

"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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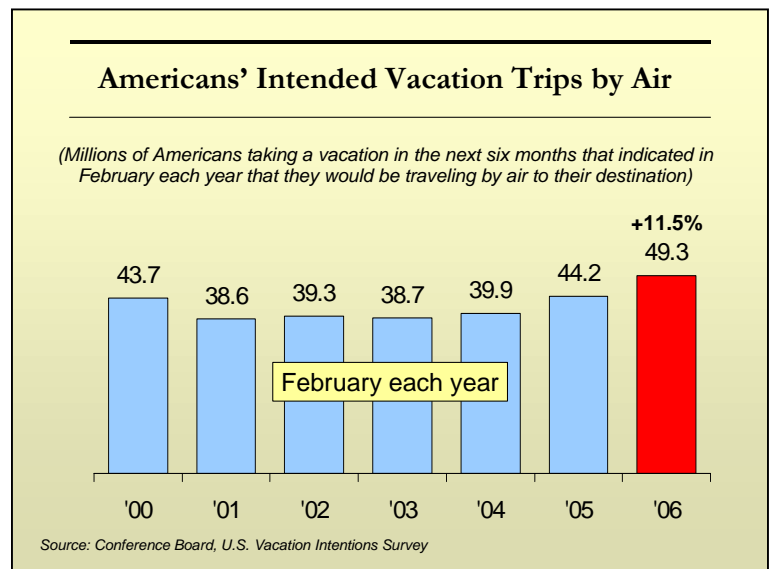
1. FEATURE

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➤ Americans' Intended Air Travel Rises For the Next Six Months

U.S. leisure travelers are expected to take 105.3 million vacation trips over the next six months, up 6.3 percent (an increase of some 6.2 million trips) over the same period last year, according to February results from the Conference Board's bi-monthly survey of U.S. Vacation Travel Intentions. When compared to the same period in previous years, intended vacation trips for the next six months are higher than they have ever been since February 2000.

- Americans' intended vacation trips by air are expected to reach a 10-year high in market share, with 46.8 percent of travelers indicating that they will fly to their destination during the period. In terms of volume, air trips will reach an estimated 49.3 million, up 11.5 percent over prior-year levels.
- Americans who plan on traveling overseas increased to its highest level in a decade, with 17.8 percent indicating that they will travel internationally over the next six months.



- The vacation intentions of Americans are measured every other month as part of the Conference Board's U.S. Consumer Confidence survey. The February 2006 U.S. Vacation Intentions results are based on responses from 2,626 respondents.

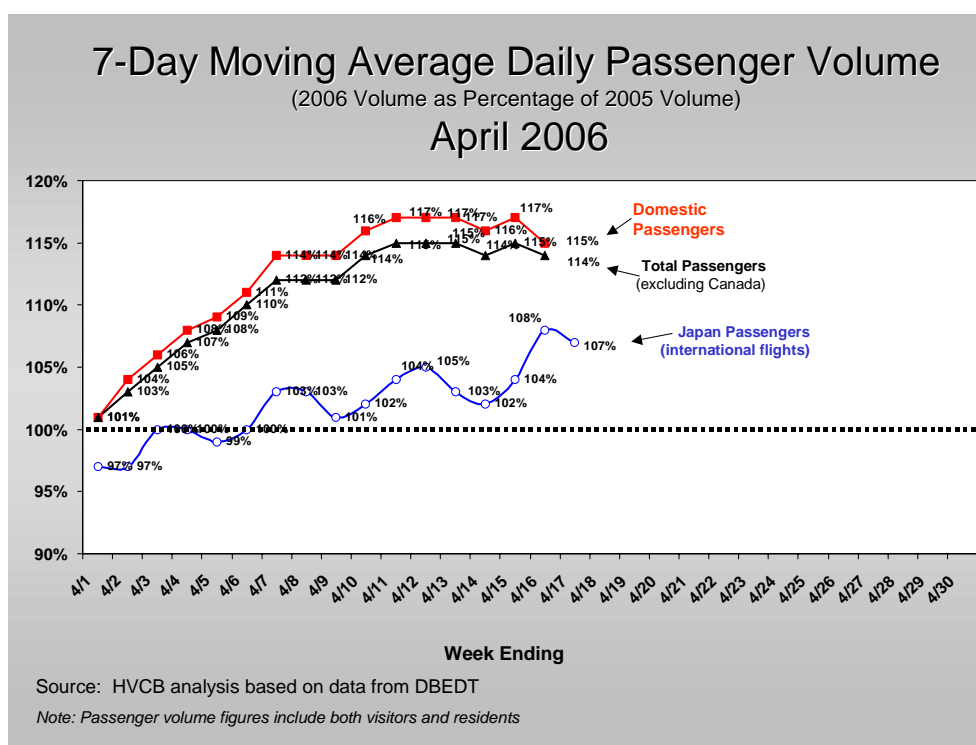
2. HAWAII

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■ CONSUMER TRAVEL BEHAVIORS

➤ Domestic Passenger Volume 15 Percent Ahead of Prior-Year Levels for the Week

According to statistics published by the state [Department of Business, Economic Development and Tourism](#), Domestic passenger volume on nonstop flights to Hawai'i increased 15 points compared to prior-year levels for the seven-day period ending April 17, 2006. The notable rise in domestic passenger volume experienced in mid-April is primarily due to the shift in timing of the Easter holiday/Spring Break period (Easter fell on March 27th in 2005, and falls on April 16th this year). Nonstop passenger volume from Japan was seven percentage points above prior-year levels, and total domestic and international (excluding Canada) passenger volume was 14 points above prior-year levels for the week. *For the most recent Seven Day Moving Average chart, visit HVCB's Market Trends Online: <http://www.hvcb.org/trends>*



