

Tourism Room Revenue ♦ April 1998

Highlights

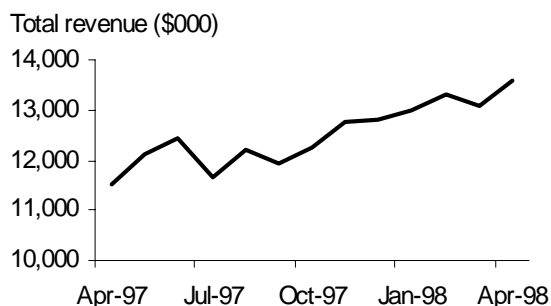
The Province

- Room revenue in British Columbia declined 2.1% to \$95.5 million in April. This marked the third consecutive monthly decrease.

In the Regions

- While Northeast (-14.2%) and North Coast (-3.2%) experienced the largest percentage decreases in revenue from March, Mainland/Southwest (-1.2%) recorded the largest total revenue drop (\$52.3 to \$51.6 million). Vancouver Island/Coast (-0.3%) experienced a slight decline in April, after three months of positive growth.
- Nechako led the regions with strong revenue growth of 11.0% (to \$931 thousand). This marked the first revenue increase for the region since December 1997. Thompson/Okanagan (+3.9%) rebounded from a March decline. Revenue for the region has increased in six of the last seven months.

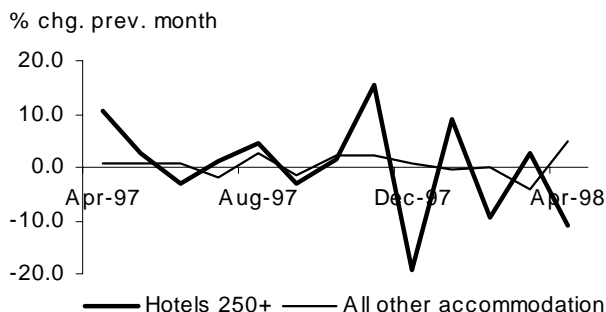
Thompson/Okanagan revenue rising



The Accommodation Types

- Lower room revenue in the largest hotels accounted for the April revenue decline. Hotels with 250 or more rooms decreased 11.0% (from \$29.4 to \$26.2 million), the third revenue drop in the last five months. In contrast, revenue for all other accommodation types combined increased 5.0% in April.

Large hotels slow April BC room revenue



Text Table 1. Room Revenue Summary

Accommodation Type			
	Apr. 98 (\$000)	Mar. 98 (\$000)	% change
Total	95,546	97,597	-2.1
Hotels	68,788	69,830	-1.5
Motels	14,355	14,020	2.4
Other Acc.	12,314	11,548	6.6
Regions (Top 3)			
Nechako	931	839	11.0
Thompson/Okanagan	13,586	13,076	3.9
Vancouver Island/Coast	18,236	18,296	-0.3

All data reported in Highlights are seasonally adjusted. All comparisons are to the month previous except where noted.

Room Revenue Trends

British Columbia unadjusted room revenue decreased to \$74.6 million in April, down 0.7% compared to April 1997. Total revenue for the first four months of 1998 was 4.9% higher than the same period last year.

Spring growth in Thompson/Okanagan

Room revenue in Thompson/Okanagan was up 23.3% (to \$9.4 million) in April. Year-over-year monthly revenue has increased in the region in each of the last twelve months. Thompson-Nicola (+43.7%), and Okanagan-Similkameen (+30.5%) Regional Districts, recorded the largest growth in April. Much of the revenue advances in the area can be attributed to above average spring weather and an extended ski season that included the April Easter weekend.

As hosts of the 1998 World Curling Championships, the City of Kamloops room revenue jumped dramatically in April (+56.3%). In addition, the City of Penticton (+30.7%) played host to the BC Parks & Recreation conference, drawing delegates from across BC & Canada. As a result, room occupancy rates in Kamloops (+9.8 percentage points) and Penticton (+11.4 percentage points) advanced in April compared to April last year.

Kootenay revenue rising

Kootenay revenue increased for the fourth consecutive month, growing 16.7% in April. The region has benefited significantly from the rise in American and Albertan visitors. Kootenay has recorded double-digit year-over-year growth in six of the last 12 months, and only one monthly decline (December 1997) since last April.

