

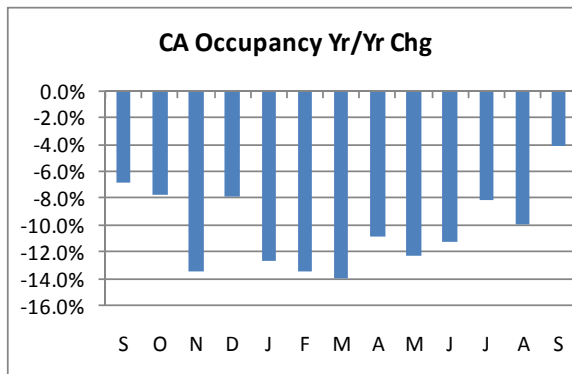


November 2009 California Travel and Tourism Commission Research Bulletin

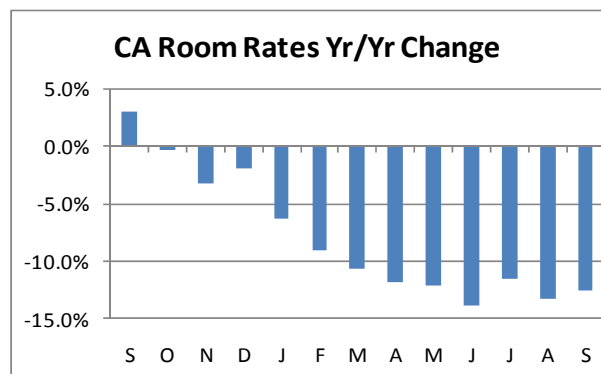
California Tourism Forecast – CTTC recently received an updated tourism forecast for California from economic consulting firm Tourism Economics. Posted on the Find Research page on tourism.visitcalifornia.com under *Latest Research*, the forecast calls for a 4% decline in visitor volume and an 8% decline in visitor spending in 2009. Overnight trips (-6.5%) are more affected than day trips (-0.2%), and trips by air (-5.8%) are more affected than trips by auto (-3.8%). This matches well with research conducted throughout the year pointing to consumers cutting back on travel, and to trips of shorter duration and fewer expenditures among the travel that remains. Good news for the future is that U.S. GDP and European GDP are expected to have grown in the 3rd quarter of 2009, but unemployment remains high and is expected to get worse before it gets better. As a result, modest recovery in travel (+2.1%) and spending (+3.5%) is anticipated for 2010, but it will likely be not until 2011 before travel picks up again in earnest (4% increase in volume, 8% increase in spending). Total travel volume is forecast to return to 2007 levels in 2011, with domestic business travel likely lagging behind, returning to its 2007 mark in 2012 or 2013. Please [click here](#) for the full forecast.

California Lodging Report (click for full report) – California occupancy measured 62.6% in September, down 4.1% from last year. Year to date occupancy was down 10.7%. In September, room rates averaged \$108.56, off 12.5% from August 2008. Year to date, room rates are 11.4% lower than 2008. Early October data suggests similar rate declines than in September, but considerably smaller declines in occupancy – largely due to comparisons to a poor period in 2008.

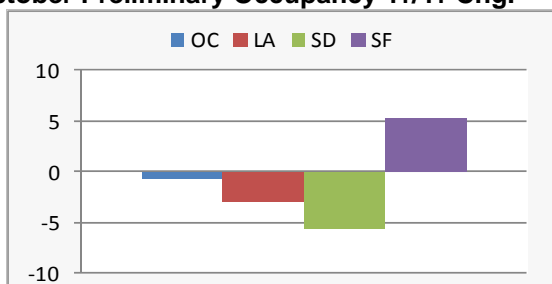
California Occupancy, Yr/Yr Chg.



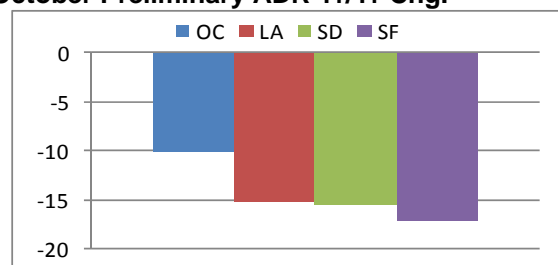
California Average Room Rates, Yr/Yr Chg.



October Preliminary Occupancy Yr/Yr Chg.

