



"HVCB Tourism Industry Update" is a bi-weekly briefing of travel news and developments affecting Hawaii's visitor industry, compiled by the HVCB Market Trends Department.

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1. FEATURE

➤ Kaua'i's Top City Markets Show Strong Growth Through the Third Quarter

The number of visitors to Kaua'i from nine of the top 10 U.S. metropolitan statistical area (MSA) markets topped previous-year levels through the third quarter of 2006, in keeping with the state's record high domestic arrivals year-to-date.

- Kaua'i's top market, Los Angeles, was the source of more than 114,400 visitors through September, up 10.1 percent from the same period in 2005. The second largest source market, the San Francisco Bay Area, reached nearly 78,000 visitors, up 5.0 percent during the same period.
- Some of the other top U.S. West markets that grew during the first nine months of the year include Seattle (+7.9%); San Diego (+5.7%); Phoenix (+42.3%); Sacramento (+11.1%); and Portland (+11.2%). These significant increases in preliminary arrivals were fueled in part by added air services, including America West Airlines' flights to Līhu'e, which helped boost Phoenix arrivals more than 42 percent.
- The top U.S. East market, New York, decreased 3.0 percent during the nine-month period. However, both Chicago (+3.4%) and Washington D.C./Baltimore (+10.2%) experienced growth through the third quarter.

Preliminary 2006 Arrivals to Kaua'i from Top 10 MSAs
 January - September 2006

Metropolitan Statistical Area	Total YTD	% Change
	Jan-Sep	2006/2005
LOS ANGELES-RIVERSIDE-ORANGE COUNTY, CA CMSA	114,419	10.1%
SAN FRANCISCO-OAKLAND-SAN JOSE, CA CMSA	77,930	5.0%
NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ CT-PA CMSA	32,298	-3.0%
SEATTLE-TACOMA-BREMINGTON, WA CMSA	29,638	7.9%
SAN DIEGO, CA	26,438	5.7%
PHOENIX-MESA, AZ	24,707	42.3%
CHICAGO-GARY-KENOSHA, IL-IN-WI CMSA	19,859	3.4%
SACRAMENTO-YOLO, CA CMSA	18,025	11.1%
WASHINGTON-BALTIMORE, DC-MD-VA-WV CMSA	17,944	10.2%
PORTLAND-SALEM, OR-WA CMSA	16,651	11.2%

Source: HVCB analysis of DBEDT data

- For updated Kaua'i figures and to compare to statewide arrivals, visit HVCB's **Market Trends Online** website: <http://www.hvcb.org/trends>

2. KAUA'I MARKET UPDATE

☛ Visitor Arrivals to Kaua'i Up Nearly Eight Percent Through October

According to preliminary figures published by the state [Department of Business, Economic Development and Tourism](#), total arrivals to Kaua'i have reached over 985,000, up 7.7 percent year-to-date through October 2006. Domestic arrivals, which made up 91 percent of all arrivals to the *Island of Discovery*, increased 8.0 percent, while international arrivals grew 4.4 percent during the 10-month period.

- U.S. West arrivals to Kaua'i equaled 485,600 through October, up 10.3 percent.
- U.S. East arrivals are up 5.8 percent, totaling over 360,000 through the first 10 months of the year.
- Arrivals from Canada to Kaua'i are up 4.5 percent for the period, equaling 38,200.
- Arrivals from Japan totaled nearly 31,300, down 14.6 percent through October.

Kaua'i Highlights: YTD Through October 2006

Jan-Oct 2006	Kaua'i	% Chge
Total Arrivals	985,433	7.7%
Total Expenditures (\$mil.)	\$ 1,037.6	9.6%
PPPD Spending (\$)	\$ 164.3	4.5%
Domestic Arrivals	895,935	8.0%
Int'l Arrivals	89,498	4.4%
Domestic Length of Stay	6.63	-3.0%
Int'l Length of Stay	4.17	0.8%

Source: DBEDT

☛ Air Seat Capacity to Līhu'e Up 21.5 Percent Through October

Scheduled air seats to Līhu'e Airport equaled 345,574, up 21.5 percent through October, compared to the same 10 months last year, according to a [Department of Business, Economic Development, and Tourism](#) (DBEDT) analysis of OAG flight schedules. In addition to Līhu'e's established flights from Los Angeles, San Francisco and Oakland, America West Airlines inaugurated a new nonstop route from its Phoenix hub in Spring 2006.

- ATA Airlines is scheduled to launch four weekly nonstop seasonal flights between Oakland and Līhu'e on June 15, 2007.

3. NATIONAL TRAVEL UPDATE

☛ Travel Industry Association Predicts U.S. Domestic Travel Slow Down Ahead

Nationwide U.S. leisure travel is expected to continue to grow in 2007, but at a slower rate than observed in recent years. That was the consensus of predictions shared at the Travel Industry Association of America's (TIA) Annual Marketing Outlook Forum held this fall in Florida. Following an estimated two percent increase in 2006, TIA projects that leisure travel will rise by another one to two percent in 2007. TIA predicts that 2007 will be a year of slow growth, one in which travel businesses will more likely achieve revenue gains through stealing market share rather than by simply enjoying a growing piece of a growing pie.

Extended coverage of the Marketing Outlook Forum was provided in *Tourism Industry Update Issue 06:20*. To view current and past issues of TIU, please visit: <http://www.hvcb.org/media>

Happy Holidays from HVCB!

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