

Tourism: A Leading Role in Consumption During Q1 2025

BAC Consumption Index – IC-BAC





IC-BAC

By leveraging the power of BAC's network, we have created the BAC Consumption Index (IC-BAC), an indicator that monitors consumption throughout the region based on real-time, depersonalized transaction data from credit and debit card purchases.

Targeted toward businesses, executives, and managers, this index aims to fill a significant gap in the timely tracking and monitoring of economic activity. Unlike national account statistics, which are published with longer delays, this indicator is released just weeks after the close of each month. It will enable companies to refine their strategies by optimizing planning and decision-making with relevant and up-to-date information.

The indicator is prepared on a monthly basis, comparing the number of consumer individuals in the current month against the same month of the previous year; it is also broken down by type of consumption – Essential and Complementary – and by the following activities: Food, Retail, Health, Services, Transportation, and Tourism & Leisure.

The index is centered at 100, meaning that a level above 100 indicates accelerated consumption, while a level below 100 indicates a slowdown in consumption compared to the previous 12 months.

When interpreting the IC-BAC, two concepts are established: monthly variation and year-over-year variation. The first refers to the most immediate trend evolution for the indicator, as compared to the previous month, offering a short-term view of how consumption has evolved.

The year-over-year variation is intended to study the evolution of the indicator's medium-term trend, in order to monitor whether changes are lasting over time or influenced by the seasonal behaviors attributed to each month.



Categories

Complementary: restaurants, fast food, electronics, jewelry, office supplies, wholesale stores, hardware stores, household goods, clothing and footwear, department stores, garden centers, cinemas and entertainment, club memberships, insurance, professional services, airlines, travel agencies, hotels, and car rentals.

Essential: purchases at retail stores, pharmacies, education, public services, supermarkets, gas stations, and public transportation.

Activities: Food, Retail, Health, Services, Transportation, and Tourism & Leisure.



Methodology

The BAC Consumption Index (IC-BAC) measures year-over-year consumption behavior for the countries where BAC operates. Its objective is to serve as a pulse check to monitor where households are consuming more and where they are consuming less compared to the same period twelve months prior.

This allows for the analysis of where consumption remains stable, is trending upward, or is declining, using techniques that extract information regarding the direction of consumption for each country throughout the region.

The IC-BAC is a diffusion index with value assignments ranging from 0 to 200, indicating that values above 100 signify that more consumers are spending more than they did in the same month of the previous year. Values below 100 represent a contraction in year-over-year consumption, while values around 100 reflect stability in consumption behavior.



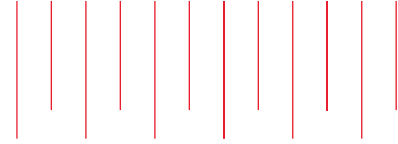
Disclaimer

The data used for the IC-BAC comes from a proprietary sampling of BAC's consumption data in each country throughout the region. This data is anonymized and aggregated.

Although this tool enables the tracking of economic behavior, this document does not reflect BAC's financial outlook in the referenced countries and therefore should not be considered a projection.

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Additionally, BAC reserves the right to discontinue its publication at its discretion.



Executive Summary

As of March 2025, consumption behavior in Central America reflects a region in transition: while growth remains strong, it is uneven, and warning signs are emerging in traditionally strong sectors such as tourism.

Panama and **Costa Rica** face significant challenges. Panama has recorded two consecutive months of consumption contraction, with declines in non-essential categories (restaurants, entertainment, and fashion) – a reflection of global economic uncertainty. Costa Rica continues to show positive overall consumption supported by improved employment, but is experiencing a sharp decline in tourism (-7% in air arrivals), with an impact on related activities.

