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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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### **Feature**

- **Domestic Visitor Days, Arrivals to Hawai'i Set Record in July**
  - Domestic visitor days and arrivals to Hawai'i in July 2003 reached an all-time record for the month, according to the state [Department of Business, Economic Development and Tourism](#).
    - Increases in arrivals and average length of stay in July lead to a monthly record in domestic visitor days. Visitors arriving on domestic flights stayed a record 5,137,053 days, a 12.5 percent increase over July 2002 figures.
      - Domestic arrivals totaled 462,776, an increase of 5.0 percent over the previous July record set in 2002.
      - Average length of stay also improved significantly (11.10 days), 7.1 percent over the July 2002 average.
    - With lower arrivals and a decrease in length of stay in Hawai'i by international visitors, the record increases in the domestic market helped even out the month's totals. Total visitor days in July (domestic and international) rose 6.9 percent to 6.2 million despite a 0.1 percent decrease in arrivals.

- International visitor days fell 14.0 percent in July, with a 0.8 percent decrease in average length of stay (7.31 days) and a 13.4 percent drop in arrivals.
- Breakdown by Major Market Area (MMA):

**July 2003 and Year-to-Date Arrivals to Hawai'i by MMA**

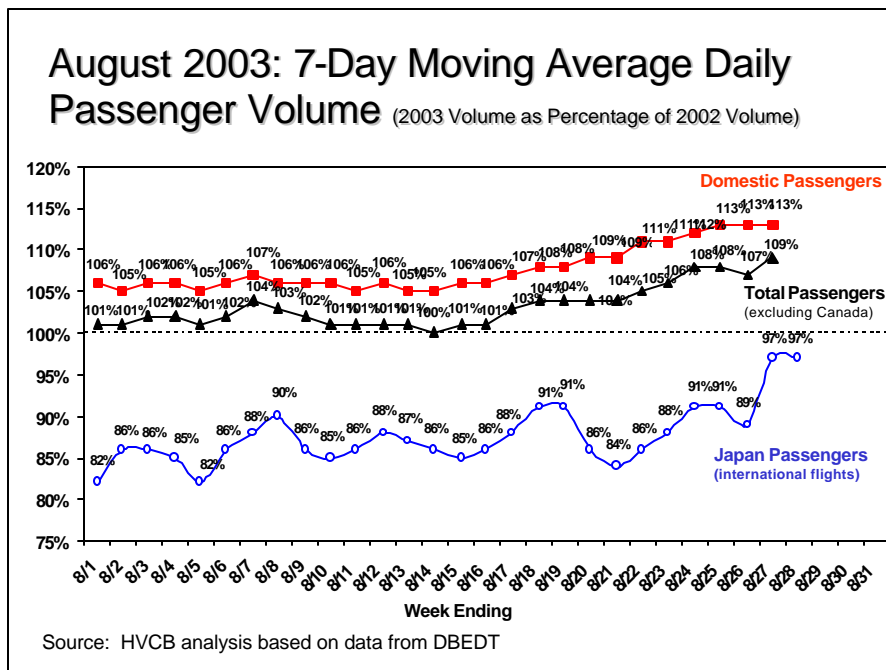
	July			Year-to-Date		
	2003P	2002P	% Change	2003P	2002P	% Change
<b>Total Visitors</b>						
Visitor Days	6,198,864	5,800,857	6.9%	36,379,015	34,388,714	5.8%
Arrivals	607,946	608,284	-0.1%	3,668,066	3,716,188	-1.3%
<b>U.S. West Visitors</b>						
Visitor Days	2,871,490	2,586,460	11.0%	15,550,340	14,419,230	7.8%
Arrivals	270,181	260,643	3.7%	1,491,458	1,456,760	2.4%
<b>U.S. East Visitors</b>						
Visitor Days	1,915,350	1,607,830	19.1%	11,585,300	10,325,460	12.2%
Arrivals	163,725	149,974	9.2%	1,024,536	991,489	3.3%
<b>Japanese Visitors</b>						
Visitor Days	620,980	818,570	-24.1%	3,902,610	4,772,850	-18.2%
Arrivals	98,436	124,508	-20.9%	667,387	805,225	-17.1%
<b>Canadian Visitors</b>						
Visitor Days	108,460	140,150	-22.6%	1,814,290	1,601,590	13.3%
Arrivals	8,153	10,274	-20.6%	134,338	127,032	5.8%

Source: DBEDT

**Hawai'i**

▪ **CONSUMER TRAVEL BEHAVIORS**

- **Japanese Passenger Volume Improves, Still Below 2002 Levels** - The average number of nonstop passengers from Japan arriving in Hawai'i improved, reaching 97 percent of 2002 levels for the seven-day period ending August 27, 2003. According to statistics published by the state [Department of Business, Economic Development and Tourism](#), total domestic and international (excluding Canada) arrivals reached 109 percent of last year's number. Nonstop domestic passenger arrivals continued to perform above 2002 levels, ending the seven-day period at 113 percent of last year's figures.



