

Results of Tourism Activity

Mexico, September 2016



Acapulco, Guerrero.



Tapijulapa, Tabasco.

Undersecretariat of Planning and
Tourism Policy

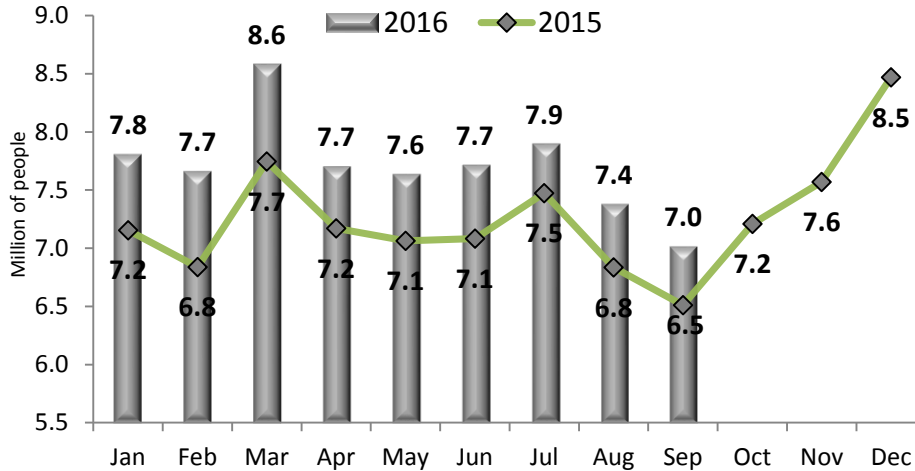
Reporting Date: November 11, 2016

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

International visitors

Chart 1. Bank of Mexico reported that the arrival of international travelers during the January-September period of 2016 was 69.4 million, which represents an increase of 8.7%. In September 2016, 7.0 million travelers arrived, 7.8% more than the number registered in the same month last year (6.5 million travelers). This is the highest level for September since 2010.

Chart 1. Monthly Arrival of International Visitors



January-September	Million visitors	Change %
2015	63.9	
2016	69.4	8.7%

* NOTE: In the charts, the sum of monthly data may not correspond to the cumulative period, due to rounding .

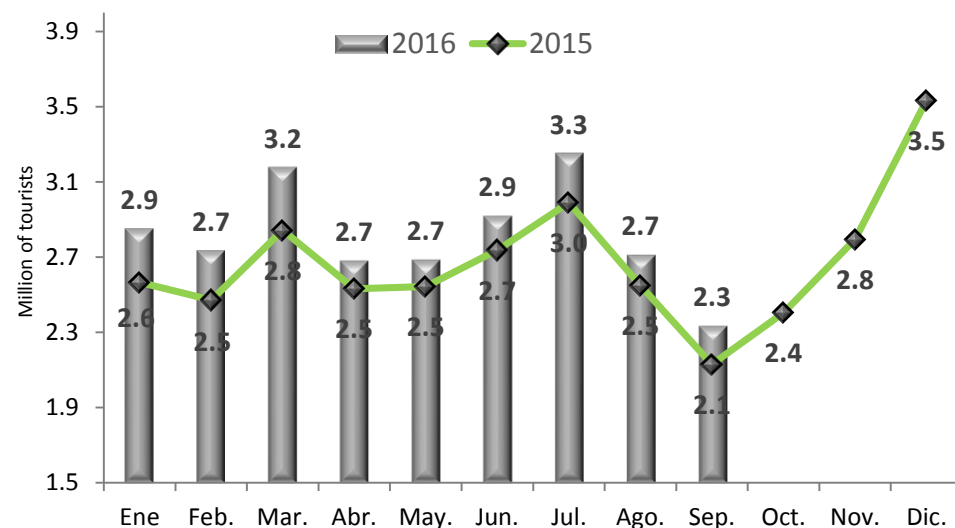
Source: Balance of payments, Banco de México.

<http://www.datatur.sectur.gob.mx/SitePages/VisitantesInternacionales.aspx>

International tourists

Chart 2. The arrival of international tourists during January-September of 2016 was 25.3 million, an increase of 8.5%. In September 2016, international tourists arrivals reached 2.3 millions, which represents an annual increase of 9.6%. This is the highest number for September since 2010.

Chart 2. Monthly Arrival of International Tourists



January-September	Million tourists	Change %
2015	23.3	
2016	25.3	8.5%

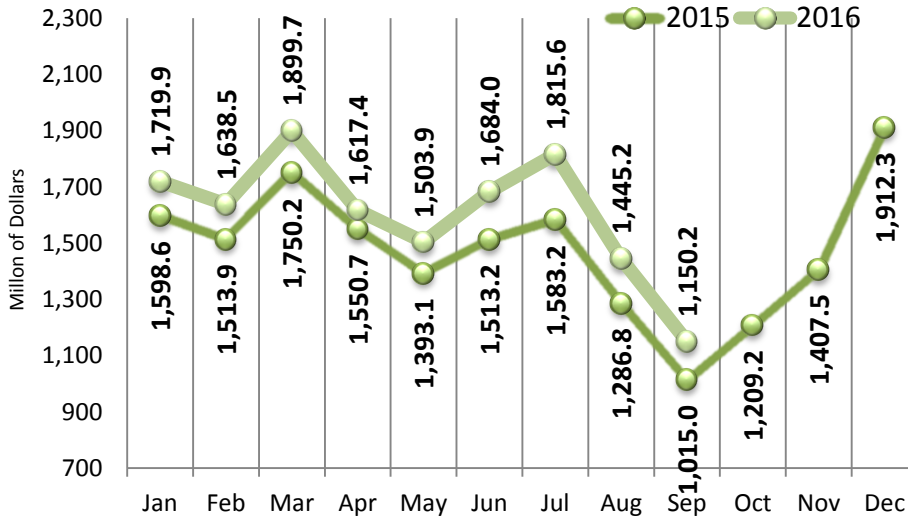
Source: Balance of payments, Banco de México.

<http://www.datatur.sectur.gob.mx/SitePages/VisitantesInternacionales.aspx>

Foreign Currency Income by International visitors

Chart 3. The income of foreign exchange from international visitors during January-September of 2016 was 14,474 million, an increase of 9.6%.

Chart 3. Monthly Income of Foreign Currency to Mexico from International Visitors



January-September	Million dollars	Change %
2015	13,205	
2016	14,474	9.6%

Source: Balance of payments, Banco de México.

<http://www.datatur.sectur.gob.mx/SitePages/VisitantesInternacionales.aspx>

Tourism Balance by International visitors

Chart 4. The balance of international visitors during January-September of 2016 recorded 7,021 million, an amount 20.0% above of the observed in the same period of 2015. The balance is composed of the foreign exchange earnings of international travelers minus total spending of national travelers abroad.

