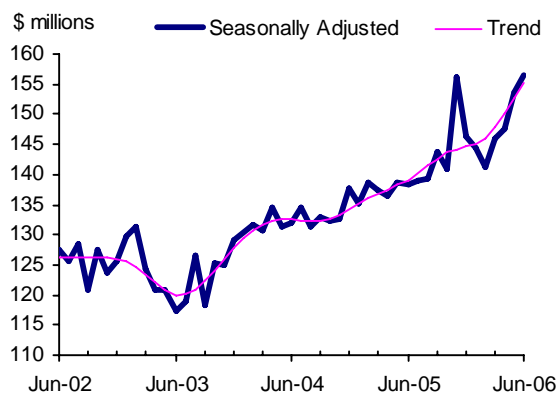


## Tourism Sector Monitor ♦ September 2006

### Room Revenue

Room revenues, overall, were up (+1.9%) in BC this June with increases reported in most regions of the province. Building on healthy gains made in the previous month, Mainland/Southwest, accounting for BC's largest share of total room revenues, led the way in growth in June, posting an increase of 3.7%. Kootenay (+1.6%), Northeast (+1.2%), Thompson/Okanagan (+0.4%), and North Coast (+0.2%) all experienced smaller increases in revenues. Revenues in Vancouver Island/Coast slipped only slightly (-0.9%) while those in Nechako (-1.3%) and Cariboo (-3.9%) regions saw sharper declines in business.

#### Room revenues up 1.9% in June



Despite declines in most categories, growth in hotel revenues continued in June with a reported increase of 0.7%. The greatest advance in business (+3.3%) was experienced by the largest establishments (251+ rooms), while hotels with 1-75 rooms (-0.5%) and those with 76-150 rooms (-0.4%) were off slightly. The largest decreases in hotel revenues were among hotels with 151-250 rooms, which declined 1.8% in June. Motel revenues were off 1.7%, the largest decrease since August of the previous year. Vacation rentals saw their

revenues fall only marginally (-0.1%) while other types of accommodation, including fishing lodges, continued their own strong growth, posting an increase of 4.7%, building on gains made in the three previous months.

*Table 1. Room Revenue  
(seasonally adjusted)*

Accommodation Type			
	Jun 06 (\$000)	May 06 (\$000)	% change
Total	156,590	153,643	+1.9
Hotels	114,376	113,532	+0.7
Motels	19,048	19,377	-1.7
Other Accommodations	21,628	21,217	+1.9
Regions (Top 3 performers)			
Mainland/Southwest	85,909	82,814	+3.7
Kootenay	7,128	7,016	+1.6
Northeast	7,200	7,116	+1.2

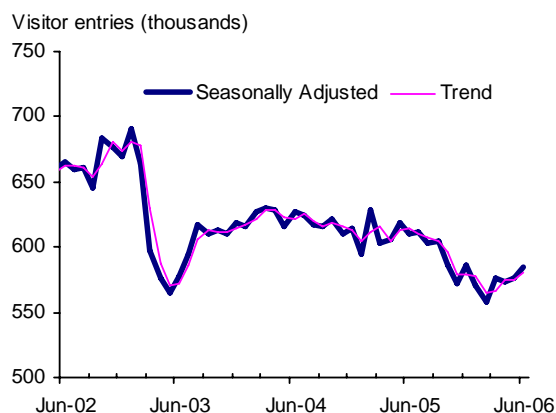
### Visitor Entries

The number of visitors to Canada via BC's borders increased (+1.4%, *seasonally adjusted*) in June, adding to the slight gains made in May (+0.4%). The total volume of guests from the US rose 1.3% with growth in both same-day trips (+3.2%) and overnight visits (+1.1%).

Overseas entries to BC advanced (+1.5%), with the largest increase coming from Asian travellers (+2.9%). Visits from Oceania rose slightly (+1.1%) in June, while the number of European guests declined marginally (-0.1%).

