

"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

➔ Carlson Wagonlit: Hawai'i Ranked Among Top 10 Domestic Destinations for 2007

Two Hawai'i destinations ranked among [Carlson Wagonlit Travel Associates'](#) top 10 destinations in its annual Travel Trends Survey for 2007. Honolulu and Kahului/Maui ranked third and fourth, respectively, in this year's poll of over 500 Carlson Wagonlit Travel Associate owners, managers, and frontline agents throughout the U.S. Las Vegas was the top-ranked destination, followed by Orlando. Other findings from the survey include:

- Nearly 82 percent of respondents said that their bookings are equal to or above the same time last year. Further, 81 percent are either fairly or very optimistic for 2007.
- An increasing number of customers have the ability to travel overseas, with 44 percent of respondents saying their customers hold a valid passport – up from 32 percent last August.
- The top travel trend respondents are noticing is that clients are feeling more confident about traveling farther from home (64.5% in 2007, up from 48.5 in 2006). The second most popular trend noted is that clients are spending more per vacation (53.4%, up from 47.1%).
- All-inclusive resorts (89.3%) were said to be especially popular for respondents' clients in 2007, followed by cruises (78.9%); vacations to sunny/warm destinations (59.8%); and family trips (48.7%).

Carlson Wagonlit Travel Associates' Top 10 Domestic Destinations for 2007

Destination	Percent
1. Las Vegas, NV	77.9%
2. Orlando, FL	75.5%
3. Honolulu, HI	55.6%
4. Kahului/Maui, HI	44.2%
5. New York City, NY	38.3%
6. Anchorage, AK	20.7%
7. Miami/Miami Beach, FL	14.8%
8. Phoenix/Scottsdale, AZ	14.6%
9. Fort Myers, FL	13.8%
10. San Francisco, CA	12.8%

Source: Carlson Wagonlit Travel Associates'
2007 Travel Trends Survey

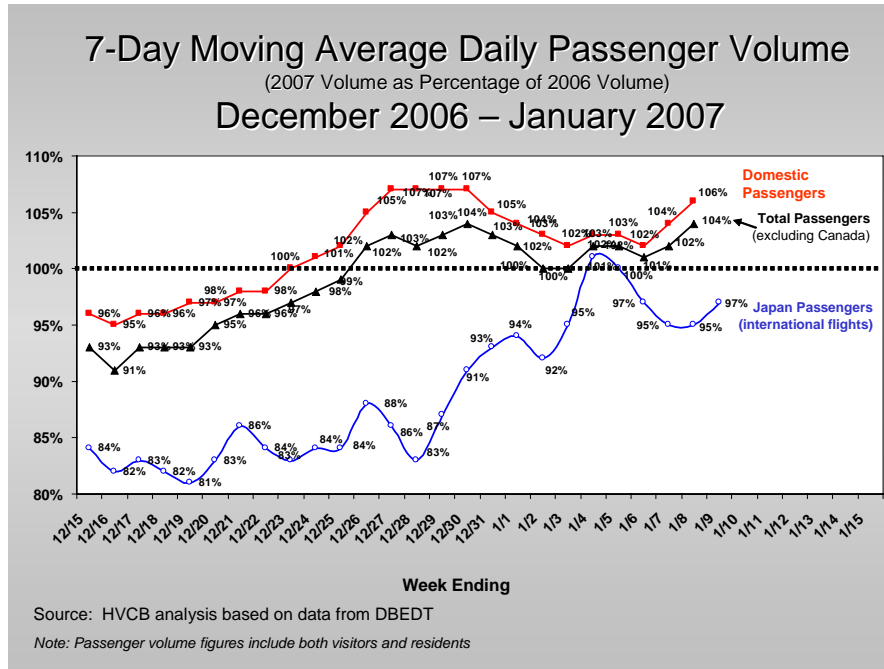
2. HAWAII

CONSUMER TRAVEL BEHAVIORS

Domestic Passenger Volume to Hawai'i up Six Percent 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 six percent above prior-year levels for the seven-day period ending January 9, 2006. Total domestic and international (excluding Canada) passenger volume ended the period up four points, while nonstop passenger volume from Japan to Hawai'i was down three 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

Continued Growth in Air Seat Capacity to Hawai'i Projected Through the First Quarter

