

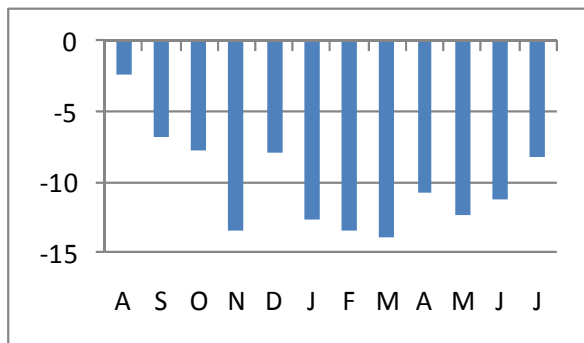


September 2009 California Travel and Tourism Commission Research Bulletin

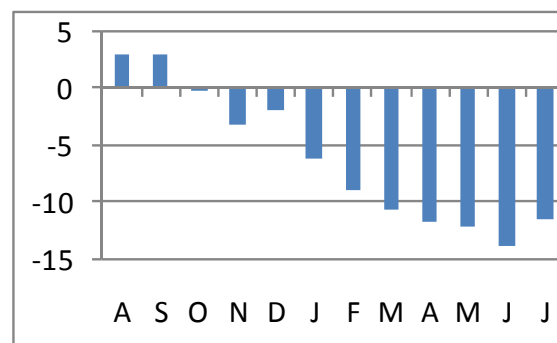
The News from Abroad – As many businesses already know, 2008 was a notable year for foreign travel. Five and a half million overseas travelers visited California – a 6% increase from 2007 – and overseas visitor spending increased by a remarkable 23% from the prior year. Canadian travel, too, grew by 7% in volume, and by 10% in spending. While Mexican travel was down 9%, total spending by international visitors grew 10% in 2008. In total, international travelers accounted for 19% of travel spending in California last year, while the average overseas visitor spent \$1,350 in the state. So what of 2009? It’s hard to sugarcoat the figures to date, as all broad indicators are down significantly. Overseas arrivals at California airports were down 16% through June, and the number of visitors claiming California as their first intended address in the U.S. was down 22%. However, there are a few bright spots. Arrivals from Australia were up double-digits in April through June as new service on V Australia and Delta into LAX lowered prices and lured new customers. French arrivals were also up year to date (+1.4%) amid more favorable attitudes toward the U.S. abroad. Looking forward, in a May forecast Global Insight projected declines in international visitors throughout 2009 and a slow recovery that will return visitation to 2008 levels by 2011. To access updated reporting of California’s international visitors, visit tourism.visitcalifornia.com/research.

California Lodging Report (click for full report) – California occupancy measured 68.6% in July, though it was still down 8.2% from last year. Year to date occupancy was down 11.8%. In July, room rates averaged \$113.35, off 11.5% from July 2008. Year to date, room rates are 10.9% lower than 2008. Early August data suggests bigger rate declines than in July, but similar declines in occupancy.

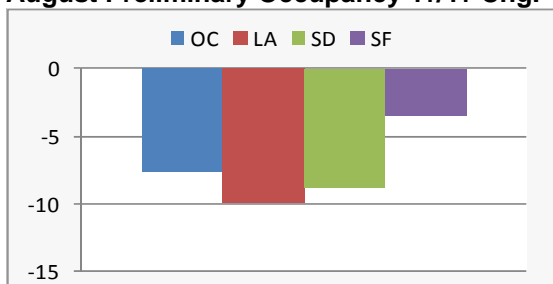
California Occupancy, Yr/Yr Chg.



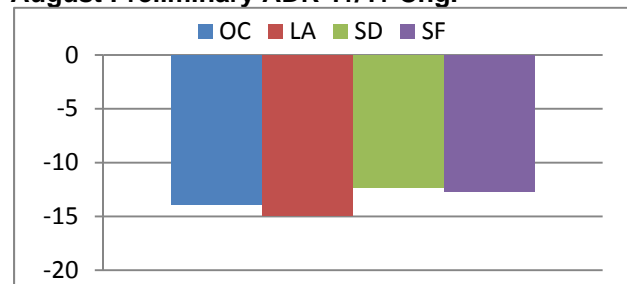
California Average Room Rates, Yr/Yr Chg.



August Preliminary Occupancy Yr/Yr Chg.

