



## Visitors & Convention Bureau

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Contact:

Darlene Morikawa  
dmorikawa@hvcb.org  
808.924.0259

# 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***

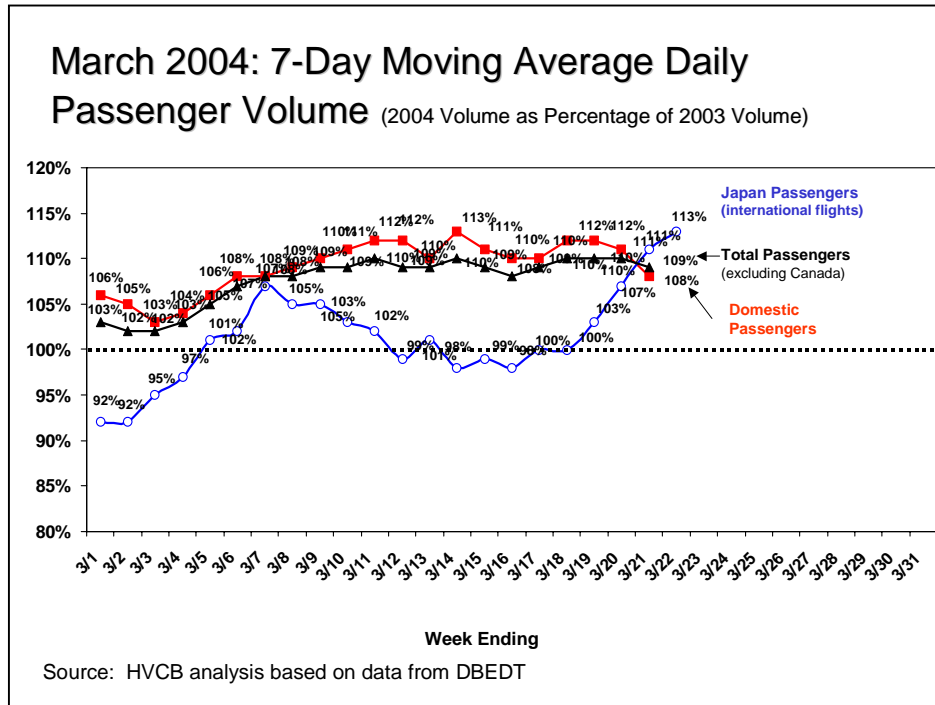
#### ▪ **HTA Releases New Competitive Assessment Update**

- The possible development of an air carrier travel partner strategic plan, a comprehensive cruise industry strategic plan, and an e-commerce strategy were among a number of tactical issues and directions noted for the Hawai'i Tourism Authority's (HTA) consideration in a new report presented at the March 22<sup>nd</sup> meeting of the HTA's *Ke Kumu* Investigative Committee.
- The study, "2003 Update of Competitive Assessment, Product Assessment and Non-Geographic Major Areas," was conducted by Hospitality Advisors LLC as an update to an earlier competitive assessment study done for HTA in 1999.
- The Assessment focuses on the external tourism market environment, including an overview of Hawai'i's major source markets; analyses of the travel distribution system, competitive environment and airline industry; and overviews of the Convention Center market and passenger cruise industry. The study also highlights best practices of competitive destinations related to product strategy, planning and development.
- A summary of the study will be posted shortly on [HTA's website](#).

## Hawai'i

- **CONSUMER TRAVEL BEHAVIORS**

- **Japanese Passenger Volume Up 13 Percent Over 2003 Levels for Seven-Day Period** - According to statistics published by the state [Department of Business, Economic Development and Tourism](#), nonstop passengers from Japan arriving in Hawai'i moved ahead 13 percent over last year's figures for the seven day period ending March 21, 2004. This increase is due, in part, to the sharp declines in Japanese outbound travel last year, with the start of the War in Iraq (beginning March 20, 2003), and the emergence of SARS. Total domestic and international (excluding Canada) volume continued to perform above 2003 levels, up nine percent over last year's numbers, while total domestic passenger volume continued to be above prior-year levels at 108 percent of 2003 levels for the seven-day period.



- **JTB: Japanese Outbound Travel Bookings Up; Hawai'i a Popular Destination** - The Japan Travel Bureau (JTB) announced that overseas air and hotel bookings have nearly doubled this spring season, and that Hawai'i is a particularly popular destination, according to *Dow Jones Newswires*. Destinations like Hawai'i and Australia are particularly popular because travelers want to go to resorts where they can relax "for long periods." According to JTB, outbound travel from Japan is recovering, mainly due to the abatement of the SARS threat and an improving Japanese economy.

- **CURRENT INDUSTRY DEVELOPMENTS**

- **Hawai'i Business Confidence Level Rising in 2004** - Results from the semi-annual Hawai'i Business Confidence Survey released by the [Bank of Hawai'i](#) in February shows a level of optimism in business confidence not seen since the state's economic expansion in the late 1980's. Furthermore, business confidence among the 437 local business owners surveyed for the study, has returned to pre-9/11 levels:
  - 57.3 percent of local business respondents expect a somewhat or much higher performance for Hawai'i's economy; and 53.6 percent hold this same view for their own sales during the next 12 months.
  - Only 6.3 percent of respondents expect lower performance for the economy, with 8.8 percent expecting lower sales for their own respective businesses.
  - Respondents also anticipate higher levels of capital spending (35.7%); and higher profitability (49.4%) in 2004.

## National and International

### ▪ CONSUMER TRAVEL BEHAVIORS

- **International Arrivals to the U.S. Improve in Fourth Quarter** - The U.S. welcomed 3.0 million international visitors in December 2003, an increase of 0.9 percent over December 2002, and the third consecutive month of positive arrivals growth, according to the [Office of Travel and Tourism Industries](#). International arrivals in the fourth quarter 2003 grew a total 2.7 percent over the same quarter in 2002. For the year, annual 2003 arrivals totaled 40.4 million, a decrease of 4.1 percent compared to 2002 figures.
  - Japanese arrivals totaled 323,426 in December 2003, an increase of 10.5 percent over December 2002 figures. Annual arrivals from Japan equaled 3.2 million, a downfall of 12.6 percent from 2002.



- **U.S. Tourism Industry Sales Increase 3.5 Percent in 2003** - According to a news release by the [U.S. Bureau of Economic Analysis](#) (BEA), total tourism sales grew in all four quarters in 2003, making it the first year of positive growth since 2000. Sales in the fourth quarter increased 2.2 percent totaling \$740.6 billion, with direct tourism-related "air transportation" sales increasing by 2.9 percent (to \$96 billion); and direct tourism-related sales of "eating and drinking places" increasing by 7.2 percent to \$66.3 billion. Together, air transportation sales, and eating and drinking sales accounted for 56.9 percent of the total direct tourism-related growth totaling \$387.3 billion in 2003. Hotel and lodging sales remained virtually flat, decreasing slightly (-0.1%) to \$105.7 billion in 2003.
- **ARC: Total Agency Travel Sales Continue Growth in February 2004** - The [Airlines Reporting Corporation \(ARC\)](#) released its February 2004 operating statistics, showing that its accredited agency travel sales increased by 11 percent, compared to 2003, the sixth consecutive month of higher sales. Weekly average sales per ARC-accredited location increased 25 percent over February 2002 figures, and reached a new record high, up nine percent over the previous high set in October 2003.

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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](mailto:dmorikawa@hvcb.org)