

Louisiana Travel Pulse

January 2007

Produced by the Louisiana Office of Tourism

Monthly Analysis - November year over year comparisons for airport traffic, welcome centers, and parks show improvements due to low 2005 figures as a result of Hurricanes Katrina and Rita. Overall casino revenue continues to grow in Louisiana but at a slower rate than Mississippi. On the other hand, the decline in hotel business continues as 2006 winds down. 2006 is currently 11% below the supply of room nights recorded in 2004, a benchmark year for Louisiana, and 3.5% below the record number of room nights sold for that year. The room supply trend will improve as more hotels come online in 2007, however, the gap in room nights sold will be much greater in 2007, as indicated by the 18% decline in November and similar results in previous months. Louisiana's Tourism Industry recovery in 2007 will be aided by optimistic growth forecasts nationwide in both the Tourism Industry and the economy. The Consumer Confidence Index is currently 10% higher than two years ago (see below), and the estimated growth in the Gross Domestic Product for 2006 is 3.3% and 2.6% in 2007.

Louisiana Tourism Trends

	November 2006	November 2005	% +/-	(Benchmark)		YTD 2006	% +/- 2005-2006	% +/- 2004-2006
Airport Trends				YTD 2004	YTD 2005			
Airport Passenger Enplanements								
Louisiana Metro Airports Total	370,950	238,710	55.4%	5,391,648	4,741,684	3,707,996	-21.8%	-31.2%
New Orleans	296,114	151,337	95.7%	4,481,142	3,700,986	2,813,578	-24.0%	-37.2%
Other Metro*	74,836	87,373	-14.3%	910,506	1,040,698	894,418	-14.1%	-1.8%
* Note: Excludes July-November Shreveport and Lake Charles.								
Louisiana Hotel/Motel Trends								
Rooms Sold (Percent Change 2005 - 2006)	1,330,704	1,626,324	-18.2%	16,632,766	17,364,351	16,044,689	-7.6%	-3.5%
Room Supply, (Percent Change 2005-2006)	2,134,200	2,005,470	6.4%	26,212,349	24,888,617	23,329,083	-6.3%	-11.0%
Occupancy Rate	62.4%	81.1%	-23.1%	63.5%	69.8%	68.8%	-1.4%	8.3%
Average Daily Rate	\$90.40	\$95.07	-4.9%	\$85.36	\$85.70	\$89.27	4.2%	4.6%
Louisiana Gaming Indicators								
Riverboat AGR*	\$138,294,250	\$157,373,788	-13.8%	\$1,437,323,675	\$1,498,297,484	\$1,695,336,897	16.4%	34.6%
Non-Indian Land Based Casino GGR**	\$32,626,972	Casino Closed	100.0%	\$294,111,891	\$229,443,934	\$304,795,425	32.8%	3.6%
Slots At Racetracks GGR***	\$28,717,466	\$27,000,797	6.4%	\$255,797,577	\$295,831,901	\$344,311,432	16.4%	34.6%
Total	\$199,638,688	\$184,374,585	8.3%	\$1,987,233,143	\$2,023,573,319	\$2,344,443,754	15.9%	18.0%
*Adjusted Gross Revenue								
**Gross Gaming Revenue from Harrah's New Orleans Casino								
***Initiated in 2/2002 at Delta Downs, 5/2003 at Louisiana Downs, and 12/2003 at Evangeline Downs								
State Welcome Center Visitors	114,463	73,487	55.8%	1,474,202	1,321,866	1,229,960	-7.0%	-16.6%
Notes: 1) I-20/Mound Welcome Center - operated out of a trailer most of 2005 due to renovation, 2) I-10/Vinton Welcome Center - closed temporarily to the public due to Hurricane Rita, and 3) N.O. Welcome Center - operating on a restricted 5-day per week schedule following Katrina.								