The first quarter 2007 air seat capacity outlook predicts continued growth from the U.S. market entering into the new year. Scheduled nonstop air seats to Hawai'i are projected to rise 2.5 percent in the first quarter of 2007 over the same period in 2006, according to DBEDT's latest air seat capacity projection. A 7.2 percent increase in capacity from U.S. West (i.e., all states west of the Rockies) is expected to offset a 17.7 percent decline in capacity from U.S. East (i.e., states east of the Rockies). According to 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 7.2 percent over prior-year levels. Seats from Hawai'i's largest gateway, Los Angeles, will decrease 6.8 percent during the winter, and San Francisco, the second largest gateway, is expected to show a 12.9 percent drop, mainly due to a shift in lift to Oakland (+228.6%). Total West Coast lift will be boosted mainly from Phoenix (+33.0%); Seattle (+21.9%); Las Vegas (+8.6%); Portland (+25.4%); and San Diego (+74.8%).

Hawai'i: Scheduled Air Seats Outlook* First Quarter 2007 (January-March 2007)

	Statewide	
	Jan - Mar 2007	% Change
TOTAL SEATS	2,552,159	2.6%
U.S. Total	1,813,509	2.5%
U.S. West	1,541,374	7.2%
U.S. East	272,135	-17.7%
International Total	738,650	2.8%
Japan	450,859	3.9%
Canada	136,574	7.8%
Other Asia	30,378	-15.6%
Oceania	64,813	-0.9%
Other	56,026	-0.7%

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

- Scheduled air seats from the U.S. East to the state are projected to decrease 17.7 percent during the first quarter, with notable drops from Chicago (-20.9%), Houston (-20.7%); and Atlanta (-30.5%). Air seats from Dallas, the second largest U.S. East market (after Chicago), will increase 3.3 percent during the period.
- Japanese air seats are projected to increase 3.9 percent, with a 13.1 percent boost in seats from Osaka. Tokyo, Hawai'i's largest gateway from the international market has nearly 297,000 air seats forecasted for the first quarter, a 1.9 percent increase.
- Canadian air seats to Hawai'i are projected to grow 7.8 percent during the three-month period.

☞ HTA: Organizations Receive Hawaiian Culture Program Funding in 2007

The Hawai'i Tourism Authority (HTA), with guidance from its Hawaiian Cultural Program Advisory Council, announced the selection of 19 organizations to receive funding this year through its Hawaiian Culture Program. The programs were selected on criteria that addressed the goal and objectives identified in the Hawai'i Tourism Strategic Plan: 2005-2015 for the "Hawaiian Culture" initiative. These objectives include: strengthening the relationship between the visitor industry and the Hawaiian community; nurturing the Hawaiian culture by creating visitor experiences, activities and marketing programs that are respectful and accurate; and supporting Hawaiian programs and cultural practitioners, craftsmen, musicians, and other artists that preserve and perpetuate the Hawaiian culture. Through HTA's Hawaiian Culture Program, one-to-one matching funds were provided to businesses and organizations that honor and perpetuate the Hawaiian culture and community. A list of 2007 recipients is available on [HTA's website](#).

3. NATIONAL / INTERNATIONAL

■ CURRENT INDUSTRY DEVELOPMENTS

☞ YPB&R: Top Ten Travel Industry Trends for 2007

[Yesawich, Pepperdine, Brown & Russell](#) (YPB&R) released their top ten trends projections for 2007. YPB&R states that 2007 is set to become another record year for the travel industry, barring any catastrophic world events. In summary, the top ten trends for 2007 include:

- Leisure travel services demand will continue to outpace business travel services
- Family travel (adults with children) will continue to grow at a faster rate than all other forms of leisure travel
- As travel demand continues to grow, most travel suppliers will attempt to raise fares and/or rates
- The Internet will continue to dominate the travel-planning and booking headlines, though actual usage by business and leisure travelers to plan travel will remain flat
- Comparison shopping of travel suppliers' fares and rates will become more commonplace
- "Lifestyle" hotel brands will continue to gain exposure and popularity among the next generation of travelers
- "Inclusive pricing," or bundling of basic travel services for one price, will grow in popularity
- Spas will continue to grow in popularity
- The cruise industry will continue to grow
- The new .travel Internet domain will continue to grow in popularity as suppliers look to market their products and services in a more refined environment

☞ National Consumer Confidence Increases in December

The [National Consumer Confidence](#) Index gained 3.7 points from the November reading, reaching 109.0 (1985=100) in December. The "Present Situation" index rose to 129.9 (from 125.4 in November), while the "Expectations" index increased 3.2 points to 95.1 during the month (from 91.9). Conference Board officials state that despite the index increase, it is too soon to tell if December's boost is an indication of a strong economy, given the index fluctuations in recent months.

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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