THE MARINE TOURISM INDUSTRY IN BRITISH COLUMBIA

Prepared For
DEPARTMENT OF REGIONAL
INDUSTRIAL EXPANSION
JULY 1, 1987

Laventhol & Horwath
Management Consultants

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DELIVER

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Attention: Mr. Ed L. Bobinski, Director
Trade, Tourism and Field Operations

Dear Mr. Bobinski:

In accordance with the terms of our engagement, we present the results of our study of the marine tourism industry in the Province of British Columbia.

We were asked to describe the marine tourism industry in terms of its components, structure, performance, strengths/weaknesses, issues and opportunities. All assumptions and estimates used in arriving at the description of the industry are discussed in the body of the report. As requested the information presented in this sector paper represents Phase I of a two phase study and has been based on the compilation and analysis of available data. Since the majority of the information contained in available sources were several years old, the material presented in this paper does not necessarily reflect the current state of the marine tourism industry in B.C.

The material in this report should be viewed as background in preparation for a more accurate, detailed and current analysis of the marine tourism industry which will be developed in Phase II from scheduled interviews with industry representatives.

We would like to thank Regional Industrial Expansion for the opportunity to work on this very interesting assignment and look forward to assisting you with industry consultation as well as the final analysis and synthesis of all the findings in preparation of a final report.

Yours very truly,

LAVENTHOL & HORWATH

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SCOPE OF THE PAPER

Our firm was engaged by the Department of Regional Industrial Expansion to prepare a sector paper on marine tourism in B.C. Specifically, the following sectors of the marine tourism industry were examined:

- saltwater sportfishing;
- cruise ships;
- scuba diving;
- recreational boating and yacht chartering;
- marine resorts;
- marine sightseeing; and
- marine attractions/communities.

The consulting assignment was based solely on readily available sources and materials and intended to describe the structure as well as the activity and performance of each sector of the marine tourism industry. This sector paper also identifies the growth potential and diversification of each sector. In addition, major constraints and other issues which affect the achievement of potential within the sectors are also determined.

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INTRODUCTION

The Province of British Columbia has an abundance of natural marine* resources with its protected waterways for cruising and scenery unrivaled in most places of the world. Although significant demand appears to exist for this tourism product, the marine tourism industry is virtually undeveloped within the Province compared to that of other international destinations. Preliminary investigation suggests that there appears to be attainable and profitable opportunities which, if effectively exploited through accurate product/market matching, can equal or transcend the experiences offered at other international marine destinations. By examining the different elements of the marine tourism system, and developing the potential synergies that exist between various sectors of the industry, outstanding world class experiences could be provided in B.C.

Similar to the nature of the overall tourism industry, marine tourism is characterized by a lack of coordination between government departments and industry as well as within the industry itself; coastal resource management is crucial to all subsectors of the industry since it is highly dependent on the natural resources of the Province. The information presented within this paper is based on the most recent and available information. The lack of recent data and data classification by Statistics Canada presented difficulties to accurately measure the current size and magnitude of the industry. However, there are several research projects currently underway which will help to identify these aspects as well as other characteristics of sectors of the industry.

There are few government programs specifically earmarked for the development and marketing of marine tourism activities within the Province of British Columbia. Nevertheless, there are a number of programs which include funding mechanisms for the tourism industry as a whole.

INDUSTRY DEFINITION

The marine tourism industry can be defined as those businesses which attract visitors to the coastal environment and cater to their needs and expectations. Implicit in this definition is a relationship between demand (market) for and supply of the marine tourism product. For the purposes of this sector profile, the marine tourism product or industry has been more specifically defined to consist of those activities and businesses primarily engaged in one or more of the following sectors:

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*For the purpose of this paper, the terms "marine", "coastal" and "tidal" are used interchangeably to refer to the saltwater environment.

- Saltwater sports fishing;
- cruises, including both extended and 'pocket';
- scuba diving;
- the recreational boating and yacht chartering industry, including both power and sail;
- marine resorts;
- marine sightseeing or touring (including whale watching), and;
- marine attractions or themed communities.

At the present time, there is little or no readily available data on the marine sightseeing, marine resorts, attractions and themed communities for a full and accurate description of those sectors of the marine tourism industry.

For statistical purposes, neither the federal government nor the provincial government views marine tourism and its supporting business establishments as an industry or industrial component. This conclusion can be drawn from a review of the Standard Industrial Classification (SIC) manual issued by the Standards Division of Statistics Canada (1980). There are no specific SIC categories specifically for the marine tourism businesses or activities. These establishments are likely included for statistical purposes as part of the services division that includes categories for hotels and other lodging places, business services, and amusement and recreation services as well as under various manufacturing categories. The major industrial group under which the industry is aggregated into is group number 96 - Amusement and Recreational Services Industries - which comprises a broad range of services including sports/recreation clubs and services (such as boat rentals and marinas), commercial spectator sports, theatrical and stage entertainment services, gambling operations, motion picture services and others. Rather than being a coherent entity, the components of the marine tourism industry are scattered throughout various SIC categories and are often grouped with unrelated businesses, making it impossible to secure an accurate statistical picture of the marine tourism industry in the Province of British Columbia. The recently established National Task Force on the tourism industry has recognized the weaknesses inherent in the present SIC codes and is currently working on solutions to classify sectors of the tourism industry into separate categories.

In an effort to better understand the various elements of this industry, we describe and examine sectors of the marine tourism industry using one or more of the following categories:

- extent of participation;
- employment generated;
- value of equipment purchased;
- number of facilities, equipment (i.e. boats, motors, etc.) in use; and/or
- economic impact generated or the extent of recreation related spending;

The economic activity associated with the marine tourism industry is sizeable, particularly when the various elements of the industry are examined. Obviously, this industry is principally based on one attraction: the marine resource. However, marine tourism activities described in this sector paper are part of a larger integrated tourism system. Marine tourism cannot exist simply with an abundance of marine resources such as water, beaches, fish, marine life, and scenic vistas but there must be a means of access for marine tourists to these attractions and activities as well as the necessary infrastructure to support them. For example, the marine tourist travels to the coast, purchases gas and recreational equipment (such as fishing equipment and tackle, compressed air for scuba tanks) eats, drinks, stays overnight in motels and campgrounds or resorts, and pays charter, rental fees and/or admission fees. Accordingly, we conclude that the marine tourism industry provides goods and services both at the place where the marine tourist's activity occurs as well as in the visitor's home community or enroute to their marine destination. Further, the business sector associated with marine tourism involves the manufacturing of this activity related equipment, wholesale distribution as well as retail service and sales.

