

Tourism Sector Monitor ♦ April 2003

Highlights

Room Revenue

Room revenues in the province rose 1.8% (seasonally adjusted) in **January**, after climbing 4.4% in December. Revenues were up in six of the eight regions of the province, including Mainland Southwest (+0.1%), Thompson-Okanagan (+9.6%), and Kootenay (+3.2%). Room revenues were down slightly in Vancouver Island/Coast (-0.7%) and Cariboo (-0.5%).

Room revenues climb in January

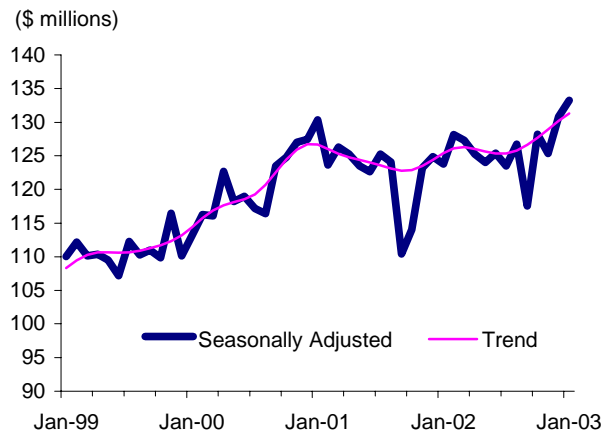


Table 1. Room Revenue* Summary

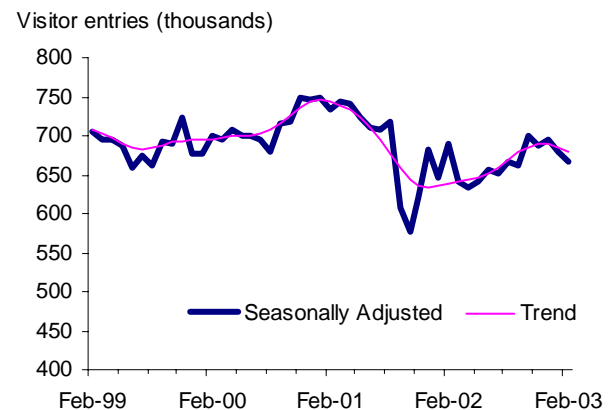
Accommodation Type			
	Jan.03 (\$000)	Dec.02 (\$000)	% change
Total	133,236	130,822	+1.8
Hotels	97,936	97,803	+0.1
Motels	15,958	15,807	+1.0
Other Acc.	17,843	17,638	+1.2
Regions (Top 3 performers)			
Northeast	3,292	2,765	+19.0
Thompson-Okanagan	19,811	18,069	+9.6
North Coast	1,567	1,494	+4.9

*Seasonally adjusted room revenue

Visitor Entries

The number of visitors entering Canada via BC border crossings decreased in **February**, falling 2.2% (seasonally adjusted). This was due to fewer travellers from both the US (-2.0%) and overseas (-3.5%). Both same-day (-7.6%) and overnight (-1.2%) travel from the US declined. Fewer visitors from Asia (-5.2%) and the South Pacific (-18.4%) outweighed a moderate rise in entries from Europe (+0.6%).

The number of visitors entering BC continued to decline in February



Other Indicators

Both vehicle (+4.2%) and passenger (+4.0%) traffic increased on BC Ferries in **February** compared to the same month of 2002. The Coquihalla highway had 7.8% more passenger vehicles drive through its tollbooths. Restaurant, caterer and tavern receipts slipped 1.0% compared to February 2002.

A Look Ahead...

Preliminary numbers for February 2003 show room revenues down 1.2% (seasonally adjusted). Unadjusted numbers show a 4.2% increase from the same month of 2002.

