

"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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#### ➤ Growth Experienced in Each of Hawai'i's Top 20 U.S. City Markets in 2005

The number of 2005 visitors from each of the state's top 20 U.S. metropolitan statistical area (MSA) markets topped 2004 levels, in keeping with record high domestic arrivals to Hawai'i. Preliminary figures from the Department of Business, Economic Development and Tourism show that:

- Hawai'i's top market, Los Angeles, was the source of 811,778 visitors in 2005, up eight percent from 2004 levels.
- Rounding out the top five markets were the San Francisco Bay Area (582,423 arrivals, up 5.6%); Seattle (228,960, up 6.8%); New York City (175,546, up 3.2%); and San Diego (173,928, up 10.4%).
- Double-digit increases were experienced in seven of the top 20 markets, including the MSAs with new non-stop service to Hawai'i -- Phoenix (+19.0%); Salt Lake City (+18.0%); Atlanta (+11.7%); and Las Vegas (+10.2%).
  - Among the scheduled nonstop flights added in 2005 were ATA from Phoenix and Las Vegas (to Honolulu); and Delta Airlines from Salt Lake City (to Kahului). The year ended strong with the initiation of Delta's new Atlanta-Kahului and Salt Lake City-Kona services in December, along with the kick off of America West/US Airways service from Phoenix to Honolulu and Kahului.

**Preliminary Arrivals to Hawai'i from Top 20 U.S. MSA Markets 2005**

PRELIMINARY 2005 ARRIVALS FROM TOP 20 MSAs	Arrivals (P)	% Change
LOS ANGELES-RIVERSIDE-ORANGE COUNTY, CA CMSA	811,778	8.0%
SAN FRANCISCO-OAKLAND-SAN JOSE, CA CMSA	582,423	5.8%
SEATTLE-TACOMA-BREMINGTON, WA CMSA	228,960	6.8%
NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA CMSA	175,546	3.2%
SAN DIEGO, CA	173,928	10.4%
CHICAGO-GARY-KENOSHA, IL-IN-WI CMSA	124,204	2.6%
SACRAMENTO-YOLO, CA CMSA	120,544	9.1%
PORTLAND-SALEM, OR-WA CMSA	116,649	13.9%
WASHINGTON-BALTIMORE, DC-MD-VA-WV CMSA	115,962	10.1%
PHOENIX-MESA, AZ	108,854	19.0%
DENVER-BOULDER-GREELEY, CO CMSA	89,801	5.9%
DALLAS-FORT WORTH, TX CMSA	75,503	0.6%
BOSTON-WORCESTER-LAWRENCE-LOWELL-BROCKTON, MA-NH NECMA	67,361	8.9%
LAS VEGAS, NV-AZ	65,057	10.2%
MINNEAPOLIS-SAINT PAUL, MN-WI	62,564	3.7%
SALT LAKE CITY-OGDEN, UT	55,088	18.0%
HOUSTON-GALVESTON-BRAZORIA, TX CMSA	53,557	2.3%
DETROIT-ANN ARBOR-FLINT, MI CMSA	49,325	0.7%
ATLANTA, GA	48,568	11.7%
PHILADELPHIA-WILMINGTON-ATLANTIC CITY, PA-NJ-DE-MD CMSA	47,498	7.7%

(P) = Preliminary

Additional statistics on Hawai'i's top MSA markets are posted on HVCB's Market Trends Online website: <http://www.hvcb.org/trends>

## 2. HAWAI'I

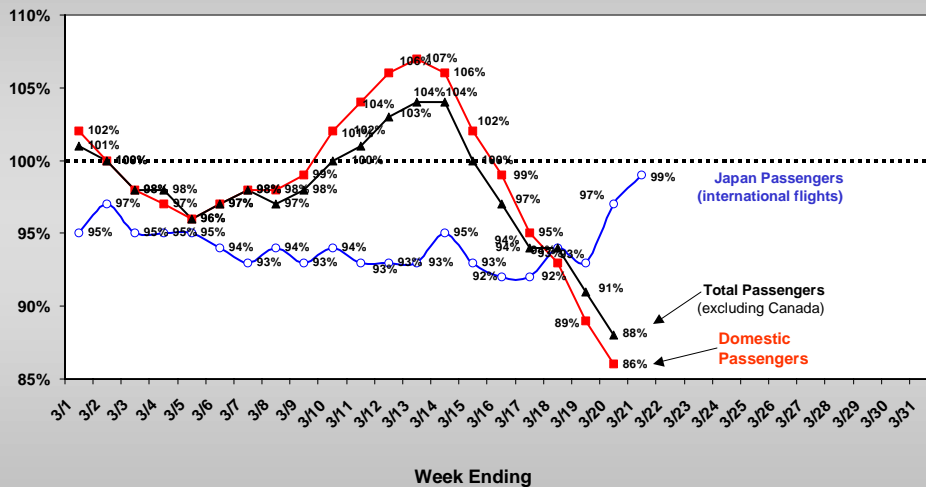
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### ■ CONSUMER TRAVEL BEHAVIORS

