

"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 Projects 1.7 Percent Increase in Memorial Day Travel

Despite high gas prices and increasing vacation costs, an estimated 38.3 million Americans are expected to travel 50 miles or more from home this Memorial Day weekend (May 26-28), according to [AAA](#) and the Travel Industry Association of America (TIA). Travel totals for the weekend are projected to be up 1.7 percent versus Memorial Day 2006. Other results from the national survey of 2,000 American adults include:

- Air travel is forecasted to be up an estimated 1.0 percent this year (to 4.4 million, or 11 percent of all holiday travelers); and motor vehicle travel is projected to be up 1.8 percent (to 32.1 million, or 84 percent of all holiday travelers).
- The greatest number of air travelers is expected to come from the West with approximately 1.4 million travelers, followed by the Midwest with 1.2 million travelers; Southeast with 900,000; Northeast with 500,000; and the Great Lakes region with 400,000.
- According to AAA's Leisure Travel Index, airfares during the Memorial Day weekend are on average, five percent less than last year. However, hotel rates are projected to be up 13 percent from prior-year levels, averaging \$174 per night at AAA 3-Diamond hotels.
- The average household traveling this Memorial Day weekend will spend \$594.

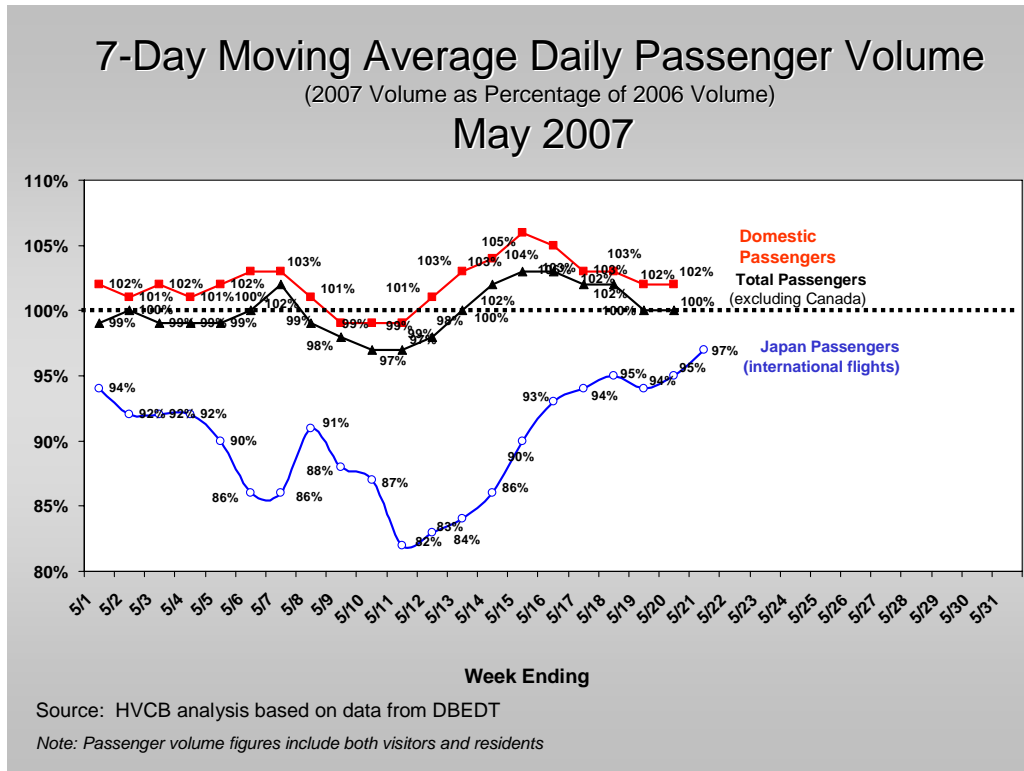
2. HAWAII

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 up two points over prior-year levels for the seven-day period ending May 21, 2007. Total domestic and international (excluding Canada) passenger volume ended the period on par with prior-year levels, while nonstop passenger volume from Japan to Hawaii was down three 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