Tourism Trends

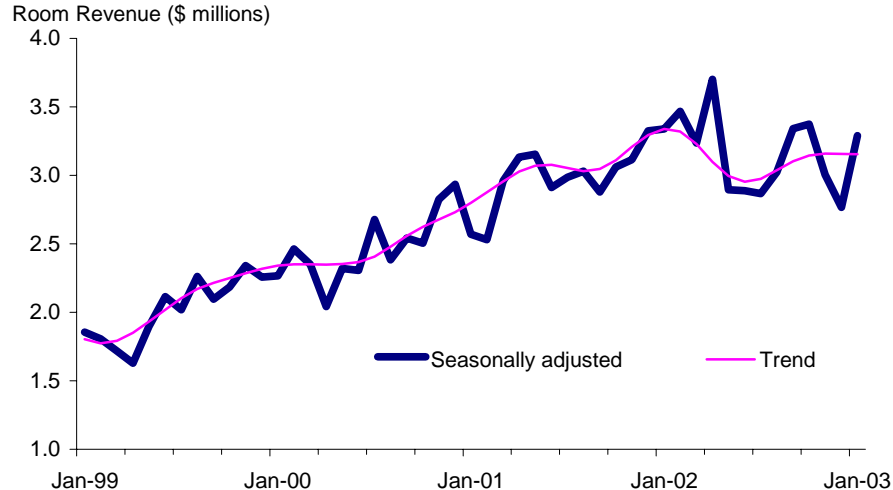
Room Revenue

Room revenues rose (+1.8%, seasonally adjusted) in January, after climbing 4.4% in the previous month. Revenues were up in six of the eight regions of the province, including a moderate increase in Mainland/Southwest (+0.1%), and strong gains in Thompson-Okanagan (+9.6%), North Coast (+4.9%), and Kootenay (+3.2%). Workcamps in Northeast kicked into high gear in January, causing a 19.0% jump in revenues in the region. Room revenues slipped marginally in Vancouver Island/Coast (-0.7%) and Cariboo (-0.5%).

Revenue generated by smaller establishments increased in January. Large hotels with more than 250 rooms (-0.5%) dropped while hotels with 151 to 250 rooms (-2.1%) saw a decline. Hotels with 76 to 150 rooms (+1.6%) and 1 to 75 rooms (+1.2%) had increases. Motels (+1.0%) and vacation rentals (+3.0%) also had gains in January.

Smaller establishments see rises in revenues in January

Revenues in the Northeast fluctuate, as demand for accommodation at workcamps is very volatile



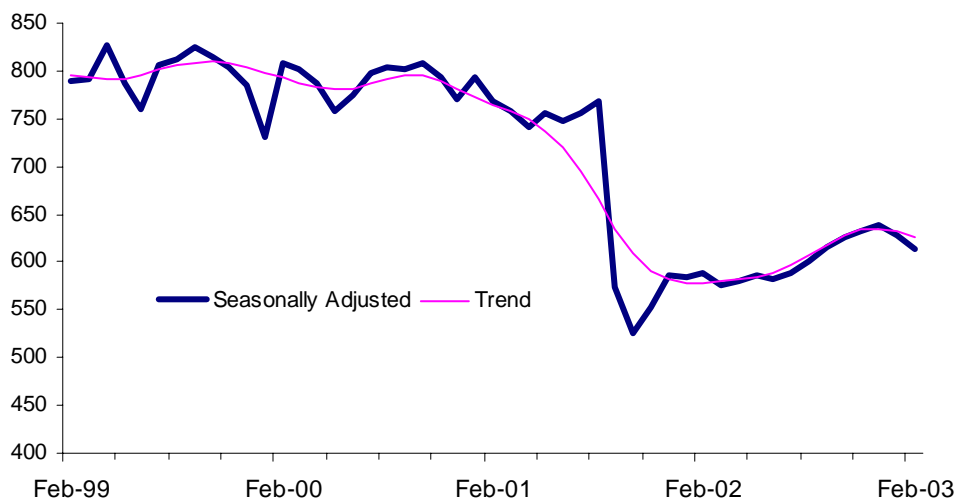
Visitor Entries

Visitor entries to Canada through BC border crossings slipped in February, dropping 2.2% (seasonally adjusted) as visits from the US (-2.0%) and overseas (-3.5%) declined. There were fewer same-day (-7.6%) and overnight (-1.2%) travellers from the US. Although there were more visitors from Europe (+0.6%), entries from Asia (-5.2%) dropped for the fourth straight month. After three months of increase, the number of visitors from the South Pacific (-18.4%) fell.

Fewer visitors from both the US and overseas reduced BC border crossings in February.

Canadian re-entries begin to fall after climbing through most of last year

Canadian re-entries (thousands)



The number of Canadians re-entering the country through BC borders fell (-1.6%) in February. This was largely due to a third consecutive monthly drop in the number of people making same-day auto trips to the US (-3.2%). The number of visitors returning from overseas trips rose (+1.0%) after falling 4.1% in January.

