

"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

Contact: **Darlene Morikawa**
 dmorikawa@hvcb.org
 808.924.0259

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1. FEATURE

➔ Growth Experienced in Each of Hawai'i's Top U.S. West City Markets in 2006

The number of 2006 (preliminary) visitors from each of the state's top 20 U.S. West metropolitan statistical area (MSA) markets topped 2005 levels. However, arrivals from seven out of the top 10 U.S. East markets experienced declines in 2006, against the strong 6.9 percent increase in 2005. The decline coincided with the drop in air seats from the U.S. East market (down 12 percent from record-high 2005 levels). Preliminary figures from the Department of Business, Economic Development and Tourism show that:

- Hawai'i's top market, Los Angeles, was the source of over 847,600 visitors in 2006, up three percent from final 2005 levels.
- Rounding out the top five markets were the San Francisco Bay Area (over 596,400 arrivals, up 0.7%); Seattle (243,300, up 3.9%); San Diego (180,900, up 1.6%); and New York City (167,200, down 5.6%).
- Notable increases were also seen in MSAs with significant growth in non-stop service to Hawai'i including Phoenix (+33.5%); Las Vegas (+7.9%); Salt Lake City (+8.8%); and Atlanta (+6.2%).

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

Preliminary 2006 Arrivals to Hawai'i from Top 20 MSAs
 January - December 2006

Metropolitan Statistical Area	Total YTD Jan-Dec	% Change 2006P/2005
LOS ANGELES-RIVERSIDE-ORANGE COUNTY, CA CMSA	847,605	3.0%
SAN FRANCISCO-OAKLAND-SAN JOSE, CA CMSA	596,436	0.7%
SEATTLE-TACOMA-BREMINGTON, WA CMSA	243,311	3.9%
SAN DIEGO, CA	180,892	1.6%
NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA CMSA	167,172	-5.6%
PHOENIX-MESA, AZ	147,534	33.5%
SACRAMENTO-YOLO, CA CMSA	125,540	1.5%
CHICAGO-GARY-KENOSHA, IL-IN-WI CMSA	125,376	-0.6%
PORTLAND-SALEM, OR-WA CMSA	125,258	6.0%
WASHINGTON-BALTIMORE, DC-MD-VA-WV CMSA	115,068	-1.7%
DENVER-Boulder-GREELEY, CO CMSA	92,688	2.1%
DALLAS-FORT WORTH, TX CMSA	81,164	6.2%
LAS VEGAS, NV-AZ	71,888	7.9%
BOSTON-WORCESTER-LAWRENCE-LOWELL-BROCKTON, MA-NH NECMA	64,799	-4.9%
MINNEAPOLIS-SAINT PAUL, MN-WI	61,050	-3.5%
SALT LAKE CITY-OGDEN, UT	60,607	8.8%
HOUSTON-GALVESTON-BRAZORIA, TX CMSA	56,279	3.8%
ATLANTA, GA	52,204	6.2%
PHILADELPHIA-WILMINGTON-ATLANTIC CITY, PA-NJ-DE-MD CMSA	46,658	-2.7%
DETROIT-ANN ARBOR-FLINT, MI CMSA	45,992	-8.2%