SALTWATER SPORTFISHING SECTOR

Description/Structure

Saltwater sportfishing represents the largest segment of the marine tourism industry in the Province of B.C. Migratory fish, which represent virtually the entire tidal sportfishing industry in B.C. are managed by the Federal Department of Fisheries and Oceans (DFO). The sportfishing industry is comprised of two main types of fishing:

(i) boat-based, which is operated from privately owned vessels, resorts or fish camps, rented or charter boats;

(ii) shore based, which takes place at several locations on piers, floats, seawalls, break water or in the surf zone.

Primarily due to the lack of infrastructure and/or marketing of shore-based saltwater fishing opportunities, the B.C. saltwater sport fishery has largely been characterized as being boat-based, particularly from a tourism perspective. Available data does not delineate between the different types of saltwater sport fishing. A previous TIDSA report estimated approximately 67% of the activity of all pleasure boats in B.C. is for the purpose of saltwater fishing.

In general, the boat-based sportfishing industry operated by the private sector is comprised of a few large companies and a multiple of small single proprietors with a small number of full time staff; one company based in Victoria controls approximately 14% of the total sport fishing market in B.C.

According to a DFO publication, there are an estimated 300 rental and charter boats available in B.C. coastal waters. Approximately 50% of the activity is located in the Campbell River area. These estimates fluctuate year to year and are supplemented by a large supply of auxiliary operators comprised of pleasure boat owners who will accept charters to defray some of the cost of boat ownership. In an industry characterized by a relatively short season, weekend peaking, fluctuations in weather, fishing success and markets, this flexibility in supply is often extremely important in meeting the demand.

At present, there are approximately ten charter boat associations which represents the saltwater sportfishing industry in the Province. The Pacific Coast Charter Sport Fishing Association, which is comprised of both charter boats and guides, takes a lead role in lobbying their interests to the federal government.

Within the industry, there is substantial variation in terms of type and size of operation, impact on the resource and clientele. To illustrate this diversity Exhibit 1 in the Appendix summarizes the operations of typical saltwater sportfishing charter businesses located in B.C.

Virtually no information has been documented on the anglers who fish for a variety of tide-water species from a pier, jetty, seawall, beach or some other area which provides access to tide water. These anglers have been taken for granted as "part of the local scene" and the species that they are catching have never been considered as important as salmon - the primary fish sought by the boat-based angler.

Performance/Activity

The saltwater sport fishing industry experienced steady growth between 1981 and 1985. According to the Department of Fisheries and Oceans (DFO) Surveys, the days fished by B.C. residents increased approximately 4.4% annually, whereas days fished by visitors to B.C. increased approximately 25% annually during this same period. This significant change in saltwater sport fishing participation is largely attributed to the additional numbers of visitors from outside B.C.

In addition to this increased participation, the DFO surveys reveal that substantial employment and revenues are derived from the expenditures by visiting tidal recreational anglers. Employment generated in B.C. by businesses providing goods and services directly to visiting anglers totalled approximately 1,450 person-years with an associated direct income impact of approximately $34 million in 1985. Furthermore, 87 person-years of indirect employment and approximately $44 million of indirect income were created in other industries by the expenditures of those businesses which provide goods and services to anglers. These indirect impacts include the induced impacts generated by the re-spending of wages and salaries earned as a result of sportfishing expenditures. These figures represent a 27% increase in employment and a 53% increase in income over 1983. The major portion of these impacts are generated from non-Canadian visitors.

A significant portion of the B.C. saltwater sport fishing industry is comprised of B.C. resident angler days which yielded approximately $115 million in 1984/85. These expenditures supported an estimated 2,200 person-years of direct and indirect employment and $81.6 million worth of direct and indirect gross domestic product in addition to those generated by the visiting angler population.

Strengths/Weaknesses/Opportunities

The tidal waters of British Columbia offer a range of fishing opportunities for both salmon and bottomfish at diverse locational settings. There are a large number of areas throughout the province which are suitable for both trophy size and other catch-related experiences as well as the non-catch or consumptive aspects of the sport.

Although B.C.'s tidal coastline is one of the most diversified and picturesque in the world in terms of its topography, scenic resources and richness of its marine life, the B.C. saltwater sport fishery promotes 'quality' fishing by emphasizing only the catch-related and consumptive aspects of the entire fishing experience. Recent research conducted both in B.C. and throughout the U.S. indicates that most anglers consistently regarded the elements of the natural environment, escapism, and being with others as more important to their overall satisfaction in a fishing trip than either the size or number of fish caught. Thus, opportunities exist in B.C.'s sport fishing industry to promote these other aspects of fishing in addition to the catch related and trophy-sized fishing experiences.

The saltwater sportfishing industry is similar to other recreational activities in that approximately 80% of the impact on the resource is made by 20% of the angling population (i.e. the avid angler). A market opportunity may exist within the other 80% of the angling population which has less of an impact on the resource yet still require the many services connected with the sportfishing industry such as accommodation, food and beverage, fishing equipment, charter boats or rental boats and other types of access to the tidal waters of B.C.

Significant economic and social values can be generated for the Province by providing saltwater fishing opportunities for the majority of people (51%) who come to B.C. for reasons other than primarily fishing. For example, the Washington State Department of Fisheries has developed a program of public fishing pier and artificial reef construction on Puget Sound with considerable success and benefits to communities and the State. The most successful facility is a 1,000 foot pier at Edmonds, Washington designed specifically for sport fishermen. In 1979, this marine attraction provided 60,000 angler days and 70,000 visitor days by people watching other people fish. Compared to the 1985 DFO visitor participation estimates, these figures represent approximately 10% of B.C.'s visitor angler days which occurred during 1985.

Shore-based facilities such as piers and other waterfront structures may satisfy these other angler groups as well as provide access to sightseers and various other types of marine tourists. Various U.S. National Sea Grant reports indicate these structures should be developed either with or near other support facilities and services such as washrooms, restaurants, boat and tackle shops to satisfy visitor needs. Similar structures in the States of Texas and Florida are privately developed and operated with various revenue producing services and facilities.

Another opportunity for the sportfishing industry may be the development of secondary industry such as the manufacturing of fishing equipment. It is important to note that fishing resources must be consistently monitored, maintained and enhanced in order to satisfy anglers "expectancy" regarding opportunities of catching fish while experiencing the outdoors. The DFO recognizes the economic and recreational importance of maintaining healthy fish populations and has directed substantial funding towards the management of this resource including:

- habitat protection and enhancement;
- fish culture and stocking; and
- enforcement of fishing regulations.

Traditionally, these efforts have been primarily directed to salmonids. However, both DFO officials as well as recent research indicate that additional efforts should be directed towards bottomfish and artificial reef development to alleviate some of the pressures caused by the commercial, native and sport fisheries on the salmon resource and meet other needs.

