

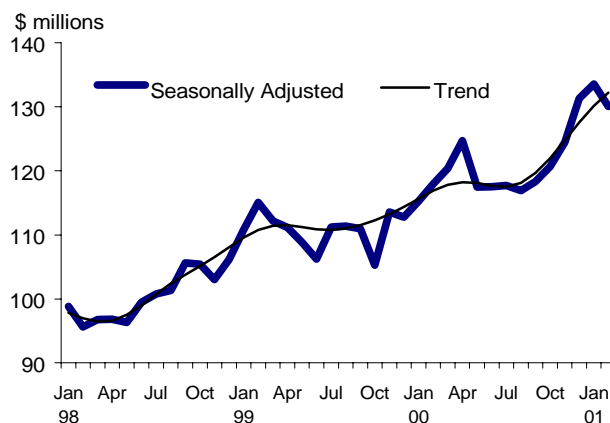
Tourism Sector Monitor ♦ May 2001

Highlights

Room revenue

After five months of growth, room revenue (seasonally adjusted) in **February** fell 2.6%. The largest fall occurred in the Kootenays (-10.4%). Mainland/Southwest (-3.2%) and Vancouver Island/Coast (-2.0%) also saw declines. Cariboo had the largest increase (+6.8%) after falling in January (-14.7%). North Coast (+0.4%) and Northeast (+0.9%) made marginal gains.

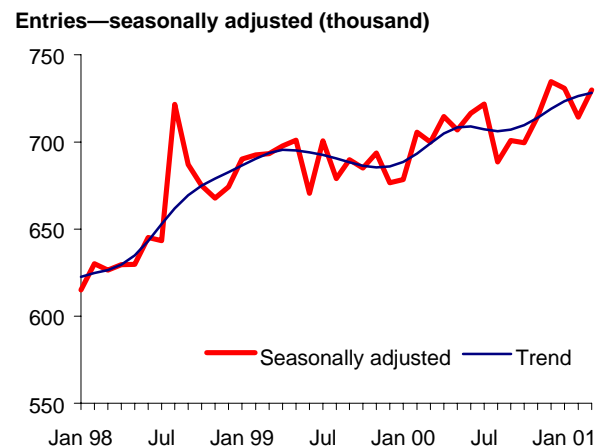
Room Revenue Dips Slightly



Visitor entries

International traveller entries climbed 2.2% in **March** (seasonally adjusted) after two months of decline. 729,900 international visitors entered British Columbia in March.

Visitor entries recovering



Visitor entries from overseas (+7.7%) and the United States (+1.2%) increased.

Other indicators

In **March**, restaurant, caterer and tavern receipts climbed 13.9% from the same month in 2000. Receipts reached \$449.7 million.

Passenger vehicle traffic on the Coquihalla highway rose 2.4% in **March** compared to the same period last year. Vehicle volume (+3.0%) and passenger volume (+3.2%) on BC ferries were also up. Total traffic at the Victoria airport grew 5.9% from March 2000 levels.

Table 1. Room Revenue* Summary

Accommodation Type			
	Feb. 01 (\$000)	Jan 01 (\$000)	% change
Total	130,079	133,562	-2.6
Hotels	99,093	98,329	0.8
Motels	15,041	15,010	0.2
Other Acc.	14,914	17,421	-14.4
Regions (Top 3 performers)			
Cariboo	3,516	3,293	6.8
Northeast	2,698	2,672	0.9
North Coast	1,587	1,580	0.4

Seasonally adjusted room revenue

Tourism Trends

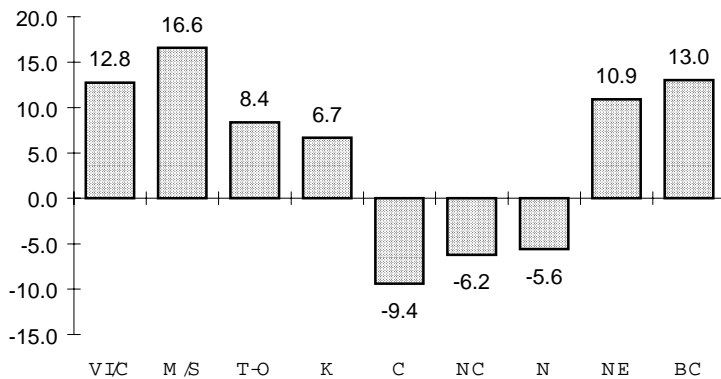
Room Revenue

Room revenue declined in **February** (-2.6%). This corresponds to the drop in visitor entries (-2.3%) observed in the same month. The Cariboo region was the only region that saw significant growth (+6.8%) although the North Coast (+0.4) and the Northeast (+0.9%) regions showed positive gains. The Kootenay region saw the largest fall in room revenue (-10.4%). Mainland/Southwest recorded a decline (-3.2%), as did Vancouver Island/Coast (-2.0%).

