

Tourism



Cape Bonavista Lighthouse

Year-to-date trends suggest 2006 provincial tourism activity will increase over 2005 levels. Preliminary figures indicate that non-resident visitors could reach 497,800 in 2006, representing a 6% increase over 2005. Despite this overall increase, some rural areas experienced a decrease in activity—as evidenced by mixed results in accommodation occupancy and site/facility visitation—due to a decline in non-resident automobile visits and slowing resident traffic.

Total tourism spending in the province (both resident and non-resident) is estimated at about \$838 million. Industry revenues have increased steadily in recent years, driven by growth in non-resident visits.

Preliminary data indicates that 419,600 non-resident visitors travelled to the province in the January to September 2006 period. This represents growth of 5.9% over the same period in 2005, and an increase of 10.9% over the same period of 2004. Growth in non-resident visitation continues to be fuelled primarily by tourists travelling by air and cruise ships.

Non-resident airline visits rose by about 13% during the first three quarters of this year. This growth is mainly due to a more competitive airline industry with consumers taking advantage of attractive seat sales and travel packages. It is also consistent with a busy convention year—the number of delegates travelling to conventions in the St. John's area is expected to be up by about 4% relative to 2005, with over 26,000 convention delegates expected in 2006.

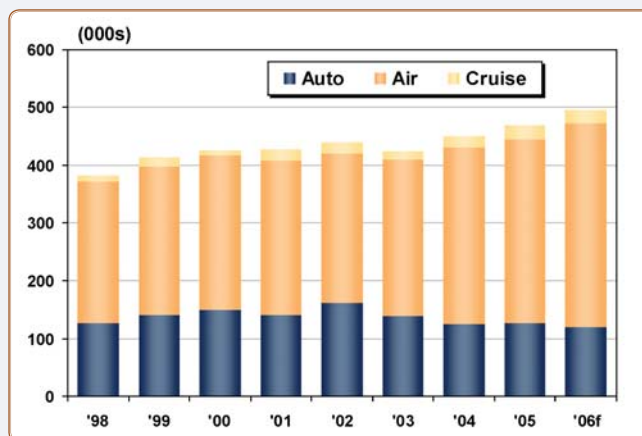
Cruise ship passenger visits are expected to increase to about 40,000 in 2006, representing an increase of about 11% over 2005 levels and an increase of 57% relative to 2004. There are 110 port calls expected for the 2006

season which, if all are realized, would represent an increase of 13 port calls over the 2005 cruise season.

A 6% decline was recorded in the number of non-resident tourists travelling to the province by automobile in the January to September period. This is not altogether unexpected given high gas prices. The decrease in automobile travellers may also be part of a longer-term shift in consumer travel patterns as people take shorter, more frequent vacations and prefer air to auto travel, especially for destinations which are further away.

The marginal improvement in gas prices since mid summer, combined with increased marketing may give both residents and non-residents incentive to travel around the province during the Fall 2006 season. A new extension pilot project has been undertaken this year in the Discovery Trail (Bonavista Peninsula) region. This pilot project involves provincial sites and facilities, as well as other private operators, extending the closing dates to October 30th. The success of this initiative will be evaluated at the end of 2006.

Non-resident Tourists by Mode



Department of Tourism, Culture and Recreation; CANAL f: forecast