



Europe Fact Sheet

Europe Overview

Hawai'i Tourism Europe (HTE) targets visitors from the countries of United Kingdom, Germany, France, Italy and Switzerland (Europe Major Market Area, MMA). The U.K. and Germany are the two top source markets in the Europe MMA.

Hawai'i continues to be represented in Europe with offices in London, Munich and Paris. Highlighted 2017 HTE activities includes: 1) launch of a new online training program; 2) a multi-faceted consumer campaign, "Hawai'i through the Lens," encompassing social media, VP, print and online advertising; 3) travel trade incentives campaign centered around the Top 40 things to do in the Hawaiian Islands; 4) Aloha Europe sales mission; and 5) first-ever MCI FAM.

November 2017 Quick Facts¹

| | |
|--------------------------|------------------------------------|
| Visitor Expenditures: | \$270.5 million |
| Primary Purpose of Stay: | Pleasure (105,868) vs. MCI (7,482) |
| Average Length of Stay: | 12.97 days |
| First Time Visitors: | 72.9% |
| Repeat Visitors: | 27.1% |

| | 2015 | 2016 | % Change 2016 vs 2015 | 2017 Forecast (Aug. 2017) | % Change 2016 vs 2017 Forecast | YTD Nov. 2017P | YTD Nov. 2016 | % change YTD |
|-------------------------------------|-----------|-----------|-----------------------|---------------------------|--------------------------------|----------------|---------------|--------------|
| EUROPE MMA (by Air) | | | | | | | | |
| Visitor Expenditures* (\$ Millions) | 337.2 | 353.4 | 4.8% | 331.1 | -6.3% | 270.5 | 323.9 | -16.5% |
| Visitor Days | 1,897,157 | 1,860,887 | -1.9% | 1,867,300 | 0.3% | 1,682,565 | 1,716,181 | -2.0% |
| Arrivals | 145,019 | 143,922 | -0.8% | 140,377 | -2.5% | 129,142 | 133,252 | -3.1% |
| Per Person Per Day Spending* (\$) | 177.7 | 189.9 | 6.9% | 177.3 | -6.6% | 160.8 | 188.7 | -14.8% |
| Per Person Per Trip Spending* (\$) | 2,325.0 | 2,455.6 | 5.6% | 2,358.4 | -4.0% | 2,095.0 | 2,430.9 | -13.8% |
| Length of Stay (days) | 13.08 | 12.93 | -1.2% | 13.30 | 2.9% | 13.03 | 12.88 | 1.2% |

*Excludes supplemental business spending

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Market Summary

- Through November 2017, arrivals decreased 3.1% to 129,142 visitors. Lower daily spending (-14.8% to \$161 per person) also contributed to a 16.5% drop in visitor expenditures to \$270.5 million. Growth in MCI visitors was flat (-0.1% to 7,777 visitors) compared to year-to-date November 2016. Looking at island distribution through November 2017, 73% went to O'ahu, 44% to Maui, 38% to Island of Hawai'i and 24% to Kaua'i.
- In 2016, arrivals dropped slightly (-0.8%) to 143,922 visitors and visitor days decrease 1.9% from 2015. Higher daily spending (+6.9% to \$190 per person) contributed to a 4.8 percent increase in visitor expenditures to \$353.4 million. MCI visitors decreased 12.5% to 8,086 visitors. Seventy-two percent of Europeans visited O'ahu, followed by Maui (45.4%), Island of Hawai'i (33.7%) and Kaua'i (22.1%).

Market Conditions

- The unemployment rate in the Euro area is forecast to decline further, from 10.0% in 2016 to 9.6% this year and 9.1% in 2018. In the EU as a whole, unemployment is expected to fall from 8.5% in 2016 to 8.1% this year and to 7.8% in 2018.
- The European commission has revealed its fall economic forecast. It reports confirmation that the Euro zone has emerged from the economic crisis. For the European Union as a whole, growth will reach 2.3% in 2017, 2.1% in 2018 and 1.9% in 2019 according to the forecast.
- Inflation in the euro area has recently picked up as the past drop of energy prices has recently given way to an increase. Having been very low over the past two years, inflation is now set to reach higher levels this year and next.
- In the third quarter of 2017, the German economy continued its rapid growth. Germany's GDP grew by 0.8% after adjustment for price, seasonal and the number of calendar days.
- The annual Holiday Confidence Index survey conducted by First Rate Exchange Services' revealed that consumers' confidence to book overseas holidays is at its highest for three years. More than half (54%) of respondents declared their intention to take a holiday abroad in the next 12 months and close to another one in five (18%) had yet to decide, leading to a five-point rise year on year in First Rate's Holiday Intention Index.
- Germany has seen dynamic growth in online holiday bookings, however consumers are still mainly booking holidays through travel agents. The head of Germany's second-largest tour operator told Travel Talk Magazine in an exclusive interview. With 90% of consumers informing themselves on the internet before going into a travel agency, travel agents can no longer satisfy customers without having a greater expertise

