Results of Tourism Activity

Mexico, February 2017

Undersecretariat of Planning and Tourism Policy

Available in http://www.datatur.sectur.gob.mx/SitePages/versionesRAT.aspx

DIRECTORY

ENRIQUE DE LA MADRID CORDERO
MINISTER OF TOURISM

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International Visitors to Mexico

SECTUR
SECRETARÍA DE TURISMO

ESTADOS UNIDOS MEXICANOS

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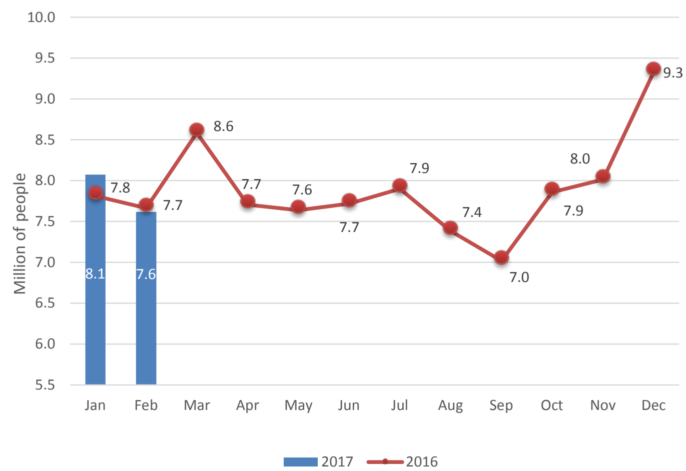
ARRIVAL OF INTERNATIONAL VISITORS

Chart 1. According to Bank of Mexico, during January-February 2017 the number of international visitors arriving Mexico was 15.7 million, that is 217 thousand higher than January-February 2016, equivalent to an increase of 1.4% in comparison to the same period of the previous year.

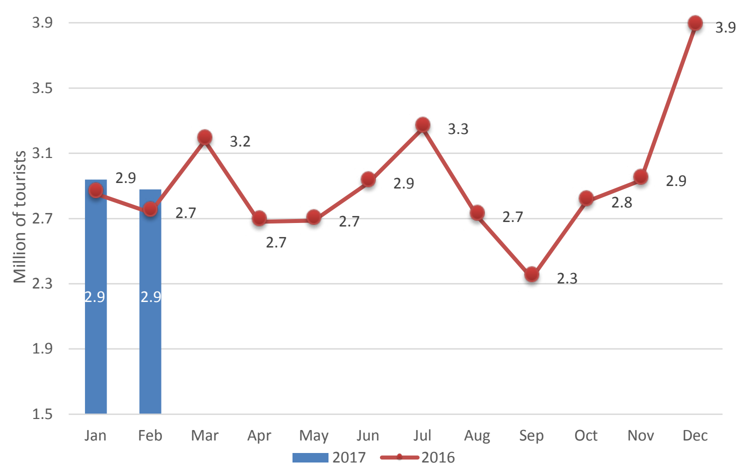
January-February	Million visitors	Change
2016	15.4	
2017	15.7	1.4%



ARRIVAL OF INTERNATIONAL TOURISTS

Chart 2. The arrival of international tourists in January-February 2017 was 5.8 million, reaching 229 thousand more than January-February 2016, increasing 4.1% in comparison to the same period of the previous year.

January-February	Million passengers	Change
2016	5.6	
2017	5.8	4.1%



Note: In the graphs the sum of the data does not coincide with the accumulated period due to the rounding of figures.

Source: Bank of Mexico, Balance of payments.
http://www.datatur.sectur.gob.mx/SitePages/VisitantesInternacionales.aspx

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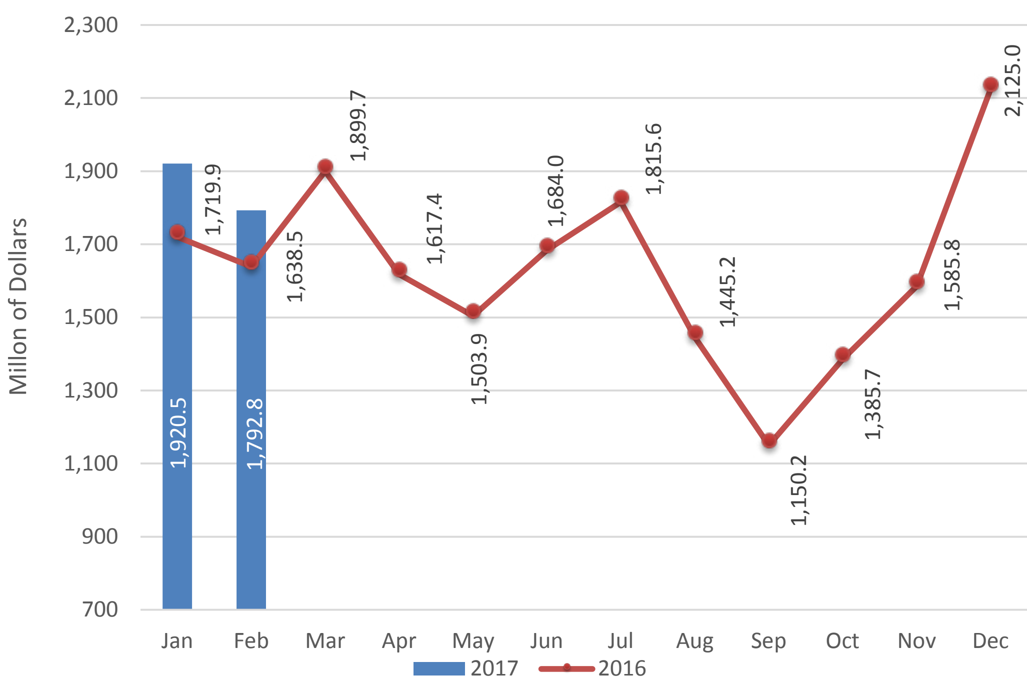
INTERNATIONAL TRAVEL RECEIPTS

Chart 3. Foreign currency income from the arrival of international visitors during January-February 2017 was 3,713 million dollars, equivalent to an increase of 355 million dollars (10.6%) in comparison to same period 2016.

