

"HVCB Tourism Industry Update" is a bi-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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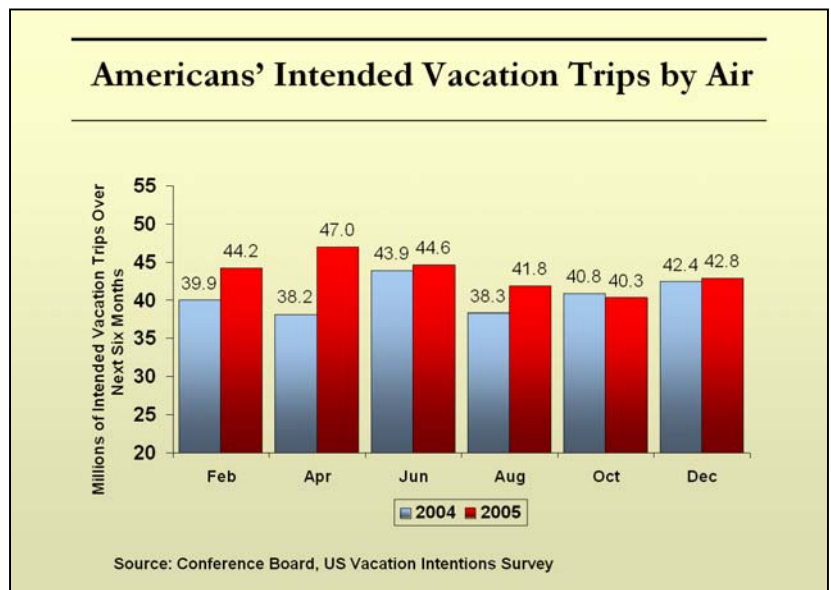
1. FEATURE

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➤ Americans' Intended Air Travel Rises Slightly Despite Downturn in Overall Travel Intentions

Although U.S. leisure travelers expect to take fewer total trips in the first half of 2006 than they intended to take in the first six months of 2005, the number of intended vacation trips by air is expected to rise slightly, according to the latest results from the Conference Board's bi-monthly survey of U.S. Vacation Travel Intentions.

- Americans' intended vacation trips by air are expected to inch up nearly one percent (+0.9%) while the number of intended non-air trips is expected to decrease 15.8 percent in the first half of 2006.
- Despite rising consumer confidence, a growing economy, stable unemployment and projected growth in personal consumption, the



December 2005 survey found that Americans intended to take 7.7 percent fewer vacation trips between January and June 2006, compared to the same period in the previous year (i.e., 81.1 million vacation trips in 2006 vs. 87.9 million trips in 2005).

- The slow down in overall travel intentions was observed in both domestic (-9.1%) and international (-2.7%) intended trips.
- The vacation intentions of Americans are measured every other month as part of the Conference Board's U.S. Consumer Confidence survey. The December 2005 U.S. Vacation Intentions results are based on responses from 2,656 respondents.