In the first two months of 2001, room revenues have increased 13.0% over the same months of 2000. Mainland/Southwest, Vancouver Island/Coast, and Northeast have all seen growth of over 10%.

Note: All comparisons for "Tourism Trends" are seasonally adjusted unless stated otherwise. All comparisons are to the previous month except where noted.

February year-to-date percent growth



Year-to-date room revenues are performing well.

VIC = Vancouver Island/Coast
M/S = Mainland/Southwest
T-O = Thompson-Okanagan
K = Kootenay
C = Cariboo

NC = North Coast
N = Nechako
NE = Northeast
BC = British Columbia

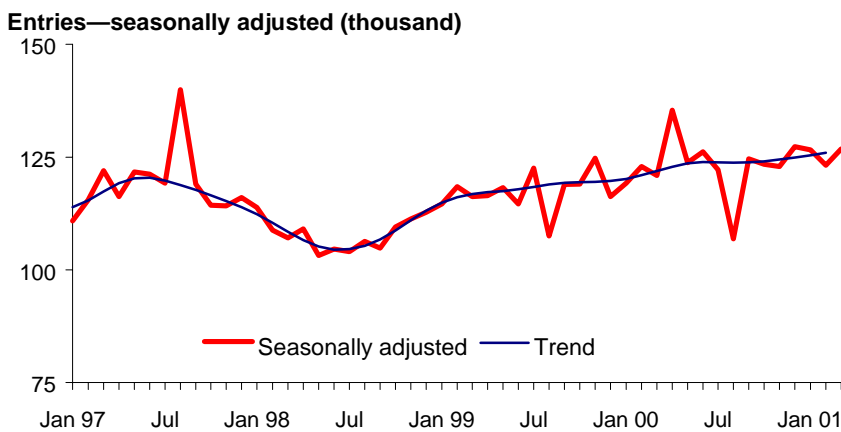
Visitor Entries

International traveller entries to British Columbia were up 2.2% (seasonally adjusted) in **March**. Total entries from the United States increased 1.2%. Same-day trips were the driving force behind this, increasing 3.8%.

Overseas entries also saw growth in March. 129,000 visitors entered BC from overseas, a rise of 7.7%. Entries from Asian (+5.4%), European (+2.6%) and Oceanic (+2.7%) countries made gains.

Visitor entries from the United States and overseas rise.

Overseas entries increase



Canadians decrease their travel to the U.S.

For the second straight month, the number of Canadians returning from other countries via BC dropped by 1.8% in March. Same-day automobile trips to the United States fell 2.0%. However, the number of Canadians returning from overseas via BC was up 1.7%.

Table 2. Traveller Entries (seasonally adjusted)

	Mar-01	Feb-01	% chg from Feb-01
	('000)	('000)	
American visitors			
Total	617	609	1.2
Same-day	298	287	3.8
Overnight	307	304	1.1
Overseas visitors			
Total	129	120	7.7
Europe	41	40	2.6
UK	19	18	4.7
Asia	67	63	5.4
Japan	23	24	-3.6
Taiwan	14	10	35.4
Oceania	12	11	2.7
Canadian re-entries			
Total	745	759	-1.8
From overseas	75	74	1.7
From US same-day auto	439	448	-2.0

(BC STATS & Statistics Canada)

Other Tourism Indicators

Revenue in the food and beverage industry continued to grow. In **March**, revenues climbed 13.9% compared with the same period last year. Full service restaurants (+19.8%) and food service contractors (+17.1%) made the largest gains.

Revenues in the Food and Beverage industry continue to rise over last years' values.