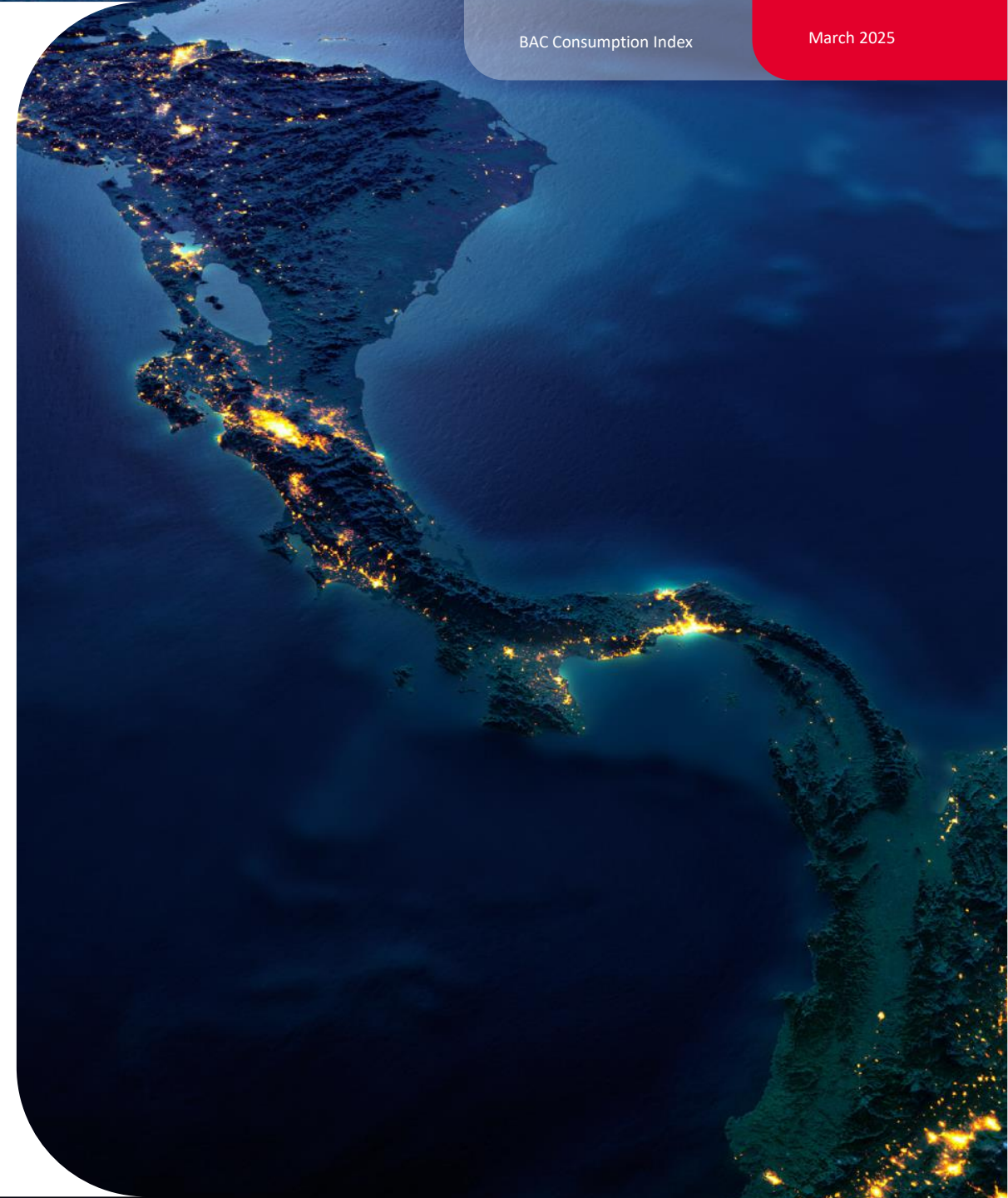
In contrast, **El Salvador**, **Honduras**, and **Nicaragua** present a more favorable outlook:

- El Salvador stands out for resilient consumption, driven by record remittances and an unprecedented tourism boom (+206% in revenue compared to pre-pandemic levels).
- Honduras is experiencing sustained growth fueled by agriculture, manufacturing, and a strengthened tourism sector, which is boosted by cruise ship arrivals.
- Nicaragua is seeing growth across all sectors, even amid a drop in tourism revenue, thanks to strong complementary consumption and high hotel occupancy rates.

Guatemala maintains stable consumption levels, with a seasonal uptick from tourism and strong support from remittances. However, the productive activity beyond these seasonal effects is showing signs of moderation.

Global Impact Elements for Q1 2025

- Remittances and domestic tourism are the main drivers of consumption to date in 2025.
- Moderate inflation and increased real income are boosting purchasing power, particularly in Honduras and Costa Rica, though tariff-related uncertainty persists.
- Structural tourism risks in Costa Rica and Panama could affect demand for credit and services in coastal and urban areas.

