



Market Profile: **United Kingdom**

June 2007

Estimated Outbound Travel from UK (2005): 66.4 million	Population: 60,209,500
Direct Customs Entries to BC (2006): 231,864	Unemployment Rate: -0.3%
BC's Share of UK Custom Entries (2006): 26.8%	Real GDP (2005): \$1.6 Trillion US*
UK as a Share of BC's Total Int'l Customs Entries (2006): 4.8%	GDP Growth (2004 vs 2005): 1.9%
Europe as a Share of BC's Total Int'l Customs Entries (2006): 10.1%	GDP Growth (2006 est.): 2.6%
UK as a Share of BC's European Customs Entries (2006): 47.9%	Forecasted GDP Growth (2007): 2.6%

Sources: Statistics Canada, UK National Statistics, OECD.
*\$US at 2000 prices and exchange rates.

In 2006, the United Kingdom ranked as the second largest international market in terms of direct customs entries, following the US, for both British Columbia and Canada. The UK was also the largest European market to both BC and Canada.

The UK held 47.9% of BC's European market and 37.9% of Canada's European market in 2006.

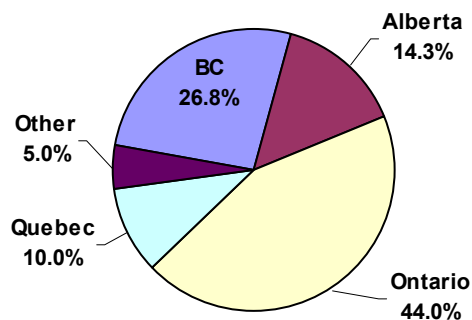
Top 10 Countries to BC	
U.S.A. Overnight	1
United Kingdom	2
Japan	3
Australia	4
South Korea	5
China	6
Taiwan	7
Germany	8
Hong Kong	9
Mexico	10

Based on 2006 customs entries data

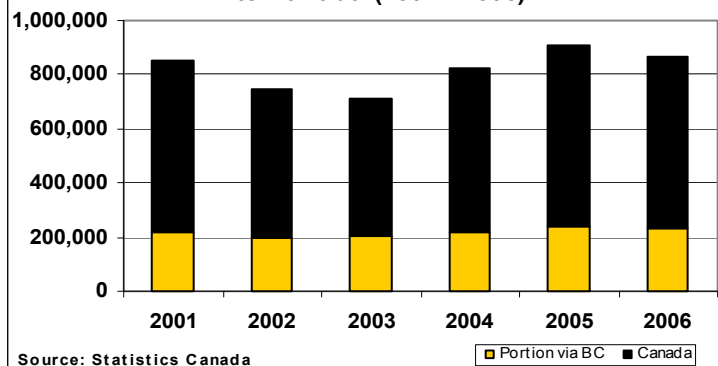
SIZE & REVENUE OF UK MARKET:

- In 2006, over 866,000 travellers from the UK visited Canada, of whom, over 231,000 entered directly through British Columbia (26.8%).
- When compared to 2005, 2004, 2003, 2002, and 2001, UK custom entries to BC in 2006 exhibited a decrease of 1.8% and increases of 6.0%, 14.6%, 16.1% and 7.8% respectively. UK custom entries to Canada compared to the same above mentioned years exhibited a decrease of 4.4% and increases of 5.0%, 22.3%, 15.6% and 2.0%.
- Tourism BC forecasts that European overnight visitor revenue will increase 14.6% by 2009 and UK overnight visitor revenue by 14.3%.

UK Overnight Customs Entries to Canada 2006



UK Overnight Customs Entries to Canada (2001 - 2006)



Source: Statistics Canada

*Reader Alert: Several information sources were used to compile this profile. Readers should exercise caution because definitions and methodologies may differ across sources, leading to inconsistencies in information from different sources.

THE UK TRAVELLER:

- In 2004, Spain and France were the top two travel destinations for the UK traveller. Canada ranked 17th most travelled to destination by UK travellers.
- Although the beach/resort holiday has traditionally been the most popular form of holiday, this is continuing to change as the following table illustrates. This suggests the British are participating in more varied activities when holidaying.
- There are 2 distinct types of consumer travel from the UK & Ireland; group travel (includes inclusive tours) which involves a pre-planned itinerary by rail or coach, accommodation included and accompanied by an escort; FIT (free independent travel) which is an independently organised itinerary using a variety of transportation, including self-drive.
- In the inclusive tour market, the US remains the most popular long haul destination with 903,000 of UK holiday makers visiting in 2005. Canada received 125,000 visitors from the UK on inclusive tours in 2005, 0.7% of the market, while Australia received 32,000 of the UK inclusive tour travellers, 0.2% of the market.

