

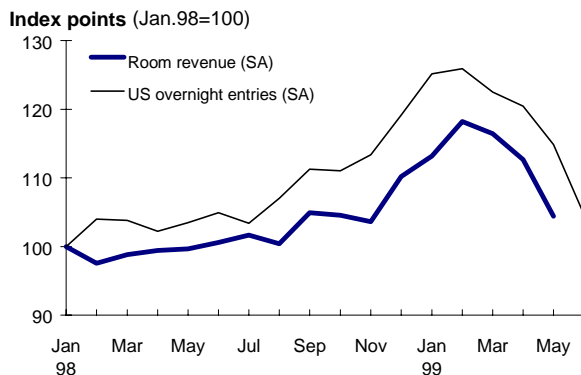
Tourism Room Revenue ♦ May 1999

Highlights

The Province

- For the third straight month, seasonally adjusted room revenue in BC was down from the month before. In May, revenue fell 7.3% to \$103.5 million.
- The decline in room revenue echoes the trend in seasonally adjusted US overnight entries, which also fell during the months of March through May. US overnight entries (seasonally adjusted) dipped another 4.6% in May.
- In June, US overnight entries dropped 8.8% (seasonally adjusted), indicating that further declines in room revenue may occur.

Room revenue and US overnight entries both dropping



In the Regions

- Only Northeast (+3.1%) and Vancouver Island/Coast (+1.5%) saw higher revenue in May. All other regions saw revenue below April's level.
- The largest drops were seen in Kootenay (-12.7%) and Mainland/Southwest (-10.6%). In BC, room revenue fell \$8.1

million in May; the Mainland/Southwest was responsible for \$7.0 million of the total.

The Accommodation Types

- Room revenue was down across all accommodation categories.
- The declines ranged from a low of -4.0% for small hotels (1 to 75 rooms) to -16.4% for vacation rentals.
- The three larger hotel categories earn six of every ten room revenue dollars in BC. In May these hotels all saw revenue drop for the third straight month.
- Motels (-5.5%) were down for the first time since December 1998.

Text Table 1. Room Revenue Summary

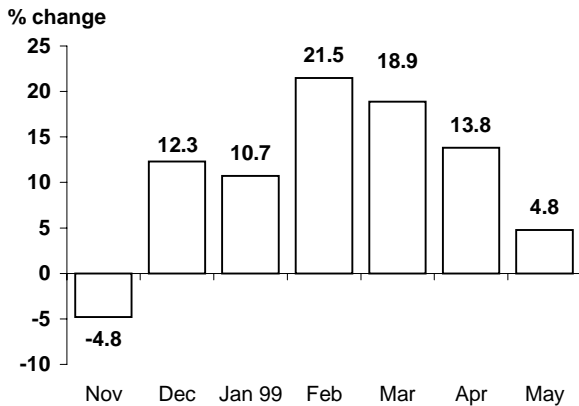
Accommodation Type			
	May 99 (\$000)	Apr. 99 (\$000)	% change
Total	103,521	111,457	-7.3
Hotels	78,669	83,021	-5.2
Motels	13,419	14,200	-5.5
Other Acc.	12,298	14,629	-15.9
Regions (Top 3 performers)			
Northeast	1,777	1,724	3.1
Vancouver Isl/Coast	19,964	19,678	1.5
Cariboo	3,534	3,541	-0.2

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

Room Revenue Trends (Unadjusted)

Room revenue, unadjusted for seasonal variation, was \$103.9 million in May, up 4.8% from May 1998. May's relatively modest increase brought to an end a string of five straight double-digit increases.

BC room revenue growth in continued slowdown



The continued slowdown in year-over-year growth in room revenue is reflected in the recent decline seasonally adjusted room revenue.

Some regional trends shifted ...

While most of BC's development regions saw room revenue change during May in much the same way as April, there were three notable exceptions.

Both Kootenay (+7.5%) and Mainland/Southwest (+5.9%) saw a five month run of double-digit growth come to an end. In the Mainland/Southwest region, room revenue was up substantially during the latter part of 1998 and early 1999. Growth peaked in March (+27.9%), which was the middle month of three with growth in excess of 20%. May's increase of 5.9% is a significant shift in fortunes. A similar case exists in Kootenay (+7.5% in May), but the peaks weren't as high, and the drop not so deep.

