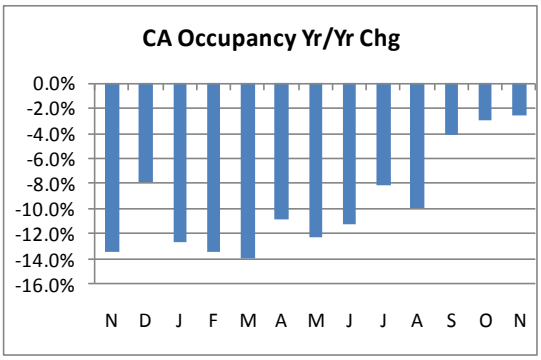
January 2010

California Travel and Tourism Commission Research Bulletin

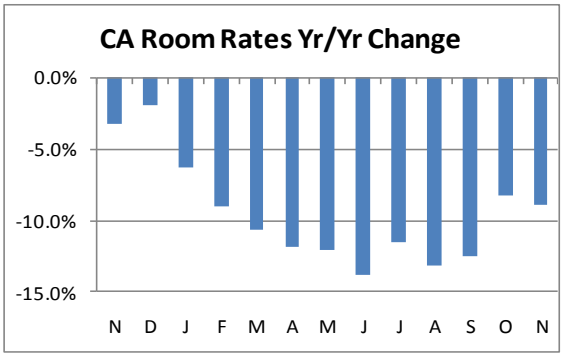
California's Foreign Friends – As we prepare for the CTTC International Summit and Marketplace in Los Angeles on January 20, we thought it worthwhile to remind everyone of the importance of foreign travel to California. Of the $97.6 billion spent in the state in 2008, $18.3 billion, or 19%, was attributable to international travelers. Impressive by itself, it is still more impressive when considering that international visitors made up just 7% of total visits to the state. Eighty-four percent of California's international visitors come from 10 top markets, led by Mexico (6.7 million), Canada (1.4 million), the United Kingdom (818,00) and Japan (629,000). Among overseas visitors (all countries except for Canada and Mexico), the average length of stay in California was 11 days, and with average spending of $123 per day, the typical visitor spent over $1,350 per trip. Of course 2009 was a different story, and we project that international travel will be down 10% for the year, with international visitor spending down 14%. But there is hope for the future, as the beginnings of a recovery could lead to a return to 2008 visitation and spending levels by 2011 if our October forecast holds true.

California Lodging Report (click for full report) – California occupancy measured 54.5% in November, down 2.6% from last year. Year to date occupancy was down 9.4%. In November, room rates averaged $104.75, off 8.9% from November 2008. Year to date, room rates are 10.9% lower than 2008. Early December data suggests a larger decline in rates, but moderate declines in occupancy.

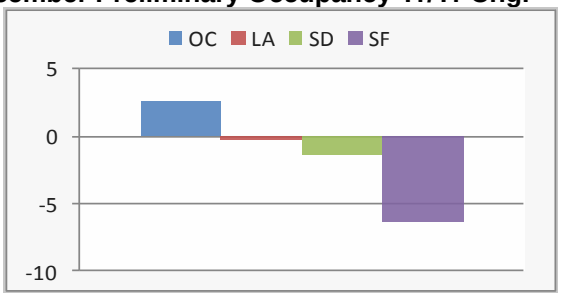
California Occupancy, Yr/Yr Chg.



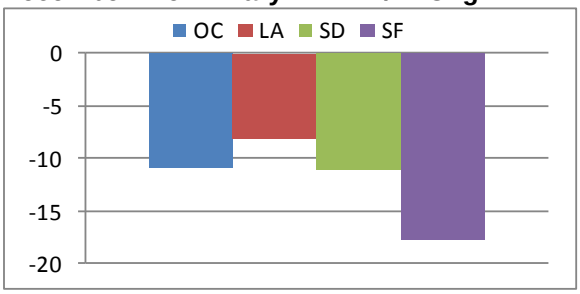
California Average Room Rates, Yr/Yr Chg.



December Preliminary Occupancy Yr/Yr Chg.