#### ➡ Domestic Passenger Volume at 86 Percent of Prior-Year Levels Due to Shift in Holiday

According to statistics published by the state [Department of Business, Economic Development and Tourism](#), domestic passenger volume on nonstop flights to Hawai'i decreased 14 percent compared to prior-year levels for the seven-day period ending March 21, 2006. The notable drop is due mainly to the shift in the Easter holiday/Spring Break period (Easter fell on March 27<sup>th</sup> in 2005, and falls on April 16<sup>th</sup> this year). Nonstop passenger volume from Japan was one percent below 2005 levels for the week, and total domestic and international (excluding Canada) passenger volume ended the period 12 percent below prior-year levels. For the most recent Seven Day Moving Average chart, visit HVCB's Market Trends Online: <http://www.hvcb.org/trends>

## 7-Day Moving Average Daily Passenger Volume (2006 Volume as Percentage of 2005 Volume) March 2006



Source: HVCB analysis based on data from DBEDT

Note: Passenger volume figures include both visitors and residents

### ■ CURRENT INDUSTRY DEVELOPMENTS

#### ➤ Kaua'i Reassures Travelers to Book Vacations with Confidence

In response to numerous out-of-state calls received in recent days seeking information about Kaua'i's weather, Kaua'i government and tourism officials are reassuring travelers they can book a vacation here with confidence. "Kaua'i's airport, its harbor, and businesses are open and ready to accept our visitors in the same way they always have. Kaua'i's aloha spirit remains intact and the island is green and beautiful," said Kaua'i Mayor Bryan Baptiste.

Sue Kanoho, executive director for the [Kaua'i Visitors Bureau](#) (KVB), said callers are put at ease once they learn flights are operating normally, all accommodations are open, all major roads are open, and all activities are operating. She noted, "Kaua'i's visitor industry was at its best over this past week, taking care of everyone's needs and ensuring guests that their stay would be worthwhile. I have nothing but admiration for the way our visitor industry has performed." Kanoho said visitors booking a Kaua'i vacation in the weeks and months to come can do so with certainty knowing the island will be as beautiful as ever.

### 3. NATIONAL / INTERNATIONAL

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### ■ CONSUMER TRAVEL BEHAVIORS

#### ➤ Majority of Active U.S. Internet Users on Broadband

An estimated 68 percent of all active at-home web users in the U.S. are connected to the Internet via broadband, up 13 percentage points over the prior-year levels, according to a Nielsen/NetRatings study conducted during February 2006 (reported by eMarketer). By volume, the number of active home broadband users totaled 95.5 million in February, an increase of 28 percent from the estimated 74.3 million broadband users observed in February 2005. As broadband internet increased, so did the average time spent on home PCs – the study estimates that users average nearly 30 hours and 36 minutes in front of their home computers every month, up nearly three hours from prior-year estimates.

## ■ CURRENT INDUSTRY DEVELOPMENTS

### ➤ Travel Price Index Increases 5.6 Percent in February

The Travel Industry Association of America's (TIA) [Travel Price Index](#) (TPI) increased 5.6 percent in February 2006, compared to the same month last year. Airfares increased 8.3 percent compared to February 2005 levels, and lodging prices were up 3.2 percent. The TPI's increase can be attributed mainly to rising motor fuel prices, up 20.6 percent during the month versus prior year levels. The TPI again outpaced the nation's overall Consumer Price Index (+3.6%) in February. The TPI is a monthly indicator of the price change in travel goods and services available to the U.S. consumer.

### ➤ February Industry Performance Indicators Strong

TIA's Industry Performance Indicators (IPI) for February 2006, show that both domestic and international air revenue passenger miles (RPMs) increased nominally, up 0.5 percent and 0.3 percent, respectively, compared to the same month last year. TIA also reports that the overall air load factor (76.8%) improved by 5.9 percentage points versus prior-year levels. 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 Tourism Industry Update. Please feel free to share your ideas:*

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