<u>Louisiana Parks Visitors</u>								
Jean Lafitte NHP*	25,232	10,706	135.7%	546,163	404,273	234,418	-42.0%	-57.1%
Louisiana State Parks and Historic Sites	110,132	70,456	56.3%	1,902,420	1,947,220	1,479,554	-24.0%	-22.2%
* Recreational Visits								

National Tourism Trends

<u>Airport Trends</u>	November 2006	November 2005	% +/-	YTD 2004	YTD 2005	YTD 2006	% +/- 2005-2006	% +/- 2004-2006
Airport Passenger Enplanements								
U.S. Scheduled Passenger Enplanements (000)	44,592	43,665	2.1%	495,663	509,510	505,529	-0.8%	2.0%
<u>U.S. Hotel/Motel Trends</u>								
Rooms Sold (Percent Change 2005 - 2006)			-0.9%				1.2	
Room Supply, (Percent Change 2005-2006)			1.3%				0.6	
Occupancy Rate	58.6%	59.9%	-2.2%	62.5%	64.2%	64.6%	0.6%	3.4%
Average Daily Rate	\$97.94	\$91.29	7.3%	\$90.87	\$90.95	\$97.35	7.0%	7.1%
<u>National Park Trends</u>								
Recreational Visits (000)	16,630	16,411	1.3%	264,703	261,406	259,321	-0.8%	-2.0%
<u>U.S. Consumer Confidence Index Trend</u>								
Index (1985=100)	102.9	98.3	4.7%	95.6	99.2	105.3	6.1%	10.1%

(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>	3rd Quarter	3rd Quarter	% +/-	(Benchmark)			% +/-	% +/-
	2006	2005		YTD 2004	YTD 2005	YTD 2006	2005-2006	2004-2006
U.S. Resident Visitors To La.	6,200,000	4,700,000	31.9%	17,597,000	16,801,000	12,300,000	-26.8%	-30.1%
Canadian Resident Vis. To La.	18,200	24,900	-26.9%	65,800	70,400	31,300	-55.5%	-52.4%

Notes: 2006 estimates are preliminary and subject to change. Hurricane related recovery travel is not included in 2006 estimates.

<u>Intent To Visit Benchmarks</u>	August 2006	May 2006	% +/-	March 2006	January 2006	October 2005	Pre-K 2005	% +/- 10/05-8/06
Regional Sample	50.7%	46.6%	8.8%	49.8%	46.1%	37.0%	53.0%	37.0%
National Sample	14.5%	18.4%	-21.2%	17.1%	24.0%	13.0%	21.0%	11.5%

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>	QTR 2006-2	QTR 2005-2	% +/-	QTR 2006-2	QTR 2006-1	QTR 2005-2	% Change From	% Change From
	Employment	Employment		Units	Units	Units	Prev. Qtr.	Prev. Year
Arts, Entertainment, & Recreation	41,020	47,822	-14.2%	1,539	1,520	1,538	1.2%	-0.1%
Accommodations and Food Services	155,217	176,859	-12.2%	8,262	8,200	8,211	0.1%	-0.6%

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

(Sources: University of New Orleans, Statistics Canada, La. Dept. of Labor, and DCRT.)

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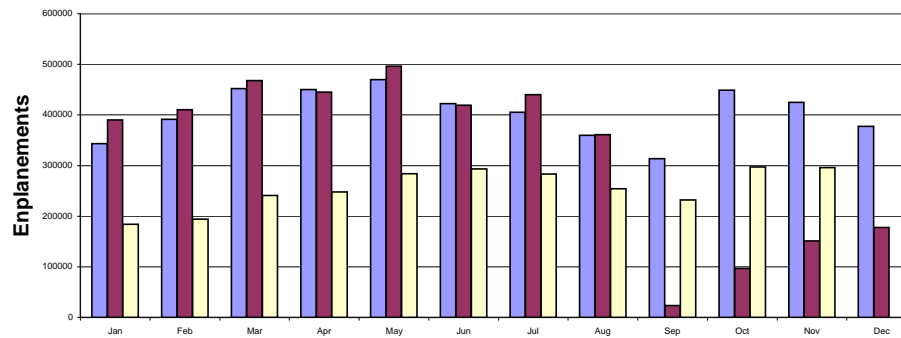
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Legend For All Graphs: 2004 = left bar (blue), 2005 = middle bar (red), 2006 = right bar (yellow)

