

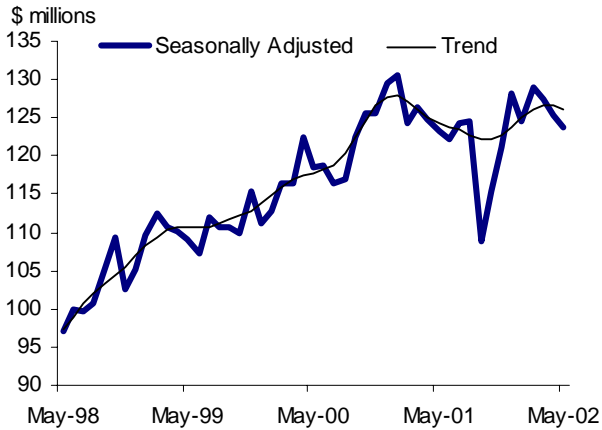
Tourism Sector Monitor ♦ August 2002

Highlights

Room Revenue

Room revenue fell slightly (-1.4% seasonally adjusted) in **May** to \$123.7 million. Mainland Southwest (-1.5%) and Northeast (-24.4%) led the decline. Cariboo (+7.4%), Kootenay (+4.4%), and North Coast (+3.1%) had the only gains in May.

Room revenues fall for the third straight month



Visitor Entries

The number of travellers entering Canada via BC grew 2.7% (seasonally adjusted) between **May** and **June**. There was an increase in visitors from the US (+4.2%) which more than offset a decrease in visitors from overseas (-4.0%). Total Canadian re-entries remained constant from May to June.

Visitor entries climb up in June

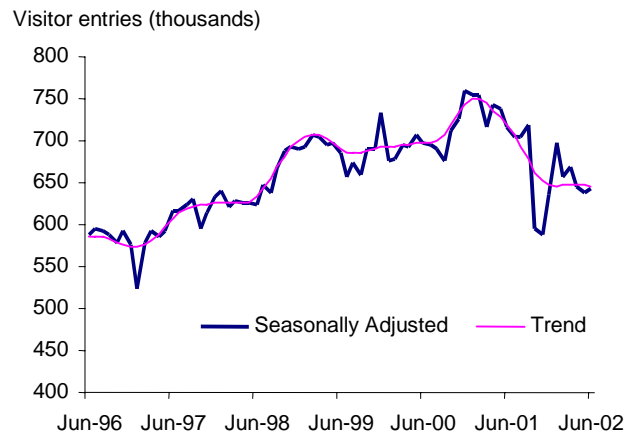


Table 1. Room Revenue* Summary

Accommodation Type			
	May.02 (\$000)	Apr.02 (\$000)	% change
Total	123,671	125,435	-1.4
Hotels	92,014	92,595	-0.6
Motels	15,761	15,703	0.4
Other Acc.	15,932	17,229	-7.5
Regions (Top 3 performers)			
Cariboo	3,707	3,453	+7.4
Kootenay	5,785	5,541	+4.4
North Coast	1,539	1,493	+3.1

*Seasonally adjusted room revenue

Other Indicators

Victoria airport traffic fell 13.3% in **July** compared to the same month of 2001. BC Ferries had a 1.2% increase in the number of passengers over the same period. The average hotel room cost during the second quarter of the year was \$117.45, up 1.7% compared to the same quarter of last year.

A Look Ahead...

