

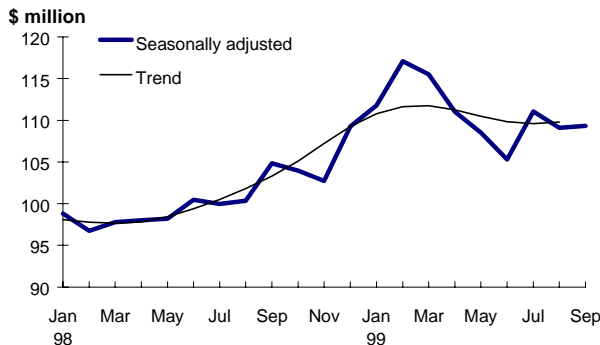
Tourism Room Revenue ♦ September 1999

Highlights

The Province

- Room revenue (seasonally adjusted) in BC edged up 0.2% to \$109.3 million in September.

Room revenue flattens

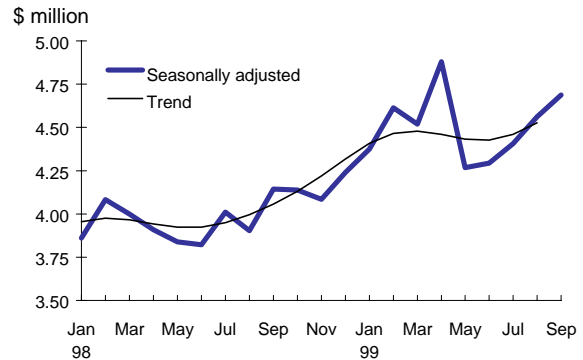


- After peaking in February and followed by four months of decline, revenue appears to have stabilized.
- Other indicators for September present a mixed message in the tourism sector, with modest growth in some areas counterbalanced by slight declines in others.

In the Regions

- Revenue was up in five of the province's eight regions, led by a 6.6% jump in Cariboo. Kootenay is the only region to have shown sustained growth since May, and was up (+2.8%). Mainland/Southwest, the biggest region with over half of BC's revenue, saw revenue drop for the second straight month (-1.1%).

Kootenay revenue climbs



The Accommodation Types

- In September, room revenue rose for all accommodation types—with one notable exception. The large hotels (+250 rooms) posted a revenue decline for the second straight month (-6.3%) and the sixth time in the past seven months.

Text Table 1. Room Revenue Summary

Accommodation Type			
	Sep. 99 (\$000)	Aug. 99 (\$000)	% change
Total	109,315	109,113	0.2
Hotels	80,961	81,548	-0.7
Motels	14,364	14,096	1.9
Other Acc.	13,905	13,203	5.3
Regions (Top 3 performers)			
Cariboo	3,695	3,466	6.6
Thompson/Okanagan	14,011	13,582	3.2
Kootenay	4,688	4,561	2.8

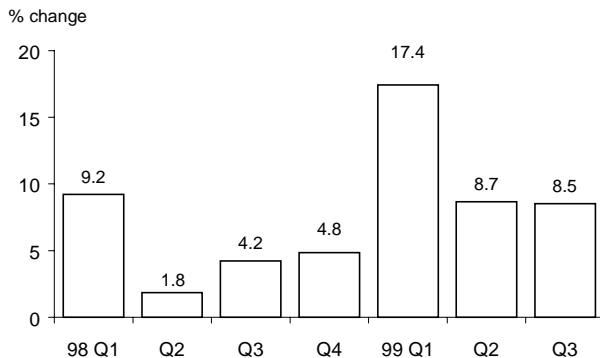
All data reported in Highlights are seasonally adjusted. All comparisons are to the month previous except where noted.

Room Revenue Trends (Unadjusted)

September room revenue (unadjusted for seasonal variation) was \$145.1 million, an increase of 4.3% over September 1998.

Through three quarters of the year, room revenue increased 10.6% over the same period of 1998, to \$1.1 billion.

Revenue growth improves over 1998



During the third quarter of 1999, revenue growth was at roughly the same rate (+8.5%) as in the second quarter. While this was slower than the first quarter of the year, it was double the rate of growth posted in the third quarter of 1998. Much of the third quarter growth occurred in July, and August and September experienced a slowdown in revenue growth.

Other indicators point to slow month

Other indicators also point to a cooling off in the tourism sector's growth. Some indicators, notably visitor entries from other countries, suggest the slowdown will continue into October.

In the hotel accommodation industry, average room rates fell for the first time since October 1998, sliding 2.4% to \$100. Occupancy rates dipped for the third straight month, down 3.4 percentage points, perhaps reflecting both a drop in demand and an increase in the available supply of rooms in the province.

There were 29,800 people working in the accommodation services industry in September, down 11.8% from September 1998. Employment in the industry peaked in 1996, and has been declining steadily since April 1997.

The number of US travellers (unadjusted) entering Canada via BC decreased 1.2%, but overseas entries gained 9.5% from September 1998. These trends continued into October.

On a year-over-year basis, air passenger volume through Vancouver International Airport was up 1.9% to 1.4 million. Victoria International Airport saw a downturn in passenger volume for the fourth straight month (-6.3%), marking the first downward trend since March 1995. Ferry passenger traffic also slipped, with 0.3% fewer passengers travelling on the BC Ferry system.

