

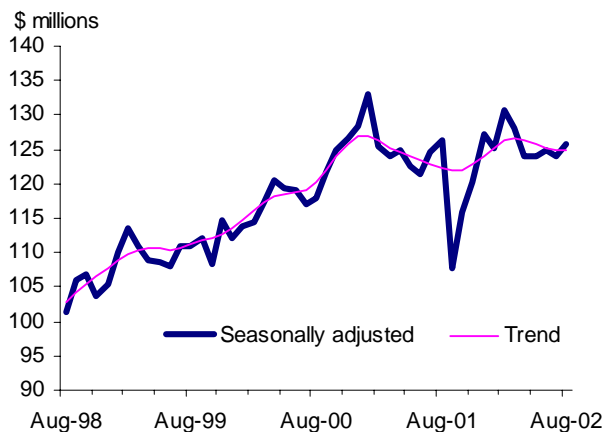
Tourism Sector Monitor ♦ November 2002

Highlights

Room Revenue

In **August** room revenue in the province increased 1.4% (seasonally adjusted) to \$125.8 million. Revenues were up in most regions, including the two largest regions of Mainland Southwest (+1.2%) and Vancouver Island/Coast (+0.8%). Kootenay (+7.7%) and Cariboo (+8.3%) experienced the strongest gains in August while Nechako (-1.9%) was the only region with a decline.

Room revenues grow in August



Visitor Entries

The number of visitors to Canada that entered via BC border crossings was down slightly in **September**, falling 0.6% (seasonally adjusted). The drop in entries was largely due to a 3.3% decrease in the number of overnight visitors from the US. The number of visitors from overseas grew (+4.6%), due to a 7.3% increase in the number of visitors from Asia.

Visitor entries decline in September

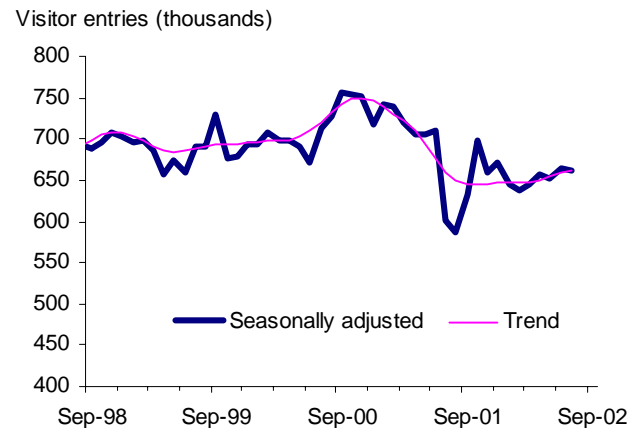


Table 1. Room Revenue* Summary

| Accommodation Type | | | |
|----------------------------|-------------------|-------------------|-------------|
| | Jul.02 (\$000) | Jun.02 (\$000) | % change |
| Total | 125,769 | 123,984 | +1.4 |
| Hotels | 93,588 | 92,578 | +1.1 |
| Motels | 16,221 | 15,876 | +2.2 |
| Other Acc. | 16,506 | 15,871 | +4.6 |
| Regions (Top 3 performers) | | | |
| Cariboo | 3,825 | 3,533 | +8.3 |
| Kootenay | 6,127 | 5,689 | +7.7 |
| Northeast | 2,892 | 2,777 | +4.1 |

*Seasonally adjusted room revenue

Other Indicators

In **September**, Coquihalla highway traffic was up (+7.8%) over the same month of 2001. Both vehicle (+4.1%) and passenger traffic (+5.0%) on BC Ferries remained higher than last year's levels.

A Look Ahead...

