

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

FOR IMMEDIATE RELEASE

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1. FEATURE

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➔ American Express: Business Travel Prices Projected to Rise as Demand Recovers

The global business travel industry is projected to rebound in 2005, driving air and hotel rates up, according to the [American Express Global Business Travel Forecast 2005](#). The study forecasts that worldwide short-haul (economy class) fares will rise between zero to three percent, while international business fares will increase between two and five percent. Mid-range and upper-range hotel room rates are projected to increase between one and three percent globally. Results for the U.S. include:

- In the U.S., business airfares are expected to rise by one to three percent, while international business-class fares will be up two to five percent.
 - Increases in trans-Atlantic traffic and a better global business environment are expected to generate higher overseas airline prices.
- Standard corporate hotel room rates next year are forecasted to increase between zero and three percent in the U.S. Hotel rates are following the upward trend seen during the past 18 months.

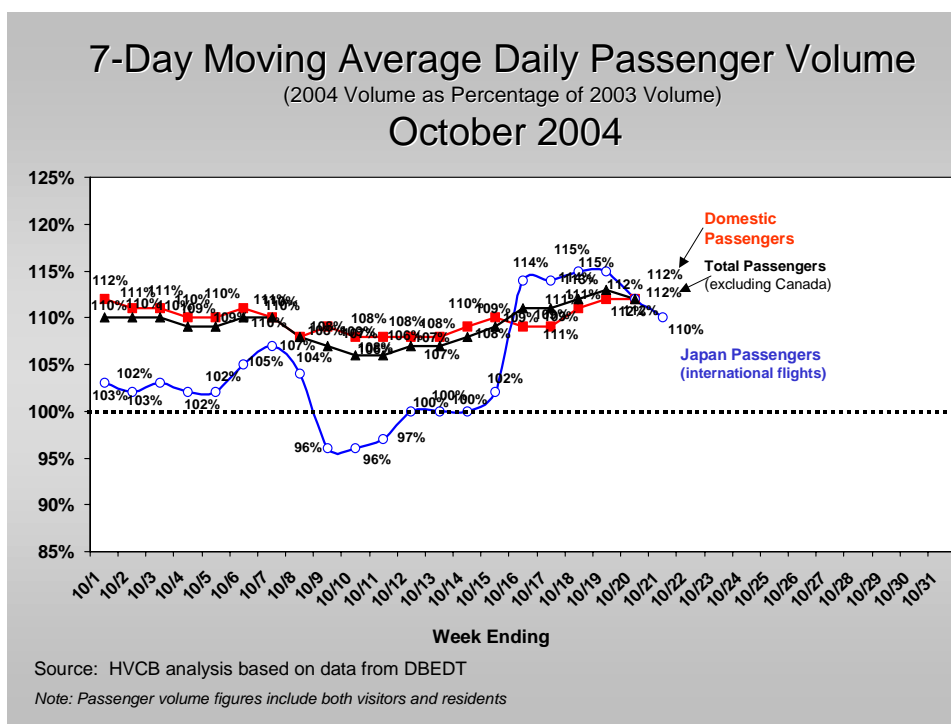
American Express Forecast for Global Business Travel Prices 2005 Regional Forecast				
Region	Air		Hotel	
	Domestic/Short Haul (Economy)	International (Business Class)	Mid-Range	Upper-Range
North America	1 to 3%	2 to 5%	0 to 3%	0 to 3%
Asia-Pacific	3 to 4%	4 to 5%	2 to 3%	3 to 4%
Europe	(-3) to 1%	2 to 4%	1 to 3%	0 to 1%
Latin America/Caribbean	2 to 3%	3 to 5%	1 to 2%	0 to 2%

Source: American Express

CONSUMER TRAVEL BEHAVIORS

➤ Total Passenger Volume to Hawai'i 112 Percent of Prior Year Levels for Seven-Day Period

