

"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

➤ U.S. Travel to International Destinations Reaches Record High in 2005

American travelers to international destinations grew by three percent (+3%) in 2005 versus 2004 figures, posting a new record for total U.S. outbound travel, according to the [Office of Travel and Tourism Industries](#) (OTTI) in the U.S. Department of Commerce. The growth primarily came from travel to overseas destinations (+5%) and to Mexico, the top U.S. outbound destination (+5%). Travel to Canada, which is the second largest destination for U.S. international travelers was down five percent last year. Other highlights of U.S. outbound travel in 2005 include:

- Top cities of origin for U.S. travel to overseas destinations were New York City/Nassau, NY; Washington, D.C.; Los Angeles; San Francisco; and Chicago.
- Top ports-of-departure included New York (JFK); Miami; Los Angeles; Chicago; and Newark. Honolulu (HNL) ranked 15th.
- Both advance trip decision time (92 days on average) and airline reservation time (58 days) increased versus 2004 averages.
- Travel agents continued to be the primary source of travel information and international airline reservation bookings, despite the increasing popularity of the Internet.
- Average length of stay outside of the U.S. was 16.4 nights in 2005, virtually the same as 2004 levels.

**Top 10 International Destinations
by U.S. Travelers (Residents) - 2005**

Destination	Volume (000)	% Change
1. Mexico	20,325	5%
2. Canada	14,390	-5%
3. United Kingdom	3,829	4%
4. France	2,217	-8%
5. Italy	2,044	7%
6. Germany	1,670	-5%
7. Japan	1,497	40%
8. Dominican Republic	1,439	50%
9. Jamaica	1,353	8%
10. China (P.R.)	1,295	21%

Source: Office of Travel and Tourism Industries (OTTI)
U.S. Department of Commerce

- Visitor spending by U.S. travelers also set a new record in 2005, reaching \$95.2 billion, up six percent versus prior year levels.
- Average annual household income increased one percent to \$111,600.