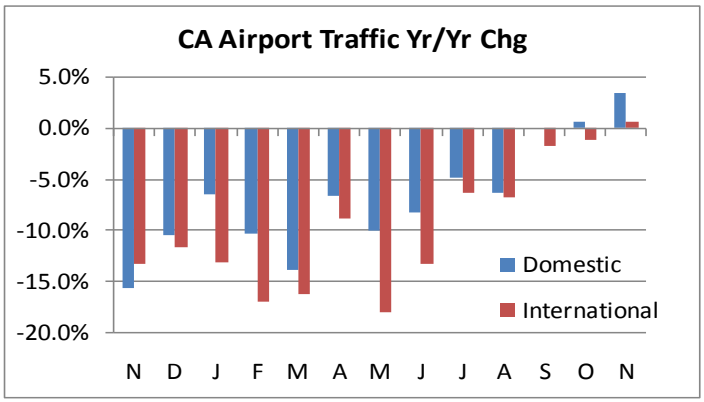
December Preliminary ADR Yr/Yr Chg.



Source: Smith Travel Research

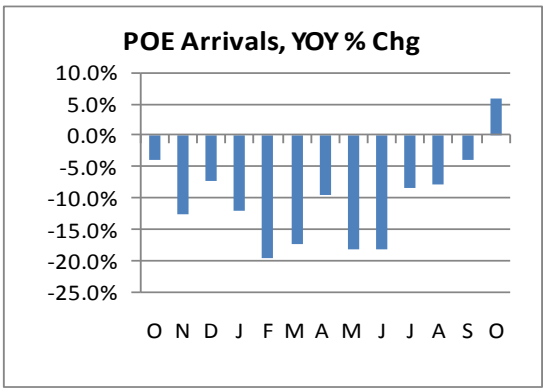
California Airport Passenger Traffic (click for full report) – Traffic at California airports increased 3.0% year over year in November, with domestic traffic up 3.4% compared to 2008, and international up 0.6%. Overseas point-of-entry arrivals, a measure of foreign resident customs processing at California airports, were down up 5.8% in October for the first time in 2009; arrivals were still down 10.8% for the first 10 months of 2009 combined.

California Airport Traffic



Source: Individual airports, CTTC

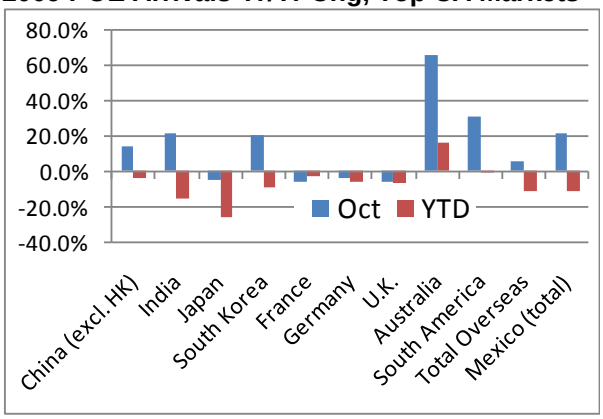
Overseas Point-of Entry Arrivals



Source: US Dept. of Commerce

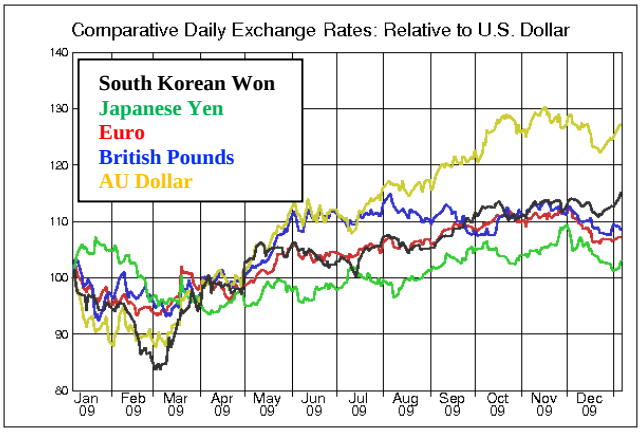
Overseas and Mexican Port of Entry Arrivals (click for full report) – In October, point-of-entry arrivals from all of California's top overseas markets increased year over year, with the exception of Japan (-4.6%), France (-6.0%), Germany (-3.2%) and the U.K. (-6.1%). Currency values from most of California's largest visitor origins continued to gain in November, 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 – The outlook for 2010 is marginal as unemployment remains high. A recent poll by USA Today/Gallup reports that travel intentions for the coming 12 months are waning slightly even compared to the down year of 2009. And, a December survey by Y Partnership reports that the travel that will happen will be price driven, with more travel by auto instead of air, and with the search for discounts continuing.

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.**

Dan Mishell; Director, Research; California Travel & Tourism Commission
Ph: (916) 319-5413; Fax: (916) 444-0410; dmishell@visitcalifornia.com