



Visitors & Convention Bureau

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HVCB Tourism Industry Update

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

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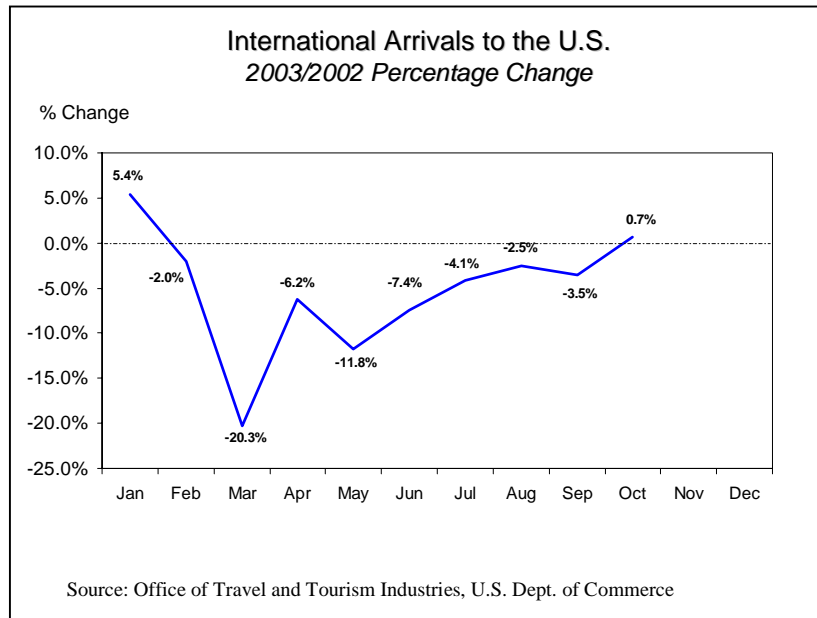
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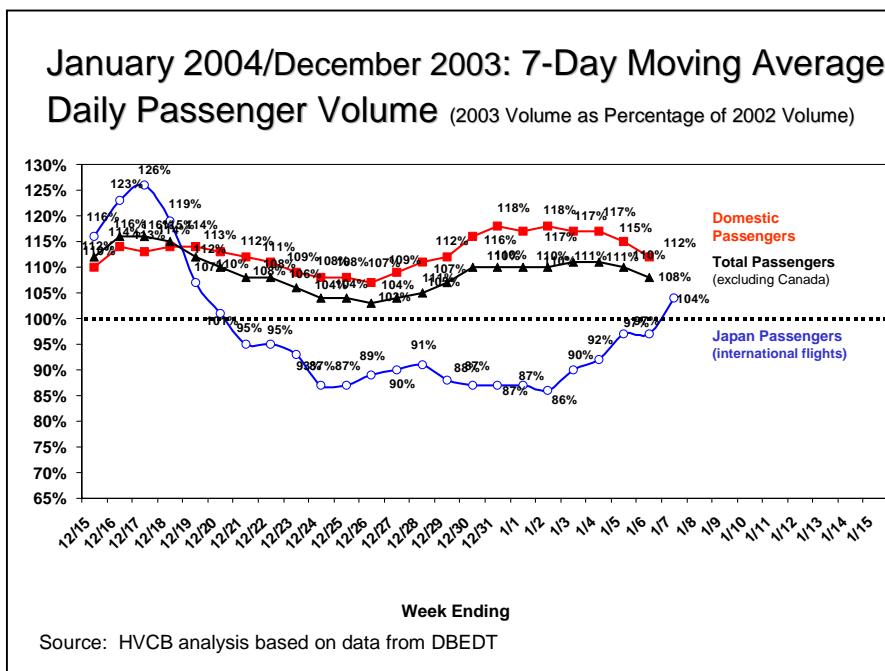
- **International Arrivals to the U.S. Grow in October**
 - The U.S. welcomed 2.9 million international visitors in October 2003 -- a 0.7 percent increase over October 2002, and the first month of positive growth since January 2003, according to the [Office of Travel and Tourism Industries](#) in the U.S. Department of Commerce. For the first 10 months of 2003, international arrivals to the U.S. are down 5.5 percent compared to same period in 2002.
 - Western Europe led all major world regions in October growth at +3.6 percent. Year-to-date (January-October 2003), Western European arrivals to the U.S. are nearly even with 2002 levels, down just 0.5 percent.
 - Although visitation from Asia continued to decline in October (-3.8%), the region turned out its best month-over-month performance since February 2003. For the first 10 months in 2003, Asian arrivals to the U.S. are down 15.1 percent, but improvement is expected as the market continues to recover.

- Thus far, Hawai'i is seeing a faster recovery of Japanese arrivals than the U.S. mainland, when compared to 2002. Japanese travel to the U.S. mainland (excluding Hawai'i and Guam) is down 14.4 percent (January-October), while Japanese travel to Hawai'i is down 12.4 percent during the same period.



Hawai'i

- **CONSUMER TRAVEL BEHAVIORS**
 - **Total Passenger Volume to Hawai'i Up 12 Percent Above 2003 Levels** - For the seven-day period ending January 6, 2004, total domestic and international (excluding Canada) passenger volume was up 12 percent over the same period in 2003, according to the state [Department of Business, Economic Development and Tourism](#). Total domestic passenger volume was at 108 percent of 2003 levels for the seven-day period, while nonstop passengers from Japan arriving in Hawai'i inched up to 104 percent of 2003 figures.



