



## Visitors & Convention Bureau

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# HVCB Tourism Industry Update

Issue: 04:18 May 3, 2004 (1:30 P.M.)

"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***

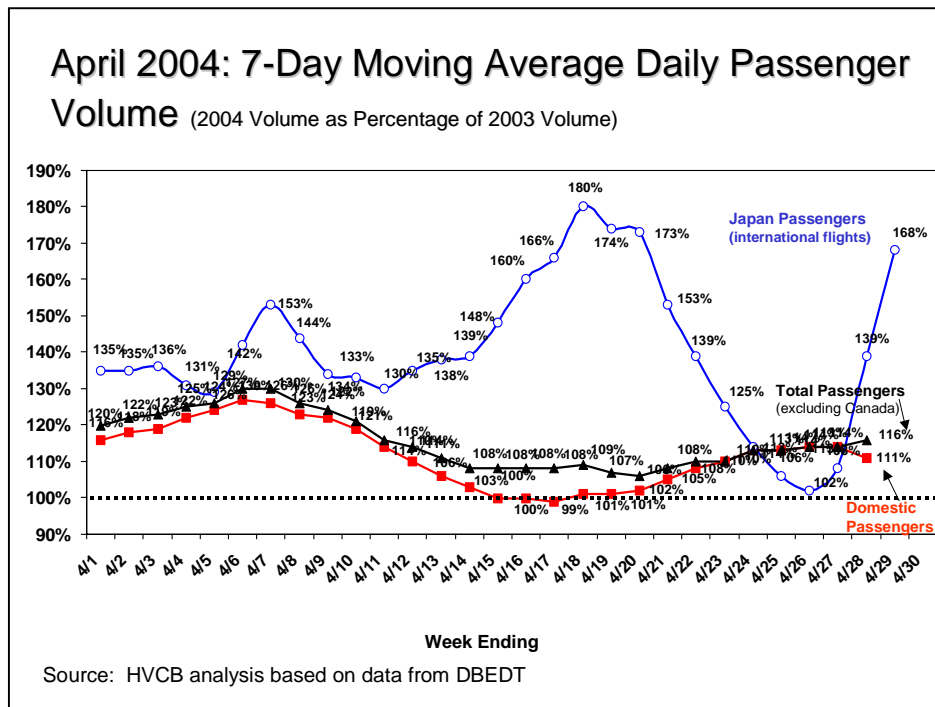
- **U.S. Timeshare Industry Contributes \$66.7 to National Economy in 2002**
  - The domestic timeshare industry had a \$66.7 billion impact on the U.S. economy in 2002, according to a [Travel Daily News](#) report on results of a national PricewaterhouseCoopers (PwC) study for the American Resort Development Association International Foundation (AIF).
    - The study, considered the largest and most comprehensive in the industry, surveyed 3,359 timeshare owners and 54 timeshare entities, covering nearly 34 percent of all existing timeshare resort units, and 67 percent of all industry sales.
    - The study claims that direct and indirect economic output, along with industry fiscal contributions, lead to a total of \$44.4 billion in output; 476,100 full- and part-time jobs; \$15.9 billion in payroll; and \$6.4 billion in tax revenue in 2002.
    - Timeshare owners, themselves, had unique travel habits. Direct industry output by timeshare owners in 2002:
      - Took 4.9 million timeshare vacations, averaging 7.6 nights.
      - Had an average party size of 3.6 people per trip.
      - Spent an average of one additional night in a destination using other accommodations (i.e. hotels).

- Averaged \$1,784 in spending per trip (equaling \$8.7 billion in total trip spending).
  - Spent \$5.5 billion on purchases of new timeshares.
  - Contributed \$3.0 billion toward maintenance fees for existing units.
- According to the DBEDT's Visitor Plant Inventory Report, Hawai'i had 5,159 registered timeshare units in 2003, representing 7.3 percent of all visitor plant inventory, and up 3.9 percent from the 4,967 registered units in 2002.