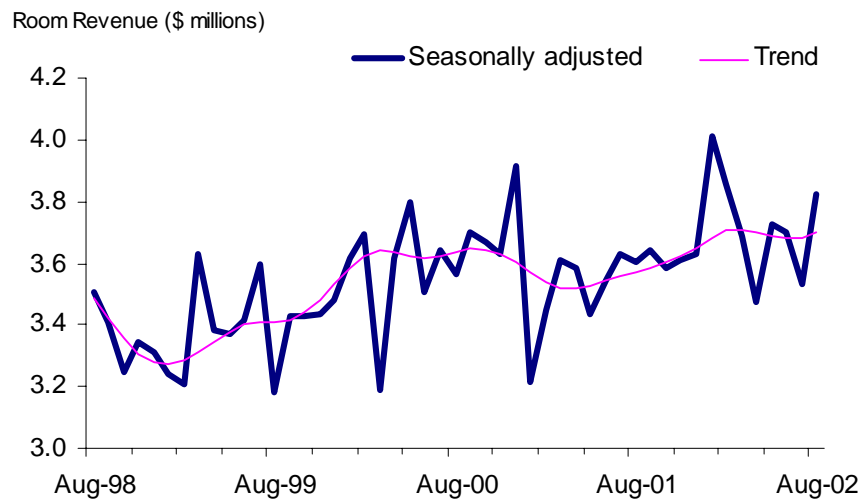
Preliminary numbers for September show room revenues down 3.3% (seasonally adjusted). Unadjusted numbers show a 4.0% increase from the same month of 2001.

Tourism Trends

Room Revenue

Room revenues grew (+1.4%) through August to \$125.8 million (seasonally adjusted), marking a strong tourist season for BC. Both Mainland/Southwest (+1.2%) and Vancouver Island/Coast (+0.8%) posted healthy increases. Kootenay (+7.7%) and Cariboo (+8.3%) had the largest gains in revenue through August. North Coast (+3.4%) and Northeast (+4.1%) also experienced a strong tourist season. Nechako (-1.9%) was the only region that suffered in August.

Cariboo had the strongest growth through August



Revenue generated by large hotels (greater than 250 rooms) was the main factor in the provincial increase, growing 2.2% in August. Small hotels (75 rooms or less) continued to inch up (+1.1%) for the fifth straight month, while hotels with 151 to 249 rooms had the only decrease (-1.3%). Revenue from vacation rentals (+3.4%) and other resorts (+6.1%), which generate over one third of the revenue in the Kootenay region, had the strongest growth in August. Revenue from motels rose (+2.2%) for the fourth month in a row.

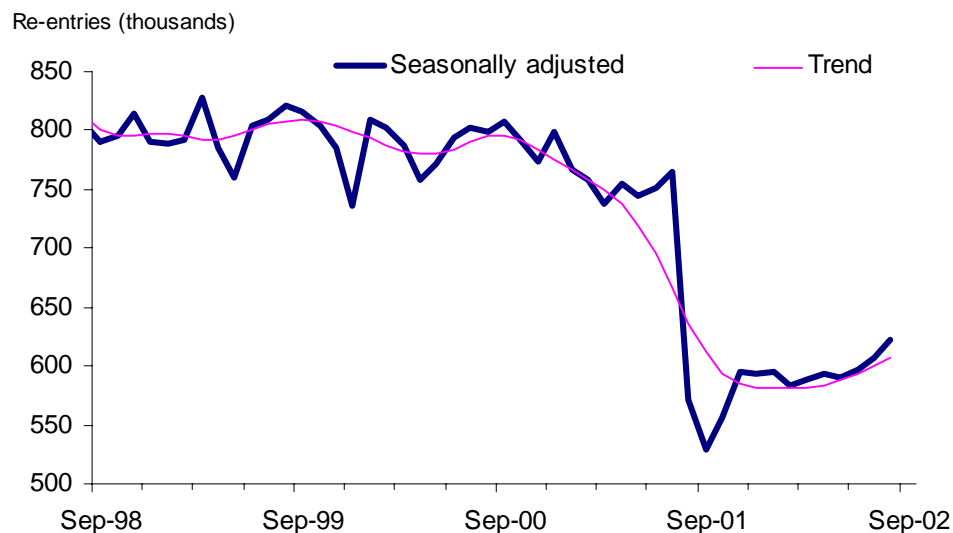
Revenues from vacation rentals and other resorts grew the fastest in August.

Visitor Entries

The number of visitors crossing the border into Canada through BC customs ports decreased 0.6% (seasonally adjusted) between August and September. The decrease in visitor entries was due to less activity from the US (-1.6%), specifically the drop in overnight trips (-3.3%). Entries from overseas were up (+4.6%), as a result of a strong increase in Asian visitors (+7.3%). The number of visitors from Europe remained unchanged, and there were 0.8% fewer people visiting from South Pacific countries.

The number of Canadians re-entering the country via BC was 3.0% higher in September than in the previous month. There were 4.2% more Canadians returning from same-day car trips to the US. The number of Canadians returning home via BC from travel abroad also grew (+2.2%) in September.