Events in April this year that may have attracted additional visitors included the BC Secondary Schools Music Festival in Nelson, the Kimberley Ski Resort Spring Splash, and the Nakusp Choral Festival.

All references in **Room Revenue Trends** are to unadjusted data. All comparisons for **BC Tourism Indicators** are for the reference month relative to the same month the previous year.

Text Table 2. BC Tourism Indicators

	Change from Apr. 97	Total Apr. 98
Hotel Industry		
Occupancy rate	-4.1 pp.	62.2%
Average room charge <i>(Pannell Kerr Forster)</i>	3.9%	\$95.63
Passenger Traffic (%) (000s)		
Vancouver International Airport		
Total traffic	4.5	1135.8
US	10.6	293.6
Other International	5.0	233
Canada <i>(YVR)</i>	1.7	609.2
Victoria International Airport		
Total traffic <i>(Victoria Airport Authority)</i>	17.3	101
Transportation (%) (000s)		
Coquihalla Highway		
Passenger Vehicles <i>(Ministry of Transportation & Highways)</i>	23.0	190.5
BC Ferries		
Vehicle Volume	1.9	631
Passenger Volume <i>(BC Ferries)</i>	5.7	1,658
Exchange Rates		
	chg. Mar. 98	Apr. Cdn \$
US \$	0.014	1.430
UK Pound	0.037	2.392
Japanese Yen	0.000	0.011
Australian \$ <i>(Statistics Canada)</i>	-0.016	0.933

- Average room charges in BC were up \$3.60 (to \$95.63) in April compared to April last year. BC occupancy rate declined 4.1 percentage points (to 62.2%). The highest occupancy rate recorded in the province was in Greater Victoria (76.1%).
- While conference delegate days were down at the Vancouver Trade & Convention Centre (-18.4%) and Victoria Conference Centre (-3.2%), the Whistler Conference Centre (+32.8%) and Penticton Trade & Convention Centre (+577.5%) were up in April compared to April 1997.

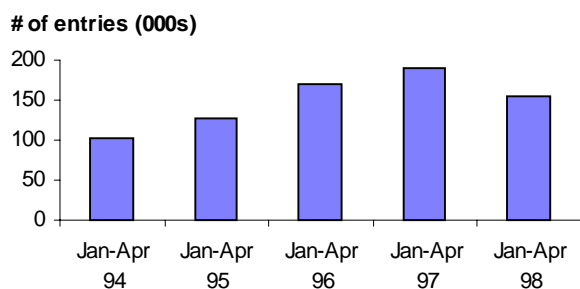
Traveller Entries to BC

- International traveller entries to Canada via BC grew 9.1% in April. Of the 492 thousand international entries, four in ten were American residents who stayed at least one night.

Overseas entries decline

- April entries from overseas were 80,753, down 6.5% from April 1997. The decrease was almost entirely accounted for by the 16.6% drop in entries by Asian residents. Entries by residents of Europe (1.3%) and Oceania (7.6%) advanced.
- Asian visitor entries to BC increased dramatically between 1994 and 1996. This trend continued until June 1997, when entries began to fall. However, 1997 was still a record year for Asian traveller entries to BC.

Asian visitor entries down but still above 1995



Although the 1998 level of Asian visitors has tapered off from that achieved in 96 and 97, total Asian entries are still higher than those observed in 1995.

- Entries by Japanese (+4.2%) and Hong Kong (+3.3%) residents were up in April compared to last year. Offsetting this, however, was a substantial decrease in visitors from Taiwan (-15.9%), South Korea (-62.5%) and other Asian countries (-39.5%).

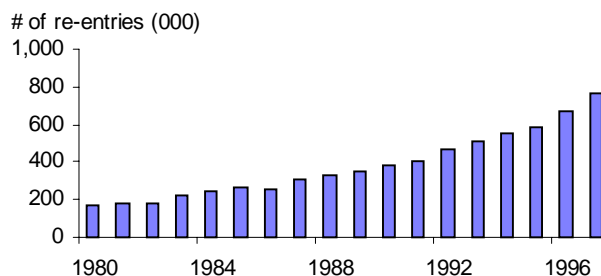
American visitors advance

- There were more American overnight visitors in April this year than last year. US overnight entries to BC jumped 14.5% to 196,247 in April. This represented 48% of all visitor entries to BC by Americans in April.

