

Louisiana Travel Pulse

October 2007

Produced by the Louisiana Office of Tourism

Analysis/Highlights:

- * Most of Louisiana's airports had more traffic this year and they are lead by New Orleans' 26.8% increase. Baton Rouge's decline of 13% is the only minus to date.
- * Through the first eight months of 2007, Louisiana's occupancy rate and RevPar is 10% below last year. From the standpoint of RevPar, Shreveport (+1.2%), Monroe (-1.5%), and Lafayette (-1.6%) are doing the best when compared to last year. Each have small declines in room demand (less than 3%). Rapides' RevPar has declined more (-3.4%) but its room demand declined even more significantly (-15.6%). New Orleans, Baton Rouge, and Lake Charles were the most affected areas of the hurricanes, and their RevPar is currently down significantly (-15.1%, -14.0%, -13.5% respectively).
- * State parks and historic sites are 12.3% higher than last year and Jean Lafitte NHP is 28% higher. Neither are back to 2004 levels yet.
- * August "Intent to Visit" percentages fell from previous surveys in our Quarterly Travelers Survey. The cause is mainly due to the closeness of the Katrina/Rita anniversary date and the resulting national media coverage in several significant national magazines. (See Quarterly Trends)
- * Significant second quarter increases were experienced by the Audubon Golf Trail and La. Tax Free Shopping. (See Quarterly Trends)

Louisiana Tourism Trends

	August 2007	August 2006	% +/-	(Benchmark)			% +/- 2006-2007	% +/- 2004-2007
Airport Trends				YTD 2004	YTD 2006	YTD 2007		
Airport Passenger Enplanements								
Louisiana Metro Airports Total	351,500	315,359	11.5%	3,706,107	2,515,451	3,020,118	20.1%	-18.5%
New Orleans	290,561	253,965	14.4%	3,294,061	1,981,280	2,511,493	26.8%	-23.8%
Other Metro*	60,939	61,394	-0.7%	412,046	534,171	508,625	-4.8%	23.4%
* Note: Includes Baton Rouge, Monroe, and Alexandria metropolitan airports.								
Louisiana Hotel/Motel Trends								
Rooms Sold	1,355,962	1,357,969	-0.1%	12,124,304	12,015,062	11,506,206	-4.2%	-5.1%
Room Supply	2,321,559	2,186,368	6.2%	18,947,999	16,904,546	17,973,823	6.3%	-5.1%
Occupancy Rate	58.4%	62.1%	-6.0%	64.0%	71.1%	64.0%	-10.0%	0.0%
Average Daily Rate	\$77.92	\$78.25	-0.4%	\$83.87	\$89.90	\$89.52	-0.4%	6.7%
Louisiana Gaming Indicators								
Riverboat AGR*	\$148,122,706	\$147,091,684	0.7%	\$1,071,711,405	\$1,275,285,749	\$1,204,079,872	-5.6%	12.4%
Non-Indian Land Based Casino GGR**	\$35,325,384	\$32,728,890	7.9%	\$214,736,455	\$208,463,789	\$275,100,884	32.0%	28.1%
Slots At Racetracks GGR***	\$29,651,420	\$29,654,691	0.0%	\$187,853,826	\$257,603,510	\$246,880,249	-4.2%	31.4%
Total	\$213,099,510	\$209,475,265	1.7%	\$1,474,301,686	\$1,741,353,048	\$1,726,061,005	-0.9%	17.1%
*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								
	126,518	102,490	23.4%	1,113,987	906,098	1,017,545	12.3%	-8.7%
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.								
Louisiana Parks Visitors								
Jean Lafitte NHP*	20,901	17,713	18.0%	408,504	169,699	217,365	28.1%	-46.8%
Louisiana State Parks and Historic Sites	145,908	114,911	27.0%	1,490,010	1,139,658	1,280,229	12.3%	-14.1%
* Recreational Visits								

National Tourism Trends

(Benchmark)

