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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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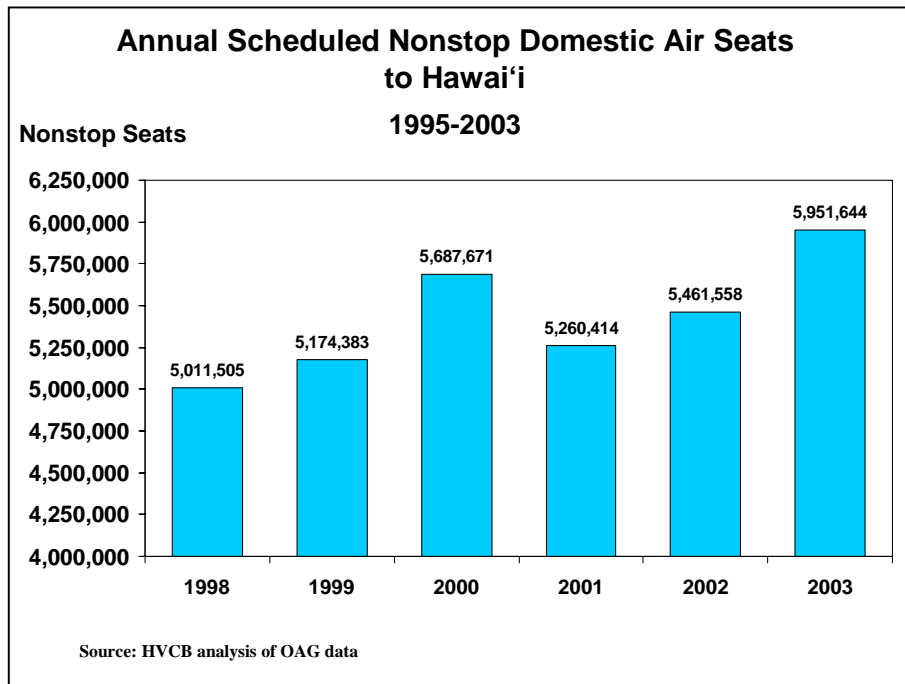
##### **Consumer Travel Behaviors**

- AAA National Travel Barometer: November Travel Bookings Up Three Percent
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### ***Feature***

- **Domestic Air Seats to Hawai'i Reach Record High in 2003; Momentum to Continue Into 2004**
  - Air carriers have added more than 490,000 new scheduled nonstop domestic air seats to Hawai'i in 2003, reaching an estimated record high of 5,951,644 total seats, according to an HVCB analysis of Official Airlines Guides flight schedules. Air seats from the U.S. mainland to Hawai'i will surpass last year's levels by 9.0 percent, and eclipse the previous record high seen in 2000 by 4.6 percent. This performance will boost total nonstop air seats to the Islands to 8.6 million, 3.7 percent above 2002 levels. Taking into consideration all flights reported on Official Airline Guides (OAG) schedules as of December 2003:
    - While nonstop domestic service increased to all of Hawai'i's major airports in 2003, gains in air seat capacity to the Neighbor Islands outpaced increases to Honolulu.
      - Honolulu accounts for 65.5 percent of all air seats from the mainland to Hawai'i in 2003, totaling 3.9 million seats (+5.5% over 2002).
      - Kahului increased its share from 18.1 percent in 2000 to 23.3 percent in 2003. This year, total domestic air seats to Maui will reach 1.4 million (+12.4% over 2002).

- Air seats from the mainland to Kona will reach a share of 6.5 percent in 2003 (compared to 5.1% in 2000), for a total of 385,011 seats (+11.5% over 2002).
- Lihue will record a 4.7 percent share of all domestic air seats to the state (compared to 1.7% in 2000), totaling 281,930 seats (+49.7% over 2002) in 2003.
- The trend in increasing domestic air seats is projected to continue into 2004 - OAG schedules as of December 2003 show a first quarter 2004 increase of 14.3 percent, and a second quarter 2004 increase of 10.4 percent (resulting in a 12.3 percent rise in domestic capacity for the first half of 2004).