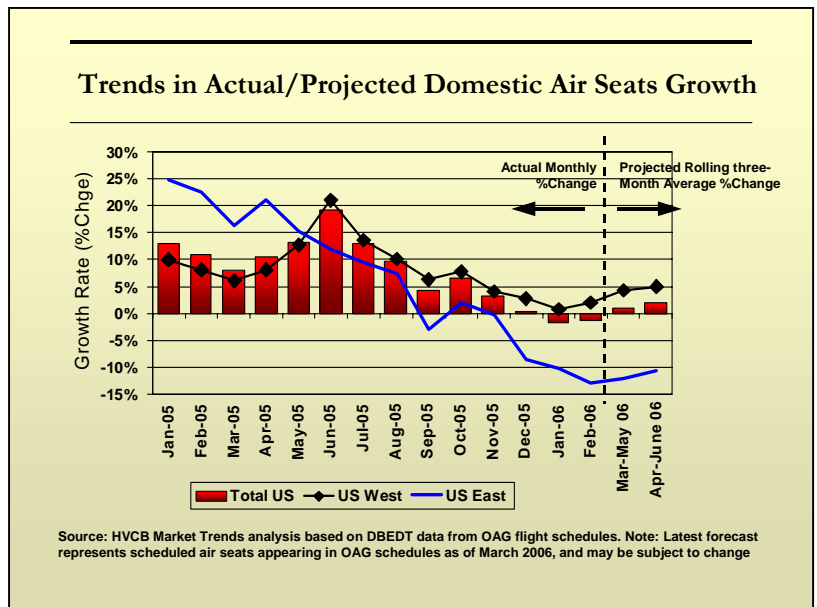
■ CURRENT INDUSTRY DEVELOPMENTS

➤ Decline in Total Air Seat Capacity Projected Between April and June

Total scheduled air seats to Hawai'i are projected to decrease 1.2 percent between April and June, compared to the same period last year, according to a [Department of Business, Economic Development, and Tourism](#) (DBEDT) analysis of OAG flight schedules. Domestic air seats are projected to increase 1.9 percent, while international air seats are forecasted to decline 9.3 percent:

- Scheduled non-stop air seats to Hawai'i from the U.S. West are projected to reach nearly 1.6 million during the three-month rolling air service forecast, up 4.9 percent over prior-year levels. This increase is in large part due to the addition of America West service from Las Vegas (to Kahului) and Phoenix (to Honolulu, Kahului, Kona, and Lihue); and Delta service from Salt Lake City.

- Scheduled air seats from the U.S. East are projected to decrease 10.7 percent between April and June. Significant drops are expected to be seen from Houston (-33.0%) and Minneapolis (-40.1%), the MMA's fourth and fifth largest gateways, respectively. The U.S. East's largest gateway, Chicago will experience a nominal decline in air seats (-0.5%), while the second largest gateway, Atlanta, will see a 14.8 percent boost in air seat capacity as Delta started new service to Kahului.
- The forecast does not include new daily non-stop service between Oakland and Hilo, beginning April 27th on ATA Airlines.



3. NATIONAL / INTERNATIONAL

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■ CURRENT INDUSTRY DEVELOPMENTS

⇒ Golden Week Expected to Help Stimulate Japanese Outbound Travel in Second Quarter; Hawai'i Prospects Especially Bright

Japanese travel retail outlets expect that the Golden Week holidays, which run from the end of April to early May, will help boost a rebound in Japanese overseas travel demand for the second quarter of 2006, according to the Japan Association of Travel Agents' (JATA) latest short-term quarterly diffusion index survey (reported in *Travel Journal International*). On a scale of +100 (very good) to -100 (poor), Japanese propensity to travel overseas rose 17 points, from -18 in the first quarter to -1 in the second quarter of the year. The single-digit index represents the first time it has reached that level in 12 months (April-June 2005 = -8). Travel demand for Hawai'i is especially bright this quarter, according to the index. Hawai'i travel moved positively, to -4, from -17 in the previous quarter, and remained the top-index-rated destination this quarter. Destination results for the second quarter in rank order:

- **Hawai'i (-4)**
- Europe (-8)
- Asia (-8)
- China (-17)
- Micronesia (-21)
- North America (-23)
- Oceania (-26)

The diffusion index also rates the relative strength of individual market sectors. Second quarter results, in rank order of strength, include:

- Seniors, over 60 (6)
- Middle-aged group, ages 45-59 (0)
- Business/Inspection (-2)
- Family (-21)
- Female office workers (-26)
- Incentives (-27)
- Honeymoon (-30)

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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