

# Louisiana Travel Pulse

February 2008

Produced by the Louisiana Office of Tourism

## Analysis/Highlights:

- \* At the end of 2007 there were approximately 76,400 rooms in 715 hotel/motel properties in Louisiana. New Orleans has 87% of the room inventory that it had prior to Hurricane Katrina. The year ended with an occupancy rate of 62.2%, 7.6% lower than 2006 but approximately the same as 2004. Over 17 million room nights were sold last year, only 1.6% less than 2006, and the RevPAR was \$55.99 (6% less than 2006).
- \* Louis Armstrong New Orleans International Airport served 7,516,533 passengers in 2007 or 77% of the all time high of 9,733,179 passengers who used Armstrong International in 2004. (These figures include both enplaned and deplaned passengers.)
- \* Louisiana gaming revenue was flat in 2007 with over \$2.5 billion generated from 13 riverboats, four racetracks, and one land-based casino. Louisiana may not have had record numbers in 2007 (like in Mississippi and Las Vegas) but still came within \$2 million of matching last year's annual record.
- \* Over 1.4 million visitors were recorded at Louisiana's State Welcome Centers last year. This is a 4% increase, even though the Slidell Welcome Center, Louisiana's busiest welcome center, closed for renovation following Labor Day.

## Louisiana Tourism Trends

Airport Trends	December		% +/-	(Benchmark)			% +/- 2006-2007	% +/- 2004-2007
	2007	2006		YTD 2004	YTD 2006	YTD 2007		
Airport Passenger Enplanements								
Louisiana Metro Airports Total	388,993	377,703	3.0%	5,819,933	4,200,702	4,832,861	15.0%	-17.0%
New Orleans	303,647	289,911	4.7%	4,858,368	3,096,371	3,752,086	21.2%	-22.8%
Other Metro*	85,346	87,792	-2.8%	961,565	1,104,331	1,080,775	-2.1%	12.4%
* Note: Includes Baton Rouge, Shreveport, Monroe, and Alexandria metropolitan airports.								
<b>Louisiana Hotel/Motel Trends</b>								
Rooms Sold	1,242,448	1,191,787	4.3%	17,846,891	17,277,520	17,005,330	-1.6%	-4.7%
Room Supply	2,368,958	2,245,516	5.5%	28,629,020	25,672,603	27,350,133	6.5%	-4.5%
Occupancy Rate	52.4%	53.1%	-1.3%	62.3%	67.3%	62.2%	-7.6%	-0.2%
Average Daily Rate	\$87.42	\$82.52	5.9%	\$84.77	\$88.67	\$90.04	1.5%	6.2%
<b>Louisiana Gaming Indicators</b>								
Riverboat AGR*	\$157,738,395	\$158,286,911	-0.3%	\$1,562,062,597	\$1,853,623,808	\$1,784,836,664	-3.7%	14.3%
Non-Indian Land Based Casino GGR**	\$36,747,771	\$33,633,129	9.3%	\$320,009,658	\$338,428,554	\$412,058,450	21.8%	28.8%
Slots At Racetracks GGR***	\$33,577,962	\$31,051,439	8.1%	\$280,969,381	\$375,362,871	\$369,382,296	-1.6%	31.5%
Total	\$228,064,128	\$222,971,479	2.3%	\$2,163,041,636	\$2,567,415,233	\$2,566,277,410	0.0%	18.6%
*Adjusted Gross Revenue **Gross Gaming Revenue from Harrah's New Orleans Casino ***Initiated in 2/2002 at Delta Downs, 5/2003 at Louisiana Downs, 12/2003 at Evangeline Downs, and 9/07 at the N.O. Fairgrounds.								
<b>State Welcome Center Visitors</b>								
	97,725	115,626	-15.5%	1,598,689	1,344,810	1,401,461	4.2%	-15.9%
Notes: All centers are open except for the Slidell Center which closed for renovation following Labor Day 2007. N.O. Welcome Center operated on a restricted 5-day per week schedule in 2006 and the first half of 2007.								
<b>Louisiana Parks Visitors</b>								
Jean Lafitte NHP*	21,456	29,962	-28.4%	595,128	264,530	311,450	17.7%	-47.7%
Louisiana State Parks and Historic Sites	79,478	78,171	1.7%	1,997,911	1,557,725	1,711,649	9.9%	-14.3%
* Recreational Visits								

## National Tourism Trends

(Benchmark)