Food & beverage services trending up

Year-Over-Year Percent Change

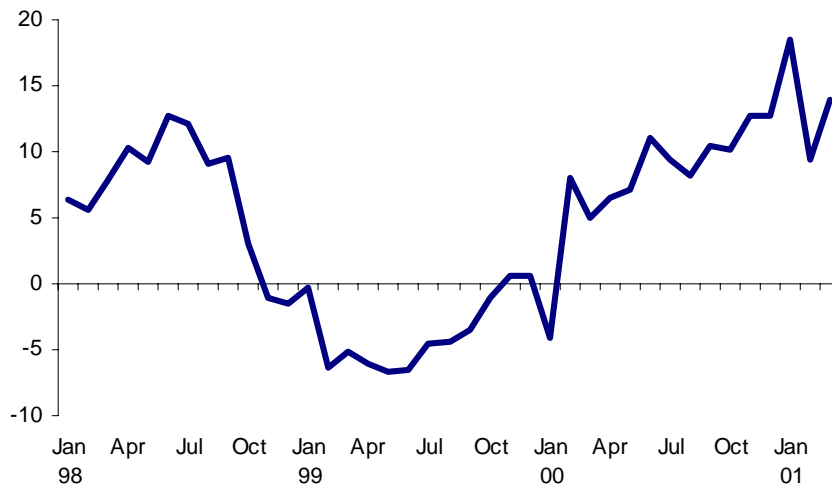


Table 3. Other Tourism Indicators

	Reference period	Total	Change from year ago
Hotel Industry			
Occupancy rate	Mar-01	64.3%	2.2 pp.
Average room charge	Mar-01	\$118.86	6.4%
<i>(Pannell Kerr Forster)</i>			
Airport Passengers		(000s)	(%)
Vancouver International Airport			
Total traffic	Dec-00	1,201	2.9
US	Dec-00	309	5.9
Other International	Dec-00	248	3.8
Canada	Dec-00	644	1.2
<i>(YVR)</i>			
Victoria International Airport			
Total traffic	Mar-01	102	5.9
<i>(Victoria Airport Authority)</i>			
Restaurant Receipts		(\$ millions)	(%)
Full service	Mar-01	245	19.8
Limited service	Mar-01	140	6.3
Drinking places	Mar-01	33	7.6
<i>(Statistics Canada)</i>			
Transportation		(000s)	(%)
Coquihalla Highway			
Passenger Vehicles	Mar-01	163	2.4
<i>(Ministry of Transportation & Highways)</i>			
BC Ferries			
Vehicle Volume	Mar-01	617	3.0
Passenger Volume	Mar-01	1,585	3.2
<i>(BC Ferries)</i>			
Exchange Rates		Cdn \$	Change from year ago
US \$	Apr-01	1.557	0.089
UK Pound	Apr-01	2.235	-0.089
Japanese Yen	Apr-01	0.013	-0.001
Australian \$	Apr-01	0.781	-0.095
<i>(Statistics Canada)</i>			

SPECIAL FOCUS: The Kootenay Region

Introduction

The Kootenay region is located in the south-east corner of British Columbia, lying along the border with Alberta. Kootenay is made up of three regional districts, East Kootenay, Central Kootenay and Kootenay Boundary. Cranbrook (East Kootenay), Nelson (Central Kootenay) Castlegar (Central Kootenay) and Trail (Kootenay Boundary) are a few of the larger cities in the area.

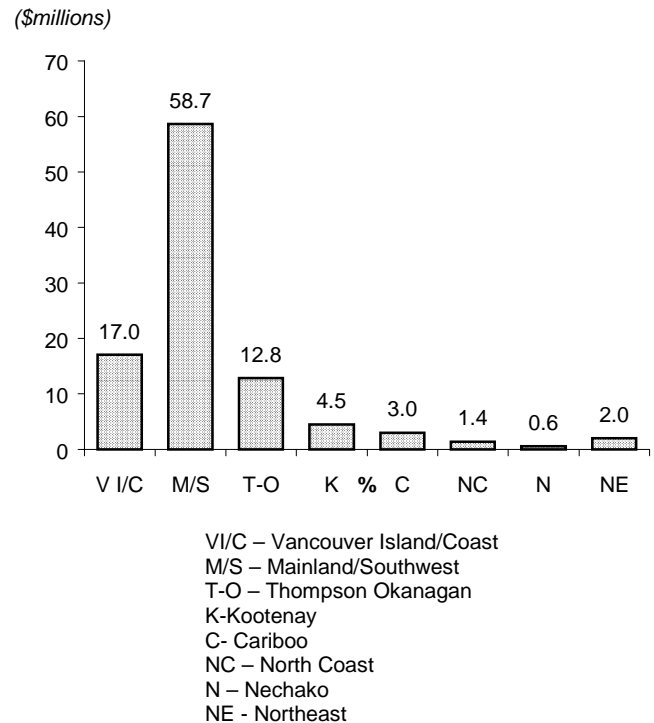
In the winter months, tourists are drawn to the region for the skiing and snowmobiling. Red Mountain Resort and the White Water Ski Area are among the ski resorts located in this area. This region is also the home to some of the best helicopter skiing ranges: the Monashees, Purcells and Selkirks. In the summer months, the Kootenay region provides tourists with a variety of outdoor activities, including hiking, fishing and golf. The region is home to many lakes, including the Kootenay Lake, Arrow Lake, and Lake Koocanusa.

Room Revenue

Room revenue in the Kootenay region had a slow start in 2001. Revenues took a large drop (-12.1% seasonally adjusted) in January, followed by another substantial fall (-10.4%) in February.

