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HVCB Tourism Industry Update

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"HVCB Tourism Industry Update" is a weekly briefing of travel news and developments affecting Hawai'i's visitor industry, compiled by the HVCB Market Trends Department.

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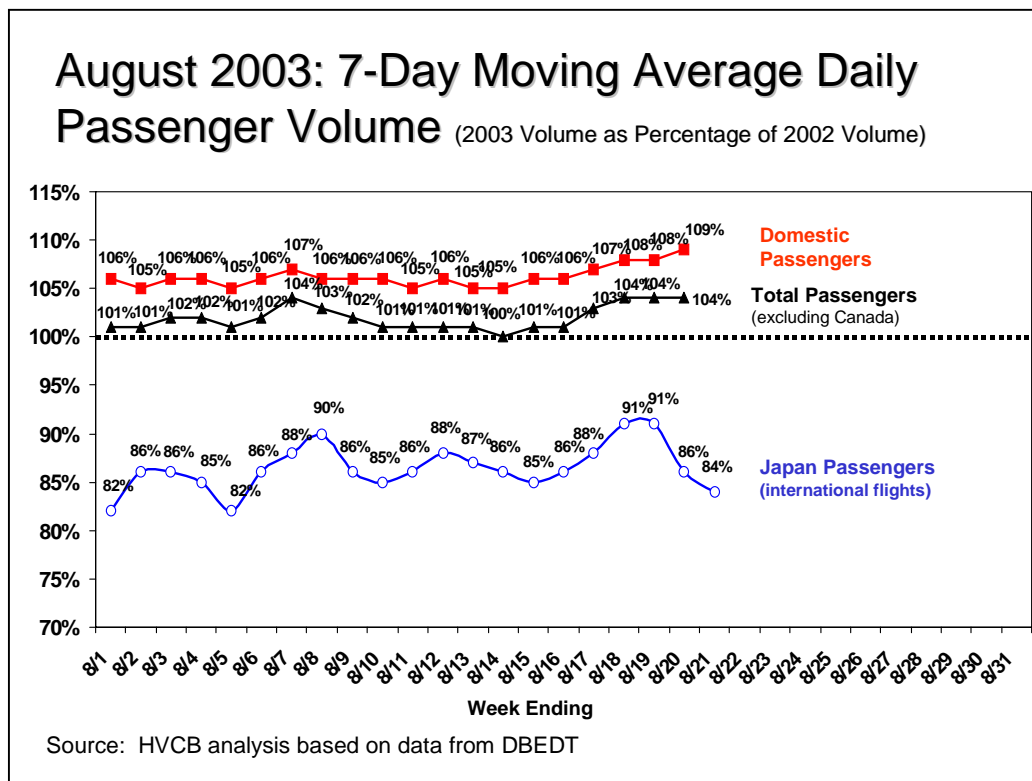
- **Domestic Air Seats to Hawai'i Projected to Reach Record High in 2003**
 - Airlines are projected to fly more than 5.9 million seats on scheduled, nonstop domestic flights to Hawai'i in 2003, surpassing last year's levels by 8.8 percent and exceeding the previous all-time high mark, established in 2000, by 4.6 percent. Taking into consideration all flights on Official Airline Guides (OAG) schedules as of August 2003:
 - Honolulu is expected to account for 65.6 percent share (compared to 75.2% in 2000) of all domestic air seats to the state this year, totaling nearly 3.9 million seats (+5.4% over 2002) in 2003.
 - While nonstop domestic service is expected to increase to all of Hawai'i's major airports in 2003, gains in air seat capacity to the Neighbor Islands are expected to outpace air service increases to Honolulu.

- Kahului is projected to increase its share from 18.1 percent in 2000 to 23.4 percent this year. Total domestic air seats to Maui are expected to reach nearly 1.4 million (+12.7% over 2002) in 2003.
- Domestic air seats to Kona will reach 6.5 percent in 2003 (compared to 5.1% in 2000), for a total of 387,366 seats (+12.2% over 2002) this year.
- Lihue is projected to record 4.6 percent of all domestic air seats to the state (compared to 1.7% in 2000), totaling 271,163 seats (+43.9% over 2002) in 2003.