Text Table 2. BC Tourism Indicators

	Change from Sep. 98	Total Sep. 99
Hotel Industry		
Occupancy rate	-0.6 pp.	74.1%
Average room charge <i>(Pannell Kerr Forster)</i>	0.5%	\$123.96
Passenger Traffic (%) (000s)		
Vancouver International Airport		
Total traffic	1.9	1,412
US	-2.6	362
Other International	10.4	329
Canada <i>(YVR)</i>	0.7	720
Victoria International Airport		
Total traffic <i>(Victoria Airport Authority)</i>	-6.3	99
Transportation (%) (000s)		
Coquihalla Highway		
Passenger Vehicles <i>(Ministry of Transportation & Highways)</i>	1.2	254
BC Ferries		
Vehicle Volume	-0.3	735
Passenger Volume <i>(BC Ferries)</i>	-0.7	1,990
Exchange Rates		
	chg. from Sep. 98	Cdn \$
US \$	-0.045	1.477
UK Pound	-0.160	2.400
Japanese Yen	0.003	0.014
Australian \$ <i>(Statistics Canada)</i>	0.063	0.959

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 (seasonally adjusted): October

International visitor entries

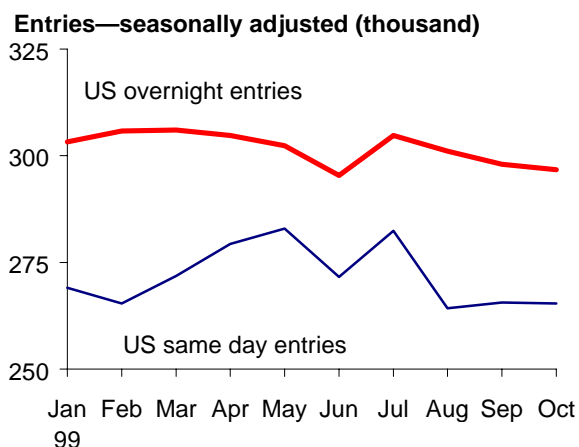
In October there were 678,000 international entries to BC (seasonally adjusted), down 0.6% from September.

US entries continued down...

October saw the third straight drop in the number of US entries to BC. There were 560,100 US entries (seasonally adjusted), down slightly (-0.9%) from September. July represented a historic high in the number of visitors from the US, with 592,200 Americans entering BC, surpassing April's level of 582,900.

Overnight entries from the US were down for the third consecutive month, slipping 0.4% to 296,800. This was the sixth time in the seven months beginning with April that overnight entries have fallen.

US entries down from July peak



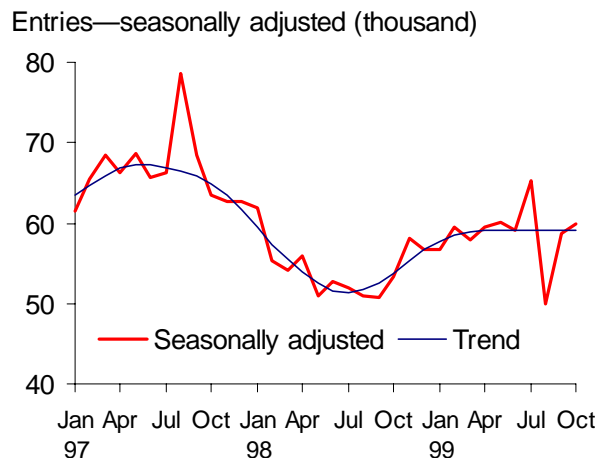
...while overseas entries continued up

Total overseas entries were up a modest 0.6% to 117,800 in October, the second straight monthly increase. A gain of 1.8% from Asia was enough to offset declines from Europe (-3.0%) and Oceania¹ (-19.6%).

While overall Asian entries were up in October, this wasn't the case for all the countries in the region. Japan (+18.1%) and South Korea (+12.1%) both posted their second straight double-digit increase, while Taiwan (-10.6%) saw entries decline for the third time in the previous four months.

Asian entries have been volatile from month to month but have flattened since early in 1999.

Asian entries stabilizing



More Canadians travelling overseas

There were 813,000 Canadian resident re-entries to Canada via BC in October, down 1.7% from September. While travel to the US was down, the number of Canadians returning home via BC from countries other than the US rose for the third straight month (+1.4%).

Text Table 3. Traveller Entries (seasonally adjusted)

	Oct. 99 (^{'000})	Sep. 99 (^{'000})	% chg from Sep. 99
American visitors			
Total	560	565	-0.9
Same-day	265	266	-0.1
Overnight	297	298	-0.4
Overseas visitors			
Total	118	117	0.6
Europe	39	41	-3.0
UK	17	19	-10.4
Asia	60	59	1.8
Japan	27	23	18.1
Taiwan	11	12	-10.6
Oceania	10	13	-19.6
Canadian re-entries			
Total	813	827	-1.7
From overseas	69	68	1.4
From US same-day auto	488	497	-1.8

(BC STATS & Statistics Canada)

Note: All comparisons for Traveller Entries to BC are seasonally adjusted. All comparisons are to the previous month except where noted.

¹ Australia, New Zealand, and other South Pacific nations.