Table 2. Traveller Entries (seasonally adjusted)

	Feb-03 ('000)	Jan-03 ('000)	% chg from Jan-03
American visitors			
Total	549	560	-2.0
Same-day	230	248	-7.6
Overnight	313	317	-1.2
Overseas visitors			
Total	114	118	-3.5
Europe	36	36	0.6
UK	18	19	-2.8
Asia	58	61	-5.2
Japan	19	20	-5.7
Taiwan	6	7	-14.7
Oceania	10	12	-18.4
Canadian re-entries			
Total	609	619	-1.6
From overseas	80	79	1.0
From US same-day auto	312	323	-3.2
<i>(BC STATS & Statistics Canada)</i>			

Other Tourism Indicators

The BC Ferry Corporation saw 4.0% more passengers on its boats in February compared to the same month of last year. The rise in passengers was accompanied by an increase in the number of vehicles (+4.2%) on the ferries. The Coquihalla highway had 7.8% more passenger vehicles passing through its tollbooths compared to February 2002.

Restaurant, caterer and tavern receipts in the province slipped 1.0% (seasonally adjusted) in February. Consumers held back on their spending at food service establishments (-1.0%) and drinking places (-0.4%) during the month. Nationally, receipts were higher (+0.3%) than in January, as an increase at food service places (+0.4%) largely outweighed a drop in revenues at drinking places (-0.6%).

In February, air passenger traffic through Vancouver international airport fell to 1,031,000. This was 0.6% lower than February of 2002. The number of people taking international flights (not including to/from the US) dropped 2.8% while trans-border traffic grew 2.1%.

Passenger traffic on BC Ferries continued to rise in February.

Table 3. Other Tourism Indicators

	Reference period	Total	Change from year ago
Hotel Industry			
Occupancy rate	Feb-03	54.7%	0.5 pp.
Average room charge	Feb-03	\$121.26	2.6%
<i>(Pannell Kerr Forster)</i>			
Airport Passengers		(000s)	(%)
Vancouver International Airport			
Total traffic	Feb-03	1,031	-0.6
US	Feb-03	277	2.1
Other International	Feb-03	240	-2.8
Canada	Feb-03	514	-0.9
<i>(YVR)</i>			
Victoria International Airport			
Total traffic	Feb-03	84	7.4
<i>(Victoria Airport Authority)</i>			
Restaurant Receipts		(\$ millions)	(%)
Full service	Feb-03	212	0.6
Limited service	Feb-03	131	3.2
Drinking places	Feb-03	22	-14.6
<i>(Statistics Canada)</i>			
Transportation		(000s)	(%)
Coquihalla Highway			
Passenger Vehicles	Mar-03	142	-11.9
<i>(Ministry of Transportation & Highways)</i>			
BC Ferries			
Vehicle Volume	Mar-03	614	0.8
Passenger Volume	Mar-03	1,533	-1.6
<i>(BC Ferries)</i>			
Exchange Rates		Cdn \$	Change from year ago
US \$	Mar-03	1.476	-0.111
UK Pound	Mar-03	2.336	0.077
Japanese Yen	Mar-03	0.012	0.000
Australian \$	Mar-03	0.888	0.054
<i>(Statistics Canada)</i>			

note: pp. percentage points

SPECIAL FOCUS: Thompson-Okanagan

Introduction

Thompson-Okanagan is made up of five regional districts, with the Thompson-Nicola region having the largest number of establishments. Kelowna, Kamloops, Vernon, and Penticton are among the urban centres in this region.

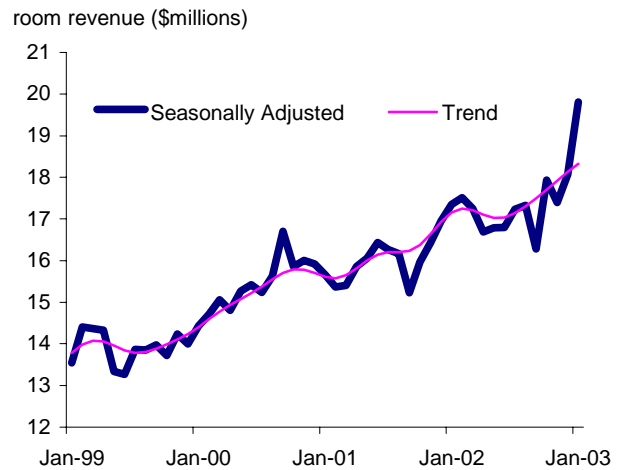
Thompson-Okanagan offers travellers a variety of activities. The region is filled with many establishments, with the largest number (393) of any development region in the province. The region gives visitors the opportunity to explore mountains, lakes, and other landscapes while providing a full range of activities such as skiing, boating, golfing, camping, and hiking. The weather in Thompson-Okanagan is typically the warmest in the province throughout the summer months.

Revenues expand in 2002

Room revenues at hotels and other establishments in Thompson-Okanagan continued to grow (+7.7%) in 2002 to \$206.6 million. Thompson-Okanagan is one of only two regions that have experienced increases in revenues each year since 1995 (the other being Vancouver Island/Coast). Revenues have grown at an average rate of 6.0% per annum since 1995, which is the same as the province as a whole.

