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U.S. Fact Sheet

United States Overview

The U.S. West and U.S. East are Hawai'i's two largest source markets for visitors, with domestic air seats accounting for 68 percent of total seats to the state in 2017. U.S. West includes visitors who travel to the Hawaiian Islands from the 12 Pacific states west of the Rockies, and U.S. East includes all other states. Preliminary 2017 data reveal that U.S. West arrivals grew 4.5% and U.S. East arrivals are up +6.3%. U.S. West per person per day spending also increased +15.2% which brought total visitor expenditures to be up 19.8%. U.S. East per person per day spending grew +2.6% with total visitor expenditures rising to +6.7%.

Interest in Hawai'i is expected to remain strong, although value continues to be a deciding factor. The HTA continues to work with Hawai'i Tourism U.S.A. to market and promote Hawai'i to reach the "avid travelers" and now the "avid explorers." In 2017, some new activities occurring in the market include: 1) a New York City market activation involving out-of-home; digital, social, travel trade and influencer events; 2) evolution of the #LetHawaiiHappen – 'Journeys'; 3) use of 360 and Virtual Reality content for online marketing and training; 4) hosting of a Millennial Travel Professional Summit; 5) developing and refining tools and technology to reach meeting planners.

January 2017 Quick Facts¹

Visitor Expenditures:	\$977.2 million
Primary Purpose of Stay:	Pleasure (345,679) vs. MCI (42,549)
Average Length of Stay:	11.03 days
First Time Visitors:	23.8%
Repeat Visitors:	76.2%

U.S. West

U.S. WEST MMA (by Air)	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Feb. 2017)	% Change 2016P vs 2017 Forecast	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
Visitor Expenditures* (\$ Millions)	5,275.7	5,602.2	6.2%	5,650.6	0.9%	544.0	454.1	19.8
Visitor Days	32,561,688	33,497,107	2.9%	33,471,947	-0.1%	2,750,909	2,645,879	4.0
Arrivals	3,507,652	3,658,380	4.3%	3,656,608	0.0%	266,780	255,255	4.5
Per Person Per Day Spending* (\$)	162.0	167.2	3.2%	170.6	2.0%	197.8	171.6	15.2
Per Person Per Trip Spending* (\$)	1,504.0	1,531.3	1.8%	1,545.3	0.9%	2,039.3	1,779.1	14.6%
Length of Stay (days)	9.28	9.16	-1.4%	9.15	0.0%	10.31	10.37	-0.5%

*Excludes supplemental business spending

¹ 2016 and 2017 data are preliminary.



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U.S. East

U.S. EAST MMA (by Air)	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Feb. 2017)	% Change 2016P vs 2017 Forecast	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
Visitor Expenditures* (\$ Millions)	3,674.6	3,845.3	4.6%	3,980.5	3.5%	433.1	405.8	6.7
Visitor Days	18,580,408	19,097,032	2.8%	19,617,545	2.7%	2,095,353	2,013,810	4.0
Arrivals	1,803,670	1,869,826	3.7%	1,921,265	2.8%	172,680	162,383	6.3
Per Person Per Day Spending* (\$)	197.8	201.4	1.8%	204.4	1.5%	206.7	201.5	2.6
Per Person Per Trip Spending* (\$)	2,037.3	2,056.5	0.9%	2,071.8	0.7%	2,508.3	2,498.7	0.4%
Length of Stay (days)	10.30	10.2	-0.9%	10.21	0.0%	12.1	12.4	-2.2%

**Excludes supplemental business spending*

Contact Information

Hawai'i Tourism Authority: Caroline Anderson, Tourism Brand Manager
 Tel: (808) 973-2273
caroline@gohta.net

Hawai'i Visitors & Convention Bureau: Jay Talwar, Senior Vice President & Chief Marketing Officer
 Hawai'i Visitors & Convention Bureau
 2270 Kalākaua Avenue, Suite 801
 Honolulu, Hawai'i 96815
 Telephone: (808) 924-0220
italwar@hvcb.org

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Market Summary

U.S. West

- In 2016, growth in arrivals (+4.3% to 3,658,380 visitors) and higher daily spending (+3.2% to \$167.2 per person) contributed to a 6.2% gain in visitor expenditures to \$5.6 billion.
- Airlift: In 2016, air seats increased 1.5% to 7,324,285 compared to 7,217,348 in 2015 for U.S. West. The largest growth in inbound seat inventory were from San Francisco and Seattle. In January 2017, scheduled seats from U.S. West decreased 3.3 percent compared to January 2016.