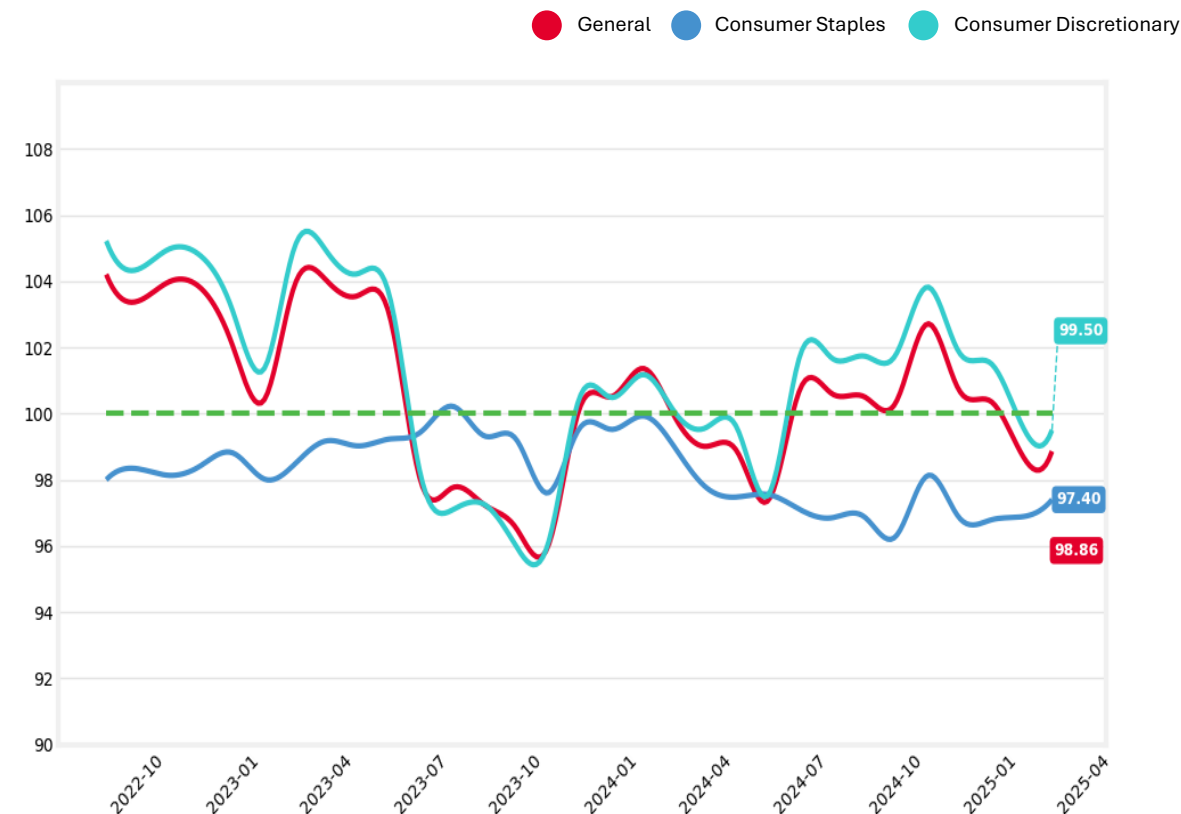




Global Economic Outlook Lessens Consumption

Following a positive performance during the final quarter of 2024, Panamanian consumption contracted in both February and March of this year, with index values of 98.86 and 98.71, respectively. Households have reported reduced spending on complementary goods and services, including restaurants, entertainment activities, travel agencies, and clothing purchases.

Uncertainty stemming from global tariff policies has negatively impacted consumer confidence, reducing willingness to invest and spend. However, higher economic growth is forecast for the end of 2025, as compared to 2024.



98.86
General Level



+0.15
Monthly Change



+0.51
Essential



-0.09
Complementary



The consumption uptick observed in March has decelerated compared to the same month in the previous year overall. Construction was the most significantly deteriorated sector.

Only Services and Health showed improvement; however, these gains were modest and still fell below the expansionary threshold of 100, as did all other sectors.

	Mar 2024	Mar 2025
 Retail	99.40	97.71
 Tourism & Leisure	99.30	98.18
 Food	98.43	97.28
 Construction	100.27	96.32
 Services	97.41	99.60
 Health	98.73	99.38

Month	Total	Δ Monthly	Essential	Complementary
Oct 2024	100.31	-0.20	96.28	101.76
Nov 2024	102.71	2.40	98.12	103.82
Dec 2024	100.73	-1.98	96.87	101.87
Jan 2025	100.37	-0.36	96.78	101.52
Feb 2025	98.71	-1.66	96.88	99.59
Mar 2025	98.86	0.15	97.40	99.50