The specific problems facing the saltwater sportfishing industry have been identified as follows:

- many of the smaller firms lack professionalism, management and marketing skills;
- guides are often criticized as being unprofessional, lacking experience and/or being overpriced for the service and equipment they provide the anglers;
- lack of infrastructure along many areas of B.C.'s tidal waters. These range from various types of access facilities and services such as marinas with adequate rental boats, moorage and boat ramps, to on-shore facilities like hot showers, washrooms, fish cleaning stations, pump-out stations and full service recreational vehicle parks;
- lack of information available on fishing locations, facilities, services, fishing times, fishing methods, and places to purchase licences.

Sector Issues

Several issues affect the tidal sports fishing industry in the province and the many varied businesses associated with it; these are listed as follows:

- Lack of coordination and communication between government departments to effectively manage and market the resource and equitably allocate it between commercial, native and sport fisheries. This may be partially solved by the recently announced (March 22, 1987) Pacific Regional Council which is comprised of the recreational, native and commercial sectors of the fishing industry.
- Economic benefits per unit of resource consumed by the sport fishing industry are significantly greater than those of other fishing segments. Accordingly, the industry is demanding their fair share of the resource.
- Lack of organization within and between the industry and government to effectively market the fishing experiences and manage the resource. The lack of structure is compounded by the substantial variation in the nature and size of operations.

- Safety certification, operation proficiency standards and licensing for the charter boat fishing industry. The operators claim they will be subjected to double taxation if they are required to obtain a license for their boats and the visitors they take fishing.

- Guide licensing over and above established professional standards is considered somewhat redundant and potentially restricting guide availability.

- Changes in DFO licensing and regulation policies have seldom been based on detailed socio-economic and environmental impact analyses to avoid adverse effects on the tourism industry and the overall economy. There is a continual threat of shutting the sport fishery down if quotas are met before the year end.

- Recent expiry of the moratorium on oil exploration and drilling leases along B.C.'s coastal margin may result in conflicts between the oil and fishing industries, similar to past conflicts with the logging industry. Alternately, oil platforms and other offshore structures enhance fish stock by acting as artificial reefs.

CRUISE SHIP SECTOR

Description/Structure

The B.C. Cruise Ship Sector offers unique and increasingly popular routes along the coast of B.C., visiting several ports-of-call, en route to Alaska, and exploring marine attractions along B.C.'s coastline. The industry currently offers two types of cruises:

(i) 'extended' 7 and 14 day B.C./Alaska trip on large cruise ships which vary in size from 16,000 to 40,000+ gross tonnes, with passenger capacities of 400 - 1,200;

(ii) shorter 2 to 4 day trip on cruise ships of smaller gross tonnage which primarily explore the local tidal waters of B.C. and generally have a carrying capacity of between 60 - 160 passengers. These vessels venture into ports and restricted waterways that are out of reach of the large cruise ships and have been referred to as 'pocket' or 'mini' cruise ships.

Both types of cruises are typically offered from mid-May to early October with most of the activity centered around the peak months of June, July and August.

The major port of embarkation and debarkation for trips originating in B.C. is Vancouver. Ports-of-call for the extended cruises and potential entry/exist ports for the pocket cruises are Victoria, Port Squamish, Nanaimo, Alert Bay, Port Hardy, Kitimat and the Queen Charlotte Islands.

All the major 'extended' cruise ships are foreign owned and operated while the 'pocket' cruise ships are predominantly either American or Canadian owned. Recently a privately based consortium, the Cruise Industry Association of

British Columbia (CIABC) was established to represent the cruising industry interests related to B.C. waters as well as encourage the development of pre and post cruise packages.

Performance/Activity

According to CIABC, the B.C. cruise industry captured approximately 14 percent or 325,000 passengers of the 2.5 million passengers world-wide cruise market in 1986. This figure is expected to drop slightly to 300,000 as a result of less terrorism activity in the Mediterranean and the absence of an attraction such as Expo 86. Nevertheless, it represents a 20% increase over 1985, keeping pace with the average annual increase during the last ten years. Assuming a 15% annual increase, the projected 1989 attendance for the B.C. cruise industry is estimated at 500,000 passengers. These figures include passenger attendances for both types of cruises, however, extended cruises account for the majority.

A recent factual review documented in the Journal of Travel Research, discussed the current cruise markets in Canada, the United States, and Mexico and concluded that the 'mini' cruise is increasing in popularity and is contributing to the revival of dormant tourist regions. Primary research conducted on the 2 to 4 day pocket cruise market for one of the smaller cruise ship companies located in B.C. indicated at least 20% annual growth in sales since the early 1980's. Also 42% of their customers stated that they would book another 'mini' cruise within two years.

A Tourism Canada project team completed a preliminary assessment of the economic impact generated by the B.C. cruise industry and found that approximately $120 - $150 million resulted from cruise ships which visited the Province in 1986. Based on direct expenditures of $68 million, approximately 1,500 person-years of employment were generated using Tourism Canada's Impact Model.

Strengths/Weaknesses/Opportunities

- There is a large untapped market that has the potential to be penetrated; only 4% of North Americans have taken a cruise and the average age of passengers is declining.

- Many of Alaska's ports are becoming saturated providing an opportunity to selectively develop market appealing packages with B.C. communities and potential marine attractions.

- Pre and post cruise tours as well as attractions and facilities/services require considerably more development, particularly at the mentioned ports-of-call, before extensive marketing is completed.

- The anticipated increase in pocket cruises along with the efforts of the CIABC has the potential to obtain considerably more economic impacts to the Province.

- There is considerable leakage of potential revenue to the Province which flows outside of B.C.'s economy. In 1986, approximately three-quarters of the cruise ships goods and services were purchased outside of the Province. Due to scheduling problems, most of the dry docking services will likely continue to be made out of the Province. In addition, the high price of Canadian bunker oil deters the cruise ships in refueling in B.C.

- The majority of cruise passengers have little awareness of the scenic coastal and mountain views available in B.C.'s coastal waters and are compelled to visit Alaska to experience essentially a similar vacation product.

- There is very little recent knowledge about what the various cruise ship market segments desire from their cruising and land excursion experiences. More importantly, the B.C. cruise industry is not aware of the reasons why most of the existing passengers need to set foot on Alaskan soil and how the B.C. cruising experience can be differentiated from the Alaska experience.

Issues

- The major piece of U.S. legislation affecting the B.C. cruise industry is the Jones Act which currently requires all non-U.S. registered ships to stop at a foreign port while enroute between two U.S. points. If this Act is amended, or the change in custom regulations which allows foreign vessels to stay more than 24 hours in a U.S. port is passed, significant negative impacts to the B.C. industry could be experienced through ship operators having considerably more flexibility in designing their cruise routes, schedules and stop overs.