Type of Last Holiday Taken, UK & Abroad			
	1999	2005	Point Change
Beach / Resort	43.0%	40.7%	-2.3
City / Short Break	8.6%	13.7%	5.1
Lakes & Mountains	6.6%	6.9%	0.3
Coach Tours	5.2%	4.1%	-1.1
Cruise	1.4%	2.2%	0.8
Skiing	1.2%	1.5%	0.3
Golfing	0.7%	0.8%	0.1

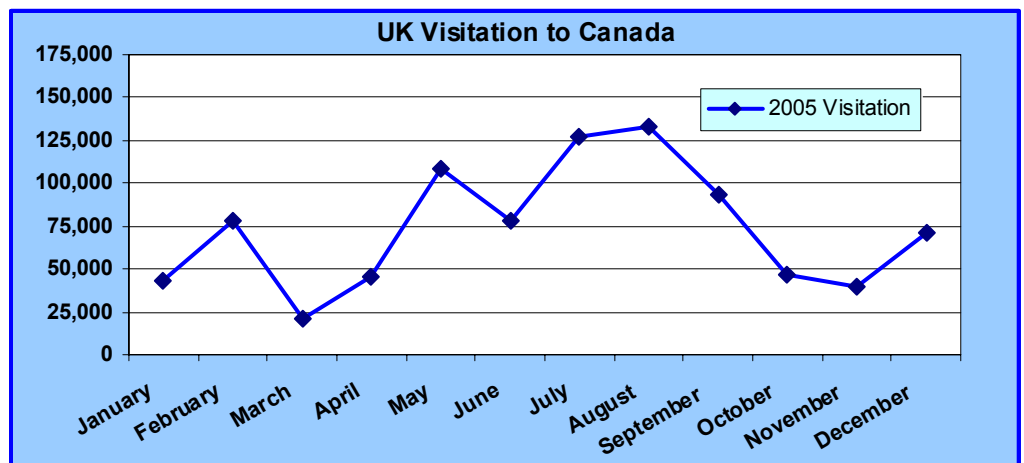
Source: Mintel International Group Ltd.

Top UK Destinations 2004 (000's)		
1	Spain	13,807
2	France	11,603
3	USA	4,173
4	Ireland	4,112
5	Italy	2,968
6	Greece	2,701
7	Germany	2,332
8	Netherlands	2,161
9	Belgium	1,799
10	Portugal	1,797
11	Cyprus	1,280
12	Turkey	1,121
13	Caribbean	973
14	Switzerland	896
15	Austria	783
16	India	661
17	Canada	615
18	Australia	562

Source: Mintel International Group Ltd.; World's Leading Outbound Markets - International Travel & Tourism Intelligence, December 2005 Report

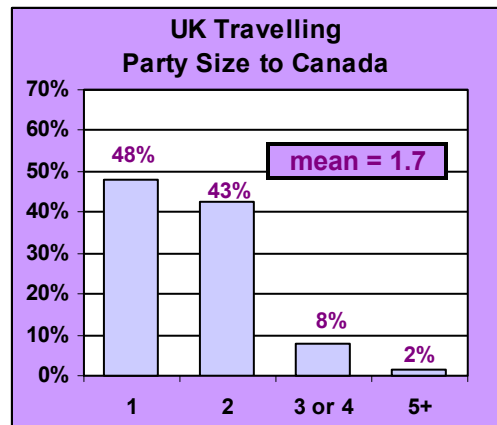
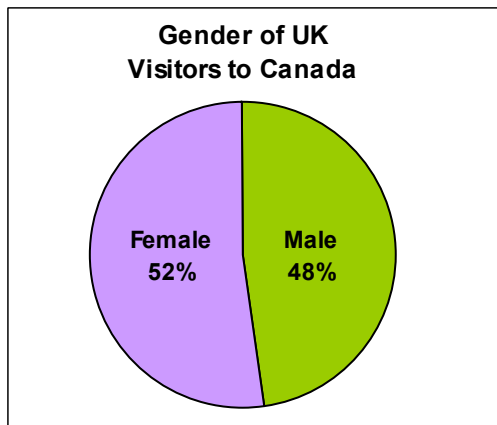
INTERNATIONAL TRAVEL SURVEY (2005) & THE UK TRAVELLER:

- The International Travel Survey (ITS) is an ongoing survey conducted by Statistics Canada in partnership with the Canadian Tourism Commission and some provinces, including BC. The survey contains questions designed to collect data on the characteristics of travellers. The ITS,



provides statistics on the volume of international travellers and on characteristics of their trips such as expenditures, activities, places visited, accommodations and length of stay.

