

Tourism Sector Monitor ♦ December 2002

Highlights

Room Revenue

In **September** room revenue in the province decreased 2.6% (seasonally adjusted) to \$120.9 million. Revenues were down in most regions, including Mainland Southwest (-2.3%), Vancouver Island/Coast (-5.3%), and Kootenay (-5.5%). Northeast (+11.4 %) experienced the strongest gain through September largely due to revenues generated by its work camps.

Room revenues drop in September

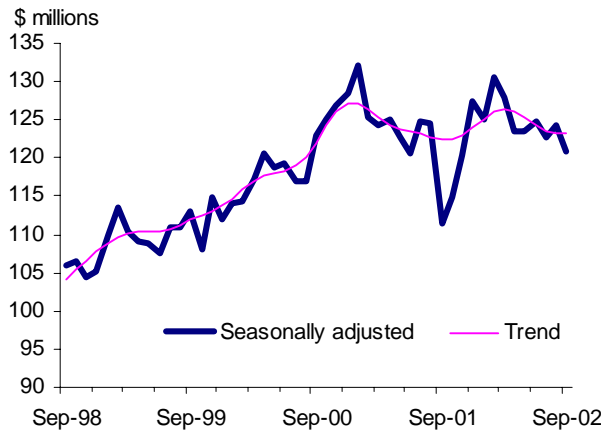


Table 1. Room Revenue* Summary

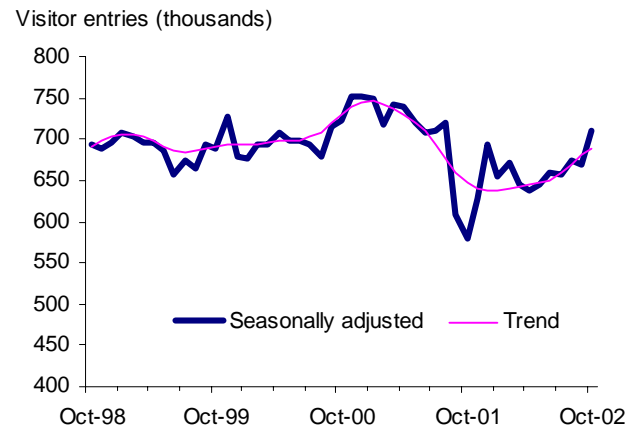
Accommodation Type			
	Sep.02 (\$000)	Aug.02 (\$000)	% change
Total	120,942	124,183	-2.6
Hotels	88,070	92,683	-5.0
Motels	15,336	16,058	-4.5
Other Acc.	16,131	16,548	-2.5
Regions (Top 3 performers)			
Northeast	3,309	2,970	+11.4
Nechako	702	683	+2.8
North Coast	1,594	1,589	+0.3

*Seasonally adjusted room revenue

Visitor Entries

The number of visitors to Canada that entered via BC border crossings was up in **October**, rising 5.8% (seasonally adjusted). This was due to sizeable increases in visitors from the US (+4.3%) and overseas (+13.1%). The number of Canadians returning from abroad grew (+1.5%) for the seventh straight month.

Visitor entries jump in October



Other Indicators

In **November**, vehicle traffic on BC ferries fell 3.7% compared to the same month of last year, and passenger traffic rose 2.2%. In **October**, the hotel industry's occupancy rate was 10.2% higher than it was in the same month of last year. The average room rate (\$102.85) was 2.5% higher than October of 2001.

A Look Ahead...

