

"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: Thanksgiving Holiday Travel Projected to be Robust Despite Rise in Gas Prices

Despite a rise in gas prices this quarter, domestic travel by Americans this Thanksgiving holiday weekend is projected to equal 38.7 million – a modest increase of 1.5 percent compared to Thanksgiving 2006 according to [AAA](#). A holiday trip is defined as travel of 50 or more miles away from home, one way.

- 4.7 million, or 12.1 percent of Thanksgiving travelers, are expected to travel by air, up 2.2 percent from last year's holiday weekend.
 - With 1.3 million air travelers, the Southeast region is expected to have the highest number of air travelers this holiday weekend. This region is followed by the West (1.2 million); Midwest (783,000); Northeast (769,000); and the Great Lakes region (646,000).
 - AAA states that airfares will be down an average of seven percent from last Thanksgiving weekend.
- Holiday auto travelers continue to make up the bulk of travelers this Thanksgiving, with 80 percent of holiday travelers (31.2 million), a 1.3 percent increase in volume from last year.
 - Gas prices have broken the \$3.00 per gallon mark for the first time in November. According to AAA, prior-year gas prices hovered around the \$2.20 mark.
- The largest portion of holiday travelers (43.3%) will be traveling with two to three other household members. Nearly 35 percent will be traveling alone or with one other person from their household.
- As expected, most Thanksgiving holiday travelers will stay with friends or relatives, followed by hotels and motels.

AAA's study is based on a national web survey of 2,200 adults by the Travel Industry Association. Survey was conducted October 22-26, 2007

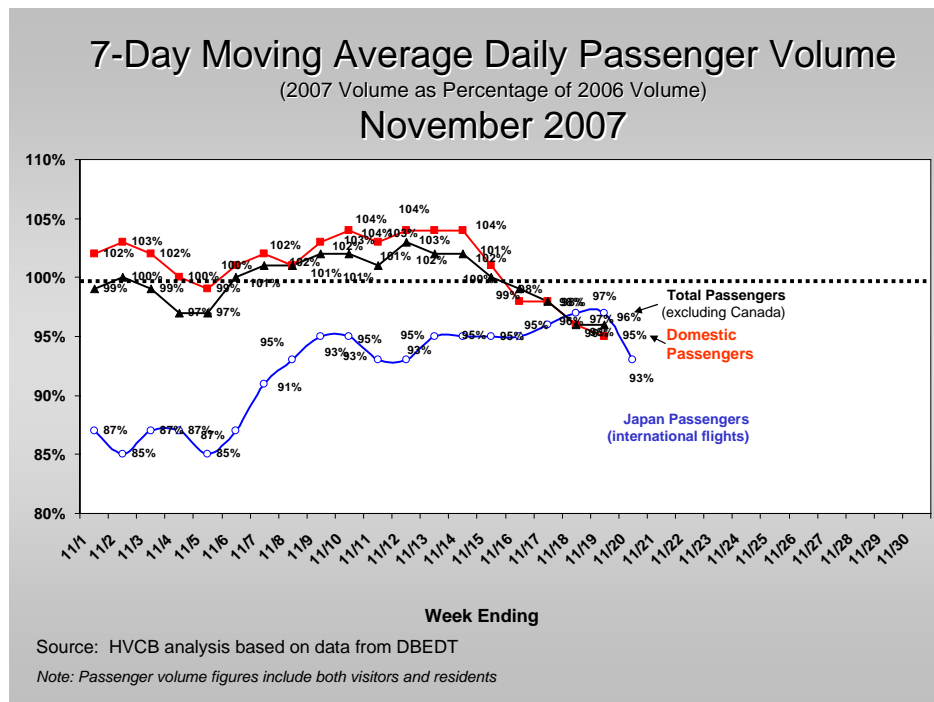
2. HAWAII

CONSUMER TRAVEL BEHAVIORS

Domestic Passenger Volume to Hawaii Down Five 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 five points below prior-year levels for the seven-day period ending November 20, 2007. Total domestic and international (excluding Canada) passenger volume ended the period down four points, while nonstop passenger volume from Japan to Hawaii was down seven points for the week.

