

"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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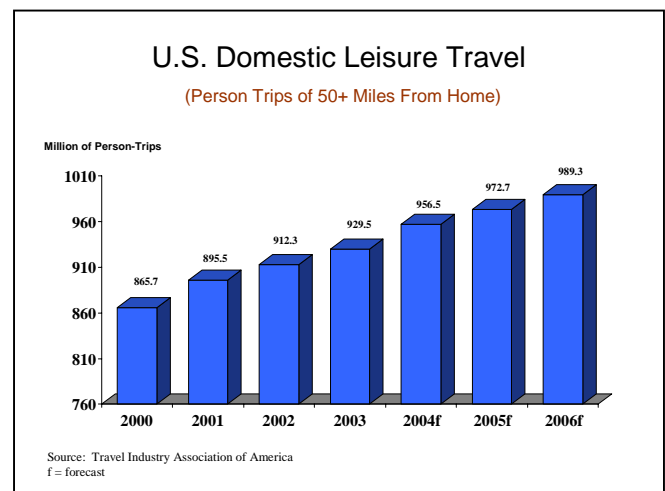
1. FEATURE

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⇒ TIA: Travel Industry Projects Increases in Domestic, International Travel

The [Travel Industry Association](#) projects that domestic leisure travel will continue its steady growth above 2000 levels, increasing 2.9 percent by the end of this year (to 956.5 million person trips), and 1.7 percent in 2005 (to 972.7 trips). Meanwhile, according to the Office of Travel and Tourism Industries, international visitation, which has been steadily decreasing in volume since 2000, is forecast to finally register growth, up 5.2 percent (to 42.5 million trips) by the end of 2004, and 5.6 percent (to 44.9 percent) in 2005. TIA states that the travel industry has reason to be optimistic for the future:

- Overall traveler spending by domestic and international visitors in the U.S. is forecast to increase 6.9 percent by the end of the year (to \$593 billion), and continue up 5.3 percent in 2005 (to \$624 billion).



- Domestic and international business travel will see their first increases since before September 11, 2001, though the nature of business travel has changed.
- Overall, the U.S. travel industry is experiencing increases in demand, with some sectors finally exceeding 2000 levels.

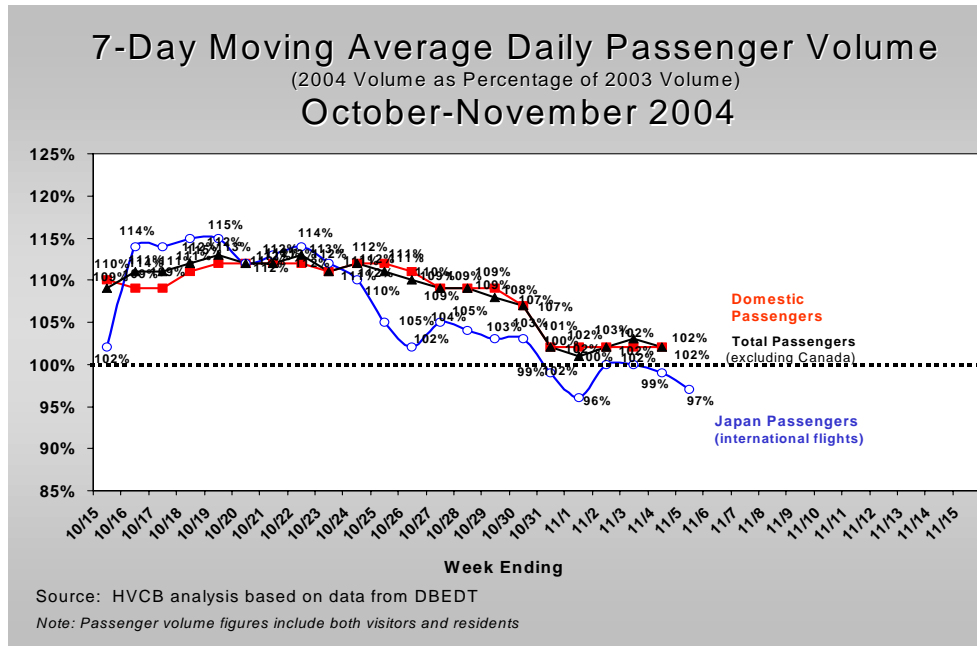
2. HAWAI'I

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■ CONSUMER TRAVEL BEHAVIORS

➤ Total Passenger Volume to Hawai'i 102 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 to Hawai'i increased two percent over 2003 levels for the seven-day period ending November 4, 2004. Domestic passenger volume on nonstop flights arriving in Hawai'i was also 102 percent of prior-year levels, while nonstop passenger volume from Japan decreased three percent below prior-year levels for the seven-day period. For the most recent Seven Day Moving Average chart, visit HVCB's Market Trends Online: <http://www.hvcb.org/trends>