U.S. East

- In 2016, arrivals increased (+3.7% to 1,869,826 visitors) as did visitor expenditures (+4.6% to \$3.85 billion). Daily spending of \$201.4 per person (+1.8%) was higher compared to 2015.
- Airlift: For 2016, growth in scheduled air seats (-0.5% to 923,602) was flat in compared to 2015. Growth in seats out of Minneapolis, New York JFK and Houston were offset by fewer seats from Chicago, Atlanta and Dallas. For January 2017, scheduled seats from U.S. East rose 13.4% compared the same month last year.

Market Conditions

Overall U.S.

- While demand for travel to Hawai'i remains strong among U.S. air leisure travelers, rising travel prices continue to play a factor with converting this demand into actual Hawai'i vacations.
- "Affordability" and "value" continue to play a large role in consumer willingness to travel.
- U.S. Consumer Confidence Index increased slightly in January 2017 to 98.5, from 98.2 in December 2016.
- U.S. unemployment rate rose to 4.8 percent in January 2017, from 4.7 percent in December 2016.
- With GDP predicted to grow +3.3 percent worldwide and +2.3 percent nationally, the stage is set for another year of stable growth for the U.S. travel and tourism industry. Rising fuel costs are also not expected to significantly hamper industry growth.
- The state Department of Business, Economic Development and Tourism forecasts 2017 US West arrivals to increase +1.3% and US East Arrivals to increase 1.2% (source: DBEDT, as of 2016 Q4).
- While the airline industry's record-breaking profitability is expected to taper slightly in 2017, experts predict airlines will see another excellent year. The International Air Transport Association (IATA) once again has the North American market leading the way. In a similar manner, after two years of sustained record highs, air seat capacity to Hawai'i from the U.S. mainland is set to decline slightly in the first half of 2017. Only O'ahu is expected to experience a net loss of capacity.
- A weaker dollar could benefit Hawai'i's tourism industry in the long run, as it increases the affordability of a Hawai'i vacation relative to international competitors. However, given the long

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planning cycle of overseas vacations, it is likely that any benefits will not be realized for several months to come.

- It is too early to tell the impact of American travel with the Donald Trump as U.S. President. Factors that could benefit U.S. citizen travel within the United States include improved infrastructure, tax credits that would provide more discretionary spending, and safety concerns of traveling abroad. However, policies that would strengthen the U.S. dollar would mean more Americans taking international trips. U.S. legacy carriers could raise airfares if oil prices thus impacting air travel. Currently, the industry is in a “wait and see” mode.

Visitor Statistics

U.S. West

U.S. WEST MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Feb. 2017)	% Change 2016P vs 2017 Forecast	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
Visitor Expenditures* (\$ Millions)	4,806.3	4,930.5	5,275.7	5,602.2	6.2%	5,650.6	0.9%	544.0	454.1	19.8
Visitor Days	30,712,024	30,780,359	32,561,688	33,497,107	2.9%	33,471,947	-0.1%	2,750,909	2,645,879	4.0
Arrivals	3,211,429	3,255,475	3,507,652	3,658,380	4.3%	3,656,608	0.0%	266,780	255,255	4.5
Per Person Per Day Spending* (\$)	156.5	160.2	162.0	167.2	3.2%	170.6	2.0%	197.8	171.6	15.2
Per Person Per Trip Spending* (\$)	1,496.6	1,514.5	1,504.0	1,531.3	1.8%	1,545.3	0.9%	2,039.3	1,779.1	14.6%
Length of Stay (days)	9.56	9.45	9.28	9.16	-1.4%	9.15	0.0%	10.31	10.37	-0.5%

