

"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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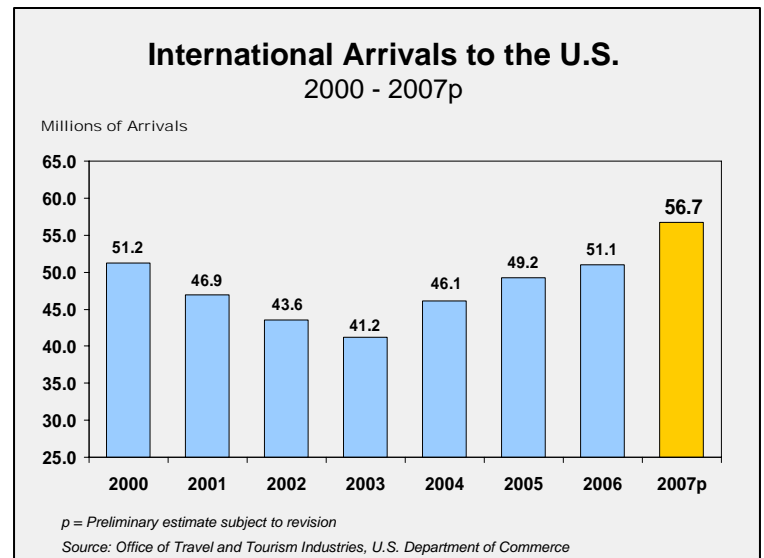
1. FEATURE

➤ International Arrivals, Spending Set New Record for U.S.

A record 56.7 million international travelers visited the United States in 2007, up 11 percent over prior-year levels, according to the U.S. Department of Commerce, [Office of Travel and Tourism Industries](#). Arrivals surpassed the previous record of 51.2 million set in 2000. Spending by international visitors to the U.S. also broke a record, registering \$122.7 billion, up 14 percent over the previous high set in 2006. With this spending record, the U.S. attained its largest travel and tourism trade surplus in nearly a decade, with international visitors outspending U.S. international travelers by \$17.8 billion in 2007 (+113% over 2006).

- Arrivals from the largest source market, Canada, registered 17.7 million arrivals – an increase of 11 percent in 2007.
- Total overseas (not including Canada and Mexico) arrivals to the U.S. equaled 23.9 million in 2007, up 10.3 percent from prior-year levels.
- Total arrivals from Asia equaled 6.4 million in 2007, up 3.7 percent from prior-year levels.

- Japanese arrivals totaled 3.5 million, down 3.8 percent from 2006 levels.
- Arrivals from Korea were up 6.4 percent (806,000 arrivals)
- Combined, Hong Kong and China (PRC) totaled 540,000 arrivals, up 17.9 percent from 2006.