Fewer Canadians returned home via BC in June (-2.6%), with same-day car trips from the US falling 4.7%. On the other hand, the number of Canadians returning home, via BC, from overseas increased (+2.2%).

**Visitor entries rose in June**



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

	Jun-06	May-06	% chg from May-06
	('000)	('000)	
<b>American visitors</b>			
Total	461	455	1.3
Same-day	181	175	3.2
Overnight	282	279	1.1
<b>Overseas visitors</b>			
Total	123	122	1.5
Europe	42	42	-0.1
UK	20	20	-1.0
Asia	61	59	2.9
Japan	20	18	11.2
Taiwan	8	7	17.2
Oceania	14	13	1.1

Note: Total Overseas visitors is not equal to the sum of visitors from Europe, Asia and Oceania since it includes other areas

**Other Indicators**

The hotel occupancy rate was 67.2%, up 0.2 percentage points from the previous month. Average room charge inched higher (+0.4%) to a price of \$126.10.

Total amount of passenger traffic at Vancouver airport was down slightly (-0.6%) in June, as was traffic passing through the Victoria airport (-0.9%). BC Ferries welcomed

aboard more vehicles (+0.1%), but fewer passengers (-0.2%). Passenger traffic via the Coquihalla highway was flat (+0.0%).

Sales in BC's food service establishments were down (-0.8%) while drinking establishments saw an increase in sales of 0.5%. Total receipts for restaurant and taverns in BC fell (-0.7%) in June.

**Table 3. Other Tourism Indicators**  
(seasonally adjusted)

	Jun-06	Change from May-06
<b>Hotel Industry</b>		
Occupancy rate	67.2	0.2 pp.
Average room charge	126.10	0.4%
<i>(Pannell Kerr Forster)</i>		
<b>Airport Passengers (000s) (%)</b>		
<b>Vancouver International Airport</b>		
Total traffic	1,403	-0.6
US (trans-border)	340	-1.2
Other International	337	2.6
Canada (domestic)	726	-1.7
<i>(YVR)</i>		
<b>Victoria International Airport</b>		
Total traffic	118	-0.9
<i>(Victoria Airport Authority)</i>		
<b>Transportation (000s) (%)</b>		
<b>Coquihalla Highway</b>		
Passenger Vehicles	214	0.0
<i>(Ministry of Transportation &amp; Highways)</i>		
<b>BC Ferries</b>		
Vehicle Volume	708	0.1
Passenger Volume	1,799	-0.2
<i>(BC Ferries)</i>		
<b>Exchange Rates Cdn \$</b>		
US \$	0.898	0.00
UK Pound	0.487	0.00
Japanese Yen	102.912	2.18
Australian \$	1.214	0.03
<i>(Statistics Canada)</i>		

Note: pp. percentage points

## A look ahead – July 2006

### Room Revenue

Early figures for July suggest that room revenues in BC fell overall with a loss of 1.4%, bringing an end to four straight months of growth. Most regions were down with respect to revenues in July with the exception of Cariboo (+2.6%), Nechako (+2.7%), and Northeast (+2.9%).

Hotel revenues were off 1.8% in July. The largest declines (-4.2%) occurred among the largest hotels (251+ rooms). Revenues for hotels with 151-250 rooms (-0.7%) and those with 1-75 rooms (-0.8%) were also down, though only slightly. Motel revenues (-0.3%) were largely flat, while figures for vacation rentals (+0.5%) and non-standard accommodations including fishing lodges (+0.6%) were up slightly.

International visitors entering Canada through BC fell slightly in July (-0.8%) as there were fewer overall guests from the US (-0.7%) with a decrease in same-day (-1.0%) and overnight (-0.5%) visitors. There was also a decline in the number of visitors from overseas (-1.1%) as the number of visitors from Europe (-1.2%) and Oceania (-5.3%) dropped, offsetting an increase in the number of Asian travellers (+0.5%).