Visitor Statistics

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Distribution by Island

| EUROPE MMA (by Air) | 2015 | 2016 | % Change 2016 vs 2015 | YTD Nov. 2017P | YTD Nov. 2016 | % change YTD |
|---------------------|---------|---------|--------------------------|-------------------|------------------|-----------------|
| O'ahu | 105,998 | 103,118 | -2.7% | 93,826 | 94,972 | -1.2% |
| Maui County | 61,005 | 65,293 | 7.0% | 57,233 | 61,556 | -7.0% |
| ...Maui | 60,361 | 64,502 | 6.9% | 56,332 | 60,858 | -7.4% |
| ...Moloka'i | 2,445 | 1,993 | -18.5% | 1,941 | 1,825 | 6.3% |
| ...Lāna'i | 1,492 | 1,584 | 6.2% | 1,251 | 1,476 | -15.2% |
| Kaua'i | 33,406 | 31,772 | -4.9% | 31,271 | 29,997 | 4.2% |
| Hawai'i Island | 49,755 | 48,481 | -2.6% | 48,691 | 44,842 | 8.6% |

Group vs. FIT; Leisure vs. Business

| EUROPE MMA (by Air) | 2015 | 2016 | % Change 2016 vs 2015 | YTD Nov. 2017P | YTD Nov. 2016 | % change YTD |
|---------------------|---------|---------|--------------------------|-------------------|------------------|-----------------|
| Group vs FIT | | | | | | |
| Group tour | 8,399 | 8,943 | 6.5% | 6,472 | 8,668 | -25.3% |
| True Independent | 94,079 | 93,533 | -0.6% | 86,618 | 85,597 | 1.2% |
| Leisure vs business | | | | | | |
| Pleasure (Net) | 126,397 | 124,394 | -1.6% | 113,723 | 114,980 | -1.1% |
| MCI (Net) | 9,246 | 8,086 | -12.5% | 7,777 | 7,782 | -0.1% |
| Convention/Conf. | 6,369 | 4,740 | -25.6% | 5,481 | 4,552 | 20.4% |
| Corp. Meetings | 1,296 | 1,317 | 1.6% | 1,350 | 1,203 | 12.3% |
| Incentive | 1,834 | 2,381 | 29.8% | 1,153 | 2,364 | -51.2% |

First Timers vs. Repeat Visitors

| EUROPE MMA (by Air) | 2015 | 2016 | % Change 2016 vs 2015 | YTD Nov. 2017P | YTD Nov. 2016 | % change YTD |
|---------------------|------|------|--------------------------|-------------------|------------------|-----------------|
| 1st timers (%) | 68.9 | 70.8 | -1.9 | 72.4 | 71.9 | 0.5 |
| Repeaters (%) | 31.1 | 29.2 | 1.9 | 27.6 | 28.1 | -0.5 |

Tax Revenue

| EUROPE MMA (by Air) | 2015 | 2016 | % Change 2016 vs 2015 | YTD Nov. 2017P | YTD Nov. 2016 | % change YTD |
|--|-------|-------|--------------------------|-------------------|------------------|-----------------|
| State tax revenue generated* (\$ Millions) | 38.10 | 41.25 | 8.3% | 31.58 | 37.81 | -16.5% |

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

Industry

Major Tour Operators

Below are the current top tour operators in Germany and the United Kingdom in relation to market share. This is based on total numbers of passengers to Hawai'i.

Germany

- FIT Touristik*
- Canusa Touristik*
- Fairflight Touristik*
- Dertour
- Meier's Weltreisen
- TUI AG
- Thomas Cook AG
- Explorer Fernreisen
- America Unlimited
- CRD International
- Hawaii.de
- Boomerang Reisen

United Kingdom*

- Virgin Holidays
- Trailfinders
- Hayes and Jarvis
- STA
- Dnata (Gold Medal/Travelbag/Netflights)
- Flight Centre
- BA Holidays
- Expedia
- Tropical Sky
- US Airtours/Travelplanners

* These are the key tour operators who send UK visitors to Hawai'i as a stand-alone destination. This does not take into account multi-center add-ons to the West Coast.

* FTI, Canusa, and Fairlight are the only tour operators with their own dedicated Hawai'i brochure.