HAWAI'I TOURISM AUTHORITY

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HAWAI'I TOURISM INDUSTRY SET NEW RECORDS IN 2016

$15.6 BILLION IN VISITOR SPENDING; 8.9 MILLION ARRIVALS

HONOLULU – Hawai'i's tourism industry established new records in total visitor spending and visitor arrivals in 2016, according to preliminary year-end statistics released today by the Hawai'i Tourism Authority. This marked the fifth straight year of record growth in both categories.

Total spending by visitors to the Hawaiian Islands increased 4.2 percent in 2016 to a new high of $15.6 billion[1].

A total of 8,941,394 visitors came to Hawai'i in 2016, representing a 3 percent increase compared to 2015. On average, there were 219,625 visitors in the Hawaiian Islands on any given day in 2016, an increase of 2 percent versus 2015.

Arrivals by air rose 3.1 percent to 8,832,598 visitors in 2016, driven by growth from U.S. West, U.S. East and Korea. However, arrivals by cruise ship decreased 6.6 percent to 108,976 visitors in 2016, due to eight fewer cruise ships servicing the islands compared to 2015.

O'ahu had a record number of visitor arrivals (+2.3% to 5,461,880) in 2016, but average daily spending was lower resulting in a slight decline in total visitor spending (-1% to $7.3 billion) compared to 2015. Maui achieved growth in both visitor arrivals (+3.9% to 2,640,175) and spending (+8.4% to $4.5 billion) in 2016. For the island of Hawai'i, growth in visitor arrivals (+2.3% to 1,550,046) and much higher daily spending contributed to a substantial gain in total visitor spending (+11.8% to $2.1 billion). Kaua'i recorded growth in visitor spending (+6.3% to $1.6 billion) in 2016 boosted by a modest increase in arrivals (+1.2% to 1,187,476 visitors) and higher daily spending.

A record total of 12,020,545 air seats (+0.7%) served the Hawaiian Islands in 2016. Growth in airline seats from Other Asia (+19.9%), Oceania (+2.3%), U.S. West (+1.5%) and Canada (+0.7%) offset fewer seats from Japan (-5.8%).

For December 2016, Hawai'i welcomed 828,473 visitors, a 3.6 percent increase year-over-year. Visitor spending in December 2016 totaled $1.7 billion, an increase of 5.1 percent (or $75 million) above December 2015. The statewide average daily spending was also higher (+3.1% to $198 per person) in December 2016 compared to the year prior.

Other Highlights:

- **U.S. West:** Arrivals increased 11 out of 12 months in 2016, resulting in total growth of 4.3 percent to 3,658,380 visitors. Arrivals from the Pacific and Mountain regions grew by 5 percent and 3.8 percent, respectively. Combined with higher daily spending (+3.2% to $167 per person), total visitor spending increased 6.2 percent to $5.6 billion. For December 2016, both visitor arrivals (+5.4% to 336,246) and spending (+7.8% to $556.1 million) rose versus December 2015.

[1] Total visitor spending of $15.6 billion was in nominal dollar (not adjusted for inflation) and did not include supplemental

- **U.S. East**: Arrivals grew 3.7 percent to 1,869,826 visitors in 2016, with increases realized from all regions. Higher daily spending (+1.8% to $201 per person) contributed to a 4.6 growth in total visitor spending to $3.8 billion. For December 2016, arrivals rose 7 percent to 183,944 visitors while spending increased 6 percent to $416 million year-over-year.

- **Japan:** While growth in arrivals (+0.4% to 1,488,396) was flat in 2016 compared to 2015, increased daily spending (+1.9% to $241 per person) led to a gain in total visitor spending (+2.3% to $2.1 billion). In December 2016, despite fewer visitor arrivals (-2.5% to 123,914), spending increased (+7.9% to $199.5 million) year-over-year, boosted by higher daily spending (+8.9% to $266 per person).

