

Tourism Room Revenue ♦ September 1998

Highlights

The Province

- Room revenue in BC jumped 2.6% in September, rebounding from August's decline. Seasonally adjusted revenue stood at \$100.8 million, the first time it has topped \$100 million since January.

In the Regions

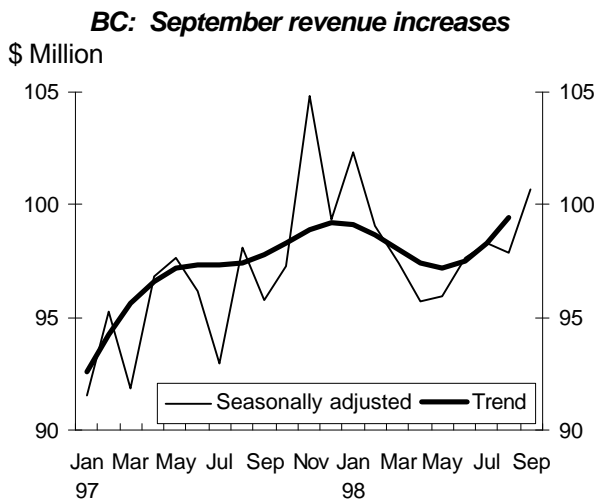
- Kootenay led the regions with revenue increasing 6.3%, followed by Vancouver Island/Coast (+3.1%) and Mainland/Southwest (+3.0%). Thompson/Okanagan also outperformed the provincial rate (+2.6%).
- The biggest drop in revenue was seen in Northeast (-3.4%). September's decline was the second consecutive month that the region has had the largest drop in revenue, suggesting that the recent boom cycle may be waning as oilfield and construction activity in the region slows.

The Accommodation Types

- All accommodation categories saw revenue increase in September, led by miscellaneous properties (+5.7%) and 151-249 room hotels (+5.4%).
- Hotels with 250 or more rooms recovered somewhat from August's drop, with revenue rising 4.2% to \$30.2 million. Most accommodation categories did better in September. Small hotels were the exception.

Text Table 1. Room Revenue Summary

Accommodation Type			
	Sep. 98 (\$000)	Aug. 98 (\$000)	% change
Total	100,797	98,211	2.6
Hotels	76,317	73,542	3.8
Motels	13,933	13,626	2.3
Other Acc.	11,510	11,218	2.6
Regions (Top 3)			
Kootenay	4,121	3,878	6.3
Vancouver Isl./Coast	18,481	17,929	3.1
Mainland/Southwest	57,113	55,458	3.0



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

Room Revenue Trends

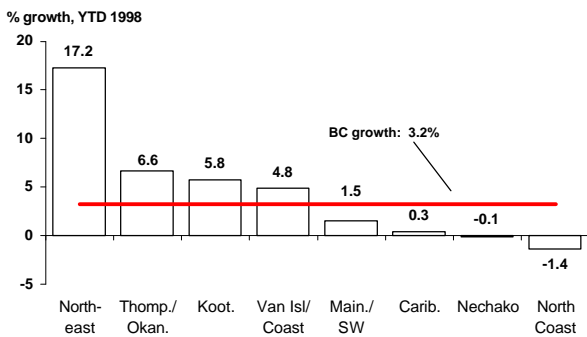
British Columbia's accommodation room revenue (unadjusted for seasonal variation) stood at \$135.8 million in September. This was an advance of 5.0% over September 1997.

Third quarter revenue was 3.3% higher than in the third quarter of 1997. This was an improvement over the second quarter, when revenue was unchanged from 1997. Coupled with strong growth (+7.3%) in the first quarter, this contributed to a 3.2% increase in revenue through the first nine months of 1998, and stood at \$920.1 million.

Through 3 quarters, 1998 a mixed bag

While the province as a whole showed fairly strong growth in September and revenue increases were relatively steady through the first 9 months of the year, a closer look at the details reveals that all is not rosy.

Revenue growth unevenly shared between regions



The strongest year-to-date growth has been in Northeast (up 17.2% to \$21.1 million), Thompson/Okanagan (+6.6%), and Kootenay (+5.8). While the Northeast, fuelled by oilfield and construction activity, led the province, the other northern regions have faltered. Cariboo and Nechako were virtually unchanged from 1997, and North Coast earned 1.4% less than in the first three quarters of 1997.

