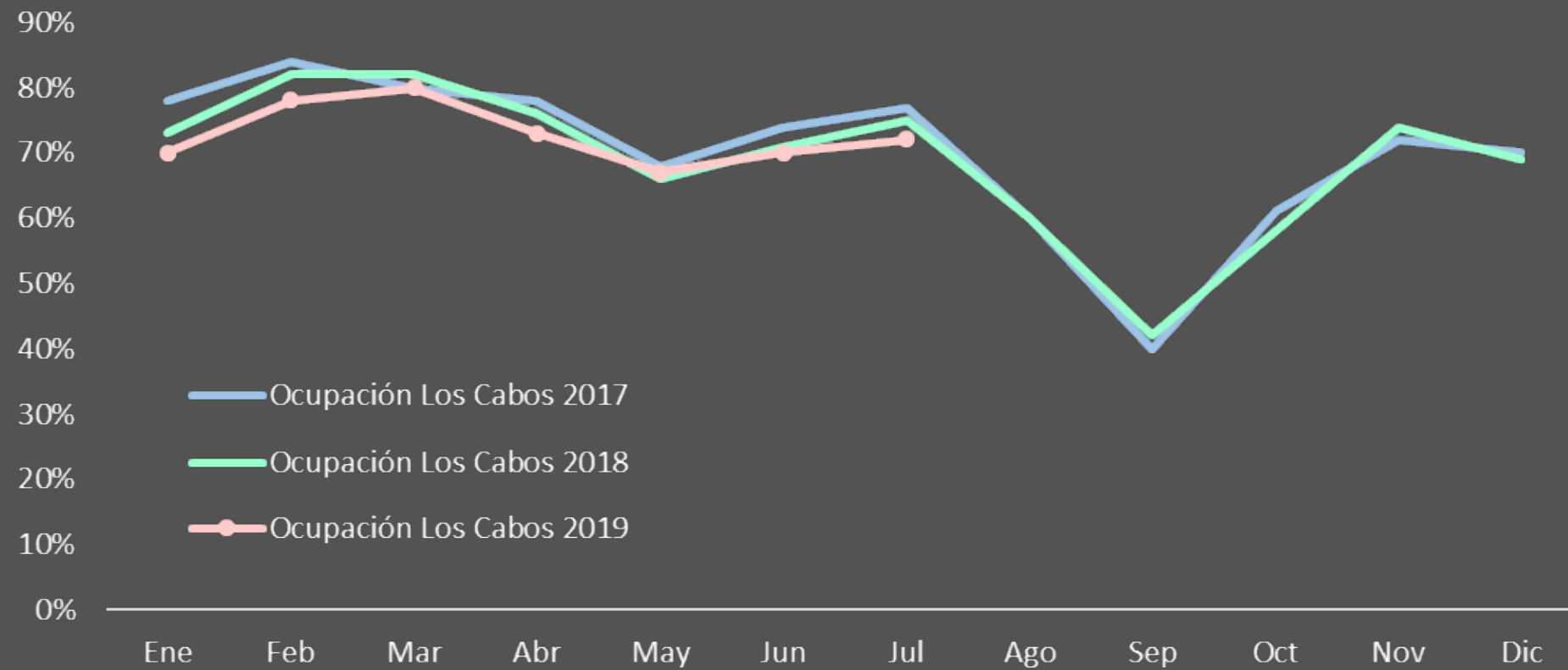
LOS  CABOS

TOURISM OBSERVATORY IN LOS CABOS

SEPTEMBER 2019

Main indicators - Summary

Hotel activity



Source: ASOCIACIÓN DE HOTELES DE LOS CABOS

Arrival of passengers by air

Total passengers
(Aug-2019, in thousands):
230.9
+8.9%
(Vs Aug-2018)

Domestic Passengers
(Aug-2019, in thousands):
100.7
+26.1%
(Vs Aug-2018)

International passengers
(Aug-2019, in thousands):
130.3
-1.5%
(Vs Aug-2018)

Source: GAP

Rooms Available
(Jul-2019):
21.762
+8.1%
(Vs Jul-2018)

Source: DATATUR

Hotel Occupancy
(Jul-2019):
72%
-3pp
(Vs Jul-2018)

Source: ASOC. Los Cabos Hotels

Rooms Per Night
(Jul-2019):
1,322,783
+6.9%
(Vs Jul-2018)

Source: DATATUR

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

Participants in congresses and conventions
(Jul-2019):
2.4% of the total
+1pp
(Vs Jul-2018)

Source: Tourists

Tourists Surveys
Tourist satisfaction (more than expected, Jul-2019):
39.7%
+2.3pp
(Vs Jul-2018)

Origin of Tourists
(Jul-2019):
76.6% Foreigners
+7.9Pp
(Vs Jul-2018)

Source: Tourists

Passengers on a cruise ship
(Jul-2019):
20.284
+10.6%
(Vs Jul-2018)

Cruise ships
(Jul-2019):
6
+20%
(Vs Jul-2018)

Source: DATATUR



TOURISM OBSERVATORY IN LOS CABOS

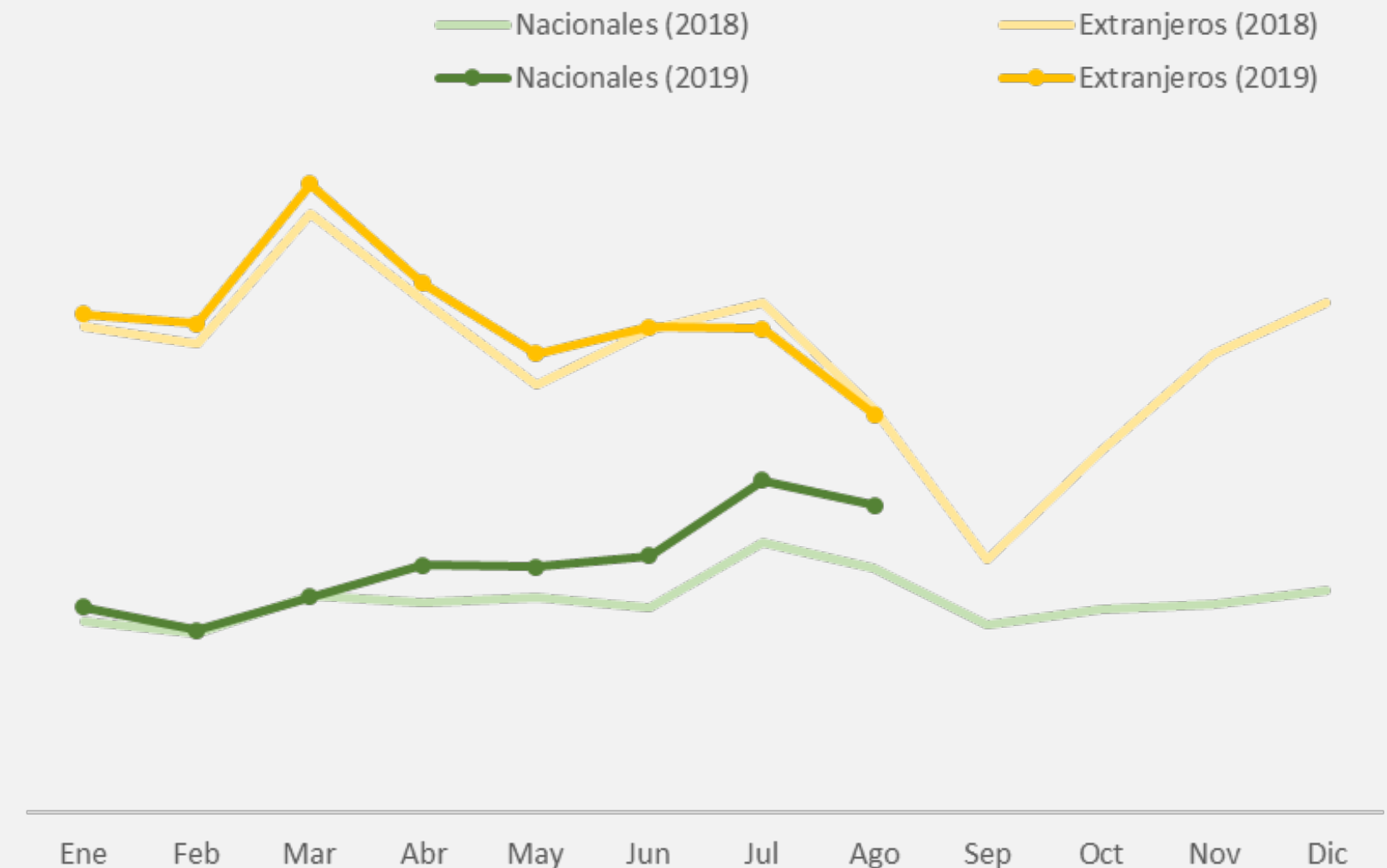
**DEMAND INDICATORS
PASSENGERS AND TOURISTS**

Arrival of passengers at the airport in Los Cabos, 2018-2019

- **Aug-2019** recorded the arrival of **230.9 thousand** passengers to the airport of Los Cabos, which means an increase of **8.9%** compared to the same period in 2018. When comparing the accumulated Jan-Jun-2019 vs previous year there is an increase of **6.1%**.
 - Passengers on domestic flights (**100.7 thousand**) represent **43.6%** of total arrivals and had an increase of **26.1%** with respect to Aug-2018.
 - Passengers on international flights (**130.3 thousand**) represent **56.4%** and decreased **1.5%**.