- **Canada:** Decreases in visitor arrivals (-6.5% to 478,871) and daily spending (-1.8% to $159 per person) resulted in a decline in total visitor spending (-9% to $958.1 million) in 2016 versus 2015. For December 2016, visitor spending (+3.1% $126.3 million) increased due to higher daily spending (+7.2% to $157 per person) among the 63,591 visitors (+0.6%).

Highlights from All Other Markets:

Visitor arrivals from All Other International Markets increased (+6.4% to 1,337,124) in 2016 versus 2015, and the combined spending also rose (+6.4% to $3.1 billion). For December 2016, growth in arrivals from All Other International Markets (+0.3% 111,841) was flat, while combined total spending declined (-2.7% to $258.6 million), due to lower average daily spending.

- **Korea:** Visitor arrivals jumped (+27% to 245,857) in 2016, boosted by double-digit growth every month. For December 2016, growth in arrivals was even higher (+36.3% to 29,325). Average daily visitor spending in 2016 was $295 per person, similar to 2015.
- **China:** Fluctuating monthly visitor arrivals throughout the year resulted in a decrease (-2% to 170,078) for 2016. In December 2016, arrivals declined (-16.6% to 9,680) compared to the year prior. Average daily spending by visitors was down (-7% to $365 per person) in 2016 compared to 2015, but remained the highest among the visitor markets.
- **Taiwan:** Visitor arrivals increased (+5% to 18,410) in 2016 versus 2015. However, arrivals declined in December 2016 (-2.8% to 1,532) in contrast to December 2015.
- **Australia:** There were 335,753 visitors in 2016, virtually unchanged from a year ago. In December 2016, arrivals declined (-2.3% to 28,826) compared to December 2015. Visitors spent more on a daily basis in 2016 ($276 per person) compared to last year ($264 per person).
- **New Zealand:** Visitor arrivals were flat (+0.2% to 63,890) in 2016 compared to 2015, with decreases in the first half of 2016 offset by growth in the second half of the year.
- **Europe:** Visitor arrivals combined from the United Kingdom, France, Germany, Italy and Switzerland declined both in 2016 (-1.6% to 142,684) and December 2016 (-5.3% to 10,220) compared to the year prior.
- **Latin America:** Visitor arrivals combined from Mexico, Brazil and Argentina decreased in 2016 (-6.1% to 26,265) and also in December 2016 (-3.8% to 3,216).

Visitor Characteristics Highlights:

- **Honeymoon:** More visitors came to honeymoon (+1.6% to 597,761) in 2016 than 2015. Growth from the Japan market, which comprises 40 percent of the honeymoon segment, was flat (-0.2% to 226,833) in 2016 compared to 2015. However, there were more honeymoon visitors from Korea (+12.3% to 99,615) and U.S. East (+2% to 90,585). For December 2016, the number of honeymooners rose (+16.1% to 54,943) compared to the year prior.
- **MCI:** The number of visitors who came for meetings, conventions and incentives (MCI) in 2016 dropped slightly (-1% to 493,676) compared to 2015. More visitors arrived for incentive trips (+14.5% to 195,906) but fewer came to attend conventions (-11.7% to 232,619) and corporate meetings (-1.7% to 80,389). In December 2016, there was a sharp decrease in total MCI visitors (-43.5% to 22,864) due to fewer convention visitors (-63.3% to 9,698) compared to December 2015, when a large international event, with nearly 16,000 delegates, was held.
- **Accommodations:** In 2016, more total visitors stayed in hotels (+3.5% to 5,511,176), with friends and relatives (+2.9% to 785,932), and in rental homes (+7.1% to 680,737) compared to 2015. However, usage of timeshare properties declined (-1.3% to 797,784).