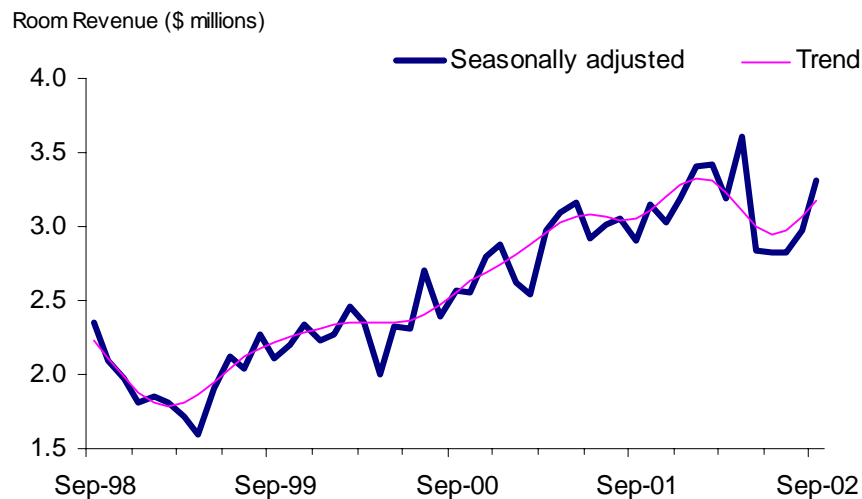
Preliminary numbers for October show room revenues up 9.3% (seasonally adjusted). Unadjusted numbers show a 13.5% increase from the same month of 2001.

Tourism Trends

Room Revenue

Room revenues fell (-2.6%) in September to \$120.9 million (seasonally adjusted), due to drops in the most influential regions of the province. Both Mainland/Southwest (-2.3%) and Vancouver Island/Coast (-5.3%) posted significant decreases. Revenues from establishments in Kootenay (-5.5%) also lost ground in September. These slumps could be attributed to people being sceptical of travelling one year after the terrorist attacks in the US. Despite the provincial decline, Northeast managed to experience a strong gain (+11.4%) as its work camps swung into high gear for the season. During the fall and winter, the work camps in the Northeast contribute a large portion to its monthly revenues as the oil and gas industry is busiest during that period.

Revenues grow in the Northeast in September



Revenue generated by all types of hotels in British Columbia fell in September. Large hotels (greater than 250 rooms) slipped 3.3%, while hotels with 76-150 rooms declined 6.4%. Small hotels (75 rooms or less) dropped 5.5% after five straight months of growth. Vacation rentals (+0.6%) were the only establishments that experienced an increase in revenues through September.

Revenues from hotels slipped the most in September.

Visitor Entries

Visitor entries to Canada through BC border crossings rebounded in October, rising 5.8% (seasonally adjusted). The increase in entries, which was the strongest so far in 2002, was largely due to visits from overseas (+13.1%). Asian entries rose (+12.3%) for the fourth straight month, mimicking the pattern that was seen in late 1999. The number of travellers coming from Europe increased 4.3%, while there were 0.6% fewer travellers from the South Pacific. The number of Americans crossing into BC was up 4.3%, boosted by a strong gain (+16.4%) in overnight visits. Same-day travel from the US was 2.4% higher than in September.

The number of visitors to BC from overseas grew rapidly in October.

The number of Canadians making same-day auto trips from BC to the US increased 6.2%. However, the number of Canadians returning from trips overseas remained constant. Overall, there were 1.5% more Canadians coming home via BC in October than in the previous month.