- As can be seen in the chart on the previous page, in 2005, the peak months for UK visitation to Canada were July and August. Of the winter months, February was the most popular month.



- Canada saw an estimated 52% female visitor travellers versus 48% male travellers from the UK in 2005.

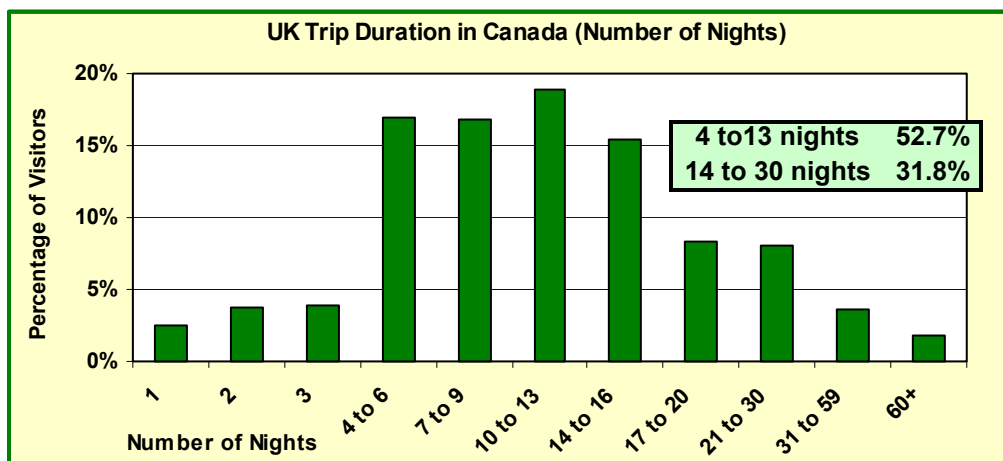
- Approximately 48% of UK visitors to Canada travelled alone; parties of 2 were the next largest group of travellers (43%).

- Visitors between the ages of 55-64, held 20% of the UK market share to Canada.



- The most popular trip length for UK visitors was 10-13 nights, although 4-6, 7-9, 10-13 and 14-16 nights were also common trip durations.

- While travelling in Canada, UK visitors (51.4% of all UK visitors) who spent at least 1 night in BC used the bus more than any other mode of transportation. Travel by boat and rented automobile were the second and third most popular modes of transportation.



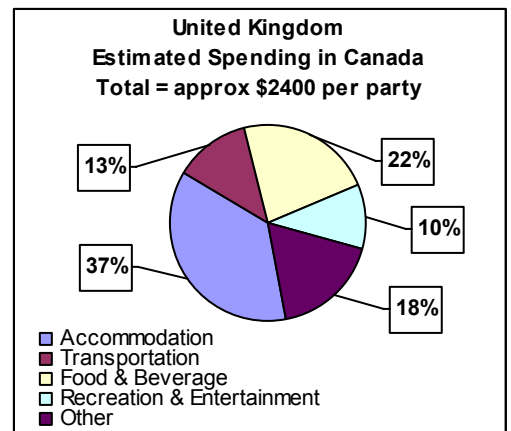
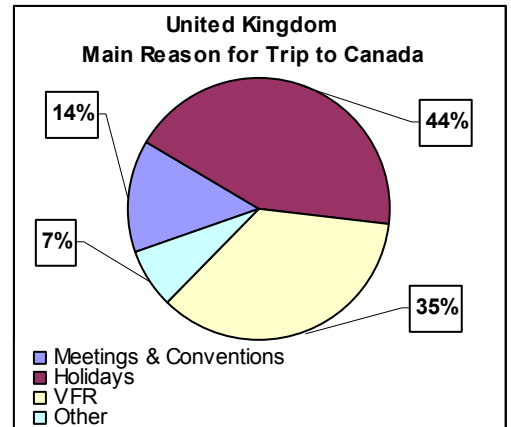
BC Visitors Methods of Transportation Used While in Canada		
	Number	Percentage
Bus	153,322	51.4%
Boat	119,131	39.9%
Rented Automobile	112,966	37.9%
Private Automobile	93,869	31.5%
Plane	79,122	26.5%
Train	60,786	20.4%
Private Boat	3,594	1.2%
Private Plane	1,073	0.4%
Other	134,418	45.0%

UK Visitors Overnight to BC: Activities Participated in While in Canada		
		Percentage
1	Visit a national or provincial nature park	71.7%
2	Visit friends or relatives	55.8%
3	Go to a bar or nightclub	53.0%
4	Visit a historic site	46.7%
5	Participate in sports or outdoor activities	46.2%
6	Visit a museum or art gallery	43.8%
7	Visit a zoo, aquarium or botanical garden	39.8%
8	Down hill skiing or snowboarding	16.3%
9	Attend a cultural performance (play, concert, etc.)	14.9%
10	Attend a sports event	13.7%

* Excludes shopping and sightseeing.

