

"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

#### ➔ Economic Concerns Impact Potential Hawai'i Visitors' Leisure Time, Vacation Behavior

Americans are increasingly concerned about the potential impact of several economic issues on their leisure time and vacation behavior, according to results from the latest *travelhorizons*<sup>™</sup> survey\*, conducted jointly by [Ypartnership](#) and the Travel Industry Association, and sponsored in part by the Hawai'i Visitors and Convention Bureau.

The biggest economic concern for both American adults overall and U.S. travelers with a strong likelihood of visiting Hawai'i (in the next two years) was the price of gasoline, with 62 percent of Americans in general and 59 percent of likely-Hawai'i visitors reporting that the rising price of gas at the pump is likely to affect their future leisure time and vacation behavior.

**travelhorizons<sup>™</sup>: Factors Affecting Future Leisure Time and Vacation Behavior**

<b>Percent of American Adults who say the following economic concerns will likely impact their future leisure time/vacation behavior:</b>	<b>Total Respondents</b>	<b>Likely Hawai'i Visitors</b>
Rising cost of gas at the pump	62%	59%
Rising cost of health care	36%	33%
High level of personal debt	31%	32%
Saving for retirement	25%	26%
Interest rates	24%	28%
Job insecurity	21%	29%
Possible increases in monthly mortgage	17%	26%
Stock market volatility	13%	20%
Sub-prime mortgage meltdown	12%	17%

Source: October 2007 *travelhorizons* (Y-Partnership/TIA)

While the cost of health care, personal debt and retirement savings are also top economic concerns among all American adults, potential Hawai'i visitors expressed greater concern than the average American in regards to interest rates, job insecurity and stock market volatility.

In addition, more than one-in-ten (12%) overall Americans reported that the turmoil in the mortgage market has affected their leisure time and vacation behavior, and 17 percent stated that an unexpected increase in their monthly mortgage payments would adversely affect their future leisure time and vacation behaviors. The findings were even more pronounced for likely Hawai'i visitors, with 17 percent saying that the sub-prime mortgage meltdown has impacted their leisure time/vacation behavior and 26 percent reporting that any unexpected increases in mortgage payments could negatively impact their future vacations and leisure time. These findings suggest that a significant number of consumers may be altering their future vacation behaviors if the turmoil in the financial markets does not subside.

Finally, the declining value of the U.S. dollar against foreign currencies proved to be an important concern among likely Hawai'i visitors, with 35 percent of such respondents saying that this factor would likely impact their future leisure time/vacation behaviors. By comparison, this factor proved to be of significantly less concern among overall American adults (21%).

\* From the October 2007 edition of *travelhorizons*™. Sample size: 2,243 American adults.

