COVID-19 Impact and Recovery Report: Mexico
Updated: May 5, 2020

This report provides a snapshot of the situation in Mexico. It includes the following sections:

1. **COVID-19 Cases and Related Restrictions:** The number and growth rate of cases as of a certain date. Given the fluidity of the situation, these numbers will be out of date very quickly, but the intent is to provide context for analysis, as well as a sense of the scale. It also provides the known travel bans and restrictions in the country.

2. **Estimated Impacts on Travel to Canada:** The effects of COVID-19 on tourism revenue in Canada. This includes estimated spend inside the country, but excludes spending on transportation to get to Canada.

3. **Recovery Signals:** The comprehensive approach to understanding when the market is recovering from a travel perspective based on data and analysis in partnership with Google, Expedia, International Air Transport Association (IATA) and more. Destination Canada uses this information to estimate the stage of recovery of the market.

4. **Methodological Notes:** An explanation of the methodologies in the different sections and relevant sources.

### 1. COVID-19 CASES AND TRAVEL RESTRICTIONS IN MEXICO

As of May 5, 2020, the COVID-19 pandemic maintains an **upward** trajectory in terms of the reported number of confirmed cases and deaths. Current numbers¹:

- Total Confirmed: 24,905
- TotalDeaths: 2,271
- Total Recovered: 15,938

#### Confirmed COVID-19 Cases

Source: European CDC (as of May 5, 2020)
It is important to note that Mexico’s confirmed number of cases may be underreported as less than 800 per 1 million inhabitants have been tested to date (as of May 5). This means many COVID-19 cases, especially mild or asymptomatic ones, are likely to be undetected.  

Effective March 18, 2020, Canada closed its borders to non-Canadian citizens and non-permanent residents. It is also worth noting that the United States and Mexico closed their joint land border to non-essential travel on March 21, 2020. On April 1, 2020, the government of Mexico urged all Mexican citizens to avoid international travel for recreational or leisure purposes. This especially pertained to the United States.

The Mexican government announced Phase Two of the country’s COVID-19 Contingency Plan on March 24, 2020 and suspended all non-essential activities on March 26.

On March 30, 2020, the government of Mexico instituted social distancing measures and ordered the suspension of non-essential activities in the public, private and social sectors. This order was in place until April 30, 2020.

On April 21, 2020, authorities announced that the country entered Phase Three of the COVID-19 Contingency Plan, as the number of confirmed COVID-19 cases increased. Phase Three implies that there are a high number of cases and hospitalizations across Mexico. Additional movement restrictions and social distancing instructions in public spaces may be implemented at the local and state levels. The health emergency declared by the Mexican government has been extended through May 30, 2020, as the number of COVID-19 cases has exceeded 1,000.

### 2. ESTIMATED IMPACTS ON TRAVEL TO CANADA

As of May 2, 2020, based on data from payment cards, Statistics Canada, cancellations of previously planned trips, new bookings and forward-looking scheduled air capacity, the economic impact of COVID-19 is estimated in the below tables, as per Destination Canada’s research.

**Estimated Change in Tourism Export Revenue Compared to 2019 by Quarter ($M)**

<table>
<thead>
<tr>
<th></th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>Total Q1</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
<th>Total Q1+Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ change compared to 2019 ($M)</td>
<td>-$0.3</td>
<td>$1.9</td>
<td>-$18.3</td>
<td>-$16.8</td>
<td>-$90.9</td>
<td>-$62.0</td>
<td>-$47.9</td>
<td>-$217.6</td>
</tr>
<tr>
<td>% change</td>
<td>-0.8%</td>
<td>6.2%</td>
<td>-59.4%</td>
<td>-93.6%</td>
<td>-88.8%</td>
<td>-53.3%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Destination Canada Estimates (data as of May 2, 2020)

**Estimated Change in Tourism Export Revenue Compared to 2019 by Province ($M)**

<table>
<thead>
<tr>
<th>Province</th>
<th>CAN</th>
<th>BC</th>
<th>AB</th>
<th>SK</th>
<th>MB</th>
<th>ON</th>
<th>QC</th>
<th>NB</th>
<th>NS</th>
<th>PEI</th>
<th>NL</th>
<th>North</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan - Mar</td>
<td>-$16.8</td>
<td>-$6.5</td>
<td>-$1.1</td>
<td>-$0.2</td>
<td>-$0.3</td>
<td>-$4.6</td>
<td>-$6.5</td>
<td>-$0.3</td>
<td>-$0.2</td>
<td>-$0.2</td>
<td>-$0.2</td>
<td>-$0.3</td>
</tr>
<tr>
<td>Jan - Jun</td>
<td>-$217.6</td>
<td>-$108.1</td>
<td>-$8.3</td>
<td>-$1.2</td>
<td>-$1.5</td>
<td>-$51.0</td>
<td>-$40.1</td>
<td>-$1.6</td>
<td>-$1.4</td>
<td>-$1.0</td>
<td>-$1.0</td>
<td>-$2.5</td>
</tr>
</tbody>
</table>

Source: Destination Canada Estimates (data as of May 2, 2020)

Destination Canada has commissioned Tourism Economics, to develop a series of models to estimate the impact of COVID-19 on the Canadian economy and travel. This analysis considers two scenarios: **Baseline Scenario**: (travel is possible in July and August) and **Worst-Case Scenario** (no travel in July and August).