- Increasing costs of standardized port charges and fuel purchases have resulted in additional cruise ship operations expenses.

- Lack of Customs manpower to expedite the clearance of cruise ship passengers and flexibility of services such as shopping hours and local businesses.

- In spite of an increased number of U.S. air carriers holding landing rights at the Vancouver International Airport, many travel wholesalers and agents perceive better air linkages with Seattle's airport. Airfare deregulation in the U.S. has led to Seattle having a competitive price advantage as an entry port to B.C. from various U.S. cities.

- Scheduled flights at the Vancouver airport have been reported as inadequate to meet the large groups associated with cruise ship traffic.

- A decrease in terrorism in the Mediterranean and extensive marketing of this popular cruising area has led to several cruise ship operations in relocating to their former destination.

- o There appears to be a lack of coordination between cruise ship operators, brokers and the representatives of the B.C. cruise industry, creating a mismatching of cruise offerings to specific consumer needs and preferences. This is partially due to some operators not realizing any direct benefits of accommodating pre and post tour packages within B.C.

SCUBA DIVING INDUSTRY

Description/Structure

The scuba diving industry in B.C. involves virtually all types of manufacturing, wholesaling and retailing of both the tangible (i.e. scuba equipment) and intangible (i.e. actual diving experience) elements of the sport. More specifically, the needs of the recreational diver are serviced by the following industry participants:

- diving equipment manufacturers;
- dive retail stores and air stations;
- diving charter boats;
- resorts and hotels/motels with diving packages;
- travel agents/tour promoters;
- diving instructors and clubs;
- certification associations;
- the leading diving magazine in Canada; and
- government departments and agencies.

Many of these participants have overlapping and integrating roles offering a range of diving services through retail outlets. Diversification beyond the traditional retailing function is critical in order to successfully operate a diving business and many entrepreneurs often combine their diving operations with other related business ventures.

The sport diving industry is represented by Dive B.C., a non-profit association which was established for the purpose of coordinating the development and marketing of the tourist diving industry in B.C. While addressing the need for environmental protection, the primary focus of the organization is to increase the professionalism in the industry. This is being achieved through more extensive education for both industry personnel as well as the general diving public, and training for the industry on all aspects of the business of sport diving.

Performance/Activity

Compared to other recreational activities, the size of the total tourist market for sport diving is relatively small. According to a previous TIDSA study on the sport, tourists who scuba dive represented an estimated 7,500 room nights in 1979. Based on conversations with several opinion leaders in the diving industry a conservative estimate of market potential is from 30,000 to 37,500 room nights or approximately 400 to 500 percent more. In order to attain this significant increase substantial industry-wide marketing would be required. According to the TIDSA study, the economic impacts generated by the scuba diving industry in 1979 were as follows:

- Total diving expenditures amounted to approximately $4 million.
- Total diving-related direct revenue was estimated to create 169 person-years employment.

Strengths

- o Compared to other adventure or risk-related sports, the industry has had relatively few sport diving deaths (two to three per year) particularly when one considers the total hours logged underwater.
- o Assuming there is an estimated total market size of four million divers in North America, based on previous projections made in the 1980 TIDSA study, and increasingly larger numbers of divers are taking a diving vacation, there is tremendous potential to develop a strong tourist diving industry in B.C.
- o B.C. is endowed with some of the richest, most diversified and colourful marine life found in the world. The province also has an abundance of exceptional, untouched or exploited diving areas offering a sense of exploration and adventure.
- o Access to B.C.'s underwater world is through a variety of charter boat and land based accommodations.
- o The best diving in B.C. waters occurs during the winter months which offer opportunity for related accommodation and other tourism services to increase their business during a traditionally low seasonal period.

Weaknesses

- o The fact that B.C. waters are so cold requires divers to wear either a dry or a wet suit. In addition, winter weather conditions often limit access to prime dive locations.
- o Transportation to prime untouched or exploited diving areas within the tidal waters of B.C. is expensive due to the difficulty of its access.
- o As is the case with most other recreational businesses, the degree of professionalism with regard to service, safety and marketing varies greatly in the diving industry.
- o Divers travelling to B.C. from outside the Pacific Northwest are faced with expensive airfares which are often as high or higher than warmer southern diving destinations.
- o The Ministry of Tourism, Recreation and Culture discontinued its financial support of the scuba diving industry by eliminating the Winter Development Program. This occurred at a time when the industry was beginning to rapidly increase its business. As a result, the scuba diving industry has not reached its full potential as initially projected in the 1980 TIDSA study of the industry.

Sector Issues

- Resource depletion through spear fishing, shell fish collection, and taking artifacts from underwater attractions such as shipwrecks by both sport diving and commercial fish harvesting continues to plague the industry, often destroying the primary attraction for the visiting recreational diver.

- Facilities and services which are listed as "diving" resort or operation incur significantly higher insurance rates than do operations which are not specifically listed as catering to divers.

- There is a lack of synergism and cohesiveness between the various businesses associated within the scuba diving industry of B.C. Many people have entered the business for lifestyle reasons and are hesitant to contribute to the overall industry without obtaining immediate, tangible results.

- Effective packaging, based on accurate market/product information, on an industry-wide basis is virtually non-existent. Most diving operations lack marketing resources and skills.

- The overall diving industry in North America has suffered from a significant attrition or drop-out problem. Part of the problem appears to relate to the lack of understanding of what motivates people to participate in the sport.

Opportunities

- A primary research study indicated that divers seek increasing levels of exploration and adventure as well as social contact as they obtain more experience in the sport. Marine resorts, floating accommodation structures, and dive charters are means to access these divers needs.

- Innovative packaging and offering affordable means of accessing untouched and new diving areas present possibilities to increase the market potential and reduce the high drop-out problem.

- Dive B.C. is also making an attempt to attain and resume diver interest by redirecting its focus on public awareness and education and instructor advancement to incur more professionalism in all aspects of the industry.

- Designate underwater parks or reserves which are matched to scuba diver interests, are accessible and off limits to any type of fishing, collection or destruction.

RECREATIONAL BOATING AND YACHT CHARTERING INDUSTRY

Description/Structure

The B.C. recreational boating industry is largely comprised of power and sailboat manufacturers and charter companies. Boat manufacturers are predominantly based in the Lower Mainland and the Sidney area on Vancouver Island whereas many charter companies are also located throughout the coastal communities of B.C. Due to data classification restrictions, our analysis involved two parts (i) the manufacturer of vessels that are used in tidal and/or non-tidal waters; and (ii) operators within the B.C. yacht chartering industry which rent power and/or sailboats to be operated solely in the tidal waters of B.C. and sometimes travel to Washington. Other businesses associated with the boating industry include trailer manufacturers, equipment suppliers (i.e. sail-makers, clothing, etc.) retailers of boats, motors and other equipment as well as boat repair shops; however, they are not analyzed in this paper.

