

"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.

FOR IMMEDIATE RELEASE

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1. FEATURE

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➤ O'ahu Hotel Industry Among Eight U.S. Markets Expected to Overachieve in 2004

O'ahu is one of eight U.S. markets that will likely to outperform the U.S. hotel industry's improving operating trends in 2004, according to a [Hotel-Online](#) special report of Lodging Econometrics' *Supply Side Forecast and Trends Analysis*.

- A special in-depth analysis comparing both supply and demand trends of the nation's largest 25 markets show that O'ahu (along with Anaheim; Los Angeles; Miami; New York; Norfolk, VA; Phoenix; and Washington D.C.) is expected to help drive the industry's recovery, outperforming the nation's expected hotel operating trends.
- A separate portion of the study indicates that the nation will experience weak supply-side growth in the hotel industry this year:
 - With a forecasted 1.2 percent growth in 2004, this year is projected to have the smallest number of guestroom additions since 1994, with just 62,005 rooms added nationwide.
 - However, the report indicates that 2004 will likely be the low point in supply-side growth, as an expanding economy, increasing business travel trends, and improving hotel operating performance indicators should spark renewed development and construction.

- *The Lodging Econometrics' Supply Side Forecast and Trends Analysis* is a new quarterly report of 197 markets that forecasts unit and guestroom growth rates for every market in the country, comparing both supply and demand trends.

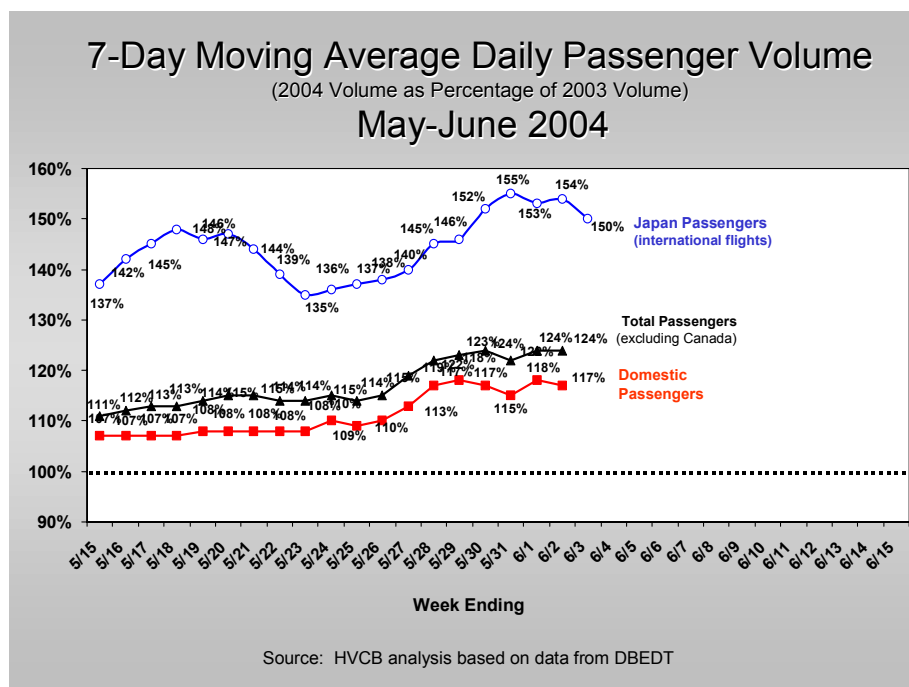
2. HAWAI'I

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■ CONSUMER TRAVEL BEHAVIORS

➤ Memorial Day Weekend Helps Boost Domestic Passenger Volume Up for Seven-Day Period

According to statistics published by the state [Department of Business, Economic Development and Tourism](#), total domestic passenger volume, which seemed to be boosted by travelers taking advantage of the Memorial Day weekend, rose to 17 percent above prior-year levels for the seven-day period ending June 2, 2004. Total volume of nonstop passengers from Japan continued to perform above 2003 levels, up 50 percent over last year's figures, pushing total domestic and international (excluding Canada) passengers on nonstop flights to Hawai'i to 24 percent over 2003 figures for the seven-day period.



