Downhill Skiing / Snowboarding

MAY 2014

Ski at a glance in British Columbia

British Columbia's skier visits (2012-13)	6.5 million	Total economic output (2007-08)	$1.1 billion
British Columbia's share of Canadian skier visits (2012-13)	34%	Real GDP (2007-08)	$731 million
British Columbia's share of global skier visits (2012-13)	1%	Full-time jobs (2007-08)	14,000
Top target markets: British Columbia, Australia / New Zealand, United States, Alberta, Germany, Japan, and Mexico			

Sources: Destination British Columbia, Canada West Ski Areas Association

About downhill skiing / snowboarding

British Columbia's *downhill ski / snowboard tourism* sector is world-renowned, thanks in large part to the success of our destination mountain resorts, one of the most recognizable is Whistler Blackcomb, which consistently records the most skier visits in North America and was ranked 9th most visited ski area globally in the 2012-13 ski season.

British Columbia offers two types of downhill ski areas - Destination Mountain Resorts, which are large (>40 trails) and market-ready (e.g. offer in-resort accommodation), and are the focus of this profile, and Community Ski Facilities, which are smaller (<40 trails) and tend to draw from the local community.

Combined there are approximately 40 downhill ski areas that exist in British Columbia. Reaching all corners of the province, ski areas are represented in all 6 tourism regions. Destination Mountain Resorts, which account for approximately 75% of British Columbia skier visits have ski areas concentrated in 4 of the tourism regions - Kootenay Rockies, Thompson Okanagan, Vancouver, Coast and Mountains and Vancouver Island.

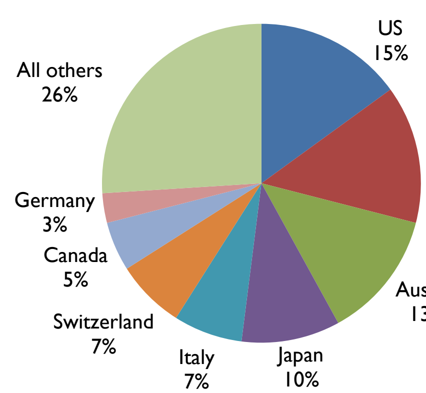
	British Columbia's downhill ski areas	Destination Mountain Resorts	Community Ski Facilities
Tourism region	1. Kootenay Rockies	7	5
	2. Thompson Okanagan	4	4
	3. Vancouver, Coast and Mts	1	5
	4. Vancouver Island	1	1
	5. Northern	0	9
	6. Cariboo Chilcotin Coast	0	2
	Total	13	26

While this profile includes both skiing and snowboarding, the industry measures visitation in *skier visits,* which is defined as one person visiting a ski area for the purposes of skiing or snowboarding. Visits can include full-day, half-day, night skiing, seasons pass holders, and complimentary tickets. The umbrella term *downhill skiing*, which also includes downhill snowboarding, will be used in this profile to encompass both. Skier visits reported in this profile often include other types of ski experiences such as Nordic, heli-skiing, backcountry skiing, etc. Although included, please note that the proportion of other ski experiences is less than 10% of all skier visits in British Columbia.

Global volume

Spread across 80 countries, there are more than 2,000 downhill ski areas. Combined, these ski areas record an estimated 400 million skier visits annually. Spurred by market expansion in China and Eastern Europe, growth projections call for global skier visits to increase to 420 million by 2020.

Distribution of global skier visits (2012-13)