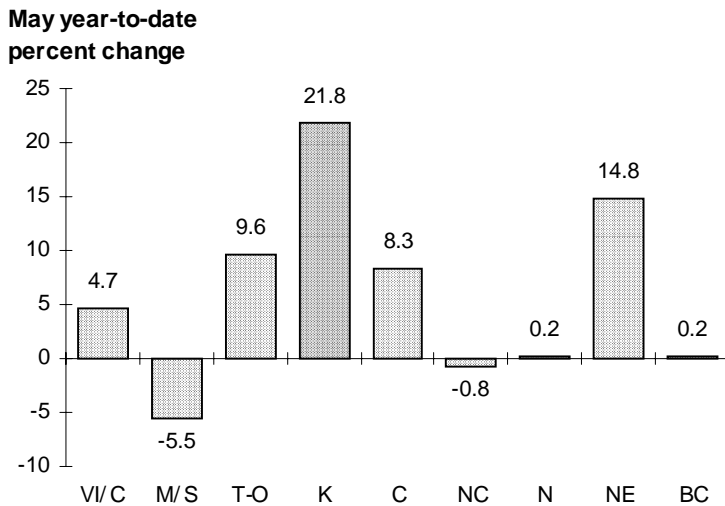
Preliminary numbers for June show room revenues improving 0.5% (seasonally adjusted) over May. On a year over year basis, unadjusted numbers show a 2.4% gain over June of 2001.

Tourism Trends

Room Revenue

Room revenue inched down 1.4% in May, falling for the third month in a row. The drop in Mainland Southwest (-1.5%) played a large role in the overall decline for the province. Northeast fell 24.4% after a strong gain in May. It has been the most volatile district over the past year due to the high number of seasonal workers that stay in work camps and other accommodations. Cariboo (7.4%) and Kootenay (4.4%) had the strongest gains through May. The Kootenay has also been the top performer so far this year, with 21.8% more year-to-date revenues when compared to the same period of last year. There was a net increase of 687 rooms in BC since May of last year, 445 of which were in Kootenay. The North Coast (3.1%) was the only other district that was up, and was recovering from a sharp decline in April. Vancouver Island/Coast lost 0.7% as did Thompson Okanagan.

Kootenay has been the top performer compared to its year-to-date revenues at this point last year



VI/C = Vancouver Island/Coast **NC = North Coast**
M/S = Mainland/Southwest **N = Nechako**
T-O = Thompson-Okanagan **NE = Northeast**
K = Kootenay **BC = British Columbia**
C = Cariboo

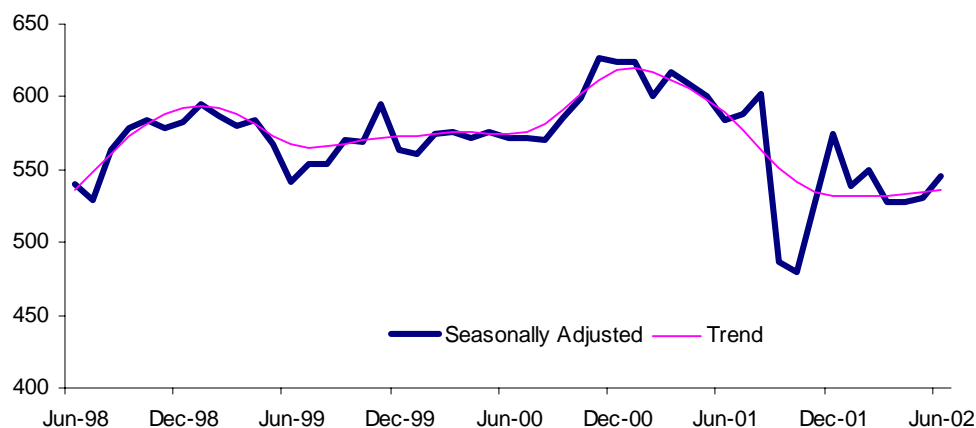
Only small hotels (+1.1%) and motels (+0.4%) experienced increased revenues in May. Vacation rentals (-5.7%) fell back after having an above average April.

Visitor Entries

There were 2.7% more international visitors in June than in May (658,800 seasonally adjusted). This was largely due to more United States visitors (+4.2%) via same-day trips (+0.5%) and overnight trips (+3.7%). There were fewer overseas entries from all sources in June. The number of European visitors (-0.4%) was down for the sixth straight month, and there were fewer travellers from both Asia (-7.2%) and Oceania (-1.1%).