The majority of recreational boat manufacturers and yacht charter companies located in B.C. are Canadian-owned, whereas hardware suppliers such as engines, outboards, marine electronics equipment, winches and other sailboat equipment are manufactured and owned by businesses either in the U.S., Britain, Australia, or Sweden. In B.C., little vertical integration appears to exist except for Cooper Yachts who manufacture, sell and charter their sailboats. Nevertheless, as is the case with other manufacturers, Cooper Yachts import the majority of the equipment and parts used in their boats. Many yacht charter companies integrate their businesses with marina management and/or other types of services such as fishing charters or sailing instruction.

The recreational boating industry is represented by the Marine Trade Association of B.C. which includes members for major manufacturers, retailers of boats, motors and boating suppliers, charter organizations, sailing schools, sail-makers, engine and hull repair shops, yacht brokers, marinas, clothing suppliers and trailer manufacturers.

The chartering industry of B.C. is characterized as having little organization. Many of the large chartering vessels offering deluxe skippered experiences are represented by the Charter Yacht Clearance Centre which acts as a marketing and lobbying vehicle. In addition, there are approximately 10 charter boat associations who represent the interests of the smaller, bareboat operations.

<u>Performance/Activity</u>

(i) Manufacturing

According to Statistics Canada, the number of B.C. boat manufacturers increased approximately 60% from 61 establishments in 1976 to 98 in 1985. These accounted for approximately 27% of Canada's overall recreational boat building. Despite this increase in production, there was an estimated 11.5% reduction in the labour force; 660 people were employed in B.C.'s boat building and repair industry during 1985.

A 1979 survey by the B.C. Provincial Ministry of Economic Development revealed that annual boat sales amounted to approximately $26 million. Of this amount sailboat sales accounted for an estimated $7 million. This survey also forecasted the average annual growth rate of boat sales to be 32%. In addition, a 1980 TIDSA study on the pleasure craft industry estimated that the economic impact totalled approximately $155 million and generated 8.724 persons of employment in 1978. These statistics included wages, salaries, profits and direct taxes associated with the manufacture of all pleasure craft including canoes, rowboats and houseboats.

The popularity of boating in the Province of B.C. is significantly greater than the other regions of Canada and the national average. According to Statistics Canada, the percentage of boat-owning households in B.C. is 20.8% compared to 15.0% of all Canadian households owning a boat.

Approximately 58%, or 113,000, of all the boats owned by B.C. residents in 1978 were either outboard motor boats, sailboats or other boats (including power cruisers); canoes, skiffs and other non-motorized smaller boats comprised the remaining boat ownership. By 1985, the total number increased to 283,000 with other boats including power cruisers having the most significant increase representing 11.3% of the total versus 6.7% in 1978.

(ii) Chartering

In addition to boats owned, the 1980 TIDSA report on pleasure boating estimated that there are 50,000 annual renters/borrowers in B.C. As previously indicated, the primary reason for boating is fishing which represents 67% of all the activity of pleasure boats. Approximately 10% of the 5,000 estimated rental boats available in 1978 were utilized for cruising charters or overnight purposes. The previous study estimated that 12,000 boat days were chartered in 1978 of which 41% were accounted for by sailing charters. The number of charter boats available in 1987 would be considerably more than the estimated 500, however, no current data is available. There are also a significant number of boats which are chartered or "borrowed" from unregistered private sources; these are not accounted for here.

In 1978/79, the yacht chartering industry was estimated to have attracted 6,000 tourists from approximately 1,300 charters which produced a total of 50,000 visitor nights. The growth rate projected for the yacht chartering industry was estimated to be approximately 30% per year.

As indicated in the previous TIDSA report, there were 43 cruising charter companies in 1978 employing 116 people and having a total of $3.4 million in charter fees. These figures underestimate the size of the overall chartering industry and do not appear to include the skippered charters of deluxe charter boats. According to our previous research on the deluxe skippered charter boat market, which was defined as those power vessels ranging from 60 feet to 170 feet and carrying up to 26 overnight passengers, total revenue of this segment of the chartering market was estimated to be $4 million in 1985 and employing approximately 90 people.

With the exception of the larger deluxe charter boats, the average utilization of the most frequently chartered vessels is approximately eight to nine weeks while the maximum use rarely exceeds fourteen weeks. The deluxe charter boat season is usually ten to twelve weeks between the months of June and September. The majority of B.C. charter boats are privately owned and leased to brokerage companies which charge fees for services such as booking charters, maintenance and moorage. If all the costs of owning a boat are charged against the chartered time, approximately fourteen chartered weeks per year would be required to make yacht chartering a viable industry.

The 1980 TIDS study also estimated the economic impact of the 1978/1979 B.C. yacht chartering industry to be approximately $2.7 million and to have generated 148 person years of employment. These figures did not account for either the impacts of deluxe charter boat operations nor boat purchase costs.

Strengths/Weaknesses/Opportunities

- Although permanent recreational moorage supply exceeds demand in most coastal areas, it is often not of the type or size that the visiting yacht demands. Shore-based support facilities such as hot showers, self-service, laundries, pump-out stations, marine attractions, and quality restaurants are especially lacking and inferior compared to other world-wide chartering destinations.

- Recreational boating, including chartering, in B.C. tidal waters is highly seasonal with the primary peak months of demand being late June through early September. B.C.'s unpredictable climate is generally regarded as the largest constraint facing the recreational boating industry.

- The climatic constraint facing the boating industry can be partially solved by adapting the type of charter boats offered in B.C. In addition to the deluxe skippered charter boats annually available in the Province, the industry lacks moderately sized boats, (30' - 60'), particularly power, which are available on a bareboat (without a skipper) basis. As previously stated, most charter companies rely on boats they lease from private owners; therefore, they are limited to the type and size of boat offered to charters.

- Increasing insurance rates and the cost of permanent moorage are causing financial hardships to many of B.C.'s yacht chartering businesses.

- Many consumers are becoming more health conscious and are seeking participatory vacation experiences where they are considerably more active and getting away from the intensive sun of southern vacation destinations such as the Caribbean. Healthier lifestyles are contributing to the trend towards seeking alternative vacation products, such as charter marine vacation packages which offer professional service, quality boats and appealing packages.