Source: GAP

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



Source: GAP

Arrival of foreign tourists by air

By origin (residence), 2018-2019

Regiones	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Δ Jul-19 / Jul-18	Δ Ene-Jul-19 / Ene-Jul-18
EE.UU.	152,331	114,299	72,390	107,692	129,090	147,461	122,358	133,400	173,759	140,159	135,239	146,487	142,111	-6.7%	0.5%
Canadá	3,568	4,039	3,205	6,887	16,041	21,866	24,304	22,218	24,065	16,499	6,852	4,225	4,373	22.6%	16.5%
Europa	608	1,138	441	535	713	1,060	841	1,097	921	1,198	1,011	782	897	47.5%	70.7%
Centro y Sudamérica	255	177	148	165	144	228	295	168	185	286	232	134	239	-6.3%	3.9%
Resto del Mundo	840	751	682	668	654	1,303	1,053	699	1,161	1,030	955	765	852	1.4%	29.8%
Gran total	157,602	120,404	76,866	115,947	146,642	171,918	148,851	157,582	200,091	159,172	144,289	152,393	148,472	-5.8%	2.2%

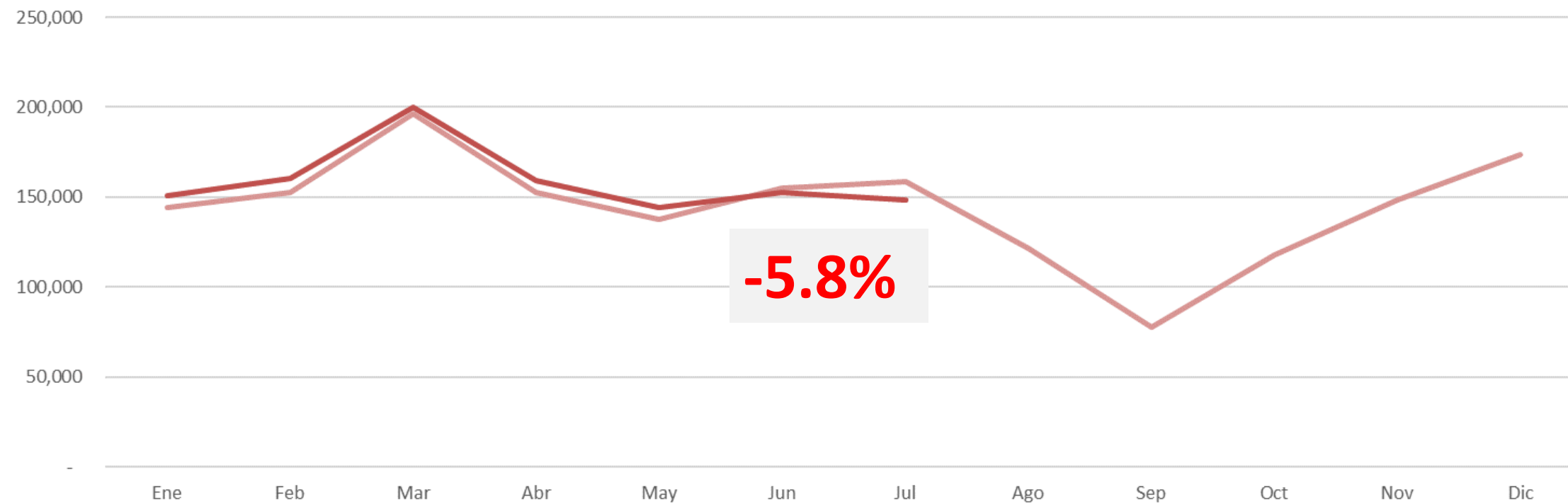
Mercados clave	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Δ Jul-19 / Jul-18	Δ Ene-Jul-19 / Ene-Jul-18
Reino Unido	178	280	118	140	218	326	236	259	272	336	131	94	184	3.4%	20.4%
España	51	107	53	51	36	61	34	38	45	38	24	16	29	-43.1%	6.2%
Australia	391	288	269	302	189	461	488	177	274	388	352	347	336	-14.1%	15.8%
Corea del Sur	105	94	107	102	115	159	103	132	140	123	95	72	87	-17.1%	44.3%
Total mercados clave	725	769	547	595	558	1,007	861	606	731	885	602	529	636	-12.3%	20.0%

Source: INM- SIOM

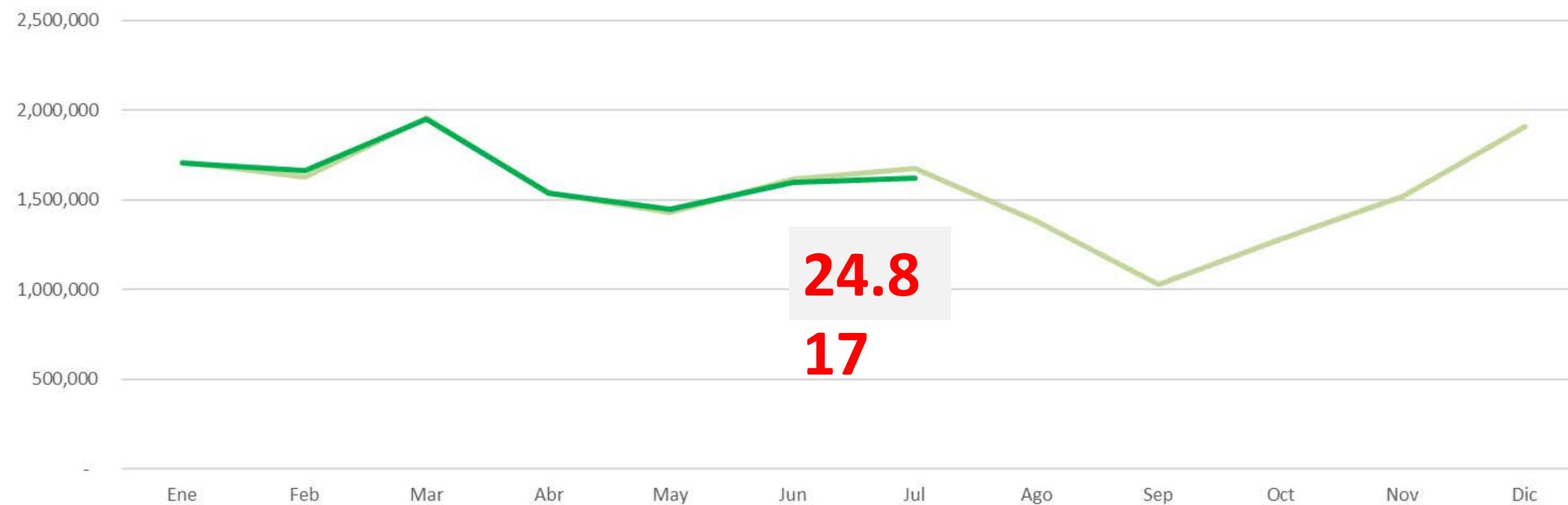
Monthly evolution of the arrival of foreign tourists by air

The international airport of SJD and at domestic level, 2012-2019

Entradas de extranjeros al aeropuerto internacional de SJD (2018-2019)



Entradas de extranjeros a México (2018-2019)