Island Highlights for December 2016:

- **O‘ahu:** Growth in visitor arrivals (+2.9%) and visitor days[2] (+2%), combined with higher daily visitor spending (+4.4% to $212 person), contributed to a gain in total visitor spending (+6.5% to $758.3 million) in December 2016 year-over-year. There were more visitors from U.S. East (+7.2%) and U.S. West (+5.9%) but fewer visitors from Canada (-0.8%) and Japan (-1.8%).
- **Maui:** Visitor arrivals (+3.3%) and visitor days (+1%) increased in December 2016, with growth in arrivals from U.S. East (+8.9%) and U.S. West (+5.2%) offsetting declines from Japan (-5.7%) and Canada (-1.2%). However, lower daily spending (-3.4% to $194 per person) resulted in decreased total visitor spending (-2.5% to $408.9 million) in December 2016 year-over-year.
- **Island of Hawai‘i:** Visitor arrivals (+5%) and visitor days (+1.2%) increased with growth in arrivals from Japan (+9.6%), U.S. West (+6.2%), Canada (+5.3%) and U.S. East (+5%) in December 2016. Average daily spending was much higher (+18.5% to $181 per person) and contributed to a substantial gain in total visitor spending (+19.9% to $222.2 million).
- **Kaua‘i:** Visitor arrivals (+4.6%) and visitor days (+2%) rose with more visitors from U.S. West (+9.1%), U.S. East (+3.2%) and Canada (+2.4%), but fewer visitors from Japan (-7.5%) in December 2016. However, lower daily spending (-5.1% to $175 per person) led to a decline in total visitor spending (-3.2% to $151.9 million) year-over-year.

Air Seats to Hawai‘i:

- In 2016, air capacity into Hawai‘i increased (+0.7%) to a record total of 12,020,545 seats. Growth in seats to Kahului (+2.8%), Kona (+5.2%), Līhu‘e (+3.8%), and Hilo (+0.8%) offset slightly fewer seats to Honolulu (-0.6%).
- In December 2016, there was marginal growth in seat capacity (+0.6% to 1,076,598), with more scheduled seats (+1.3% to 1,068,853) but fewer chartered seats (-48.3% to 7,745) compared to December 2015. Total seats to Kahului (+3.2%), Kona (+14.6%), Līhu‘e (+1.7%) and Hilo (+5.1%) increased, while seats to Honolulu (-1.8%) declined.

[2] Aggregate number of days stayed by air visitors

- Growth in scheduled seats from U.S. West was flat (+0.5%) in December 2016 year-over-year. Increased service from Denver (+22.7%), Los Angeles (+7.2%), Phoenix (+3.6%) and Salt Lake City (+12.3%) compensated for fewer seats from Oakland (-5.4%), San Francisco (-7.8%), Seattle (-1.7%) and the shift to seasonal-only service from Bellingham (-46.3%).
- Scheduled seats from U.S. East rose (+9%) in December 2016, with increased service from Chicago (+6.5%), Dallas (+16.8%), Minneapolis (+30.9%) and New York City's John F. Kennedy International Airport (+10.9%).
- Scheduled seats from Japan decreased (-1.6%) in December 2016 compared to the year prior. There were fewer seats from Fukuoka (-8%), Nagoya (-22.4%) and Osaka (-5.5%). Seats were added with the launch of new non-stop service from Haneda to Kona on December 21.
- The number of scheduled seats from Canada was about the same (+0.2%) in December 2016 compared to the year prior.
- Scheduled seats from Oceania declined (-9.1%) from last December, due to fewer seats from Brisbane (-50.5%) and Sydney (-2.5%). Seats out of Auckland increased (+12.3%).
- Air capacity from Other Asia markets increased significantly (+19.9%) in December 2016, with double-digit growth in seats from Seoul (+23.8%), Shanghai (+27.1%) and Taipei (+20.8%).