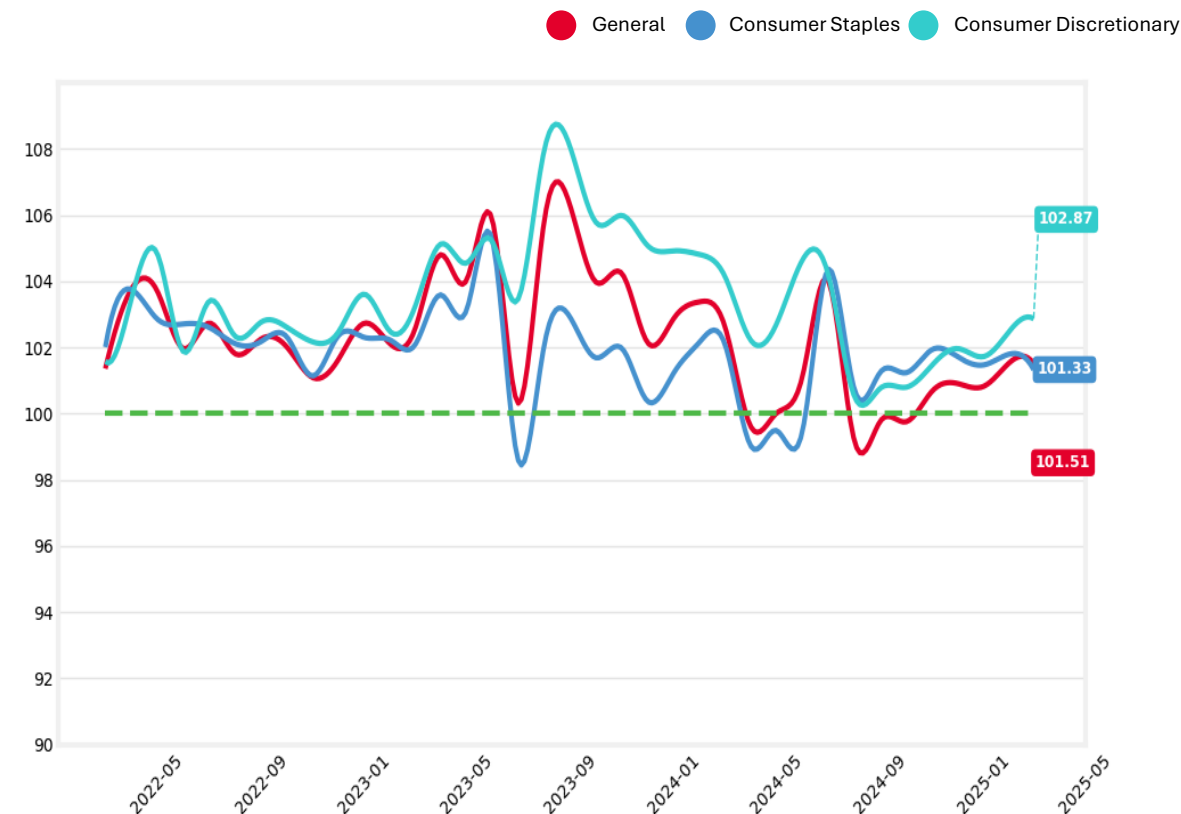


Resilient Consumption with Sectoral Contrasts during the Peak Tourist Season

During the first quarter of 2025, the BAC Consumption Index for Costa Rica remained in positive territory, though several components showed signs of deceleration.

Consumption has been supported by a sustained improvement in the labor market, reflected in increased employment and real income, as well as a poverty reduction.

These factors have contributed to a cumulative positive recovery in the index. However, the consumption strength has not been uniform: a contraction in tourism has limited the index's aggregate rebound during a period when this activity typically plays a leading role due to the high season. The year-over-year 7% drop in tourist arrivals by air confirms an adverse trend for the sector, which is being affected by the colón's appreciation, rising insecurity, and a less dynamic economy.

**101.51**

General Level

**-0.04**

Monthly Change

**-0.47**

Essential

**+0.36**

Complementary



Costa Rica

BAC Consumption Index

March 2025

Performance by sector reveals an economy driven by divergent internal forces. Retail and Services continue to expand solidly, with the latter showing growth of nearly 4% year-over-year, supported by increased household purchasing power.

In contrast, Tourism – typically, a seasonal driver of consumption – shows a pronounced slowdown, now marking six consecutive months of contraction. This decline is occurring during the height of the high season period (December–April), suggesting a more structural than cyclical impact. This loss of tourism momentum may hinder future growth in associated activities, such as transportation, restaurants, and retail in tourist areas.