	August 2007	August 2006	% +/-	YTD 2004	YTD 2006	YTD 2007	% +/- 2006-2007	% +/- 2004-2007
<u>U.S. Hotel/Motel Trends</u>								
Rooms Sold			3.9%				1.3%	
Room Supply,			1.5%				1.2%	
Occupancy Rate	70.0%	68.4%	2.3%	62.7%	65.0%	65.1%	0.1%	3.8%
Average Daily Rate	\$103.64	\$97.73	6.0%	\$86.55	\$97.55	\$103.15	5.7%	19.2%
<u>National Park Trends</u>								
Recreational Visits (000)	34,399	33,510	2.7%	199,321	194,827	195,751	0.5%	-1.8%
<u>U.S. Consumer Confidence Index Trend</u>								
Index (1985=100)	105.0	100.2	4.8%	96.0	105.5	108.2	2.5%	12.7%

(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>	1st Quarter 2007	1st Quarter 2006	% +/-		
U.S. Resident Visitors To La.*	6,400,000	2,200,000	190.9%		
Canadian Resident Vis. To La.**	17,600	13,100	34.4%		

* 2006 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>								
MDRG Survey								
	August 2007	April 2007	January 2007	August 2006	May 2006	March 2006	January 2006	
Regional Sample	46.5%	60.2%	56.3%	50.7%	46.6%	49.8%	46.1%	
National Sample	19.0%	47.9%	33.9%	31.5%	30.8%	30.5%	35.6%	
TNS Survey								
	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>	QTR 2006-4 Employment	QTR 2005-4 Employment	% +/-	QTR 2006-4 Units	QTR 2006-3 Units	QTR 2005-4 Units	% Change From Prev. Qtr.	% Change From Prev. Year
Arts, Entertainment, & Recreation	40,261	38,664	4.1%	1,555	1,533	1,531	1.4%	1.6%
Accommodations and Food Services	156,767	140,493	11.6%	8,331	8,242	8,204	1.1%	1.5%

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>	2nd Quarter	2nd Quarter	% +/-	YTD	YTD	YTD	% +/-	% +/-
	2007	2006		2004	2006	2007	2006-2007	2004-2007
Number of Rounds Played	90,590	84,189	7.6%	112,666	135,011	145,486	7.8%	29.1%
Number of Courses Open	12	10	20.0%					

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

(Benchmark)

<u>Louisiana Tax Free Shopping</u>	2nd Quarter	2nd Quarter	% +/-	YTD	YTD	YTD	% +/-	% +/-
	2007	2006		2004	2006	2007	2006-2007	2004-2007
Number of Refund Transactions	3,416	1,423	140.1%	18,377	3,525	8,748	148.2%	-52.4%
Number of Sales	14,883	7,969	86.8%	78,694	18,060	36,032	99.5%	-54.2%
Retail Spending	\$3,065,978	\$1,560,865	96.4%	\$12,790,857	\$3,414,495	\$7,718,497	126.1%	-39.7%

Other National Tourism Trends

<u>Intent to Vacation</u>	August	August	% +/-	June	April	February	December	October
	2007	2006		2007	2007	2007	2006	2006
Within the U.S.	41.8%	43.3%	-3.5%	42.2%	41.7%	40.6%	46.0%	46.4%
Foreign country	7.9%	9.5%	-16.8%	9.2%	9.7%	8.2%	9.0%	9.8%

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>	August	August	% +/-	June	April	February	December	October
	2007	2006		2007	2007	2007	2006	2006
Accommodations and Food Service (Thousands)	11,971	11,607	3.1%	11,921	11,477	11,133	11,278	11,288