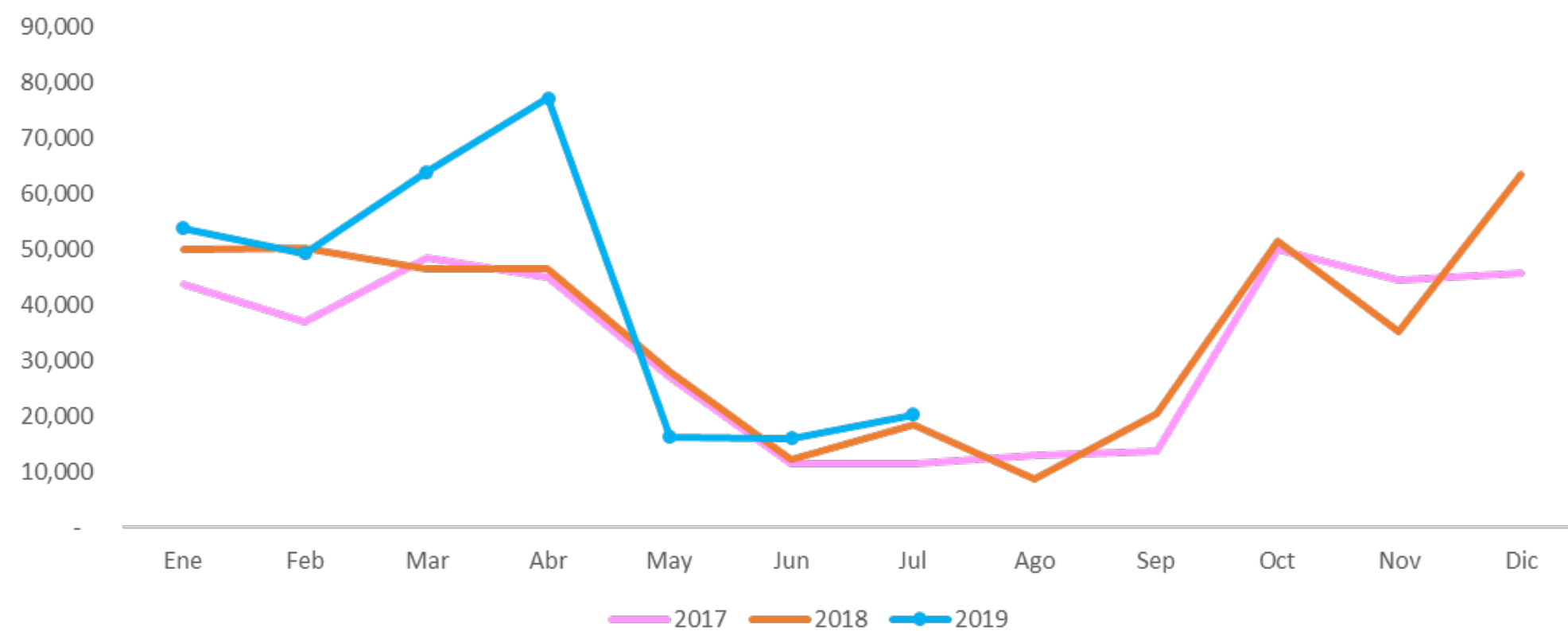
- When comparing Jul-2019 versus Jul-2018, at domestic level the arrival of tourists decreased 0.4% and to Los Cabos did 5.8%.
- At domestic level, the American market decreased by 1.2% while in the Canadian market the drop was 2.7%. Other markets had important growth, as the Brazilian (11%), Colombian (2%), and the Peruvian (15%).
 - At the airport of Los Cabos, the U.S. market fell 6.7% and the Canadian increased 22.6% when comparing Jul-2019 with Jul-2018.
- Accrued, Jan-Jul continues the negative trend at the domestic level in the US market (0.5%), therefore a low or no growth at the end of 2019 is expected (SJD has grown 0.5%). At the same time, the growth of the Canadian market is maintained (+6.3%) so far this year.

Source: INM- SIOM

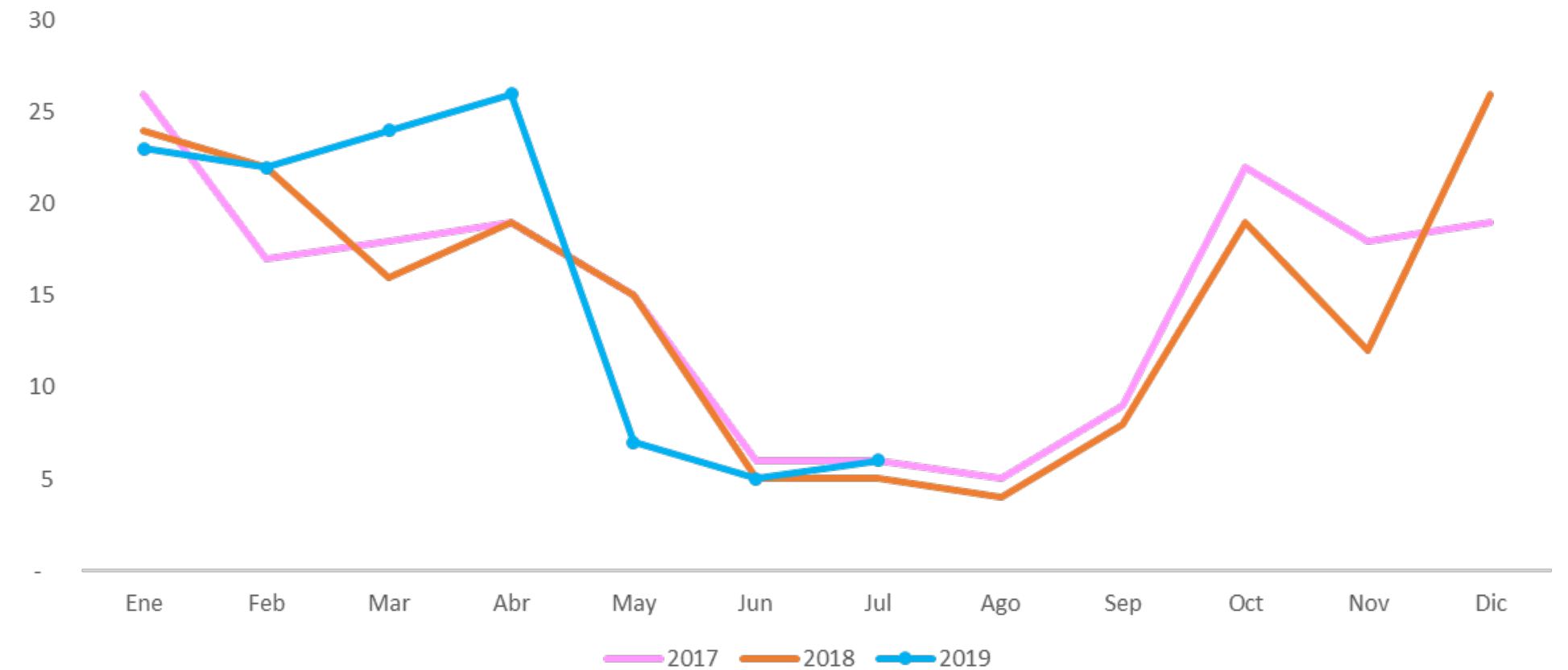
Arrival of passengers on cruise ships and vessels (2017-2019)

- **Jul-2019** registered the arrival of 20,284 passengers on a cruise to the Port of Cabo San Lucas.
 - It means an increase of 10.6% in the volume of passengers in comparison with Jul-2018.
 - The arrival of 6 cruise ships was recorded: 1 more than the previous year.
 - Translates into an average of 3,381 passengers per boat.