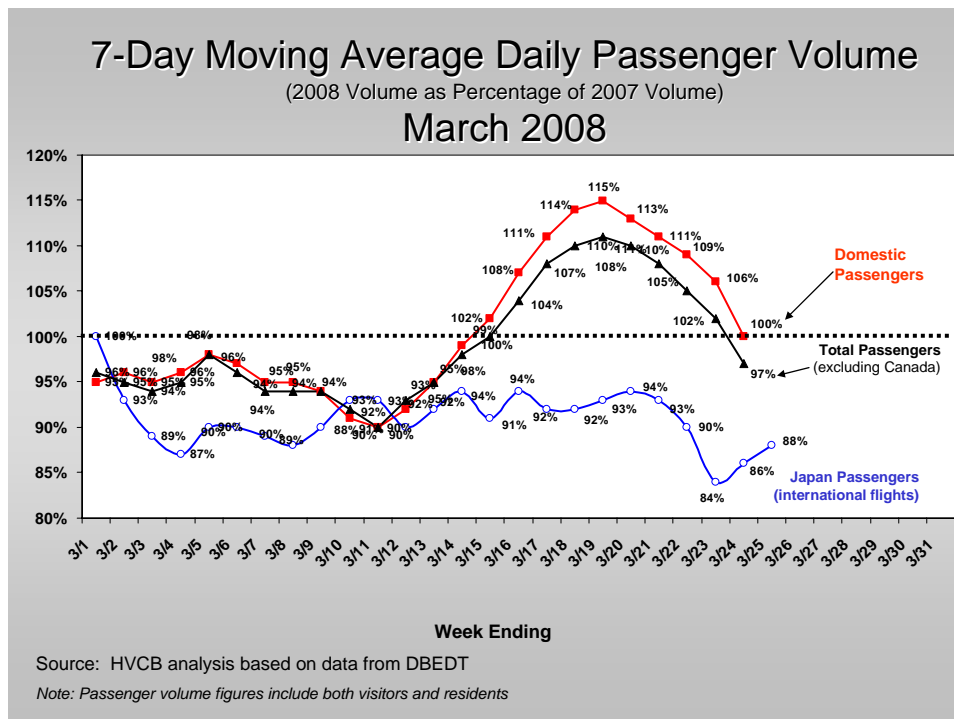
2. HAWAI'I

■ CONSUMER TRAVEL BEHAVIORS

➔ Domestic Passenger Volume to Hawai'i On Par With Prior Year Levels 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 on par with prior-year levels for the seven-day period ending March 26, 2008. Total domestic and international (excluding Canada) passenger volume ended the period down three points, while nonstop passenger volume from Japan dropped 12 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

➔ UHERO: Projected Air Arrivals to Hawai'i Revised Downward for 2008

The [University of Hawai'i Economic Research Organization](#) (UHERO) revised its visitor arrivals forecast downward for 2008, showing Hawai'i arrivals slipping 1.9 percent (down from +0.3% in their prior forecast), mainly due to weaker U.S. economic conditions (especially in California), and the exit of two out of three NCL cruise ships in 2008. U.S. arrivals are forecast to slip 2.2 percent, and Japanese arrivals are set to decline 3.3 percent. UHERO projects that arrivals will be flat (-0.1%) in 2009, and does not project a return to positive visitor arrivals growth until 2010.

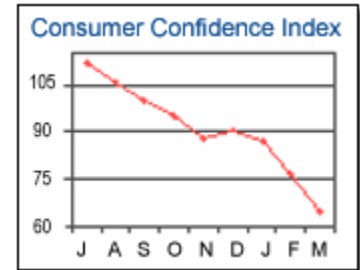
- UHERO's forecast is somewhat less optimistic than [DBEDT's](#) latest forecast. DBEDT projects a decline of 1.4 percent in visitor arrivals to the state in 2008, with gains of 1.2 percent and 1.4 percent projected for 2009 and 2010, respectively.

3. NATIONAL / INTERNATIONAL

■ CONSUMER TRAVEL BEHAVIORS

⇒ National Consumer Confidence Continues Descent

After a sharp decline in February, the [National Consumer Confidence](#) Index fell even further in March reaching a new five-year low, according to the Conference Board. The index fell another 11.9 points to 64.5 (1985=100) in March. The "Present Situation" index dropped 14.8 points to 89.2, and the "Expectations" index fell 10.1 points to a 35-year low 47.9 (December 1973 reading was 45.2). Conference Board officials indicate that the weak pace of economic growth in recent months has caused consumers to be pessimistic about the overall state of the economy. In addition, the outlook on business conditions, the job market, and household income prospects has negatively impacted the "Expectations" index, which is at its lowest level since the Oil Embargo and Watergate scandal in the early 70s.



Source: Conference Board

■ CURRENT INDUSTRY DEVELOPMENTS

⇒ Environmental Impact, Climate Change a Priority for TIA

The [Travel Industry Association of America](#) (TIA) has stated that it is making climate change a priority in its *Primer on Travel and Climate Change*, a publication introducing various components of the environmental impact of travel. As it relates to this issue, the publication includes the following:

- Overview of the current political climate
- Summary of where the travel community stands in the current debate
- Analysis of the potential impact of current legislation
- Assessment of the travel community's vulnerabilities and opportunities
- Best practices

Examples given in the report on how specific sectors within the travel industry are already becoming involved in eco-friendly practices include:

- *Restaurants* – National Restaurant Association has established a Green Task Force to help reduce the carbon footprint of the industry, and plans to launch a "Serve and Conserve" initiative this Spring.
- *Hotels* – Efforts are being made to encourage the building of eco-friendly and energy efficient hotels to meet the U.S. Green Building Council (Leadership in Energy and Environmental Design) standards. Many hotels are also implementing recycling and energy efficiency programs.
- *Airlines* – Many airlines have started expanding and publicizing their green initiatives, including a reduction in fuel usage; a change in the type of fuel used; and streamlining aircraft design and operational efficiency. The International Air Transport Association states that airlines are aiming for a 25 percent fuel efficiency improvement by 2020, with the ultimate aim of being carbon neutral.

The full publication (in PDF format) may be downloaded [here](#):

http://www.tia.org/resources/PDFs/Gov_affairs/Environmental_Primer_3_11_08.pdf

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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