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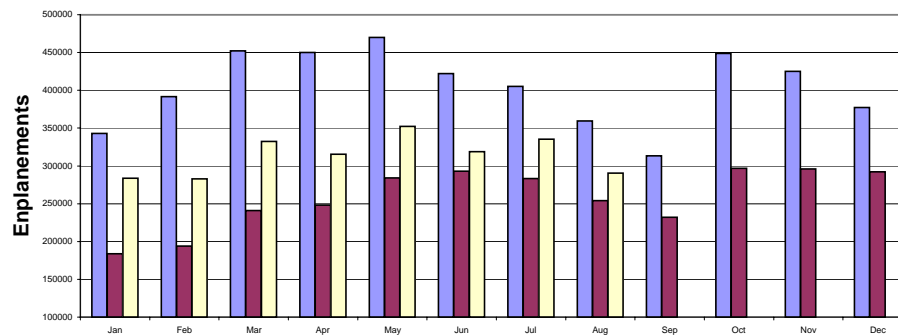
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Legend For All Graphs: 2004 = left bar (blue)(benchmark year), 2006 = middle bar (red), 2007 = right bar (yellow)

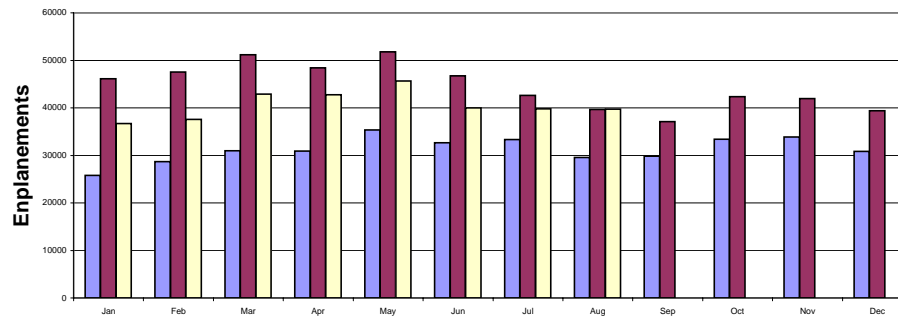
Louisiana Airport Enplanements - The Essence Festival was responsible for two of the busiest days at N.O. International Airport this year, with over 30 thousand passengers recorded on July 8th and 9th. Without the Essence Festival, the increase in July would have been just a modest one. There was no such event in August, so enplanements trended downward to normal seasonal levels, but still 14% higher than last year. For the first eight months of 2007, the airport is nearly 27% ahead of last year's total but still only has 70% of the seat capacity it had prior to Hurricane Katrina. Louisiana's regional airports at Alexandria, Lafayette, and Monroe are also ahead of last year's 8 month pace. However, Baton Rouge's Metropolitan Airport has declined this year from the tremendous surge it experienced last year and in late 2005.

Baton Rouge Metropolitan Airport is the second largest airport in Louisiana. Traffic at the airport is still higher than 2004, but has declined from last year's record numbers. Nearly 50 commercial flights daily depart or arrive at the airport. Delta, Continental, Northwest and Frontier airlines currently serve the airport. Frontier was the latest airline to provide service at Baton Rouge and now provides connections to Denver. The other airlines provide flights to Chicago, Houston, Dallas, Washington DC, Atlanta, and Memphis. Air service drastically increased following hurricane Katrina when the New Orleans International Airport was closed or severely reduced. Traffic has scaled back since that time but still going strong.