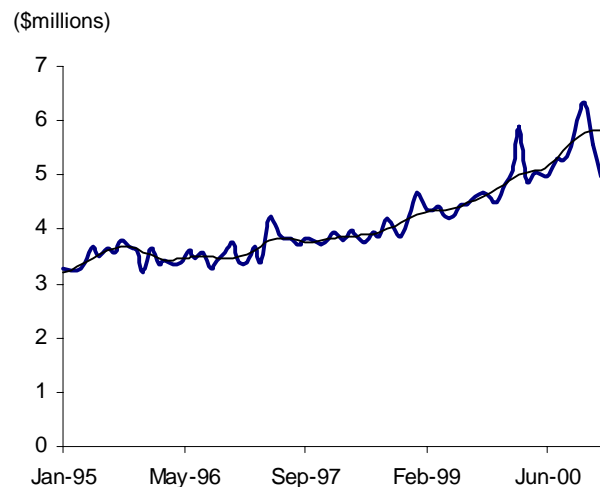
Room revenue in the Kootenay region made up 4.5% of total room revenue for BC in 2000. This past year saw strong growth in earnings. Month-to-month growth rates of seasonally adjusted room revenues were positive for all but 3 months in 2000. March (+16.3%) and November (+10.8%) were the best months for the Kootenays.

Kootenay achieves 4.5% of BC room revenue in 2000



For the past 5 years, room revenue in the Kootenay region has continuously climbed. Since 1996, annual room revenue for the region has risen steadily.

Kootenay room revenues rising

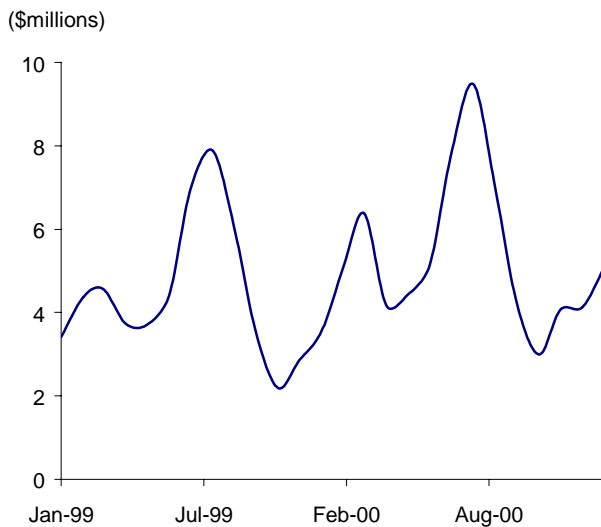


Seasonality

Room revenue in the Kootenay region is highly seasonal. November is typically amongst the lowest revenue months and August among the highest. In November 1999, unadjusted revenues were 2.2 million dollars. Less than a year later in August of 2000, room revenues were \$9.5 million, a 332% increase. By November of 2000 revenues had fallen back below the \$3 million-dollar mark.

Earnings have also consistently risen from December to March only to then decline shortly thereafter. This coincides with the start and finish of the ski season.

Room revenues show strong fluctuations

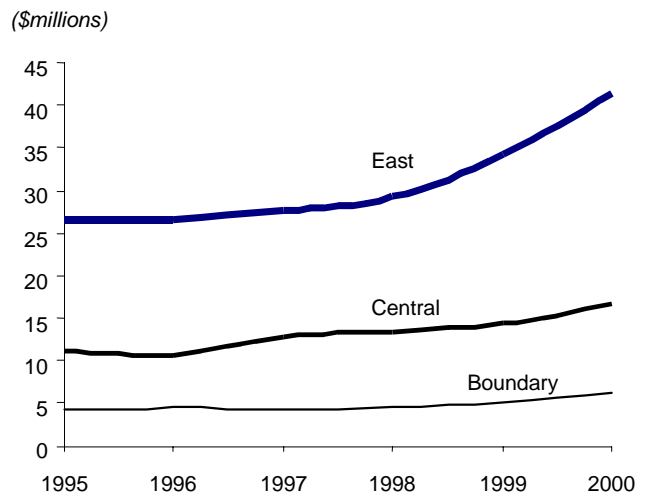


Regional Districts

The regional district of East Kootenay contributed to over half (64%) of the \$64.3 million dollars of room revenue for the region in 2000. Central Kootenay made up 26% of the total and Kootenay Boundary contributed the last 10%.

The regional district of East Kootenay has seen strong growth in the past two years. Room revenues for this district rose 21.1% in 2000 and 17.2% in 1999. Kootenay Boundary also made large gains in the past two years, climbing 23.3% in 2000 and 10.3% in 1999. Kootenay Central grew at a slower pace than the other two regional districts, but still saw substantial gains (+16.2% in 2000, 6.6% in 1999)

Annual Room Revenues, by Regional District



Accommodations

There were 279 accommodation properties in the Kootenays in 2000. Forty percent of these were motels. These accommodations offered 6,725 rooms, up 5.7% from 1999.

The number of accommodation properties and rooms has risen over the past five years. 1998 and 1999 saw particularly strong growth with the number of accommodation properties rising 6.1% in 2000 and 3.6% in 1999.

Room numbers continue to rise