- A directory or brochure/magazine listing B.C.'s charter capabilities and coastal attractions is not currently available. This makes it difficult for brokers/agents and charter customers to be aware of the chartering vessels and opportunities available in the province.

- Consumers are demanding increased professionalism from their yacht chartering experience. However, there are an increasing number of charter boats which do not offer professionally run operations or packages.

- The majority of charter boat operations suffer from a lack of marketing and/or they present untargeted and ineffective (but often costly) marketing efforts. Poor signage of the business premises and/or low exposure of the vessels to the market is a minor aspect of this problem, whereas integration with the tourism and travel industry is a major weakness.

- The new convention centres located in both Vancouver and Victoria, will stimulate and increase the convention/meetings business within B.C.; this should increase both day and eventually extended type vacation packages.

Issues

- Many consumers have a misconceived perception of the length of the chartering season in the Pacific Northwest. The Tourism Canada report entitled, U.S. Pleasure Travel Market", states that the "majority of U.S. travellers believe that Canada is cool even in the summer". This report also "suggests the importance of incorporating messages of sun and warmth into advertising directed to the U.S. travellers in the future in order to begin to erode these negative impression."

- The charter business is characterized by high levels of competition and low profit margins. It is relatively easy to enter the industry. Most entrepreneurs are not familiar with the very competitive business climate that exist within the industry. Part of the problem is the existence of "bandits" or occasional operators who offer cut rates in order to obtain additional, often untaxed income.

- Recent federal tax legislation has restricted part time charter yacht owners from writing off their chartering business expenses from their other income; this will effectively decrease the number of charter boats which will be available in the Province.

- Present federal Coast Guard regulations prevent the sale of tickets to individuals who are interested in purchasing only one space on board skippered charter trips versus chartering the entire boat for their group or party, unless the vessels meet the strict rules of the Canadian Steamship Inspection Act.

- The Federal Government may introduce a more stringent product safety law, which will require some product redesign work on most of the charter yachts currently available within B.C.

- There is a re-occurring threat of passing legislation such as the recently defeated Bill C75 which was drafted to enforce the licensing of all boat owners. The boating manufacturing industry believes this will hinder sales.

- There is currently no central viewing area available for deluxe charter yachts in the Lower Mainland region of B.C. and the current moorage rates at existing marinas are escalating dramatically.

- Permanent moorage for charter boats is virtually unavailable unless it is listed with a marina approved broker who charges a 20% commission on all charters (regardless of who obtains the booking) as well as moorage fees.

- Temporary moorage for transient vessels are becoming limited along certain areas of B.C.'s tidal waters due to both lack of facilities and the increase in aquaculture leases; the recent moratorium on the aquaculture has partially alleviated the latter problem.

MARINE RESORTS SECTOR

Description/Structure

There are numerous properties along B.C.'s coastline such as fishing camps and lodges, housekeeping resorts, inns, cottages, campgrounds and marina resorts, which classify themselves as marine resorts. For the purpose of this paper, marine resorts are classified according to the scope of international markets who are seeking self-contained experiences. We define a marine resort, accordingly, as a non-urban, accommodation property, generally having thirty rooms or more, located on the coast which offers a mix of recreation opportunities and acts an attraction base for people on vacation, experiencing a short holiday and/or attending meetings and conferences.

In general, marine resorts can be classified as marine attractions themselves. By providing an average of 30 or more rooms, they generate demand for other services, such as accommodation, food and beverage, entertainment, and recreation, all at one central location. Therefore, marine resorts are significant economic stimulators to their surrounding regions. There are approximately six marine resorts in B.C. which fit the definition given above. In addition, a number of other properties are redeveloping their facilities to include marine tourism and thereby accommodate a range of seasonal markets. In spite of B.C.'s outstanding marine resources and scenic settings, there are few year round marine resorts considered to meet the expectations of the international traveller.

Presently, neither the overall resort industry nor the marine resort industry itself is represented by any one organization or association. The marine resorts located in B.C. are owned by either individuals or small private companies with limited corporate involvement. These marine resorts are located along the eastern coast of central Vancouver Island and the Sunshine Coast near Powell River.

Performance/Activity

There are no performance indicators available specifically for the marine resort industry in the Province. A national study on the resort industry, which included a sampling of two marine resorts in B.C., estimated that B.C. resorts achieved an average annual occupancy rate of approximately 40% in 1985. Thus, the overall performance of this industry subsector is considerably below that of B.C.'s hotel occupancies which averaged approximately 60% in 1985.

Estimates of revenue and the number of people employed by the marine resorts located in B.C. are not available. However, marine resorts appear to have several similar characteristics to the overall resort industry in B.C. and many other parts of Canada:

- there is a high proportion of seasonal employment, which reflects a lack of year-round marine destination resorts;
- accommodation rental represents approximately 40% of total revenue while food and beverage usually accounts for approximately 30%;
- return-on-investment is low and debt-to-equity ratios are high;
- many properties have been developed as "lifestyle" investments by the owners.

Strengths and Weaknesses

The Province of B.C. has many outstanding natural marine settings which are conducive to a variety of passive and active recreational experiences. However, national tourism research studies indicate that our coastlines are undeveloped and lack the infrastructure to accommodate visitors on a year-round basis. The small number of marine resorts which currently exist in B.C. are aimed at regional markets.

B.C.'s marine resorts face problems similar to those of other types of resorts in the Province or Canada as a whole. The majority of resorts are under-financed, lack facilities to make them year-round attractions, and do not successfully integrate their marketing efforts with the overall tourism and travel industry. Other constraints facing the marine resort industry are as follows:

- high development costs, including the cost of coastal waterfront land which deters new developers from entering the market due to high initial capital expenses and correspondingly high debt burdens. Furthermore, high construction costs are incurred as a result of the nature of marine resort's 'isolated' or rural locations which increase both material, labour and transportation costs.
- lender reluctance in financing accommodation properties outside the major urban centers of the Province due to the risk involved;

- lack of market awareness and image of both existing and potential marine recreation opportunities. Part of this problem is a lack of in-depth understanding by the industry's participants as to various resort market segments demand from a coastal setting and then translating these findings into marketing planning and program implementation.

Issues

- Gambling or gaming is viewed as a possible means to improve the seasonality and low return-on-investment problems facing the marine resort sector.

- Developers face long and arduous land development and foreshore lease approval processes. Marine resort developments, which include a marina or any extensions onto the foreshore and/or B.C.'s navigational waterways require approvals from several government departments.

- Recent tax changes adversely affect the development and operations of marine resorts. In addition, they do not receive any special incentives, as do other industrial sectors such as manufacturing and processing in order to promote economic activity. Resorts, in general, also pay a greater percentage of their profits in various forms of taxes than urban-based accommodation properties.