Chart 4. Monthly Result of Tourism Balance from International Visitors



January-September	Million dollars	Change %
2015	5,852	
2016	7,021	20.0%

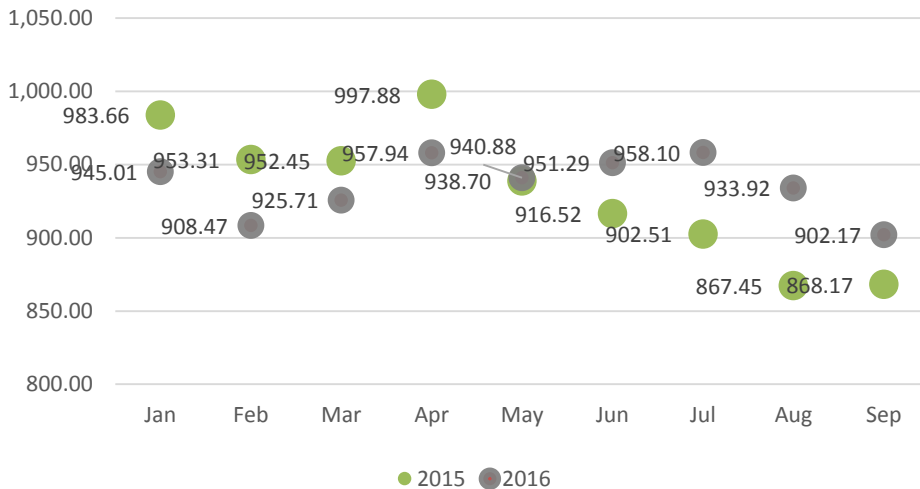
Source: Balance of payments, Banco de México.

<http://www.datatur.sectur.gob.mx/SitePages/VisitantesInternacionales.aspx>

Average Expenditure of International tourists by air

Chart 5. The average monthly expenditure of international tourists by air was 937.0 dollars during January-September 2016, an amount 0.3% above of the observed in the same period of 2015. Among the factors explaining this evolution are: the appreciation of the dollar against the Mexican peso.

Chart 5. Average Expenditure (international tourists by air)



January-September	Dollars	Change %
2015	934.4	
2016	937.0	0.3%

Source: Balance of payments, Banco de México.

<http://www.datatur.sectur.gob.mx/SitePages/VisitantesInternacionales.aspx>

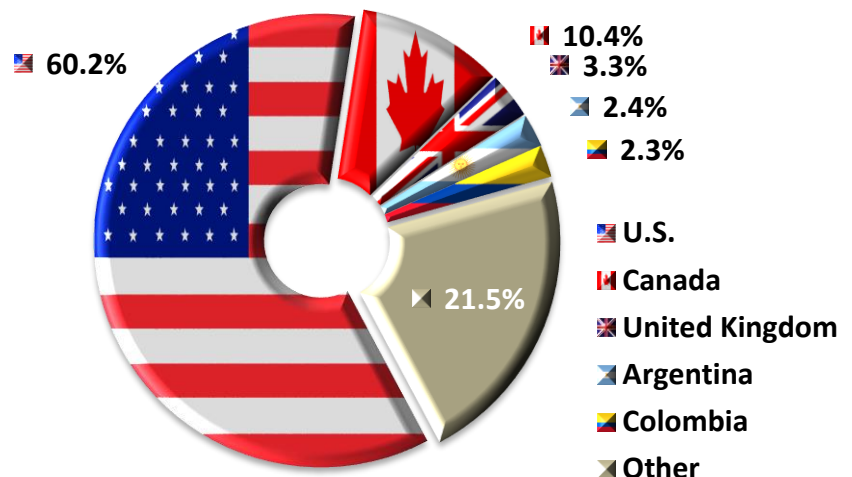
Foreign Visitors by air (main countries of residence)

Chart 6. In January-September of 2016, the arrival of foreign air-coming visitors who reside in the **United States**, accounted for **60.2%**.

From Latin America and the Caribbean, the country of residence with the highest number of foreign arrivals into México was **Argentina** with **2.4%** of total.

Note: Figures refers to events because the same person may have entered the country in more than one occasion. "Other" includes the remaining countries, the "unspecified" and the "Foreigners with residence in Mexico".

Chart 6. Participation of International Passengers



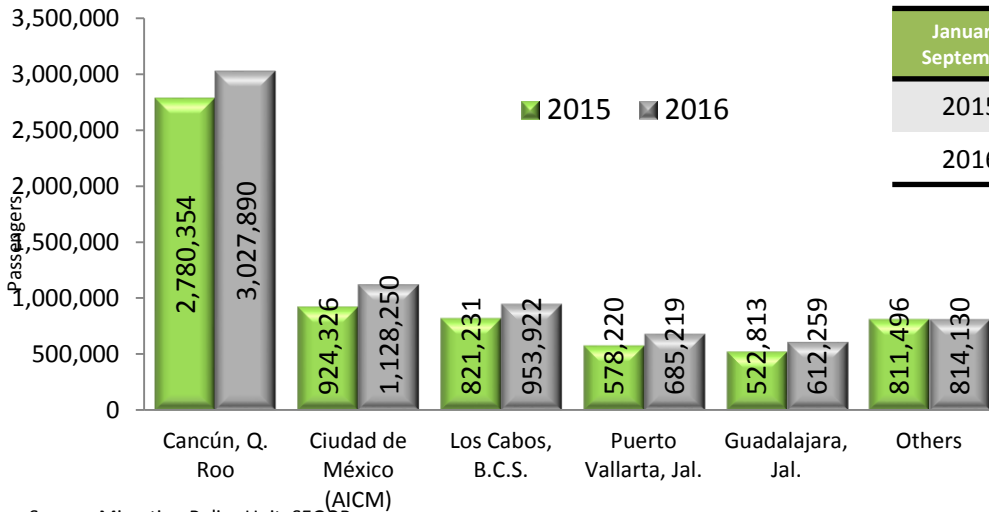
Source: Migration Policy Unit, SEGOB.

<http://www.datatur.sectur.gob.mx/SitePages/Visitantes%20Por%20Nacionalidad.aspx>

Foreign passengers arriving by Air (American)

Chart 7. The arrivals of American residents by air to Mexico increased 12.2% in January-September 2016 in comparison to the same period 2015, reaching 7.2 million passengers who arrived mainly by Cancun Airport, followed by Mexico City Airport.