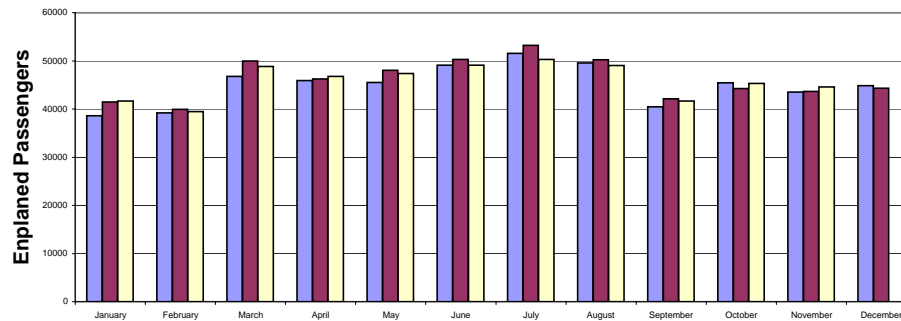
Louisiana Airport Enplanements - Louisiana enplanements in 2006 are approximately 80% of the number of enplanements recorded in 2005 and 70% of what was recorded in 2004. As the graph indicates, New Orleans is slowly recovering air traffic but has quite a climb before achieving the levels of 2004. Since New Orleans represents a lions share of the statewide enplanements (80.5% in 2004), its recovery is the key to achieving the enplanement numbers of 2004. New Orleans now has twice the number of seats available compared to one year ago, so there has been some major improvements; but must add another 8,000 seats before Pre-Katrina enplanement levels can be reached.

U.S. Airport Traffic - The Air Transport Association of America (ATA), the industry trade organization representing leading U.S. airlines, is forecasting that approximately 42 million passengers will travel globally on U.S. airlines during the 2006 winter holiday season for the 21-day period from Thursday, Dec. 14, 2006, through Wednesday, Jan. 3, 2007 – an estimated increase of 2.4 percent compared to the same 21-day period a year earlier.