Cruise Ship Visitors:

- For 2016, the total number of cruise visitors (arrivals by cruise ships and by air to board the Hawai'i home-ported cruise ship) declined (-7.7% to 223,239) compared to 2015. Arrivals were down because of fewer tours by out-of-state cruise ships, and due to the Hawai'i home-ported cruise ship being in dry dock for four weeks.
- The average length of stay by all cruise visitors was 8.49 days in 2016, compared to 9.04 days in 2015. Cruise visitors spent an average of 5.90 days aboard ship touring the islands and 1.21 days on shore after the cruise was over. In addition, visitors who arrived by air to board the Hawai'i home-ported cruise ships stayed an average of 1.38 days in Hawai'i before their cruise.
- Over half of Hawai'i's cruise visitors in 2016 were repeat visitors (53.5%) to the Hawaiian Islands. Most visitors (85.8%) came for a leisure trip, while 8.8 percent visited friends and relatives during their cruise, and 2.3 percent were on their honeymoon.
- In December 2016, four out-of-state cruise ships came and brought 8,937 visitors to the islands, compared to the three ships that came in December 2015 with 6,753 visitors. Total cruise visitors (arrivals by cruise ships and by air to board the Hawai'i home-ported cruise ship) increased (+29.4% to 21,169) in December 2016 year-over-year.

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Technical Notes: January through June 2016 arrival statistics for Japan, Other Asia, Oceania, Europe and Latin America MMA countries were revised with updated information received from the U.S. Department of Commerce, National Travel and Tourism Office (NTTO). Correspondingly, visitor days and expenditure statistics by MMA and by island were also recalculated. Updated data tables are available on the HTA website.

Tables of visitor statistics presented in this news release are available at:
www.hawaiitourismauthority.org/research/research/visitor-highlights/

Detailed data tables and Fact Sheet for each visitor market and county are available at:
www.hawaiitourismauthority.org/research/reports/major-market-areas/

About the Hawai‘i Tourism Authority
The Hawai‘i Tourism Authority is responsible for strategically managing the State of Hawai‘i’s marketing initiatives to support tourism. HTA’s goal is to optimize tourism’s benefits for Hawai‘i, while being attentive to the interests of travelers, the community and visitor industry. Established in 1998 to support Hawai‘i’s leading industry and largest employer, HTA continually strives to help ensure the sustainability of tourism’s success.

For more information about HTA, please visit www.hawaiitourismauthority.org. Follow updates about HTA on Facebook, Twitter (@HawaiiHTA) and its YouTube Channel.

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December 2016 Arrivals at a Glance