January-February	Million dollars	Change
2016	3,358.4	
2017	3,713.3	10.6%



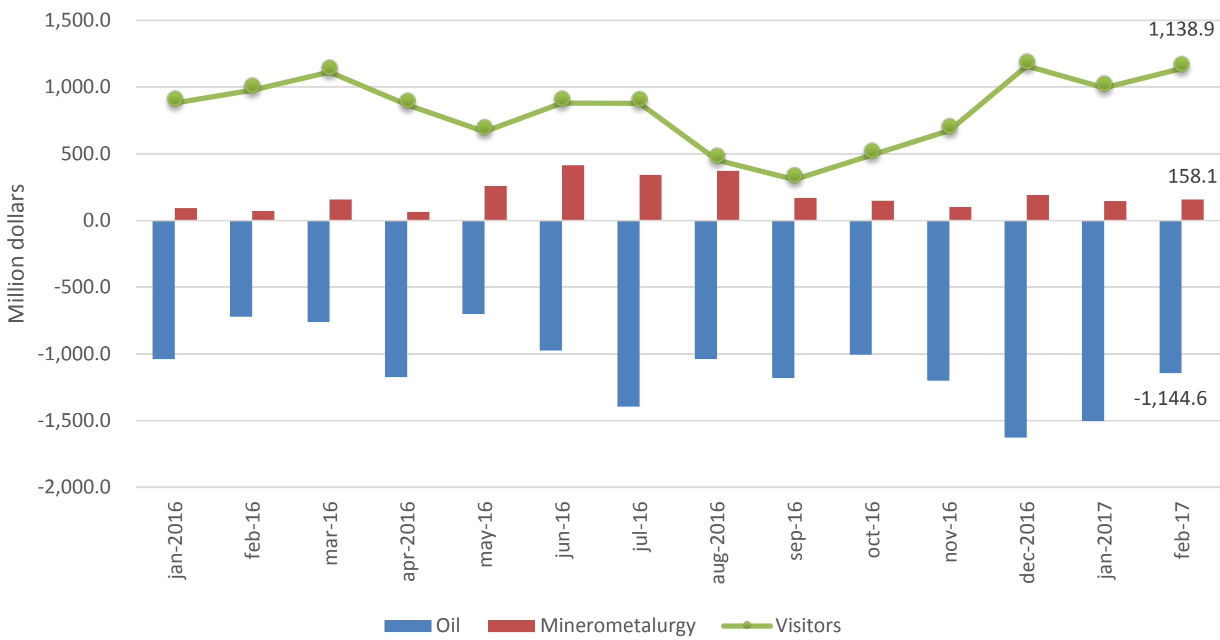
Source: Bank of Mexico, Balance of payments
http://www.datatur.sectur.gob.mx/SitePages/VisitantesInternacionales.aspx

INTERNATIONAL TRAVELERS BALANCE

Chart 4. The balance by international visitors in January-February 2017 registered 2,134 million dollars, an increase of 14.9% in comparison to the same period in 2016.

January-February	Million dollars	Change
2016	1,857.1	
2017	2,134.0	14.9%

Monthly Balance in the Balance of Oil, Minerometalurgy and International Travelers



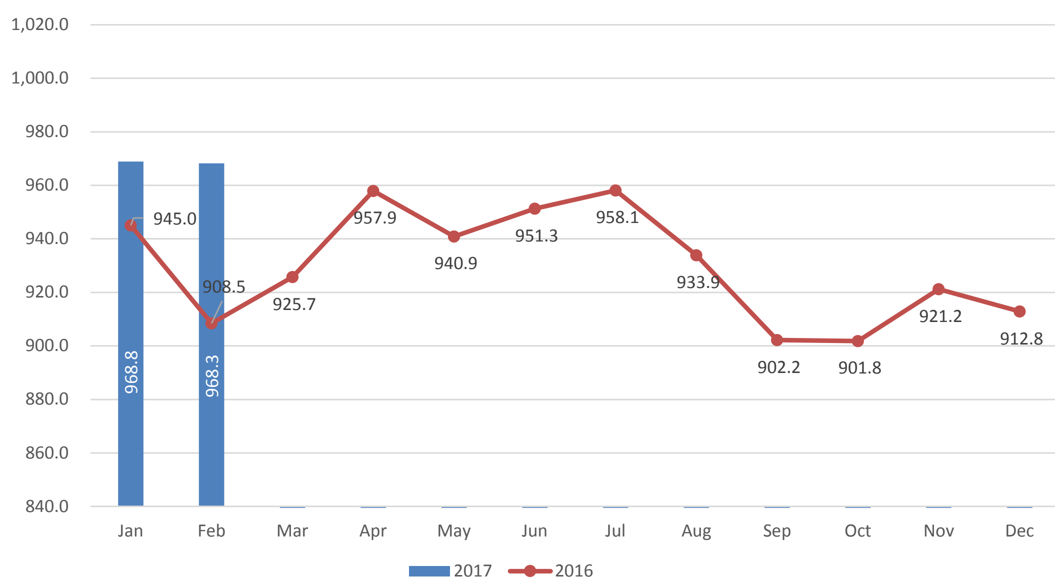
Note: In the graphs the sum of the data does not coincide with the accumulated period due to the rounding of figures.

Source: Bank of Mexico, Balance of payments
http://www.datatur.sectur.gob.mx/SitePages/VisitantesInternacionales.aspx

AVERAGE EXPENDITURE OF LONG-STAY TOURISTS, AIR TRANSPORT

Chart 5. During January-February 2017, the average expenditure of long-stay tourists by air was 960 dollars, an increase of 33 dollars (3.6%) in comparison to January-February 2016.