Opportunities

- There is a trend towards more vacation travel to single destinations in unique environments, many of which exist along the coast.

- Programs designed to "get-away from civilization and the crowds for awhile", either for a weekend or mini vacation, are becoming more popular, as are "fly-in" experiences. In addition, the 1986 Canadian Travel Agents study indicates that there is a trend towards vacation travellers taking unplanned, short duration trips while away on business.

- Complete resort packages which include both indoor and outdoor activities, and involve local attractions and businesses are necessary to overcome the problems of inclement weather and seasonality.

- Flexible arrangements such as the rental and/or sale of condominiums, marina slips and other recreational facilities can be utilized in order to finance the development of resort facilities while increasing rental accommodation capacities.

MARINE SIGHTSEEING SECTOR

Sightseeing is an integral element of all marine tourism activities. Marine sightseeing can either be experienced from the shore, on the water or underwater. It takes place in a variety of settings, ranging from seaside restaurants and cafes, passive coastal access - vistas or seating areas observation structures (i.e. towers, piers, etc.), and various types of aircraft and boats, for the purposes of viewing:

- birds;
- marine life in tide pools or offshore;
- other natural attractions such as the coastal mountains and geomorphology;
- people, including special events and festivals either along the coast or offshore; and
- man-made and historical attractions and events.

Virtually all market research studies completed for the sport fishing, cruising, scuba diving (underwater viewing), boating, and yacht chartering industries rate sightseeing, in one form or another, within the top three reasons why people participate in these activities or visit marine resorts and attractions.

Despite this interest and that scenic tours are the most popular of all types of tour packages offered in the Province, there is a very limited number of sightseeing tours designed specifically around the unique resources found in the marine environment.

The majority of marine sightseeing packages in B.C. occur in the harbours of Vancouver and Victoria. They are often packaged with dinner either on board the boat during the cruise or ashore at a waterfront restaurant and take between three to four hours. Whale watching, nature interpretation and other specialty cruises centered around the marine environment have become increasingly popular, particularly in the Long Beach/Broken Islands, Robson Bight, Telegraph Cove and Queen Charlotte Island areas. These marine life cruises are packaged with one or more of the other tourism sectors: accommodation, restaurant, transportation and other attraction services. Their duration ranges from half day to seven day packages.

This sector of the marine tourism industry offers potential to alleviate some of the lack of coordination presently existing between the various components of the industry. This can be achieved through understanding these visitors needs and developing packages such as those offered by Grayline Sight-Seeing Association, Inc. in the U.S. as well as Maverick Tours and Canadian Princess in B.C. Automobile tours along the B.C. coast connecting coastal communities and attractions also hold potential to increase marine tourism opportunities and provide additional traffic to both new and existing businesses.

Due to the nature of the activity and newness of the tourism product, no accurate federal or provincial data is available which identifies the value, employment, performance or other relevant information on the marine sightseeing sector.

B.C. has an abundance and diversity of marine resources, including unique marine life and spectacular scenery, however, there are few operators who have the capacity to handle large groups which are needed to attain a profitable scale. Similar to the other marine tourism industry sectors, it is also important to coordinate the various federal and provincial government roles to jointly maintain and manage the Province's asethetic and marine resources.

MARINE ATTRACTIONS SECTOR

Marine attractions are an important element of the marine tourism industry because they provide the drawing power to lure visitors to the coast. For the purpose of this paper, marine attractions are classified as either natural or man-made. B.C. is well endowed and dispersed with natural marine attractions, such as scenic vistas, beaches, marine life, underwater reefs and other coastal formations which form the primary reason why people participate in coastal activities. On the other hand, man-made attractions such as marine-oriented cafes, restaurants, observation galleries, piers, promenades, waterfront markets, shopping areas, cultural and multi-use areas are generally lacking and concentrated primarily in Vancouver, Victoria and a few unique coastal communities such as Chemainus.

Despite B.C.'s abundance of natural marine attractions, many are undeveloped and do not provide adequate services, access, signage, parking/moorage spaces or facilities for visitors to view, photograph or otherwise participate in an activity.

The rapid growth in urban waterfront development or revitalization which has taken place in many of the U.S.'s coastal communities has been slow to unfold in B.C. Presently, the communities along British Columbia's coast lack the drawing power to make visitors stay beyond a few hours or overnight.

There has been little work completed on attractions in coastal B.C. and no data is available ranking marine attractions' importance in terms of attendance figures, revenues and/or employment generated. Accordingly, an accurate and detailed assessment cannot be made of the importance of marine attractions or communities to the tourism industry.

The marine attractions sector is faced with similar constraints as some of the other sectors of the marine tourism industry. Of primary concern are the lack of access, transportation and development along B.C.'s coast and foreshore; the majority of B.C.'s coast is virtually unaccessible and undeveloped as well as being hindered by a short season and unpredictable weather.

Nonetheless, architectural designed attractions tailored around coastal or nautical themes and integrated mixed land use developments present opportunities along certain areas of B.C.'s coast. The clustering of activities along the waterfront will require considerable more cooperation not only among government departments but also between the public and private sector than presently exists.

SUMMARY

The marine tourism industry has the potential to become one of the more profitable tourism sectors in B.C. The Province's wealth of marine resources, proximity to a large, target market with interests in the marine environment and the lack of development provide the ingredients to successfully and systematically develop this industry in response to market demands.

The major constraint to development of the marine tourism industry in the Province of British Columbia is the industry's lack of a systems perspective. By understanding how each individual sector business fits into the overall tourism picture, and how each would benefit from greater integration with other businesses, each participant will be better able to develop, package and market their products more effectively by satisfying customers' needs. Part of this constraint is an inadequate understanding of the marine tourists themselves and integrated target marketing matched to the "products" they are seeking. However, before actual development activities begin, it is imperative for an investor to know as much as possible about marine tourists. With this marketing information at hand, it will be possible to identify and plan which facilities and services are needed and desired by the various market segments which comprise the overall marine tourism market.

APPENDIX A

SELECTED STATISTICS

SPORTFISHING SECTOR

EXHIBIT 1

OPERATING CHARACTERISTICS OF CHARTER BOAT BUSINESSES

	Small Charter Fishing Company, 12 Month Operation, Victoria Area Day Charter Boats, Guide Operated	Large Charter Fishing Operation, Remote Area, Mother Ship with Small Client Operated Boats
Number of Employees:		
Full Time	2	5
Part Time (seasonal)	2	11
Number of Boats in Full Time Service	2	1 Mother Ship 12 Auxiliary Boats
Charters Undertaken With Company Boats	135	14 Weeks (1,946 customer days)
Charters Contracted Out	82	-
Clients Catered To:		
Resident	306	187
Non-Resident	361	369
Total	667	556
Total Salmon Taken:		
Chinook	513	332
Coho	61	862
Pink	-	615
Total	574	1,809
Gross Revenue From Charters	$19,792.00	$579,257.00
Revenue Per Fisherman Served	$29.67	-
Revenue Per Client	-	$1,041.83
Revenue Per Salmon Caught	$34.48	$320.21
Salmon taken per fisherman per trip	.86	.93

Source: Brief submitted for the Commission on Pacific Fisheries Policy, The Victoria Charter Boat Association, 1981.