- **Honolulu Ranked as Healthiest City; Best Place to Sleep** - For the second year in a row, *Men's Fitness* magazine ranked Honolulu as the country's "fittest city" out of the nation's 50 largest metropolitan areas. The poll used 14 criteria to determine the rankings, including fruit and vegetable consumption, commute times, and public athletic facilities per capita. The rankings for "Healthiest City" in 2003 are:

1. Honolulu, HI
2. San Francisco, CA
3. Virginia Beach, VA
4. Denver/Colorado Springs, CO
5. Seattle, WA

In a separate poll conducted by mattress maker, BodyZone Comfort Sleeper, Honolulu ranked as the nation's top place to sleep, according to the [Honolulu Advertiser](#). The poll used commute times in its criteria, as well as number of days residents did not get enough rest; percent of population using nonprescription sleep medications; unemployment rate; and extreme weather indicators. The rankings for "Best Place to Sleep" are:

1. Honolulu, HI
2. Fresno, CA
3. Phoenix/Mesa, AZ
4. Allentown/Bethlehem/Easton, PA
5. San Jose, CA

- **CURRENT INDUSTRY DEVELOPMENTS**

- **HVCB Wins 2003 Meeting News Planners' Choice Award** - The Hawai'i Visitors and Convention Bureau earned its second straight Planners' Choice Award from *Meeting News*, an industry newspaper published 18 times annually to a national circulation of 60,000 meeting, convention, incentive, and tradeshow professionals. The Planners' Choice Award represents a broad spectrum of the meetings industry, incorporating the recommendations of corporate, association and independent meeting planners, and incentive planners. HVCB was nominated for the award based on the expertise of the staff, quality of services provided, and timely response to planners' needs.
- **Hawaiian Airlines Expands Code-Share Partnership into Canada, Mexico** - [Hawaiian Airlines](#) announced that they have expanded their code-share partnership with America West Airlines to include international service on 12 routes to Canada and Mexico. Hawaiian Airlines, which already has a code-share agreement with America West to 50 U.S. cities, will now be able to book flights for four Canadian cities -- Vancouver, Calgary, Edmonton and Toronto; and eight Mexican cities -- Acapulco, Cancun, Guadalajara, Hermosillo, Ixtapa/Zihuatanejo, Mexico City, Monterrey, and San Jose Cabo.
- **Aloha Airlines Submits Application to Provide Direct Service to Washington, D.C.** - [Aloha Airlines](#) has submitted an application to the U.S. Department of Transportation to provide direct service between Washington, D.C. and Hawai'i. If approved, Aloha would offer direct, single-plane service between Ronald Reagan Washington National Airport (DCA) and Honolulu, via Orange County. The new route would provide the only nonstop service between the three D.C.-area airports to Orange County, and could begin as early as July 1, 2004, according to the airline.

National and International

- **CONSUMER TRAVEL BEHAVIORS**

- **TIA: Travel Price Index Increases 2.1 Percent in November** - The Travel Industry Association of America's (TIA) Travel Price Index (TPI) increased 2.1 percent in November 2003, compared to the same month last year. Airfares increased 2.2 percent compared to November 2002, and lodging prices rose 1.2 percent for the month. The TPI is a monthly indicator of the price change in travel goods and services available to the U.S. consumer.

- **AAA National Travel Barometer: December Travel Bookings Rise 13 Percent** - The latest monthly [AAA National Travel Barometer](#) indicates that overall travel bookings in December were up 13 percent, compared to December 2002. The association cites strong stock market gains and the arrival of cold winter weather on the U.S. mainland as motivating factors behind the increase in December bookings. The AAA barometer, which is based on a sample of 13 clubs representing more than half of the association's 46 million members, was established to gauge the domestic leisure travel market. When comparing December 2003 to December 2002:
 - Cruise bookings -- up 31 percent (to 17,200)
 - Tour packages -- up 12 percent (to 26,500)
 - Hotel bookings -- up eight percent (to 30,300)
 - Car rental reservations -- up four percent (to 14,400)
- **JTB: Outbound Japanese Travelers Expected to Reach 17 Million** - The Japan Travel Bureau (JTB) Foundation projects that Japanese outbound travel will reach 17.0 million, the highest level attained since 2000, when a record 17.8 million Japanese traveled abroad, according to *Travel Journal International*. The projected 2004 outbound level is 26.5 percent above the estimated 13.4 million Japanese outbound travelers seen in 2003. JTB's forecast, which is based on a variety of economic factors, reflects an expected GDP growth of 1.8 percent for 2004, as well as the anticipated strengthening of the Japanese Yen.
- **CURRENT INDUSTRY DEVELOPMENTS**
 - **Homeland Security Launches US-VISIT Program** - The U.S. Department of Homeland Security launched [US-VISIT](#), a program designed to enhance national security and facilitate legitimate travel to the U.S., on January 5, 2004. New entry procedures were put into place at 115 airports, and 14 seaports, including Honolulu International Airport. US-VISIT requires most foreign visitors to the U.S. traveling on a non-immigrant visa to have both index fingers scanned and a digital photograph taken at the port of entry, to verify identity. Visitors from Hawai'i's top international markets, Japan and Canada, are not subject to these additional security measures, since they are on the Visa Waiver program. The procedure is estimated to add an average of 15 seconds per person to the entry process, according to Homeland Security.

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We welcome any suggestions or comments that you may have that will help us improve the quality of the weekly "HVCB Tourism Industry Update" for our readers. Please feel free to share your ideas with Gail Chew via email at: gchew@hvcb.org