

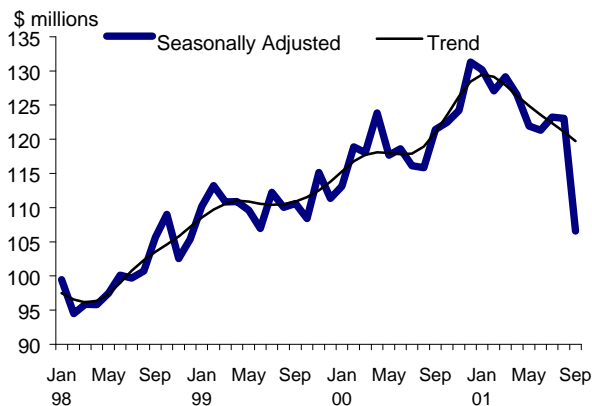
## Tourism Sector Monitor ♦ December 2001

### Highlights

#### Room revenue

In **September** room revenue in the province plunged 13.4% (seasonally adjusted) in response to the events of September 11<sup>th</sup>. Mainland Southwest (-17.6%) and Vancouver Island/Coast (-12.4%) were the hardest hit regions. All other regions in the province were also down with the smallest declines occurring in the Cariboo (-0.5%) and in the Northeast (-0.9%).

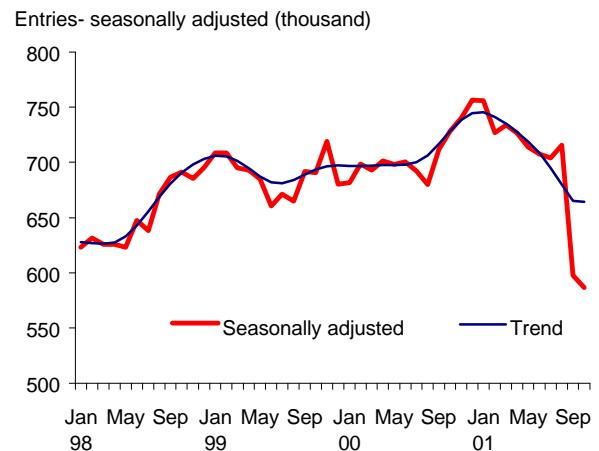
#### Room revenues drop off



#### Visitor Entries

Visitor entries to BC continued to slide (-2.3%) in **October**, after declining 16.1% in September. Entries from the United States slipped 2.4% with same-day trips down 13.5%. Overnight trips from the US rose 12.2% but were still significantly lower than the annual average. For the second straight month, Canadian re-entries declined (-8.3%).

#### Visitor entries continue to fall



**Table 1. Room Revenue\* Summary**

Accommodation Type			
	Aug 01 (\$000)	July 01 (\$000)	% change
Total	106,532	123,054	-13.4
Hotels	79,406	93,768	-15.2
Motels	14,346	16,032	-10.5
Other Acc.	14,528	14,716	-1.3
Regions (Top 3 performers)			
Cariboo	3,567	3,586	-0.5
Northeast	2,897	2,923	-0.9
Kootenay	5,311	5,368	-1.1

\*Seasonally adjusted room revenue

#### Other indicators

In **October**, passenger traffic at the Vancouver airport dropped 14.2% compared to the same period of 2000. In **November**, passenger traffic at the Victoria (-9.1%), Kelowna (-3.5%) and Prince George (-20.5%) airports continued to slump. Traffic on the Coquihalla highway rose 11.3% compared to November 2000. The number of vehicles travelling on BC Ferries was also up (+3.5%) in November, but passenger numbers were down 0.1%.

#### A Look Ahead...

Preliminary numbers for October show room revenues (seasonally adjusted) remaining flat (+0.4%). Unadjusted numbers show a 9.7% decline over the same month of 2000, as revenue failed to pick up following the attack.

# Tourism Trends

## Room Revenue

In September, room revenues plummeted around the province. In total, room revenues dropped 13.4%. Mainland Southwest (-17.6%) and Vancouver Island/Coast (-12.4%) saw the largest declines in BC. The fall in these regions may be attributed to reduced border crossings as many Americans chose to stay closer to home. Smaller regions such as the Northeast (-0.9%) and the Cariboo (-0.5%) fared better.

Hotels and motels across the province were hardest hit in September. The larger the hotel the greater the impact was. Hotels with over 250 rooms saw declines of 19.6% whereas hotels with room numbers less than 76 dropped only 9.7%. This may be in part due to tour cancellations or because people were avoiding large buildings. Overall, hotels saw their revenues drop 15.2% and motel revenue was down 10.5%.

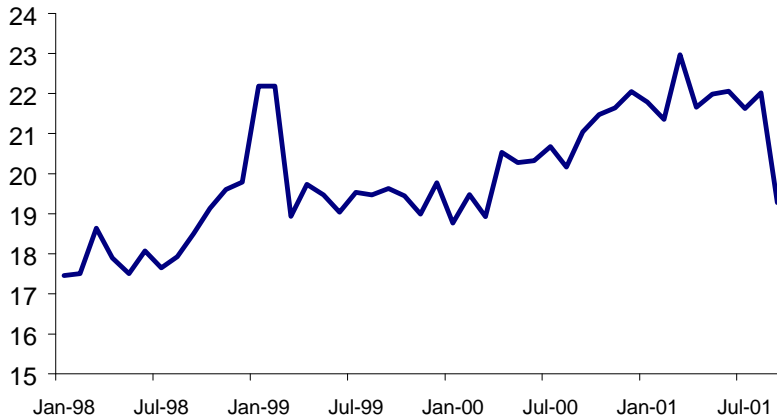
The large declines felt in September pushed third quarter numbers down. Room revenue fell 4.6% in the third quarter of 2001, with the largest decrease in the Northeast (-8.2%). Mainland Southwest (-6.7%) and Vancouver Island/Coast (-4.2%) also saw large declines.