Source: Canada West Ski Areas Association

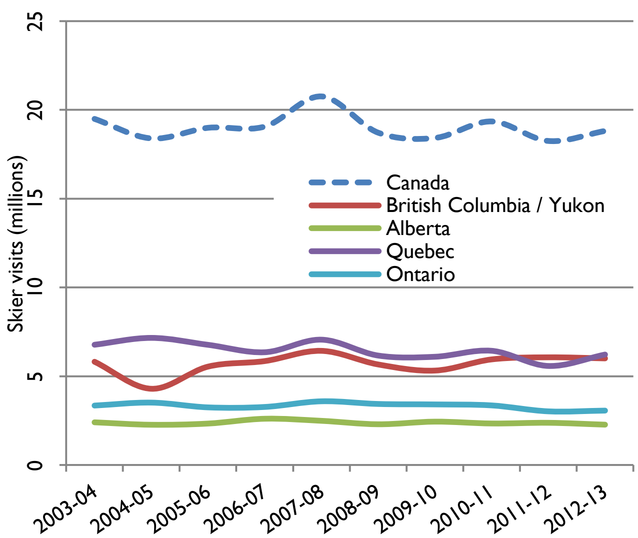
Destination British Columbia™

Skier visits are distributed globally, however the Alps, which include Austria, France, Germany, Italy and Switzerland, capture the largest portion (44%) of skier visits. This is understandable as 75% of the world's largest resorts are positioned there.

North and South America combined have 21% of the world's ski areas and capture 22% of skier visits. US ski areas recorded 57 million skier visits annually - the highest number of skier visits of any country, amounting to 15% of the global total during the 2012-13 season. US ski areas recorded an increase of 11% of skier visits over 2011-12. This represented the biggest year-over-year rebound in 30 years and was likely due to the greatly improved snow conditions that were seen during the 2011-12 ski season.

Canadian ski areas recorded 19 million skier visits in 2012-13, approximately 5% of the global total. This marks a modest 3% increase over 2011-12. Canadian skier visits over the past 10 years show that the 2007-08 season was a high point for all provinces, and Canada overall. Visitation has declined slightly since, however British Columbia has recorded three consecutive seasons of growth (2010-11 through 2012-13), which is a positive sign for the province's ski industry.

Trends in Canadian skier visits (2003-04 to 2012-13)



Source: Canada West Ski Areas Association

According to MountainVertical.com, a ski resort statistics website, British Columbia has 4 of the top 8 ski resorts in North America. Ski areas within British Columbia recorded over 6 million skier visits annually, which accounts for 34% of all skier visits in Canada, but only 9% of all skier visits to North American ski areas. While British Columbia's share of the North American market appears relatively small, the province, with a population of 4.6 million, records approximately the same number of skier visits as California, which has a population of 38 million.

2012-13 share of skier visits	Skier visits Thousands (,000s)	Share of Canada's skier visits Share of total
1. British Columbia / Yukon	6,464	34%
2. Alberta	2,590	14%
3. Ontario	3,070	16%
4. Quebec	6,226	33%
5. Other Canada	729	4%
Total	19,079	100%

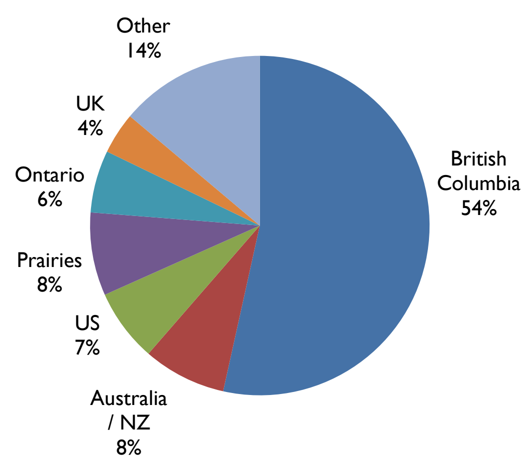
Source: Canada West Ski Areas Association

Markets of interest

British Columbia's skier visits are largely British Columbian residents, making up over 50% of all skier visits. Approximately 14% of the British Columbian population are active skiers. This is the highest provincial participation rate compared to other provinces within Canada, which has 2.2 million active skiers (6% of population).

Australia / New Zealand is the second largest ski market for British Columbia, making up 8% of all skier visits, which is followed closely by the US ski market at 7%. Other top international markets include UK, Germany, Japan, and Mexico.