New Orleans International Airport

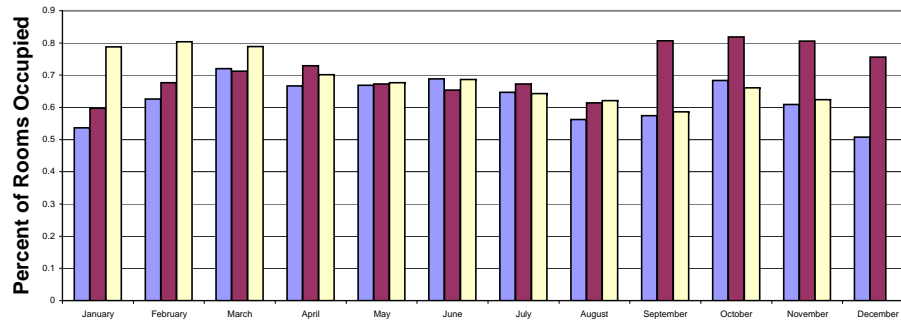


National Enplanements

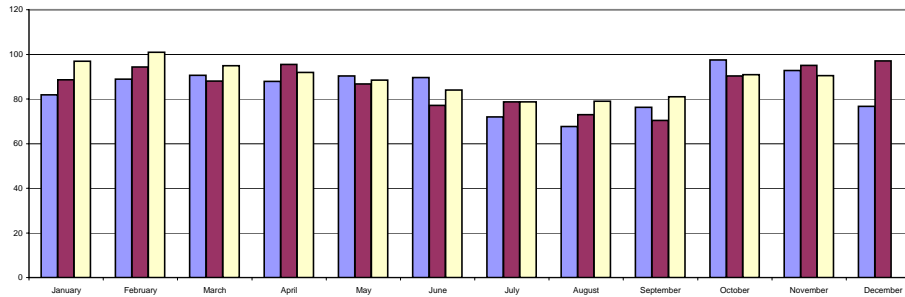


Louisiana Lodging Trends - The number of rooms available prior to August 30, 2005 was over 79,700. The following month this number had declined to less than 53,000 due to Hurricane Katrina. This represented a decline of 33 percent in rooms available. In the last 14 months, the number of rooms available in Louisiana has climbed up to over 71,140 rooms, which is higher than the 66,800 that existed one year ago (November 2005), but still almost 13,000 rooms short of the total that existed in August 2005. The occupancy rate for those 66,800 rooms last November was 81% and totaled over 1.6 million room nights that month. The biggest difference is not in the number of room nights but the type of guest occupying the rooms. In November 2005 Louisiana's hotels/motels were dominated by Katrina and Rita related business from uprooted families and many relief agency employees including FEMA, insurance companies, Red Cross, and others. Almost 11,000 hotel rooms were being paid for by FEMA in November 2005. By November 2006, this number had declined to less than 50.

