

"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

⇒ Air Travelers in Western Hemisphere Now Required to Hold Valid Passports

On January 23, 2006, the first phase of the Departments of State (DOS) and Homeland Security's (DHS) [Western Hemisphere Travel Initiative](#) (WHTI) was implemented, requiring all persons (including U.S. and Canadian citizens) traveling by air between the U.S. and Canada, Mexico, Central and South America to hold a valid passport. According to DOS and DHS, a Passport Card (PASS Card), as well as SENTRI, NEXUS, FAST, and the U.S. Coast Guard Merchant Mariner documents are acceptable alternatives under WHTI. The goal of the WHTI Initiative is to strengthen border security and facilitate entry into the U.S. for U.S. citizens and legitimate foreign visitors by providing a standardized, secure and reliable documentation system. When fully implemented by January 1, 2008, travelers by land and sea (including ferries) will also be required to carry the same documents.

- [DHS](#) states that public awareness of the air travel requirement continues to grow. Since the week of Thanksgiving 2006, 83 percent of U.S. citizens, 94 percent of Canadians, 88 percent of Mexicans, and 99 percent of Bermudans have arrived at U.S. airports with passports.
- Still, according to Travelocity's annual forecast poll (see story in this issue), nearly one in four Travelocity member respondents were unaware of the new passport regulation.
- According to a poll conducted by Zogby (reported by the [U.S. Customs and Border Protection](#)) of 9,745 likely U.S. voters, 87 percent of respondents indicated they were aware of the new policy. In addition, 85 percent said that the new passport requirements would not make a difference in their travel plans to Canada, while 86 percent said the same for Mexico.



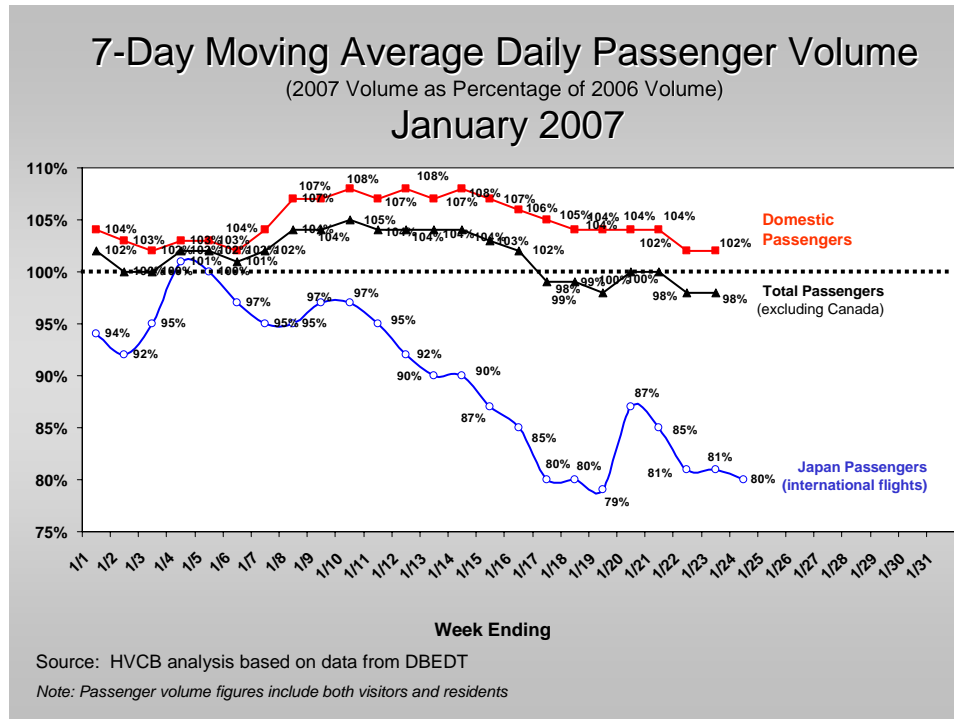
2. HAWAI'I

■ CONSUMER TRAVEL BEHAVIORS

➤ Domestic Passenger Volume to Hawai'i up Two Points 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 two percent above prior-year levels for the seven-day period ending January 24, 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 20 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>



3. NATIONAL / INTERNATIONAL

■ CONSUMER TRAVEL BEHAVIORS

➤ Travelocity: Travel Demand Expected to Remain High in 2007

[Travelocity](#)'s annual forecast poll indicates that travel consumers are resilient in the face of higher airfares, airline policies, and changing security rules. Despite changes in travel policies (WHTI, TSA baggage, etc.), and an escalation in airfares, most respondents stated that they would not cancel their travel plans, with 27 percent saying they will take shorter trips; 18 percent will book earlier; and 11 percent will book travel packages in an effort to dodge additional costs. When on vacation, top activities in rank order, include "hitting the beach," "relaxing/doing nothing," and "having a cultural experience." The poll also asked about intended destinations for 2007:

The top 5 intended international destinations:

1. Western Europe
2. The Caribbean
3. Australia / New Zealand / South Pacific
4. Mexico
5. Eastern Europe

The top 5 intended domestic regional destinations:

1. Pacific Region (CA, OR, WA, HI, AK)
2. Mountain Region (AZ, CO, ID, MO, NV, NM, UT, WY)
3. South Atlantic (DL, DC, FL, GA, MD, NC, SC, VI, WV)
4. New England (CT, MN, MA, NH, RI, VT)
5. Mid Atlantic Region (NJ, NY, PN)

The Travelocity poll was conducted between December 19, 2006 - January 3, 2007, and consisted of responses from 1,280 Travelocity members.

■ CURRENT INDUSTRY DEVELOPMENTS

➤ CLIA: Cruise Passenger Counts Projected to Reach Record in 2007

The [Cruise Lines International Association](#) (CLIA) projects that the industry will increase 4.1 percent in 2007, reaching a record 12.62 million cruise passengers – 10.60 million of which will originate from North America. CLIA estimates that in 2006, its member cruise ships carried 12.12 million passengers worldwide, with a collective occupancy factor of 104 percent. Bookings for 2007 are robust thus far as CLIA-member travel agents kick off the new year with booking incentives and promotions. In addition, CLIA member lines are reportedly investing more than \$15 billion in 30 new vessels that are expected to begin service between 2007 and the end of 2010.

Year	Passenger (Million)	Increase
2005	11.18	
2006 (Estimated)	12.12	8.4%
2007 (Forecasted)	12.62	4.1%

CLIA has 21 member cruise lines, (representing more than 97 percent of the North American cruise capacity) and 16,500 member travel agencies

➤ JATA: China to Outperform All Other Regions in Latest Japanese Travel Demand Index

The Japan Association of Travel Agents' (JATA) latest short-term quarterly Diffusion Index (DI) survey shows that travel demand for China will be higher than all other major regions for the first quarter of 2007 (January-March), according to *Travel Journal International*. On a scale of +100 (very good) to -100 (very poor), JATA-member travel agencies scored China +9, down eight points from fourth quarter 2007 figures (+17). Hawai'i registered an index score of -14, ranking third out of seven world regions, and up from its -16 reading from the previous quarter. Overall Japanese propensity to travel overseas fell from -6 in the fourth quarter to -11 this quarter. Destination results for the first quarter 2007 in rank order:

- China (9)
- Asia (-3)
- **Hawai'i (-14)**
- Europe (-21)
- Micronesia (-35)
- Oceania (-35)
- North America – U.S./Canada (-39)

The Diffusion Index is a quarterly survey monitoring business sentiment among JATA-member travel agencies in Japan.

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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