	December 2007	December 2006	% +/-	YTD 2004	YTD 2006	YTD 2007	% +/- 2006-2007	% +/- 2004-2007
<b><u>U.S. Hotel/Motel Trends</u></b>								
Rooms Sold			-0.8%				1.2%	
Room Supply,			2.0%				1.4%	
Occupancy Rate	48.6%	50.0%	-2.7%	61.3%	63.3%	63.2%	-0.2%	3.1%
Average Daily Rate	\$102.05	\$96.60	5.6%	\$86.24	\$97.89	\$103.64	5.9%	20.2%
<b><u>National Park Trends</u></b>								
Recreational Visits (000)	12,398	12,622	-1.8%	276,902	272,623	275,665	1.1%	-0.4%
<b><u>U.S. Consumer Confidence Index Trend</u></b>								
Index (1985=100)	88.6	110	-19.5%	96.2	105.7	103.1	-2.5%	7.1%

(Sources: Louisiana Metropolitan Airports, Air Transport Association, Smith Travel Research, Louisiana State Police, Travel Industry Association of America, National Park Service, The Conference Board, and DCRT)

### Glossary

**Enplanements** - a count of the number of passengers who board an airplane at one of Louisiana's metro airports.

**Average Daily Rate (ADR)** - Room revenue divided by rooms sold.

**Occupancy** - rooms sold divided by rooms available.

**Rooms available (Room Supply)** - The number of rooms times the number of days in the period.

**Room revenue** - total room revenue generated from the sale or rental of rooms.

**Rooms sold (Room Demand)** - The number of rooms sold (excludes complimentary rooms).

**Adjusted Gaming Revenue** - Net gains realized by a casino after payment of all cash paid out as losses to patrons.

**Welcome Center Visitors** - the number visitors who sign the register at Louisiana's 13 state welcome centers.

**Recreational Visits** - The entry of a person onto lands or waters administered by the NPS for recreational purposes

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## Other Louisiana Tourism Trends

<u>Visitors</u>	2nd Quarter 2007	2nd Quarter 2006	% +/-	YTD 2004	YTD 2006	YTD 2007	% +/- 2006-2007	% +/- 2004-2007
U.S. Resident Visitors To La.*	5,480,000	3,900,000	40.5%	11,818,000	6,100,000	11,340,000	85.9%	-4.0%
Canadian Resident Vis. To La.**	20,200	18,200	11.0%	66,700	31,300	37,800	20.8%	-43.3%

\* 2007 domestic estimates are preliminary and subject to change. Hurricane related recovery travel is not included in 2006 estimates.  
 \*\* The source for Canadian visitor estimates is Statistics Canada.

<u>Intent To Visit Benchmarks</u>								
<b>MDRG Survey</b>	November 2007	August 2007	April 2007	January 2007	August 2006	May 2006	March 2006	January 2006
Regional Sample	44.7%	46.5%	60.2%	56.3%	50.7%	46.6%	49.8%	46.1%
National Sample	18.2%	19.0%	47.9%	33.9%	31.5%	30.8%	30.5%	35.6%
<b>TNS Survey</b>	Fall 2006	Fall 2005	% +/-	Spring 2007	Spring 2006	Spring 2005	% +/- 2006-2007	% +/- 2005-2007
Regional Sample	43.0%	37.0%	16.2%	42.0%	31.0%	53.0%	71.0%	-20.8%
National Sample	13.0%	13.0%	0.0%	16.0%	11.0%	21.0%	90.9%	-23.8%

Notes: The results shown here are primarily taken from surveys in which the following question was asked of travelers:  
 "How likely are you to take a trip to Louisiana during the next 12 months?" The choices are from 1 to 5 with 5 equals Extremely Likely and 1 equaling Not At All Likely. This is only a measurement of the attitude towards visiting La and should only be used as a gauge to measure a trend. This measurement is not used to estimate actual visitor volume.

<u>Hospitality Industry Employment</u>	2nd Quarter 2007	2nd Quarter 2006	% +/-	2nd Quarter 2004	2nd Quarter 2006	2nd Quarter 2007	% +/- 2006-2007	% +/- 2004-2007
				Units	Units	Units		
Arts, Entertainment, & Recreation	43,667	41,020	6.5%	1,506	1,539	1,513	-2.1%	0.5%
Accommodations and Food Services	162,563	155,217	4.7%	7,830	8,262	8,009	-5.2%	2.3%

Notes: Units or total units, referred to in the tables of this publication, represent the number of establishments in the industry.