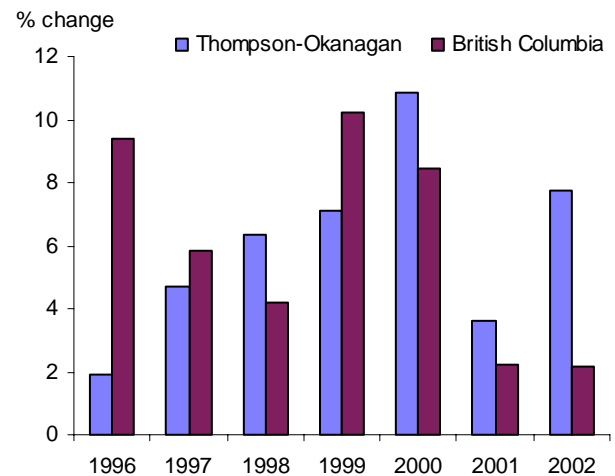
Thompson-Okanagan had a quick recovery from the September 11th, 2001 terrorist attacks in the US. A drop in revenues was apparent in September, followed by an almost immediate recovery to the path that existed prior to the attacks.

Thompson-Okanagan room revenues continue to expand into 2003



Thompson-Okanagan outperformed the province as a whole in 2002 with a 7.7% rise in revenues compared with a 2.2% increase in BC. This is the third consecutive year that the region has outperformed the balance of the province.

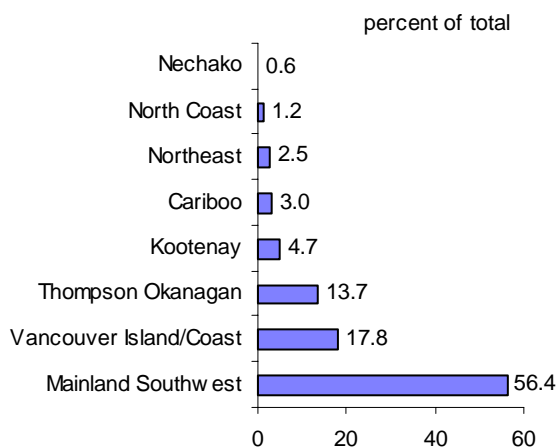
Thompson-Okanagan has outpaced BC in terms of revenue growth for three straight years



Thompson-Okanagan is ranked third, behind Vancouver Island/Coast, in terms of room revenue generated in the province. The region was responsible for 13.7% of

provincial room revenue in 2002, the same portion it held in 1995.

Thompson-Okanagan accounts for the third largest portion of provincial room revenues



Regional Districts

The Central Okanagan District was responsible for almost one-third (31.2%) of the room revenue in Thompson-Okanagan in 2002. The Okanagan-Similkameen region has expanded the fastest over the past few years with an annual average growth rate of 7.7% since 1995. The Central Okanagan district is not too far behind (7.5%) and the Thompson-Nicola region (4.3%) has seen the slowest average annual growth.

Urban Centres

Kelowna made up over one-quarter (28%) of room revenues for Thompson-Okanagan in 2002. Kamloops contributed 18% and Penticton added 10%. Room revenues in Vernon saw the biggest jump in 2002, growing 11.8%.

Annual Room Revenues for Regional Districts in Thompson-Okanagan

	Okanagan-Similkameen	Thompson-Nicola	Central Okanagan	North Okanagan	Columbia-Shuswap	Thompson Okanagan
1995	22,484	38,476	39,413	12,011	24,928	137,312
1996	22,869	41,753	36,900	12,110	26,327	139,958
1997	23,057	43,247	40,601	12,805	26,811	146,520
1998	25,679	45,900	43,313	13,226	27,681	155,800
1999	26,237	47,425	49,068	15,232	28,933	166,895
2000	30,448	51,185	56,024	16,452	30,938	185,049
2001	32,919	51,381	59,016	16,269	32,201	191,784
2002	37,335	51,634	64,481	18,509	34,658	206,617
	Percentage Change					
1996	1.7	8.5	-6.4	0.8	5.6	1.9
1997	0.8	3.6	10.0	5.7	1.8	4.7
1998	11.4	6.1	6.7	3.3	3.2	6.3
1999	2.2	3.3	13.3	15.2	4.5	7.1
2000	16.1	7.9	14.2	8.0	6.9	10.9
2001	8.1	0.4	5.3	-1.1	4.1	3.6
2002	13.4	0.5	9.3	13.8	7.6	7.7