HAWAI'I TOURISM AUTHORITY

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.

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.

2017 Quick Facts[1]

Visitor Expenditures:	$10.44 billion
Primary Purpose of Stay:	Pleasure (4,816,556) vs. MCI (288,725)
Average Length of Stay:	9.42 days
First Time Visitors:	26.9%
Repeat Visitors:	73.1%

U.S. West

U.S. WEST MMA (by Air)	2015	2016	% Change 2016 vs 2015	2017 Forecast (Aug. 2017)	% Change 2016 vs 2017 Forecast	YTD Dec. 2017P	YTD Dec. 2016	% change YTD
Visitor Expenditures* ($ Millions)	5,275.7	5,634.1	6.8%	6,063.2	7.6%	6,180.5	5,634.1	9.7%
Visitor Days	32,561,688	33,552,091	3.0%	34,296,513	2.2%	34,854,000	33,552,091	3.9%
Arrivals	3,507,652	3,664,150	4.5%	3,748,097	2.3%	3,843,208	3,664,150	4.9%
Per Person Per Day Spending* ($)	162.0	167.9	3.6%	176.8	5.3%	177.3	167.9	5.6%
Per Person Per Trip Spending* ($)	1,504.0	1,537.6	2.2%	1,617.7	5.2%	1,608.2	1,537.6	4.6%
Length of Stay (days)	9.28	9.16	-1.4%	9.15	-0.1%	9.07	9.16	-1.0%

**Excludes supplemental business spending*

1 2016 visitor data are the final numbers and reflect data from the National Travel and Tourism Office and updated reports from airlines. 2017 data are preliminary.

U.S. East

U.S. EAST MMA (by Air)	2015	2016	% Change 2016 vs 2015	2017 Forecast (Aug. 2017)	% Change 2016 vs 2017 Forecast	YTD Dec. 2017P	YTD Dec. 2016	% change YTD
Visitor Expenditures* ($ Millions)	3,674.6	3,889.4	5.8%	4,157.3	6.9%	4,258.0	3,889.4	9.5%
Visitor Days	18,580,408	19,283,520	3.8%	19,899,742	3.2%	20,158,777	19,283,520	4.5%
Arrivals	1,803,670	1,892,768	4.9%	1,960,448	3.6%	1,998,650	1,892,768	5.6%
Per Person Per Day Spending* ($)	197.8	201.7	2.0%	208.9	3.6%	211.2	201.7	4.7%
Per Person Per Trip Spending* ($)	2,037.3	2,054.9	0.9%	2,120.6	3.2%	2,130.4	2,054.9	3.7%
Length of Stay (days)	10.30	10.19	-1.1%	10.15	-0.4%	10.1	10.2	-1.0%

**Excludes supplemental business spending*

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Market Summary

U.S. West

- In 2016, growth in arrivals (+4.5% to 3,664,150 visitors) and higher daily spending (+3.6% to $168 per person) contributed to a 6.8% gain in visitor expenditures to $5.63 billion. In 2017, increased arrivals (+4.9% to 3,843,208 visitors) and higher daily spending (+5.6% to $177 per person) led to a 9.7% growth in visitor expenditures to $6.18 billion.
- Airlift: In 2016, air capacity from the U.S. West increased 1.5% to 7,324,285 seats. The largest growth in inbound seat inventory were from San Francisco and Seattle. In 2017, the number of scheduled seats from U.S. West (+0.1%) were comparable to 2016.

U.S. East

- In 2016, arrivals increased (+4.9% to 1,892,768 visitors) as did visitor expenditures (+5.8% to $3.89 billion). Daily spending of $202 per person (+2.0%) was higher compared to 2015. In 2017, visitor arrivals (+5.6% to 1,998,650 visitors), daily spending (+4.7% to $211 per person) and visitor expenditures (+9.5% to $4.26 billion) all exceeded 2016.
- Airlift: For 2016, there was no growth in scheduled air seats (-0.5% to 923,602) compared to 2015. Increased seats out of Minneapolis, New York JFK and Houston were offset by fewer seats from Chicago, Atlanta and Dallas. In 2017, scheduled seats from U.S. East rose 9.2% which increased service from Chicago, Dallas, Houston Minneapolis and New York JFK.