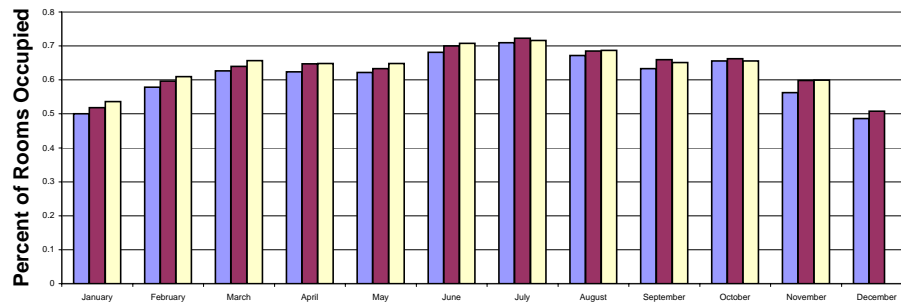
Louisiana Hotel-Motel Occupancy Rates



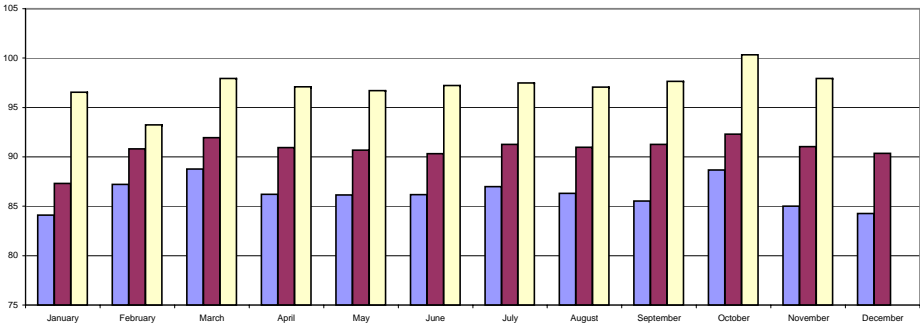
Louisiana Average Daily Rates



U.S. Occupancy Rates

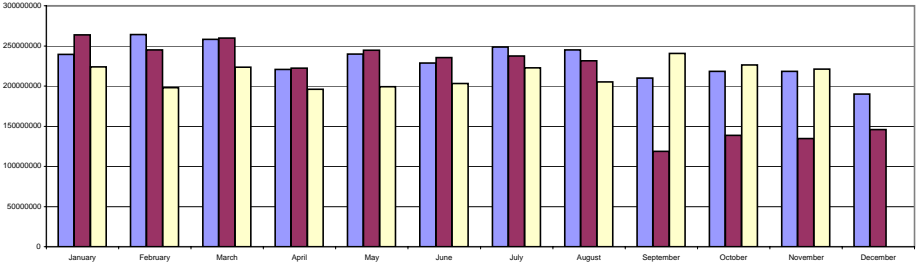


U.S. Average Daily Rates



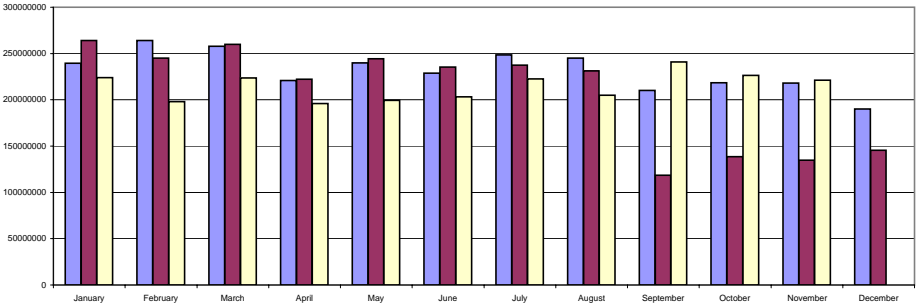
Louisiana Gaming Indicators - Riverboat gaming revenue for November and October 2006 declined when compared to the same months of 2005 when Louisiana and Mississippi tourism industries were recovering from Hurricanes Katrina and Rita. However, revenue for the whole year was 16.4% higher than last year and 34.6% higher than the same period in 2004. Total gaming revenue from riverboats, the land-based casino and racinos were 8.3% higher for the month, 15.9% higher for the year as a whole, and 18% higher than 2004.

Mississippi Riverboat Gross Gaming Revenue



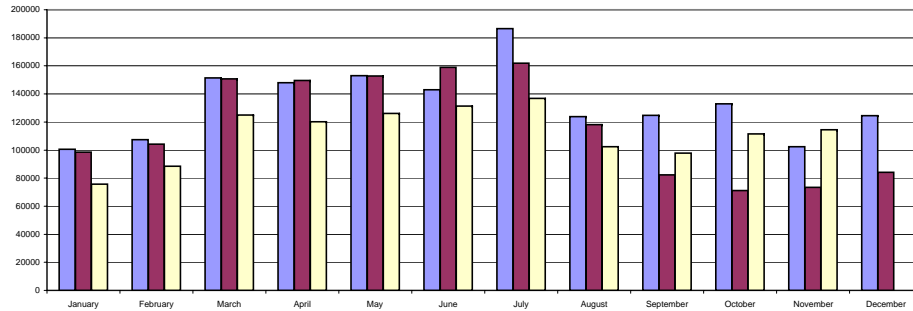
Even with two less casinos, Mississippi State-Licensed Casino gross gaming revenue is climbing to record highs. September and November 2006 were record highs for those months for Mississippi Riverboat gaming revenue. Combined with the near record month of October, Mississippi's future looks extremely bright as its casino industry bounces rapidly back from last year's devastating hurricanes. Record revenue growth can be expected in the coming months as Mississippi's high season approaches (1st Quarter). Mississippi now has 27 state-licensed casinos in operation, compared to 29 immediately prior to Hurricane Katrina in August 2005.

Mississippi Riverboat Gross Gaming Revenue



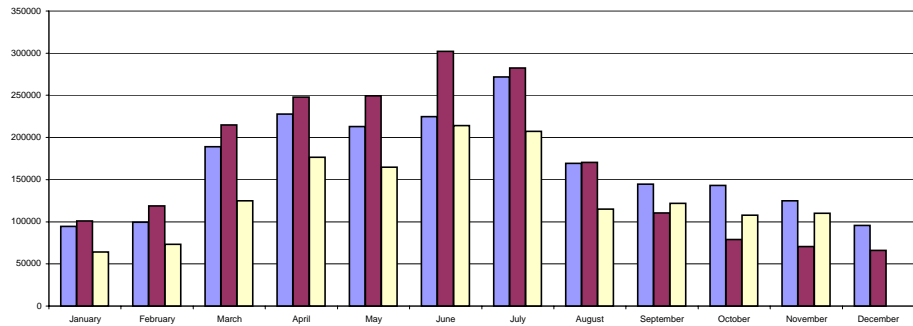
State Welcome Center Visitors - The number of visitors at Louisiana's state welcome centers rose by 55.8% in November. Although the number of visitors for the year is 7% below 2005 levels, another good month in December could greatly soften the decline for the year. 2006 traffic is particularly down for most of the year at the southern centers. The New Orleans Center has been operating on a five day a week schedule since Hurricane Katrina while all other centers are fully operational and are open seven days a week. As of October 2006, Mississippi state welcome centers were also below the levels recorded for the year in 2005, but will likely be above 2005 by the end of the year.