January-February	Dollars	Change
2016	926.9	
2017	960.0	3.6%

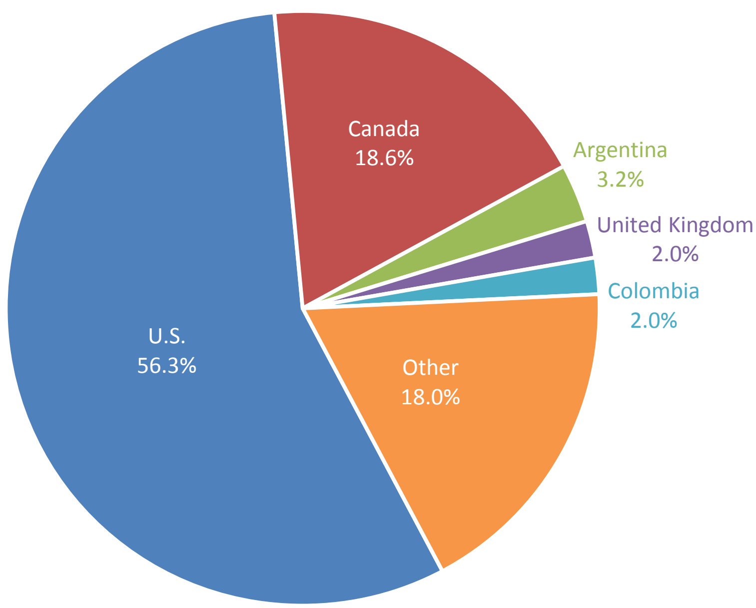


Source: Bank of Mexico, Balance of payments
http://www.datatur.sectur.gob.mx/SitePages/Visitantes%20Por%20Nacionalidad.aspx

Air Transportation

INTERNATIONAL VISITORS TO MEXICO ARRIVING BY AIR

Chart 6. In January-February 2017, the arrival of foreign air-coming visitors who reside in the United States represents 56.3% of all foreign arrivals by air. From Latin American and the Caribbean region the countries of residence with the highest number of foreign arrivals in México were Argentina and Colombia, with 3.2% and 2.0% of total visitors respectively.



Source: Migration Policy Unit, SEGOB
http://www.datatur.sectur.gob.mx/SitePages/Visitantes%20Por%20Nacionalidad.aspx

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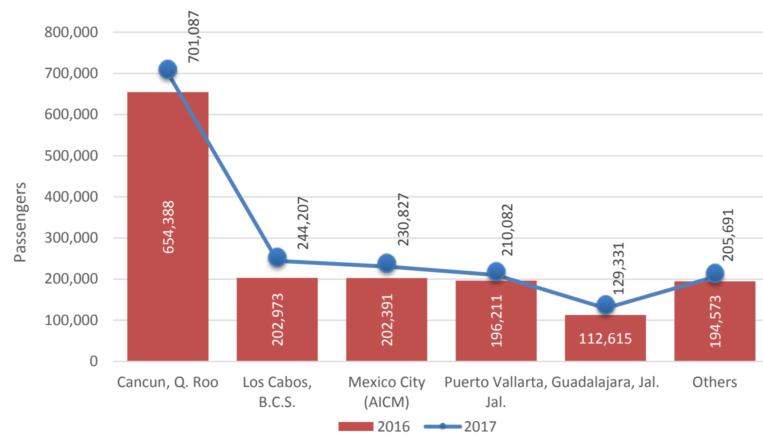
AMERICAN PASSENGERS PER AIRPORT

Chart 7. The American residents who arrived to Mexico by air increased 10.1% in January-February 2017 compared to the same period of 2016, registering one million 721 thousands passengers, who arrived firstly through the Cancun Airport, followed by Los Cabos Airport.

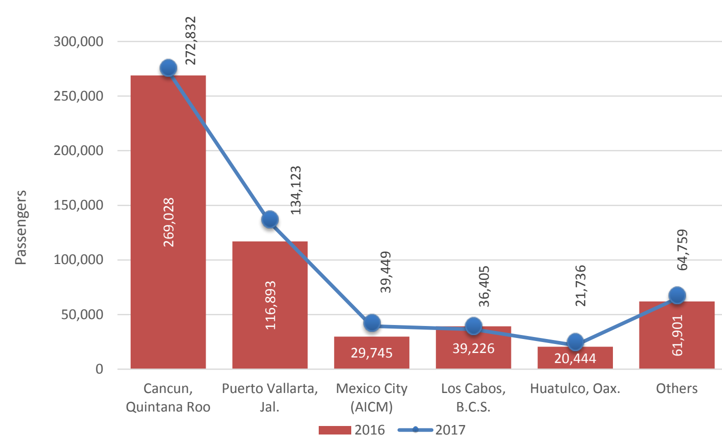
January-February	American passengers	Change
2016	1,563,151	
2017	1,721,225	10.1%



CANADIAN PASSENGERS PER AIRPORT

Chart 8. The Canadian residents who arrived Mexico by air was 6.0% higher during January-February 2017 in comparison to January-February 2016, exceeding 32.1 thousand passengers, who arrived firstly through the Cancun Airport, followed by Puerto Vallarta Airport.

January-February	Canadian passengers	Change
2016	537,237	
2017	569,304	6.0%



Source: Migration Policy Unit, SEGOB
http://www.datatur.sectur.gob.mx/SitePages/Visitantes%20Por%20Residencia.aspx

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MAIN AIRPORTS OF ARRIVAL

Figure 1. In January-February 2017 the airports with the highest number of foreign passengers were: Cancun (1,355,633); Ciudad de Mexico (605,328); Puerto Vallarta (353,804); Los Cabos (285,512); Guadalajara (140,098) and Cozumel (43,719); which represents 91.0% of all foreign passengers.