In six of the year's nine months revenue growth in Vancouver Island/Coast has exceeded the provincial rate, and year-to-date revenue is up 4.8%. But both 76-149 room hotels (-1.4%) and motels (-4.3%) in the region have experienced a drop in revenue.

In the Mainland/Southwest, revenue has risen 1.5% through the first three quarters of the year, which is below the provincial rate of 3.2%. Growth in the region has been dampened by declines in motel revenue (-5.7%) and, more significantly, 250+ room hotel revenue (-3.9% to \$259.7 million).

Text Table 2. BC Tourism Indicators

	Change from Sep 97	Total Sep 98
Hotel Industry		
Occupancy rate	2.0 pp.	76.2%
Average room charge <i>(Pannell Kerr Forster)</i>	4.1%	\$126.2
Passenger Traffic (%) (000s)		
Vancouver International Airport		
Total traffic	2.7	1,387
US	12.4	372
Other International	-1.9	300
Canada <i>(YVR)</i>	0.2	715
Victoria International Airport		
Total traffic <i>(Victoria Airport Authority)</i>	10.5	105
Transportation (%) (000s)		
Coquihalla Highway		
Passenger Vehicles <i>(Ministry of Transportation & Highways)</i>	12.1	251
BC Ferries		
Vehicle Volume	2.2	737
Passenger Volume <i>(BC Ferries)</i>	4.0	2,004
Exchange Rates chg. from Sep 98 Sep Cdn \$		
US \$	0.056	1.521
UK Pound	0.141	2.560
Japanese Yen	0.001	0.011
Australian \$ <i>(Statistics Canada)</i>	0.010	0.896

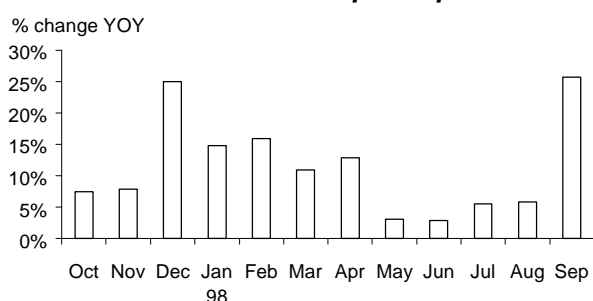
All references in **Room Revenue Trends** are to unadjusted data. All comparisons for **BC Tourism Indicators** are for the reference month relative to the same month the previous year.

Traveller Entries to BC

Visitor entries from USA hit growth record

- The total number of international entries to Canada via BC jumped again, advancing 16.5% to 835,729. Overnight visits by Americans showed the strongest growth, jumping 25.7% to 367,295. This was the highest monthly increase since October 1986, the last month of Expo 86, the world's fair. Growth in same-day trips by Americans was also strong, up 22.1% to 318,201.

Growth in US entries up in September



Overseas visitor entries slide

- Overseas entries slid again, falling 8.7% from September 1997 to 150,233. Entries from Europe were up slightly (+1.6%) for the first time in four months. Asian entries, however, remained weak, declining 21.5% to 66,271.
- Entries from Japan, the largest source of overseas entries, continued to decline (down 14.6% to 32,751) in September. Hong Kong was the only Asian source of visitors to show growth in September, rising 6.5%.
- UK entries dipped slightly (-0.1%) from September 1997. Because of strong performance earlier in the year, UK entries were up 7.2% through the first three quarters of 1998.

Canadian travel overseas up again

- Travel by Canadians to the United States fell for the ninth consecutive month in September, mirroring the decline of the Canadian dollar's value relative to the American dollar. Overseas travel broke a two-month downward trend in September and rose 13.5% to 57,827.

Text Table 3. Traveller Entries

	% chg from Sep 97	Sep 98 (000)
American visitors		
Total	24.0	685
Same-day	22.1	318
Overnight	25.7	365
Overseas visitors		
Total	-8.7	150
Europe	1.6	62
UK	-0.1	23
Asia	-21.5	66
Hong Kong	6.5	8
Japan	-14.6	32
Taiwan	-18.4	11
Oceania	-1.7	13
Canadian re-entries		
Total	-25.4	808
From overseas	13.5	58
From US	-27.3	750
Same-day	-32.8	508

(Statistics Canada)

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