Visitor entries from Asia have grown rapidly since July

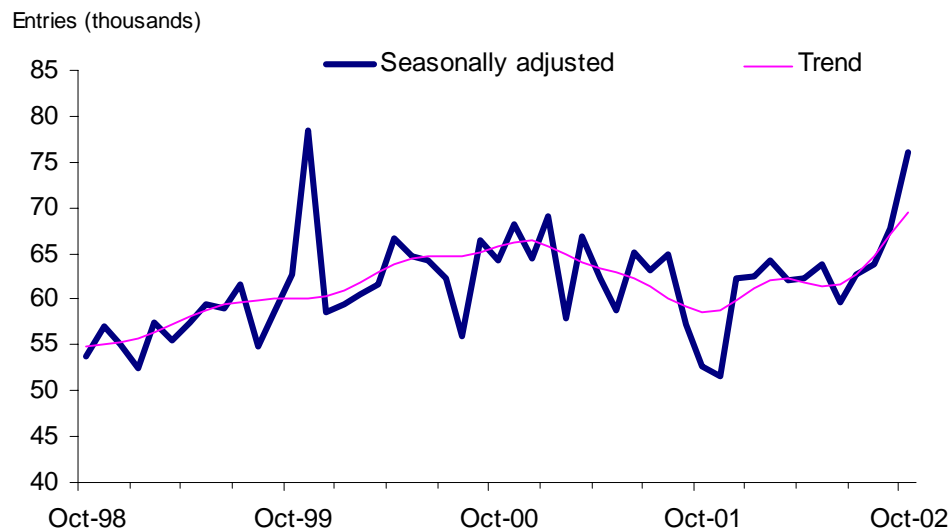


Table 2. Traveller Entries (seasonally adjusted)

	Oct-02 ('000)	Sep-02 ('000)	% chg from Sep-02
American visitors			
Total	576	552	4.3
Same-day	249	243	2.4
Overnight	333	286	16.4
Overseas visitors			
Total	132	117	13.1
Europe	34	32	4.3
UK	16	16	3.6
Asia	76	68	12.3
Japan	29	25	15.7
Taiwan	12	8	46.1
Oceania	10	10	-0.6
Canadian re-entries			
Total	640	630	1.5
From overseas	78	78	0.0
From US same-day auto	332	313	6.2

(BC STATS & Statistics Canada)

Other Tourism Indicators

In October, air passenger traffic through Vancouver international airport rose to 1,198,000. This was 12.5% higher than October of 2001. The number of people taking international flights (not including to/from the US) increased 21.9% while domestic passenger traffic grew 7.0%.

There were fewer vehicles on BC Ferries in November (-3.7%) compared to the same month of last year. This marks the first decrease over last year's figure since April. While the number of vehicles decreased, the total number of passengers on the ferries increased (+2.2%).

There were fewer vehicles, but more passengers on BC Ferries during November, compared to the same month of 2001.

In October, the hotel industry's occupancy rate in British Columbia was 56.4%, compared to 51.2% during the same month of last year. The average daily rate for a room in BC was \$102.85, a 2.5% increase over last year. Restaurant and tavern receipts totalled \$402.8 million, down 0.8% compared to October 2001. Full service restaurants (-2.6%), which account for over half of the receipts in the industry, slipped since last year. Limited service restaurants sales were up 8.0% over the same period. Receipts from social and mobile caterers (-27.7%) and drinking places (-22.1%) have fallen the most since October 2001.

Table 3. Other Tourism Indicators

	Reference period	Total	Change from year ago
Hotel Industry			
Occupancy rate	Oct-02	56.4%	5.2 pp.
Average room charge	Oct-02	\$102.85	2.5%
<i>(Pannell Kerr Forster)</i>			
Airport Passengers			
		(000s)	(%)
Vancouver International Airport			
Total traffic	Oct-02	1,198	12.5
US	Oct-02	263	16.9
Other International	Oct-02	294	21.9
Canada	Oct-02	641	7.0
<i>(YVR)</i>			
Victoria International Airport			
Total traffic	Oct-02	96	0.0
<i>(Victoria Airport Authority)</i>			
Restaurant Receipts			
		(\$ millions)	(%)
Full service	Oct-02	205	-2.6
Limited service	Oct-02	147	8.0
Drinking places	Oct-02	23	-22.1
<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	Nov-02	547	-3.7
Passenger Volume	Nov-02	1,385	2.2
<i>(BC Ferries)</i>			
Exchange Rates			
		Cdn \$	Change from year ago
US \$	Nov-02	1.571	-0.021
UK Pound	Nov-02	2.468	0.183
Japanese Yen	Nov-02	0.013	0.000
Australian \$	Nov-02	0.882	0.059
<i>(Statistics Canada)</i>			

note: pp. percentage points