



HTA Airline Seat Capacity Outlook for Second Quarter 2015

The Hawai‘i Tourism Authority (HTA), the state’s tourism agency, forecasts the continuing growth of total scheduled nonstop air seats to Hawai‘i in the second quarter of 2015. The projection is based on flights appearing in Diio airline schedules as of March 2015.

After opening the year with an estimated 5.9 percent increase in inbound scheduled seats in the first quarter, the momentum is expected to continue with a 9.0 percent rise in capacity in the second quarter, from April through June 2015. Continued growth in the second quarter is expected to be driven by increases from the U.S. (+13.3%), Canada (+19.3%) and Oceania (+19.2%) markets.

Outlook for Scheduled Nonstop Air Seats to Hawai‘i

| | 2015 Q2 Forecast | 2014 Q2 | %Chge | 2015 Q1 Estimate | 2014 Q1 | %Chge |
|----------------------|------------------|------------------|--------------|------------------|------------------|-------------|
| TOTAL | 2,986,165 | 2,739,228 | 9.0% | 2,919,253 | 2,755,562 | 5.9% |
| Domestic | 2,097,461 | 1,851,306 | 13.3% | 1,944,224 | 1,781,028 | 9.2% |
| US West | 1,857,571 | 1,645,077 | 12.9% | 1,725,503 | 1,575,711 | 9.5% |
| US East | 239,890 | 206,229 | 16.3% | 218,721 | 205,317 | 6.5% |
| International | 888,704 | 887,922 | 0.1% | 975,029 | 974,534 | 0.1% |
| Japan | 478,777 | 507,705 | -5.7% | 479,877 | 516,820 | -7.1% |
| Canada | 98,157 | 82,282 | 19.3% | 186,869 | 163,860 | 14.0% |
| Other Asia | 112,619 | 128,333 | -12.2% | 113,562 | 131,012 | -13.3% |
| Oceania | 124,832 | 104,693 | 19.2% | 120,080 | 98,760 | 21.6% |
| Other | 74,319 | 64,909 | 14.5% | 74,641 | 64,082 | 16.5% |

Source: Diio Mi

U.S. West

Scheduled air seats from many of Hawai‘i’s key U.S. West gateway cities are expected to rise considerably, led by increases in seats from Seattle (+24.2%), San Francisco (+28.6%), San Jose (+23.6%), Los Angeles (+9.8%) and Denver (+9.6%). In addition to providing increased service from key U.S. West markets, the additional air seats also create connecting opportunities for markets beyond the West Coast. Overall, U.S. West scheduled air seat capacity is expected to end the second quarter 12.9 percent above prior year levels.

U.S. East

Second quarter seat capacity from the U.S. East market is expected to increase 16.3 percent with growth generated by rising seat inventories from Houston (+26.9%), Chicago (+23.1%), Dallas (+21.3%) and Atlanta (+19.0%).

Japan

Scheduled nonstop seats from Japan are expected to decrease 5.7 percent during the second quarter, due to Hawaiian Airlines' suspension of its nonstop service from Fukuoka; along with a 14.2 percent decrease in seats from Nagoya, resulting from a reduction in Delta Air Lines flights for this route, from daily service to four flights per week.

Canada

Nonstop air seats from Canada to Hawai'i are expected to rise 19.3 percent in the second quarter of 2015. This boost can be attributed to the new nonstop Toronto-Honolulu service, launched in December 2014 by Air Canada rouge – a low cost subsidiary carrier of Air Canada, which will also bring more seats into the state as it flies Air Canada's routes from Vancouver to Honolulu and Kahului. Additional flights by WestJet from Vancouver to Honolulu, Kahului, Lihue and Kona are also expected to contribute to the increase in second quarter air seats to Hawai'i.

Other Asia

Following six years of nearly uninterrupted growth, scheduled air seats from Other Asia are expected to decrease 12.2 percent during the April through June 2015 period. Although year-over-year capacity from Beijing is expected to rise, boosted by the continuation of nonstop Beijing-Honolulu flights launched by Hawaiian Airlines (April 2014), scheduled seats from Shanghai are expected to decrease 20.0 percent during the second quarter. Scheduled seats from South Korea are also expected to decrease 15.7 percent, due to flight reductions by Korean Air and Hawaiian Airlines. Meanwhile, inbound seats from Taiwan are projected to be down 10.0 percent.

Oceania

With an increase of 19.2 percent in scheduled seats to Hawai'i, Oceania is expected to be almost tied with Canada (+19.3%) as the fastest growing regions for the second quarter of 2015. The largest increase in Oceania capacity is expected to come from Brisbane (+81.0%), fueled by the launch of Jetstar Airways flights on the route and Hawaiian Airlines switch from Boeing 767 to larger Airbus A330 aircraft. Meanwhile, an increase in Jetstar Airways flights will grow Melbourne capacity by 25.8 percent and capacity increases from Jetstar Airways and Qantas are

expected to generate a 7.0 percent rise in seats from Sydney. Air seats from Auckland (+12.1%) are also expected to rise considerably in the second quarter, boosted by an increase in flights by Air New Zealand.

For more information about the Airline Seat Capacity Outlook or other research related reports, visit www.hawaii tourism authority.org/research or contact:

Daniel Nāho‘opi‘i
Director of Tourism Research
Hawai‘i Tourism Authority
1801 Kalākaua Avenue, 1st Floor
Honolulu, Hawai‘i 96815
(808) 973-2264
www.hawaii tourism authority.org/research
daniel@gohta.net