<u>Audubon Golf Trail</u>	4th Quarter 2007	4th Quarter 2006	% +/-	YTD 2004	YTD 2006	YTD 2007	% +/- 2006-2007	% +/- 2004-2007
Number of Rounds Played	62,000	56,553	9.6%	224,609	277,758	291,509	5.0%	29.8%
Number of Courses Open	13	12	8.3%					

Notes: The TPC Louisiana reopened in July 2006; AGT also added Black Bear Golf Course and Atchafalaya Course at Idlewild in 2006, and the Wetlands Golf Course in Lafayette in July 2007.

(Benchmark)

<u>Louisiana Tax Free Shopping</u>	3rd Quarter 2007	3rd Quarter 2006	% +/-	YTD 2004	YTD 2006	YTD 2007	% +/- 2006-2007	% +/- 2004-2007
Number of Refund Transactions	2,616	1,526	71.4%	23,671	5,050	11,364	125.0%	-52.0%
Number of Sales	12,881	8,761	47.0%	105,622	26,821	48,913	82.4%	-53.7%
Retail Spending	\$2,459,104	\$1,653,916	48.7%	\$17,295,239	\$5,068,407	\$10,177,199	100.8%	-41.2%

### Other National Tourism Trends

<u>Intent to Vacation</u>	December 2007	December 2006	% +/-	October 2007	August 2007	June 2007	April 2007	February 2006
Within the U.S.	35.0%	37.8%	-7.4%	37.4%	35.1%	35.4%	34.4%	34.2%
Foreign country	9.7%	9.0%	7.8%	9.3%	8.3%	9.2%	9.7%	8.2%

Notes: The source is the Conference Board's Consumer Confidence Survey. The survey measures the percent of respondents nationwide who intend to vacation within 6 months.

<u>Hospitality Industry Employment</u>	December 2007	December 2006	% +/-	October 2007	August 2007	June 2007	April 2007	February 2007
<b>Accommodations and Food Service</b> (Thousands)	11,510	11,194	4.2%	11,665	11,971	11,921	11,477	11,133

Notes: The source is the U.S. Bureau of Labor Statistics and the Travel Industry of America

(Sources: University of New Orleans, Statistics Canada, TIA, The Conference Board, La. Dept. of Labor, U.S Bureau Of Labor Statistics, Louisiana Tax Free Shopping, and DCRT.)

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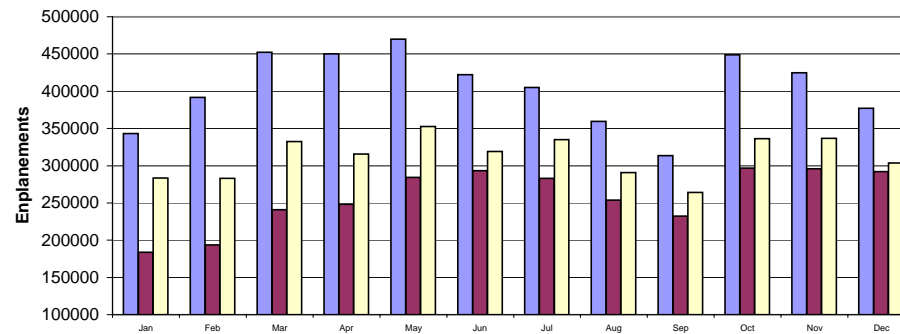
Produced by the Louisiana Office of Tourism

Legend For All Graphs: 2004 = left bar (blue)(benchmark year), 2006 = middle bar (red), 2007 = right bar (yellow)

**Louisiana Airport Enplanements** - According to a February 12, 2008 press release, the Louis Armstrong New Orleans International Airport served 7,516,533 passengers in 2007 or 77% of the all time high of 9,733,179 passengers who used Armstrong International in 2004. (These figures include both enplaned and deplaned passengers.) "Armstrong International Airport continues to show tremendous growth as the region continues to recover from Hurricane Katrina," stated Sean Hunter, Director of Aviation. "The growth over 2006 was 20.9% and we expect the growth of passengers and flights to continue as the region continues to rebuild," concluded Hunter. Southwest Airlines remains the volume leader in New Orleans with 25.4% of the market, down from 31% in 2004. Continental, the first carrier to resume a full schedule following Hurricane Katrina captured 15.1%. American and AirTran, who also operate a full schedule, captured 15.2% and 4.4% of the market respectively.