Retail

Mar 2024

103.76

Mar 2025

104.07



Tourism & Leisure

105.30

101.30



Food

103.03

100.28



Construction

104.00

102.94



Services

98.04

103.00



Health

101.38

100.78

Month

Total

Δ Monthly

Essential

Complementary

Oct 2024

99.75

-0.02

101.23

100.79

Nov 2024

100.67

0.92

101.93

101.46

Dec 2024

100.91

0.24

101.72

101.96

Jan 2025

100.82

-0.09

101.47

101.72

Feb 2025

101.55

0.73

101.80

102.51

Mar 2025

101.51

-0.04

101.33

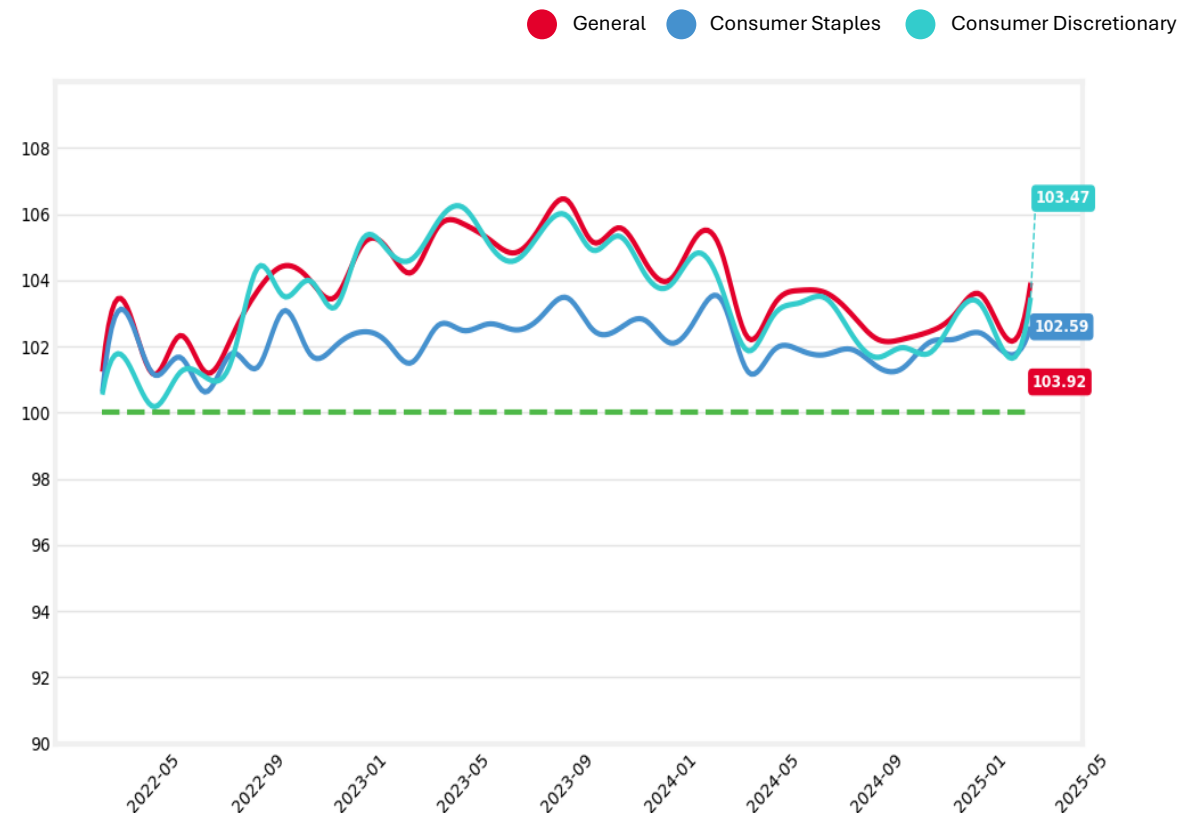
102.87



Performance by sector reveals an economy driven by divergent internal forces. Retail and Services continue to expand solidly, with the latter showing growth of nearly 4% year-over-year, supported by increased household purchasing power.

For the current month, the index registered a figure of 103.92, representing a 1.69-point monthly increase. This means that, in aggregate terms, consumption was higher than during the same period last year. Complementary goods consumption showed the most considerable absolute improvement (+1.75 pts).

The country is experiencing steadily declining inflation, which is good news for Nicaraguan households and their consumption levels. The premise of growing consumer confidence is reinforced by comparing falling inflation with the index's gains, and its continued performance above the 100 threshold for several consecutive months.



103.92

General Level



+1.69

Monthly Change



+0.81

Essential



+1.75

Complementary



Nicaragua

BAC Consumption Index

March 2025

At the close of 2024 and the beginning of 2025, hotel occupancy rates ranged between 60% and 90%, especially in destinations such as León, Granada, Corn Island, and Ometepe, with a high concentration in boutique and family hotels.

In aggregate terms, despite mixed results when comparing absolute changes with the same period last year, all activities exceeded the expansionary threshold of 100; this means that, on average, BAC cardholders consumed more than they did during the same month last year.



