

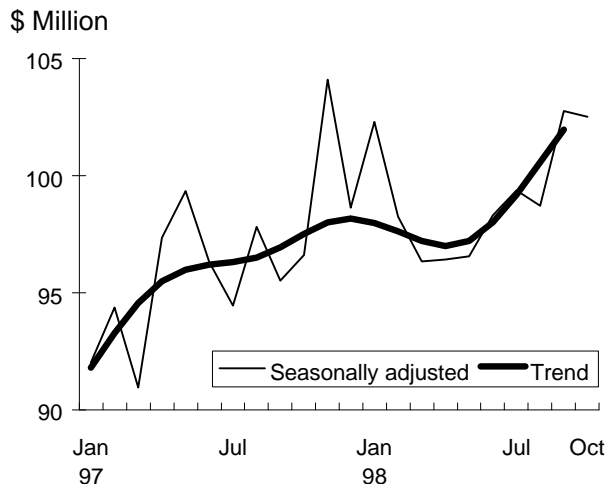
## Tourism Room Revenue ♦ October 1998

### Highlights

#### The Province

- Seasonally adjusted room revenue in BC dipped slightly (-0.3%) in October. Room revenue has showed a fairly steady improvement since the spring months. October marked the second consecutive month that seasonally adjusted room revenue has exceeded \$100 million.

#### October room revenue dips slightly



#### In the Regions

- Mainland/Southwest (+1.2%) was the only region to show a revenue increase in October. Coming off a relatively poor spring and summer the region is now experiencing some of the strongest growth on record.
- Vancouver Island/Coast revenue fell 0.3%, the same as BC as a whole. All other regions had declines greater than the provincial rate with the largest drops experienced in Cariboo (-10.2%) and Northeast (-12.3%). The con-

tinued decline in Northeast coincides with the end of the recent boom cycle in oil and gas activity in the region.

#### The Accommodation Types

- The larger hotels played a significant part in generating increased room revenue in BC. Hotels with 151 to 249 rooms had the strongest advance (+3.1%) of any accommodation category, and hotels with 250 or more rooms earned 0.4% more revenue than in October.
- Vacation rentals (+0.4%) were the only other accommodation type to post an increase in revenue in October.

**Text Table 1. Room Revenue Summary**

Accommodation Type			
	Sep. 98 (\$000)	Aug. 98 (\$000)	% change
Total	102,509	102,775	-0.3
Hotels	76,673	77,809	-1.5
Motels	13,675	14,077	-2.9
Other Acc.	11,707	11,718	-0.1
Regions (Top 3)			
Mainland/Southwest	59,384	58,694	1.2
Vancouver Isl./Coast	18,626	18,681	-0.3
Thompson/Okanagan	13,068	13,160	-0.7

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

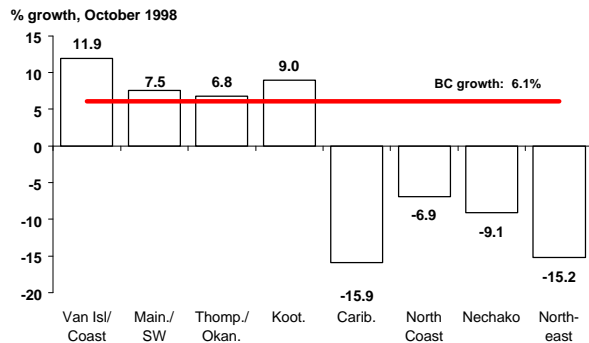
## Room Revenue Trends (Unadjusted)

In October British Columbia's accommodation room revenue (unadjusted for seasonal variation) rose 6.1% over October 1997, and stood at \$89.6 million. October marked the fifth consecutive month with a year-over-year increase.

### The south up and the north down

While overall room revenue in BC was up quite significantly, all of the increases were concentrated in the four southern development regions. Vancouver Island/Coast had the only double-digit growth (+11.9%), but Kootenay (+9.0%), Mainland/Southwest (+7.5%) and Thompson/Okanagan (+6.8%) all expanded above the average rate.

#### Regional disparity: south up, north down



Revenue fell in all of the northern regions. The declines in revenue ranged from -6.9% in North Coast to -15.9% in hard-hit Cariboo. Not only did Cariboo post the biggest decline in October; it was the only region to see revenue fall in September.

