

HTA REGULAR BOARD MEETING

Thursday, January 30, 2025

Hō‘ike‘ike Noi‘i ‘Oihana Ho‘okipa

Presentation and Discussion of Current Market Insights and
Conditions in Hawai‘i and Key Major Hawai‘i Tourism
Markets

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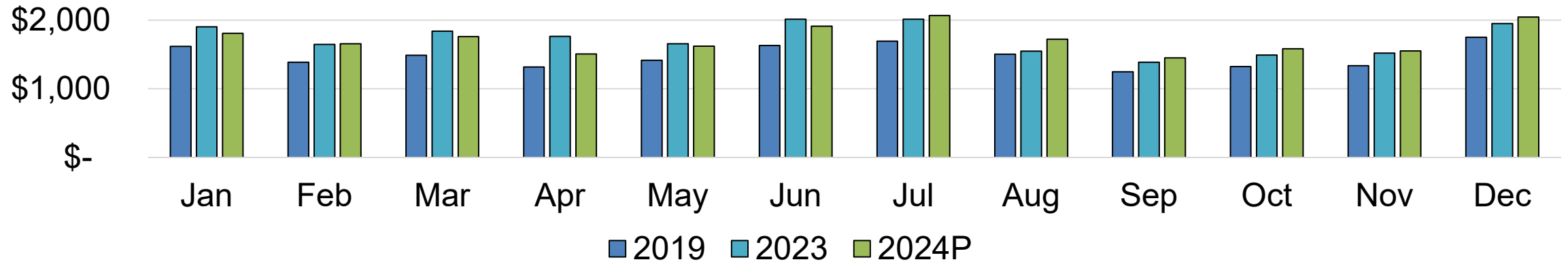
STATE OF HAWAII • DEPARTMENT OF BUSINESS,
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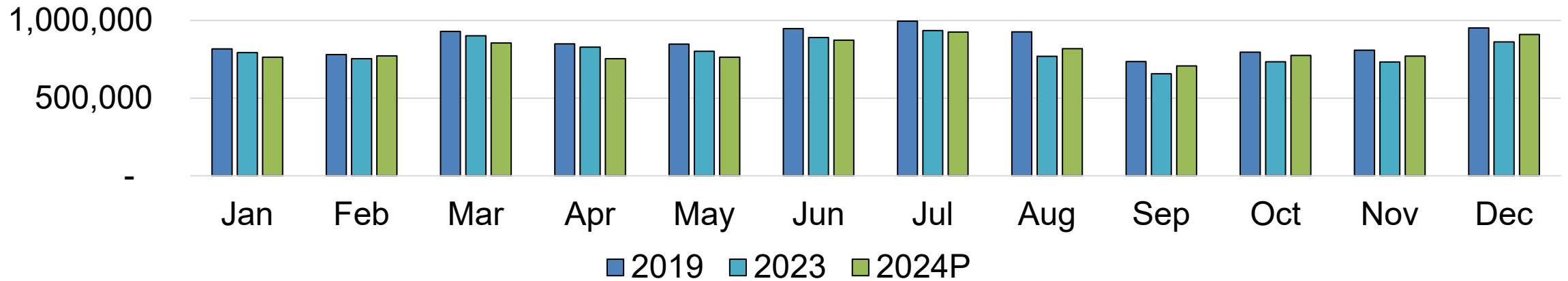
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December 2024 Highlights – Expenditures and Arrivals

Monthly Visitor Expenditures (\$millions)



Monthly Visitor Arrivals



Note: 2024 figures are preliminary.

December 2024 Highlights by Market

EXPENDITURES (\$mil.)	2024P	2023	2019
TOTAL (AIR)	2,032.8	1,944.9	1,747.8
U.S. West	922.4	856.3	697.6
U.S. East	609.4	557.6	488.3
Japan	104.4	114.3	210.9
Canada	129.9	158.6	129.6
All Others	266.7	258.1	221.4

PPPD SPENDING (\$)	2024P	2023	2019
TOTAL (AIR)	248.4	243.6	199.1
U.S. West	230.2	225.9	180.2
U.S. East	264.3	258.9	217.5
Japan	237.9	247.7	260.0
Canada	225.4	227.3	159.0
All Others	311.4	292.5	213.4

VISITOR ARRIVALS	2024P	2023	2019
TOTAL (AIR)	892,000	847,257	941,128
U.S. West	452,023	424,808	418,520
U.S. East	228,169	209,574	215,358
Japan	70,825	70,348	136,635
Canada	53,203	57,885	64,182
All Others	87,779	84,643	106,434

AVERAGE DAILY CENSUS	2024P	2023	2019
TOTAL (AIR)	263,977	257,596	283,210
U.S. West	129,243	122,256	124,866
U.S. East	74,369	69,480	72,425
Japan	14,149	14,880	26,168
Canada	18,592	22,514	26,287
All Others	27,622	28,466	33,464

Note: 2024 figures are preliminary.