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



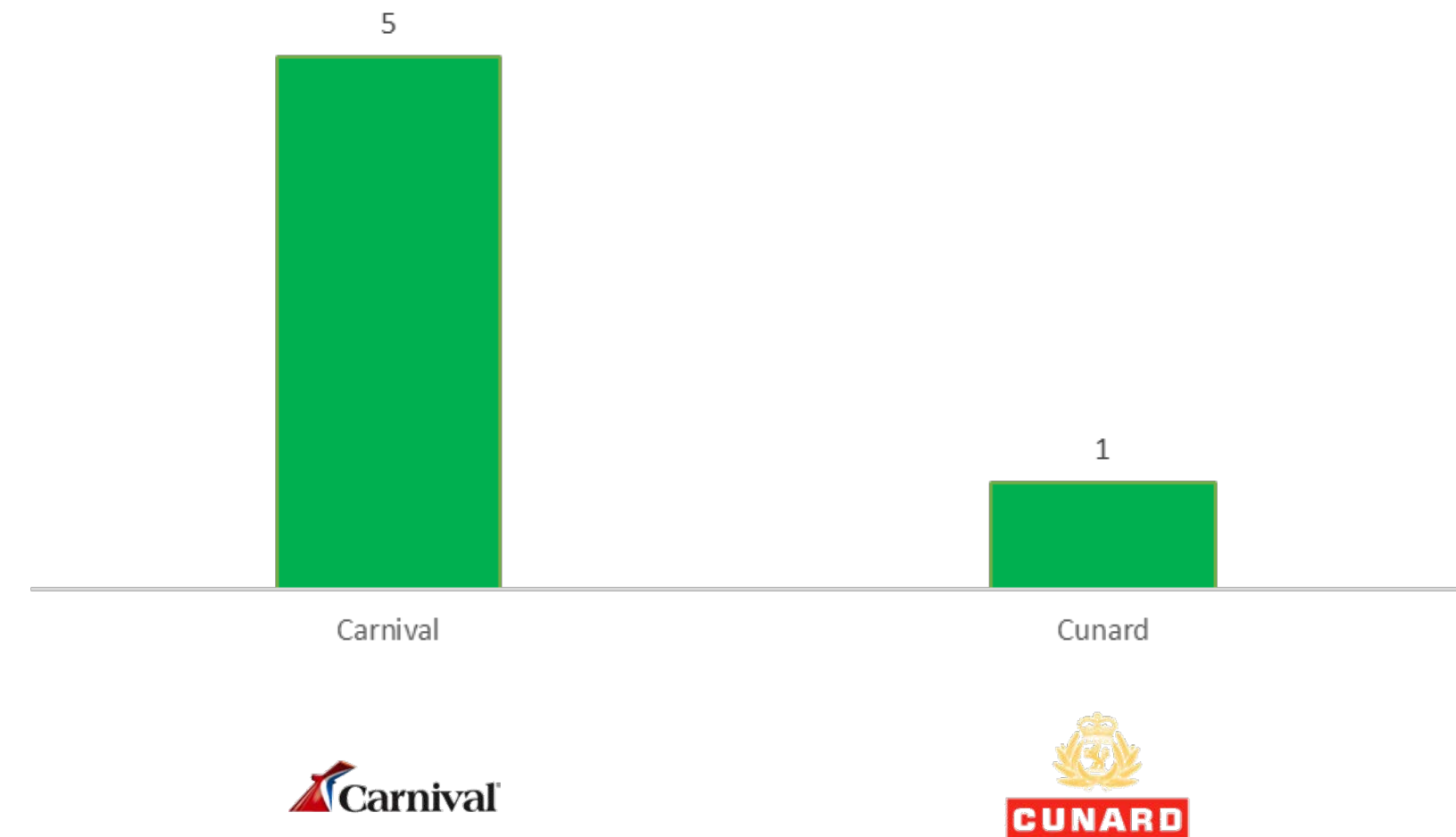
Embarcaciones de cruceros arribando al puerto de Cabo San Lucas, mensual (2017-2019)



Source: DATATUR - SCT

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

Fecha	Embarcación	Línea Naviera	Capacidad max.
01-Jul-19	Carnival Splendor	Carnival	3,710
08-Jul-19	Carnival Splendor	Carnival	3,710
08-Jul-19	Queen Elizabeth	Cunard	2,547
15-Jul-19	Carnival Splendor	Carnival	3,710
22-Jul-19	Carnival Splendor	Carnival	3,710
29-Jul-19	Carnival Splendor	Carnival	3,710



The 6 cruise ships that arrived to the Port of Cabo San Lucas in Jul-2019 were operated by 2 shipping lines: Carnival and Cunard, with a maximum capacity of 21,097 passengers.