This trend in room revenue points to a greater reliance on BC resident travel in the northern regions. As the resource-dependent economy falters in these regions, the tourism sector's performance suffers. Compared to January 1999 levels, both the Cariboo and Northeast Development Regions have experienced significant declines in seasonally adjusted room revenue (-18.3% and -26.4% respectively). They are also the only regions of the province where unemployment rates have increased over the same period.

The southern regions of BC, by contrast, seem to be the beneficiaries of both unparalleled increases in visitation from the USA and relatively strong regional economies. Unemployment rates in the southern regions have, at worst, remained unchanged, and in many areas have reached lows not seen for many years.

Text Table 2. BC Tourism Indicators

	Change from Oct 97	Total Oct 98
<b>Hotel Industry</b>		
Occupancy rate	-2.4 pp.	60.7%
Average room charge	3.0%	\$105.53
<i>(Pannell Kerr Forster)</i>		
<b>Passenger Traffic</b> (%) (000s)		
<b>Vancouver International Airport</b>		
Total traffic	10.7	1,323
US	8.0	309
Other International	4.4	256
Canada	14.3	758
<i>(YVR)</i>		
<b>Victoria International Airport</b>		
Total traffic	7.5	111
<i>(Victoria Airport Authority)</i>		
<b>Transportation</b> (%) (000s)		
<b>Coquihalla Highway</b>		
Passenger Vehicles	8.0	195
<i>(Ministry of Transportation &amp; Highways)</i>		
<b>BC Ferries</b>		
Vehicle Volume	-1.9	632
Passenger Volume	-0.5	1,658
<i>(BC Ferries)</i>		
<b>Exchange Rates</b> chg. from Oct Sep 98 Cdn \$		
US \$	0.024	1.545
UK Pound	0.059	2.619
Japanese Yen	0.001	0.013
Australian \$	0.059	0.955
<i>(Statistics Canada)</i>		

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

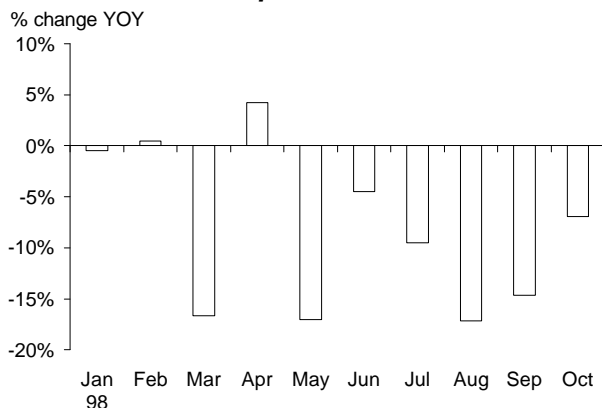
## Visitor entry growth driven by Americans

- The total number of international entries to Canada via BC made its second consecutive double-digit advance, climbing by 61,707 visitors (+13.5%) to 518,914. Declines from overseas visitors were more than offset by substantial growth from the U.S.A.; October saw 68,470 more Americans enter Canada via BC than in October 1997.
- Same-day visits by Americans were up 19.6% to 240,515. Overnight trips made by Americans also rose sharply, rising 17.2% to 198,189.

## Overseas visitor entries continue decline

- Entries of visitors from overseas fell for the ninth straight month, losing 7.8% from the October 1997 level. A big jump in entries from Europe (+11.2%) was not enough to make up for weakness in the larger Asian markets, which were down 18.3%.
- However there were some encouraging signs. Japanese entries were off 6.9% to 21,451, the smallest rate of decline since June.

**Decline in Japanese entries slows**



- European entries were consistently strong in October. German entries set the pace, rising 21.0% to 5,865. The additional German visitors accounted for roughly 40% of the increase in entries from Europe.

## Canadian travel overseas up again

- The number of Canadians returning from the United States via BC fell for the tenth consecutive month in October, down 28.3% to 668,458. More Canadians travelled overseas and returned via BC in October, an increase of 5.8% to 55,588.

**Text Table 3. Traveller Entries**

	% chg from Oct 97	Oct 98 (000)
<b>American visitors</b>		
Total	18.5	439
Same-day	19.6	241
Overnight	17.2	198
<b>Overseas visitors</b>		
Total	-7.8	80
Europe	11.2	24
UK	1.2	10
Asia	-18.3	45
Japan	-6.9	21
Taiwan	-3.2	9
Oceania	-5.6	7
<b>Canadian re-entries</b>		
Total	-26.4	724
From overseas	5.8	56
From US	-28.3	668
Same-day	-34.3	459

(Statistics Canada)

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