Passenger traffic was down at both the Vancouver airport (-0.9%) and the Victoria airport (-2.2%). BC Ferries carried more vehicles (+0.3%) and passengers (+0.7%), and fewer passenger vehicles (-0.4%) travelled on the Coquihalla highway.

#### About preliminary numbers

Companies file their hotel room taxes with varying delays. The initial data retrieved by BC Stats may be revised considerably over the following months. BC Stats reports room revenues with a three-month lag. For example, data for January are not reported until April. However, we also briefly report “preliminary data” with a two-month lag.

How accurate is the preliminary data? Over 17 reports in 2004 and 2005, BC room revenues changed (rose or fell on a month-over-month basis) on average by 1.7% (absolute value). The preliminary numbers—reported in the “look ahead” section—were less by an average of 0.2 percentage points partly because the initial data retrieved may not be complete until later that month. For example, if the preliminary figure is 1.5, the actual number probably is around 1.7. And if the preliminary figure is -0.5, the actual number is about -0.3.

## Special Focus: Tourism-related Establishments

### The size of the tourism sector

Estimating room revenue and the number of visitors entering the province is one way in which to measure the role that tourism plays in BC. Another way to determine the size of the tourism sector is to examine the number of businesses that exist in industries that are dependent on tourism. In 2005, a total of 18,094 tourism-related<sup>1</sup> establishments operated in British Columbia, slightly higher than the number in the previous year (18,035). Nearly one in ten of the total number of business establishments in BC (162,732, with employment, December 2005) was related to tourism in 2005.

### Which industries are included?

Many of the establishments were in food and beverage services (9,603), accounting for more than half of all tourism-related industries. Transportation was the next largest industrial group with 3,485 establishments, up slightly from the number of transportation establishments (3,472) in 2004.

	Number of establishments	% of total
Food & beverage	9,603	53.1
Transportation	3,485	19.3
Accommodation	2,027	11.2
Amusement, gambling & rec	1,746	9.6
Performing arts & sports	1,010	5.6
Heritage Institutions	223	1.2
<b>Total, tourism industries</b>	<b>18,094</b>	<b>100.0</b>

Source: Statistics Canada Business Register  
Prepared by: BC Stats

There were also 1,746 amusement, gambling, and recreation establishments in BC, along with 1,010 establishments associated with the performing arts and sports.

<sup>1</sup> "Tourism-related" industries, for the purpose of this analysis, are defined as those industries that are dependent on tourism activity.

### Many large establishments

In 2005, more than 1 in 5 establishments in the tourism sector had 20 or more employees, a considerably greater ratio than the total industrial aggregate, where less than 1 in 8 establishments had 20 or more employees. Out of the businesses that had 200 or more employees, most (63.7%) provided either accommodation or transportation services.

Number of employees	Number of establishments	% of total
1 - 4	8,177	45.2
5 - 9	3,133	17.3
10 - 19	2,980	16.5
20 - 49	2,454	13.6
50 - 199	1,204	6.7
200 +	146	0.8
<b>Total, tourism industries</b>	<b>18,094</b>	<b>100.0</b>

Source: Statistics Canada Business Register  
Prepared by: BC Stats

### Most businesses in the Southwest

Most (86.1%) of tourism-related establishments are located in three large southern development regions, with over half (56.7%) in Mainland/Southwest.

Development Region	Number of establishments	% of total
Mainland/Southwest	10,264	56.7
Vancouver Island/Coast	3,102	17.1
Thompson/Okanagan	2,227	12.3
Kootenay	914	5.1
Cariboo	688	3.8
Northeast	335	1.9
North Coast	304	1.7
Nechako	226	1.2
<b>Total*</b>	<b>18,094</b>	<b>100.0</b>

\* Total is not exactly equal to the sum of the components, as some establishments do not have a standard geographic code

Source: Statistics Canada Business Register  
Prepared by: BC Stats