Retail

Mar 2024

102.33

Mar 2025

102.56



Tourism & Leisure

103.03

101.46



Food

103.21

101.17



Construction

101.59

101.06



Services

101.02

101.62



Health

101.57

100.35

Month

Total

Δ Monthly

Essential

Complementary

Oct 2024

102.21

-0.00

101.34

101.96

Nov 2024

102.44

0.22

102.11

101.79

Dec 2024

102.95

0.52

102.21

102.87

Jan 2025

103.56

0.61

102.40

103.27

Feb 2025

102.23

-1.33

101.78

101.72

Mar 2025

103.92

1.69

102.59

103.47

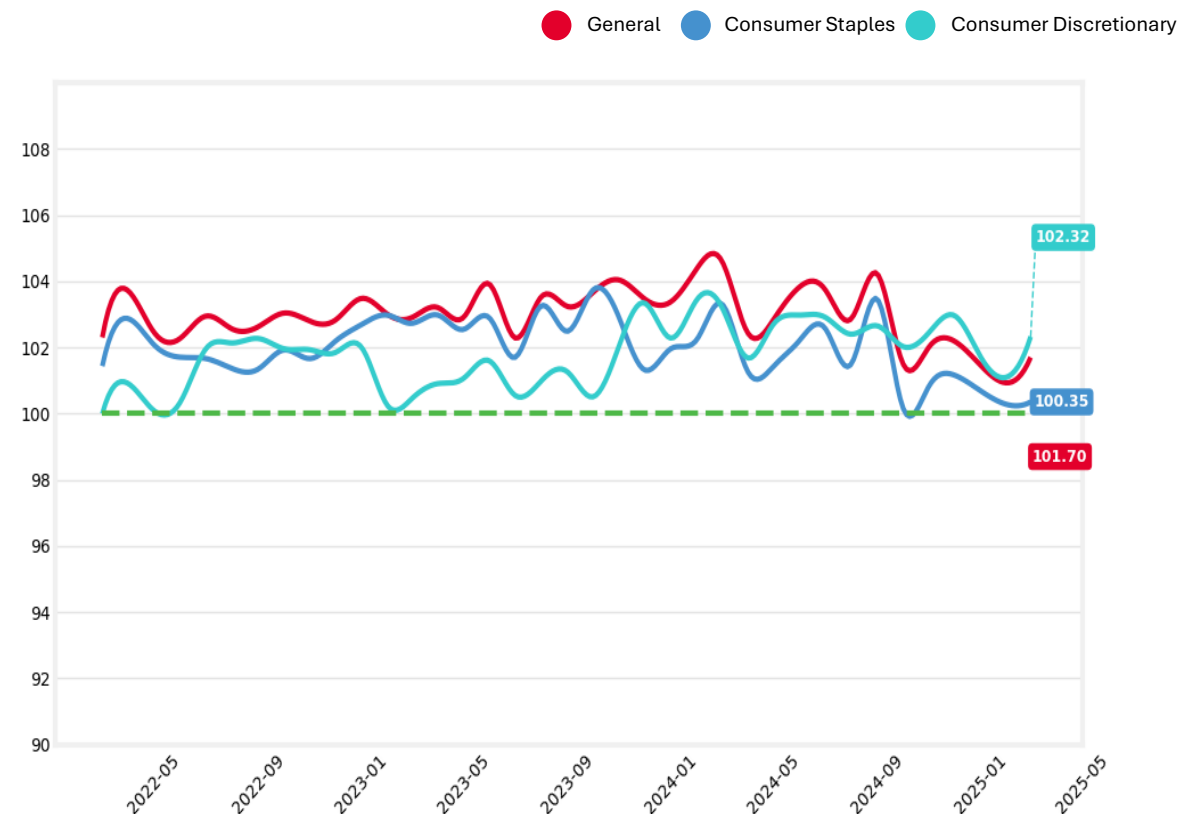


Tourism and a Positive Outlook Drive El Salvador's Economic Vitality

Private consumption showed signs of dynamism in the first quarter of 2025, partly as a continuation of the upswing observed at the close of 2024, when household spending accelerated amid greater price stability and renewed momentum in remittance inflows. Although general economic activity slowed in January, especially in the industrial and commercial sectors, consumption maintained a degree of dynamism supported by resilience in household income.

In this way, remittances became a key driver of household spending, with record figures for March according to the Central Reserve Bank, thus softening the impact of a less favorable external environment.

Overall, consumption growth in March outpaced that of February, reflecting greater household spending capacity despite moderation in the general economic environment.

**101.70**

General Level

**+0.77**

Monthly Change

**+0.08**

Essential

**+1.22**

Complementary



The reduced dynamism in March in sectors such as tourism, food, construction, and services can be attributed to a moderation in economic activity since January, particularly in the industrial and commercial sectors, which impacted domestic demand.

The slowdown in exports and the economic cooling in the United States also contributed to the decrease in annual growth across nearly all sectors.

The UN ranked El Salvador second in the world for tourism growth, with an 81% increase compared to 2019. The country welcomed over 3.9 million visitors and emerged as the leading tourist destination in Central America, generating 206% more revenue from this sector.



