

"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

➤ AAA: Domestic Holiday Travel Projected to Reach Another Record

Domestic travel by Americans this winter holiday season is projected to reach a record 64.9 million, up 2.2 percent compared to the holiday record 63.5 million set last year, according to [AAA](#). AAA President and CEO, Robert L. Darbelnet stated, "because hotel rates, air fares, and gas prices have risen only slightly from this time last year, Americans will not hold back when making travel arrangements this holiday season." A holiday trip is defined as travel of 50 or more miles away from home, one way, during the weekends and weeks of Christmas, Hanukkah, and New Year's Day.

- Nine million, or 14 percent of holiday travelers, are expected to travel by air, up 2.7 percent from last holiday season.
 - The Southeast region is expected to be the source of the most air travelers this holiday season with 2.7 million travelers, followed by the West (2.5 million); Northeast (1.8 million); Midwest (1.0 million); and Great Lakes (924,000).
- An estimated 66 percent of holiday travelers are expected to avoid the higher hotel rates during the holidays, and stay with friends or relatives. Other types of accommodations during the season include: hotels and motels (19.7%); and rented cabin/condo (2.4%).
- The top destinations this winter holiday season:
 - Small Towns/Rural Areas: 37.6%
 - Cities: 35.3%
 - Oceans/Beaches: 10.1%
 - Mountains: 6.5%
 - Theme/Amusement Parks: 3.9%



Happy Holidays from HVCB!



HVCB would like to wish you a joyful holiday season.

*Please note that this will be the final issue of
Tourism Industry Update for the year.
We'll see you in 2007!*

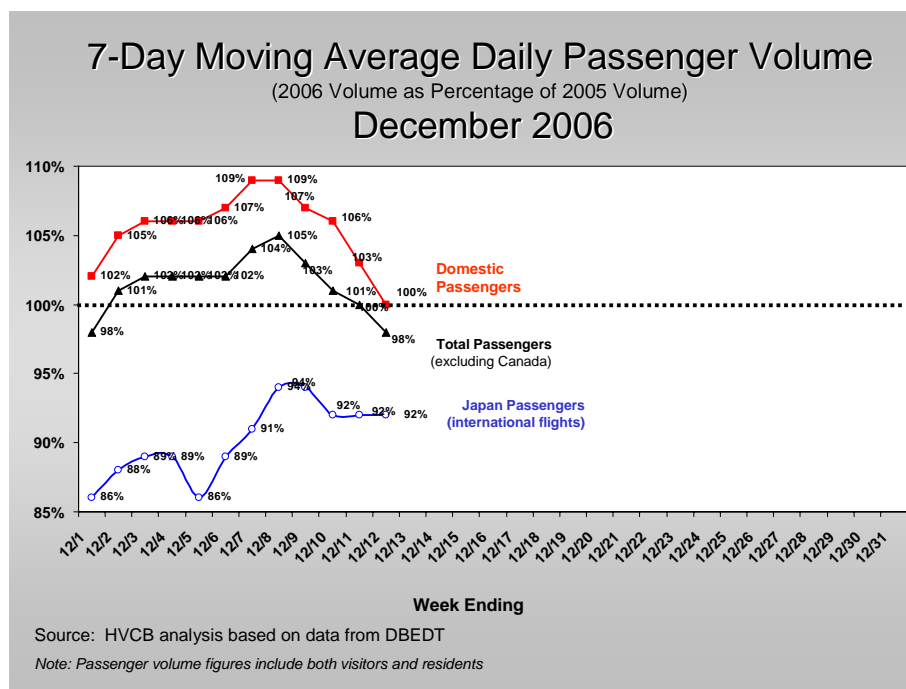
2. HAWAI'I

■ CONSUMER TRAVEL BEHAVIORS

➤ Domestic Passenger Volume to Hawai'i on Par for the Week

According to statistics published by the state [Department of Business, Economic Development and Tourism](#), total domestic passenger volume on nonstop flights to Hawai'i was on par with prior-year levels for the seven-day period ending December 13, 2006. Total domestic and international (excluding Canada) passenger volume ended the period down two points, while nonstop passenger volume from Japan to Hawai'i was down eight points from 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

➤ Air Seat Capacity to Hawai'i Projected to Increase Four Percent This Winter

Total scheduled air seats to Hawai'i are projected to increase 4.1 percent this winter (December 2006-February 2007) compared to the same season last year, according to a [Department of Business, Economic Development, and Tourism](#) (DBEDT) analysis of OAG flight schedules:

- Scheduled non-stop air seats from the U.S. West are projected to reach over 1.5 million during the three-month rolling air service forecast, up 10.3 percent over prior-year levels. Seats from Hawai'i's largest gateway, Los Angeles, will decrease 4.4 percent during the winter, and San Francisco, the second largest gateway, is expected to show a 14.1 percent drop, mainly due to a shift in lift to Oakland (+226.4%). Total West Coast lift will be boosted mainly from Phoenix (+67.1%); Seattle (+23.1%); Las Vegas (+19.4%); Portland (+25.4%); and San Diego (+74.8%).
- Scheduled air seats from the U.S. East to the state are projected to decrease 18.7 percent during the three-