New Orleans International Airport



Baton Rouge Metro Airport

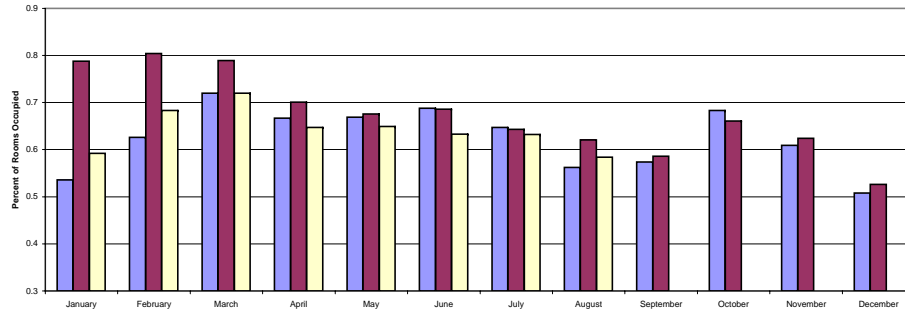


Louisiana Lodging Trends - Through the first eight months of 2007, Louisiana's occupancy rate and RevPar is 10% below last year. The number of room nights sold is down by 4% and the supply of rooms is up 6%. One must remember that Louisiana was still feeling the effects of hurricane displaced citizens during the first eight months of 2006 and many of these displaced citizens were staying in hotels/motels around the state, along with hurricane recovery workers, insurance adjustors, FEMA employees, etc. As 2006 progressed less and less hotel rooms were occupied but there were enough in 2006 to artificially inflate occupancies and generate occupancy taxes. Normal tourism and business patterns are now in place but some areas could be feeling the pinch of decreased tourism due the prestige hit Louisiana took following the 2005 hurricanes. From the standpoint of RevPar, Shreveport (+1.2%), Monroe (-1.5%), and Lafayette (-1.6%) are doing the best when compared to last year.

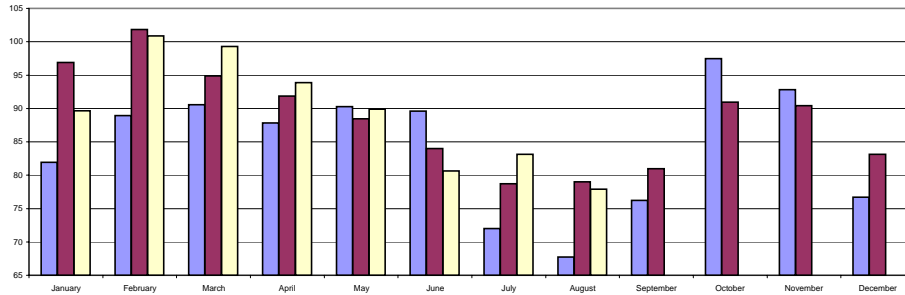
Each have small declines in room demand (less than 3%). Rapides' RevPar has declined more (-3.4%) but its room demand declined even more significantly (-15.6%). New Orleans, Baton Rouge, and Lake Charles were the most affected areas of the hurricanes, and their RevPar is currently down significantly (-15.1%, -14.0%, -13.5% respectively). Room demand in B.R and L.C. is also down by 13%. New Orleans' room demand is stable (-0.3%) and has added around 3,000 more rooms within the last 12 months. When comparing 2007 with the same period of 2005 (Jan.-Aug.), we find RevPar has improved in all areas *except* New Orleans. This is mainly due to increased room rates since the number of room nights sold has declined in all areas except Lafayette and Shreveport. Therefore, while hotel revenue may be strong, the number of visitors staying in hotels/motels in most areas of the state are still below pre-Katrina/Rita levels.

U.S. Lodging Trends - Hundreds of new hotels are rising across the USA as the lodging industry seeks to cash in on rising room rates and strong demand from travelers. The number of hotel rooms under construction in July jumped 20% from a year earlier, a report from industry tracker Smith Travel Research shows. More than 196,000 rooms — more than 2,000 hotels — will open within two years. That's the highest number of new rooms in the pipeline in more than seven years. However, PricewaterhouseCoopers research shows the roiling credit markets will shake the lodging industry in 2008 by reducing hotel supply and demand. The research shows 3,000 fewer hotel rooms will be built in 2008 than previously projected, a 2.4% reduction in the construction pipeline that is traced directly to lenders' postponing or canceling financing for new lodging projects. The revised forecasts may indicate the first, modest signs of a slowdown in the U.S.lodging industry. Meanwhile, nationwide August occupancy and average daily rates were up 2.3% and 6%