*Excludes supplemental business spending

U.S. East

U.S. EAST MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Feb. 2017)	% Change 2016P vs 2017 Forecast	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
Visitor Expenditures* (\$ Millions)	3,544.6	3,655.0	3,674.6	3,845.3	4.6%	3,980.5	3.5%	433.1	405.8	6.7
Visitor Days	17,819,671	17,841,799	18,580,408	19,097,032	2.8%	19,617,545	2.7%	2,095,353	2,013,810	4.0
Arrivals	1,701,852	1,713,085	1,803,670	1,869,826	3.7%	1,921,265	2.8%	172,680	162,383	6.3
Per Person Per Day Spending* (\$)	198.9	204.9	197.8	201.4	1.8%	204.4	1.5%	206.7	201.5	2.6
Per Person Per Trip Spending* (\$)	2,082.8	2,133.6	2,037.3	2,056.5	0.9%	2,071.8	0.7%	2,508.3	2,498.7	0.4%
Length of Stay (days)	10.47	10.42	10.30	10.2	-0.9%	10.21	0.0%	12.1	12.4	-2.2%

*Excludes supplemental business spending

Distribution by Island

U.S. West

U.S. WEST MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
O'ahu	1,429,387	1,462,017	1,525,939	1,567,646	2.7%	113,121	110,187	2.7
Maui County	1,134,907	1,166,778	1,263,378	1,336,658	5.8%	91,316	89,566	2.0
...Maui	1,112,225	1,145,796	1,244,689	1,314,432	5.6%	89,668	88,096	1.8
...Moloka'i	22,613	23,948	26,145	25,521	-2.4%	2,016	2,000	0.8
...Lāna'i	29,488	27,980	22,422	25,800	15.1%	1,615	1,408	14.7
Kaua'i	568,836	564,342	603,519	619,321	2.6%	43,964	41,527	5.9
Island of Hawai'i	563,062	571,850	631,224	649,422	2.9%	56,516	51,453	9.8

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U.S. East

U.S. EAST MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
O'ahu	1,015,177	1,016,262	1,072,333	1,089,757	1.6%	92,041	88,303	4.2
Maui County	639,502	646,177	676,007	707,408	4.6%	64,831	62,291	4.1
...Maui	626,991	635,804	665,964	695,708	4.5%	63,764	61,285	4.0
...Moloka'i	15,405	16,906	18,996	14,932	-21.4%	1,453	1,735	-16.2
...Lāna'i	24,485	22,430	17,727	20,212	14.0%	1,704	1,578	8.0
Kaua'i	340,688	339,607	344,210	354,150	2.9%	34,602	33,007	4.8
Island of Hawai'i	383,744	389,009	400,979	413,937	3.2%	41,640	39,682	4.9