Source: CREW-CENTER.COM

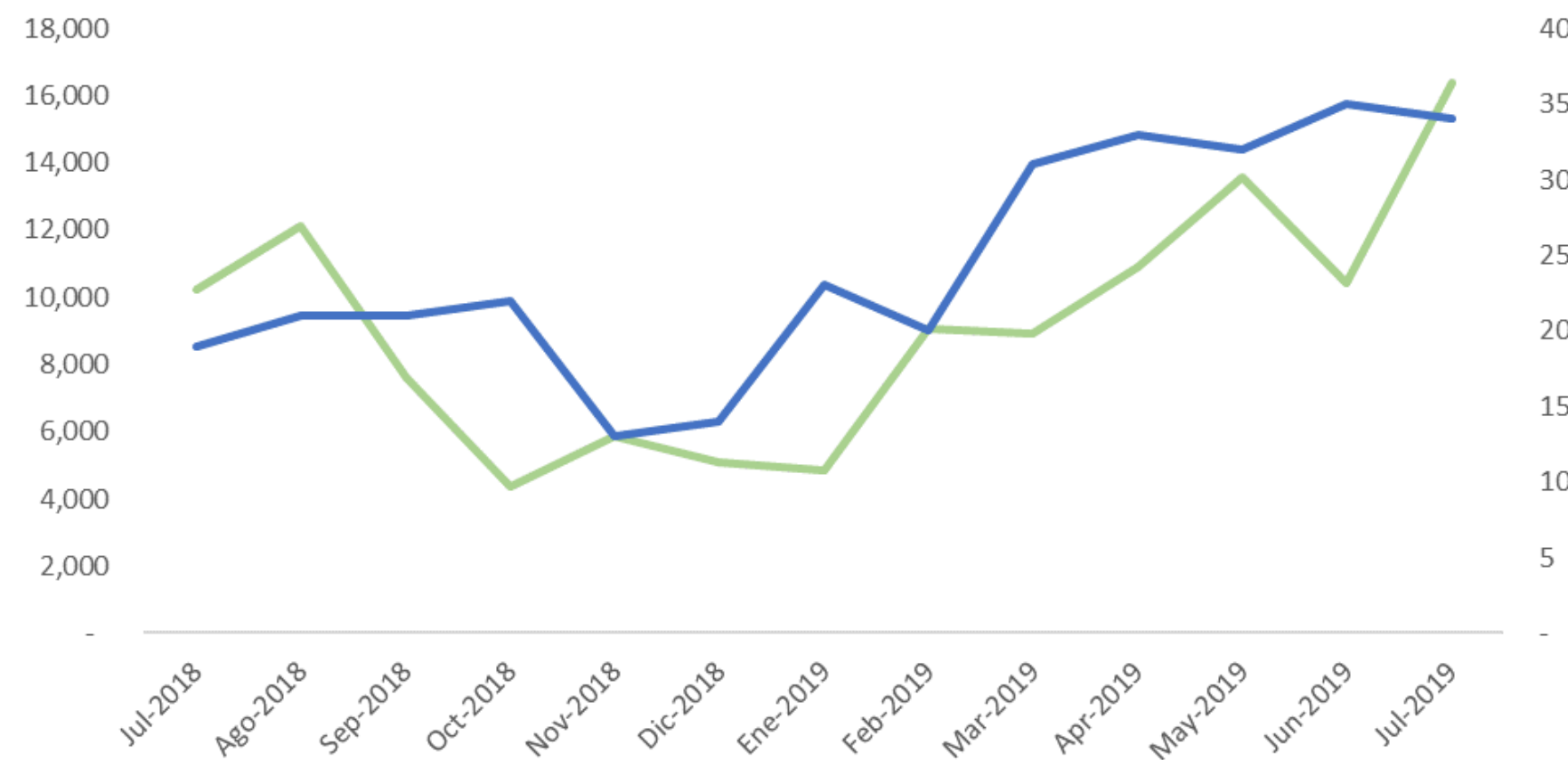


TOURISM OBSERVATORY IN LOS CABOS

DEMAND INDICATORS
SURVEYS OF TOURISTS AND BUSINESS
GROUP

Demand Indicators: Business group

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



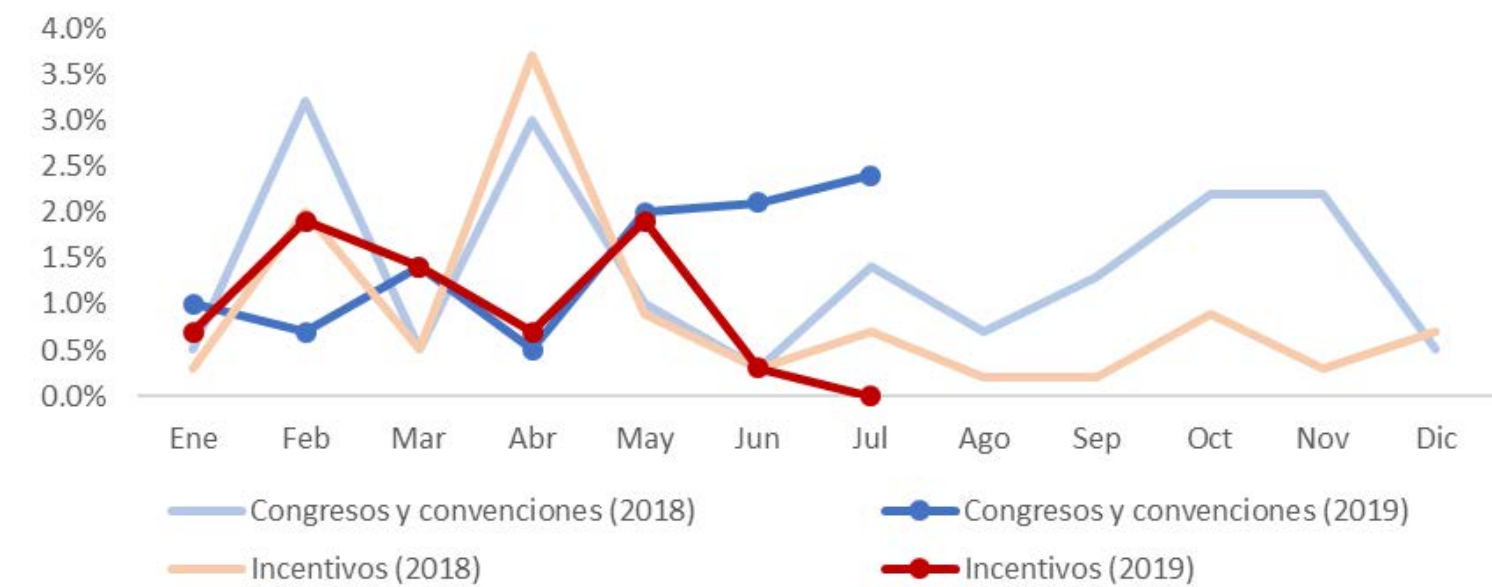
Source: CVENT

Eventos y habitaciones noche confirmadas de reuniones y grupos (Helms Briscoe)



Source: Helms Briscoe

Asistentes a congresos, convenciones y viajes de incentivo (% del total de turistas)



Source: SURVEY FROM TOURISTS

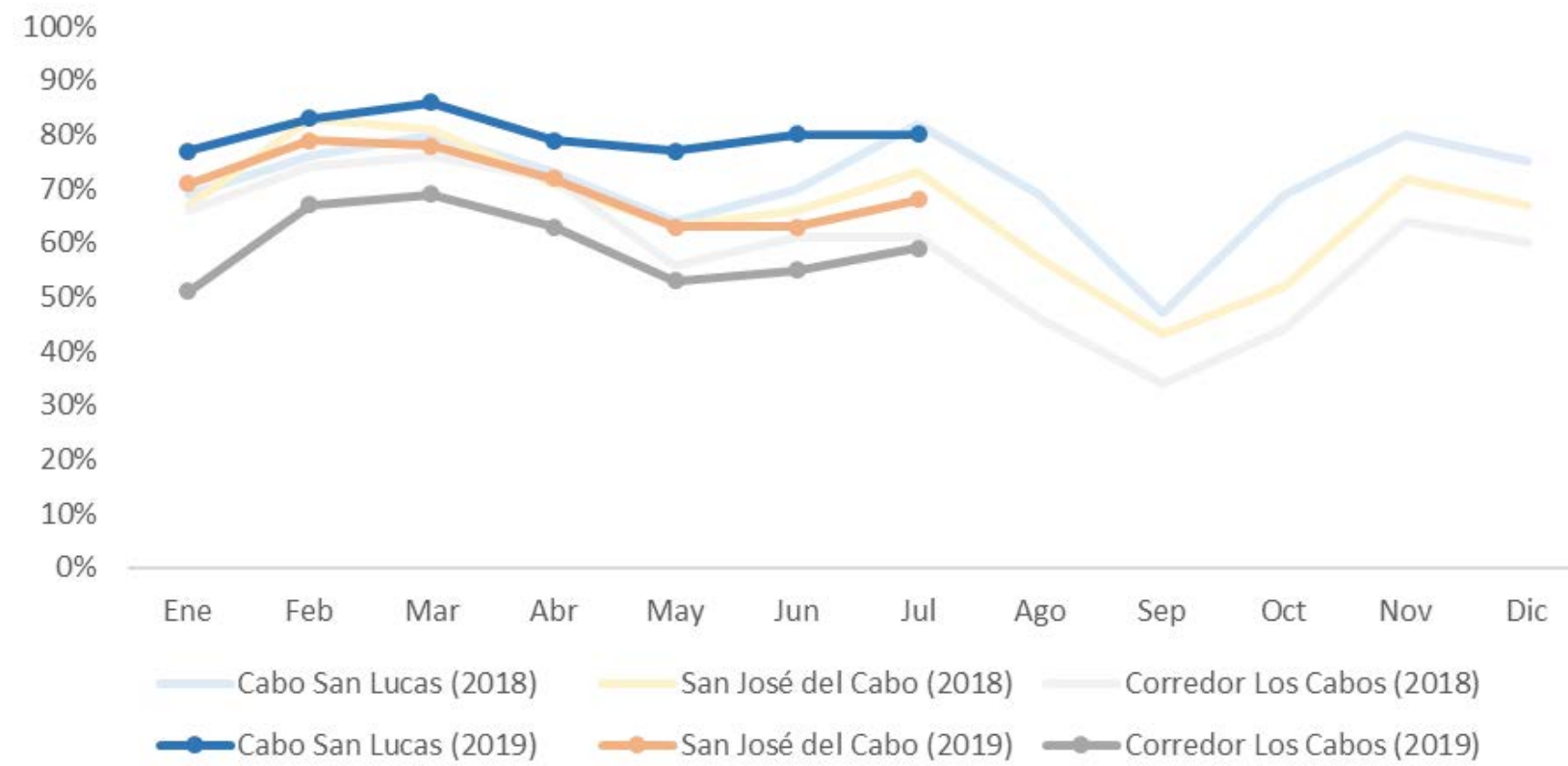


TOURISM OBSERVATORY IN LOS CABOS

SUPPLY INDICATORS

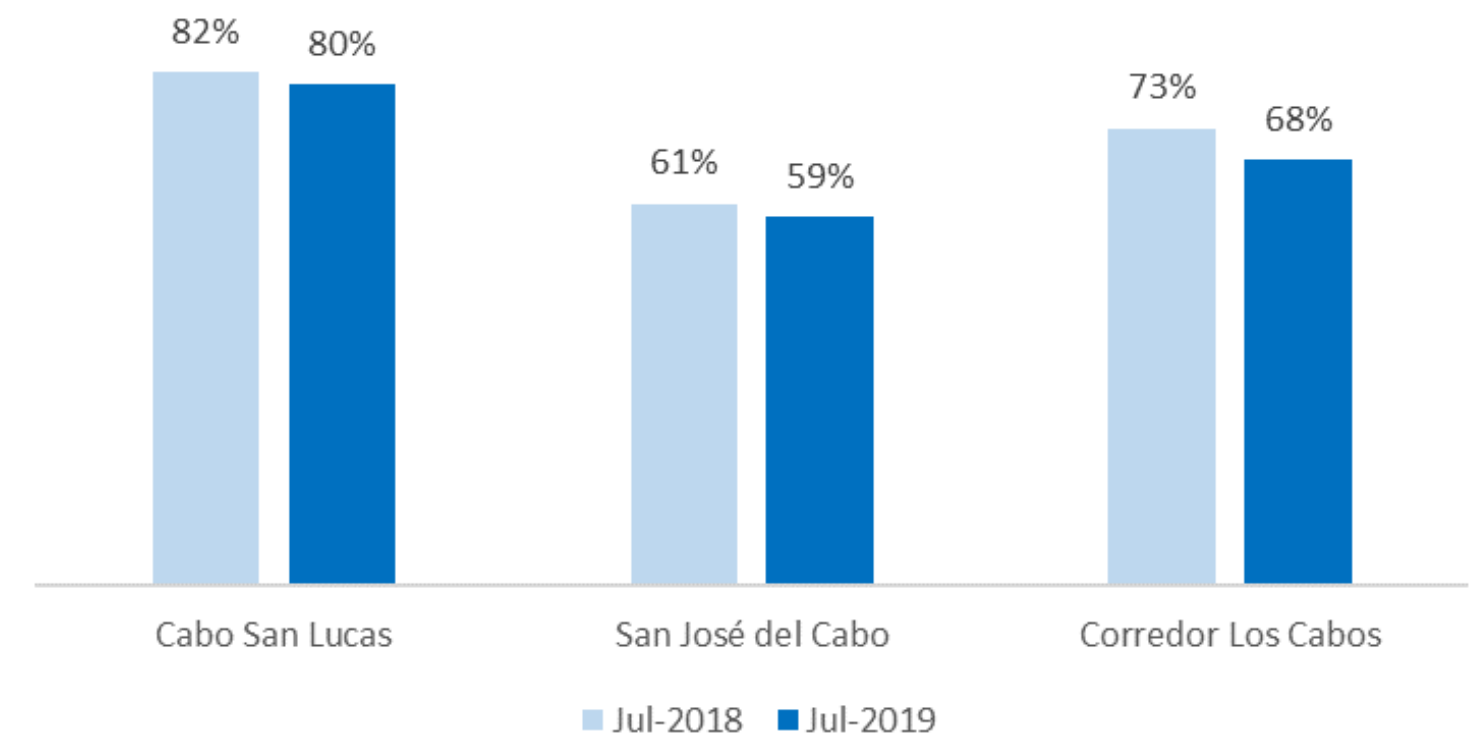
EVOLUTION OF THE HOTEL OFFER FOR LOS CABOS AND SUBDESTINATIONS