Chart 7. American Residents per Airport



January-September	Passengers	Change %
2015	6,438,440	
2016	7,221,670	12.2%

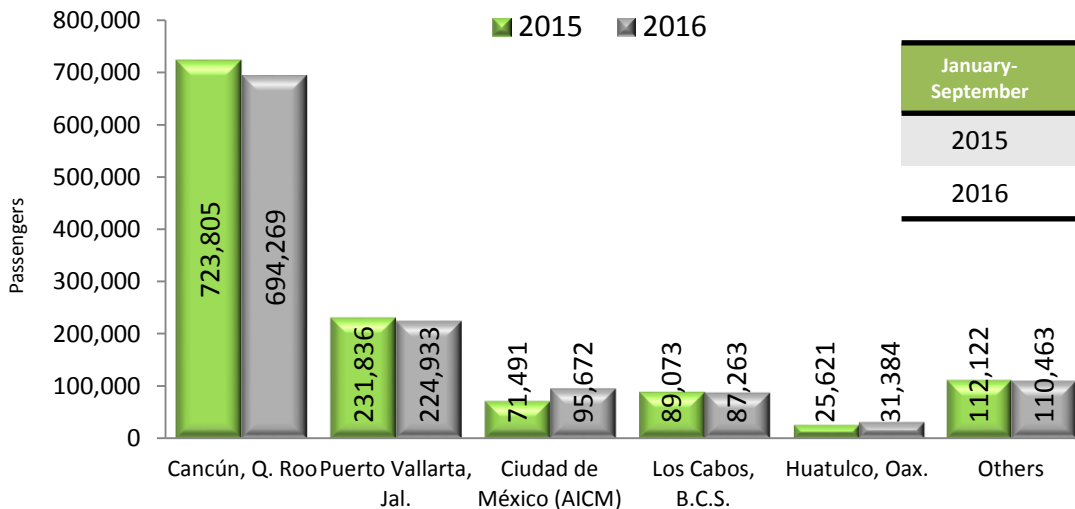
Source: Migration Policy Unit, SEGOB.

<http://www.datatur.sectur.gob.mx/SitePages/Visitantes%20Por%20Residencia.aspx>

Foreign passengers arriving by Air (Canadian)

Chart 8. The arrivals of Canadian residents by air to México were 0.8% lower during January-September of 2016 in comparison with the same period of 2015, reaching 1,243,984 passengers who arrived mainly by Cancun Airport, followed by Puerto Vallarta Airport.

Chart 8. Canadian Residents per Airport



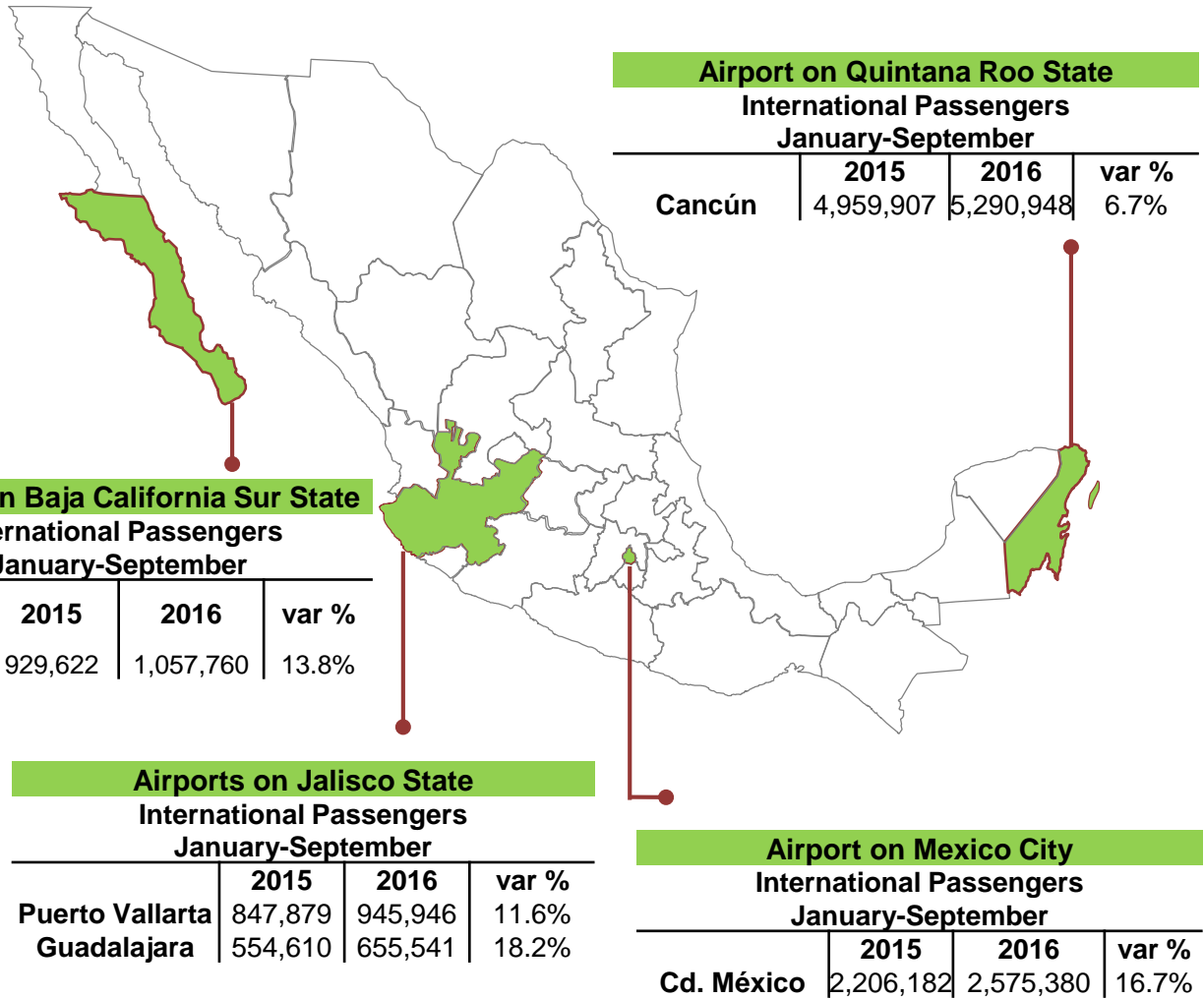
January-September	Passengers	Change %
2015	1,253,948	
2016	1,243,984	-0.8%

Source: Migration Policy Unit, SEGOB.

<http://www.datatur.sectur.gob.mx/SitePages/Visitantes%20Por%20Residencia.aspx>

Main airports

Figure 1. In January-September 2016 the airports with the highest number of foreign passengers were: Cancún (5,290,948); Ciudad de México (2,575,380); Cabo San Lucas (1,057,760); Puerto Vallarta (945,946); y Guadalajara (655,541); which represents 90.6% of all foreign passengers.