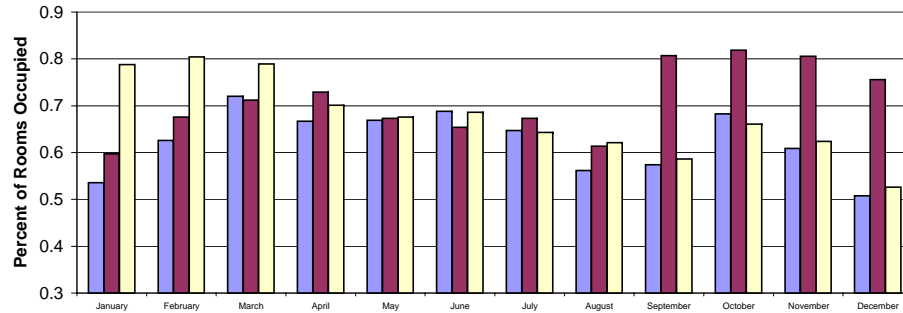
**Nationwide Enplanements** - According to James Cammisa, travel industry analyst, domestic airline traffic reflected a pattern of lackluster demand. In spite of high load factors (80.8%), passenger enplanements fell sharply in the fourth quarter, and for 2007, as a whole, were up only 1.0 percent. Airline trip hassle as well as cutbacks in domestic service, no doubt, are factors in this softness. The Big Three carriers (AAL, DL, UAL) reduced their domestic capacity by 3.6 percent in 2007. Continental and Southwest were the only major airlines to increase domestic service. Though service cutbacks have helped to restore airline profitability, they do little for those travel industry sectors dependent air traveler business.

New Orleans International Airport

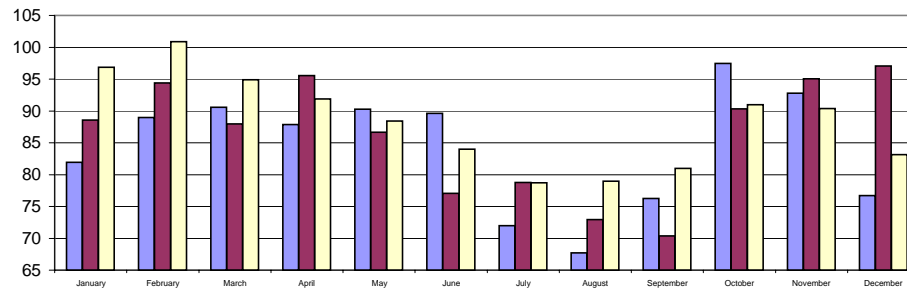


**Louisiana Lodging Trends** - At the end of 2007 there were approximately 76,400 rooms in 715 hotel/motel properties in Louisiana. New Orleans has 87% of the room inventory that it had prior to Hurricane Katrina. Compared to the rest of Louisiana, the New Orleans metro area has the 44% of all rooms available in Louisiana (44%), followed by Shreveport (13%), Baton Rouge (12%), Lafayette (7%), and Lake Charles (6%). Louisiana's occupancy rate ranked 19th among all states. The year ended with an occupancy rate of 62.2%, 7.6% lower than 2006 but approximately the same as 2004. Over 17 million room nights were sold last year, only 1.6% less than 2006, and the RevPAR was \$55.99 (6% less than 2006). Besides the increase in the supply of available rooms, the only other increase was the 1.5% increase in ADR to \$90.04. All major metropolitan areas experienced decreased hotel/motel occupancy while only New Orleans and Shreveport had increased room demand.

