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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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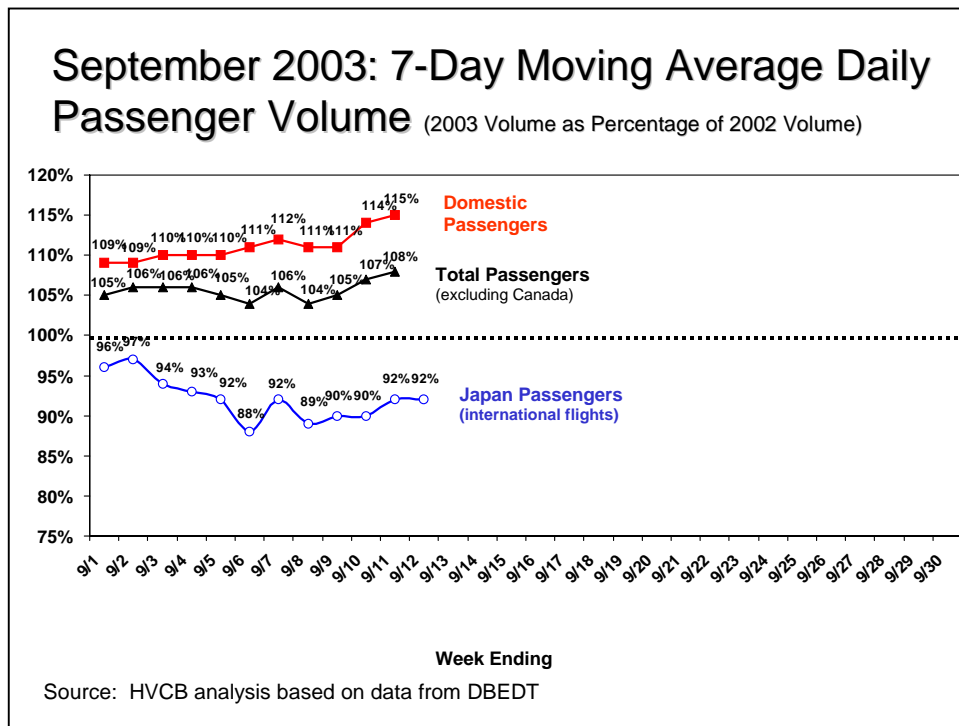
- **HVCB on Track to Exceed 2003 Lead Production Goals for CMI**
 - The Hawai'i Visitors and Convention Bureau's (HVCB) Corporate Meetings and Incentives (CMI) department continued on its path to beat 2003 lead production goals, set by the Hawai'i Tourism Authority (HTA).
 - Through August 2003, HVCB generated 652 qualified hotel leads, representing 458,353 room nights this year - a three percent increase in both leads and room nights compared to the same period in 2002.
 - January-August figures represent 69 percent of the annual goal for leads, and 73 percent of the room nights goal for the year. With four months left in the year, HVCB is set to exceed its 2003 lead production goals.
 - The HVCB-generated leads have covered a wide business spectrum, including technology, pharmaceutical, finance, insurance, manufacturing and construction.

- The CMI division is charged with marketing Hawai'i's meeting capabilities at facilities throughout the state with the exception of the Hawai'i Convention Center, and developing qualified hotel leads for corporate and incentive groups. Leads are converted into bookings by hotels on all islands, with economic benefits extending to ancillary businesses of all types (i.e. transportation, retail, restaurants, activities, attractions).
- To maintain this momentum, HVCB is leading a delegation of its Island Chapters and 52 industry partners to the world's largest incentive and products exposition in Chicago, September 16-18. The "Motivation" Show" is a combination of the 70th National Premium Incentive Show and the 31st Incentive Travel & Meeting Executives Show, bringing together over 2,000 suppliers of travel services and merchandise worldwide. HVCB has been participating in this exposition for over a decade.

Hawai'i

CONSUMER TRAVEL BEHAVIORS

- **Total Passenger Volume Improves During Week of Third Anniversary of 9/11** - The average number of total nonstop passengers on domestic and international (excluding Canada) flights arriving in Hawai'i outperformed 2002 levels, at 108 percent of last year's levels for the seven-day period ending September 11, 2003. According to statistics published by the state [Department of Business, Economic Development and Tourism](#), total nonstop domestic arrivals rose sharply to 115 percent of last year's number. Nonstop passenger arrivals from Japan remained below 2002 levels, but ended the seven-day period at 92 percent compared to last year.



CURRENT INDUSTRY DEVELOPMENTS

- **World Airways Inc. to Provide Air Service Between Las Vegas and Honolulu** - [World Airways, Inc.](#) announced that it has signed a contract with TM Travel to provide chartered service between Las Vegas and Honolulu beginning September 17, 2003. The airline will use an MD-11 passenger aircraft with "enhanced" legroom in both business and economy class.

National and International

▪ **CONSUMER TRAVEL BEHAVIORS**

- **IATA: International Air Passenger Traffic Shows Significant Improvement in July -** Preliminary [International Air Transport Association](#) (IATA) traffic figures for July 2003 show substantial improvement in global international passenger traffic, confirming signs of recovery seen during the past few months. The 3.6 percent drop in revenue passenger kilometers (RPK) in July 2003 from the same month last year, is a significant improvement compared to the 12.4 percent decrease observed in June. The greatest improvement was seen in the Asia Pacific region - from 32 percent down in June to 14 percent down in July, compared to the respective months in 2002. For the first seven months of 2003, overall RPKs are down 6.5 percent from 2002 levels.

▪ **CURRENT INDUSTRY DEVELOPMENTS**

- **Federal Government Considers Extension for Machine-Readable Passport Requirements -** The State Department is considering a possible postponement of the rule requiring travelers from the 27 Visa Waiver Program countries (including Japan) to possess machine-readable passports for entry to the U.S. without a visa, according to the [Office of Travel and Tourism Industries](#) (OTTI). The rule is currently scheduled to be implemented on October 1, 2003, but the State Department may allow a one-time extension until October 26, 2004 for certain countries in the Visa Waiver Program, provided that some criteria are met. The State Department is requesting that Visa Waiver countries send an official Diplomatic Note, certifying that their respective passport-issuing agencies are making progress toward machine-readable passports, and are taking appropriate measures to protect against misuse.
- **Commerce Department Announces Five International Markets for Promotional Campaign -** [U.S. Department of Commerce](#) Secretary, Donald Evans, announced that the Federal Government will focus on Canada, Mexico, the United Kingdom, Japan and Germany for its international tourism promotional campaign efforts. The five countries represented 75 percent of all international travelers to the U.S. in 2002 and also contributed more than \$9 billion to the country's travel trade surplus. The newly created U.S. Travel and Tourism Promotion Advisory Board, composed of 15 industry representatives, will decide how the \$50 million in appropriated money will be spent on promoting travel and tourism to the U.S. in these five markets.
- **California State Senate Calls for Stricter Environmental Regulations on Cruise Ships -** The Appropriations Committee in the California State Senate approved two bills that would impose more stringent environmental guidelines on cruise ships along the state's coastal waters and marine sanctuaries, according to Travel Weekly. The proposed bills, which prohibit the discharge of oily bilge water, sewage sludge and other hazardous waste from cruise ships, will now go to the State Assembly for approval.

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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