

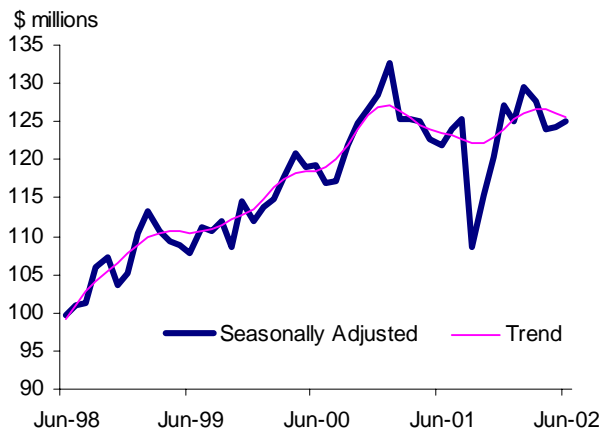
## Tourism Sector Monitor ♦ September 2002

### Highlights

#### Room revenue

In **June** room revenue in the province grew 0.6% (seasonally adjusted) to \$125.2 million. Revenues were down or flat in five regions but advanced in Nechako (+6.3%), Kootenay (+2.3%) and Mainland/Southwest (+1.8%). North Coast (-3.2%) and Vancouver Island/Coast (-2.0%) fell after growing through the previous month. Thompson-Okanagan (-0.5%) continued to decline for the fifth straight month.

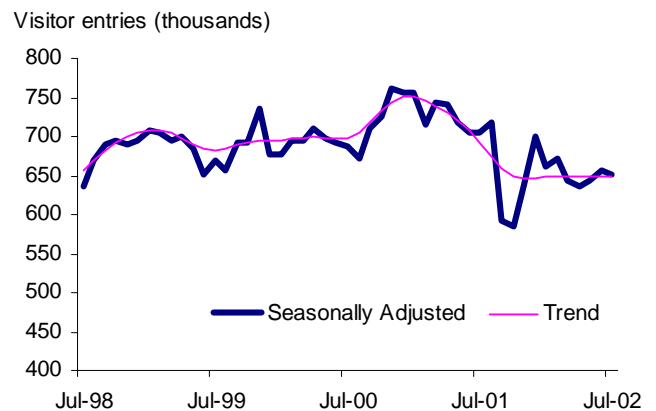
#### *Room revenues grow slightly in June*



#### Visitor Entries

Visitor entries to Canada through BC border crossings fell in **July**, declining 2.2% (seasonally adjusted). The decrease in entries, which was the biggest drop since March, was largely due to fewer visitors from the US (-2.7%). At the same time, the number of overseas entries edged up (+0.5%) as visits from Asia (+2.2%) and the South Pacific (+8.1%) picked up. However, entries from Europe remained in a slump, falling (-4.0%) for the seventh straight month.

#### *Visitor entries fall in July*



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

Accommodation Type			
	Jun.02 (\$000)	May.02 (\$000)	% change
Total	125,182	124,377	+0.6
Hotels	93,797	92,327	+1.6
Motels	15,724	15,751	-0.2
Other Acc.	16,385	15,818	+3.6
Regions (Top 3 performers)			
Nechako	711	669	+6.3
Kootenay	5,941	5,805	+2.3
Mainland/Southwest	71,540	70,283	+1.8

\*Seasonally adjusted room revenue

#### Other indicators

In **August**, passenger traffic at the Victoria airport (-8.9%) continued to fall compared to the same month of the previous year. Coquihalla highway traffic (+3.5%) and both vehicle (+2.4%) and passenger (+2.9%) traffic on the BC Ferries rose.

#### **A Look Ahead...**

Preliminary numbers for July show room revenues down 1.0% (seasonally adjusted). Unadjusted numbers show a 1.8% decline from the same month of 2001.