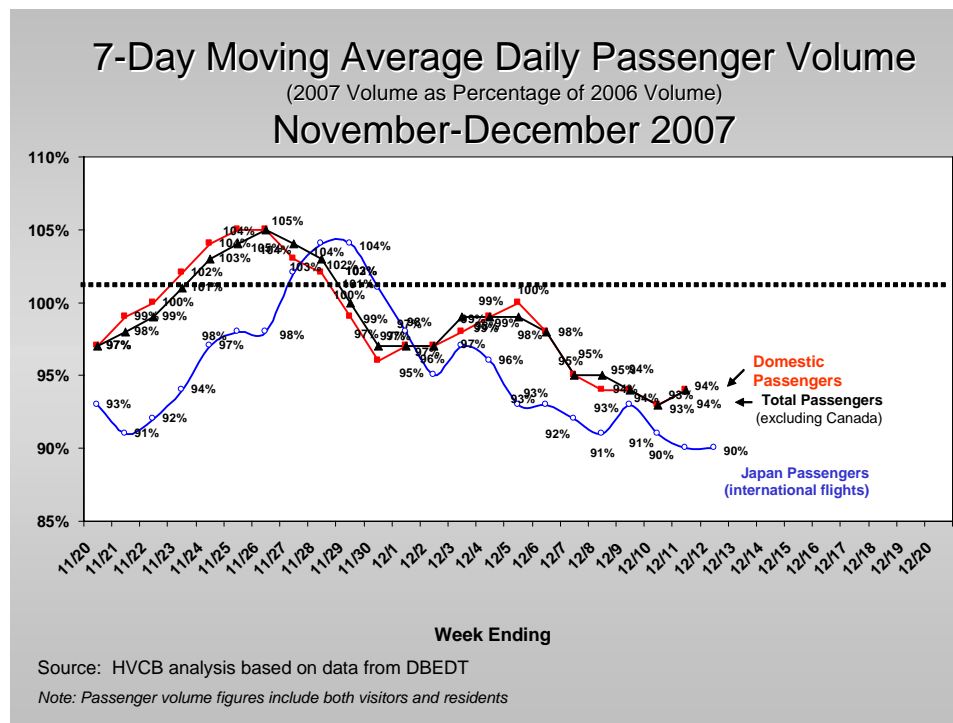
## 2. HAWAII

### CONSUMER TRAVEL BEHAVIORS

#### Domestic Passenger Volume to Hawai'i Down Six 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 six points below prior-year levels for the seven-day period ending December 12, 2007. Total domestic and international (excluding Canada) passenger volume ended the period down six points, while nonstop passenger volume from Japan to Hawai'i was down 10 points for the week.

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

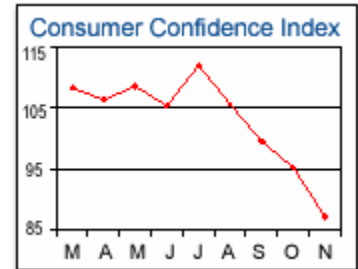


### 3. NATIONAL / INTERNATIONAL

#### ■ CONSUMER TRAVEL BEHAVIORS

##### ☞ November: Fourth Straight Month of Declines in National Consumer Confidence

The [National Consumer Confidence](#) Index fell for the fourth consecutive month, down 7.9 points to 87.3 (1985=100) in November (from the prior month reading). The "Present Situation" index remained relatively stable, declining 2.6 points to 115.4, while the "Expectations" index dropped 11.3 points to 68.7 during the month (from 80.0). Conference Board officials state that the recent drops in consumer confidence, can be attributed in part to the volatility in financial markets, rising gas prices, and the expectation of higher home heating bills this winter. However, they also state that most consumers anticipate spending more on gifts this holiday season than they did last year.



##### ☞ JTB: Japanese Outbound Holiday Travel to Be Flat This Winter

Despite an especially favorable arrangement of holidays this winter holiday season, Japanese outbound travel will only grow nominally (+0.2%) compared to prior-year levels, according to preliminary figures by the Japan Travel Bureau (JTB), reported by *Travel Journal International*. However, overseas travel between December 23<sup>rd</sup> 2007 and January 3<sup>rd</sup> 2008 is projected to reach 644,000 – the third highest level in history, and the highest volume posted since the record 2000/2001 season. Top destinations this season include Europe (84,000, up 3.7% from prior-year levels); Korea (83,000, up 1.2%); China (80,000, down 11.1%); **Hawai'i (60,000, up 3.5%)**; and Guam/Saipan (52,000, up 2.0%). JTB notes that for Hawai'i, trips of six- to seven-days will be the most common this season, with departures typically ranging between December 29<sup>th</sup> to 31<sup>st</sup>. JTB based its results on industry trends, airline bookings, JTB reservations, and a national survey.

#### ■ CURRENT INDUSTRY DEVELOPMENTS

##### ☞ Nation's Tourism Industry Performance Indicators Up Through October

The [Travel Industry Association's](#) (TIA) Industry Performance Indicators (IPI) through October 2007 revealed that year-to-date international air revenue passenger miles (RPMs) have increased 5.6 percent, while domestic air RPMs have increased 1.0 percent compared to the same 10 months in 2006. TIA also reports that domestic air load factor improved by 1.5 percentage points through October versus prior-year levels. Room demand (+1.4%) and room revenue (+7.5%) both rose through October, despite flat occupancy ( $\pm 0.0\%$ ). The IPI is released by TIA each month to give a monthly snapshot of recent trends in the travel industry.

*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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