According to statistics published by the state [Department of Business, Economic Development and Tourism](#), total domestic and international (excluding Canada) volume on nonstop flights arriving in Hawai'i was 112 percent of prior-year levels for the seven-day period ending October 20, 2004. Domestic passenger volume on nonstop flights to Hawai'i increased 12 percent over 2003 levels and nonstop passenger volume from Japan increased 10 percent above prior-year levels for the latest seven-day period. For the most recent Seven Day Moving Average chart, visit HVCB's Market Trends Online: <http://www.hvcb.org/trends>



➤ Japanese Online Consumer Survey: Half of FIT Respondents Have Visited Hawai'i

Half (49.8%) of Japanese individual travelers (FIT) surveyed by overseas travel reservation site, *Tabini.com*, said that they have traveled to Hawai'i, according to *Travel Journal International*. The survey shows that Asia (71.2%) was the only destination to place ahead of the Islands of Aloha. The poll, taken this spring of nearly 9,000 of the website's members, also showed that some 53 percent of respondents have traveled one or more times a year to an overseas destination. Most (82.6%) of the survey respondents put the most emphasis on pricing over other factors such as safety, sanitary conditions abroad, and beautiful scenery. An overwhelming majority (94.3%) of Japanese FIT respondents said they traveled for leisure purposes, while 10.3 percent stated that they mixed leisure and business. Characteristics of the Japanese FIT overseas leisure traveler respondents include:

- Desire to experience places not found in Japan (25.3%)
- To fulfill life by having more experiences abroad (21.9%)
- To fully enjoy leisure and resorts (19.8%)

■ CURRENT INDUSTRY DEVELOPMENTS

⇒ Hawai'i Secures NFL Pro Bowl Through 2009

The Hawai'i Tourism Authority (HTA) and the National Football League (NFL) announced that they have negotiated a contract to keep the NFL Pro Bowl in Hawai'i through 2009, reported *Pacific Business News*. Under the contract, the state committed \$4.7 million to secure the 2005 game, and will pledge \$4 million for each subsequent game played between 2006-2009. Meanwhile, the NFL will gain control of the games' concessions, souvenirs, parking, and advertising at the 50,000-seat Aloha Stadium. The NFL has also pledged to contribute up to \$1 million to build an NFL youth education center in the Islands. The Pro Bowl pumps an estimated \$30 million in direct spending and taxes into Hawai'i's economy each year.

3. NATIONAL / INTERNATIONAL

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■ CONSUMER TRAVEL BEHAVIORS

⇒ YPB&R: 27 Percent of Americans are "Active Gamblers"

Over a quarter (27%) of American adults are "active gamblers," according to Yesawich, Pepperdine, Brown & Russell's *Portrait of American Gamblers* survey. The study defines an active gambler as an adult who visited a casino for the primary purpose of gambling on at least one occasion during the previous 12 months. The survey shows that 43 percent are between the ages of 39 and 57, and that 63 percent have an annual household income of over \$50,000. On average, active gamblers took 6.5 day-trips and 2.4 overnight trips in the past 12 months. When asked about future gambling trips, 25 percent of respondents said they were planning *fewer* day trips, and 27 percent said they will take *fewer* overnight casino trips during the next 12 months. Not surprisingly, Las Vegas (78%) was considered the most desirable gambling destination, followed by Atlantic City (33%) and Reno/Lake Tahoe (19%).

■ CURRENT INDUSTRY DEVELOPMENTS

⇒ U.S. Homeland Security to Allow One-Time Exemption for Visa Waiver Travelers

The [U.S. Department of Homeland Security](#) (DHS) announced that it will allow a one-time exemption to Visa Waiver Program (VWP) travelers not holding a machine-readable passport to enter the United States. The DHS Bureau of Customs and Border Protection is scheduled to begin enforcing the machine-readable passport requirements on travelers from the 22 VWP countries on October 26, 2004, but will grant the one-time exemption for a six-month period (ending April, 25, 2005). During the exemption period, DHS will notify the exempt traveler of the requirement for a machine-readable passport or a non-immigrant visa for subsequent visits. DHS will also delay imposing fines on air carriers for transporting VWP travelers to the U.S. without a machine-readable passport until after this period.

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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