BRITISH COLUMBIA

BC STATS

Ministry of Finance and Corporate Relations

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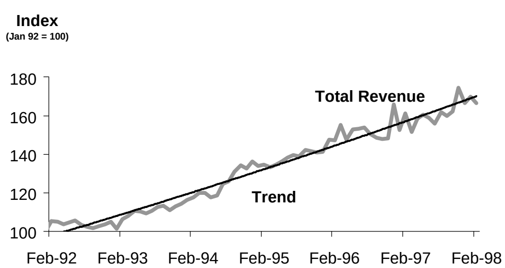
Tourism Room Revenue ◆ February 1998

Highlights

The Province

- Room revenue in British Columbia decreased 2.0% in February, reversing the gain in the previous month. However, total revenue topped $100 million for the fourth consecutive month.



BC revenue still inclined to grow

In the Regions

- Mainland/Southwest revenue declined 5.1%, only the second decrease in the last five months. Since this region accounts for over 55% of the total BC revenue, the decrease contributed substantially to the overall BC decline.
- Kootenay recorded the strongest revenue growth of the regions at 11.7%, the third consecutive monthly increase for this region. North Coast rebounded from a drop in January to rise 4.3%. Vancouver Island/Coast (+1.9%) expanded for the second consecutive month, while Thompson/ Okanagan (+1.8%) recorded a fifth consecutive month of revenue growth.
- Despite declining 2.0%, Cariboo's total revenue of over $3.9 million was the second highest in the last 12 months for this region. Northeast (-0.1%) revenue ebbed slightly, while Nechako revenue tapered off 4.5% from January.

The Accommodation Types

- Revenue declines in hotels with 250 or more rooms (-12.3%), and hotels with 150 to 249 rooms (-4.7%), accounted for most of the overall revenue reduction. Motels were down only 0.2%. Revenue increased in all other accommodation categories. Vacation rentals (+2.7%) and properties in the miscellaneous accommodation category (+6.2%) experienced the strongest growth.

Accommodation Type			
	Feb. 98 ($000)	Jan. 98 ($000)	% change
Total	100,161	102,186	-2.0
Hotels	70,353	74,687	-5.8
Motels	14,617	14,644	-0.2
Other Acc.	12,259	11,825	3.7
Regions (Top 3)			
Kootenay	4,311	3,860	11.7
North Coast	1,355	1,300	4.3
Van. Isle/Coast	17,468	17,146	1.9

* ***Note**: all data reported in Highlights are seasonally adjusted using a statistical technique that removes normal seasonal fluctuations in the data. Seasonally adjusted data often give a better indication of* **current** *underlying trends than that provided by non-seasonally adjusted data. All comparisons are to the month previous except where noted. Tables 1 and 2 show seasonally adjusted room revenue data.*

Room Revenue Trends

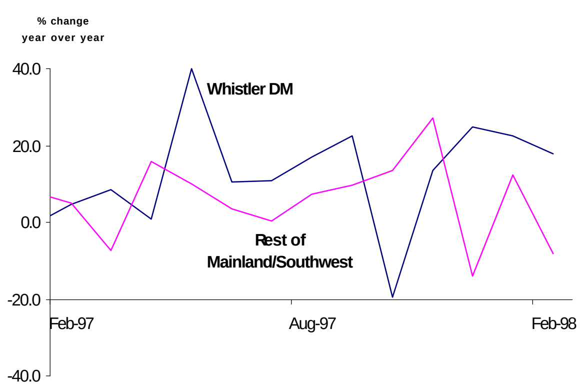
BC unadjusted room revenue up

British Columbia room revenue unadjusted for seasonal variation increased 3.6% in February relative to February 1997, the eleventh consecutive month of growth.

Whistler leads the lower mainland

Mainland/Southwest revenue growth slowed to 0.6%, despite a substantial (18.0%) increase in Whistler. Hardest hit in the region was the Greater Vancouver Regional District (-9.7%), and particularly, downtown Vancouver Hotels (-12.9%).