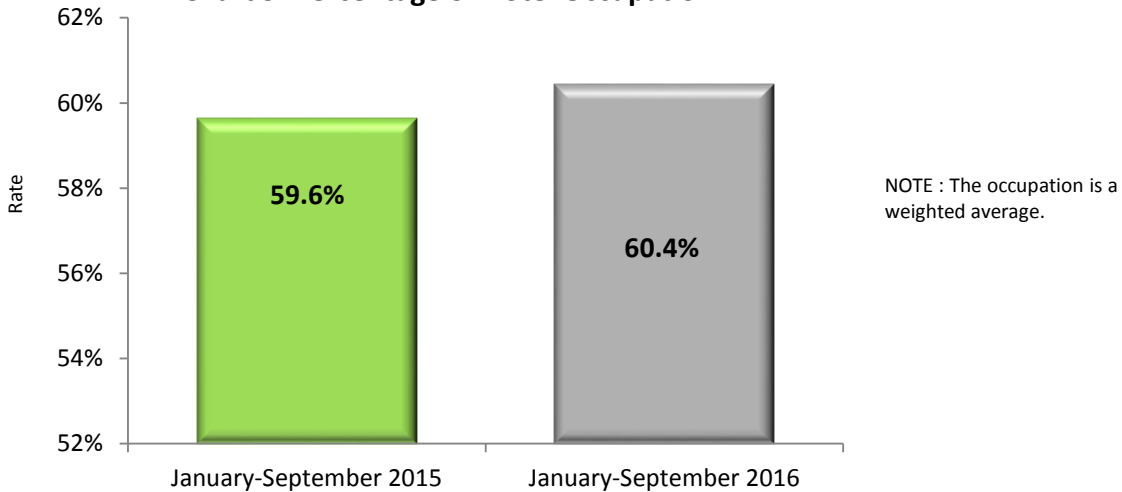
Source: Migration Policy Unit, SEGOB.
<http://www.datatur.sectur.gob.mx/SitePages/Visitantes%20Por%20Residencia.aspx>

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.

Percentage of Hotel Occupation

Chart 9. The percentage of hotel occupation of a group of 70 resorts during January-September of 2016 was 60.4%, 0.8 percentage points higher in comparison to the same period last year.

Chart 9. Percentage of Hotel Occupation



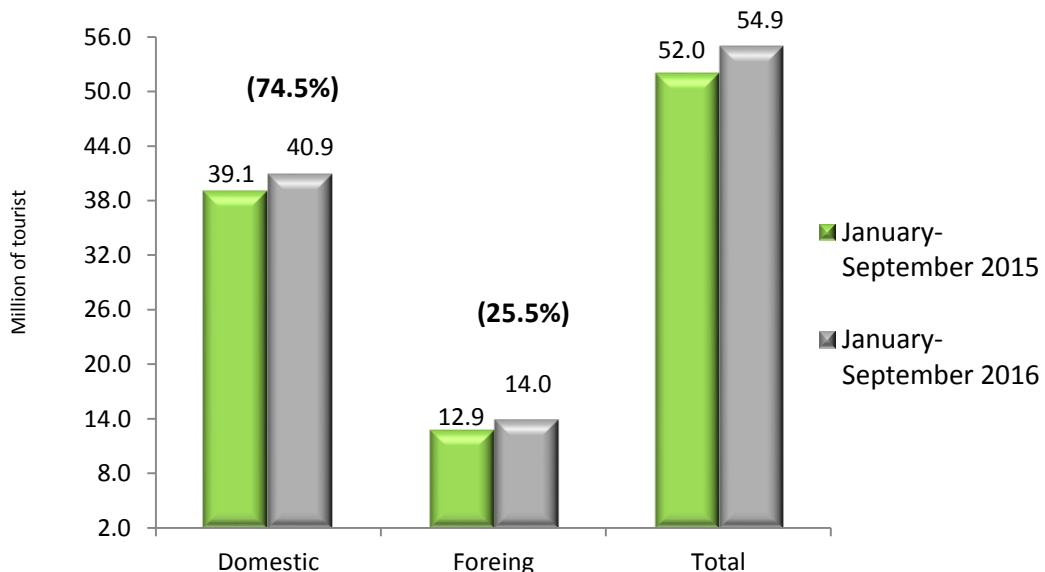
Source: Information of 70 resorts monitored by the Mexico's Tourism Information Statistics National System, DataTur.

<http://www.datatur.sectur.gob.mx/SitePages/ActividadHotelera.aspx>

Arrival of tourists to Hotels

Chart 10. During January-September of 2016, the arrival of domestic tourists to hotel rooms was over 40.9 million tourists (74.5%), the remaining arrivals (25.5%) correspond to foreign tourists.

Gráfica 10. Arrivals of tourist to hotel rooms



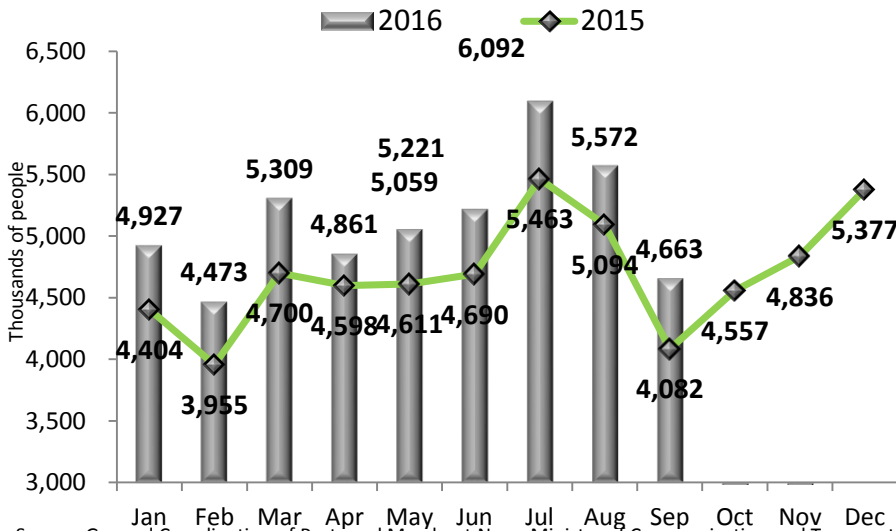
Source: Information of 70 resorts monitored by the Mexico's Tourism Information Statistics National System, DataTur.

<http://www.datatur.sectur.gob.mx/SitePages/ActividadHotelera.aspx>

Air Transportation

Chart 11. The number of passengers arriving by air during January-September 2016 was 46.2 million passengers, representing four million 579 thousand passengers additional (11.0%) in comparison to the same period last year.