*Hotels and Motels saw large declines in September.*

*Table 5: Room Revenue by Urban Centre has been updated. Check out the new table on page T8.*

### **Room Revenues in the Mainland Southwest hit hardest in September**

Room Revenue - seasonally adjusted (millions)

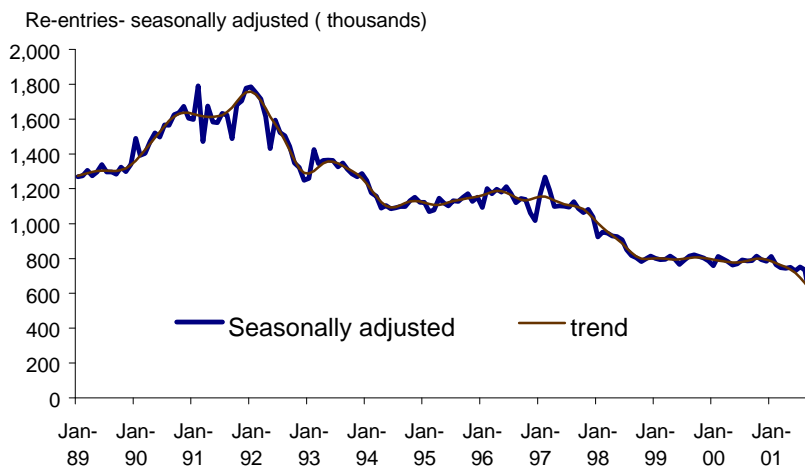


## Visitor Entries

For the second straight month visitor entries fell (-2.3%) in October. The decline was a result of fewer entries from both the US (-2.4%) and overseas (-1.6%). Same-day entries from the United States fell an additional 13.5% in October after a 19.0% decline in September. After plunging 15.7% in September, overnight entries rose 12.2% but remained much lower than numbers posted prior to September. Entries from Asian countries were down 3.5% but European entries grew 3.7%.

More Canadians chose to stay closer to home in October causing Canadian re-entries to fall 8.3%. Both same-day car trips (-14.5%) and overseas trips (-3.7%) were down.

### ***Canadian re-entries are at their lowest levels in over a decade***



**Table 2. Traveller Entries (seasonally adjusted)**

	Oct-01 ('000)	Sep-01 ('000)	% chg from Sep-01
<b>American visitors</b>			
Total	478	490	-2.4
Same-day	199	230	-13.5
Overnight	291	259	12.2
<b>Overseas visitors</b>			
Total	107	109	-1.6
Europe	37	35	3.7
UK	18	17	5.6
Asia	54	56	-3.5
Japan	17	19	-9.4
Taiwan	7	7	-4.1
Oceania	10	11	-6.1
<b>Canadian re-entries</b>			
Total	526	574	-8.3
From overseas	72	75	-3.7
From US same-day auto	248	290	-14.5

(BC STATS & Statistics Canada)

### Other Tourism Indicators

Restaurant, caterer and tavern receipts inched up 0.4% (seasonally adjusted) in October. Sales at drinking places slipped 2.7%.

Passenger traffic at the Vancouver Airport fell 15.9% in October from the same period last year. In November, airports around the province saw the number of flyers decline. Kelowna (-3.5%), Prince George (-20.5%) and Victoria (-9.1%) airports all saw a reduction in passenger traffic. While traffic at airports slowed, vehicle traffic on the Coquihalla highway jumped 11.3% in November and the number of vehicles boarding a BC Ferry increased by 3.5% compared to the same month of 2000, suggesting that more people were using ground, rather than air, transportation. The number of passengers on BC Ferries slipped 0.1% from November 2000 levels.

**Table 3. Other Tourism Indicators**

	Reference period	Total	Change from year ago
<b>Hotel</b>			
Occupancy rate	Oct-01	51.3%	-5.6 pp.
Average room charge	Oct-01	\$100.77	-3.0%
<i>(Pannell Kerr Forster)</i>			
<b>Airport</b>			
		<b>(000s)</b>	<b>(%)</b>
<b>Vancouver International Airport</b>			
Total traffic	Oct-01	1,065	-15.9
US	Oct-01	225	-16.5
Other International	Oct-01	241	-14.2
Canada	Oct-01	599	-16.4
<i>(YVR)</i>			
<b>Victoria International Airport</b>			
Total traffic	Nov-01	78	-9.1
<i>(Victoria Airport Authority)</i>			
<b>Restaurant</b>			
		<b>(\$ millions)</b>	<b>(%)</b>
Full service	Oct-01	213	5.8
Limited service	Oct-01	137	1.0
Drinking places	Oct-01	30	-2.4
<i>(Statistics Canada)</i>			
<b>Coquihalla Highway</b>			
		<b>(000s)</b>	<b>(%)</b>
Passenger Vehicles	Nov-01	122	11.3
<i>(Ministry of Transportation &amp; Highways)</i>			
<b>BC Ferries</b>			
Vehicle Volume	Nov-01	568	3.5
Passenger Volume	Nov-01	1,355	-0.1
<i>(BC Ferries)</i>			
<b>Exchange</b>			
		<b>Cdn \$</b>	<b>Change from year ago</b>
US \$	Nov-01	1.592	0.050
UK Pound	Nov-01	2.285	0.088
Japanese Yen	Nov-01	0.013	-0.001
Australian \$	Nov-01	0.823	0.018
<i>(Bank of Canada)</i>			