Assessing the current trajectory of COVID-19 against these models will allow Destination Canada and its partners to continue to refine the estimated impacts and understand the speed and scale of recovery. The chart below compares the current estimates against these models.
As Mexican travellers generally book their travel to Canada within two months of travel, we do not currently have enough data to assess the impacts past July 2020.

Destination Canada currently assesses that May 2020 tracks between the Baseline and the worst-case scenarios. At this point, the data indicates that June will track above the baseline scenario, while July will track slightly under. While this may reflect some optimism in Mexico that travel to Canada will resume, we assess that it is more likely due to travellers waiting until closer to their planned travel date to rebook, in order to have a clearer view on where they can travel to and when.

3. RECOVERY SIGNALS

In response to COVID-19, Destination Canada has established a framework and analytical approach to identify signals from consumer and industry behaviour to understand when, where and at what pace travel and tourism will resume. Destination Canada collaborated with partners in destination marketing, media, technology and travel to identify these indicators and signals. The framework has identified multiple phases of recovery, which aligns with user sentiment and intent to travel. The summary of the methodology and terms can be found in Section 4. Methodological Notes.

The framework below provides analysis on when travellers may be considering, planning and reserving travel.

<table>
<thead>
<tr>
<th>Destination Canada’s Assessment of the MX Market:</th>
<th></th>
<th>Government are responding with measures such as shelter-in-place orders and mandatory quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase</td>
<td>Analysis</td>
<td></td>
</tr>
<tr>
<td>I COVID-19 Response</td>
<td>II Domestic</td>
<td>III Tentative Int’l</td>
</tr>
<tr>
<td>Travel Search Index</td>
<td>○</td>
<td>○</td>
</tr>
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YOY domestic travel searches have been on the decline since the week ending January 5, 2020.
Destination Canada has developed a framework to understand the phases of recovery of the travel market. These phases are:

I. **COVID-19 Response**: Governments are responding with measures such as shelter-in-place orders and mandatory quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.

II. **Domestic Travel**: Travel by multiple means (air, car, trains, etc.) within the country, across provincial/territorial/state boundaries.

III. **Tentative International Travel**: Some international travel, likely only required travel such as family-related or urgent business. There may be some leisure travel as some less risk-averse travellers seek to capitalize on reduced prices or increases availability. Airlines may not have restored international routes beyond major hubs.

IV. **Regularized International Travel**: Regular international travel. Some business meetings and events are re-introduced and attended, leisure travel is closer to pre-COVID-19 levels.

A filled-in dot in the Assessment Summary table signifies that Destination Canada assesses we are in that phase of travel. An empty dot means we have not yet reached that indicator and the crossed off box would signify that the measure does not apply for that phase of recovery. Some measures are currently being developed and will be updated as progress is made.

**Description of the Measures**

- **Travel Intent Search Index**: Google search engine queries for travel-related keywords in 2020 compared to 2019 searches, broken down by week (i.e. week of April 19, 2020 vs week of April 19th, 2019). Available for each market’s domestic, international and Canada-specific travel search terms.

- **Rate of Accommodation Searches**: Weekly searches in 2020 for accommodation on a major online travel agency (OTA) against a rate of 2019 weekly searches, broken down by week. Available for each market’s domestic, international and Canada-specific accommodation searches. This is provided as a rate rather than a volume of searches.

- **Rate of Accommodation Bookings**: Accommodation bookings in 2020 on a major OTA against a rate of 2019 bookings, broken down by week. Available for each market’s domestic, international and Canada accommodation bookings. This is provided as a rate rather than a volume of bookings.

- **Rate of Air Travel**: The volume of forward-looking 2020 air bookings by month to Canada versus 2019 air bookings, broken down by week. By comparing against the 2019 average of when travel was booked and when it was booked, this establishes the amount of impact against each month of travel. When appropriate, this assessment is supplemented by analysis of the forward-looking planned air seat capacity within a country and to other countries.

- **Weekly New COVID-19 Confirmed Cases**: The weekly total of new confirmed COVID-19 cases, as provided by the European Centre for Disease Prevention and Control. Number of cases in the market and within Canada will likely be a determining factor for both governments allowing phased return of travel, as well as consumer confidence in traveling to a market.

- **Dining, Attractions & Events Search Index**: Google searches for dining, attraction and event-related keywords in 2020 compared to 2019 searches, broken down by week. Available for each market’s domestic, international and Canada-specific dining, attraction, and event-related search terms. This is provided as an index rather than a volume of searches.
Sources:
1 Johns Hopkins Coronavirus Resource Center, May 5, 2020 5pm PST
https://coronavirus.jhu.edu/map.html
2 Mexico News Daily, May 5
3 National Post, March 16, 2020
4 Associated Press, March 20, 2020
https://apnews.com/9c99d9ead1d9548207ad7be445d29cf
5 Government of Mexico, Secretary of Foreign Relations, April 1, 2020
6 Garda World, March 28, 2020
7 Government of Mexico, March 30, 2020
https://coronavirus.gob.mx/medidas-de-seguridad-sanitaria/
8 Garda World, April 22, 2020
9 Tourism Economics, COVID-19's Impact on Canadian Tourism, March 23, 2020