Market Conditions

- While remaining well above the historic norm, U.S. Consumer Confidence Index slid downward in December 2017 to 122.1, decreasing -6.5 points from November's 17-year high (1980=100). This decline was attributed to wavering sentiments towards future economic conditions, while feelings towards the current economic environment remained largely unchanged.
- The U.S. unemployment rate remained unchanged in November 2017 at 4.1 percent. Likewise, other key labor market indicators such as the labor force participation rate and long-term unemployed did not significantly change. This overall stability provides additional evidence that the U.S. labor market is at or near full employment.
- During the three-month period starting January 2018 and ending March 2018, U.S. airlift to Hawai‘i is expected to increase +14.1 percent compared to the same period in 2017, with strong growth being exhibited in both the U.S. East and U.S. West MMAs. More than 2.2 million air seats are bound for Hawai‘i from the U.S. mainland over the next three months.
    - Capacity from the U.S. West market is expected to grow by +14.3 percent, with growth continuing to be driven by key gateways such as Salt Lake City (+49.5%), Denver (+40.5%), San Francisco (+23.7%), and Los Angeles (+18.1%). These gains should offset the minor declines in capacity coming from lesser gateways such as Las Vegas (-7.5%), and Oakland (-4.6%).
    - Meanwhile, capacity from the U.S. East market will grow at a year-over-year rate of +13.3 percent from January to March. While gateways like Chicago (+57.2%), Washington-Dulles (38.0%), Dallas (+25.6%), and Newark (13.9%) are seeing large increases in air seats flown, these gains are partially offset by scaled-back capacity out of JFK (-32.2%).
- Early indicators point to the continued strength of the U.S. economy throughout the fourth quarter of 2017. Overall holiday retail spend was up +4.9 percent from the year prior, the highest single-year increase since 2011. At the same time, the passage of a sweeping Federal tax overhaul will

likely have some impact on economic growth, though the magnitude of those effects is still uncertain.

- While the U.S. dollar more-or-less stabilized in the latter half of 2017, the net -8.0 percent loss in value from 2016 should provide a boost to Hawaiʻi's visitor industry by making other overseas destinations less affordable for U.S. travelers. At the same time, international visitation to the U.S. declined by -3.9 percent in the first half of 2017, a trend that could significantly impact the U.S. travel industry if it persists.

Visitor Statistics

U.S. West

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**Excludes supplemental business spending*

U.S. East

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Distribution by Island

U.S. West

U.S. WEST MMA (by Air)	2015	2016	% Change 2016 vs 2015	YTD Dec. 2017P	YTD Dec. 2016	% change YTD
O'ahu	1,525,939	1,569,790	2.9%	1,639,271	1,569,790	4.4%
Maui County	1,263,378	1,336,006	5.7%	1,382,430	1,336,006	3.5%
...Maui	1,244,689	1,313,895	5.6%	1,360,832	1,313,895	3.6%
...Moloka'i	26,145	24,975	-4.5%	22,562	24,975	-9.7%
...Lāna'i	22,422	25,945	15.7%	24,491	25,945	-5.6%
Kaua'i	603,519	619,976	2.7%	657,032	619,976	6.0%
Island of Hawai'i	631,224	653,300	3.5%	711,105	653,300	8.8%

U.S. East

U.S. EAST MMA (by Air)	2015	2016	% Change 2016 vs 2015	YTD Dec. 2017P	YTD Dec. 2016	% change YTD
O'ahu	1,072,333	1,107,818	3.3%	1,151,547	1,107,818	3.9%
Maui County	676,007	712,079	5.3%	758,328	712,079	6.5%
...Maui	665,964	700,281	5.2%	747,691	700,281	6.8%
...Moloka'i	18,996	15,028	-20.9%	15,130	15,028	0.7%
...Lāna'i	17,727	20,340	14.7%	19,864	20,340	-2.3%
Kaua'i	344,210	356,523	3.6%	385,279	356,523	8.1%
Island of Hawai'i	400,979	418,011	4.2%	468,658	418,011	12.1%