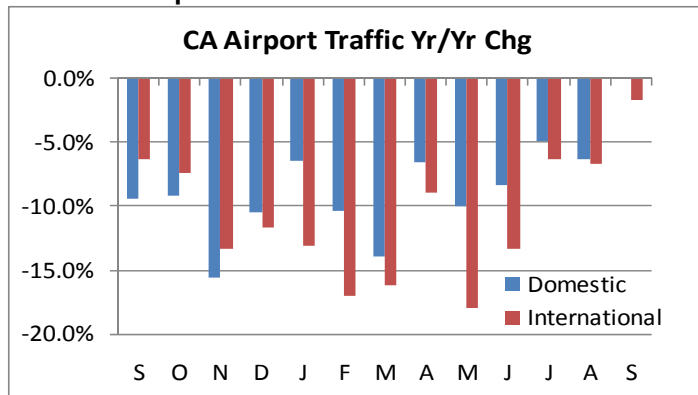


October Preliminary ADR Yr/Yr Chg.



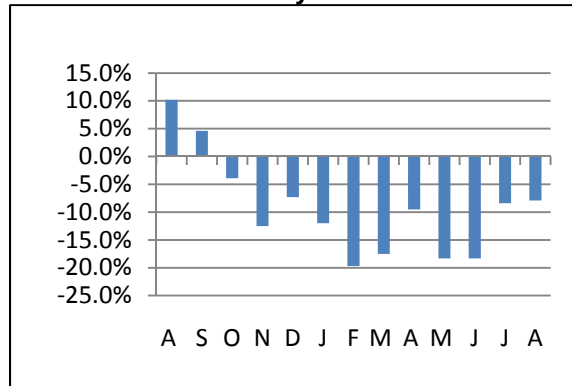
California Airport Passenger Traffic (click for full report) – Traffic at California airports declined 0.3% year over year in September, with domestic traffic even compared to 2008 and international off 1.7%. Overseas point-of-entry arrivals, a measure of foreign resident customs processing at California airports, were down 8% in July and August, and were down 14% for the first eight months of 2009 combined.

California Airport Traffic



Source: Individual airports, CTTC

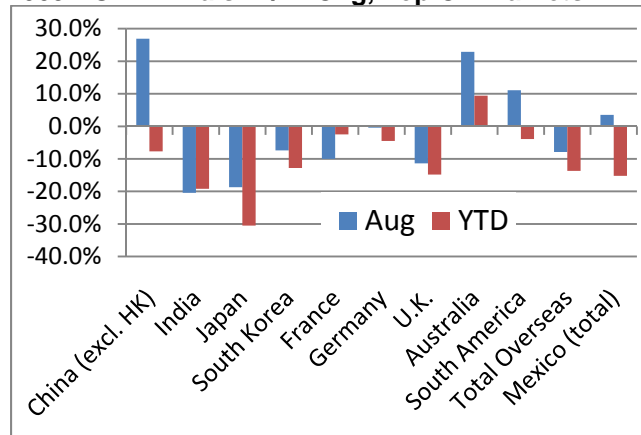
Overseas Point-of Entry Arrivals



Source: US Dept. of Commerce

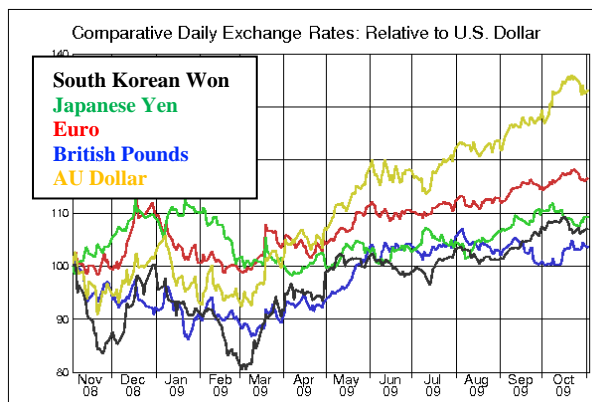
Overseas and Mexican Port of Entry Arrivals (click for full report) – In August, point-of-entry arrivals from all of California’s top overseas markets declined year over year with the exception of Australia (+23%), still benefitting from added service into LAX, and China (+27%), which apparently has overcome H1N1 concerns that reduced travel earlier in the year. Currency values from most of California’s largest visitor origins continued to gain in October, a positive indicator for travel demand.

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 – Though less pronounced than earlier this year, U.S. consumers surveyed in October continue to report downscaling when it comes to travel plans in the coming 12 months. While just 17% say they will take fewer trips in the coming year compared to the last, 28% say they will drive instead of fly, 24% say they will spend less on leisure travel, and 21% will look to stay with friends and family instead of in paid accommodations.

Detailed data reports are available at tourism.visitcalifornia.com/research.

To unsubscribe, please send a note to research@visitcalifornia.com with “unsubscribe” in the subject.

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