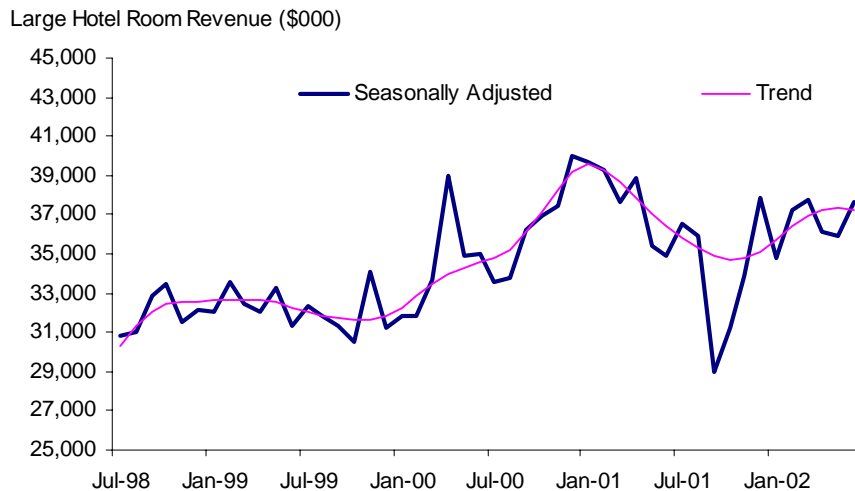
# Tourism Trends

## Room Revenue

Room revenues continued to inch up (+0.6%) through June to \$125.2 million (seasonally adjusted). Nechako had the strongest growth (+6.3%) recovering from a drop in May. Kootenay (+2.3%) and Mainland/Southwest (+1.8%) saw moderate growth in June. North Coast (-3.2%) and Vancouver Island/Coast (-2.0%) experienced the sharpest declines while Thompson-Okanagan (-0.5%) fell for the fifth straight month. Cariboo (-1.0%) has also been in a slump, experiencing decreases in four of the last five months. Northeast (-0.1%) did not recover from a sharp drop in May, and its revenues remain the lowest they have been since February 2001.

Mainland/Southwest has the highest proportion of large hotels<sup>1</sup> (46.5%), and consequently growth in this region partially led to the 4.8% increase in large hotel revenues in the province. Hotels with less than 250 rooms saw a marginal decline (-0.5%). Room revenues in motels (-0.2%) and vacation rentals (-0.7%) also inched down slightly.

### Room revenues grow in large hotels



Room revenues fell during the second quarter of 2002 (-2.3%, seasonally adjusted) when compared to the first quarter. The second quarter decline was experienced by every region with Kootenay suffering the most (-11.6%) followed by Northeast (-8.6%). Vancouver Island Coast lost the least in the second quarter, with revenues falling only 0.2%.

<sup>1</sup> Large hotels have greater than 250 rooms.

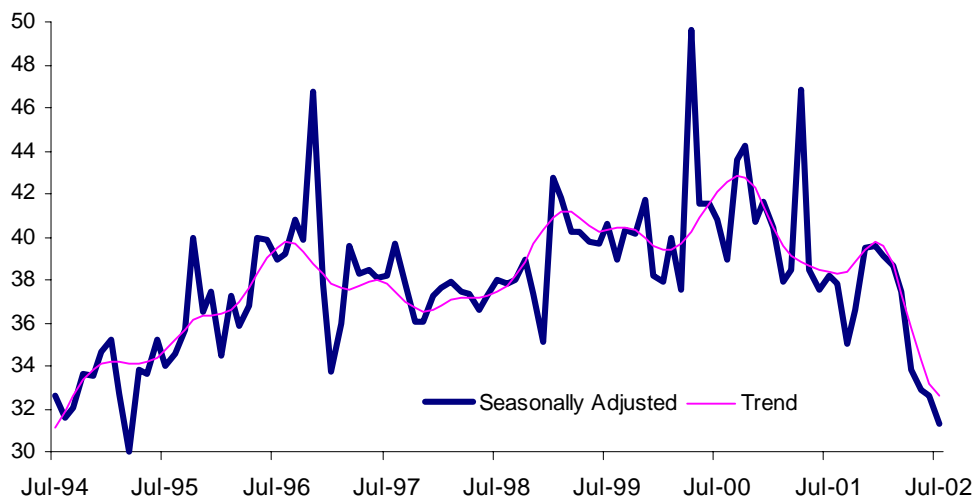
## Visitor Entries

After two months of growth, visitor entries into BC fell 2.2% in July. The driving force behind this was a drop (-2.7%) in the number of American visitors. There was a slight increase in the number of visitors from overseas (+0.5%) entering Canada via BC, due to significant growth in the number of travellers from Asia (+2.2%) and Oceania (+8.1%). However, European entries (-4.0%) dropped for the seventh consecutive month, and the number of visitors has fallen to its lowest level since March of 1995. This has been due to fairly consistent decreases in visitors from all parts of Europe.