INTERNATIONAL PASSENGERS
JANUARY- FEBRUARY

	Baja California Sur	Jalisco		Mexico City	Quintana Roo	
	Los Cabos B.C.S.	Pto. Vallarta	Gdl.	Cd. México	Cancún	Cozumel
2016	245,879	321,889	122,144	523,997	1,269,540	43,451
2017	285,512	353,804	140,098	605,328	1,355,633	43,719
var	16.1%	9.9%	14.7%	15.5%	6.8%	0.6%

Note: Figures refers to events because the same person may have entered the country in more than one occasion. From this date only the residence of international passengers is considered and the nationality of the passengers is not longer used.

Source: Migration Policy Unit, SEGOB
http://www.datatur.sectur.gob.mx/SitePages/Visitantes%20Por%20Residencia.aspx

Domestic Tourism

OCCUPANCY RATE

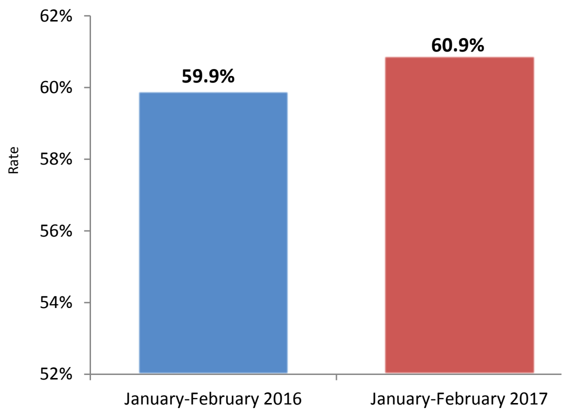


Chart 9. The percentage of hotel occupation in a group of 70 resorts during January-February 2017 reached 60.9%, one point higher in comparison to the same period of last year.

ARRIVAL OF TOURISTS TO HOTELS

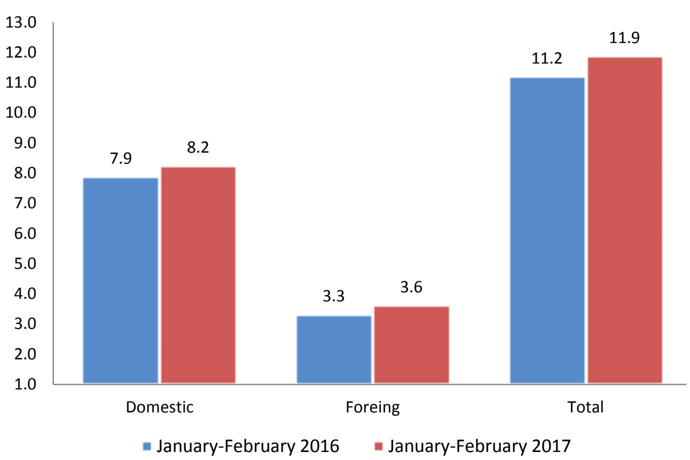
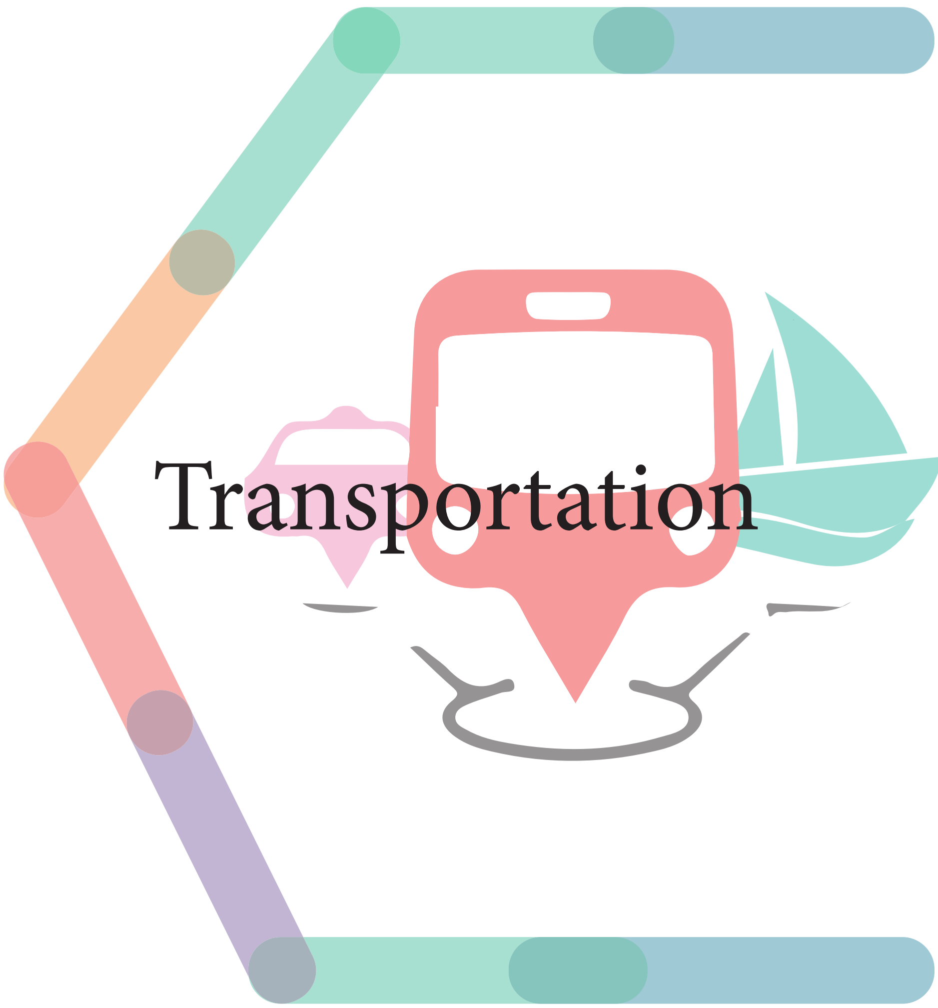


Chart 10. In January-February 2017, the arrival of domestic tourists to hotel rooms was 8.2 million tourists (69.4%), the remaining arrivals (30.6%) were from foreign tourists.