Chart 11. Total Passengers

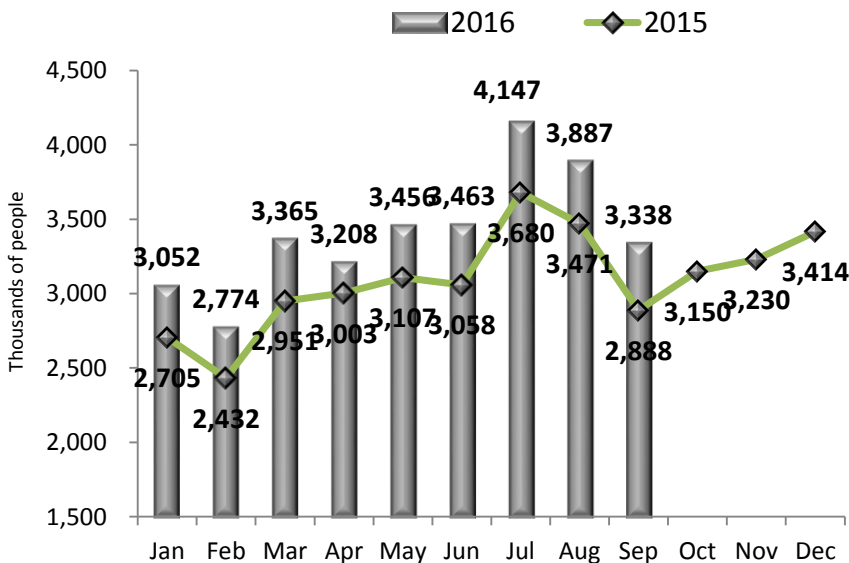


January-September	Million passengers	Change %
2015	41.6	
2016	46.2	11.0%

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

Chart 12. The number of passengers arriving by air on domestic flights during January-September 2016 was 30.7 million passengers, representing 3.4 millions of additional passengers (12.4%), in comparison to the same period of the last year.

Chart 12. Passengers in Domestic Flights

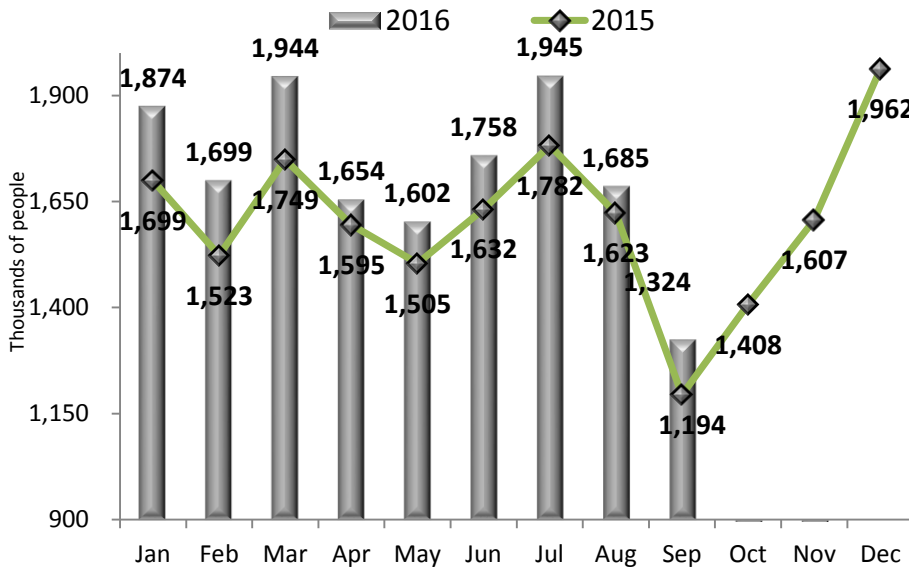


January-September	Million passengers	Change %
2015	27.3	
2016	30.7	12.4%

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

Chart 13. In January-September of 2016, the number of passengers arriving by air on international flights increased 8.3%, with 15.5 million passengers, exceeding for one million 184 thousand passengers the amount of January-September of 2015.

Chart 13. Passengers on International Flights



January-September	Million passengers	Change %
2015	14.3	
2016	15.5	8.3%

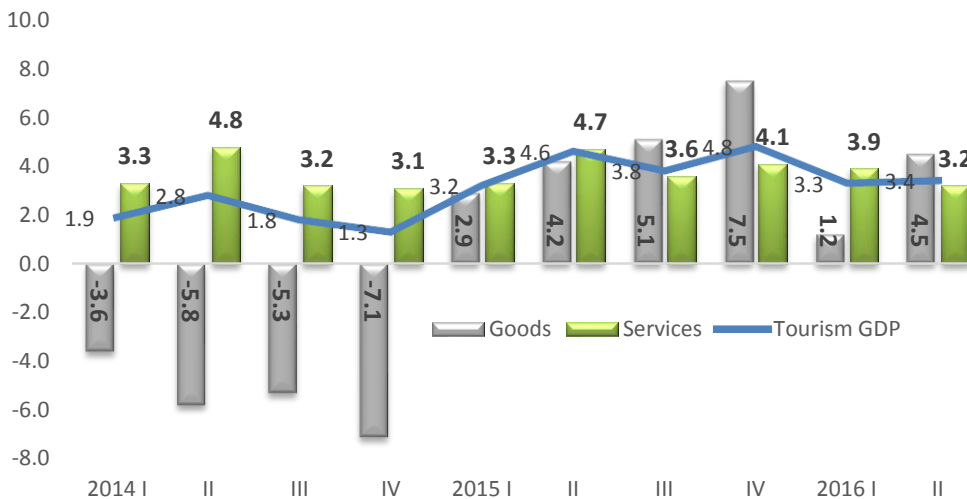
Preliminary figures.

Source: Airports and Auxiliary Services.

<http://www.datatur.sectur.gob.mx/SitePages/TrasnAerea.aspx>

Gráfica 14. According to seasonally adjusted series, the Quarterly Indicator of Tourism Activity grew 3.4% in the 2Q16 compared to the same period 2015. By component, services increased 3.2% y-o-y, while goods rose 4.5% y-o-y in the same period.

Chart 14. Quarterly Indicator of Tourism GDP



GDP Tourism	Changeo %
2015.II	4.6%
2016.II	3.4%

Seasonally adjusted figures.

