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TIMES COLONIST • WEDNESDAY JUNE 6 2007

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 **5.05** S&P/TSX COMP.
Closed at 14141.69

 **0.12** TSX VENTURE
Closed at 3279.13

 **80.86** DOW JONES
Closed at 13595.46

 **7.06** NASDAQ
Closed at 2611.23

High-flying loonie not hurting here

Tourism experts say it's too early to know the impact on Victoria

BY ANDREW A. DUFFY
Times Colonist staff

If a rising Canadian dollar is going to hit the tourism industry hard, it's doing it quietly so far in Victoria.

Despite the concern of the soaring loonie's impact on U.S. visitation and loss of Canadian visitors, tourism experts say it's simply too early to tell what a 94-cent-plus dollar will mean for the industry this year.

"I really don't know. I mean intuition says it will have an effect, how one quantifies that, one only knows," said Ian Powell, general manager of the Laurel Point Inn.

The Canadian dollar ended yesterday's trading at 94.07 cents US, down from 94.48 the previous day.

Powell said there are two concerns about a dollar that some economists have tabbed to go to par with the U.S. greenback: First, that it will preclude Americans from coming to Canada, but perhaps more dangerous for Victoria, that it will convince Canadians to visit the U.S. instead of vacationing closer to home.

"So far nothing yet, though," said Powell, noting while Europeans and Australians seem to know to the "nth degree" the difference between their currency and ours, American visitors are often surprised to find their dollar goes further.

He also questioned why anyone should be expecting a massive decrease in U.S. visitation just because the dollar is strong, considering there was no dramatic increase in visitation when the dollar was below 70 cents.

So far this year, Powell appears to be on the money.

According to statistics compiled by Chemistry Consulting, the industry has been off to a good start to 2007 with the

DOLLAR
June 5, 2007

94.07
U.S. cents

 **0.41**

Prime Rate: 6.0%



strongest months still to come.

Hotel occupancy, average daily room rate and revenue per available room in the city has been ahead of last year. Through the end of April, hotels reported a year-to-date average occupancy of 62.6 per cent, up from 61.75 in 2006, while the average room rate hit \$100.13, up from \$94.25. The revenue per available room was \$62.68, up from \$58.20 last year.

B.C. Ferries reported that vehicle and passenger traffic remained virtually unchanged in that same period compared

with last year, though bus traffic was down 5.65 per cent.

Victoria International Airport reported a 6.67 per cent increase in traffic to 457,042 passengers through to the end of April, and the Victoria Conference Centre reported 43,386 delegate days in that period compared with 17,217 through the first four months of 2006.

"It is too early to tell if [the rising dollar] will have an impact," said Tourism Victoria CEO Lorne Whyte. "Our numbers have been decent, though June has been a little softer than last year, but March, April and May were strong — right now we don't have any [data] to say if it is helping or hurting us."

Tourism B.C. recently released overnight customs entries covering the first three months of the year, showing U.S. visitation down significantly across Canada but just slightly down in B.C.

Through the end of March, total U.S. visitation was down 5.7 per cent in B.C. from the same period in 2006, while it

was down 16.7 per cent across the country. The number of overnight U.S. visitors to B.C. was down just 0.4 per cent while it was down 6.5 per cent nationally.

"They're the first numbers we've had in a while, and they are usually two months behind, so what does that mean for us going forward? Probably not much," said Whyte, who noted a summer filled with large sporting events like the FIFA Under-20 World Cup and BMX world championships make for a huge summer for the city.

But those events will have their impact in July, doing little in the short term for places like Butchart Gardens, which have struggled early in the season.

"We are having a very soft year at the moment, though we're hoping it will pick up as June is looking a little better," said spokeswoman Alison Partridge, who believes the dollar is having an effect on the attraction's number of visitors, 60 per cent of whom come from the U.S. "It's a big issue," she said.