Source: HVCB analysis of DBEDT data

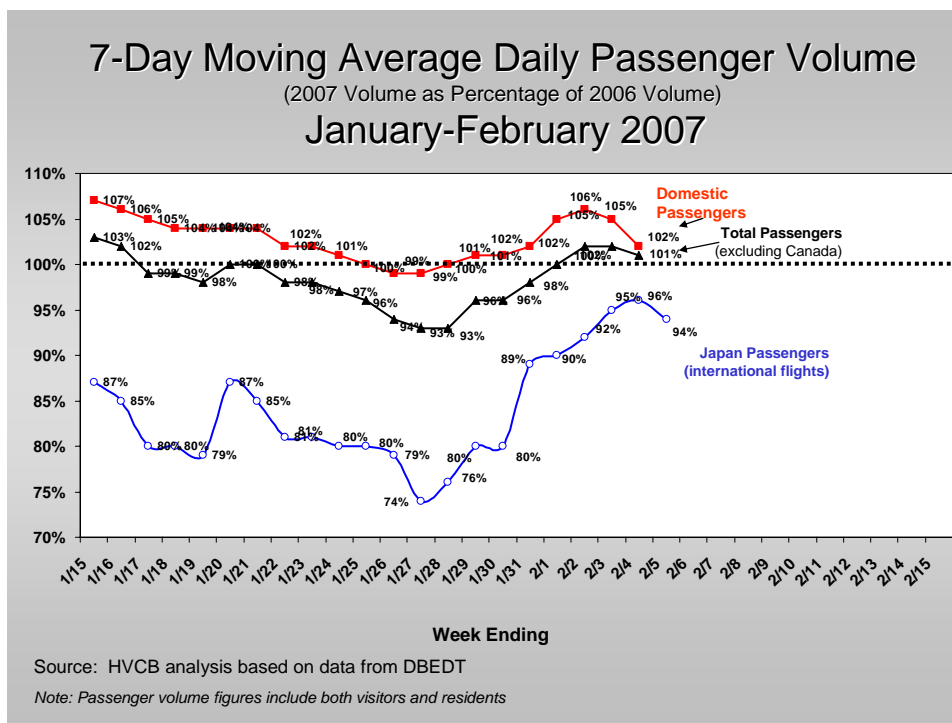
2. HAWAII

CONSUMER TRAVEL BEHAVIORS

Domestic Passenger Volume to Hawaii 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 Hawaii was two percent above prior-year levels for the seven-day period ending February 5, 2006. Total domestic and international (excluding Canada) passenger volume ended the period one percent above prior-year levels, while nonstop passenger volume from Japan to Hawaii was down six 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

HTA Announces Year-Round "Festivals of Hawaii"

The [Hawaii Tourism Authority](#) (HTA) announced a new year-round promotional campaign: "Festivals of Hawaii." HTA will be providing nearly \$2 million each year to help fund and support over 60 festivals throughout the states. This year, HTA is also providing advertising and media relations support for the campaign, which is intended to increase the awareness of Hawaii's various festivals to both post-arrival visitors and local residents alike. Components of the "Festivals of Hawaii" campaign include:

- Creation of a distinct logo
- Quarterly calendar listing of Hawaii's festivals to be distributed to media and hotel concierges statewide
- Media kit distribution
- Six different print advertisements announcing the "Festivals of Hawaii," which will appear in visitor publications
- Television and radio advertising
- In-flight video on incoming flights to the islands as part of the Governor's message.

3. NATIONAL / INTERNATIONAL

■ CONSUMER TRAVEL BEHAVIORS

⇒ Expedia: Spring Break Travel Set to Rise This Year

According to a recent Expedia.com consumer survey (conducted by Harris Interactive), 82 percent of U.S. adults plan to travel by air as much or more this spring than the last spring. Sixteen percent (16%) of U.S. adults said that they are planning to travel by air more this spring than the same period last year, while 66 percent stated that they plan just as much air travel as last spring. Other findings from the survey include:

- Airlines continue to raise fares despite declining fuel prices. Fares to South Florida cities like Miami and Ft. Lauderdale are up five- to 10 percent. Puerto Vallarta, Los Cabos and Cancun, Mexico are up seven- to 13 percent. Hawai'i airfares have become more affordable, with average year-over-year fares decreasing approximately 10- to 15 percent, partially due to a recent up-tick in capacity to the islands, according to *Expedia.com* data.
- Unseasonably warm temperatures in parts of the U.S. earlier this winter could mean deeper discounts in warm weather destinations like Florida and the Caribbean.
- When it comes to international travel, some 38% of U.S. adults indicated that they are not at all influenced by the exchange rate when choosing a destination.
- Recent changes in passport requirements do not appear to be dampening interest in overseas trips. The survey also found that 74% of U.S. adults say that they are equally (68%) or more likely (6%) to travel to Canada, Mexico, Central and South America or the Caribbean, the areas recently affected by the new passport rules.

■ CURRENT INDUSTRY DEVELOPMENTS

⇒ TIA to Build Official Travel & Tourism Websites Promoting America to International Travelers

After winning a \$3.9 million grant over two years from the U.S. Department of Commerce (DOC), the Travel Industry Association (TIA) will build websites in multiple languages to promote the U.S. as a premier destination. The first development of the websites will be in English and Japanese mainly targeting travelers in United Kingdom, Canada, and Japan. The aim of the second phase will be residents in Mexico and Germany. TIA noted the importance of reaching overseas travelers in particular because that portion of international inbound travel to the U.S. has declined by 17 percent since 9/11, and the U.S. share of the world travel market has declined by 36 percent since 1992. Several of the State Tourism Offices and Convention and Visitors Bureaus, American Express, Travelocity, Yahoo! and Fodor's will partner with TIA to assist in the creation, marketing, and maintenance of these websites.

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:

Darlene Morikawa ♦ dmorikawa@hvcb.org ♦ tel. 808.924.0259