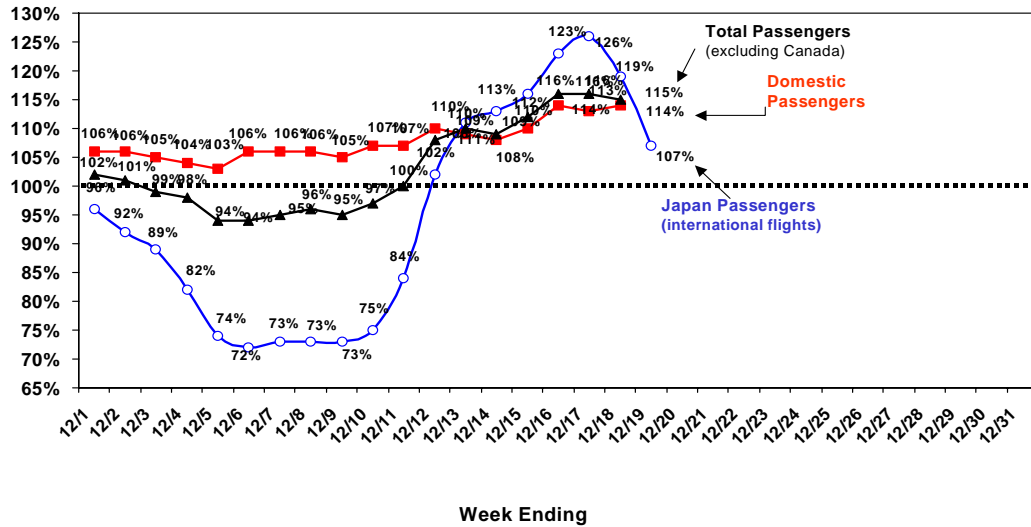


## *Hawai'i*

### ▪ CONSUMER TRAVEL BEHAVIORS

- **Honolulu Marathon Helps Boost This Week's Japan Passenger Volume to Hawai'i** - For the seven-day period ending December 18<sup>th</sup>, nonstop passengers from Japan arriving in Hawai'i rose to 107 percent of last year's figures, due largely to the Honolulu Marathon held on December 14<sup>th</sup>. Domestic passenger volume was up 14 percent over last year's figures, and total domestic and international (excluding Canada) passenger volume rose 15 percent above 2002 levels, for the seven-day period according to the state [Department of Business, Economic Development and Tourism](#).

## December 2003: 7-Day Moving Average Daily Passenger Volume (2003 Volume as Percentage of 2002 Volume)



Source: HVCB analysis based on data from DBEDT

- Hawai'i Among Top Destinations for Japanese Holiday Season Travel** - The latest Japan Travel Bureau (JTB) forecast for outbound traffic from Japan for the upcoming New Year's travel period (December 23, 2003 - January 3, 2004) projects arrivals to Hawai'i to total 73,000, outpacing all other destinations except Europe, according to *Travel Journal International*. Hawai'i, which is projected to receive 13 percent of all overseas travelers from Japan this holiday season, will top last season's totals by 4.3 percent. JTB's forecast for New Year's travel is based on a survey of 2,200 respondents who plan to spend at least one day away from home during the holiday period.

**Special Holiday Announcement**

*This will be the final issue of HVCB's  
Tourism Industry Update for the year.  
TIU will return on January 5, 2004.*

***Happy Holidays!***

- Honolulu Marathon: 59.9 Percent of Runners from Japan; 15.0 Percent from Mainland** - Final results for the [31<sup>st</sup> Annual Honolulu Marathon](#), run on December 14, 2003, reveal that of the 25,283 total entrants, more than 19,824 participants were visitors to the Islands. Despite a 16.9 percent drop in marathon entrants compared to the 30<sup>th</sup> Anniversary of the Honolulu Marathon (run in 2002), this year's event drew 15,149 runners from Japan, 59.9 percent of all entrants versus 56.7 percent in 2002. Fifteen percent (15.0%), or 3,792 runners, were from the U.S. mainland. There were 43 countries represented at this year's marathon. The breakdown of entrants by country:

  - Japan -- 15,149 entrants
  - U.S. Mainland -- 3,792 entrants
  - Canada -- 305 entrants
  - Germany -- 183 entrants
  - The Netherlands -- 74 entrants

## ***National and International***

### ▪ **CONSUMER TRAVEL BEHAVIORS**

- **AAA National Travel Barometer: November Travel Bookings Up Three Percent** - The latest monthly [AAA National Travel Barometer](#) indicates that overall travel bookings in November were up three percent, compared to November 2002. Cruise and tour bookings surged for the sixth consecutive month. 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 November 2003 to November 2002:
  - Cruise bookings -- up 10 percent (to 24,500)
  - Tour packages -- up 10 percent (to 30,500)
  - Car rental reservations -- down two percent (to 15,800)
  - Hotel bookings -- down four percent (to 32,800)
- **TIA: Winter Travel Projected to Increase 2.3 Percent** - The Travel Industry Association of America (TIA) released its [Winter 2003 Forecast](#), projecting that Americans will take 213.4 million leisure trips of 50 miles or more this winter season (December, January and February), an increase of 2.3 percent over last winter. The forecast indicates that business travel volume will reach 31.4 million trips this winter, an increase of 3.7 percent. Meanwhile, leisure travel is projected to show healthy growth, up 2.0 percent to 163.8 million trips this winter.
- **U.S. Restaurant Industry Projected to Grow 4.4 Percent in 2004** - In its 2004 Restaurant Industry Forecast, the National Restaurant Industry (NRA) anticipates that restaurant industry sales will reach \$440.1 billion, up 4.4 percent over 2003 sales. The forecast indicates that 2004 will mark the 13<sup>th</sup> consecutive year of real growth for the industry. Hawai'i's restaurant industry is expected to grow 3.5 percent to nearly \$2.23 billion in restaurant sales in 2004.

## *Mahalo*

HVCB is proud and privileged to have had the opportunity to market and brand Hawai'i as a top destination worldwide for the past 100 years.

HVCB extends a warm mahalo and farewell to its staff in the **Japan Department**, whose hard work and dedication has helped make Hawai'i the **#1 Most Desired Destination** among Japanese travel consumers.

A warm mahalo also goes out to HVCB's **Developing International Markets Department** and **Worldwide Representatives**. From Beijing to Sao Paulo, from London to Sydney, and all points in between, thank you for sharing the sights, sounds, and flavors of Aloha with consumers and travel trade partners around the globe.

## *Aloha*

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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)*