Canadian re-entries via BC slowly recover from the drop in September 2001



The third quarter saw increases in the number of visitors from the US, Asia, and South Pacific. There were fewer visitors from Europe however, continuing a decline that has been apparent all year. There were 3.7% more Canadian re-entries via BC, largely due to increases in the number of same-day auto trips to the US.

Visitor entries from the US and overseas grew in the third quarter.

Table 2. Traveller Entries (seasonally adjusted)

| | Sep-02 ('000) | Aug-02 ('000) | % chg from Aug-02 |
|----------------------------|-------------------|-------------------|-------------------------|
| American visitors | | | |
| Total | 546 | 555 | -1.6 |
| Same-day | 241 | 236 | 2.1 |
| Overnight | 302 | 312 | -3.3 |
| Overseas visitors | | | |
| Total | 114 | 109 | 4.6 |
| Europe | 31 | 31 | 0.0 |
| UK | 15 | 16 | -1.6 |
| Asia | 66 | 62 | 7.3 |
| Japan | 24 | 22 | 7.5 |
| Taiwan | 7 | 8 | -2.0 |
| Oceania | 10 | 10 | -0.8 |
| Canadian re-entries | | | |
| Total | 627 | 609 | 3.0 |
| From overseas | 78 | 76 | 2.2 |
| From US same-day auto | 309 | 296 | 4.2 |

(BC STATS & Statistics Canada)

Other Tourism Indicators

In October, air passenger traffic in Victoria rose to 95,700 matching the level in October 2001. Kelowna (+5.7%) and Prince George (+2.9%) had more passengers using their airports compared to the same month of last year.

Traffic on BC Ferries continued to be higher than last year as both vehicle (+4.1%) and passenger traffic (+5.0%) increased in October. There were 7.8% more passenger vehicles paying tolls on the Coquihalla highway during October compared to the same month of last year. This is the sixth straight month of higher traffic levels from the previous year, with the peak in August 2002 seeing the largest number of vehicles to ever pass through in one month (415,000).

Restaurant, caterer and tavern receipts in the province rose 0.7% (seasonally adjusted) between August and September. Receipts at drinking places were unchanged from the previous month but food service places saw revenues increase 0.7%. Nationally, receipts were up 1.1% in September.

The Coquihalla highway had 415,000 vehicles paying tolls in August, the most to ever pass through in one month.

Table 3. Other Tourism Indicators

| | Reference period | Total | Change from year ago |
|--|------------------|----------------------|-----------------------------|
| Hotel Industry | | | |
| Occupancy rate | Sep-02 | 67.2% | 3.1 pp. |
| Average room charge | Sep-02 | \$123.47 | 3.2% |
| <i>(Pannell Kerr Forster)</i> | | | |
| Airport Passengers | | (000s) | (%) |
| Vancouver International Airport | | | |
| Total traffic | Sep-02 | 1,308 | 12.6 |
| US | Sep-02 | 332 | 23.1 |
| Other International | Sep-02 | 334 | 4.0 |
| Canada | Sep-02 | 642 | 12.4 |
| <i>(YVR)</i> | | | |
| Victoria International Airport | | | |
| Total traffic | Oct-02 | 96 | 0.0 |
| <i>(Victoria Airport Authority)</i> | | | |
| Restaurant Receipts | | (\$ millions) | (%) |
| Full service | Sep-02 | 229 | -0.4 |
| Limited service | Sep-02 | 139 | -1.5 |
| Drinking places | Sep-02 | 25 | -17.2 |
| <i>(Statistics Canada)</i> | | | |
| Transportation | | (000s) | (%) |
| Coquihalla Highway | | | |
| Passenger Vehicles | Oct-02 | 203 | 7.8 |
| <i>(Ministry of Transportation & Highways)</i> | | | |
| BC Ferries | | | |
| Vehicle Volume | Oct-02 | 667 | 4.1 |
| Passenger Volume | Oct-02 | 1,670 | 5.0 |
| <i>(BC Ferries)</i> | | | |
| Exchange Rates | | Cdn \$ | Change from year ago |
| US \$ | Oct-02 | 1.578 | 0.007 |
| UK Pound | Oct-02 | 2.458 | 0.179 |
| Japanese Yen | Oct-02 | 0.013 | 0.000 |
| Australian \$ | Oct-02 | 0.869 | 0.076 |
| <i>(Statistics Canada)</i> | | | |