December 2024 Highlights by Island

EXPENDITURES (\$mil.)	2024P	2023	2019
O'ahu	864.3	871.7	778.4
Maui	563.6	468.4	513.1
Moloka'i	2.6	3.5	4.2
Lāna'i	17.1	17.2	14.5
Kaua'i	251.5	277.1	175.1
Hawai'i Island	333.6	307.0	262.4

PPPD SPENDING (\$)	2024P	2023	2019
O'ahu	219.4	223.9	197.2
Maui	294.2	268.9	218.2
Moloka'i	177.2	205.7	117.9
Lāna'i	967.9	904.8	491.7
Kaua'i	273.3	297.6	181.1
Hawai'i Island	242.7	221.9	181.3

VISITOR ARRIVALS	2024P	2023	2019
O'ahu	540,147	514,109	558,346
Maui	227,800	197,520	275,419
Moloka'i	2,249	2,691	6,163
Lāna'i	3,923	4,128	7,004
Kaua'i	120,916	120,780	124,356
Hawai'i Island	165,512	164,875	177,912

AVERAGE DAILY CENSUS	2024P	2023	2019
O'ahu	127,101	125,587	127,349
Maui	61,804	56,180	75,856
Moloka'i	479	553	1,162
Lāna'i	570	613	952
Kaua'i	29,689	30,043	31,202
Hawai'i Island	44,334	44,621	46,689

Note: 2024 figures are preliminary.

December 2024 Highlights – Purpose of Trip

PURPOSE OF TRIP - % Total	Total by Air		US West		US East		Japan		Canada	
	2024P	2019	2024P	2019	2024P	2019	2024P	2019	2024P	2019
Pleasure (Net)	83.4%	84.7%	84.2%	84.6%	80.7%	81.7%	77.3%	81.9%	93.4%	95.1%
Honeymoon/Get Married	3.0%	4.8%	1.8%	2.2%	2.7%	3.4%	8.7%	11.4%	1.5%	1.6%
Honeymoon	2.6%	4.3%	1.5%	1.8%	2.3%	2.9%	8.4%	10.6%	1.3%	1.4%
Get Married	0.5%	0.8%	0.5%	0.5%	0.5%	0.6%	0.8%	1.8%	0.3%	0.2%
Pleasure/Vacation	80.8%	80.4%	82.7%	82.8%	78.5%	78.9%	69.6%	71.1%	92.2%	93.8%
Mtgs/Conventions/Incentive	1.7%	2.9%	1.5%	1.8%	2.2%	2.5%	2.3%	6.1%	1.0%	2.0%
Conventions	1.0%	1.2%	0.9%	1.0%	1.4%	1.5%	0.2%	0.5%	0.6%	1.2%
Corporate Meetings	0.4%	0.7%	0.5%	0.6%	0.5%	0.7%	0.1%	0.1%	0.2%	0.7%
Incentive	0.4%	1.1%	0.2%	0.2%	0.3%	0.4%	2.0%	5.5%	0.1%	0.2%
Other Business	2.0%	2.2%	2.3%	2.9%	2.4%	3.0%	0.3%	0.6%	0.5%	0.6%
Visit Friends/Rel.	11.6%	10.1%	13.0%	12.5%	14.7%	14.3%	2.2%	1.5%	5.8%	4.2%
Gov't/Military	0.7%	0.6%	0.5%	0.6%	1.4%	1.2%	0.0%	0.0%	0.1%	0.0%
Attend School	0.3%	0.2%	0.1%	0.1%	0.1%	0.1%	0.7%	0.5%	0.0%	0.1%
Sport Events	2.5%	2.5%	1.5%	1.3%	2.4%	1.4%	11.9%	9.6%	1.1%	1.1%
Other	2.9%	3.2%	2.8%	2.6%	3.4%	3.1%	4.1%	6.8%	0.8%	0.9%

Note: 2024 figures are preliminary.

December 2024 Highlights – Accommodation Choice

ACCOMMODATIONS - % Total	Total by Air		US West		US East		Japan		Canada	
	2024P	2019	2024P	2019	2024P	2019	2024P	2019	2024P	2019
Plan to stay in Hotel	57.2%	58.4%	52.1%	48.5%	58.4%	56.5%	69.1%	82.5%	54.2%	45.5%
Plan to stay in Condo	14.3%	16.7%	15.7%	18.7%	12.2%	14.0%	14.4%	13.2%	24.2%	32.5%
Plan to stay in Timeshare	7.5%	7.2%	8.3%	8.6%	7.0%	7.3%	8.4%	5.3%	8.9%	8.8%
Cruise Ship	1.2%	1.1%	0.6%	0.7%	2.6%	2.5%	0.5%	0.3%	1.0%	1.1%
Friends/Relatives	12.5%	12.2%	14.2%	15.3%	15.2%	16.0%	1.5%	1.2%	7.6%	5.8%
Bed & Breakfast	0.9%	1.2%	0.9%	1.2%	1.1%	1.5%	0.0%	0.2%	1.2%	1.5%
Rental House	11.3%	10.5%	12.3%	12.1%	12.8%	12.2%	0.3%	0.4%	10.5%	13.0%
Hostel	0.6%	0.8%	0.5%	0.7%	0.6%	0.9%	0.1%	0.1%	0.8%	1.8%
Camp Site, Beach	0.4%	0.7%	0.4%	0.8%	0.4%	0.7%	0.0%	0.0%	0.5%	1.9%
Private Room in Private Home**	1.0%	1.8%	1.0%	1.4%	0.9%	1.4%	0.3%	0.4%	1.3%	1.8%
Shared Room/Space in Private Home**	0.3%	0.5%	0.3%	0.5%	0.3%	0.5%	0.1%	0.3%	0.2%	0.6%
Other	1.9%	1.5%	2.0%	2.0%	2.2%	2.0%	0.1%	0.0%	1.7%	1.4%