**Louisiana Hotel-Motel Occupancy Rate**

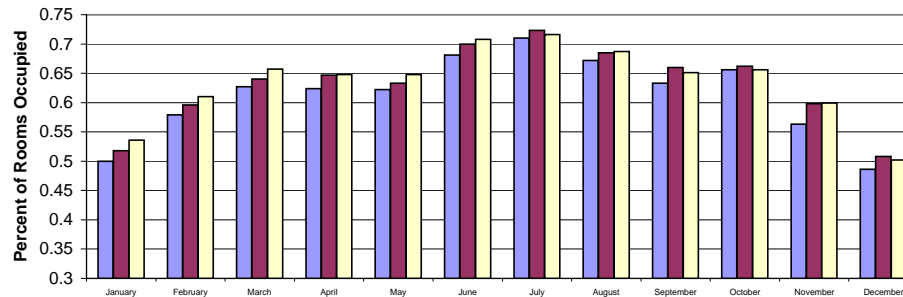


**Louisiana Average Daily Rate**



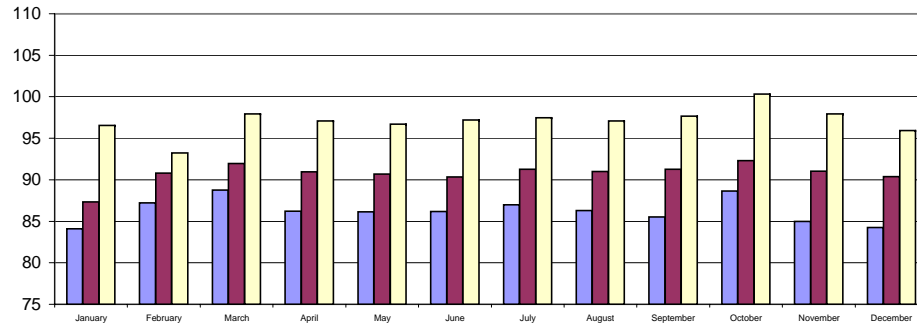
**U.S. Lodging Trends** - According to Smith Travel Research, full year 2007 industry occupancy was 63.2 percent, down 0.2 percent versus 2006. Average room rate increased 5.9 percent to \$103.64 and revenue per available room (RevPAR) --- the combination of occupancy and average room rate and a key industry productivity measure --- gained 5.7 percent to \$65.50. Industry room supply increased 1.4 percent in 2007 while demand (roomnights sold) gained 1.2 percent. Full year 2007 room revenue increased 7.2 percent to \$107 billion. "The U.S. lodging industry turned in another good performance in 2007," said Mark Lomanno, President of Smith Travel Research. "Since the peak in 2005, industry RevPAR has grown 14 percent. We expect another good year in 2008. Room supply growth will likely increase and reach the long term trend number of just over 2 percent. Demand (rooms sold) growth should continue but will likely be lower than supply growth, resulting in declining occupancy. We believe that average room rate growth will totally drive RevPAR gains this year"

**U.S. Occupancy Rates**



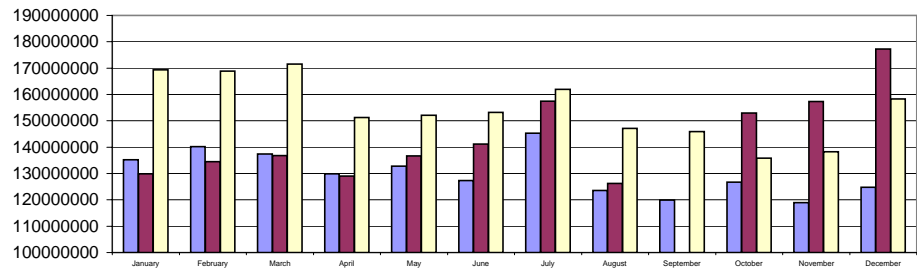
totally drive revenue gains this year.

**U.S. Average Daily Rate**



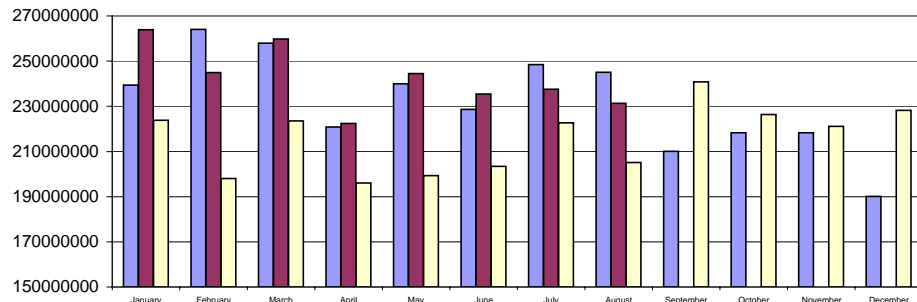
**Louisiana Gaming Indicators** - Louisiana gaming revenue was flat in 2007 with over \$2.5 billion generated from 13 riverboats, four racetracks, and one land-based casino. Gaming revenue was down by 3.1% at the riverboats and 1.6% at the racinos, but up nearly 22% at the land-based casino (Harrah's in N.O.). The primary reason for the increase at Harrah's last year is due to its closure for many days in January and February 2006 following the devastation wrought by Katrina. Gaming revenue is still nearly 19% above the amount generated in 2004. Louisiana may not have had record numbers in 2007 (like in Mississippi and Las Vegas) but still came within \$2 million of matching last year's annual record. There were two new gaming venues in 2007: the Amelia Belle Riverboat Casino in St. Mary Parish and slots at the Fair Grounds in New Orleans.