Ocupación hotelera mensual (2018-2019)



Source: ASOCIACIÓN DE HOTELES DE LOS CABOS

Ocupación hotelera (Jul-2018-2019)



Source: ASOCIACIÓN DE HOTELES DE LOS CABOS

- According to the Asociación de Hoteles de Los Cabos, hotel occupancy in Los Cabos registered 72%, and decreased 3pp when comparing Jul-2018 with Jul-2019. At sub-destination level, Cabo San Lucas had an occupation of 80%, decreasing 2pp compared to the previous year. While San Jose del Cabo lost 5pp and reached 68% and Los Cabos Corridor lost 2pp, registering 59%.
- The arrival of tourists to Hotels to Los Cabos in Jul-2019 registered 256 thousand, increasing 4.3% compared to Jul-2018 (+10.5thousand) and the average stay increased 0.1 nights (5.16 Jul-2019; based on DATATUR). However, the stay of domestic tourists had an increase of 1 nights, and registering 4.37.
 - International tourism in hotels fell 10.9% in this period, while domestic increased 60.8%.
 - In Jul-2019, international tourism accounted for 67% of the total, while the domestic accounted for 33%. The previous year registered a participation of 79% and 21%, respectively.

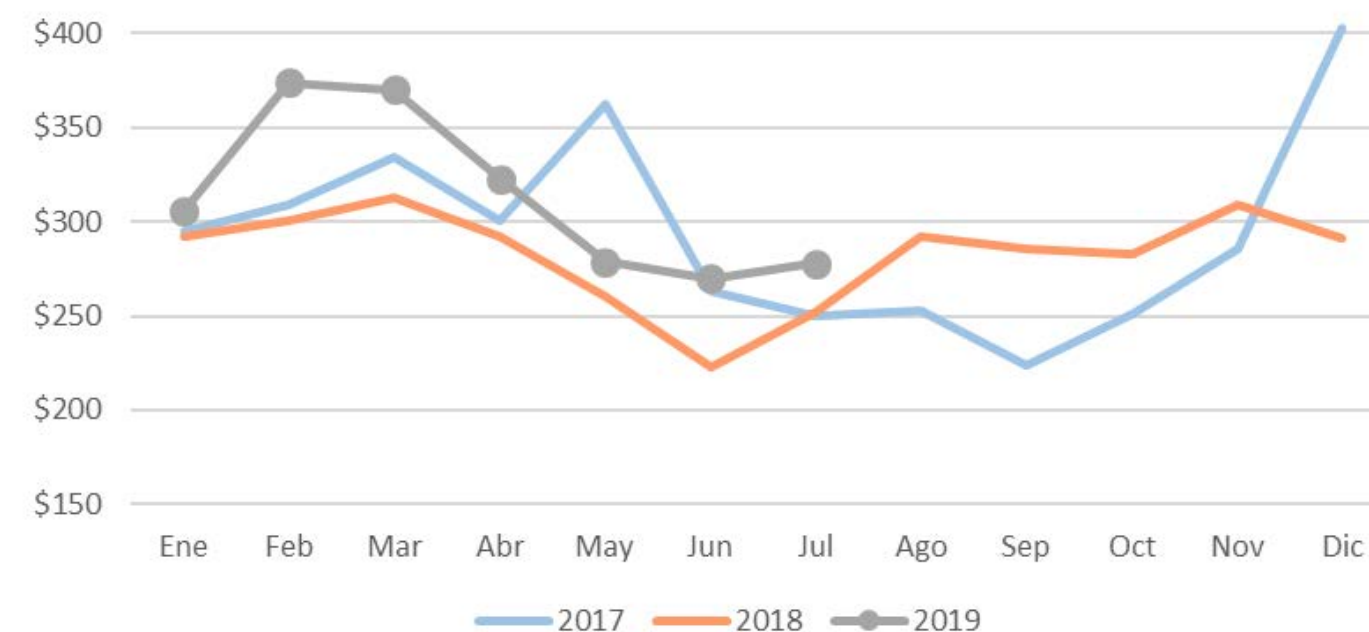
Hotel Offer

EVOLUTION OF THE AVERAGE RATE AND REVPAR OF LOS CABOS AND SUB-DESTINATIONS

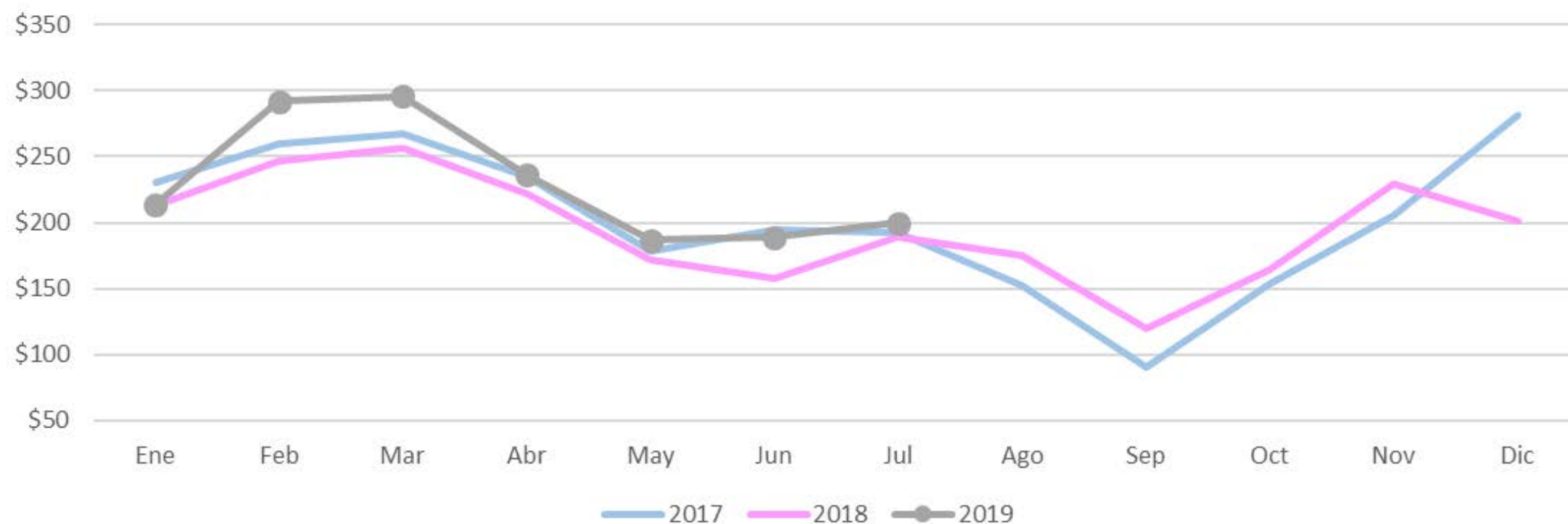
- The average rate in Los Cabos in Jul-2019 was \$278 USD; \$27 below average last 12 months; and \$26 on top of the rate in Jul-2018 (or an increase of 10.3%). The RevPar was \$200 USD; 9 below average last 12 months (11 dollars above Jul-2018).
- The Corridor of Los Cabos had the highest rate, located at \$353 USD, and a decrease of 3 USD by comparing with Jun-2018 (-1%).
- San Jose del Cabo, continues to be the sub-destination with a greater increase, growing its average rate at \$81 dollars (+56%) to \$226.
- Cabo San Lucas reduced its average rate \$2 USD (1%), to \$254 dollars.