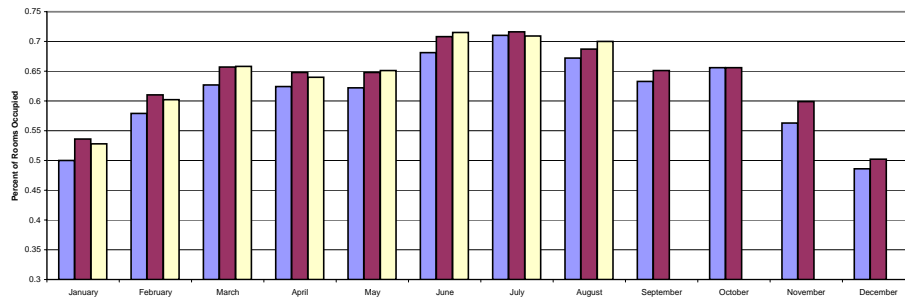
Louisiana Hotel-Motel Occupancy Rate



Louisiana Average Daily Rate

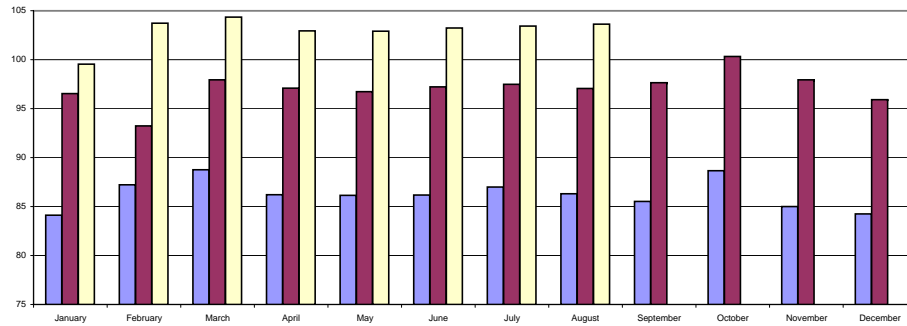


U.S. Occupancy Rates



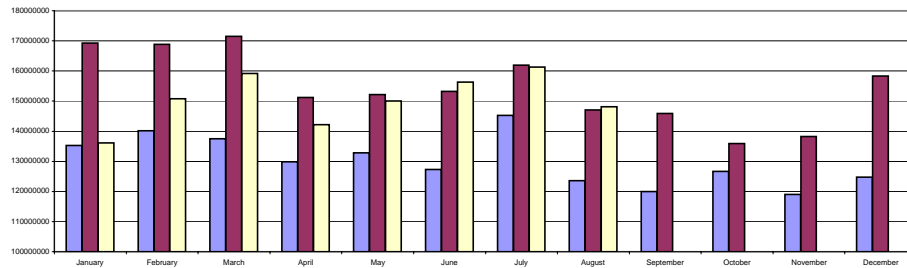
August occupancy and average daily rates were up 2.5% and 0% respectively.

U.S. Average Daily Rate



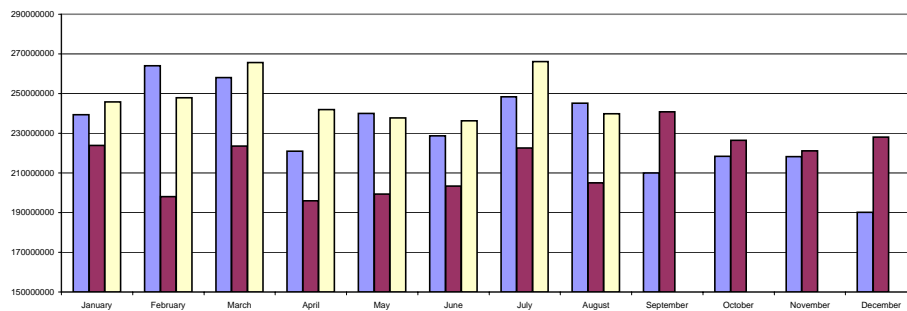
Louisiana Gaming Indicators - After eight months, gross gaming revenue from Louisiana's riverboats, land-based casino, and racinos is down 1 percent compared to last year but up by 17 percent over 2004. Even though stagnant this year, the recent growth in Louisiana gaming revenue is part of a nationwide trend which one analyst predicts will reach \$60 billion this year. James Cammisa of Travel Industry Indicators also calculates that the total spending by casino visitors is closer to \$72 billion when expenditures for hotels, restaurants, retail purchases, etc. is factored into the total casino trip expenditures. This makes casino expenditures four times the size of the North American cruise industry. Also, according to Harrah's recent research, 26 percent of the U.S. adult population visit a casino annually. These figures demonstrate the size and competition of the casino industry.