Notes: Total occupancy is a weighted average of the 70 destinations monitored
In the graphs the sum of the data does not coincide with the accumulated period due to the rounding of figures.

Source: Information of 70 resorts monitored by DataTur.
http://www.datatur.sectur.gob.mx/SitePages/ActividadHotelera.aspx

Transportation



AIR TRANSPORTATION

Chart 11. The number of passengers arriving by air increased 12.1% in January-February 2017 in comparison to the same period last year, reaching 10.5 million passengers, equivalent to an increase of one million 135 thousand passengers.

January-February	Thousand passengers	Change
2016	9,399.7	
2017	10,534.5	12.1%

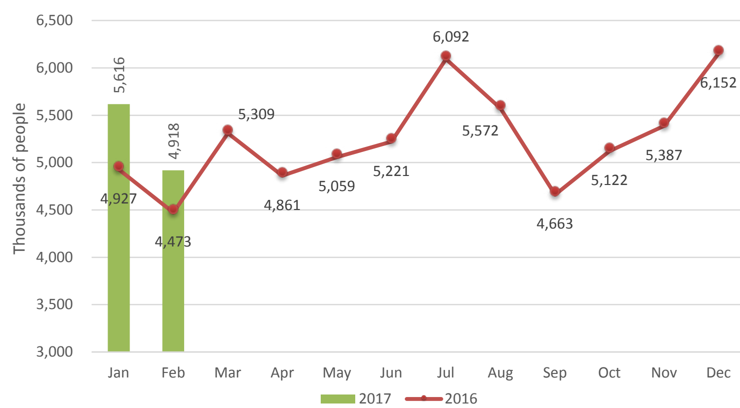
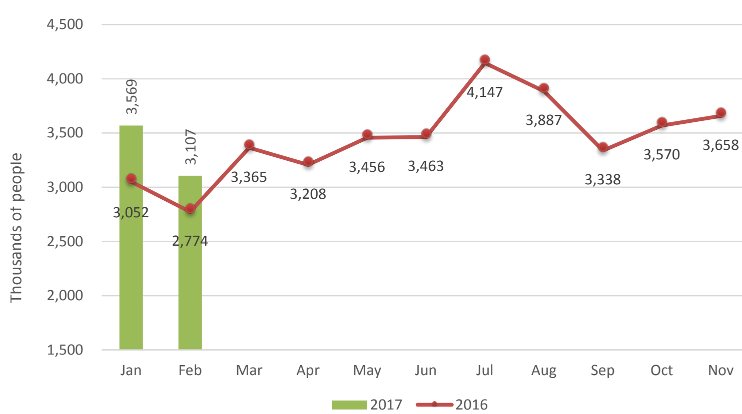


Chart 12. The number of passengers arriving by air on domestic flights in January-February 2017 was 6.6 million passengers, representing 850 thousand of additional passengers (14.6%), in comparison to the same period last year.

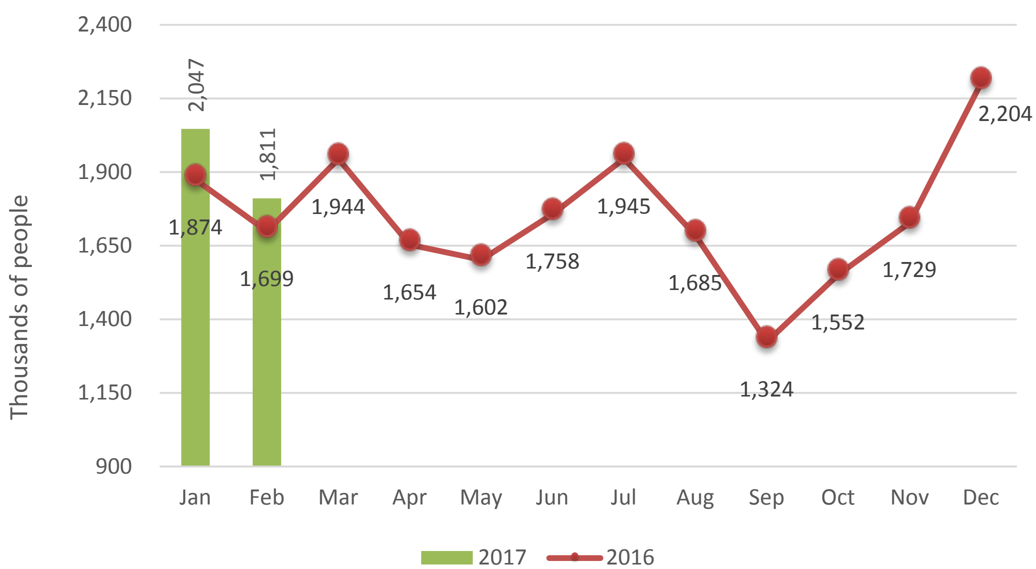


January-February	Thousand passengers	Change
2016	5,826	
2017	6,676.1	14.6%

Preliminary figures / Source: Airports and Auxiliary Services (SCT)
http://www.datatur.sectur.gob.mx/SitePages/TrasnAerea.aspx

Chart 13. In January-February 2016, the number of passengers arriving by air on international flights increased 8.0% with 3.8 million passengers, exceeding the 285 thousand of passengers from January-February 2016.