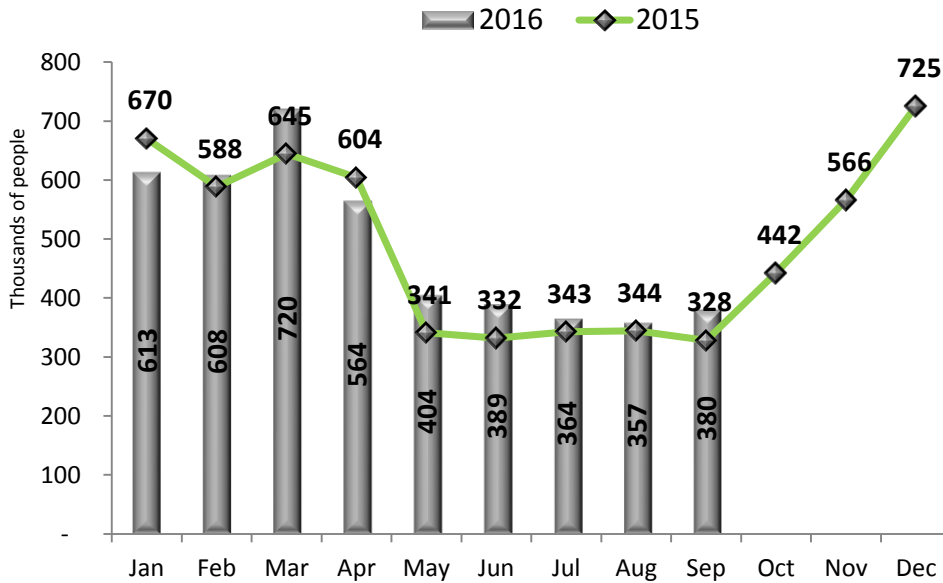
Source: INEGI.

<http://www.datatur.sectur.gob.mx/SitePages/ResultadosITAT.aspx>

Maritime transportation

Chart 15. During January-September 2016, the number of cruise passengers was 4.4 million passengers; this is an increase of 4.9% in comparison to the same period of last year.

Chart 15. Monthly Arrival of Passengers by Cruise

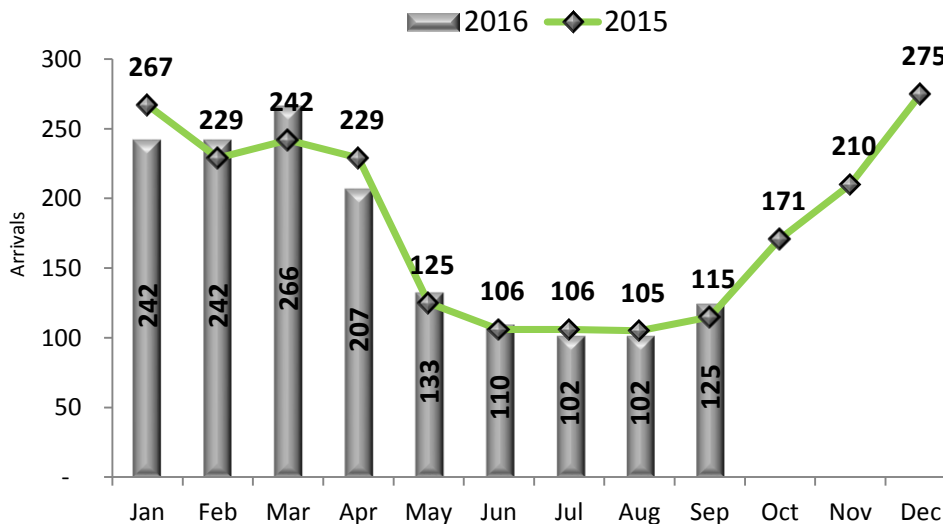


January-September	Thousand pasengers	Change %
2015	4,195.1	
2016	4,398.8	4.9%

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

Chart 16. The number of cruise's arrivals in January-September 2016 increased by five, reaching 1.5 thousands, an increase of 0.3% with respect to the same period of previous year.

Chart 16 Monthly Cruise's Arrivals

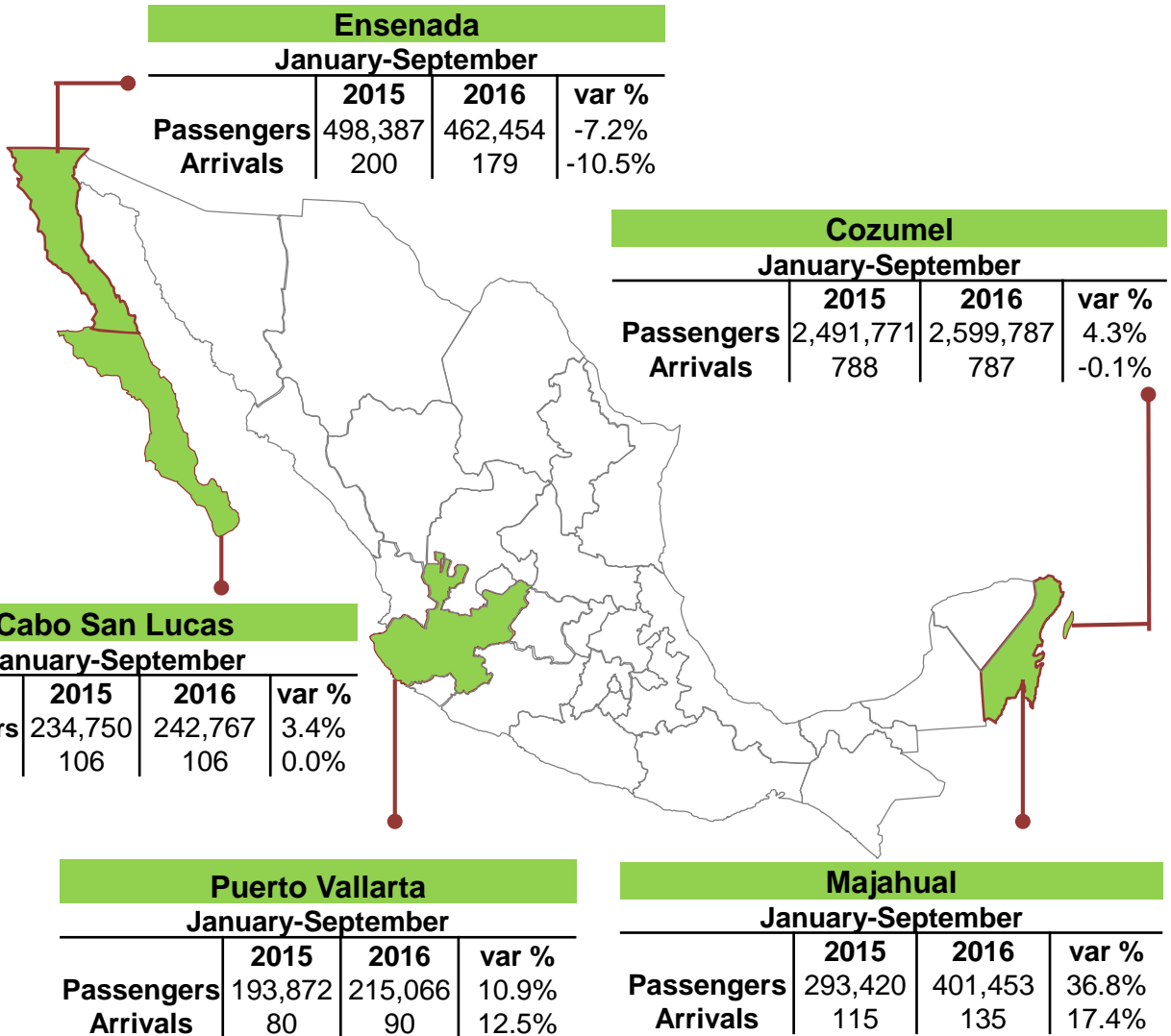


January-September	Arrivals	Change %
2015	1,524	
2016	1,529	0.3%

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

Main ports

Figure 2. Ports that received the highest number of passengers were the following: Cozumel, Ensenada and Majahual; representing 78.7% of total arrivals during January-September 2016.



