

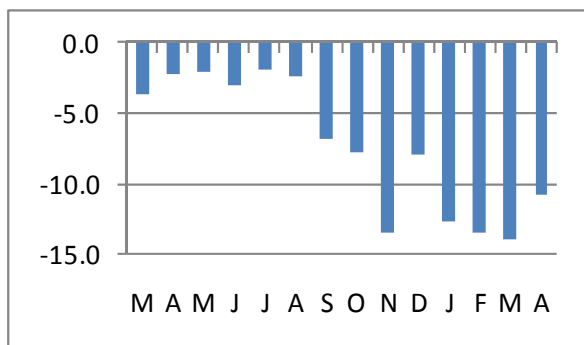
## California Travel and Tourism Commission Research Bulletin



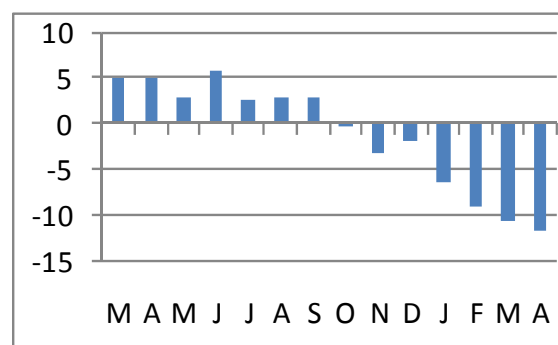
**The news of late** – There is a certain amount of ambiguity of late in news releases related to travel and the economic indicators that influence travel. Starting with the positive, consumer confidence in the U.S. has increased dramatically for three months straight, exceeding the expectations of most. Passenger traffic at California airports, too, was considerably higher in April than trends from prior months would suggest. But gas prices have risen dramatically in the last 30 days, industrial production and employment are down, and the news from the housing industry is still tepid. So how should we in the travel industry view this news? John Packer, VP of Travel & Leisure with market research firm TNS, thinks that consumer confidence leads to more spending and more travel regardless of whether or not that confidence is reflective of actual improvement in economic conditions. Supporting his theory is an uptick in the leading travel indicator index developed by Oxford Economics, which projects directional changes in travel six months in the future. As such, we are presently optimistic that domestic travel to and within California will remain stable over the next few months. Key, though, is to understand how travel behavior is changing. For this information and more, please visit our [California Travel Barometer](#) (click for full report).

**California Lodging Report** (click for full report) – California occupancy measured 60.7% in April, down 10.8% from last year. Year to date occupancy is down 12.8% from 2008. The relative lessening of decline in April compared to prior months is likely linked to the increasing decline in room rates. In April, rates averaged \$109.35, off 11.8% from April 2009. Year to date, room rates are 9.6% lower than 2008. Preliminary May figures portend more of the same.

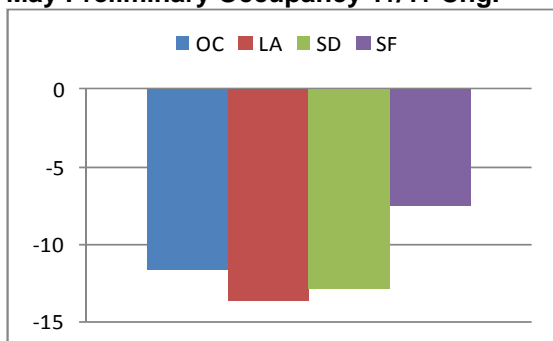
California Occupancy, Yr/Yr Chg.



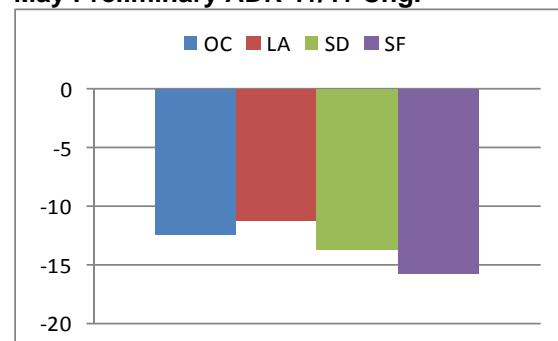
California Average Room Rates, Yr/Yr Chg.



May Preliminary Occupancy Yr/Yr Chg.

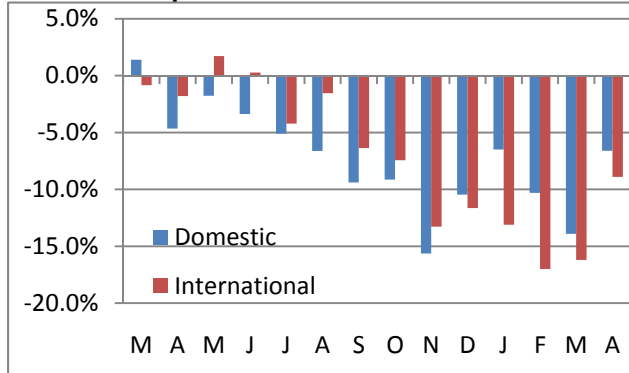


May Preliminary ADR Yr/Yr Chg.