British Columbia skier visits by market (2012-13)



Source: Canada West Ski Areas Association

Canadian ski areas are heavily dependent on the domestic market with Canadians making up 87% of skier visits (16.6 million skier visits) in 2012-13. The remaining 13% of skier visits comprise of non-Canadians. Since 2001-02, there has been a decline in this number. The global economic crisis and relative strength of the Canadian dollar are the primary reasons why US and international skier visits have declined in the past decade. US skier visits in Canada peaked in 2001-02 at 2.1 million and have declined 20% since and stand at 800,000 in 2012-13. International skier visits peaked in 2001-02 at 2.7 million and have dropped to 1.5 million skier visits in 2012-13.

Visitor characteristics

Generally speaking, North American skiers are a relatively homogenous population. They tend to be male, Caucasian, well-educated with a college or university degree and have a higher income of $75,000+.

US SKI TRAVELLERS

Next to the British Columbian resident, US skiers make up the second largest skier visit market in British Columbia. As such, the US market that travels to ski are of great interest to the British Columbia tourism industry.

Skier and Ski Traveler Study: A Preview, a report published by PhoCusWright in 2013 looked specifically at US ski travellers. Approximately 6 million skiers qualified as ski travellers – having had an overnight ski trip with paid accommodation at least 75 miles from home in the past 12 months. Ski travellers are more travelled and wealthier than average US travellers. They take an average of two overnight ski trips per year (higher in the Eastern US) and approximately half (49%) have household incomes of $100,000+ (versus 24% of the US traveller population). Two-thirds of ski traveller parties are comprised of 2-4 people. The average spend reported by all ski travellers on their most recent ski trip was approximately $1,000 (average trip duration was 3 nights). The top factors influencing destination selection were snow quality, proximity of accommodation to lifts, and the number of advanced/expert trails. Canada was the most recent ski destination of 11% of ski travellers in the West and 5th among those in the East.

Trends

There are several notable trends happening within the North American ski industry. Domestic ski tourism in the US is growing. Domestic resorts are reaping the benefits as fewer US residents are travelling internationally to ski and more domestically. This has ramifications for those Canadian resorts which depend heavily on US visitation.

Another trend that is occurring is the slight decline of snowboarding popularity. Snowboarding currently accounts for 30% of skier visits in the US, down from 32% in 2010. The trend is more pronounced in Canada with snowboarding accounting for just 22% of the overall market. Snowboarders tend to be younger than skiers, which suggest it may become increasingly harder to attract new participants to the sport.

Finally, an overall trend is the aging population. As a result, participation rates are dropping (participation rates start to decline as skiers reach their mid 40s).

Economic value

The British Columbia ski industry is relatively stable and a significant economic contributor. In 2008, downhill skiing accounted for 8% of British Columbia's total tourism revenues ($13.3 billion) and 10% of British Columbia's total real tourism gross domestic product. The economic value of British Columbia's 13 Destination Mountain Resorts in 2007-08 resulted in a total output (revenue) of $1.1 billion.

2007-08 economic impact of British Columbia's 13 Destination Mountain Resorts	Mountain Resort Properties ($ millions)	Incremental Visitor Spending ($ millions)	Combined Total ($ millions)
Input	$379.5	$769.1	$1,100
Output (revenue)	$280.8	$800.8	$1,100
GDP	$329.6	$401.3	$730.9
Wages	$185.1	$275.2	$460.3
Employment (FTE)	6,602	7,665	14,267

Source: The Value of Mountain Resorts to the British Columbia Economy

Barriers to growth

Although the ski industry in Canada and specifically, British Columbia, has seen a steady rise over the past three seasons, the growth of the ski industry may be challenged in the coming years due to several issues.

Firstly, limited air service options from key markets and respectively high air travel costs when compared to other similar jurisdictions are a challenge when trying to attract US and international skiers.

Secondly, the rising operational costs such as increases in minimum wage rates, BC Hydro charges, and Workers Compensation Board premiums are having a negative impact on profitability. This is particularly acute for operations with large infrastructure and capital investments such as the Mountain Resorts.

The decline in School Ski Programs, presents a challenge, as this is a key new-skier development channel. And finally, access to Foreign Worker Programs, have also created challenges in attracting and securing from what is often an international workforce.

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