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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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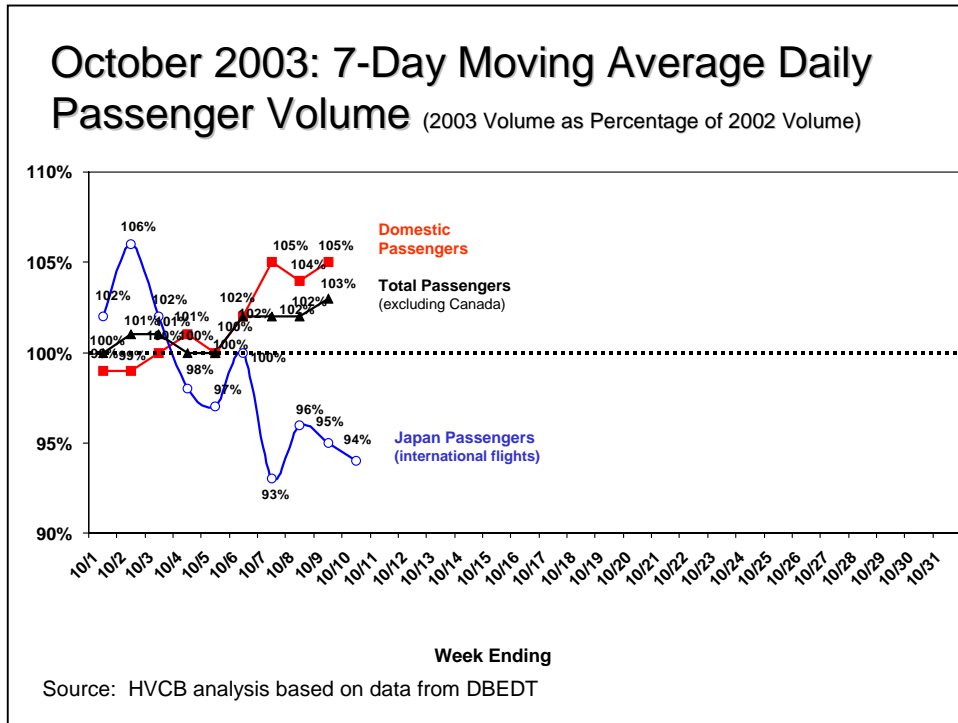
### ***Feature***

- **Hawai'i Pavilion Attracts Sixty Percent of All JATA World Travel Fair 2003 Attendees**
  - More than 60 percent of all attendees at JATA/World Travel Fair 2003 visited the Hawai'i Pavilion, exceeding all expectations. During the three-day travel fair (October 3-5), the Hawai'i Pavilion attracted an estimated 54,938 JATA attendees, including trade press and travel consumers. The Hawai'i Pavilion featured each Island Chapter, HVCB's Corporate Meetings and Incentives, the Hawai'i Convention Center, and more than 30 visitor industry companies. Hawai'i-themed performances and presentations were featured, including 7 hours of live radio broadcasts each day and twice-daily ukulele lessons. Ukulele sensation, Jake Shimabukuro, played to jam-packed audiences twice a day. The JATA/WTF 2003, held in Yokohama, is considered Asia's largest travel trade and consumer travel exhibition.

## Hawai'i

- **CONSUMER TRAVEL BEHAVIORS**

- **Domestic Passenger Volume Gains Momentum - Five Percent Over 2002 Levels** - The average number of domestic passengers arriving in Hawai'i increased to 105 percent of last year's figures for the seven-day period ending October 9, 2003. According to statistics published by the state [Department of Business, Economic Development and Tourism](#), total domestic and international (excluding Canada) passenger volume was up three percent over last year's figures, while nonstop passengers from Japan arriving in Hawai'i fell six percent below 2002 levels for the seven-day period.