Hawai'i

▪ CONSUMER TRAVEL BEHAVIORS

- **Domestic Passenger Volume Reaches 109 Percent of 2002 Levels** - The average number of nonstop passengers on domestic flights arriving in Hawai'i continued to outperform 2002 levels, up nine percent over last year's levels for the seven-day period ending August 20, 2003. According to statistics published by the state [Department of Business, Economic Development and Tourism](#), total domestic and international (excluding Canada) arrivals remained above 2002 levels at 104 percent of last year's number. Nonstop passenger arrivals from Japan continued to perform stronger than earlier in the year, yet remained below 2002 levels, ending the seven-day period at 84 percent compared to last year.



▪ CURRENT INDUSTRY DEVELOPMENTS

- **Hawai'i Meetings Infrastructure on Display for ASAE Meeting** - HVCB, working closely with the Hawai'i Convention Center and dozens of industry partners, is showcasing the state's meetings infrastructure for the 2003 Annual Meeting of the American Society of Association Executives (ASAE), August 23 - 26. The ASAE meeting is expected to draw more than 3,000 attendees, comprised mostly of high-level association executives and major decision-makers responsible for booking meetings throughout the country. ASAE estimates that one-fifth of its meeting delegates will book a convention or meeting in the host destination within five years.

National and International

▪ **CONSUMER TRAVEL BEHAVIORS**

- **AAA / TIA Project Highest Level of Labor Day Travel in Nine Years** - In a national survey of 1,300 American adults conducted by [AAA](#) and the Travel Industry Association of America (TIA), an estimated 33.4 million Americans will travel 50 miles or more from home this Labor Day weekend (September 1st). Although the total for the weekend is up 1.8 percent from Labor Day 2002, air travel is expected to be down 2.6 percent this year. The greatest number of air travelers is expected to come from the West with approximately 1.4 million travelers, followed by the Southeast with 1.1 million travelers; Northeast with 500,000; the Great Lakes region with 400,000; and the Midwest with 300,000.
- **YPB&R: Corporate Travelers Seek Basics on Business Trips** - Business travelers value the "basics" in hotel amenities and services, according to [Yesawich, Pepperdine, Brown & Russell's \(YPB&R\)](#) 2003 National Business Travel Monitor. Nearly all businessmen and women (97% and 99%, respectively) valued a clean and well-maintained hotel room during their business travels. Friendly and efficient service was valued by 93 percent of men and by 95 percent of women, according to the monitor. Findings from the study also reveal that more than half (51%) of business travelers do not get enough sleep during their trips and over a quarter (27%) find business travel a hassle.
- **TIA: Travel Price Index Increases 2.7 Percent in July** - The Travel Industry Association of America's (TIA) [Travel Price Index](#) (TPI) increased 2.7 percent in July 2003, compared to the same month last year. Airfares increased 2.8 percent compared to July 2002, the first increase in this category posted thus far this year. Lodging prices, and food and beverage prices both increased by 2.2 percent compared to July 2002. The TPI is a monthly indicator of the price change in travel goods and services available to the U.S. consumer.
- **U.S. Cruise Passenger Traffic Up Seven Percent in Second Quarter 2003** - A statistical series issued by the U.S. Maritime Administration (MARAD) of the U.S. Department of Transportation indicates that cruise passenger travel increased by 7.4 percent in the second quarter of 2003 compared to the same period last year. Departures from Miami, the largest departure port, accounted for 23 percent of total domestic cruise traffic, and the western Caribbean continued to be the most visited destination in the second quarter.

▪ **CURRENT INDUSTRY DEVELOPMENTS**

- **China Offers Visa-Free Travel to Japanese Visitors** - Starting September 1, 2003, the Chinese government will allow Japanese travelers to travel visa-free for up to 15 days in China, according to *Travel Journal International*. The visa waiver policy seeks to revitalize travel demand, which was hit hard by the SARS scare earlier this year. The program, which will also complement the growing trend of last-minute travel by Japanese consumers, is expected to boost visitation from one of China's largest travel markets.

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We welcome any suggestions or comments that you may have that will help us improve the quality of the weekly "HVCB Tourism Industry Update" for our readers. Please feel free to share your ideas with Gail Chew via email at: gchew@hvcb.org