**Louisiana Riverboat Adjusted Gross Revenue**



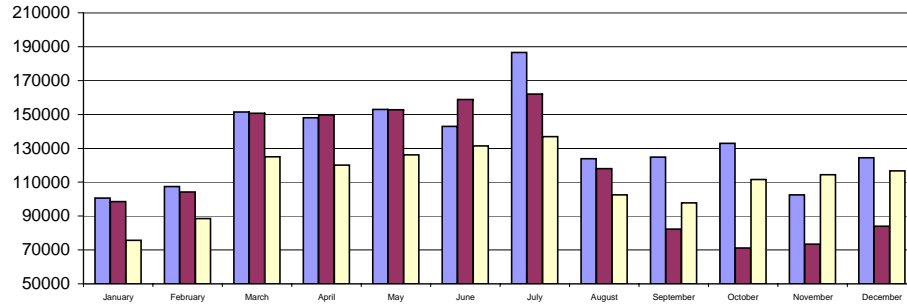
**Mississippi Riverboats and Other Gaming Trends** - The 29 state-licensed, plus casino hotels, in place as of January 31, 2008, employed 30,400 people. It is projected that 70-75% of all state-licensed casino patrons are non-Mississippi residents. These casinos produced a record \$2.891 billion in gross gaming revenue in 2007, the largest annual amount since riverboats began operating in 1992. Las Vegas is also doing well. According to recent reports revenues in Vegas are way up in recent months and some of the largest casinos are on pace for a record-setting year according to the Nevada Gaming Commission. In October alone, gambling revenues on the Las Vegas Strip were up 10% over the same month last year. One factor for Las Vegas has been a booming Chinese economy and wealthy Asian players who are attending the city in record numbers.

**Mississippi Riverboat Gross Gaming Revenue**



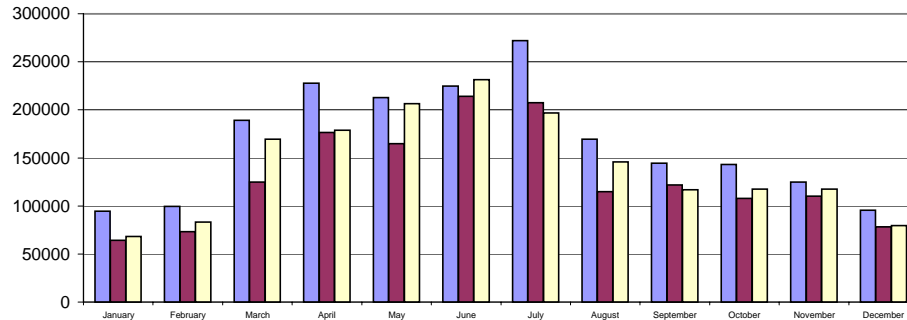
**State Welcome Center Visitors** - Over 1.4 million visitors were recorded at Louisiana's State Welcome Centers last year. This is a 4% increase, even though the Slidell Welcome Center, Louisiana's busiest welcome center, closed for renovation following Labor Day. The number of welcome center visitors is still down by 16% from the 1.598 million visitors recorded in 2004 when Louisiana had just ten centers instead of the 13 that are in the system today. Looking back at the last twelve years, over 1.6 million visitors were recorded at the centers each year from 1996-1999, and also in 2001 and 2003. The record during that period is 1.67 in 1996. Some of the decline in visitation during this period can be attributed to many of the centers being closed for renovations for six months or longer, such as the Greenwood, Mound, Pearl River, Kentwood, and Slidell centers, as well as, the temporary disruption in the New Orleans Center due to Katrina.