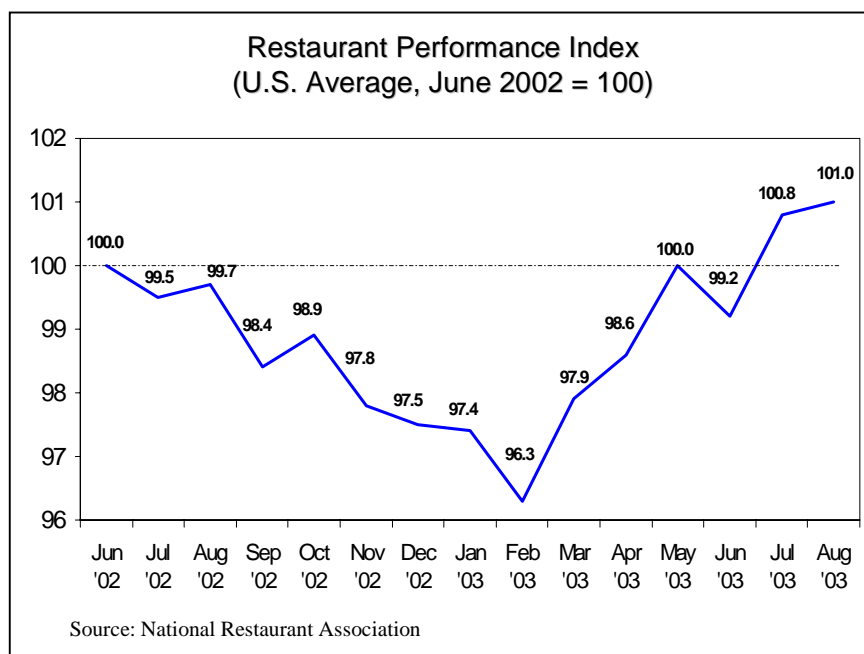
- **CURRENT INDUSTRY DEVELOPMENTS**

- **Air Canada Plans New Kona Nonstop Service This Winter** - Air Canada will begin offering seasonal nonstop service from Vancouver to Kona this winter, according to information from HVCB's Worldwide Representative in Canada. Beginning December 14<sup>th</sup>, Air Canada will begin nonstop service between Vancouver and Kona on Sundays, using a 226-seat Boeing 767.
- **HVCB Promotes Hawai'i Goodwill at 2003 Beijing International Cultural Tourism Festival** - HVCB will showcase Hawai'i's goodwill for China's travel market with two high-profile displays of culture and entertainment in conjunction with the 2003 Beijing International Cultural Tourism Festival, held October 18-21. HVCB will sponsor six Hawai'i-based performers to entertain attendees with authentic Hawaiian music and hula at the opening parade on October 19 - traditionally the most popular event of the festival. HVCB's performers will also highlight the state's music and culture as part of an all-day performance at the Chang Ping District on October 21.

## National and International

### CONSUMER TRAVEL BEHAVIORS

- **IATA: International Air Passenger Traffic in August Points to Recovery** - Preliminary [International Air Transport Association](#) (IATA) traffic figures for August 2003 confirms the signs of global international passenger traffic recovery, seen in June and July. The 0.3 percent decline in revenue passenger kilometers (RPK) in August 2003 (compared to August 2002), is a significant improvement over the 3.6 percent decrease observed in July, and the 12.4 percent drop in June. With August's performance, IATA now forecasts that overall international passenger traffic levels will be only one percent lower in 2003 (compared to 2002).
- **AAA National Travel Barometer: September Bookings Driven by Cruise, Tour Packages** - The latest monthly [AAA National Travel Barometer](#) indicates that overall travel bookings in September increased by one percent (compared to September 2002), mainly due to continued strong cruise (+10%) and tour package (+9%) bookings. The AAA barometer, which is based on a sample of 13 clubs representing more than half of the association's 46 million members, was established to gauge the domestic leisure travel market. When comparing September 2003 to September 2002:
  - Cruise bookings -- up 10 percent (to 28,000)
  - Tour packages -- up nine percent (to 37,300)
  - Hotel bookings -- down three percent (to 47,100)
  - Car rental reservations -- down 11 percent (to 21,400)
- **BTC Survey: Corporations Frequently Use Low-Fare Airlines for Business Travel** - In its third annual *U.S. Business Travel Survey* of 110 major North American corporations, the [Business Travel Coalition \(BTC\)](#) found that corporate travel departments are booking more flights on low-fare airlines as an alternative to business travel on major air carriers:
  - Seventy-six percent (76%) of corporations surveyed used low-fare airlines in 2003.
  - Air purchases for 2003 are down seven percent, compared to 2002.
  - Ninety-three percent (93%) of corporations surveyed believe that the reduction in travel since 2001 is permanent in nature.
- **National Restaurant Performance Index Increases in August** - The National Restaurant Association's monthly [Restaurant Performance Index](#) (RPI) reached an all-time high in August, indicating a positive sign for the nation's restaurant industry. With gains in both the "current situation" index and the "expectations" index, the RPI gained 0.2 percent in August to 101.0 (June 2002 = 100), the fifth increase in the last six months. Increasing sales and customer traffic, and a high level of optimism among restaurant operators, point toward healthy growth in the industry for the next several months.



- **Golf Digest Consumer Travel Confidence Survey: Vacation Travel Plans Show Strength -** Results from *Golf Digest's* 4<sup>th</sup> Quarter 2003 Consumer Travel Confidence Survey show that 77 percent of those polled plan to take the same or more vacation trips in the next six months compared to the previous six months. The study, which polled both *Golf Digest* readers and the general traveling public alike, showed that golfers, frequent travelers, and respondents with higher incomes were more likely to take a domestic vacation trip within the next year. Other results from the study:
  - Sixty-two percent (62%) of all survey respondents stated that they plan to maintain or raise their level of spending on travel in the next year.
  - An all time high (73%) stated that they are willing to fly to a vacation or business destination this year, compared to the 47 percent who stated the same in the benchmark survey, conducted on September 28, 2001.
  - Seventy percent (70%) of respondents stated that air travel is a safe way to travel, with an all time high of 71 percent indicating that air travel is the most convenient way to travel for trips of over 500 miles in the U.S.
  - Twenty-two percent stated that they tend to make travel plans closer to the departure date now than they did six months ago.
- **JNTO: Outbound Japanese Travel Down 23 Percent in August -** The Japan National Tourist Organization (JNTO) announced that departures of Japanese travelers overseas declined 23.0 percent (to 1,285,000) in August compared to the same month last year, according to *Travel Journal International*. Despite the total overseas travel decline, August marked the first time in five months that Japanese outbound traffic broke one million. Japanese travel to Hawai'i, by comparison, performed significantly better. According to preliminary figures from DBEDT, Japanese travel to Hawai'i declined 10.3 percent in August 2003 compared to the same month last year.

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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)*