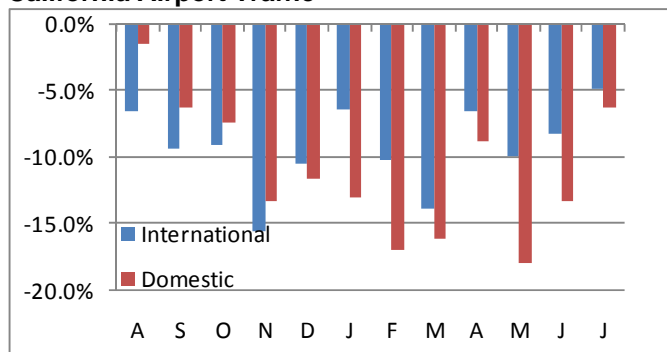


August Preliminary ADR Yr/Yr Chg.



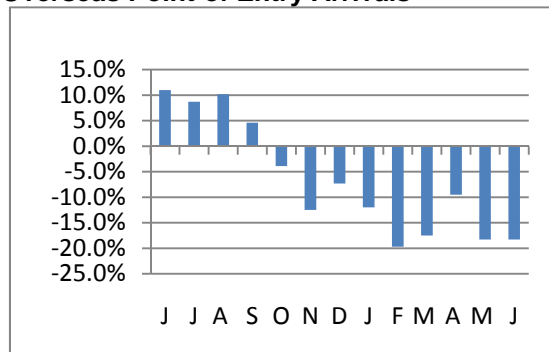
California Airport Passenger Traffic (click for full report) – Traffic at California airports declined 5% year over year in July, with domestic traffic off 4.9% and international off 6.3%. Overseas point-of-entry arrivals, a measure of foreign resident customs processing at California airports, were down 18% in June – and down 16% for the first six months of 2009 combined.

California Airport Traffic



Source: Individual airports, CTTC

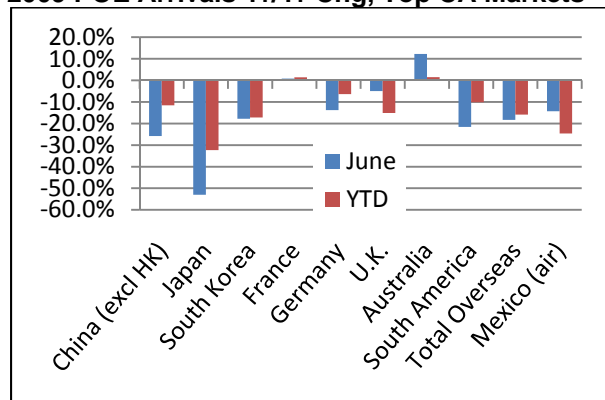
Overseas Point-of-Entry Arrivals



Source: US Dept. of Commerce

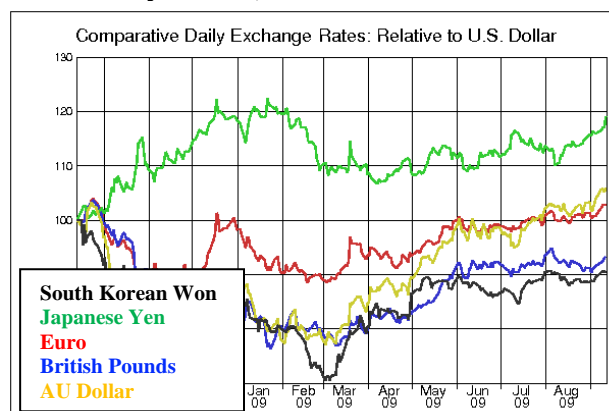
Overseas and Mexican Port of Entry Arrivals (click for full report) – In June, point-of-entry arrivals from all of California’s top overseas markets declined year over year with the exception of Australia (+12%), which has added service into LAX on V Australia and Delta, and France (+0.8%). The effects of the H1N1 outbreak continued to affect arrivals from China (-26%) and Japan (-53%). Currencies from California’s largest visitor origins have continued to gain vs. the U.S. dollar, 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– U.S. consumers appear to be adjusting to the current economy as travel intentions have stabilized of late. 63% of U.S. adults surveyed by Ypartnership in July said they planned to take at least one leisure trip in the coming 6 months, up from 61% the prior July. And, California appears to be on the radar of a national audience, as 24% of those surveyed from non-western states said they intended to travel here in the next 12 months, up from 20% in fall 2008 and from 18% in spring 2008.

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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