Airlift

	2017					2016					%CHANGE				
DepCityName	**Q1**	**Q2**	**Q3**	**Q4**	**Annual**	**Q1**	**Q2**	**Q3**	**Q4**	**Annual**	**Q1**	**Q2**	**Q3**	**Q4**	**Annual**
US WEST	**1,717,254**	**1,837,080**	**1,943,012**	**1,837,407**	**7,334,753**	**1,789,501**	**1,864,300**	**1,916,172**	**1,754,312**	**7,324,285**	**-4.0**	**-1.5**	**1.4**	**4.7**	**0.1**
Anchorage	25,758	15,105	13,674	16,854	71,391	27,058	15,648	13,366	16,827	72,899	-4.8	-3.5	2.3	0.2	-2.1
Bellingham	10,198	318	0	6,598	17,114	16,789	9,454	0	6,376	32,619	-39.3	-96.6	#DIV/0!	3.5	-47.5
Denver	55,803	51,654	52,585	45,318	205,360	37,711	43,786	42,633	43,478	167,608	48.0	18.0	23.3	4.2	22.5
Las Vegas	70,514	74,322	74,305	71,529	290,670	71,218	73,182	74,846	71,891	291,137	-1.0	1.6	-0.7	-0.5	-0.2
Los Angeles	548,935	647,498	713,997	654,969	2,565,399	566,998	656,656	700,502	601,033	2,525,189	-3.2	-1.4	1.9	9.0	1.6
Oakland	84,571	104,810	116,431	92,789	398,601	90,998	108,098	125,824	89,400	414,320	-7.1	-3.0	-7.5	3.8	-3.8
Phoenix	113,046	115,125	125,348	108,051	461,570	124,805	125,441	126,852	116,476	493,574	-9.4	-8.2	-1.2	-7.2	-6.5
Portland	90,207	71,068	66,341	82,195	309,811	95,402	72,934	68,880	83,900	321,116	-5.4	-2.6	-3.7	-2.0	-3.5
Sacramento	37,620	38,318	38,456	38,456	152,850	38,402	38,402	38,824	38,624	154,252	-2.0	-0.2	-0.9	-0.4	-0.9
Salt Lake City	26,370	23,751	22,968	28,578	101,667	23,751	23,751	21,402	26,060	94,964	11.0	0.0	7.3	9.7	7.1
San Diego	67,164	73,242	76,163	68,111	284,680	69,297	75,165	81,327	70,824	296,613	-3.1	-2.6	-6.3	-3.8	-4.0
San Francisco	282,082	308,568	338,976	319,203	1,248,829	298,387	309,314	320,519	291,519	1,219,739	-5.5	-0.2	5.8	9.5	2.4
San Jose	68,414	81,072	89,751	83,230	322,467	82,183	88,154	90,464	83,378	344,179	-16.8	-8.0	-0.8	-0.2	-6.3
Seattle	236,572	232,229	214,017	221,526	904,344	246,502	224,315	210,733	214,526	896,076	-4.0	3.5	1.6	3.3	0.9
US EAST	**261,362**	**254,901**	**256,542**	**235,985**	**1,008,790**	**235,057**	**222,627**	**229,607**	**236,311**	**923,602**	**11.2**	**14.5**	**11.7**	**-0.1**	**9.2**
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	37,456	36,764	41,860	152,200	34,033	35,776	34,400	40,592	144,801	6.1	4.7	6.9	3.1	5.1
Dallas	79,026	79,211	85,792	66,983	311,012	65,738	69,806	70,851	65,928	272,323	20.2	13.5	21.1	1.6	14.2
Houston	30,960	32,864	33,488	33,488	130,800	31,304	31,304	31,648	31,648	125,904	-1.1	5.0	5.8	5.8	3.9
Minneapolis	24,612	22,561	12,306	13,476	72,955	21,271	0	0	15,319	36,590	15.7	#DIV/0!	#DIV/0!	-12.0	99.4
New York JFK	39,094	25,298	25,576	26,336	116,304	27,250	26,166	27,048	28,386	108,850	43.5	-3.3	-5.4	-7.2	6.8
Newark	19,130	19,474	19,688	21,480	79,772	21,538	22,022	22,264	20,948	86,772	-11.2	-11.6	-11.6	2.5	-8.1
Washington D.C.	6,050	11,374	15,972	5,406	38,802	7,260	10,890	16,214	6,534	40,898	-16.7	4.4	-1.5	-17.3	-5.1