Source: ASOCIACIÓN DE HOTELES DE LOS CABOS

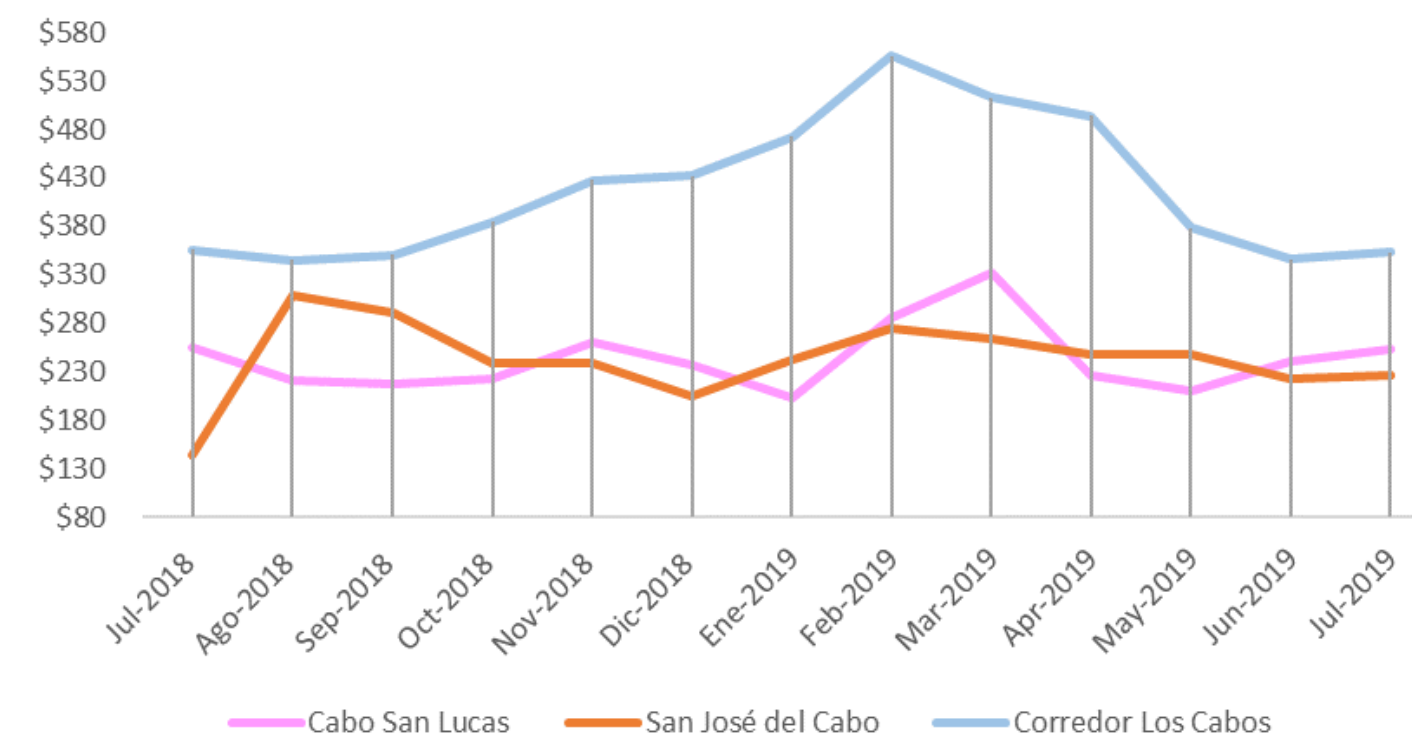
Average Rate Los Cabos (USD, 2018 - 2019)



RevPAR Los Cabos (USD, 2018 - 2019)



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



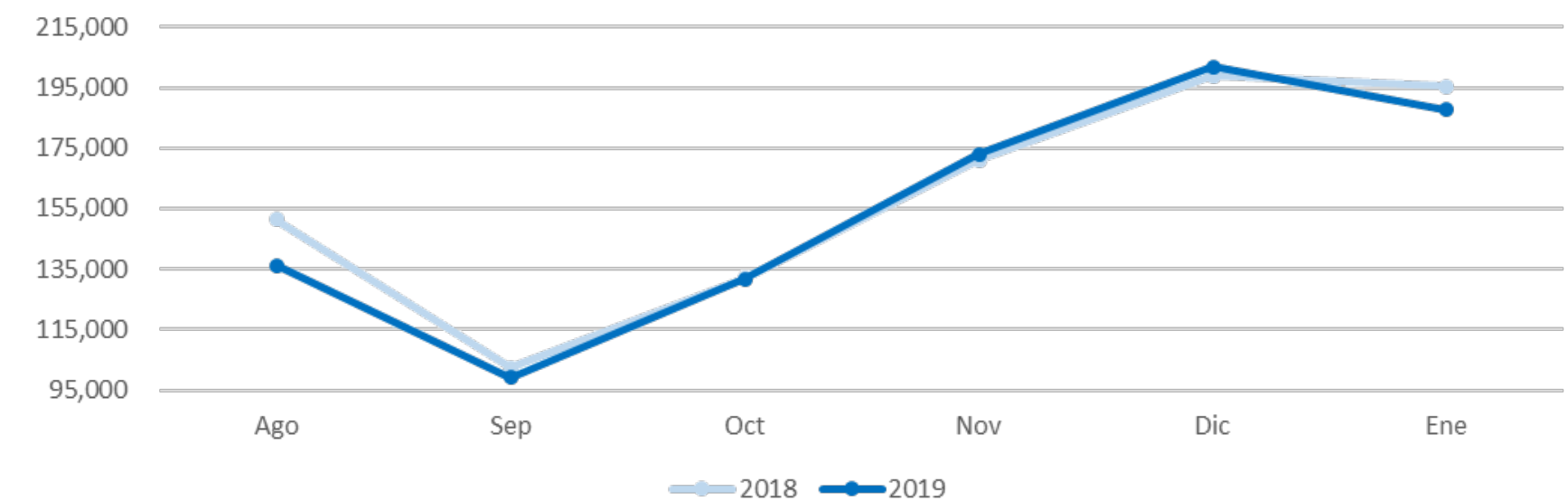
INTERNATIONAL AIR CONNECTIVITY

Sources: OAG

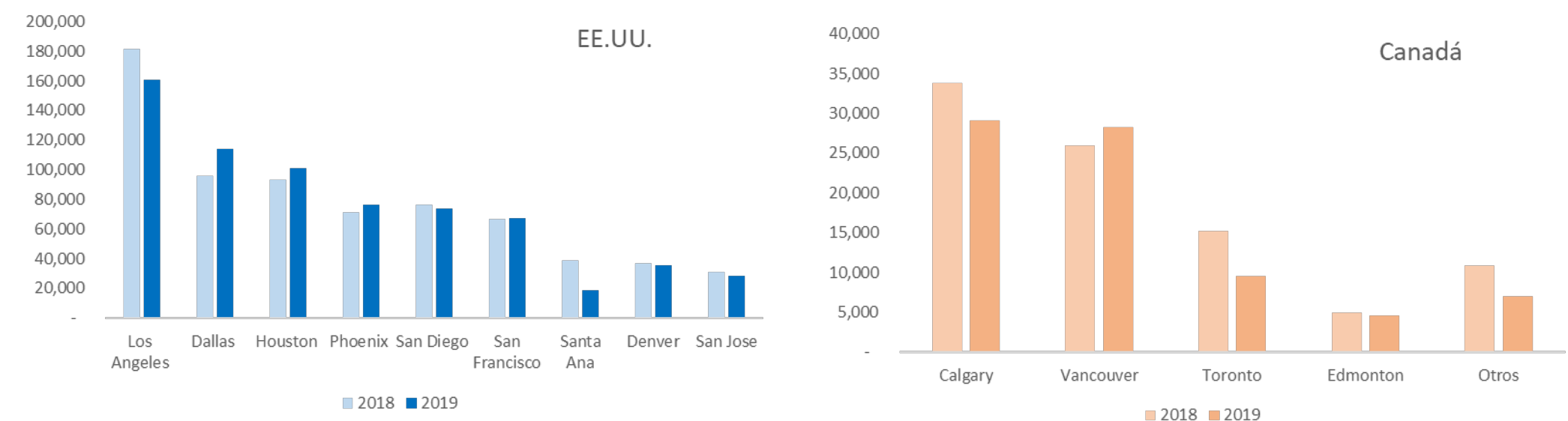
Seats are scheduled for Aug-2019 - Jan-2020

- For Aug-2019 there are 10% less scheduled seats available than in the same period of the previous year and for Aug-2019-Jan-2020 There are 2.3% less than those scheduled for the same period of 2018.
 - However from September the decrease in the programming is reduced and in Nov-Dec-2019, the volume already presents an increase of 1.3%
 - Los Angeles and San Diego show the main drops (-11.4% and -2.3%). The biggest growth will be in Dallas (+18.5%), Houston (+8.5%) and Phoenix (7.8%).
- The main market in the US is Los Angeles (19%), followed by Dallas (13%), and Houston (12%). All of California as a whole represents the 43% of the seats available from U.S. to SJD in this period.
 - The participation of LAX in the international market will decrease 2pp however the DFW will increase in the same proportion. American, Alaska Airlines, Delta, United And Southwest the most important (concentrating 95% as a whole).
- For Canada, the main markets are Calgary (37%) Vancouver (36%), Toronto (12%) and Edmonton (6%); through the airlines WestJet (64%), and Air Canada (19%). It should be noted that as of the date of preparation of the present, there is no up-to-date programming from Sunwing into the system of OAG.
 - For this reason, the seats scheduled from Canada as a whole presented a decrease of 13.6%.
- The factors of occupation of the international airlines for May-2019 were: American 82%, Alaska 88%, 67%, Delta United 89%, Southwest 86%; Air Canada 89% (the month Apr-2019), Sunwing 88%, and WestJet 88%.
 - When comparing with Jun-2018, there are similar factors, except in the case of Delta that decreased 4pp and Westjet 5pp.