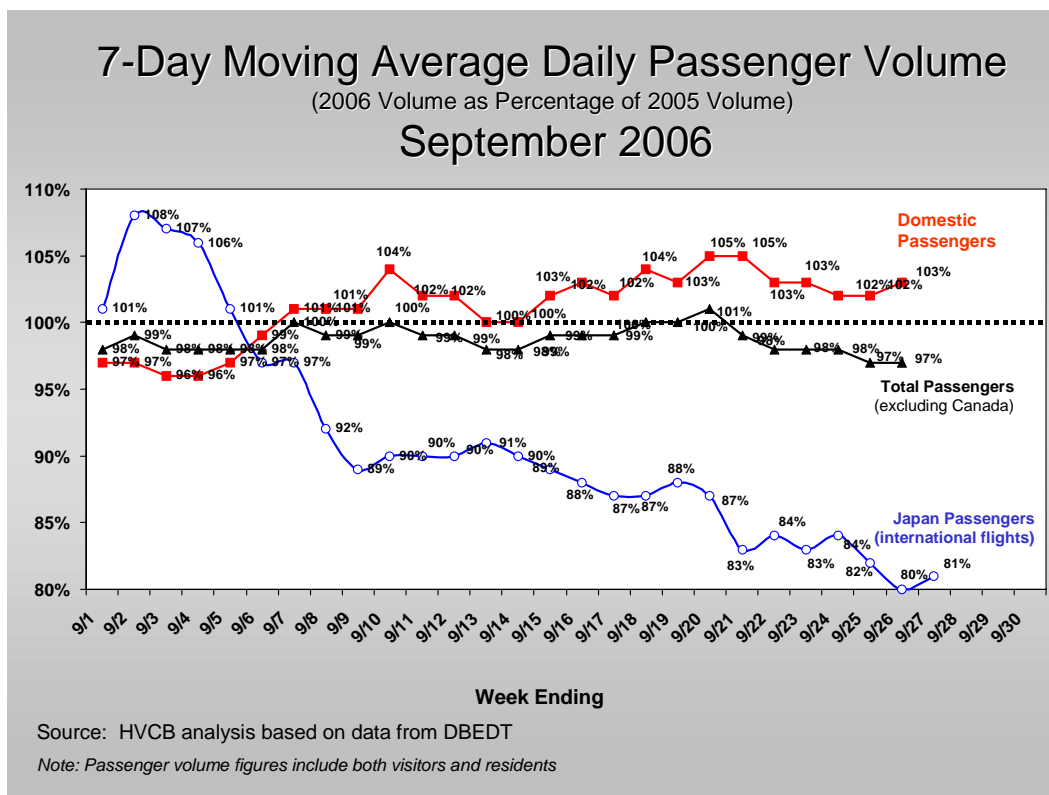
2. HAWAI'I

■ CONSUMER TRAVEL BEHAVIORS

➤ Domestic Passenger Volume Three Points Above Prior-Year Levels for Week

According to statistics published by the state [Department of Business, Economic Development and Tourism](#), domestic passenger volume on nonstop flights to Hawai'i was three points above prior-year levels for the seven-day period ending September 27, 2006. Total domestic and international (excluding Canada) passenger volume ended the period three points below prior-year levels, while nonstop passenger volume from Japan to Hawai'i was down 19 points 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

➤ Hawai'i Hotels Reach Record Room Revenue in August

Hawai'i hotel room revenue reached an August record \$305.0 million, as revenue per available room (RevPAR) reached \$167.63 (+8.5% from August 2005), according to Hospitality Advisors LLC. Statewide average daily room rates (ADR) also set an August record (averaging \$198.78), while hotel occupancy for the month declined slightly to 84.3 percent, down 1.9 percentage points from August 2005 figures.

➤ Domestic Air Seat Capacity Projected to Increase 10 Percent During Shoulder Season Months

Total domestic scheduled air seats to Hawai'i are projected to increase 10 percent between September and November compared to the same period last year, according to a [Department of Business, Economic Development, and Tourism](#) (DBEDT) analysis of OAG flight schedules:

- Scheduled non-stop air seats to Hawai'i from the U.S. West are projected to reach over 1.5 million during the three-month rolling air service forecast, up 15.9 percent over prior-year levels. Seats from Hawai'i's largest gateway, Los Angeles, will increase 1.2 percent (to 550,500 seats) during the period, while San Francisco, the second largest gateway, is expected to show a 6.8 percent drop, mainly due to a shift in lift to Oakland (+214.9%). Phoenix, the Islands' third largest domestic gateway shows a boost of 106 percent (to 111,700 seats) during the period, due mainly to increases in lift from America West.
- Scheduled air seats from the U.S. East are projected to decrease 14.5 percent during the shoulder season forecast period. Significant drops are expected to be seen from Chicago (-27.2%) and Atlanta (-16.3%), the MMA's largest and fourth largest gateways, respectively. The U.S. East's second largest gateway, Dallas, will experience a 3.3 percent increase in air seat capacity.
- Canadian air seats are projected to grow 52.0 percent during the three-month period, supported by WestJet's increase in frequency beginning this fall from Vancouver.

Hawai'i Scheduled Air Seats Outlook* September - November 2006

	STATEWIDE	
	Sep-Nov 2006	% Change
TOTAL SEATS	2,449,969	7.3%
U.S. TOTAL	1,787,368	10.0%
-U.S. West	1,516,918	15.9%
-U.S. East	270,450	-14.5%
INTL TOTAL	662,601	0.7%
-Japan	438,474	-4.1%
-Canada	78,289	52.0%
-Other Asia	32,536	-9.5%
-Oceania	56,030	-1.8%
-Other	57,272	2.6%

* DBEDT analysis based on flights in OAG flight schedules as of August 2006. These are scheduled air seats and may be subject to change.

3. NATIONAL / INTERNATIONAL

■ CURRENT INDUSTRY DEVELOPMENTS

➤ National Consumer Confidence Rebounds in September

After the [National Consumer Confidence](#) Index fell sharply in August, the Index gained 4.3 points in September, reaching 104.5 (1985=100). The "Present Situation" index rose to 127.7 (from 123.9 in August), while the "Expectations" index increased 4.6 points to 89.0 during the month (from 84.4). Conference Board officials state that the index increase suggests that the favorable assessment of current conditions and a less pessimistic outlook helped boost the Index, but there is little evidence of a significant change in economic activity as the fourth quarter begins.

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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