US visitor entries are pulling out of the downward trend they have been facing since early 2001

US visitor entries (thousands)



Fewer same day car trips to the US (-1.2%) offset the increase in Canadians returning from overseas (+2.3%) causing no change in the total number of Canadians returning from other countries via BC.

Second Quarter Summary

There were 1,936,600 international entries during the second quarter of 2002. This is a 2.0% decline in the number from the previous quarter, and a 10.1% drop from the same quarter of last year. European entries (-13.5% since last quarter) were the lowest they have been since the first quarter of 1995. Asian (-3.9%) and Oceania (-5.1%) entries also fell since last quarter. In contrast, the second quarter saw 232,600 Canadian re-entries from overseas, its high point in the last seven years.

Table 2. Traveller Entries (seasonally adjusted)

	Jun-02	May-02	% chg from May-02
	('000)	('000)	
American visitors			
Total	551	529	4.2
Same-day	229	228	0.5
Overnight	314	303	3.7
Overseas visitors			
Total	108	112	-4.0
Europe	33	33	-0.4
UK	17	16	4.9
Asia	59	63	-7.2
Japan	22	24	-9.0
Taiwan	7	8	-12.0
Oceania	9	9	-1.1
Canadian re-entries			
Total	590	590	0.0
From overseas	79	77	2.3
From US same-day auto	289	292	-1.2
<i>(BC STATS & Statistics Canada)</i>			

Other Tourism Indicators

Restaurant and tavern receipts were down 7.7% compared with June of 2001. Social and mobile caterers (+44.4%) are still collecting much more than last year, while drinking places continue to decline (-22.4%).

The average cost of a hotel room during the second quarter of 2002 was \$117.45, 1.7% higher than the same quarter of last year. The average occupancy rate during the second quarter of 2002 (62.8%) was slightly lower in the same quarter of last year (63.6%).

Passenger traffic was lower at the Vancouver airport (-7.4%) in June compared to the same month of 2001. Domestic flights (-10.2%) were the main cause, while trans-border (-4.5%) and other international traffic (-4.7%) were also down. Victoria airport traffic fell (-13.3%) in July compared to the same month of last year. Both vehicle (+2.3%) and passenger traffic (+1.2%) rose on BC Ferries compared to the same month of last year. There were 5,436,000 passengers on BC Ferries during the second quarter of 2002 and 2,121,000 vehicles. Coquihalla highway traffic increased 6.3% in July compared to the same month of last year.

Table 3. Other Tourism Indicators

	Reference period	Total	Change from year ago
Hotel Industry			
Occupancy rate	Jun-02	67.7%	-0.2 pp.
Average room charge	Jun-02	\$131.46	2.9%
<i>(Pannell Kerr Forster)</i>			
Airport Passengers		(000s)	(%)
Vancouver International Airport			
Total traffic	Jun-02	1,372	-7.4
US	Jun-02	383	-4.5
Other International	Jun-02	331	-4.7
Canada	Jun-02	658	-10.2
<i>(YVR)</i>			
Victoria International Airport			
Total traffic	Jun-02	95	-7.4
<i>(Victoria Airport Authority)</i>			
Restaurant Receipts		(\$ millions)	(%)
Full service	Jun-02	243	1.4
Limited service	Jun-02	147	-4.6
Drinking places	Jun-02	25	-22.4
<i>(Statistics Canada)</i>			
Transportation		(000s)	(%)
Coquihalla Highway			
Passenger Vehicles	Jul-02	361	6.3
<i>(Ministry of Transportation & Highways)</i>			
BC Ferries			
Vehicle Volume	Jul-02	921	2.3
Passenger Volume	Jul-02	2,630	1.2
<i>(BC Ferries)</i>			
Exchange Rates		Cdn \$	Change from year ago
US \$	Jul-02	1.546	0.016
UK Pound	Jul-02	2.406	0.241
Japanese Yen	Jul-02	0.013	0.001
Australian \$	Jul-02	0.856	0.076
<i>(Statistics Canada)</i>			

* percentage points