January-February	Thousand passengers	Change
2016	3,573.5	
2017	3,858.5	8.0%



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MARITIME TRANSPORTATION

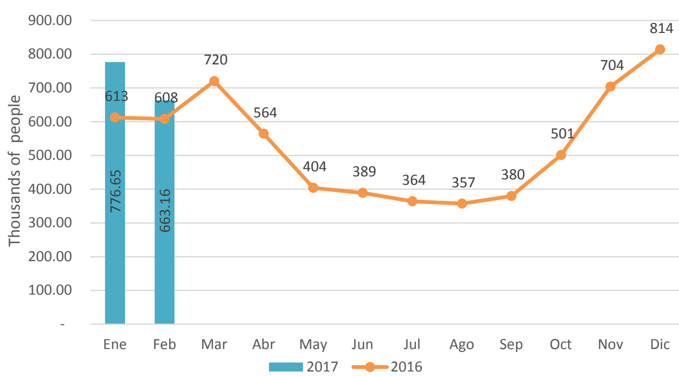

Chart 14. During January-February 2017, the number of cruise passengers reached one million 439.8 thousand passengers, representing an increase of 219 thousand passengers (18.0%) compared to the same period 2016.

January-February	Thousand passengers	Change
2016	1,220.3	
2017	1,439.8	18.0%

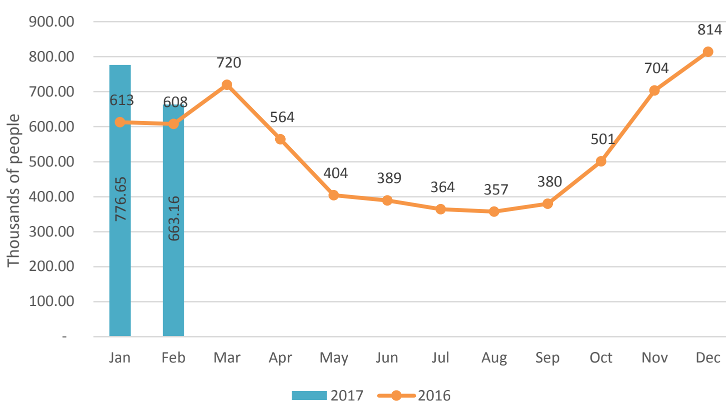

Chart 15. The number of cruise arrivals in January-February 2017 increased to 90, reaching 574, an increase of 18.6% in comparison to the same period last year.

January-February	Arrivals	Change
2016	484	
2017	574	18.6%

Source: General Coordination of Ports and Merchant Navy, Ministry of Communications and Transportation (SCT)
http://www.datatur.sectur.gob.mx/SitePages/Actividades%20En%20Crucero.aspx

MAIN PORTS

Figure 2. In January-February 2017 the ports that received the highest number of passengers were the following: Cozumel, Majahual and Ensenada; representing 77.5% of total arrivals in the month.

January-February

		arrivals	passengers
Ensenada	2016	42	105,613
	2017	41	94,271
	change	-2.4%	-10.7%
Cabo San Lucas	2016	32	75,746
	2017	43	80,570
	change	34.4%	6.4%
Puerto Vallarta	2016	27	66,440
	2017	31	71,038
	change	14.8%	6.9%
Majahual	2016	54	126,220
	2017	74	197,316
	change	37.0%	56.3%
Cozumel	2016	238	696,095
	2017	279	824,835
	change	17.2%	18.5%

Source: General Coordination of Ports and Merchant Navy, Ministry of Communications and Transportation (SCT)
http://www.datatur.sectur.gob.mx/SitePages/Actividades%20En%20Crucero.aspx