The number of Canadians making same-day trips from BC to the US decreased (-3.0%) for the third straight month and the number returning from trips overseas was also down (-2.0%).

### *European entries into BC continue to fall*

European visitor entries (thousands)



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

	Jul-02 ( '000)	Jun-02 ( '000)	% chg from Jun-02
<b>American visitors</b>			
Total	538	553	-2.7
Same-day	229	229	-0.2
Overnight	312	315	-0.9
<b>Overseas visitors</b>			
Total	108	108	0.5
Europe	31	33	-4.0
UK	16	17	-5.7
Asia	61	59	2.2
Japan	22	21	3.0
Taiwan	7	7	1.3
Oceania	10	9	8.1
<b>Canadian re-entries</b>			
Total	595	592	0.5
From overseas	77	79	-2.0
From US same-day auto	280	288	-3.0

*(BC STATS & Statistics Canada)*

### Other Tourism Indicators

Restaurant, caterer and tavern receipts in the province decreased in July (-9.6%, seasonally adjusted) compared to the same month of last year. The relatively strong decline occurred mainly because spending at drinking places has dropped substantially (-25.4%). Food service contractors also posted a fairly sharp decrease (-15.1%). Full service (-0.2%) and limited service (+1.3%) restaurants did not experience much change.

In August, air passenger traffic rose in Victoria to 110,900 but was still 8.9% lower than August of last year. Passenger traffic in Kelowna was 6.3% less than the same month of last year. In July, Vancouver airport traffic was 7.2% less than July 2001, mainly due to lower domestic traffic (-9.6%). The large differences between this year and last year are partially due to schedule cutbacks which were implemented after September 11, 2001.

While fewer people were flying, more people were using other modes of transportation. In August, vehicle traffic on the Coquihalla highway was up 3.5%, compared to the same month of last year. The BC ferries were also busier than last August, with increases in both passenger (+2.9%) and vehicle (+2.4%) traffic.

**Table 3. Other Tourism Indicators**

	Reference period	Total	Change from year ago
<b>Hotel Industry</b>			
Occupancy rate	Jul-02	74.2%	-0.7 pp.
Average room charge	Jul-02	\$137.23	0.4%
<i>(Pannell Kerr Forster)</i>			
<b>Airport Passengers</b>			
		<b>(000s)</b>	<b>(%)</b>
<b>Vancouver International Airport</b>			
Total traffic	Jul-02	1,558	-7.2
US	Jul-02	466	-3.9
Other International	Jul-02	369	-6.6
Canada	Jul-02	722	-9.6
<i>(YVR)</i>			
<b>Victoria International Airport</b>			
Total traffic	Aug-02	111	-8.9
<i>(Victoria Airport Authority)</i>			
<b>Restaurant Receipts</b>			
		<b>(\$ millions)</b>	<b>(%)</b>
Full service	Jul-02	259	-0.2
Limited service	Jul-02	156	1.3
Drinking places	Jul-02	26	-25.4
<i>(Statistics Canada)</i>			
<b>Transportation</b>			
		<b>(000s)</b>	<b>(%)</b>
<b>Coquihalla Highway</b>			
Passenger Vehicles	Aug-02	415	3.5
<i>(Ministry of Transportation &amp; Highways)</i>			
<b>BC Ferries</b>			
Vehicle Volume	Aug-02	1,013	2.4
Passenger Volume	Aug-02	2,975	2.9
<i>(BC Ferries)</i>			
<b>Exchange Rates</b>			
		<b>Cdn \$</b>	<b>Change from year ago</b>
US \$	Aug-02	1.568	0.028
UK Pound	Aug-02	2.408	0.192
Japanese Yen	Aug-02	0.013	0.000
Australian \$	Aug-02	0.850	0.041
<i>(Statistics Canada)</i>			