➤ *Modern Bride* Ranks Hawai'i as World's Best Honeymoon Destination for Eighth Straight Year

For the eighth straight year, [Modern Bride](#) magazine ranked Hawai'i as the number one honeymoon destination overall in its eighth annual "World's 50 Best Honeymoons" survey, beating out competition from the Caribbean, Mexico, Tahiti and Italy. The survey results will be featured in *Modern Bride's* August/September 2004 issue. The survey of 3,000 top U.S. travel agents ranked destination value, cruise lines, sports/adventure activities, luxury, and resorts with spas.

| <i>Modern Bride's</i> Top 10 Honeymoon Destinations | |
|--|------------------------|
| 1. Hawai'i | 6. Italy |
| 2. Jamaica | 7. U.S. Virgin Islands |
| 3. Mexico | 8. Aruba |
| 4. Tahiti | 9. Las Vegas |
| 5. St. Lucia | 10. Bermuda |

➤ Waikīkī Beach Earns Place in Travelocity's Top "Action" Beaches in North America

[Travelocity](#) named Waikīkī Beach among its top ten "action" beaches in the U.S. and "nearby." An "action" beach is defined as a destination where activities and people come together with a "palpable" vibe, may offer adventure, and offer a peek into the culture of a place, according to the report. Other top ten beaches, which were ranked alphabetically, include Atlantic City (NJ); Laguna Madre (TX); Magen's Bay (Virgin Islands); Playa Centro (Mexico); South Beach (FL); and Venice Beach (CA).

■ CURRENT INDUSTRY DEVELOPMENTS

➤ HVCB Goes Bi-Coastal With Meetings Promotions

[HVCB](#) will utilize its national sales team to simultaneously promote the meeting attributes of the Islands at tradeshows on opposite ends of the country. On the West Coast, HVCB and several industry partners will attend the Hospitality Sales and Marketing Association International's (HSMIA) Affordable Meetings West tradeshow in Long Beach, June 9-10. Nearly 850 corporate and association planners are expected to attend the show. Meanwhile on the East Coast, HVCB will also be selling Hawai'i at the Continuing Medical Education Conference in Philadelphia. HVCB is one of only 13 exhibitors taking part in this exclusive conference focusing on medicine. The conference is expected to attract 140 attendees, representing physician groups and other health care professionals.

3. NATIONAL / INTERNATIONAL

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■ CONSUMER TRAVEL BEHAVIORS

➤ YPB&R: Rising Gas Prices Likely to Affect Travel Plans for U.S. Travelers This Summer

A majority (56%) of U.S. leisure travelers said that the rising cost of gasoline would affect their summer travel plans, while 44 percent indicated that gas prices would have little or no effect, according to a study released by [Yesawich, Pepperdine, Brown & Russell](#) (YPB&R). However, new flight ticket fuel surcharges implemented by some airlines do not appear to affect air travel plans, as 70 percent of respondents said that they were either not affected at all or ambivalent about the issue. The poll also found that 51 percent of summer travelers would reevaluate their summer travel plans because of current household economic conditions.

➤ TIA: Industry Performance Indicators Show Sharp Increases in April

According to the [Travel Industry Association of America](#) (TIA) Industry Performance Indicators (IPI) for April 2004, domestic air revenue passenger miles (RPMs) increased 14.0 percent compared to the same month last year, while international air RPMs rose 37.8 percent. These jumps, however, follow the sharp declines experienced in April 2003 due to the war in Iraq and the SARS scare. Hotel/motel room demand also continued to show strength in April, up 7.9 percent compared to April 2003. The IPI is released by TIA each month to give a monthly snapshot of recent trends in the travel industry.

■ CURRENT INDUSTRY DEVELOPMENTS

➤ Australia to Boost Marketing Efforts in Japan

The Australian Tourist Commission (ATC) announced that it will nearly double its budget to launch its biggest marketing campaign ever in Japan, according to *Travel Journal International*. Using a record \$14.4 million next financial year (July 2004-June 2005), Australia will try to boost its share of the Japanese outbound market. Highlights of the campaign include Australia's first television advertisements in over six years, magazine and outdoor advertising, and online promotions. The new campaign is part of a \$360 million global marketing campaign for ATC.

We welcome any suggestions or comments that you may have that will help us improve the quality of the weekly Tourism Industry Update. Please feel free to share your ideas:

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