Other Indicators

RESULTS OF TOURISM ACTIVITY									
Subject	Unit of measurement	Year (January-December)				Change %	January-February		Change %
		2013	2014	2015	2016	16/15	2016	2017	16/15
International travelers balance (Banco de México)									
Inbound traveler expenditures	Million dollars	13,949.0	16,208.4	17,733.7	19,570.8	10.4%	3,358.4	3,713.3	10.6%
Outbound traveler expenditures	Million dollars	9,122.4	9,605.8	10,098.1	10,226.9	1.3%	1,501.3	1,579.3	5.2%
International travelers balance	Million dollars	4,826.6	6,602.6	7,635.6	9,343.9	22.4%	1,857.1	2,134.0	14.9%
International travelers to Mexico (Banco de México)									
Number of travelers (Thousand)									
International visitors	Thousand	78,100.2	81,042.1	87,128.6	94,621.0	8.6%	15,473.0	15,689.6	1.4%
International tourists	Thousand	24,150.5	29,345.6	32,093.3	34,960.8	8.9%	5,587.6	5,817.1	4.1%
Long-stay tourists	Thousand	14,561.9	15,999.9	18,307.2	20,424.3	11.6%	3,371.3	3,604.0	6.9%
Border tourists	Thousand	9,588.6	13,345.7	13,786.1	14,536.6	5.4%	2,216.3	2,213.1	-0.1%
Same-day travelers	Thousand	53,949.7	51,696.5	55,035.3	59,660.2	8.4%	9,885.4	9,872.5	-0.1%
In border area travelers	Thousand	49,394.2	45,911.2	48,920.5	52,965.6	8.3%	8,566.0	8,386.7	-2.1%
In cruises travelers	Thousand	4,555.4	5,785.2	6,114.8	6,694.6	9.5%	1,319.4	1,485.8	12.6%
Inbound travelers expenditure (Million dollars)									
International visitors	Million dollars	13,949.0	16,208.4	17,733.7	19,570.8	10.4%	3,358.4	3,713.3	10.6%
International tourists	Million dollars	11,853.8	14,320.0	15,825.7	17,621.9	11.4%	3,030.9	3,367.8	11.1%
Long-stay tourists	Million dollars	11,311.5	13,579.9	15,035.0	16,852.6	12.1%	2,912.4	3,244.9	11.4%
Border tourists	Million dollars	542.2	740.1	790.7	769.3	-2.7%	118.5	122.9	3.7%
Same-day travelers	Million dollars	2,095.2	1,888.4	1,908.0	1,948.9	2.1%	327.5	345.5	5.5%
In border area travelers	Million dollars	1,737.1	1,469.6	1,508.9	1,548.1	2.6%	247.9	256.4	3.4%
In cruises travelers	Million dollars	358.1	418.8	399.2	400.8	0.4%	79.6	89.1	12.0%
Average expenditure (dollars)									
International visitors	Dollars	178.6	200.0	203.5	206.8	1.6%	217.0	236.7	9.0%
International tourists	Dollars	490.8	488.0	493.1	504.0	2.2%	542.4	578.9	6.7%
Long-stay tourists	Dollars	776.8	848.8	821.3	825.1	0.5%	863.9	900.4	4.2%
Border tourists	Dollars	56.5	55.5	57.4	52.9	-7.7%	53.5	55.5	3.9%
Same-day travelers	Dollars	38.8	36.5	34.7	32.7	-5.8%	33.1	35.0	5.6%
In border area travelers	Dollars	35.2	32.0	30.8	29.2	-5.2%	28.9	30.6	5.6%
In cruises travelers	Dollars	78.6	72.4	65.3	59.9	-8.3%	60.3	60.0	-0.6%
Arrival of passengers on domestic and international flights (ASA)									
Total Passengers arriving by air	Thousands	46,122.1	49,955.8	56,367.6	62,838.2	11.5%	9,399.7	10,534.5	12.1%
International flights	Thousands	15,703.3	17,125.6	19,279.3	20,971.7	8.8%	3,573.5	3,858.5	8.0%
Domestic flights	Thousands	30,418.8	32,830.2	37,088.3	41,866.6	12.9%	5,826.1	6,676.1	14.6%
Foreign visitors by air and country of residence (Unidad de Política Migratoria)									
United States of America	Thousands	6,630.3	7,348.5	8,604.6	9,643.9	12.1%	1,563.2	1,721.2	10.1%
Canada	Thousands	1,574.3	1,646.2	1,707.8	1,734.6	1.6%	537.2	569.3	6.0%
United Kingdom	Thousands	391.8	432.3	477.3	513.8	7.6%	61.6	60.9	-1.2%
Argentina	Thousands	233.4	218.4	309.6	375.2	21.2%	74.0	97.6	31.9%
Colombia	Thousands	230.1	292.4	363.2	390.2	7.5%	49.1	60.4	23.0%
Movements cruise (SCT, Dirección General de Puertos)									
Passenger in cruices	Thousands	4,348.9	5,563.1	5,929.2	6,417.4	8.2%	1,220.3	1,439.8	18.0%
Cruise's arrivals	Number	1,622.0	2,091.0	2,180.0	2,262.0	3.8%	484.0	574.0	18.6%
Hotel business* (SECTUR)									
Percentaje of hotel accupation	Percentage	55.6	57.1	59.6	60.3	0.70	59.9	60.9	1.0
Arrival of tourists to hotel rooms	Thousands	62,394.0	65,000.0	69,827.3	74,316.0	6.4%	11,206.3	11,876.9	6.0%
Number of tourist jobs** (SECTUR based on ENOE)									
Tourism employment	Thousands	3,628.2	3,641.0	3,803.4	3,951.9	3.9%	NA	NA	NA
Quarterly Indicator of Tourism Activity*** (index 2008=100, seasonally adjusted series) INEGI.				Third Quarter					
Tourism GDP	Annual percentages	0.7	2.0	5.0	4.3	4.3	NA	NA	NA
Goods	Annual percentages	-4.1	-6.1	3.2	7.4	7.4	NA	NA	NA
Services	Annual percentages	2.2	3.6	5.4	3.6	3.6	NA	NA	NA
Internal tourism consumption	Annual percentages	1.4	0.8	6.0	6.1	6.1	NA	NA	NA
Domestic tourism consumption	Annual percentages	0.8	-1.9	3.0	3.2	3.2	NA	NA	NA
Inbound tourism consumption	Annual percentages	6.9	21.9	25.2	24.3	24.3	NA	NA	NA

* A report from the Hotel Occupancy monitored weekly in 70 centers. Changes in percentage points in the case of hotel occupancy. 17/04/2017

** Quarterly figures, excluding induced employment.

*** For annual percentage change data for the last quarter of the current year compared to the last quarter of the previous year. For 2016 figures third quarter.

NA Not apply

Sources: Bank of Mexico. ASA e INEGI, UPM, SCT, SECTUR.

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Macroeconomic Perspective on Key Indicators of Mexico				
Entity	Gross Domestic Product Constant prices (percent change)		Inflation (%dec/dec)	
	2017	2018	20172	018
International Monetary Fund	1.70	2.00	3.16	3.14
OCDE	2.27	2.37	3.45	3.61
Bank of Mexico Survey	1.49	2.12	5.56	3.88
Ministry of the Treasury and Public Credit	1.3 a 2.3	2.0 a 3.04	.90	3.00

Source: **IMF**, World Economic Outlook Database (october 2016); **OECD**, Economic Outlook (2016/10); **Bank of México**, Expectations Survey Economic Specialist Private Sector (03/04/17); **Ministry of finance and public credit**, Pre-General Criteria for Economic Policy 2018 (April, 2017)

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Mexico’s key economic indicators