Louisiana Welcome Center Visitors



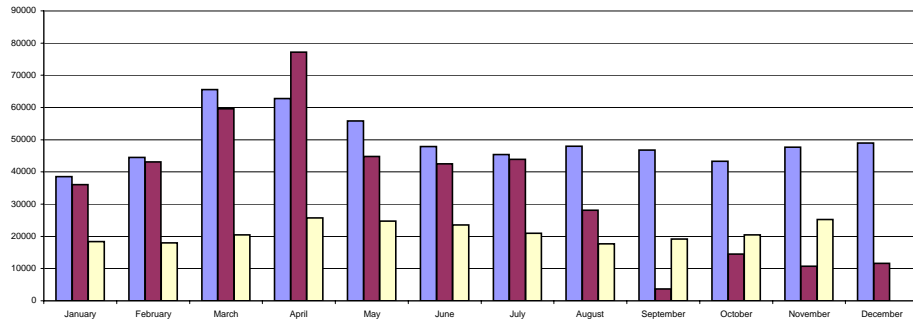
Louisiana State and National Park Trends - September, October and November visitation were above the visitation levels of the previous year. Last year during those months, both the state park system and Jean Lafitte were slowly recovering from Hurricanes Katrina and Rita. Both park systems are still recovering and are still below the Year-to-Date visitation of 2004 (JLHP down 57.1%, and LSP down 22.2%). For the same period, the National Park service reports an increase of 2% in visitation nationwide. Jean Lafitte is more dependent upon visitors returning to the New Orleans area.

La State Park and Historic Site Visitors

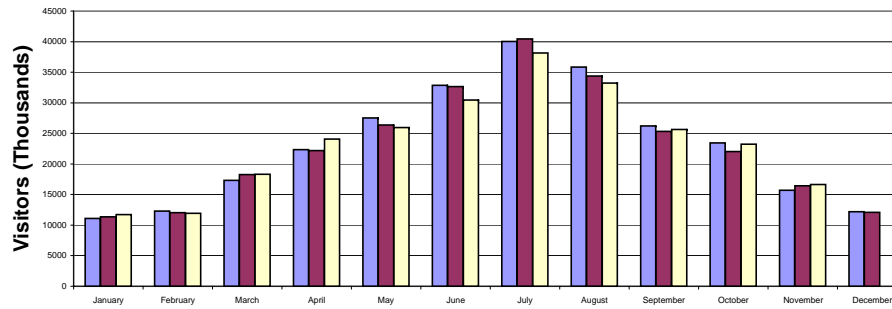


Seasonality plays a huge role in park visitation. The peak season for state and national parks are the summer months and the slow season are generally the winter months. As we are now in the winter season, we can expect minimal visitation. However, the number of visitors in November at both the La. State Parks and Jean Lafitte National Park increased slightly over October, and visitation at the state parks was very close to the benchmark year of 2004. With the reopening of St. Bernard State Park, following its closure due to Hurricane Katrina, park visitation in the coming months is expected to be much closer to the volumes experienced in 2004.

Jean Lafitte NP Recreational Visits



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. The cutoff date for November's preliminary results was November 14th. "A tighter labor market and a more guarded short-term outlook have combined to curb consumers' confidence in November," says Lynn Franco, Director of The Conference Board Consumer Research Center. "Despite this retreat in confidence, the overall level of confidence remains favorable and continues to suggest that the economy will expand throughout the first half of next year."

U.S. Consumer Confidence Index