More Canadians abroad

- Canadians made fewer trips to the US (-15.4%) but more trips overseas (2.0%) in April. The number of Canadians who return to Canada via BC from travel overseas has been increasing steadily since 1986.

Canadian re-entries from overseas



Text Table 3. Traveller Entries

	% chg from Apr 97	Apr 98 (000)
American visitors		
Total	12.8	411
Same-day	11.2	215
Overnight	14.5	196
Overseas visitors		
Total	-6.5	81
Europe	1.3	22
UK	19.9	11
Asia	-15.6	47
Hong Kong	3.3	8
Japan	4.2	22
Oceania	7.6	7
Canadian re-entries		
Total	-14.4	973
From overseas	2.0	67
From US	-15.4	906
Same-day	-18.0	665

(Statistics Canada)

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

SPECIAL FOCUS: *Tourism Room Revenue (TRR)* report changes

In today's global economy, international and domestic travel, whether for business, leisure, educational or personal reasons, has fuelled the rise of tourism as a significant service industry. In 1996 in BC, tourism contributed \$4.5 billion (current dollars) to the provincial GDP.

Yet tourism is not a traditional "industry", with a specific "tourism product". Tourism, considered to primarily consist of a diverse set of activities undertaken by domestic and international residents alike, is inherently difficult to measure. While **Tourism BC** conducts and publishes extensive surveys that directly examine visitor characteristics, activities, and expenditures, **BC STATS Tourism Room Revenue** report attempts to incorporate as many proxy tourism measures as possible.

While the *Tourism Room Revenue* report has undergone many changes over the years, the current version is intended to provide sufficient information to facilitate effective use by government, industry and the general public.

The following illustrates the main components and new additions to the format and content of the report.

Highlights

Room revenue *highlights* are now solely based on seasonally adjusted accommodation revenue data. Seasonal adjustment to the data removes much of the effects of regular seasonal fluctuation (summer peaks and winter troughs). The resulting data series provides an effective tool for analysis of underlying trends in revenue. *Highlights* compares revenue for the current month with the previous month for the province, the development regions and the accommodation categories. Format changes for readability bring the TRR in line with other BC STATS publications. Additions include a 'quick look' text table that portrays accommodation type aggregates and the three regions with the highest revenue growth for the month. Room revenue data is compiled from administrative files obtained from the Consumer Taxation Branch of the Ministry of Finance & Corporate Relations.

Room Revenue Trends

Provides analysis of room revenue unadjusted

for seasonal variation. Analysis will concentrate on year-over-year data trends with an attempt to highlight major contributory events. Additions include a 'quick look' text table that provides current month and year-over-year changes for proxy tourism measures of room occupancy and average room charges, airport passenger traffic, Coquihalla highway traffic, BC Ferries traffic, and selected currency exchange rates.

Data sources are Pannell Kerr Forster, BC Ferries, Ministry of Transportation & Highways, YVR (Vancouver Airport), Victoria Airport Authority, and Statistics Canada.

Traveller Entries to BC

A new addition to the Tourism Room Revenue report, **Traveller Entries to BC** uses traveller entry data to analyse trends in international (American & Overseas) visitor entries monthly to Canada via BC, as well as re-entries by Canadian residents from overseas, & US overnight and same-day automobile trips. The data source is Statistics Canada.

Special Focus

A monthly detailed analysis of relevant tourism related data. Examples of past special focus report themes include: the effect of exchange rates on travel by BC residents; changes in accommodation properties and room counts; tourism GDP; and the number of tourism-related establishments in BC.

Data Tables

Unadjusted room revenue for development regions, regional districts and selected urban centres are now represented in Tables 3, 4 & 5 respectively.

New tables include: Table 6 (historical time series of unadjusted revenue data for the eight development regions); Table 7 (historical time series information on traveller entries); and Table 8 (historical time series data for passenger traffic, BC Ferries, Coquihalla Highway, and occupancy rate & average room charges).

Map 2 (regional district revenue) has been deleted.