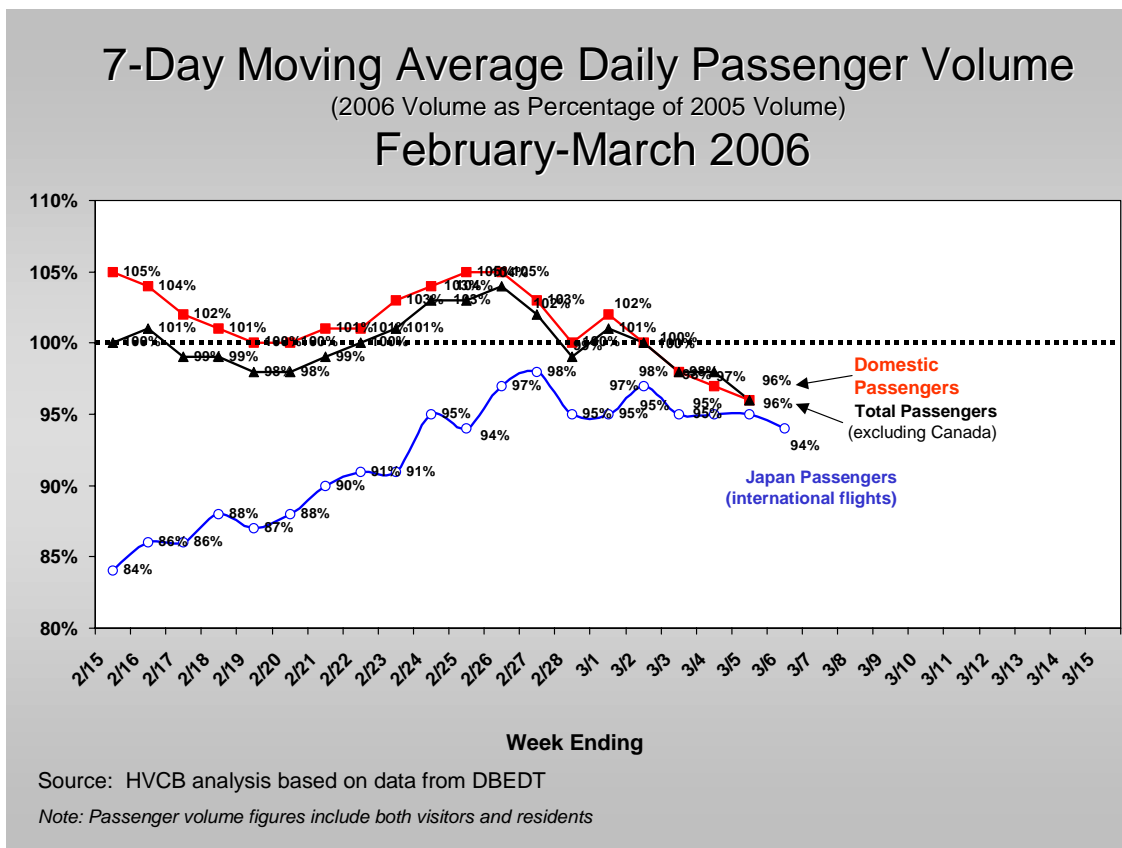
2. HAWAII

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■ CONSUMER TRAVEL BEHAVIORS

➔ Total Passenger Volume to Hawai'i Down Four Points Versus Prior-Year Levels

According to statistics published by the state [Department of Business, Economic Development and Tourism](#), total passenger volume on nonstop flights to Hawai'i (excluding Canada) declined four points against prior-year levels for the seven-day period ending March 5, 2006. Nonstop passenger volume from Japan was six percent below 2005 levels for the week, while nonstop domestic passenger volume ended the period four percent below 2005 levels. *For the most recent Seven Day Moving Average chart, visit HVCB's Market Trends Online: <http://www.hvcb.org/trends>*



■ CONSUMER TRAVEL BEHAVIORS

⇒ Weakened Yen, Strained Relations with China/South Korea Dampen Japan Outbound Travel

Preliminary figures from the Japan National Tourism Organization (JNTO) indicate 1.3 million Japanese travelers headed overseas in January 2006, a decrease of 7.6 percent compared to the same period in 2005. Commenting on the numbers in an article in *Travel Journal International*, JNTO noted that outbound Japanese travel has been negatively impacted by political unease between Japan and China, and Japan and South Korea. In addition, a weakening of the yen relative to the U.S. dollar is also thought to have contributed to the downturn in outbound travel.

- South Korea reports that Japanese arrivals declined 21.8 percent in January, the largest decrease since the height of the SARS scare (October 2003).
- JNTO suggests that there is strong travel demand from the Japanese student market, particularly from high school and college graduates.

■ CURRENT INDUSTRY DEVELOPMENTS

⇒ U.S. Consumer Confidence Registers Five Point Decline in February

The Conference Board's [National Consumer Confidence Index](#) declined for the first time since October 2005, declining 5.1 points in February (compared to January) to 101.7 (1985=100). The "Present Situation" index rose to 129.3 (from 128.8 in January), but the "Expectations" index plunged to 83.3 during the month (from 92.1). Conference Board officials state that consumers are concerned about the short-term health of the overall economy and the job market. They also caution that if expectations continue to decline, the outlook for the remainder of the year could worsen.

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

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