For the most recent Seven Day Moving Average chart, visit HVCB's Market Trends Online: <http://www.hvcb.org/trends>



Hawaii's Top City Markets Show Mixed Results Through the Third Quarter

The number of visitors from half of the top 10 U.S. metropolitan statistical area (MSA) markets topped previous-year levels through the third quarter of 2007.

- Hawaii's top market, Los Angeles, was the source of some 638,000 visitors through September, down 2.3 percent from the same period in 2006. However, the state's second largest source market, the San Francisco Bay Area, increased 2.5 percent during the period.
- The two MSA markets in the Pacific Northwest experienced double-digit increases. Seattle, Hawaii's third largest market, increased 10.4 percent, while Portland (7th largest market) increased 10.6 percent through the third quarter.

Preliminary 2007 Arrivals to Hawaii from Top 10 MSAs <i>January - September 2007</i>		
Metropolitan Statistical Area	Total YTD Jan-Sep	% Change 2007/2006
LOS ANGELES-RIVERSIDE-ORANGE COUNTY, CA CMSA	637,976	-2.3%
SAN FRANCISCO-OAKLAND-SAN JOSE, CA CMSA	460,337	2.5%
SEATTLE-TACOMA-BREMINGTON, WA CMSA	195,802	10.4%
SAN DIEGO, CA	134,517	-0.2%
NEW YORK-NORTHERN NEW JERSEY-LONG ISLAND, NY-NJ-CT-PA CMSA	130,588	0.4%
PHOENIX-MESA, AZ	107,553	-4.2%
PORTLAND-SALEM, OR-WA CMSA	100,146	10.6%
SACRAMENTO-YOLO, CA CMSA	95,089	1.6%
CHICAGO-GARY-KENOSHA, IL-IN-WI CMSA	88,726	-6.2%
WASHINGTON-BALTIMORE, DC-MD-VA-WV CMSA	86,421	-3.3%

Source: HVCB analysis of DBEDT data

- The top U.S. East market, New York, increased nominally (+0.4%) through the third quarter. The other two top U.S. East MMAs, Chicago and Washington D.C., both declined (-6.2% and -3.3%, respectively), during the nine-month period.

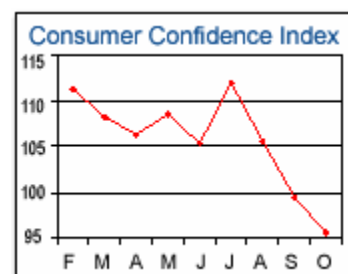
Additional statistics on Hawai'i's top MSA markets are posted on HVCB's Market Trends Online website: <http://www.hvcb.org/trends>

3. NATIONAL / INTERNATIONAL

■ CONSUMER TRAVEL BEHAVIORS

➤ National Consumer Confidence Drops for Third Straight Month

The [National Consumer Confidence](#) Index decreased 3.9 points in October (from the prior month reading) to 95.6 (1985=100), marking the third straight month of declines. The "Present Situation" index fell to 118.8 (from 121.2 in September), while the "Expectations" index declined 4.9 points to 80.1 during the month (from 85.0). Conference Board officials state that the recent decline in consumer confidence (which are hovering at two-year lows), can be attributed in part to a weakening in business conditions and lackluster job growth. Furthermore, consumers seem to be growing more pessimistic about the short-term future.



Source: Conference Board

■ CURRENT INDUSTRY DEVELOPMENTS

➤ TIA: Travel Industry to Experience Modest Growth in 2008

According to the [Travel Industry Association's](#) (TIA) annual travel and tourism outlook, the U.S. travel industry is forecast to experience modest growth in nearly all sectors in 2008. Domestic person-trips* are forecast to grow a modest 1.6 percent (to 2.0 billion), and international visitation to the U.S. is expected to reach 55.6 million (up 3.7 percent). Domestic visitor spending by U.S. residents is expected to increase 4.9 percent (to \$679.6 billion) compared to 2007 projections, while international visitor spending in the U.S. is forecast to grow 7.1 percent (to \$98.6 billion).

* One person on one trip 50 miles or more, one way, away from home or including one or more nights away from home.

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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