Louisiana Riverboat Adjusted Gross Revenue



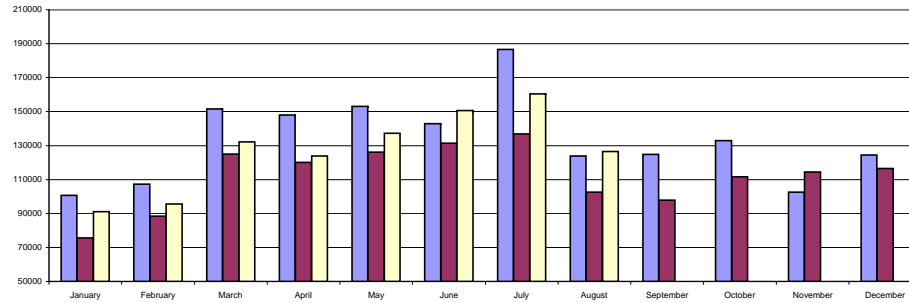
The large number of casinos in Mississippi (28) and Louisiana provide a significant gaming region in the U.S. that is immediately surrounded by states with almost no gaming opportunities. Mississippi casino revenue continue to grow at a record pace and is attracting visitors from all over the southern U.S. Mississippi casinos currently account for 30,100 jobs, or approximately 25 percent of the total number of tourism jobs in Mississippi. Tourism this year could be the state's 5th or 6th largest employer in Mississippi. The billions being spent on gaming nationwide is obviously a draw to investors as a number of casino casino projects are either underway or being planned for Mississippi. These projects will increase the number jobs and revenue generation and the importance of gaming and tourism to the state.

Mississippi Riverboat Gross Gaming Revenue



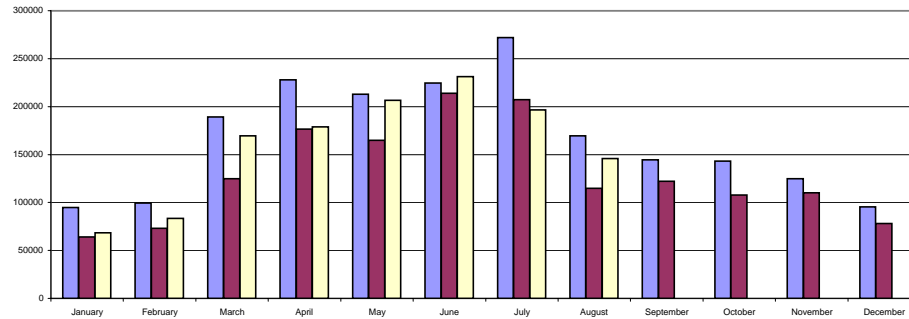
State Welcome Center Visitors - All thirteen of Louisiana's state welcome centers were open in August whereas in August 2006, the Capitol Park Welcome Center was not yet open. Through the first 8 months of 2007, the following centers have recorded increased visitors: New Orleans, Slidell, Pearl River, Kentwood, State Capitol, Vidalia, Mound, Vinton, and I-49. Slidell has experienced an increase of 28,010 visitors, more than any other center. Kentwood and Vinton experienced increases of 23,026 and 20,031 respectively. These increases are attributed to Louisiana's recovery in the tourism industry following the 2005 hurricanes.