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

RESULTS OF TOURISM ACTIVITY

Subject	Unit of measurement	Year (January-December)			Change % 15/14	Accumulated (January-September)		Change % 16/15
		2013	2014	2015		2015	2016	
International travelers balance (Banco de México)								
Inbound traveler expenditures	Million dollars	13,949.0	16,208.4	17,733.7	9.4%	13,204.8	14,474.4	9.6%
Outbound traveler expenditures	Million dollars	9,122.4	9,605.8	10,098.1	5.1%	7,352.9	7,453.3	1.4%
International travelers balance	Million dollars	4,826.6	6,602.6	7,635.6	15.6%	5,851.9	7,021.1	20.0%
International travelers to Mexico (Banco de México)								
Number of travelers (Thousand)								
International visitors	Thousand	78,100.2	81,042.1	87,128.6	7.5%	63,881.3	69,421.0	8.7%
International tourists	Thousand	24,150.5	29,345.6	32,093.3	9.4%	23,360.7	25,348.5	8.5%
Long-stay tourists	Thousand	14,561.9	15,999.9	18,307.2	14.4%	13,194.6	14,776.3	12.0%
Border tourists	Thousand	9,588.6	13,345.7	13,786.1	3.3%	10,166.1	10,572.2	4.0%
Same-day travelers	Thousand	53,949.7	51,696.5	55,035.3	6.5%	40,520.7	44,072.4	8.8%
In border area travelers	Thousand	49,394.2	45,911.2	48,920.5	6.6%	36,192.5	39,463.5	9.0%
In cruises travelers	Thousand	4,555.4	5,785.2	6,114.8	5.7%	4,328.2	4,608.9	6.5%
Inbound travelers expenditure (Million dollars)								
International visitors	Million dollars	13,949.0	16,208.4	17,733.7	9.4%	13,204.8	14,474.4	9.6%
International tourists	Million dollars	11,853.8	14,320.0	15,825.7	10.5%	11,786.0	13,043.8	10.7%
Long-stay tourists	Million dollars	11,311.5	13,579.9	15,035.0	10.7%	11,194.1	12,474.1	11.4%
Border tourists	Million dollars	542.2	740.1	790.7	6.8%	591.9	569.7	-3.7%
Same-day travelers	Million dollars	2,095.2	1,888.4	1,908.0	1.0%	1,418.8	1,430.6	0.8%
In border area travelers	Million dollars	1,737.1	1,469.6	1,508.9	2.7%	1,129.5	1,154.4	2.2%
In cruises travelers	Million dollars	358.1	418.8	399.2	-4.7%	289.3	276.2	-4.5%
Average expenditure (dollars)								
International visitors	Dollars	178.6	200.0	203.5	1.8%	206.7	208.5	0.9%
International tourists	Dollars	490.8	488.0	493.1	1.1%	504.5	514.6	2.0%
Long-stay tourists	Dollars	776.8	848.8	821.3	-3.2%	848.4	844.2	-0.5%
Border tourists	Dollars	56.5	55.5	57.4	3.4%	58.2	53.9	-7.4%
Same-day travelers	Dollars	38.8	36.5	34.7	-5.1%	35.0	32.5	-7.3%
In border area travelers	Dollars	35.2	32.0	30.8	-3.6%	31.2	29.3	-6.3%
In cruises travelers	Dollars	78.6	72.4	65.3	-9.8%	66.8	59.9	-10.4%
Quarterly Indicator of Tourism Activity* (index 2008=100, seasonally adjusted series) INEGI.								
Tourism GDP	Annual percentages	1.9	1.3	4.8	4.8	4.7	3.4	N.A.
Goods	Annual percentages	-3.6	-7.0	7.5	7.5	4.3	4.5	N.A.
Services	Annual percentages	3.0	3.1	4.1	4.1	4.7	3.2	N.A.
Internal tourism consumption	Annual percentages	1.9	0.5	7.5	7.5	6.5	6.1	N.A.
Domestic tourism consumption	Annual percentages	1.1	-1.5	4.2	4.2	3.4	3.6	N.A.
Inbound tourism consumption	Annual percentages	9.3	15.7	30.0	30.0	28.9	19.6	N.A.
Arrival of passengers on domestic and international flights (ASA)								
Total Passengers arriving by air	Thousands	46,122.1	49,955.8	56,367.6	12.8%	41,597.3	46,176.9	11.0%
International flights	Thousands	15,703.3	17,125.6	19,279.3	12.6%	14,302.4	15,487.0	8.3%
Domestic flights	Thousands	30,418.8	32,830.2	37,088.3	13.0%	27,294.9	30,689.9	12.4%
Foreign countries by air and country of residence (Unidad de Política Migratoria)								
United States of America	Thousands	6,630.3	7,348.5	8,604.6	17.1%	6,438.4	7,221.7	12.2%
Canada	Thousands	1,574.3	1,646.2	1,707.8	3.7%	1,253.9	1,244.0	-0.8%
Movements cruise (SCT, Dirección General de Puertos)								
Passenger in cruises	Thousands	4,348.9	5,563.1	5,929.2	6.6%	4,195.1	4,398.8	4.9%
Cruise's arrivals	Number	1,622.0	2,091.0	2,180.0	4.3%	1,524.0	1,529.0	0.3%
Hotel business** (SECTUR)								
Porcentaje de hotel ocupación	Percentage	55.6	57.1	59.6	2.47	59.6	60.4	0.8
Arrival of tourists to hotel rooms	Thousands	47,184.0	49,649.0	52,611.0	6.0%	51,984.0	54,935.0	5.7%
Number of tourist jobs*** (SECTUR based on ENOE)								
Tourism employment	Thousands	3,628.2	3,641.0	3,803.4	4.5%	3,688.0	3,892.1	5.5%

* Annual percentage change data for the last quarter of the current year compared to the last quarter of the previous year.

11/11/2016

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

*** Quarterly figures, excluding induced employment.

NA Not apply

Sources: Banco de México, ASA e INEGI, UPM, SCT, SECTUR.