**Louisiana Welcome Center Visitors**



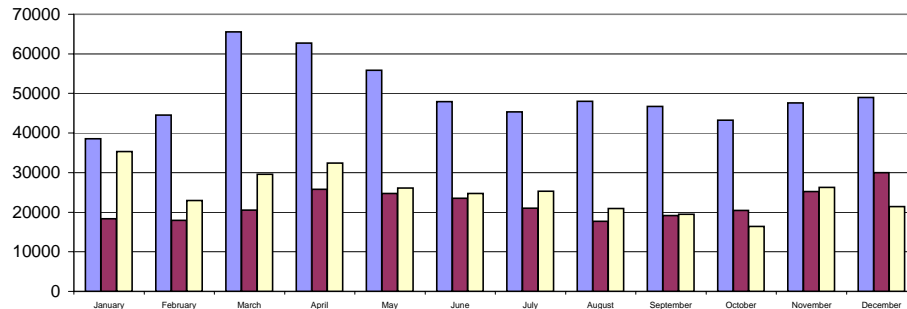
**Louisiana State Park Trends** - Over 1.7 million visitors were recorded at Louisiana's state parks and historic sites in 2007. This was almost 10% more than the previous year but 14% down from the Pre-Katrina benchmark year of 2004. While Fort Pike remains closed, due to damage from Hurricane Katrina, a new state park, Hodges Gardens SP, opened in May. Hodges Gardens was a Louisiana icon for many years in Louisiana and was purchased last year by the state of Louisiana. As the graph indicates, the peak period of use for Louisiana's state park system are the Spring and Summer months.

**La State Park and Historic Site Visitors**



**Jean Lafitte National Historic Park Trends** - While recreational visits to National Parks nationwide was relatively flat last year (+1.1%), the number of recreational visits to Jean Lafitte NHP grew by almost 18%. Recreation visits to the park are still not what they were in 2004 (-47%), but the improvement is a reflection of the gradual return of local residents and visitors alike to the New Orleans area. Because park visitation was only half of what it was in 2004, this is a sign of the decline in leisure visitors to South Louisiana. A positive sign that leisure visitors are returning as time goes on is the fact that the park experienced an increase in recreation visits in 9 of the last 12 months, while leisure travel nationwide (especially to National Parks) was experiencing little or no growth.

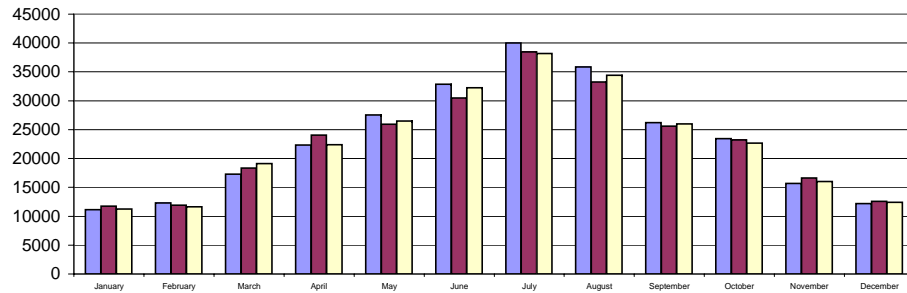
**Jean Lafitte NP Recreational Visits**





**National Travel Trends** - Domestic leisure destinations were essentially flat in 2007, and this is likely to continue in 2008. Hawaii arrivals were at the 1 percent growth level, and Walt Disney World an estimated 1.5 to 2.0 percent. Nationally, STR data for all domestic resort hotel properties was flat (-0.4%). Caribbean island arrivals were down an estimated 3 percent. Cruises again outpaced the rest of the leisure market, with passenger growth up a projected 7.5 to 8.0 percent. International travel gains were almost exclusively from inbound foreign arrivals that benefitted major U.S. gateway arrival markets. Latin American arrivals (+16.2%) helped tourism in the Florida market. The surge in European arrivals (+11.9%) was a plus for New York. The city's tourism arm, NYC & Company, estimated a 16 percent increase in its international arrivals, with these visitors accounting for half the city's total 2007 visitor increase.

**National Park Service Visitors Nationwide**



**U.S. Consumer Confidence Index Trend** - The Consumer Confidence Survey is based on a representative sample of 5,000 U.S. households. The monthly survey is conducted for The Conference Board by TNS. TNS is the world's largest custom research company. This month's slight gain in Confidence (over last month) was due solely to slight gains the outlook regarding business conditions, employment, and inflation. However, while consumers are less negative about the short-term future, they remain far from optimistic since December 's index was down 19% from last year at this time. Near-term domestic vacation intentions were also down slightly from the previous month and the previous year.

**U.S. Consumer Confidence Index**