Statewide Visitor Accommodations Inventory Decreased Nominally in 2006

According to the *2006 Visitor Plant Inventory Report* released by the Department of Business, Economic Development and Tourism (DBEDT), visitor accommodation numbers decreased to 72,516 units, down nominally (-0.8%) from 2005. The report revealed that statewide hotel room figures decreased 5.3 percent to just over 43,600 units. The largest increase was seen in condo-hotels, which increased 13.0 percent to 17,235 rooms. Each of the major Islands experienced overall declines in room inventory:

- Hawaii Island: -0.2% (11,247 rooms)
- Maui: -0.2% (18,441 rooms)
- O'ahu: -1.0% (34,008 rooms)
- Kauai: -2.7% (8,002 rooms)

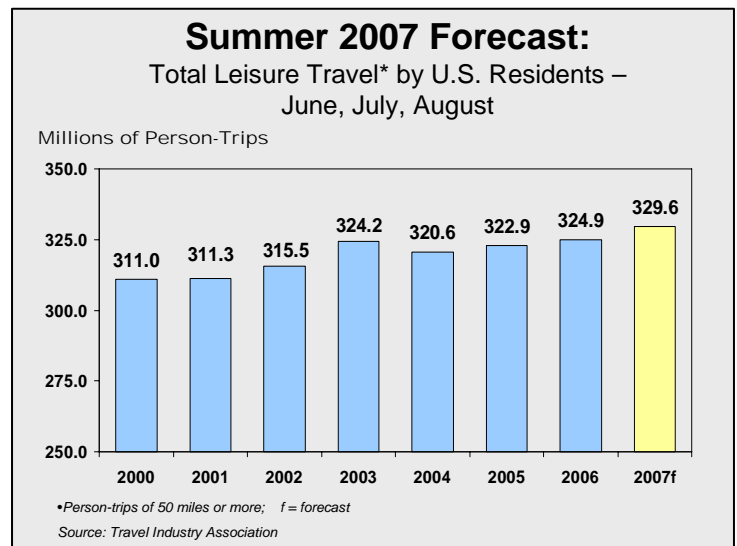
3. NATIONAL / INTERNATIONAL

■ CONSUMER TRAVEL BEHAVIORS

⇒ TIA Forecasts Record Summer Leisure Travel This Year

The [Travel Industry Association of America](#) (TIA) released its Summer 2007 Forecast report, projecting that Americans will take a record 329.6 million leisure trips of 50 or more miles away from home during the months of June, July and August 2007, up 1.4 percent over last summer. TIA attributes the record numbers to a renewed enthusiasm for travel among consumers as well as a travel environment with no major obstacles on the horizon. TIA warns, however, that some consumers may still alter their travel behavior based on the higher cost of travel. Other highlights from the summer forecast:

- Air travel is projected to be stronger than auto travel this summer, rising three percent between June and August. Auto travel will still account for the majority of summer trips (about 8 of 10 trips).
- 80% planning leisure trips this summer plan to visit friends and relatives.
- 40% expressed interest in historic/heritage-focused activities or in fine dining/culinary or wine-related activities. Some 14% plan on taking golf trips.



■ CURRENT INDUSTRY DEVELOPMENTS

⇒ Travel Price Index Up 2.9 Percent in April

The Travel Industry Association of America's (TIA) [Travel Price Index](#) (TPI) increased 2.9 percent in April 2007, compared to the same month last year. Airfares increased 1.2 percent compared to April 2006 levels, and lodging prices were up 3.0 percent. Motor fuel prices experienced a 3.2 percent increase in April versus prior year levels (though it soared 10.2 percent from March 2007 levels). The TPI outpaced the nation's overall Consumer Price Index (+2.6%) in April. The TPI is a monthly indicator of the price change in travel goods and services available to the U.S. consumer.

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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