Macroeconomic Indicators

International

The economic results at the international level indicate that global economic growth is slightly slower than in 2015. This is mainly due to lower-than-expected growth for advanced economies:

- In the case of the United States, the growth of the Gross Domestic Product (GDP) remains moderate and industrial production has lost momentum. According to the Blue Chip Economic Indicators survey of October 2016, the US GDP growth projection stands at 1.5 percent, 0.4 percentage points lower than expected in July 2016, while the estimate for industrial production Remained at a decline of 0.8 percent.
- While forecasts for emerging economies have improved at the margin, they remain relatively weak because of slower growth in advanced economies, slower global trade and lower commodity prices.
- The International Monetary Fund estimates GDP growth for these economies by 2016 at 4.2 percent, 0.1 percentage points higher than its projection for July 2016, and for Latin America and the Caribbean forecasts a GDP reduction of 0.6 percent.

National

- The loss of dynamism in industrial production in the United States, attributed to the appreciation of the dollar, weak global external demand and low oil prices, has been reflected in the performance of Mexico's non-oil exports.
- During the third quarter of 2016, non-oil exports in nominal dollars had an annual decrease of 0.6 percent; However, excluding the seasonal factor, total exports grew at a quarterly rate of 4.0 percent, the highest since the first quarter of 2012. On the other hand, oil production in Mexico recorded a decrease of 5.6 percent with respect To the third quarter of 2015.
- In September, general inflation remained below the 3.0% target of the Bank of Mexico at 2.97%. Considering the monthly variation in September of 2016 on the INPC, the prices of package tourist services fell 1.03%, with a negative incidence of 0.006 percentage points, which has a positive effect on the tourism sector.

http://finanzaspublicas.hacienda.gob.mx/es/Finanzas_Publicas/Informes_al_Congreso_de_la_Union

Macroeconomic Indicators

Macroeconomic Perspective on Key Indicators of Mexico

Entity	Gross Domestic Product		Inflation	
	Constant prices (percent change)		(% dec/dec)	
	2016	2017	2016	2017
International Monetary Fund	2.1	2.3	3.2	3.1
OCDE	2.6	3.0	2.8	3.2
Banco de México Survey	2.1	2.3	3.3	3.6
Ministry of the Treasury and Public Credit	2.0 a 2.6	2.0 a 3.0	3.2	3.0

N.a. Not available.

Source: **IMF**, World Economic Outlook Database (October 2016); **OECD**, Economic Outlook (2016/06); **Banco de México**, Expectations Survey Economic Specialist Private Sector (01/11/16); **Secretaría de Hacienda y Crédito Público**, General Criteria for Economic Policy 2017 (September, 2016)

KEY ECONOMIC INDICATORS OF MEXICO								
Entries	2011	2012	2013	2014	2015	2016-I	2016-II	September-2017
General Economic Activity and Services Identified with Tourism								
Gross Domestic Product								
. Millions of current pesos	14,550,014	15,626,907	16,118,031	17,256,000	18,127,178	18,456,630	19,103,569	
. Constant prices annual variations in %	4.0	4.0	1.4	2.2	2.5	2.4	2.5	
Tertiary activities								
- Air Transportation (481)								
. Millions of current pesos	24,367.51	27,720.08	27,063.27	34,707.61	42,495.78	44,332.36	50,327.42	
. Constant prices annual variations in %	-0.35	7.31	8.06	9.42	16.95	17.27	18.90	
- Temporary Lodging Services (721)								
. Millions of current pesos	137,648.4	151,098.6	163,717.8	179,524.8	195,489.0	215,083.6	204,833.7	
. Constant prices annual variations in %	2.4	8.2	5.6	6.0	5.8	6.8	2.0	
- Food and Beverages Preparation Services (722)								
. Millions of current pesos	160,237.9	172,438.0	177,144.8	185,939.2	205,985.1	210,513.8	210,438.8	
. Constant prices annual variations in %	0.8	3.0	-1.7	-0.3	6.0	6.8	2.9	
Quarterly Indicators of Tourism Activity								
Tourism Gross Domestic Product								
. Constant prices annual variations in %	2.9	4.6	0.8	2.2	3.8	4.1	3.7	
Internal Tourism Consumption								
. Constant prices annual variations in %	1.8	2.9	0.9	1.1	6.4	6.5	6.3	
- Domestic tourism consumption								
. Constant prices annual variations in %	2.9	2.3	1.0	-0.6	3.2	3.1	3.9	
- Inbound tourism consumption								
. Constant prices annual variations in %	-6.2	7.8	0.5	15.0	29.1	24.5	20.0	
Tourism Employment								
People Employed in the Tourism Sector*								
	3,409,804	3,536,686	3,628,195	3,640,970	3,803,442	3,845,089	3,892,090	
Total number of IMSS-insure Workers an Unemployment Rate								
Employees insured by IMSS (average of the period)	15,153,643	15,856,137	16,409,302	16,990,724	17,724,222	18,067,868	18,326,071	18,626,402
. Permanent	13,101,612	13,637,937	14,123,077	14,570,291	15,170,986	15,471,791	15,760,953	15,985,920
. Non-permanent (urban and field)	2,052,031	2,218,200	2,286,225	2,420,433	2,553,236	2,596,077	2,565,118	2,640,482
Unemployment National Rate** (closing of the period)								
. Total Percentage of PEA	4.51	4.40	4.89	4.28	4.52	4.04	3.93	3.85
Exchange Rate and Prices***								
National Price Index (closing of the period)								
Consumer (percent variation)	3.82%	3.57%	3.97%	4.08%	2.13%	2.60%	2.5%	3.0%
. Air transport (percent variation)	7.58%	-7.74%	0.20%	16.72%	3.17%	3.49%	9.6%	7.6%
. Hotel (percent variation)	6.41%	1.11%	3.14%	4.84%	4.18%	7.13%	5.9%	6.8%
. Package Tourist Services (percent variation)	5.72%	1.59%	4.90%	5.13%	7.62%	3.81%	6.7%	5.9%
. Restaurants (percent variation)	4.43%	4.20%	3.62%	6.03%	4.86%	4.78%	5.3%	5.0%
Exchange Rate (peso / dollar)								
. Average of the period	12.4233	13.1695	12.7720	13.2925	15.8483	18.0667	18.6471	19.1386
Business Cycle Indicators and Consumer Confidence (monthly difference****)								
. Coincident Indicator	0.060	-0.064	-0.031	0.027	-0.015	-0.017	ND	ND
. Forward Indicator	0.027	0.094	0.006	-0.094	-0.104	-0.060	-0.029	-0.079
. Confidence Consumer Index	0.113	0.072	-0.266	0.058	-0.017	-0.070	0.001	-0.234

N.a. Not available.

N/A: Not applicable (because the information is only annual and quarterly. No monthly data available for this series).

* Quarterly indicator with information of ENOE and CSTM. Fourth quarter data is indicated for annual data.

** 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 previous year is for monthly data variation.

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

Sources: SECTUR, INEGI, STYPS, Banco de México.