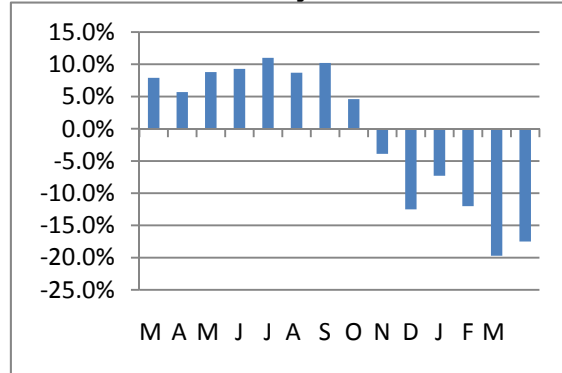
**California Airport Passenger Traffic** (click for full report) at California airports declined 7% year over year in April. The decline was led again by reduced traffic on international flights (-9%), but the declines in both international and domestic traffic (-7%) were significantly less than in the prior two months. Overseas point-of-entry arrivals, a measure of foreign resident customs processing at California airports, were down 18% in March and 16% for the first quarter of 2009.

**California Airport Traffic**



Source: Individual airports, CTTC

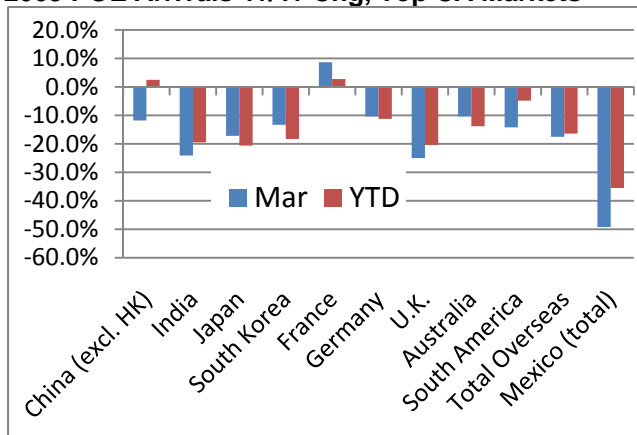
**Overseas Point-of Entry Arrivals**



Source: US Dept. of Commerce

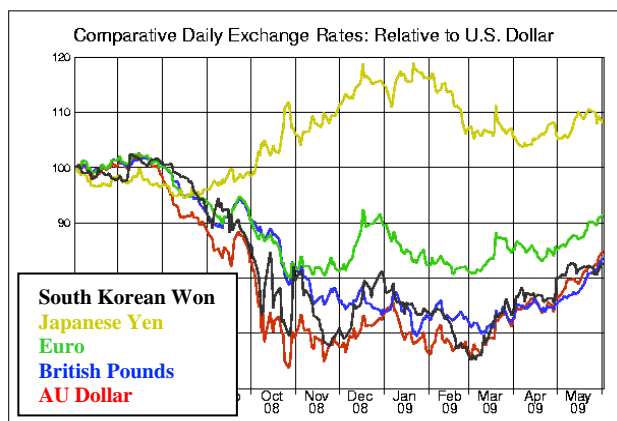
**Overseas and Mexican Port of Entry Arrivals** (click for full report) – In March, point-of-entry arrivals from all of California’s top markets declined year over year with the exception of France, which had a 9% increase. Year to date, only China and France are up, while arrivals from most of the other markets are down between 10% and 20%. Currencies from California’s largest visitor origins have all gained vs. the U.S. dollar in the last two months, which is favorable for inbound travel.

**2009 POE Arrivals Yr/Yr Chg, Top CA Markets**



Source: US Dept. of Commerce

**Currency Values, 12 Month Trend**



Source: University of British Columbia

**Outlook** – CTTC’s tracking of domestic visitor intentions shows a modest decline in intent to travel in May compared to April. Still, the percentages of consumers who want or plan to visit California in the next 12 months is on par with numbers from last spring, and are higher than they were in the fall and January and February of this year. We will wait and see how the recent rise in gas prices affects travel from California’s large in-state traveling segment.

Detailed data reports are available at [tourism.visitcalifornia.com/research](http://tourism.visitcalifornia.com/research).

To unsubscribe, please send a note to [research@visitcalifornia.com](mailto:research@visitcalifornia.com) with “unsubscribe” in the subject.

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