- Aside from shopping (90.5%) and sightseeing (85.7%), visiting a national or provincial nature park ranked most popular activity participated in by UK travellers to Canada who spent a minimum of 1 night in BC. Going to a bar or nightclub, visiting friends or relatives, visiting a historic site, participating in sports or outdoor activities, visiting a museum or art gallery, and visiting a zoo, aquarium or botanical garden, were also popular activities for the UK traveller.

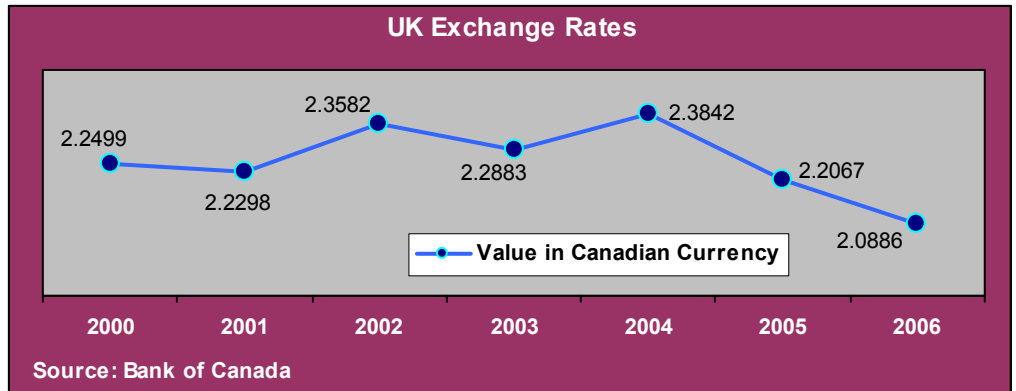
UK Visitor Satisfaction		overnight in BC
Transportation services		
Good		86.0%
Average		10.4%
Poor		3.6%
Accommodation services		
Good		87.9%
Average		8.3%
Poor		3.8%
Hospitality of local people		
Good		95.1%
Average		4.7%
Poor		0.2%
Value for your money		
Good		76.8%
Average		21.3%
Poor		1.9%
Variety of things to see and do		
Good		91.0%
Average		7.9%
Poor		1.1%



- As can be seen in the above table, travellers from the UK who spent a minimum of 1 night in BC while visiting Canada were generally satisfied with their experiences while in Canada.
- An estimated average of 44% of UK visitors to Canada in 2005 did so for a holiday, while 35% came to Canada to visit friends and relatives, 14% for meetings and conventions and 7% for other reasons.
- UK visitors spent an estimated average of \$2,400 per party during their visit to Canada in 2005.

ECONOMIC PROFILE:

- Mixed messages abound in the housing market. The annual rate of house price inflation now stands at a nine-year low. It is hoped that lower interest rates will help to reinvigorate the UK economy.



- The number of people unemployed was down, but there was an increase in claimants of Jobseekers Allowance. Trend assessments are that the employment rate may be starting to fall; however there has been little change in the number of job vacancies.
- The Canadian dollar gained considerable strength against the pound in 2006.

BOOKING METHODS:

- The internet continues to have a profound effect on the distribution of holidays, not only for bookings but also for researching holidays. Mintel's latest report on the subject suggests 31% of holiday-goers used the internet to book their last holiday. Booking holidays entirely over the telephone accounted for 45.8% of holiday-goers travel booking methods, while 24.8% of holiday-goers made a personal visit to a travel shop to book their holiday.
- According to a report by Ofcom in July 2005, more households are using broadband rather than dial-up internet connections.
- Mintel's Internet Quarterly – UK December 2004 also reports that Internet usage outside the home or workplace has increased significantly due to the proliferation of access via mobile devices, such as mobile phones, PDAs and laptops.

EMERGING TRENDS IN THE TRAVEL TRADE:

- The UK consumer continues to possess a strong desire to travel and holidays are considered essential. The slowing of the UK economy has led to lower consumer confidence, but thanks to high employment levels and healthy disposable incomes, the only impact on holiday sales has been increased price-sensitivity for already cost-conscious consumers and the trend for late bookings has become more common.
- Changing work patterns with increased work-related stress, as well as the effects of the internet has led to more frequently but shorter duration holidays. The type of holiday taken is also changing with a desire for more activity focus, and as the traveller becomes more confident and discerning, FIT travel is dominating the market place.
- Finally, the desire to travel and the stable economy has kept the UK a key target market for many competing holiday destinations.