Programación de asientos hacia San José del Cabo (Ago-2019-Ene-2020)



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





TOURISM OBSERVATORY IN LOS CABOS

PUBLIC RELATIONS

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

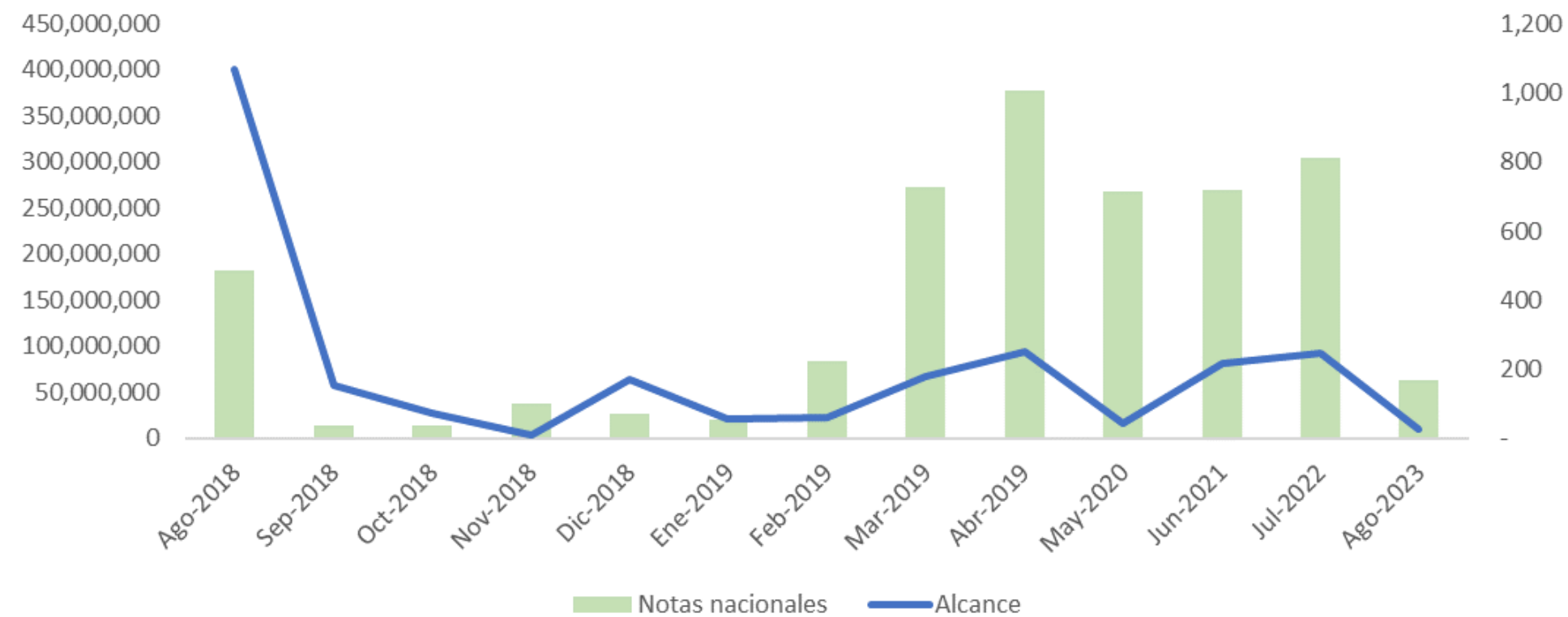
- **In the domestic market:**

- **In the period Sep-2018 to Aug-2019 (last 12 months) there were 4,671 insertions in the domestic press (389 per month on average), generating a range of 555 million impacts (46 million per month on average). During Aug-2019 167 insertions were published achieving 9.9 million impacts.**

- **In the international market:**

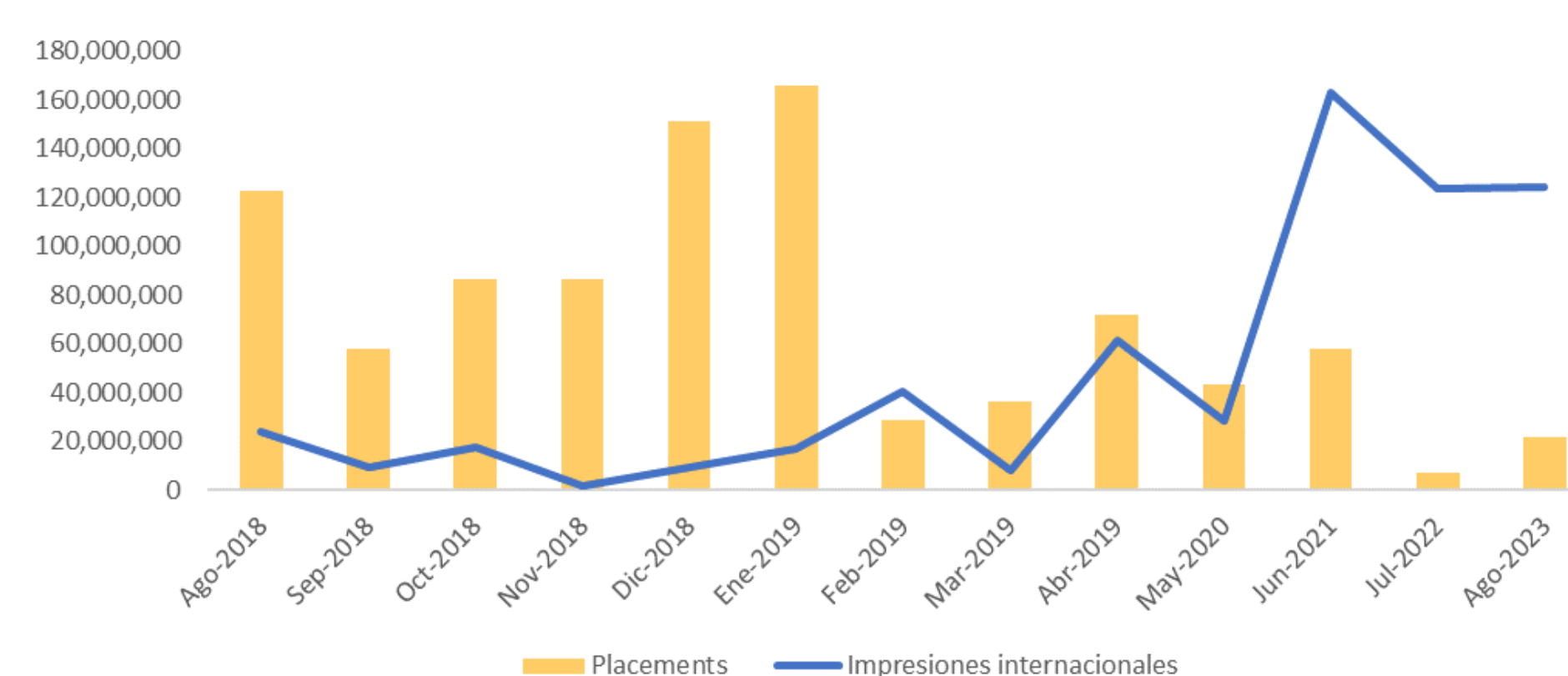
- **In Sep-2018 to Aug-2019 there were 110 insertions in the international press (10 per month on average), generating a range of 479 million impacts (44 million per month on average). During Aug-2019 3 insertions were published achieving 124 million impacts.**

TOTAL OF NATIONAL NOTES AND SCOPE (Sep-2019)



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

TOTAL OF INTERNATIONAL NOTES AND SCOPE (Sep-2019)



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

Definitions

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

Definitions

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

TOURISM OBSERVATORY IN LOS CABOS

All Rights Reserved. No part of this publication may be reproduced.



Developed by STA Consultants S.C.
[Www.staconsultores.com](http://www.staconsultores.com)
Info@staconsultores.com