CATEGORY AND MMA	2016P	2015	% change	YTD 2016P	YTD 2015	% change
TOTAL EXPENDITURES ($mil.)	1,559.6	1,484.6	5.1	15,611.6	14,976.9	4.2
Total by air	1,556.6	1,481.7	5.1	15,570.7	14,938.5	4.2
U.S. West	556.1	515.8	7.8	5,602.2	5,275.7	6.2
U.S. East	416.0	392.6	6.0	3,845.3	3,674.6	4.6
Japan	199.5	185.0	7.9	2,098.9	2,052.7	2.3
Canada	126.3	122.5	3.1	958.1	1,053.2	-9.0
All Others	258.6	265.9	-2.7	3,066.2	2,882.3	6.4
Visitor arrivals by cruise ships	3.1	2.9	6.2	40.9	38.4	6.5
TOTAL VISITOR DAYS	7,888,934	7,745,836	1.8	80,382,842	78,620,086	2.2
Total by air	7,839,536	7,707,113	1.7	79,857,331	78,086,081	2.3
U.S. West	3,231,906	3,132,885	3.2	33,497,107	32,561,688	2.9
U.S. East	1,953,753	1,892,664	3.2	19,097,032	18,580,408	2.8
Japan	750,969	758,095	-0.9	8,715,691	8,685,616	0.3
Canada	806,352	838,305	-3.8	6,042,129	6,520,761	-7.3
All Others	1,096,557	1,085,163	1.0	12,505,372	11,737,608	6.5
Visitor arrivals by cruise ships	49,398	38,723	27.6	525,511	534,005	-1.6
VISITOR ARRIVALS	828,473	799,495	3.6	8,941,394	8,679,564	3.0
Total by air	819,536	792,742	3.4	8,832,598	8,563,018	3.1
U.S. West	336,246	318,881	5.4	3,658,380	3,507,652	4.3
U.S. East	183,944	171,933	7.0	1,869,826	1,803,670	3.7
Japan	123,914	127,145	-2.5	1,488,396	1,482,304	0.4
Canada	63,591	63,240	0.6	478,871	512,323	-6.5
All Others	111,841	111,543	0.3	1,337,124	1,257,069	6.4
Visitor arrivals by cruise ships	8,937	6,753	32.3	108,796	116,546	-6.6
AVERAGE LENGTH OF STAY	9.52	9.69	-1.7	8.99	9.06	-0.8
Total by air	9.57	9.72	-1.6	9.04	9.12	-0.9
U.S. West	9.61	9.82	-2.2	9.16	9.28	-1.4
U.S. East	10.62	11.01	-3.5	10.21	10.30	-0.9
Japan	6.06	5.96	1.6	5.86	5.86	-0.1
Canada	12.68	13.26	-4.3	12.62	12.73	-0.9
All Others	9.80	9.73	0.8	9.35	9.34	0.2
Visitor arrivals by cruise ships	5.53	5.73	-3.6	4.83	4.58	5.4
PER PERSON PER DAY SPENDIN	197.7	191.7	3.1	194.2	190.5	2.0
Total by air	198.6	192.3	3.3	195.0	191.3	1.9
U.S. West	172.1	164.6	4.5	167.2	162.0	3.2
U.S. East	212.9	207.4	2.7	201.4	197.8	1.8
Japan	265.7	244.1	8.9	240.8	236.3	1.9
Canada	156.6	146.1	7.2	158.6	161.5	-1.8
All Others	235.8	245.0	-3.7	245.2	245.6	-0.2
Visitor arrivals by cruise ships	61.8	74.3	-16.8	77.8	71.8	8.2
PER PERSON PER TRIP SPENDI	1,882.5	1,856.9	1.4	1,746.0	1,725.5	1.2
Total by air	1,899.3	1,869.1	1.6	1,762.9	1,744.5	1.1
U.S. West	1,653.9	1,617.5	2.3	1,531.3	1,504.0	1.8
U.S. East	2,261.7	2,283.2	-0.9	2,056.5	2,037.3	0.9
Japan	1,610.4	1,455.2	10.7	1,410.2	1,384.8	1.8
Canada	1,985.8	1,936.9	2.5	2,000.8	2,055.8	-2.7
All Others	2,312.0	2,383.5	-3.0	2,293.2	2,292.9	0.0
Visitor arrivals by cruise ships	341.7	426.0	-19.8	375.6	329.2	14.1

P=Preliminary data.