Airlift

	2017					2016					2017 vs. 2016 (%)				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
US WEST	1,717,063	1,828,516	1,880,665	1,744,589	7,170,833	1,789,501	1,864,300	1,916,172	1,754,312	7,324,285	-4.0%	-1.9%	-1.9%	-0.6%	-2.1%
Anchorage	25,758	15,105	13,356	17,013	71,232	27,058	15,648	13,366	16,827	72,899	-4.8%	-3.5%	-0.1%	1.1%	-2.3%
Bellingham	10,176	318	0	6,519	17,013	16,789	9,454	0	6,376	32,619	39.4%	96.6%	0.0%	2.2%	47.8%
Denver	55,803	47,594	46,163	45,487	195,047	37,711	43,786	42,633	43,478	167,608	48.0%	8.7%	8.3%	4.6%	16.4%
Las Vegas	70,514	74,594	72,283	69,678	287,069	71,218	73,182	74,846	71,891	291,137	-1.0%	1.9%	-3.4%	-3.1%	-1.4%
Los Angeles	548,722	647,273	683,992	591,321	2,471,308	566,998	656,656	700,502	601,033	2,525,189	-3.2%	-1.4%	-2.4%	-1.6%	-2.1%
Oakland	84,571	102,543	111,954	88,559	387,627	90,998	108,098	125,824	89,400	414,320	-7.1%	-5.1%	11.0%	-0.9%	-6.4%
Phoenix	113,046	116,441	127,980	118,016	475,483	124,805	125,441	126,852	116,476	493,574	-9.4%	-7.2%	0.9%	1.3%	-3.7%
Portland	89,913	70,341	65,644	79,636	305,534	95,402	72,934	68,880	83,900	321,116	-5.8%	-3.6%	-4.7%	-5.1%	-4.9%
Sacramento	37,620	38,038	38,456	38,456	152,570	38,402	38,402	38,824	38,624	154,252	-2.0%	-0.9%	-0.9%	-0.4%	-1.1%
Salt Lake City	26,370	23,751	24,012	25,836	99,969	23,751	23,751	21,402	26,600	94,964	11.0%	0.0%	12.2%	-0.9%	5.3%
San Diego	67,164	72,705	75,384	69,342	284,595	69,297	75,165	81,327	70,824	296,613	-3.1%	-3.3%	-7.3%	-2.1%	-4.1%
San Francisco	282,102	308,396	326,012	297,059	1,213,569	298,387	309,314	320,519	291,519	1,219,739	-5.5%	-0.3%	1.7%	1.9%	-0.5%
San Jose	68,414	80,365	88,360	81,841	318,980	82,183	88,154	90,464	83,378	344,179	16.8%	-8.8%	-2.3%	-1.8%	-7.3%
Seattle	236,890	231,052	207,069	215,826	890,837	246,502	224,315	210,733	214,526	896,076	-3.9%	3.0%	-1.7%	0.6%	-0.6%
US EAST	261,362	255,075	256,372	220,525	993,334	235,057	222,627	229,607	236,311	923,602	11.2%	14.6%	11.7%	-6.7%	7.6%
Atlanta	26,370	26,663	26,956	26,956	106,945	26,663	26,663	27,182	26,956	107,464	-1.1%	0.0%	-0.8%	0.0%	-0.5%
Chicago	36,120	36,856	37,128	42,588	152,692	34,033	35,776	34,400	40,592	144,801	6.1%	3.0%	7.9%	4.9%	5.4%
Dallas	79,026	79,211	81,510	66,857	306,604	65,738	69,806	70,851	65,928	272,323	20.2%	13.5%	15.0%	1.4%	12.6%
Houston	30,960	32,284	33,488	33,488	130,220	31,304	31,304	31,648	31,648	125,904	-1.1%	3.1%	5.8%	5.8%	3.4%
Minneapolis	24,612	22,561	13,478	0	60,651	21,271	0	0	15,319	36,590	15.7%	NA	NA	100.0%	65.8%
New York JFK	39,094	25,298	25,576	23,630	113,598	27,250	26,166	27,048	28,386	108,850	43.5%	-3.3%	-5.4%	-16.8%	4.4%
Newark	19,130	21,070	22,264	20,472	82,936	21,538	22,022	22,264	20,948	86,772	11.2%	-4.3%	0.0%	-2.3%	-4.4%
Washington D.C.	6,050	11,132	15,972	6,534	39,688	7,260	10,890	16,214	6,534	40,898	16.7%	2.2%	-1.5%	0.0%	-3.0%

Source: Diio Mii airline schedules

Group vs. FIT; Leisure vs. Business

U.S. West

U.S. WEST MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
Group vs FIT								
Group tour	58,126	63,521	64,081	63,032	-1.6%	5,169	4,327	19.5
True Independent	2,583,382	2,630,489	2,838,902	2,978,339	4.9%	227,750	216,806	5.0
Leisure vs business								
Pleasure (Net)	2,671,538	2,702,215	2,927,726	3,049,420	4.2%	213,611	203,807	4.8
MCI (Net)	133,342	150,318	148,434	144,646	-2.6%	19,122	17,089	11.9
Convention/Conf.	80,781	90,082	90,948	86,866	-4.5%	13,740	12,146	13.1
Corp. Meetings	34,342	41,049	37,329	37,929	1.6%	3,932	4,110	-4.3
Incentive	23,228	28,579	25,785	25,141	-2.5%	1,833	1,368	34.0