■ CURRENT INDUSTRY DEVELOPMENTS

➤ Harmony Airways to Begin Toronto-Honolulu Direct Service in November

Vancouver-based [Harmony Airways](#) is scheduled to begin its new Toronto-Honolulu same plane, direct service (via Vancouver) on November 12, 2004. The flight will depart Toronto three times per week, and be serviced by a Boeing 757 aircraft, with a 197-passenger capacity. Harmony will also begin new non-stop service from Victoria, British Columbia on December 14th.

Meanwhile, other airlines will begin non-stop service to Honolulu in December: [Delta Air Lines](#) will begin a second daily non-stop flight between Atlanta and Honolulu on December 1, 2004; [Northwest Airlines](#) will begin new daily nonstop service to Honolulu from Portland, Oregon on December 15, 2004; and Continental Micronesia (a subsidiary of [Continental Airlines](#)) will begin new daily nonstop service between Nagoya and Honolulu on December 20, 2004.

OVB's Annual Luncheon 20th Anniversary Celebration

The O'ahu Visitors Bureau invites you to attend its *Annual Luncheon 20th Anniversary Celebration*, being held at the Hilton Hawaiian Village Beach Resort and Spa on November 23, 2004. For more information, call:

(808) 524-0722

RSVP by Friday, November 12, 2004

■ CONSUMER TRAVEL BEHAVIORS

➤ U.S. Consumers to Spend \$702 for Winter Holiday Season, Additional \$90 on Self

U.S. consumers plan to spend an average of \$702 for the holidays, up 4.5 percent from last year's holiday season, according to survey results collected by the National Retail Federation (NRF). The study also shows that 51.2 percent of U.S. consumers surveyed plan to take advantage of sales and make non-gift purchases for themselves, spending an additional \$90 this holiday season. In total, NRF forecasts retail spending to equal \$219.9 billion during the holiday period, which normally accounts for about one-quarter of all annual retail sales. Many consumers have already gotten a jump on their holiday shopping:

- 18.0 percent started their holiday shopping before September
- 6.9 percent started in September
- 17.7 percent started in October
- 34.3 percent will begin in November
- 23.1 percent will begin in December

*In Hawai'i, **shopping** was the most popular activity among all **U.S. travelers**, according to DBEDT's 2003 Visitor Satisfaction & Activity Report:*

1. **Shopping (94.8%)**
2. Sightseeing (91.9%)
3. Recreation (90.8%)

➤ IATA: International Air Passenger Traffic Up 17.7 Percent through September

International air passenger traffic for the first three-quarters of the year is up 17.7 percent compared to the same period in 2003, according to preliminary [International Air Transport Association](#) (IATA) traffic figures for January-August 2004. Improvement was seen in each of the world regions for the nine-month period, including the Asia-Pacific (+25.3%), and North America (+16.6%) when compared to 2003. However, IATA notes that the industry's "bottom line" is worsening, as the cost of fuel has escalated. IATA estimates that if current fuel prices persist, losses may exceed the \$3-4 billion originally forecasted for the year.

➤ JNTO: Japanese Outbound Traffic Increases 21 Percent in September

Japanese outbound travel in September 2004 reached 1.6 million, up 21 percent compared to the same month last year, according to preliminary Japan National Tourist Organization (JNTO) figures reported by *Travel Journal International*. JNTO states that Japanese consumers are taking advantage of off-peak travel bargains as a major reason for the increase. Thus far, total Japanese outbound travel between January and September 2004 are up 31.4 percent (to 12.4 million) compared to last year, and up almost one percent compared to 2002. JNTO estimates that 2004 outbound figures may match or surpass the 16.5 million recorded in 2002, if Japanese departure growth continues through the end of the year.

■ CURRENT INDUSTRY DEVELOPMENTS

➤ TIA: Industry Performance Indicators Strengthen in September

According to the [Travel Industry Association of America](#) (TIA) Industry Performance Indicators (IPI) for September 2004, domestic air revenue passenger miles (RPMs) increased 9.0 percent compared to the same month last year, while international air RPMs rose 10.8 percent. Hotel/motel room receipts also continued to strengthen in September, up 12.1 percent compared to September 2003. The IPI is released by TIA each month to give a monthly snapshot of recent trends in the travel industry.

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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