## Hawai'i

### ▪ CONSUMER TRAVEL BEHAVIORS

- **Japanese Passenger Volume During Golden Week Up 68 Percent for Seven-Day Period** - According to statistics published by the state [Department of Business, Economic Development and Tourism](#), nonstop passenger volume from Japan was 68 percent above 2003 levels for the seven-day period ending April 29, 2004, the beginning of Japan's *Golden Week* holiday travel period. Travel during *Golden Week* in 2003 (April 29-May 5, 2003) was negatively impacted by the War in Iraq and the SARS epidemic, especially affecting the Japanese outbound travel market. Domestic passenger volume continued to perform above 2003 levels, up 11 percent, and total domestic and international (excluding Canada) volume on nonstop flights arriving in Hawai'i rose to 16 percent above 2003 levels for the seven-day period.



- **DBEDT: First Quarter Arrivals to Hawai'i Up Nearly Four Percent** - Total visitor air arrivals to Hawai'i totaled 1.6 million in the first quarter of 2004, an increase of 3.8 percent over the same period last year, according to the [Department of Business, Economic Development and Tourism](#) (DBEDT). The market was driven by arrivals from the U.S. East (+7.6%) and U.S. West (+5.7%) during the first three months of the year. Domestic visitor arrivals also registered the best March on record, with 1.1 million arrivals. Arrivals from Japan in the 1<sup>st</sup> quarter were down 1.3 percent, despite the 11.2 percent boost in March (the jump in March reflects the comparison to last March when the market was negatively impacted by the War in Iraq and the SARS epidemic).

▪ **CURRENT INDUSTRY DEVELOPMENTS**

- **American Airlines Requests Flight Frequencies to Begin Tokyo-Honolulu Service** - [American Airlines](#) formally asked the U.S. Department of Transportation (DOT) for seven weekly U.S.-Japan flight frequencies in order to begin nonstop service between Tokyo and Honolulu. The flight frequencies between the two countries, as established in the U.S.-Japan Air Transport Services Agreement, are currently open and available, according to American. If approved, American will have to file for slots at Narita Airport before establishing the service.
- **CLIA: Cruise Capacity to Hawai'i Up 35 Percent in 2004** - Despite a decline in overall cruise capacity to the south Pacific (-37%), the Cruise Lines International Association (CLIA) states that capacity to Hawai'i will be up 34.6 percent in 2004, according to *Travel Management Daily*. The Caribbean will decline in market share this year, but is projected to remain the top cruise market worldwide.
- **HTA Launches New Business Information Website** - The [Hawai'i Tourism Authority](#) (HTA) launched a new business information website ([www.hawaiiworks.com](http://www.hawaiiworks.com)), providing information about meetings, conventions, and business development in Hawai'i. The website provides links to those interested in establishing a business in Hawai'i, and features information on emerging industries in the state. The site also provides relevant contact information to local private and public entities, including HVCB, the Hawai'i Convention Center, and DBEDT.
- **Historic Hawai'i Foundation and UH to Hold Preservation Conference** - The Historic Hawai'i Foundation, and the University of Hawai'i at Manoa, School of Travel Industry Management, will hold the [Annual Statewide Historic Preservation Conference](#) at the Hawai'i Convention Center on May 14-15, 2004. The conference, themed "Grass Skirts and Palm Trees: Redefining an Authentic Hawai'i," will address the issues of economic development, historic preservation, tourism and quality of life.

***National and International***

▪ **CONSUMER TRAVEL BEHAVIORS**

- **National Consumer Confidence Rises 4.4 Points in April** - The [National Consumer Confidence Index](#) increased for the first time this year in April, up 4.4 points from the previous month to 92.9 (1985=100), according to the Conference Board. The "Present Situation" index increased to 90.6 (from 84.4 in March), and the "Expectations" index rose more than three points to 94.5 (from 91.3 in March). The Conference Board attributes the consumer confidence improvement to a more favorable view on current business and labor market conditions, and an overall positive economic outlook over the next six months.

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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)*