Source: Diio Mii airline schedules. Updated December 2017.

Group vs. FIT; Leisure vs. Business

U.S. West

U.S. WEST MMA (by Air)	2015	2016	% Change 2016 vs 2015	YTD Dec. 2017P	YTD Dec. 2016	% change YTD
Group vs FIT						
Group tour	64,081	63,133	-1.5%	63,035	63,133	-0.2%
True Independent	2,838,902	2,983,359	5.1%	3,144,908	2,983,359	5.4%
Leisure vs business						
Pleasure (Net)	2,927,726	3,055,254	4.4%	3,218,736	3,055,254	5.4%
MCI (Net)	148,434	144,691	-2.5%	147,965	144,691	2.3%
Convention/Conf.	90,948	86,920	-4.4%	89,027	86,920	2.4%
Corp. Meetings	37,329	37,994	1.8%	39,367	37,994	3.6%
Incentive	25,785	25,057	-2.8%	24,613	25,057	-1.8%

U.S. East

U.S. EAST MMA (by Air)	2015	2016	% Change 2016 vs 2015	YTD Dec. 2017P	YTD Dec. 2016	% change YTD
Group vs FIT						
Group tour	81,159	84,623	4.3%	80,272	84,623	-5.1%
True Independent	1,399,790	1,471,734	5.1%	1,570,315	1,471,734	6.7%
Leisure vs business						
Pleasure (Net)	1,422,020	1,492,780	5.0%	1,597,820	1,492,780	7.0%
MCI (Net)	145,486	137,349	-5.6%	140,759	137,349	2.5%
Convention/Conf.	86,872	80,207	-7.7%	84,271	80,207	5.1%
Corp. Meetings	29,187	29,396	0.7%	30,705	29,396	4.5%
Incentive	36,252	34,285	-5.4%	31,618	34,285	-7.8%

First Timers vs. Repeat Visitors

U.S. West

U.S. WEST MMA (by Air)	2015	2016	% Change 2016 vs 2015	YTD Dec. 2017P	YTD Dec. 2016	% change YTD
1st timers (%)	18.8	19.0	-0.2	19.1	19.0	0.1
Repeaters (%)	81.2	81.0	0.2	80.9	81.0	-0.1

U.S. East

U.S. EAST MMA (by Air)	2015	2016	% Change 2016 vs 2015	YTD Dec. 2017P	YTD Dec. 2016	% change YTD
1st timers (%)	40.9	41.5	-0.6	41.9	41.5	0.4
Repeaters (%)	59.1	58.5	0.6	58.1	58.5	-0.4

Tax Revenue

U.S. West

U.S. WEST MMA (by Air)	2015	2016	% Change 2016 vs 2015	YTD Dec. 2017P	YTD Dec. 2016	% change YTD
State tax revenue generated* ($ Millions)	596.15	657.65	10.3%	721.43	657.65	9.7%

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

U.S. East

U.S. EAST MMA (by Air)	2015	2016	% Change 2016 vs 2015	YTD Dec. 2017P	YTD Dec. 2016	% change YTD
State tax revenue generated* ($ Millions)	415.23	453.99	9.3%	497.02	453.99	9.5%

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

Industry

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:

- Expedia
- Costco Travel
- Liberty/GoGo (Flight Center USA)
- Pleasant Holidays
- Travelocity
- Blue Sky Tours
- Funjet Vacations
- MLT/Delta Vacations
- Classic Vacations
- United Vacations