



## HTA Airline Seat Capacity Outlook for Second Quarter 2014

The Hawai‘i Tourism Authority (HTA), the state’s tourism agency, forecasts the continued growth of total scheduled nonstop air seats to Hawai‘i in the second quarter of 2014. The projection is based on flights appearing in Diio airline schedules as of March 2014.

Following a 2.4 percent increase in the first quarter of 2014, scheduled nonstop air seats to Hawai‘i are expected to grow at a slightly faster rate (+3.1%) in the second quarter.

Growth in the second quarter of 2014 is expected to be driven by continued increases from international cities (+4.8%), along with a 2.2 percent increase in domestic seats. Supported by growth in both the domestic and international markets, airlines are expected to operate more than 2.7 million air seats to the Hawaiian Islands in the second quarter, a record high for inbound scheduled capacity to the state during the April through June period.

	2014 Q2	2013 Q2	%
<b>TOTAL</b>	<b>2,740,102</b>	<b>2,659,002</b>	<b>3.1%</b>
<b>DOMESTIC</b>	<b>1,851,086</b>	<b>1,811,018</b>	<b>2.2%</b>
US WEST	1,644,857	1,596,995	3.0%
US EAST	206,229	214,023	-3.6%
<b>INTERNATIONAL</b>	<b>889,016</b>	<b>847,984</b>	<b>4.8%</b>
JAPAN	508,993	481,906	5.6%
CANADA	82,282	75,494	9.0%
OTHER ASIA	127,844	105,178	21.6%
OCEANIA	105,602	109,798	-3.8%
OTHER	64,295	75,608	-15.0%

Source: Diio Mi Airline Schedules as of March 2014

### U.S. West

Scheduled seats from each of Hawai‘i’s top core U.S. West gateway markets are expected to rise (Los Angeles, +7.9%; San Francisco, +1.6%; Seattle, +6.3%), more than offsetting capacity reductions from San Jose (-4.0%) and smaller markets operated by Allegiant (i.e., Eugene, Fresno, Phoenix-Mesa, Santa Maria and Spokane). Overall, U.S. West scheduled seat capacity is expected to be up 3.0 percent above prior year levels.

### U.S. East

Second quarter seat capacity from the U.S. East market is expected to decrease 3.6 percent, as additional service from Dallas (+5.1%) and Houston (+3.9%) is offset by reductions in capacity from Washington, D.C. (-35.3%) and New York (-13.2%).

## Japan

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Scheduled nonstop seats from Japan are expected to rise 5.6 percent in the second quarter, boosted by Japan Airlines' upgrading to larger Boeing 777 aircraft on the majority of its flights to Hawai'i, as well as an increase in flights out of Tokyo-Narita. United Airlines' upgrading from Boeing 777 to larger Boeing 747 aircraft is also expected to contribute to the second quarter increase. Notable year-over-year increases are expected from Osaka (+8.4%) and Nagoya (+37.1%).

## Canada

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Nonstop air seats from Canada to Hawai'i are expected to rise 9.0 percent in the second quarter of 2014, driven by significant increases in service to the neighbor islands: Maui (+10.2%), Kaua'i (+66.7%) and Hawai'i Island (+50.8%).

## Other Asia

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Other Asia is expected to be Hawai'i's fastest growing region for scheduled air seats during the April through June 2014 period, boosted by the launch of nonstop Beijing-Honolulu flights by Air China (January) and Hawaiian Airlines (April), and the expansion of Shanghai-Honolulu service by China Eastern Airlines (+73.2%). The continuation of nonstop Taipei-Honolulu flights by China Airlines (launched in June 2013) and Hawaiian Airlines (launched in July 2013, but suspended as of April 2014) will also contribute to the expected double-digit increase (+21.6%) in seats from the overall Other Asia market. Meanwhile, nonstop seats from South Korea are expected to decrease 10.1 percent in the second quarter.

## Oceania

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After posting double-digit increases in annual air seats every year since 2011, air seat growth from Oceania is leveling off with a projected 3.8 percent decrease in air seats in the second quarter. While scheduled seats from Auckland (+7.3%), Brisbane (+8.1%) and Melbourne (+9.7%) are all expected to register notable year-over-year gains, these increases are expected to be offset by an 11.1 percent decrease in capacity from Sydney.

For more information about the Airline Seat Capacity Outlook or other research related reports, please contact:

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