Entries	2011	2012	2013	2014	2015	2016	January-17	February-17
General Economic Activity and Services Identified with Tourism								
Gross Domestic Product								
. Millions of current pesos	14,550,014	15,626,907	16,118,031	17,258,964	18,241,982	19,522,652		
. Constant prices annual variations in %	4.0	4.0	1.4	2.3	2.6	2.3		
Tertiary activities								
- Air Transportation (481)								
. Millions of current pesos	24,368	27,720	27,063	34,708	39,827	50,112		
. Constant prices annual variations in %	-0.3	7.3	8.1	9.4	7.7	16.5		
- Temporary Lodging Services (721)								
. Millions of current pesos	137,648	151,099	163,718	179,525	200,137	219,572		
. Constant prices annual variations in %	2.4	8.2	5.6	6.0	5.6	3.8		
- Food and Beverages Preparation Services (722)								
. Millions of current pesos	160,238	172,438	177,145	185,939	208,668	225,523		
. Constant prices annual variations in %	0.8	3.0	-1.7	-0.3	6.1	3.8		
Quarterly Indicators of Tourism Activity								
Tourism GDP								
. Annual variations in %	2.9	4.6	0.6	1.7	3.6	2.4		
Internal tourism consumption								
. Annual variations in %	1.8	2.9	0.9	0.9	4.5	6.0		
Domestic tourism consumption								
. Annual variations in %	2.9	2.3	1.0	-0.8	1.1	3.1		
Inbound tourism consumption								
. Annual variations in %	-6.2	7.8	0.5	14.7	28.8	24.1		
Tourism Employment								
People Employed in the Tourism Sector (SECTUR)*	3409804.1	3536686.1	3628194.7	3640970.3	3803441.7	3951886.8		
Total number of IMSS-Insure Workers								
Employees insured by IMSS (average of the period)	15,153,643	15,856,137	16,409,302	16,990,724	17,724,222	18,401,344	18,699,916	18,853,971
.Permanent	13,101,612	13,637,937	14,123,077	14,570,291	15,170,986	15,785,784	16,046,797	16,141,919
.Non-permanent (urban and field)	2,052,031	2,218,200	2,286,225	2,420,433	2,553,236	2,615,560	2,653,119	2,712,052
Unemployment National Rate ** (closing of the period)								
. Total Percentage of PEA	4.51	4.40	4.89	4.16	4.34	3.66	3.57	
Prices and Exchange Rate***								
National Price Index (closing of the period)								
Consumer (percent variation)	3.8%	3.6%	4.0%	4.1%	2.1%	3.4%	4.7%	4.9%
. Air transport (percent variation)	7.6%	-7.7%	0.2%	16.7%	3.2%	9.8%	-7.8%	-1.8%
. Hotel (percent variation)	6.4%	1.1%	3.1%	4.8%	4.2%	7.8%	8.2%	7.7%
. Package Tourist Services (percent variation)	5.7%	1.6%	4.9%	5.1%	7.6%	6.4%	4.5%	8.0%
. Restaurants (percent variation)	4.4%	4.2%	3.6%	6.0%	4.9%	5.5%	5.9%	6.4%
Exchange Rate (peso / dollar)								
. Average of the period	12.423	13.169	12.772	13.292	15.848	18.664	21.373	20.381
Business Cycle Indicators and Consumer Confidence (montly difference****)								
. Coincident Indicator	6.0%	-6.4%	-3.1%	2.9%	-2.5%	4.1%	4.9%	ND
. Forward Indicator	2.7%	9.4%	0.6%	-8.6%	-8.5%	-18.8%	-16.0%	-13.5%
.Confidence Consumer Index	11.3%	7.2%	-26.6%	5.7%	6.6%	-10.6%	-7.7%	-7.1%

N.D. Not available.

* For 2016 figures for the third quarter.

** For 2016 figures for the fourth quarter. The Tourist Employment dataset is smoothed by averaging the last four quarters of it. The objective is to eliminate irregular .fluctuations in the short and medium term.

*** Percentage of all the economically active population. Data at the end of the period for annual and monthly figures and average period for quarterly information.

**** For prices of the consumer: at the end of the year are annual variations and same month previos year is for monthly data variation.

***** Point monthly difference (closing of the period).

Sources: SECTUR. INEGI. STYPS. Bank of Mexico

ECONOMIC CONTEXT

International environment

At the beginning of the year signs have been observed that point to a recovery in world economic activity. In line with the expectations of the International Monetary Fund (IMF) published in January, it is estimated that the world economy will grow by 3.4% a year during 2017, up from the estimated 3.1% by 2016.

The US economy Increase its pace of growth, driven by fiscal stimulus. For its part, the euro area is expected to expand moderately. In the rest of the advanced economies, in particular Japan, there is the expectation of a higher-than-expected performance.

The information available for 2017 shows that US economic activity will continue to show a favorable growth rate. In February 2017 the labor market continued to recover: job creation registered a monthly increase of 235,000 jobs, while the average hourly wage of workers increased at an annual rate of 0.2% and the unemployment rate resulted in 4.7%, 0.1% below the previous month.

At the beginning of 2017, recent data from the Euro Area show that the transmission of monetary policy measures has continued to favor domestic demand and thus economic recovery. For its part, the unemployment rate remained unchanged. At the beginning of the year, inflation continued its upward trend and during February registered growth of 2.0%, due to an increase in the price of food and energy.Finally, a recovery in the growth of emerging economies is expected in the face of the gradual normalization of the macroeconomic tensions that many of them face.

National

Uncertainty about the direction in the policies of the new US administration, particularly in the area of international trade, has represented a downside risk for the Mexican economy. The private sector outlook on Mexico's growth in 2017 has been adjusted down 0.7 pp on average since the US election, while the IMF decreased its projection by 0.6 pp in its publication of the World Economic Outlook of January 2017, to 1.7%.

In this context, an updated macroeconomic framework estimated for 2017 that estimates a growth range of 1.3 to 2.3 percent for this year, which takes into account the expected potential effects of the prevailing uncertainty, as well as the better performance. Expected from the variables observed to date.

http://finanzaspublicas.hacienda.gob.mx/work/models/Finanzas_Publicas/docs/paquete_economico/precgpe/precgpe_2018.pdf