Whistler revenue up



Northeast on a revenue roll

Northeast revenue jumped 35.7% in February, reaching its highest level ever ($2.8 million). Northeast has led all BC regions in growth since February 1997. Both Dawson Creek (+82.7%) and Fort St. John (+33.3%) experienced substantial increases compared to February last year.

Kootenay advanced 18.4%, continuing a successful twelve month span that saw only two monthly revenue declines. Vancouver Island/Coast rebounded from a January slump to rise 3.9% in February.

Other regions to experience revenue boosts were Cariboo (+6.4%), and Thompson/ Okanagan (+6.1%). Room revenue abated in Nechako (-5.6%) and North Coast (-2.9%).

BC Tourism Indicators

	% chg from Feb 97	Feb 98
Hotel Occupancy		
Total Rate (%)		56.8
Average Rate ($)		100.53
(Pannell Kerr Forster)		
Passenger Traffic		
Vancouver International Airport		
Total traffic	- 1.7	1,022,709
US	+ 4.3	278,951
International	+ 2.1	206,772
Canada	- 5.9	536,986
(YVR)		
Victoria International Airport		
Total traffic	+ 7.7	82,722
(Victoria Airport Authority)		
Transportation		
Coquihalla Highway		
Passenger vehicles	+ 5.1	106,208
(Ministry of Transportation & Highways)		
BC Ferries		
Vehicle volume	- 7.5	473,435
Passenger Volume	- 5.3	1,204,345
(BC Ferries)		
Exchange Rates		
(Average Noon spot rate monthly)		
US $		1.439
U.K. Pound		2.353
Japanese Yen		0.011
Australian $		0.967
(Statistics Canada)		

*All references in **Room Revenue Trends** are to unadjusted data, found in Tables 3 & 4.*

*All comparisons for **BC Tourism Indicators** are for the reference month relative to the same month the previous year.*

Traveller Entries to BC

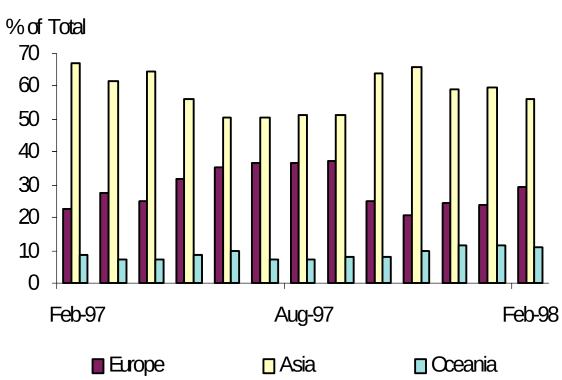
Fewer overseas visitors

- Overseas visitor entries to BC dropped 11.3% in February. This was the first decline in overseas entries to BC since October 1997.
- There were 25.1% fewer Asian visitor entries in February compared to the same month last year. The largest decrease was from South Korea (-54.7%), which declined for the third consecutive month. Visitors from Taiwan dropped 4.2%, the first since March 1997. Moderating this was a 0.5% rise in visitors from Japan, who represent the greatest percentage of Asian visitors.
- There were 17,214 Europeans travelling through BC in February, a 15.1% increase over February last year. This advance was largely accounted for by growth of 33.0% in the number of visitors from the UK.

Asian visitors still dominate

- In February, Asian visitors represented 56% of all overseas traveller entries to BC. This compares to 29% for Europe and 8% for Oceania. Declines in visits from Asia exerted a significant downward pressure on total visitor entries. The trend toward stronger growth in European and Oceanic traveller entries may moderate this overall slippage.