Source:Hawai'i Tourism Authority

December 2016 Island Highlights

CATEGORY AND ISLAND	2016P	2015	% change	YTD 2016P	YTD 2015	% change
TOTAL EXPENDITURES ($mil.)	1,559.6	1,484.6	5.1	15,611.6	14,976.9	4.2
Total by air	1,556.6	1,481.7	5.1	15,570.7	14,938.5	4.2
O‘ahu	758.3	712.3	6.5	7,291.4	7,366.5	-1.0
Maui	408.9	419.4	-2.5	4,454.8	4,108.9	8.4
Moloka‘i	3.5	3.4	4.5	32.8	33.7	-2.9
Lāna‘i	11.7	4.3	168.9	90.6	42.9	111.3
Kaua‘i	151.9	156.9	-3.2	1,645.8	1,548.0	6.3
Hawai‘i Island	222.2	185.3	19.9	2,055.4	1,838.5	11.8
Visitor arrivals by cruise ships	3.1	2.9	6.2	40.9	38.4	6.5
TOTAL VISITOR DAYS	7,888,934	7,745,836	1.8	80,382,842	78,620,086	2.2
Total by air	7,839,536	7,707,113	1.7	79,857,331	78,086,081	2.3
O‘ahu	3,579,281	3,508,743	2.0	37,170,588	36,420,503	2.1
Maui	2,104,117	2,084,199	1.0	21,490,229	20,798,172	3.3
Moloka‘i	30,367	30,455	-0.3	288,991	285,991	1.0
Lāna‘i	25,093	15,238	64.7	219,281	162,933	34.6
Kaua‘i	869,704	852,419	2.0	9,080,231	8,954,641	1.4
Hawai‘i Island	1,230,974	1,216,058	1.2	11,608,011	11,463,840	1.3
Visitor arrivals by cruise ships	49,398	38,723	27.6	525,511	534,005	-1.6
VISITOR ARRIVALS	828,473	799,495	3.6	8,941,394	8,679,564	3.0
Total by air	819,536	792,742	3.4	8,832,598	8,563,018	3.1
O‘ahu	502,110	487,824	2.9	5,461,880	5,339,912	2.3
Maui	240,233	232,573	3.3	2,640,175	2,540,162	3.9
Moloka‘i	5,728	5,545	3.3	60,367	64,767	-6.8
Lāna‘i	5,937	4,282	38.7	63,338	58,390	8.5
Kaua‘i	108,355	103,632	4.6	1,187,476	1,173,752	1.2
Hawai‘i Island	150,817	143,670	5.0	1,550,046	1,514,973	2.3
Visitor arrivals by cruise ships	8,937	6,753	32.3	108,796	116,546	-6.6
AVERAGE LENGTH OF STAY	9.52	9.69	-1.7	8.99	9.06	-0.8
Total by air	9.57	9.72	-1.6	9.04	9.12	-0.9
O‘ahu	7.13	7.19	-0.9	6.81	6.82	-0.2
Maui	8.76	8.96	-2.3	8.14	8.19	-0.6
Moloka‘i	5.30	5.49	-3.5	4.79	4.42	8.4
Lāna‘i	4.23	3.56	18.8	3.46	2.79	24.1
Kaua‘i	8.03	8.23	-2.4	7.65	7.63	0.2
Hawai‘i Island	8.16	8.46	-3.6	7.49	7.57	-1.0
Visitor arrivals by cruise ships	5.53	5.73	-3.6	4.83	4.58	5.4
PER PERSON PER DAY SPENDING ($	197.7	191.7	3.1	194.2	190.5	2.0
Total by air	198.6	192.3	3.3	195.0	191.3	1.9
O‘ahu	211.9	203.0	4.4	196.2	202.3	-3.0
Maui	194.3	201.3	-3.4	207.3	197.6	4.9
Moloka‘i	116.3	111.0	4.8	113.4	118.0	-3.9
Lāna‘i	465.0	284.8	63.3	413.4	263.3	57.0
Kaua‘i	174.6	184.1	-5.1	181.2	172.9	4.8
Hawai‘i Island	180.5	152.4	18.5	177.1	160.4	10.4
Visitor arrivals by cruise ships	61.8	74.3	-16.8	77.8	71.8	8.2
PER PERSON PER TRIP SPENDING ($	1,882.5	1,856.9	1.4	1,746.0	1,725.5	1.2
Total by air	1899.3	1869.1	1.6	1762.9	1744.5	1.1
O‘ahu	1510.3	1460.1	3.4	1335.0	1379.5	-3.2
Maui	1702.0	1803.5	-5.6	1687.3	1617.6	4.3
Moloka‘i	616.6	609.5	1.2	542.8	521.0	4.2
Lāna‘i	1965.4	1013.7	93.9	1431.1	734.8	94.8
Kaua‘i	1401.7	1514.2	-7.4	1385.9	1318.9	5.1
Hawai‘i Island	1473.6	1290.0	14.2	1326.0	1213.5	9.3
Visitor arrivals by cruise ships	341.7	426.0	-19.8	375.6	329.2	14.1

P=Preliminary data.
Source:Hawai'i Tourism Authority