Hawai'i: Scheduled Air Seats Outlook* Winter 2006/2007 (December 2006-February 2007)

	Statewide	
	Dec 2006- Feb 2007	% Change
TOTAL SEATS	2,578,562	4.1%
U.S. Total	1,824,747	4.7%
U.S. West	1,549,556	10.3%
U.S. East	275,191	-18.7%
International Total	753,815	2.9%
Japan	464,301	4.3%
Canada	139,815	13.5%
Other Asia	30,077	-21.4%
Oceania	63,563	-8.7%
Other	56,059	-0.3%

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

month forecast period, with notable drops from Chicago (-17.6%), Houston (-26.5%); and Atlanta (-28.1%). Air seats from Dallas, the second largest U.S. East market (after Chicago), will increase 3.3 percent this winter.

- Japanese air seats are projected to increase 4.3 percent, with a 13.1 percent boost in seats from Osaka. Tokyo, Hawai'i's largest gateway from the international market with 310,000 air seats forecasted for the winter, will see a 2.6 percent increase.
- Canadian air seats to Hawai'i are projected to grow 13.5 percent during the three-month period.

➤ Twelve of Hawai'i's Top Fifteen City Markets Have Grown Through October

The number of visitors from 12 of the top 15 U.S. metropolitan statistical area (MSA) markets topped previous-year levels through October 2006, in keeping with the record high domestic arrivals year-to-date.

- Each of the top U.S. West markets have registered increases in arrivals to Hawai'i during the first 10 months of the year.
 - Hawai'i's top market, Los Angeles, was the source of over 714,000 visitors through October, up 3.8 percent from prior-year levels. Hawai'i's second largest source market, the San Francisco Bay Area, increased 1.6 percent.
 - Other top U.S. West markets that grew during the period include Seattle (+4.7%); San Diego (+2.3%); Phoenix (+37.0%); Sacramento (+3.8%); Portland (+5.9%); Denver (+4.2%); and Las Vegas (+11.3%). The significant increase in preliminary arrivals from Phoenix and Las Vegas is mainly attributed to added air service from America West Airlines.

Metropolitan Statistical Area	Total YTD Jan-Oct	% Change 2006/2005
LOS ANGELES-RIVERSIDE-ORANGE COUNTY, CA CMSA	714,332	3.8%
SAN FRANCISCO-OAKLAND-SAN JOSE, CA CMSA	492,674	1.6%
SEATTLE-TACOMA-BREMINGTON, WA CMSA	196,407	4.7%
SAN DIEGO, CA	149,650	2.3%
NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ CT-PA CMSA	141,846	-5.7%
PHOENIX-MESA, AZ	126,873	37.0%
SACRAMENTO-YOLO, CA CMSA	103,669	3.8%
CHICAGO-GARY-KENOSHA, IL-IN-WI CMSA	102,555	1.1%
PORTLAND-SALEM, OR-WA CMSA	100,625	5.9%
WASHINGTON-BALTIMORE, DC-MD-VA-WV CMSA	97,572	0.6%
DENVER-Boulder-Greeley, CO CMSA	77,449	4.2%
DALLAS-FORT WORTH, TX CMSA	69,427	7.2%
LAS VEGAS, NV-AZ	60,291	11.3%
BOSTON-WORCESTER-LAWRENCE-LOWELL-BROCKTON, MA-NH NECMA	55,007	-5.5%
MINNEAPOLIS-SAINT PAUL, MN-WI	51,772	-1.1%

Source: HVCB analysis of DBEDT data

- The top U.S. East market, New York (fifth largest overall), fell 5.7 percent during the 10-month period. Chicago (+1.1%), Washington D.C. (+0.6%), and Dallas (+7.2%) have experienced growth, while Boston (-5.5%) and Minneapolis (-1.1%) have declined during the period.

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

3. NATIONAL / INTERNATIONAL

■ CURRENT INDUSTRY DEVELOPMENTS

➤ Nation's Tourism Industry Performance Indicators Healthy Through October

The [Travel Industry Association's](#) (TIA) Industry Performance Indicators (IPI) through October 2006 revealed that year-to-date international air revenue passenger miles (RPMs) increased 5.3 percent, while domestic air RPMs decreased 0.5 percent compared to the same 10 months in 2005. TIA also reports that overall air load factor improved by 2.5 percentage points through October versus prior-year levels. Lodging performance indicators have all shown positive growth this year, with room demand (+1.4%); occupancy rate (+0.8%); and room revenue (+8.5%) increasing through October. 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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