



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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Feature

- **U.S. Market Drives January 2004 Arrivals to Hawai'i**
 - Building off a record year for U.S. arrivals to Hawai'i in 2003, the U.S. market continued to show positive growth in January 2004, according to the state [Department of Business, Economic Development and Tourism](#).
 - Arrivals from the U.S. West, the largest source market of visitors to Hawai'i, inched up 0.8 percent in January 2004, compared to the same month last year, while U.S. East arrivals climbed 6.7 percent ahead of last year's visitor count.
 - However, total air arrivals from all markets slipped 1.0 percent (to 512,186) compared to January 2003.
 - The number of visitors arriving aboard domestic flights rose 2.8 percent, while arrivals on international flights fell 7.8 percent.

Visitor Arrivals to Hawai'i - January 2004

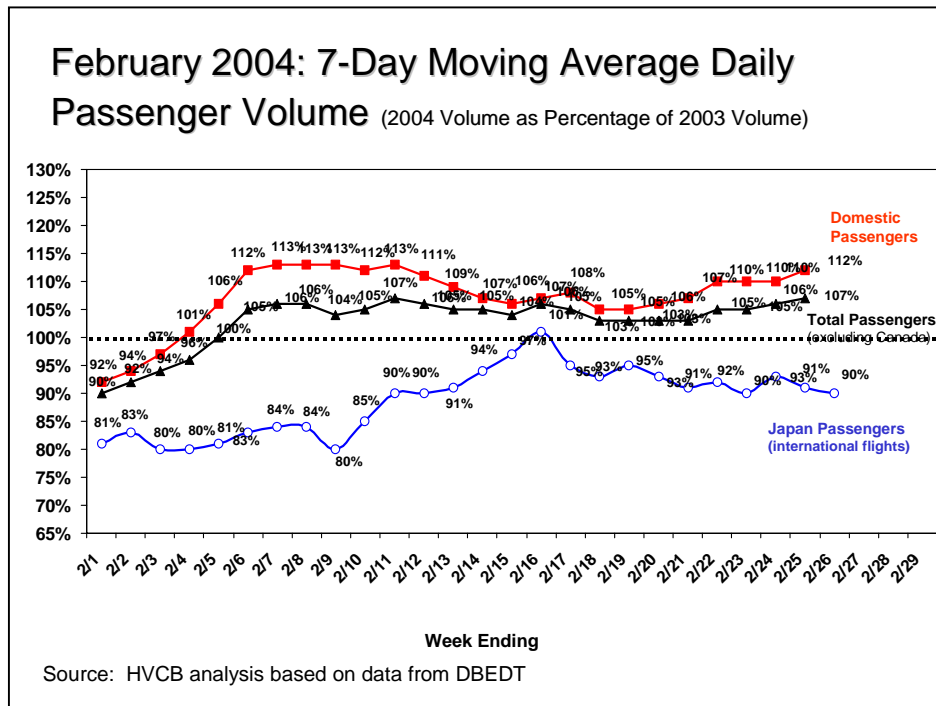
Visitor Arrivals	January		% Change
	2004P	2003P	
U.S. West	170,110	168,677	0.8%
U.S. East	147,954	138,606	6.7%
Canada	31,629	33,520	-5.6%
Japan	110,662	122,120	-9.4%
Total Visitor Arrivals	512,186	517,141	-1.0%

Source: DBEDT

Hawai'i

CONSUMER TRAVEL BEHAVIORS

- Domestic Passenger Volume Continues to Outpace 2003 Levels for Seven-Day Period** - According to statistics published by the state [Department of Business, Economic Development and Tourism](#), domestic passenger volume to Hawai'i was up 12 percent over last year's figures for the seven-day period ending February 25, 2004. Total domestic and international (excluding Canada) volume continued to perform above 2003 levels, up seven percent over last year's numbers, while nonstop passengers from Japan arriving in Hawai'i remained below 2003 levels for the seven-day period at 90 percent of 2003 figures.



