

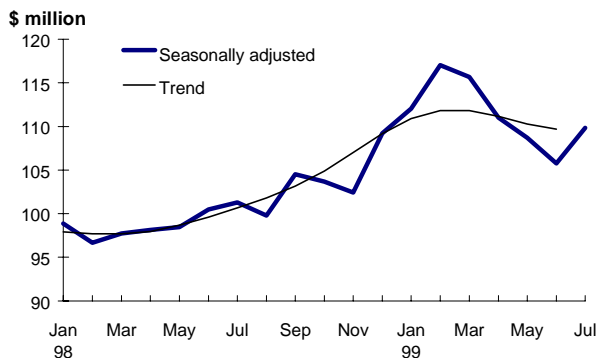
Tourism Room Revenue ♦ July 1999

Highlights

The Province

- Room revenue (seasonally adjusted) in BC was up for the first time in five months, rising 3.8% to \$109.8 million.

The slide comes to an end



- In spite of July's gain, revenue is still significantly below February's peak of \$117.0 million.
- US overnight entries (seasonally adjusted) also increased in July, posting their first gain since January. However, August saw US entries fall again, suggesting that room revenue may follow suit.

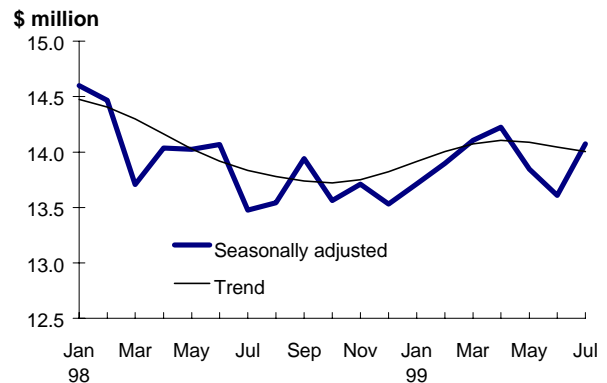
In the Regions

- Revenue rose in seven of the eight development regions, led by a 6.0% gain in Cariboo, and closely followed by a 5.6% increase in Nechako.
- Mainland/Southwest also had above-average growth. There, revenue increased (+4.8%) for the first time in four months, to \$64.1 million.
- Only Northeast saw revenue fall from June, losing 3.3% to \$1.8 million.

The Accommodation Types

- July saw revenue gains for most of the accommodation categories. In aggregate, hotels earned 4.2% more than in June (\$83.2 million). The hotels with between 151 and 249 rooms were up substantially (+16.1%), more than recovering from a decline suffered in June.
- After dipping for two months, motel revenue gained 3.4%.

Motel revenue back on track?



Text Table 1. Room Revenue Summary

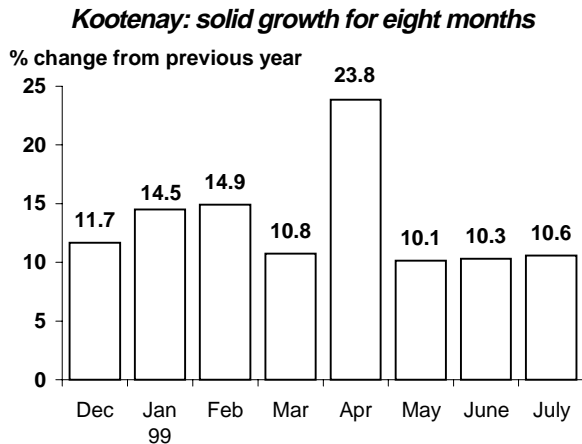
Accommodation Type			
	July 99 (\$000)	June 99 (\$000)	% change
Total	109,818	105,771	3.8
Hotels	83,176	79,835	4.2
Motels	14,074	13,609	3.4
Other Acc.	12,418	11,929	4.1
Regions (Top 3 performers)			
Cariboo	3,799	3,584	6.0
Nechako	882	836	5.6
Mainland/Southwest	64,073	61,114	4.8

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

Room Revenue Trends (Unadjusted)

On a year-over-year basis, room revenue was up a solid 10.2% from July 1998, to \$170.3 million.

Regionally, Mainland/Southwest led the province with 12.3% growth, while North Coast (+11.4%), Kootenay (+10.6%), and Vancouver Island/Coast (+10.3%) all expanded at above-average rates. For Kootenay, July was the eighth straight month with revenue gains topping ten per cent.



Other indicators also strong

Most (but not all) other indicators of tourism activity in BC suggest that July was a good month for the sector.

International entries from most of the major source countries rose in July. (For more details, see the following page.)

In the hotel accommodation industry, both average room rates (+5.0%) and occupancy rates (+2.2 percentage points) rose in July. This was the first increase in occupancy following two months of decline, and was the largest percentage increase in average room rates since February.