▪ **CURRENT INDUSTRY DEVELOPMENTS**

- **Hawai'i Ranked the World's Best Honeymoon Destination by *Modern Bride*** - In its Seventh Annual Honeymoon Survey, *Modern Bride* magazine again ranked Hawai'i as the world's best honeymoon destination for 2004, beating out competition from Mexico, Jamaica, Tahiti and Bermuda. Results from the poll, in which top travel agents voted for the world's 50 best honeymoon locations, will be featured in the October/November issue of *Modern Bride* magazine. Hawai'i has been at the top of the list in all seven years of the survey.

<b><i>Modern Bride's</i> Top 10 Honeymoon Destinations</b>	
1. Hawai'i	6. St. Lucia
2. Mexico	7. Italy
3. Jamaica	8. Las Vegas
4. Tahiti	9. Aruba
5. Bermuda	10. U.S. Virgin Islands

- **HVCB's Osaka Office Closes** - HVCB's office in Osaka, Japan officially closed its doors on Friday, August 28<sup>th</sup>. All calls to the Osaka information line will now be transferred to HVCB's Tokyo Information Office. For more information on the office closure, please contact HVCB's Japan office in Honolulu: Telephone: (808) 924-0210; e-mail: [stsmatsuo@hvcb.org](mailto:stsmatsuo@hvcb.org).

***National and International***

▪ **CONSUMER TRAVEL BEHAVIORS**

- **U.S. Consumer Confidence Index Improves in August** - The U.S. consumer confidence index rebounded in August to 81.3 (1985=100), up from 77.0 in July, according to the [Conference Board](#). The "Expectations" index improved to 94.4, from 86.3 in July, likely due to growing optimism about the economy and labor market. The "Present Situation" index declined slightly, to 61.6 (from 63.0).
- **Cruise Industry Generates \$20.4 Billion in Economic Activity Within U.S.** - According to an annual study by the [International Council of Cruise Lines \(ICCL\)](#) conducted by Business Research and Economic Advisors (BREA), the North American cruise industry generated \$20.4 billion in economic activity within the U.S. in 2002, up 10 percent from 2001.
  - A global record of 9.2 million cruise passengers was reached in 2002 (+9.8% over 2001). Over 80 percent, or 7.5 million, were U.S. residents.
  - Cruise lines and passengers spent an estimated \$11.9 billion in the U.S. for goods, services, wages and taxes.
  - Embarkations at U.S. ports increased 10.2 percent in 2002 over the previous year, totaling 6.5 million.
- **Japanese Travel to Thailand Improves in July** - The Tourism Authority of Thailand (TAT) reported new July arrivals figures into Bangkok International Airport, showing that Japanese arrivals are gaining momentum, according to *Travel Journal International*. Despite being down 29.2 percent compared to July 2002, July 2003 Japanese visitor counts at the airport were up 15.4 percent from June figures. TAT expects 2004 to be a record year for the Japan inbound travel market, with an estimated 1.3 million Japanese visitors projected to visit Thailand next year.

▪ **CURRENT INDUSTRY DEVELOPMENTS**

- **United Designates October as *Visit Hong Kong Month*; Forms Alliance with Air China -**
  - [United Airlines](#) designated this October to be "Visit Hong Kong Month," a move that features a full restoration of pre-SARS flight schedules to the destination. United will also highlight Hong Kong through a series of new promotions and marketing campaigns.
  - In a separate announcement, [United](#) stated that it will form a marketing alliance with Air China, mainland China's largest airline. Beginning October 31, United and Air China will expand their respective global networks by cooperating on code share flights, airport lounges and frequent flyer programs.
- **Department of Commerce Announces Chair and Vice Chair of National Advisory Board -**  
[U.S. Department of Commerce](#) (DOC) Secretary Donald Evans appointed James A. Rasulo, President of Walt Disney Parks and Resorts, as Chair, and Noel Irwin Hentschel, CEO of American Tourism International as Vice Chair, of the U.S. Travel and Tourism Promotion Advisory Board. The two will lead the 15-member travel and tourism advisory board, formed to allocate the \$50 million federal appropriation to create an international travel and tourism marketing and promotional campaign. The campaign will include market and evaluation research, consumer and trade advertising, and promotional efforts focused on four to six of the top travel markets to the U.S.

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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](mailto:gchew@hvcb.org)*