Retail

Mar 2024

99.73

Mar 2025

101.89



Tourism & Leisure

103.00

99.68



Food

103.07

99.87



Construction

101.19

99.80



Services

102.90

99.29



Health

99.50

99.61

Month

Total

Δ Monthly

Essential

Complementary

Oct 2024

101.52

-2.70

100.19

102.03

Nov 2024

102.01

0.49

100.83

102.45

Dec 2024

102.19

0.18

101.16

102.96

Jan 2025

101.45

-0.73

100.68

101.71

Feb 2025

100.93

-0.53

100.27

101.10

Mar 2025

101.70

0.77

100.35

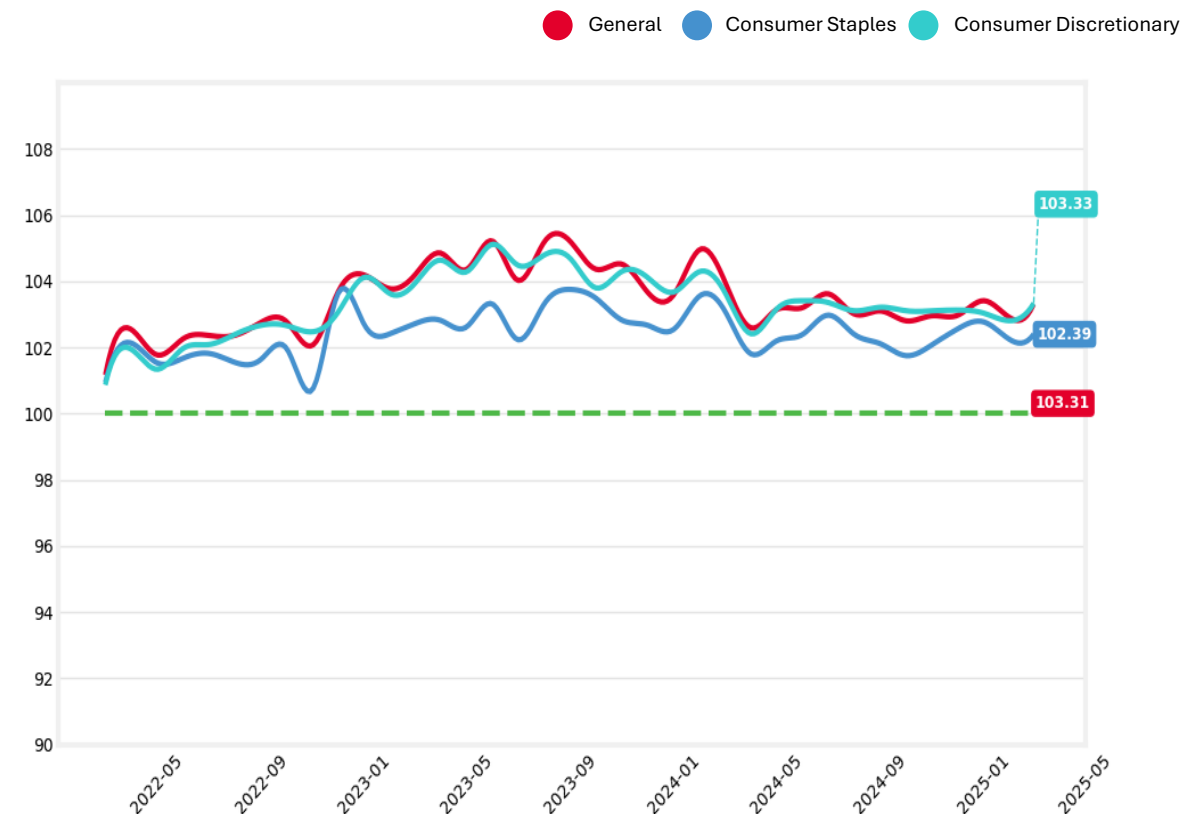
102.32



A Stronger Economic Environment Supported Consumption in the Year's First Quarter

In March 2025, Honduras saw a resurgence in consumption driven by increased dynamism in agriculture, manufacturing, and retail sales. These sectors strengthened at the beginning of the first quarter, boosting economic activity and household income.

This was complemented by moderate inflation, which dropped to 4.5%, improving purchasing power and enabling greater spending. In addition, the macroeconomic environment showed signs of recovery, with GDP growth of 3.4% in the fourth quarter of 2024, supported by infrastructure investment and a mild rebound in maquila (assembly for export) activity.



 **103.31**
General Level

 **+0.41**
Monthly Change

 **+0.16**
Essential

 **+0.52**
Complementary



Honduras

BAC Consumption Index

March 2025

At the sector level, all industries reported growth in consumption compared to the previous year. Services, commerce, and tourism led the expansion. The peak tourism season, driven by cruise ship arrivals, led to increased demand for transportation, lodging, and commerce. Additionally, infrastructure project momentum favored the construction sector and related services, while improved agricultural and manufacturing activity likely stimulated spending on food, healthcare, and other personal services.