Greater percentage of Asian Visitors



Traveller Entries

	% chg from Feb 97	Feb 98 (#)
American visitors		
Total	+ 12.5	352,778
Same-day	+ 14.4	193,750
Overnight	+ 10.4	159,028
Overseas visitors		
Total	- 11.3	58,707
Europe	+ 15.1	17,214
UK	+ 33.0	9,532
Asia	- 25.1	33,046
Hong Kong	- 52.8	4,654
Japan	+ 0.5	17,865
Oceania	+ 18.9	6,467
Canadian re-entries		
Total	- 24.7	734,955
From overseas	+ 4.9	69,896
From US	- 26.9	665,059
Auto Same-day	- 31.4	477,505

(Statistics Canada)

Americans like BC

- The number of American visitors entering Canada through BC increased 15.3% to 352,778 in February. This was the eleventh consecutive month of positive growth. Total same-day trips by Americans rose 15.2% to 193,750, while overnight entries jumped 15.4% to 159,028.

More Canadians stay home

- The low Canadian dollar continued to dissuade Canadians from travelling to the US. Total re-entries by Canadians were down 24.7% in February. While the number of Canadians returning from overseas destinations rose 4.9% (to 69,896), the number of travellers returning from the US fell a substantial 26.9% (to 665,059).
- There were 477,505 same-day automobile trips to the US in February, down 31.4%.

Note*: All comparisons for* ***Traveller Entries to BC*** *are for the reference month relative to the same month the previous year.*

SPECIAL FOCUS: Tourism-Related Establishments, 1997

The number of tourism-related establishments continues to climb

In 1997, a total of 16,572 tourism-related[1] establishments[2] operated in British Columbia. There were 819 (+5.0%) more establishments in 1997 than in 1996. Of the total number of business establishments in BC (153,289), approximately one in ten were tourism-related.

Food and beverage dominates mix

More than half of the tourism-related establishments were in the food and beverage services industries (8,959), and two-thirds of food and beverage establishments were licensed and unlicensed restaurants. Take-out food services made up another fifth of the total. Taverns, bars and nightclubs were far less numerous (641).

Transportation (1,953) and accommodation (1,943) industries were the next largest groups. In the transportation industry, taxi operations were the largest, followed by chartered air services. Hotels and motor hotels dominated the accommodation industry, followed closely by motels.

Industry Group	Establishments 1997	% of total
Food & beverage	8,959	54%
Transportation	1,953	12%
Accommodation	1,943	12%
Attractions	1,512	9%
Adventure tourism	1,174	7%
Travel trade	1,031	6%
TOTAL	16,572	

While not as large as the other industrial groups, the remaining tourism-related industries were still numerous. Attractions, adventure tourism and recreation, and travel trade each accounted for over 1,000 of the tourism-related establishments.

[1] "Tourism-related" industries are defined as being those that are largely dependent on tourism activity. These include food and beverage services, accommodation services, travel services, and selected industries in transportation, and recreation and amusement.
[2] An establishment is the smallest unit of a company capable of reporting full financial statistics. Establishments are often equivalent to "plants" or "locations".

Fewer small businesses than BC average

While nearly two-thirds of all tourism-related establishments have fewer than 10 employees, this is lower than the equivalent 75% average for all BC industries. The percentage of tourism-related establishments who employ 10 to 49, and 50+ persons is higher than the BC average. This indicates that establishments in tourism-related industries are likely to employ more people than the average BC industry.

# of employees	Establishments 1997	
	Tourism-related (% of Total)	Total BC (% of Total)
1 – 9	61	75
10 – 49	32	21
50 +	7	4

Half of tourism-related establishments are in Mainland/Southwest

The Mainland/Southwest Development Region contains more than half (54%) of the tourism-related establishments in BC. With nearly 9,000 establishments, the region has 6,000 more than the next largest region, Vancouver Island/Coast.

Of the 819 new establishments in 1997, three quarters (626) were located in Mainland/Southwest. The rest were distributed relatively evenly throughout the province. However, Northeast and Nechako each experienced slight drops in the number of tourism-related establishments.

Development Region	Establishments 1997	% of total
Mainland/Southwest	8,979	54%
Vancouver Isle,/Coast	2,920	18%
Thompson/Okanagan	2,260	14%
Kootenay	877	5%
Cariboo	710	4%
North Coast	314	2%
Northeast	285	2%
Nechako	214	1%
TOTAL[3]	16,572	

[3] Components do not sum exactly to the total because 13 establishments did not have geographic codes.