EXHIBIT 2

POPULATION AND EFFORT (DAYS FISHED) OF SALTWATER SPORT FISHING ANGLERS

	1981		1982		1983		1984	
	Number of Anglers	Days Fished	Number of Anglers	Days Fished	Number of Anglers	Days Fished	Number of Anglers	Days Fished
B.C. Residents	215,000	1,521,000	222,661	-	224,146	-	225,000	1,789,975
Visitors from Outside B.C.	67,247	300,000*	71,000	377,000	75,530	497,165	93,445	602,383
Total Anglers	282,247	1,821,100	293,661	-	299,676	-	318,445	2,392,358

* Estimate based on the difference between the number of anglers between 1981 and 1983.

Source: Department of Fisheries and Oceans, Residents and Visitors Sport fishing surveys.

EXHIBIT

EMPLOYMENT AND INCOME IMPACTS OF EXPENDITURES BY VISITING TIDAL RECREATIONAL ANGLERS

	Canadian Visitors		% Change	Non-Canadian Visitors		% Change	Total		
	1983	1985		1983	1985		1983	1985	
EMPLOYMENT[1] IN B.C.									
Direct	554.8	537.5	-3.1	686.9	908.8	+32.3	1,241.7	1,446.3	+16.5
Indirect	273.3	325.4	+19.0	342.1	548.5	+60.3	615.4	873.9	+42.0
TOTAL	828.1	862.9	+4.2	1,029.0	1,457.3	+41.6	1,857.1	2,320.2	+24.9
EMPLOYMENT[1] IN CANADA (total including B.C.)									
Direct	579.8	549.8	-5.2	723.7	935.8	+29.3	1,303.5	1,485.6	+14.0
Indirect	525.3	568.9	+8.3	663.6	966.6	+45.7	1,188.9	1,535.5	+29.2
TOTAL	1,105.1	1,118.7	+1.2	1,387.3	1,902.4	+37.1	2,492.4	3,021.1	+21.2
INCOME IN B.C. (000's)									
Direct	11,988	12,798	+6.8	14,955	21,449	+43.3	26,943	34,247	+27.1
Indirect	13,138	16,221	+23.5	15,398	27,420	+78.1	28,536	43,641	+52.9
TOTAL	25,126	29,019	+15.5	31,353	48,869	+55.9	56,479	77,888	+37.9
INCOME IN CANADA (total including B.C. 000's)									
Direct	12,893	13,254	+2.8	16,290	22,361	+37.3	29,183	35,615	+22.0
Indirect	25,775	29,401	+14.1	32,552	50,193	+54.2	58,327	79,594	+36.5
TOTAL	38,668	42,655	+10.3	48,842	72,554	+48.5	87,510	115,209	+31.7

1 Employment in Person-Years

Source: Department of Fisheries and Oceans, 1983/84 and 1985. Visitors Sportfishing Surveys, Planning and Economics Branch

BOATING INDUSTRY SECTOR

EXHIBIT 4

NUMBER OF ESTABLISHMENTS AND EMPLOYEES OF MANUFACTURING, BOAT BUILDING INDUSTRY (INCLUDING REPAIRS) IN B.C. AND CANADA 1976 and 1986

	1976				1986				% Changes 1976 - 1986			
	ESTABLISHMENTS		EMPLOYEES*		ESTABLISHMENTS		EMPLOYEES*		ESTABLISHMENTS		EMPLOYEES*	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
British Columbia	61	28.4	746	22.1	98	27.2	660	17.7	+ 37	+ 60.6	- 86	- 11.5
Other Canadian Provinces	154	71.6	2,631	77.9	263	72.8	3,069	82.3	+ 109	+ 70.8	438	+ 16.6
Canada	215	100.0%	3,377	100.0%	361	100.0%	3,729	100.0%	+ 146	+ 67.9	352	+ 10.4

* Manufacturing industries include repairs. Working owners and partners not included in employment figures.

Source: Statistics Canada: Manufacturing Industries of Canada. National and Provincial Areas, Ottawa 1979, 1986.

EXHIBIT 5

NUMBER OF BOATS OWNED (000's) BY TYPE OF BOAT
BRITISH COLUMBIA 1971 - 1985

YEARS

Type of Boat	1971 No.	1971 %	1974 No.	1974 %	1976 No.	1976 %	1978 No.	1978 %	1985 No.	1985 %
Canoes	8	6.3	20	12.1	30	16.9	37	19.2	61	21.5
Sailboats	8	6.3	14	8.5	13	7.3	12	6.2	16	5.7
Outboard Motor Boats (Runabouts)	69	54.3	80	48.5	88	49.4	88	45.6	114	40.3
Rowboats, Skiffs, Dories etc. (Utilities)	30	23.6	36	21.8	34	19.1	43	22.3	60	21.2
Other Boats (incl. Power Cruisers)	12	9.5	15	9.1	13	7.3	13	6.7	32	11.3
TOTAL	127	100.0%	165	100.0%	178	100.0%	193	100.0%	283	100.0%

Source: Statistics Canada: Manufacturing Industries of Canada. National and Provincial Areas, Ottawa 1979, 1986.

EXHIBIT 6

PERCENTAGE OF BOAT-OWNING HOUSEHOLDS IN B.C. AND OTHER CANADIAN PROVINCES IN RELATION TO ALL HOUSEHOLDS 1971 - 1986

Year	B.C.	Prairies	Ontario	Quebec	Maritimes	Canada
1971	17.4	11.5	13.9	8.3	13.4	12.4
1974	19.1	11.4	11.4	11.4	11.4	13.2
1976	18.7	12.9	15.8	8.7	15.0	13.6
1978	18.6	15.3	15.9	9.3	14.4	14.2
1985	20.8	15.5	15.1	11.4	16.4	15.0

Sources:

(1) Statistics Canada: Market Research Handbook 1976: 1985 Ottawa 1977; 1986.

(2) Statistics Canada: Household Facilities and Equipment 1972 - 1986. Revised Estimates. Ottawa, August, 1978; 1985-86.

(3) Statistics Canada: Household Facilities and Equipment. Ottawa, May 1978; 1985.