CURRENT INDUSTRY DEVELOPMENTS

- HVCB and HCC Showcase Hawai'i at Top Association Tradeshow** - [HVCB](#) and the Hawai'i Convention Center showcased the state in Washington D.C. at an industry-leading tradeshow for association meetings. "Destinations Showcase," presented by the International Association of Convention & Visitors Bureaus (IACVB) was held on February 26, 2004, and drew over 1,000 of the nation's top planners to research future meetings sites.
- Maui AIDS Foundation Kicks Off Third Annual Volcano Party Festival** - The 3rd annual [Volcano Party Festival](#), an HTA-supported tourism initiative promoting Hawai'i as a gay-friendly destination, kicks off on O'ahu between March 5-7, 2004, and moves on to Maui on May 1. Presented by the Maui AIDS Foundation, the goal of the initiative is to raise funds and awareness for the foundation, and create business opportunities for Hawai'i's tourism industry. All of the profits from Volcano Party benefit the Maui AIDS Foundation.

National and International

▪ **CONSUMER TRAVEL BEHAVIORS**

- **National Consumer Confidence Index Tumbles Nine Points in February** - The Conference Board's [Consumer Confidence Index](#) declined 9.1 points in February to 87.3 (1985 = 100). The "Present Situation" index decreased to 73.1 (from 79.4 in January), while the "Expectations" index fell 11 points to 96.8 (from 107.8 in January). The Conference Board points out that the optimism experienced at the beginning of the year has given way to caution, mainly because of current economic conditions and the state of the labor market.
- **TIA: U.S. National Parks Popular Among American Travelers** - In the past five years, 40 percent of the U.S. adult population (84.4 million) took a trip of 50 miles or more away from home that included a visit to at least one National Park, according to the [Travel Industry Association of America](#) (TIA). U.S. travelers visited national parks for various reasons:
 - 92% to experience nature
 - 90% for educational benefit
 - 89% to experience culture and history
 - 89% to spend time with family
- **U.S. Passport Applications Increase 13 Percent** - According to the U.S. Department of State, U.S. passport applications increased 13 percent between October and mid-February, after nearly 2 ½ years of declines (*Wall Street Journal*). Department officials speculate that 2004 may be the biggest year for passport issuance in history. The rise in international travel demand and upsurge in passport applications is in part due to improved travel security, the end of war in Iraq, and the abatement of the SARS scare.
- **U.S. Cruise Passenger Traffic Up Eight Percent in 2003** - A statistical series issued by the [U.S. Maritime Administration](#) (MARAD) of the U.S. Department of Transportation indicates that cruise passenger travel originating from North America increased eight percent in 2003 compared to 2002. The top ten cruise lines carried a total of 8.3 million passengers on 3,840 North America-based cruises. Seventy-two percent of all cruise passengers chose the Caribbean or Bahamas as their destination of choice.
 - Locally, Hawai'i welcomed a total of 230,495 out-of-state cruise visitors in 2003, a decrease of 1.9 percent compared to 2002, according to the state [Department of Business, Economic Development, and Tourism](#) (DBEDT). However, cruise ship passenger visitor days rose 2.3 percent last year, because of a 4.3 percent increase in length of stay. Cruise passengers also spent more on their trip in 2003, averaging \$101 per visitor per day compared to \$99 in 2002.
 - A survey conducted by [Travel Guard](#) indicates that cruises may become the most-booked travel product in 2004, according to *Travel Agent* magazine. The survey of Travel Guard's travel agent partners indicates that 71 percent of their clients are choosing the Caribbean; 16 percent choose Alaska; and six percent cite Hawai'i as their top destination.

▪ **CURRENT INDUSTRY DEVELOPMENTS**

- **Japan Initiates Campaign to Attract Asian Travelers** - The Japanese Tourism Industry is launching a campaign to attract the high-spending Asian travel market, according to the *Wall Street Journal*. Government officials are being featured in ads in South Korea and China in an effort to attract the lucrative Asian travel market. In 2002, Japan welcomed 5.2 million inbound tourists, while there were nearly three times as many Japanese outbound travelers. Provoked by Japan's estimated ¥3.5 trillion tourism spending deficit, Prime Minister Junichiro Koizumi announced that the country will work to double the number of Japanese outbound tourists by 2010.

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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 Darlene Morikawa via email at: dmorikawa@hvcb.org