Louisiana Welcome Center Visitors



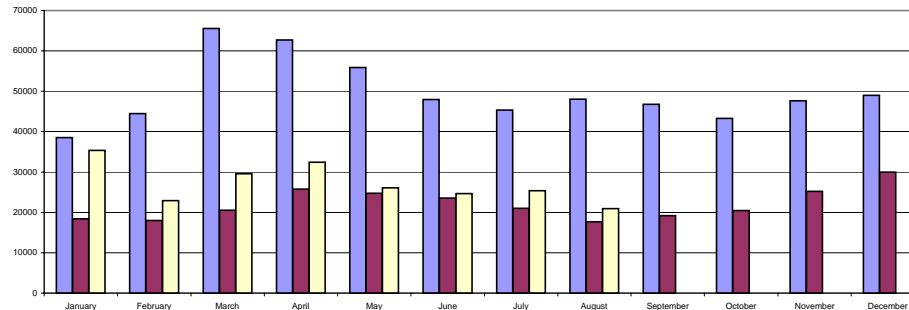
Louisiana State Park Trends - Visitors to Louisiana State Parks and Historic Sites increased by 30,997 in August. The primary increase was the 16,938 additional overnight visitors. However, there were also an additional 13,398 day use visitors, all of which were visitors to State Parks. Even with these increases, August visitation was not as high as the previous four months due to a normal seasonal pattern which is also experienced by many other parts of the industry. Even though August is a very popular month for family vacations nationwide, the heat and humidity experienced in Louisiana generally slows traffic to the state. Even with the heat and humidity August is still not as slow as the cold months of winter when camping and other outdoor activities are much more subdued.

La State Park and Historic Site Visitors



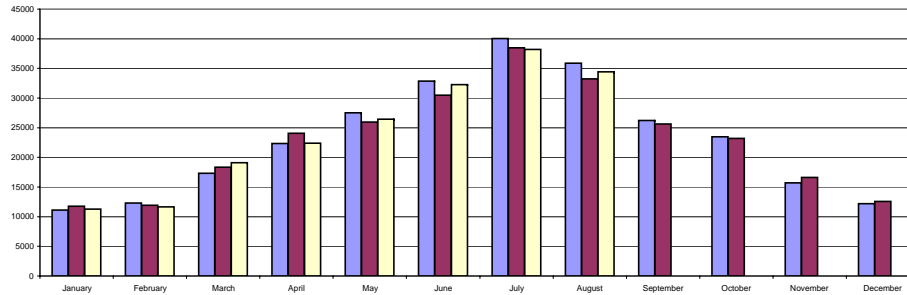
Jean Lafitte National Historic Park Trends - Visitors to Jean Lafitte NHP increased by over 3,000 in August compared to last year. Even though the Chalmette and Barataria units are still recovering from Hurricane Katrina, the other units of the Park are still operating as usual. Acadian Cultural Center located in Lafayette presents craft demonstrations, boat tours and the history of the Acadian people who settled southeast Louisiana. The Wetlands Acadian Cultural Center located in Thibodaux offers bayou boat tours, walking tours in town, weekly Cajun music jam sessions, craft demonstrations and history of the people who settled the bayou country. Also, there is the Prairie Acadian Cultural Center located in Eunice which has exhibits, cooking demonstrations, and live Cajun and zydeco music known locally as "the Cajun Grand Ole Opry."

Jean Lafitte NP Recreational Visits



August is traditionally the second most popular month in National Parks nationwide. Even though park attendance this year has declined 1.8% so far this year, August 2007 attendance was 2.7% higher than last year. Generally speaking National Parks continue to be very popular destinations for summer vacations. According to one industry expert, August travel was surprisingly strong in the U.S. because of: 1) the lack of hurricane warnings which usually impact coastal regions, 2) later school starts in a number of states, and 3) increased number of international travelers coming to the U.S. Also, many experts agree that gasoline prices do not appear to be affecting late summer travel.

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. Consumer confidence surged in July but gave it all back in August. The index was 111.9 in July and 105 in June and August. The Conference Board also monitors consumers vacation intentions (see latest Quarterly Trends worksheet). In August, the vacations index was 41.8, down from 43.3 recorded in August last year. The decline of both of the indices does not bode well for travel if this trend continues. According to the Conference Board, consumers' assessment of present-day conditions in August was significantly less upbeat than July and turned cautious in their short-term outlook.

U.S. Consumer Confidence Index

