



ASIA/PACIFIC MARKETS

Positive growth for visitors to Alberta from the Asia/Pacific region occurred in 2005. Overall traffic grew to 320,000 visitors in 2005 from 314,000 in 2004, with expenditures increasing 3 per cent to \$255 million in 2005 from \$248 million in 2004. This growth trend is forecast to continue through 2009.

Non-stop air access from Asia/Pacific continues to be one of the biggest challenges in delivering visitors directly into Alberta. Our focus continues to be working with Air Canada and foreign carriers, with these efforts continuing through 2007 and beyond. Equally challenging is the growing and aggressive competition we face in this market. Despite this intense competition, our aim is to continue and strengthen efforts to ensure we are competing in this market, as its size and potential are so enormous.

Asia continues to see strong economic growth and relative stability in the region. Japan, Taiwan and South Korea are expected to sustain growth in 2007 through 2009. We are working on very promising opportunities in our secondary market of South Korea and, with in-market representation, we will continue to focus on identifying additional opportunities for Travel Alberta to generate awareness.

TOURISM VISITATION (THOUSANDS OF OVERNIGHT PERSON VISITS)

	2001	2002	2003	2004	2005	(Estimate) 2006	(Target) 2007	(Target) 2008	(Target) 2009
ASIA/PACIFIC	373	349	197	314	320	323	340	358	368
PRIMARY MARKETS									
JAPAN	148	135	45	87	109	111	118	125	130
AUSTRALIA	54	56	43	54	44	45	48	51	52

TOURISM EXPENDITURES (\$ MILLIONS)

	2001	2002	2003	2004	2005	(Estimate) 2006	(Target) 2007	(Target) 2008	(Target) 2009
ASIA/PACIFIC	312	308	152	248	255	265	286	310	325
PRIMARY MARKETS									
JAPAN	134	131	43	67	74	78	85	93	99
AUSTRALIA	45	46	40	59	58	61	66	72	75

Note: For the period 2006 - 2009, it is assumed that the Travel Price Index (TPI) will increase 2.50% each year.

MARKET SHARE

	2001	2002	2003	2004	2005
JAPAN	23.5%	21.9%	15.0%	17.4%	19.8%
AUSTRALIA	18.1%	19.4%	20.1%	17.8%	16.2%

Note: Market share is the percentage of Canadian province visits by travellers from each market to Alberta.

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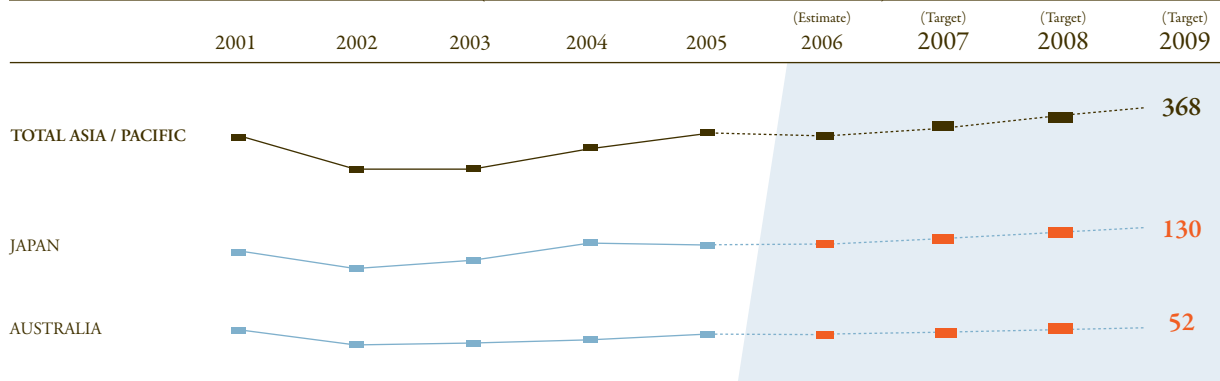
Unfortunately, bilateral negotiations have stalled between China and Canada on Approved Destination Status designation. Travel Alberta will continue efforts to ensure Alberta's position in the forefront of tourism initiatives in China once Approved Destination Status has been awarded. A full-time representative based in Taipei is developing relationships, key for working in this market.

Australia has enjoyed uninterrupted and sustained economic growth over the last five years and that pattern is expected to continue. More in-market representation and investment to take advantage of this growth is planned.

Alberta's investment in Asia/Pacific will continue with focus on destination awareness through relationships with media and public relations. Likewise, Travel Alberta will continue strengthening partnerships with tour operators and other partners in the region and their Canadian-based receptive operators. With the traditional value chain and traditional distribution models in this marketplace being challenged with online channels, Travel Alberta will aggressively move web-based activity from the periphery of the marketing mix to the centre of fully integrated marketing solutions. Focus will be on gaining cultural relevance in all local markets and working closely with traditional distribution partners and Alberta industry to grow market share by enhancing the delivery of new experiential travel products through the Internet.

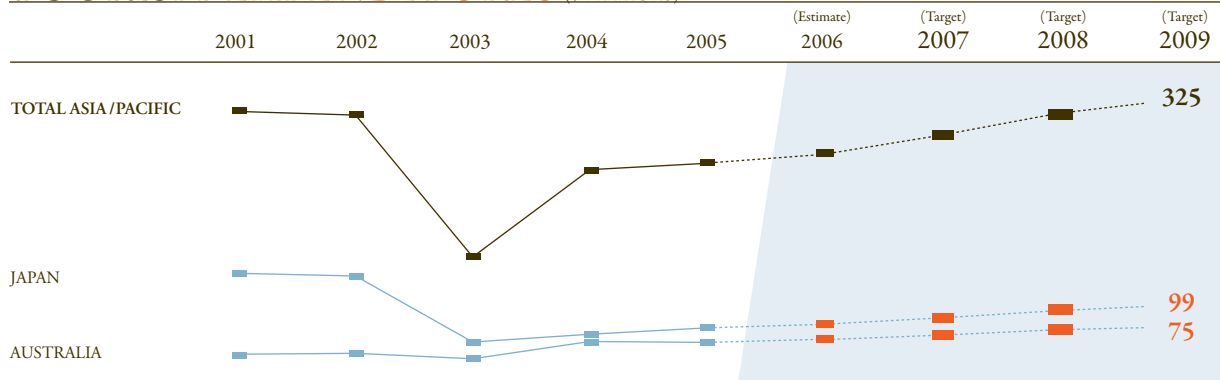
Travel Alberta will analyze, plan, and implement pilot web-based marketing promotions that are targeted to specific experiential segments of the consumer population and introduce new applications on TravelAlberta.com.

TOURISM VISITATION (THOUSANDS OF OVERNIGHT PERSON VISITS)



Note: Graphs are not drawn to scale.

TOURISM EXPENDITURES (\$ MILLIONS)



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