Some of the transportation indicators also showed gains in July. Passenger volumes on BC Ferries were up for the first time since January (+1.6%), and there were 5.5% more passenger vehicles using the Coquihalla highway, the biggest jump since January.

While total passenger traffic at BC's biggest airport, Vancouver International, was up in July, gains in the number of travellers to and from the US (+3.2%) and overseas (+6.0%) offset a slight dip (-0.1%) in travel within Canada. Victoria International Airport saw a downturn in passenger volume for the second straight month (-1.4%), the first decline since March 1995.

Text Table 2. BC Tourism Indicators

	Change from July 98	Total July 99
Hotel Industry		
Occupancy rate	2.2 pp.	78%
Average room charge <i>(Pannell Kerr Forster)</i>	5.0%	\$133.45
Passenger Traffic (%) (000s)		
Vancouver International Airport		
Total traffic	2.1	1,631
US	3.2	449
Other International	6.0	355
Canada <i>(YVR)</i>	-0.1	827
Victoria International Airport		
Total traffic <i>(Victoria Airport Authority)</i>	-1.4	111
Transportation (%) (000s)		
Coquihalla Highway		
Passenger Vehicles <i>(Ministry of Transportation & Highways)</i>	5.5	354
BC Ferries		
Vehicle Volume	1.0	877
Passenger Volume <i>(BC Ferries)</i>	1.6	2,634
Exchange Rates		
	chg. from July 98	Cdn \$
US \$	0.001	1.489
UK Pound	-0.099	2.345
Japanese Yen	0.002	0.012
Australian \$ <i>(Statistics Canada)</i>	0.057	0.977

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

Growth in international visitor entries

In July there were 6.7% more international visitor entries (unadjusted) to BC compared to July 1998. A total of 1.2 million travellers crossed the border into Canada via BC during July.

The increase in entries was slightly below the national pace. A total of 6.7 million travellers entered Canada in July, a jump of 7.5%.

Gains in US entries

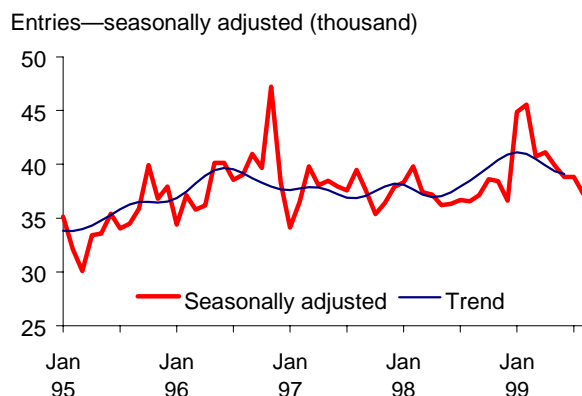
The increase in international entries was spread across most of the major countries that provide tourists to BC. The US market, a huge player in the province's tourism fortunes, was up 6.2%, with 962,516 entries. For the third straight month, the growth in same-day entries (+8.9%) outpaced that of overnight entries (+4.4%). In July overnight entries outnumbered same-day travellers at a rate of 3 to 2.

Gains in overseas entries unevenly spread

Total overseas entries gained 9.2% over July 1998. This advance was fuelled by a 13.9% jump in entries from Asia, which rose to 108,435. Contributions to growth in Asian entries were not equal. Taiwan (+25.1) and South Korea (+48.9%) together added nearly 7,800 entries, while Japanese entries were off by 1,100 (-3.4%).

European entries also gained over July 1998 (+5.9%). Entries from the UK and Germany both increased (+10.1% and +9.7% respectively). However, over the longer term, European entries have shown little growth since mid-1996.

European entries show little gain over 3 year period



International travel by Canadians down

There were 1,027,480 Canadian resident re-entries to Canada via BC in July, down 4.6% from July 1998. Significantly, this was the first time in a year and a half that the number of Canadians returning to Canada via BC didn't show a double-digit decline.

While same-day automobile trips to the US were below July 1998 levels (-8.2%), all other types of trips to the US were up (+2.3%) for the first time since December 1997.

The number of Canadians returning home via BC from countries other than the US was off for the second straight month. In July there were 54,784 Canadians re-entered Canada via a BC port of entry, a drop of 0.6% from July 1998.

Text Table 3. Traveller Entries (unadjusted)

	% chg from July 98	July 99 (000)
American visitors		
Total	6.2	963
Same-day	8.9	389
Overnight	4.4	573
Overseas visitors		
Total	9.2	221
Europe	5.9	82
UK	10.1	29
Asia	13.9	108
Japan	-3.4	33
Taiwan	25.1	22
Oceania	5.5	15
Canadian re-entries		
Total	-4.6	1,027
From overseas	-0.6	55
From US	-4.9	973
Same-day	-8.2	636

(Statistics Canada)

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