On the other hand, North Coast's growth in April (when revenue was up 4.4%) proved to be an exceptional case. In the region, revenue fell in every month since December with the exception of April. Looking back further still, revenue in the region was off in seven of the past twelve months.

... while others remained steady

Most of the remaining regions saw their long-term trends remain relatively unchanged. The Northeast continued to see a precipitous decline in revenue (-16.5%) with the eighth straight month of declines in excess of ten per cent. In the Vancouver Island Coast Development Region, revenue growth experienced a dip in March (+1.9%), but resumed the strong performance seen in late 1998 and early 1999.

Text Table 2. BC Tourism Indicators

	Change from May 98	Total May 99
Hotel Industry		
Occupancy rate	-0.2 pp.	64.8%
Average room charge	2.7%	\$114.36
<i>(Pannell Kerr Forster)</i>		
Passenger Traffic (%) (000s)		
Vancouver International Airport		
Total traffic	2.4	1,342
US	-0.9	349
Other International	6.2	277
Canada	2.5	716
<i>(YVR)</i>		
Victoria International Airport		
Total traffic	1.1	105
<i>(Victoria Airport Authority)</i>		
Transportation (%) (000s)		
Coquihalla Highway		
Passenger Vehicles	0.3	231
<i>(Ministry of Transportation & Highways)</i>		
BC Ferries		
Vehicle Volume	-0.4	690
Passenger Volume	-0.7	1,910
<i>(BC Ferries)</i>		
Exchange Rates chg. from May 98 Cdn \$		
US \$	0.017	1.462
UK Pound	-0.006	2.362
Japanese Yen	0.001	0.012
Australian \$	0.056	0.969
<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

International visitor entries continue to show year-over-year strength

For the sixth straight month, entries by foreign residents to Canada via BC made a double-digit advance, rising 10.4% over May 1998 to 766,778. This was also the eighth month out of the previous nine with a double-digit increase in international entries.

The growth in entries, has, however, slowed from the peak seen late in 1998 and in early 1999.

US entries—a key contributor to the slowdown

American travellers account for roughly eight of every ten international entries to BC and accordingly have a profound impact on the total. It was strong growth in US entries that counteracted declines in overseas entries during 1998, as well as the recovery of the overseas markets in more recent months.

In May, entries from the US were up 9.7%, with slightly higher growth in same-day travel (+11.3%) than in overnight visits (+8.3%). In June, the slowdown continued, with overnight entries up a modest 1.7%. This was the lowest rate of growth in overnight entries in over two years (since April 1997).

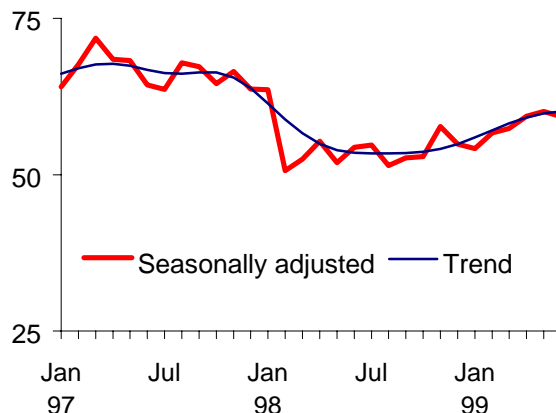
Overseas entries on the up and up

While travellers to BC from overseas are fewer in number than those from the US, they are an important part of the tourist mix. They stay longer, and on average spend more per day, than their American counterparts. And because many of them have limited English language skills, a number of businesses that cater specifically to these travellers have sprung up in BC.

Since the beginning of 1999, the number of overseas travellers has jumped over the 1998 levels. In particular, the number of visitors from Asia has rebounded from the downturn experienced through much of 1998.

Asian entries: a post-flu recovery

Entries—seasonally adjusted (thousand)



Text Table 3. Traveller Entries (unadjusted)

	% chg from May-98	May-99 (000)
American visitors		
Total	9.7	633
Same-day	11.3	308
Overnight	8.3	325
Overseas visitors		
Total	13.8	134
Europe	11.1	46
UK	6.6	21
Asia	16.0	67
Japan	7.7	24
Taiwan	27.1	13
Oceania	8.9	14
Canadian re-entries		
Total	-15.5	870
From overseas	2.3	61
From US	-16.6	809
Same-day	-22.1	538

(Statistics Canada)

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