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U.S. East

U.S. EAST MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
Group vs FIT								
Group tour	79,047	82,604	81,159	84,232	3.8%	7,656	8,017	-4.5
True Independent	1,290,070	1,311,594	1,399,790	1,451,828	3.7%	140,472	131,276	7.0
Leisure vs business								
Pleasure (Net)	1,346,624	1,351,354	1,422,020	1,473,704	3.6%	132,068	122,099	8.2
MCI (Net)	138,457	144,159	145,486	136,409	-6.2%	23,427	18,495	26.7
Convention/Conf.	83,807	89,868	86,872	79,557	-8.4%	18,064	13,375	35.1
Corp. Meetings	27,227	30,286	29,187	29,264	0.3%	3,340	3,798	-12.1
Incentive	33,206	32,395	36,252	34,036	-6.1%	2,553	1,897	34.6

First Timers vs. Repeat Visitors

U.S. West

U.S. WEST MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
1st timers (%)	18.7	18.7	18.8	19.0	1.3%	16.6	16.6	0.0
Repeaters (%)	81.3	81.3	81.2	81.0	-0.3%	83.4	83.4	0.0

U.S. East

U.S. EAST MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
1st timers (%)	42.1	41.1	40.9	41.5	1.4%	34.9	34.2	0.7
Repeaters (%)	57.9	58.9	59.1	58.5	-1.0%	65.1	65.8	-0.7

Tax Revenue

U.S. West

U.S. WEST MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
State tax revenue generated* (\$ Millions)	511.87	525.10	561.86	596.63	6.2%	57.94	48.37	19.8%

*State government tax revenue generated (direct, indirect, and induced)

U.S. East

U.S. EAST MMA (by Air)	2013	2014R	2015	2016P	% Change 2016P vs 2015	YTD Jan. 2017P	YTD Jan. 2016F	% change YTD
State tax revenue generated* (\$ Millions)	377.50	389.26	391.35	409.52	4.6%	46.13	43.21	6.7%

*State government tax revenue generated (direct, indirect, and induced)

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Industry (Confidential – for internal purposes only)

Major Tour Operators

Presently, the top 10 tour operators for The Hawaiian Islands, based on room night production reports and confirmation from in-market supplier partners, are:

- | | |
|-------------------------------------|------------------------|
| 1. Expedia | 6. Blue Sky Tours |
| 2. Costco Travel | 7. Funjet Vacations |
| 3. Liberty/GoGo (Flight Center USA) | 8. MLT/Delta Vacations |
| 4. Pleasant Holidays | 9. Classic Vacations |
| 5. Travelocity | 10. United Vacations |

Major Hotels

In the most recent years, choosing a hotel has weighed heavily on rate as more and more U.S. travelers are focused on value. Destination wedding and honeymoon travelers tend to prefer the higher end hotels.

Hotels	Avid Traveler	Romance
Kaua'i	Kaua'i Marriott Resort Sheraton Kaua'i Resort	Grand Hyatt Kaua'i St. Regis Princeville
O'ahu	Hilton Hawaiian Village Beach Resort Hyatt Regency Waikiki Resort & Spa Waikiki Beach Marriott Sheraton Waikiki Outrigger Reef on the Beach Aulani Resort & Spa Turtle Bay Resort	Moana Surfrider The Royal Hawaiian The Kāhala Halekulani
Maui	Hyatt Regency Maui Resort & Spa Wailea Beach Marriott Resort & Spa Grand Wailea Westin Maui Resort & Spa	Fairmont Kea Lani Ritz-Carlton Kapalua Four Seasons Resort
Island of Hawaii	Hilton Waikoloa Village Waikoloa Beach Marriott Resort & Spa Sheraton Keauhou Bay Resort & Spa King Kamehameha Kona Beach Hotel	Fairmont Orchid Mauna Kea Beach Four Season Hualālai