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B.C. Tourism Room Revenue

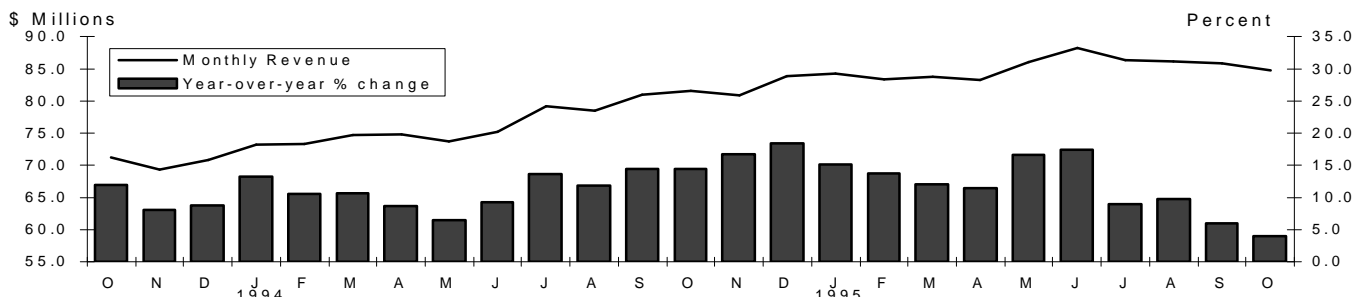
October 1995

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October 1995 Highlights

- Room revenue in British Columbia increased 2.9% over October 1994. This is the smallest year-over-year revenue increase since February 1993. On a year-to-date basis, revenue stands 10.8% higher than last year.
- Revenue in smaller hotels grew more rapidly than other accommodation categories. Over the course of the year the largest hotels have led revenue growth, but in October they posted modest revenue growth of 1.0% over October 1994.
- For the second consecutive month, revenue growth in the Nechako Development Region led the province. The Cariboo and North Coast regions, both adjacent to Nechako, also experienced growth well above the provincial rate.
- Increased room prices are a major cause of revenue growth. The Consumer Price Index for traveller accommodation in BC rose 18.9% over October 1994.
- The number of people working in accommodation service industries was approximately 28,500, or 6.1% fewer than in October 1994. Employment in the industry is this month's *Special Focus* subject.
- Other indicators of the performance of the tourism industry point to moderate growth. The number of Americans entering Canada via British Columbia rose only 0.5% over October 1994 to 342,535. The number of overnight visits by Americans increased 1.5%. Entries of residents from overseas countries stood at 83,480 for October, an increase of 34.6% over 1994. The number of entries from Pacific Rim countries was up 48.4%, with all major sources sharing in the growth.

CHART 1 : Seasonally adjusted B.C. room revenue



REGIONAL TRENDS

Vancouver Island/Coast

- In the Vancouver Island/Coast Development Region, room revenue rose 5.9% over October 1994. This growth is above the region's average rate for the year-to-date.
- Strong revenue growth posted by the region's hotels (13.4%) was off-set by declines in motel and vacation rental revenue.
- Revenue growth was uneven through the region. Mount Waddington, Alberni-Clayoquot, and Capital Regional Districts registered strong growth at a time when other districts were experiencing a decline in revenue.

Mainland/Southwest

- October saw revenue in the Mainland/Southwest grow slightly. Through the first ten months of the year, the region has the highest rate of growth (15.8%).
- The region's flat revenue growth was the order of the day for the different accommodation categories. Significantly, the largest hotels (250+ rooms) saw revenue drop slightly over October 1994, a dramatic contrast to the strong growth of previous months.
- The regional districts of Squamish-Lillooet, Sunshine Coast, and Central Fraser Valley posted growth well above the regional rate.

Thompson/Okanagan

- Room revenue earnings in the Thompson/Okanagan Development Region increased 6.0% over October 1994, twice the rate of the province as a whole.
- Motels in the region were once again the region's growth leaders, recording revenue growth of 12.8% over October 1994. Hotel revenue grew 0.2%, the same growth rate registered in September.
- Revenue growth in the region was led by the Okanagan-Similkameen Regional District.

Kootenay

- Revenue growth in the Kootenay Development Region rebounded from last month's drop, rising 1.6% over October 1994.
- Hotels saw revenue rise 8.4%, while motels earned 3.4% more than in October 1994. A big drop in vacation rental revenue moderated the growth in regional revenue.
- A big increase in revenue in the East Kootenay Regional District contrasts with a major drop in Central Kootenay. Revenue in Kootenay Boundary was virtually unchanged from October 1994.

Cariboo

- Year-over-year, room revenue has increased 9.7% in the Cariboo Development Region. This growth rate is second only to Nechako.
- Motel revenue was up slightly over October 1994. The region's growth was driven by large increases in all categories of hotel revenue.
- Once again, room revenue growth was stronger in the Cariboo Regional District than in the Fraser-Fort George Regional District, although Williams Lake suffered a slight decline in revenue over October 1994.

North Coast

- The North Coast Development Region saw room revenue increase 6.6% over October 1994.
- As was the case last month, strong growth in motel revenue (up 21.2% year-over-year) was off-set by a 2.7% decline in hotel revenue.
- Repeating the pattern of September, double-digit revenue growth (26.0%) in the Kitimat-Stikine Regional District was off-set by a 10.7% decline in Skeena-Queen Charlotte Regional District.

Nechako

- For the second consecutive month, growth in room revenue earnings in the Nechako Region led the province. In October, revenue stood 14.2% higher than the same month last year.
- For the third straight month, hotel revenue growth was far stronger than that of motels. Hotel revenue was 17.4% higher than October 1994, while motel revenue fell 2.2%.
- Smithers posted an increase of 24.9% over October 1994, a large contributor to the region's revenue growth.

Northeast

- Room revenue in the Northeast Development Region fell 11.9% over October 1994.
- Vacation rental earnings continue to defy the overall regional trend. In October, their earnings were 25.9% higher than the same month last year.
- Room revenue fell 9.6% in Dawson Creek over October 1994, compared to an 11.2% decline in Fort St. John.

Special Focus: Employment in the Accommodation Industry*

In 1995, an average of 27,700 people were employed in the Accommodation Service industry in British Columbia, a drop of 8.2% from the 1994 level. Accommodation was one of the few industries where the number of employees fell in 1995 from the 1994 level. The total number of persons working in BC increased 1.7% in 1995, led by a 2.9% increase in the service producing industries.

Accommodation employment shows regular seasonal fluctuations. While the number of salaried employees remained relatively stable through 1995 (roughly 3,400 persons), the number of waged employees varied dramatically between the winter and summer months. In 1995, there was a difference of nearly 5,000 waged employees between the low point in February to the peak in September.

Waged employees in the accommodation industry saw average weekly earnings rise 4.7% in 1995 to \$286, while the number of the weekly hours fell 4.0% to 27.1. By comparison, weekly earnings for all waged employees in BC rose 2.7% to an average of \$474. The average work week in British Columbia was 28.9 hours, 1.8% shorter than in 1994.

* this special focus uses data from Statistic Canada's *Survey of Employment, Payroll and Hours*

CHART 2: Accommodation Service Sector Employment