Retail

Mar 2024

101.88

Mar 2025

101.85



Tourism & Leisure

102.33

101.66



Food

103.19

101.40



Construction

102.42

101.02



Services

100.61

101.97



Health

100.05

101.02

Month

Total

Δ Monthly

Essential

Complementary

Oct 2024

102.80

-0.30

101.75

103.11

Nov 2024

102.95

0.15

102.08

103.10

Dec 2024

102.97

0.01

102.55

103.13

Jan 2025

103.41

0.44

102.77

103.03

Feb 2025

102.89

-0.52

102.23

102.80

Mar 2025

103.31

0.41

102.39

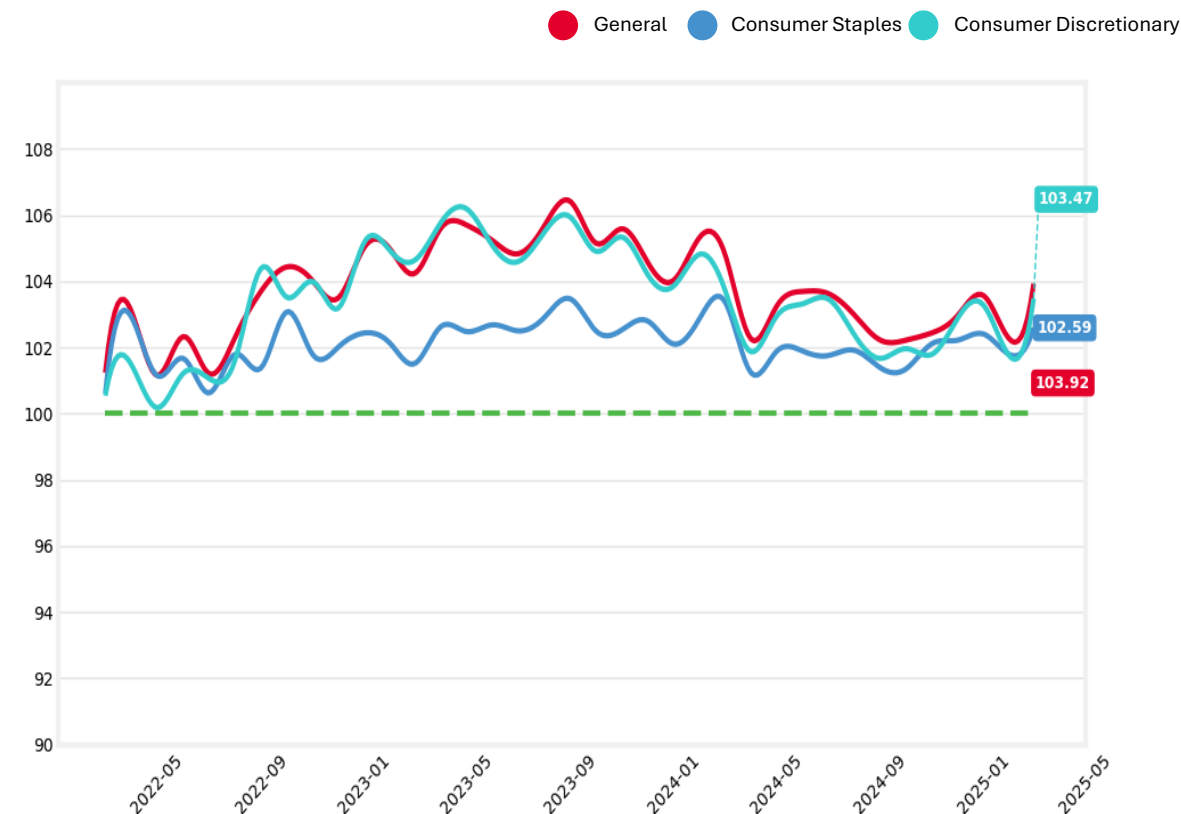
103.33



Tourism and Remittances Sustain Consumption Despite Signs of Cooling

The BAC Consumption Index (IC-BAC) in Guatemala remains in expansionary territory, though close to neutral, with a moderately downward trend. While no abrupt changes have been observed, this behavior aligns with an economic environment shaped by both seasonal momentum and restrictive factors. In particular, Holy Week generated a temporary spike in domestic demand, boosting sectors such as transportation, food, lodging, and recreational services.

This seasonal rebound was complemented by a strong performance in remittances, which reached a historic high of over USD \$2 billion in March. Remittances remain a key pillar of private consumption, particularly amid ongoing uncertainty in U.S. migration policies, and have helped sustain demand in the face of external economic pressures.



103.31

General Level



+0.41

Monthly Change



+0.16

Essential



+0.52

Complementary



On a more detailed level, the index reveals a dual pattern. While tourism-related and consumption-driven activities have experienced a temporary increase, others are showing less traction, limiting a broader aggregate rebound.

Regarding price conditions, inflation remains contained, with a monthly CPI of just 0.35%, aided by declining prices for fuel and basic food items. This price moderation, combined with the influx of remittances, has helped preserve household purchasing power.



Retail

Mar 2024

99.75

Mar 2025

100.99



Tourism & Leisure

101.99

101.06



Food

102.40

99.42



Construction

101.66

99.75



Services

101.96

101.74



Health

99.67

99.80

Month

Total

Δ Monthly

Essential

Complementary

Oct 2024

103.72

1.61

101.56

104.34

Nov 2024

102.15

-1.58

101.38

102.48

Dec 2024

102.04

-0.11

100.86

102.86

Jan 2025

102.61

0.57

101.50

102.82

Feb 2025

101.56

-1.04

100.42

102.16

Mar 2025

101.72

0.16

100.24

102.51