Note: 2024 figures are preliminary.

December 2024 Highlights – Hawai‘i Airport Throughput

Throughput by Week

State: Hawaii; Airport: All



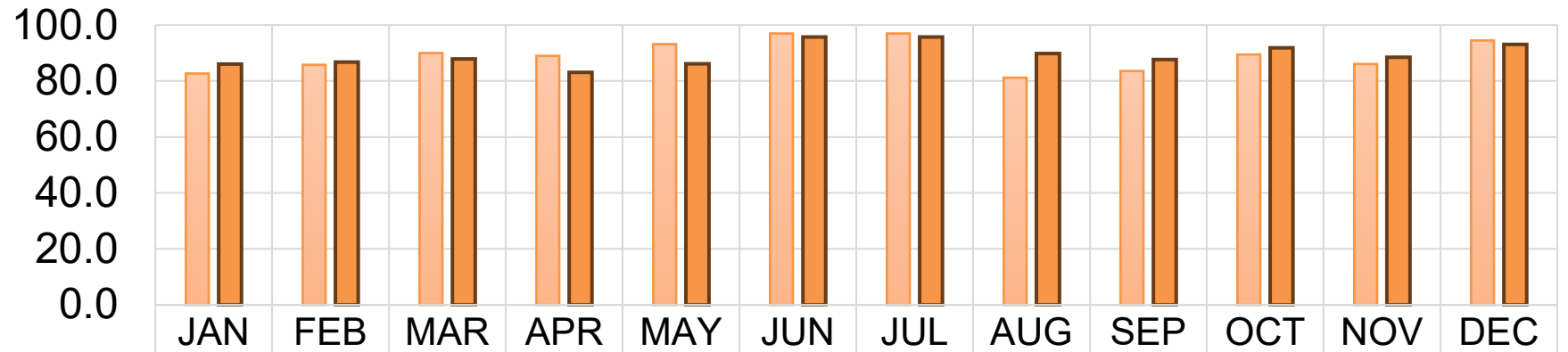
Hawaii Airports

Throughput for the last 6 months, % change compared to 2023

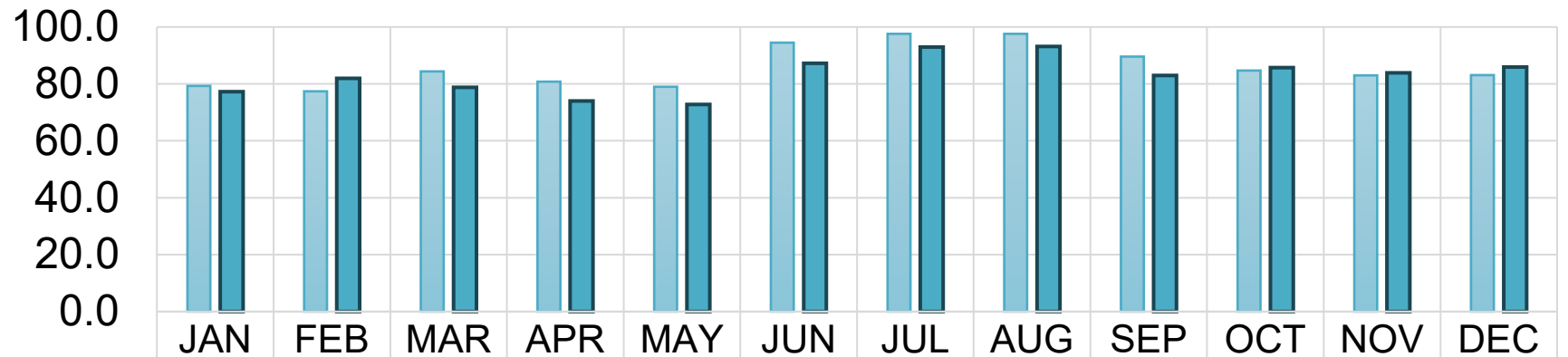
	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
All Airports	-2%	4%	2%	2%	1%	6%
Daniel K. Inouye International Airport	4%	4%	-2%	0%	-2%	5%
Kahului	-18%	18%	44%	20%	11%	13%
Ellison Onizuka Kona International Airport	-2%	-5%	-7%	-5%	-1%	1%
Lihue	0%	-6%	-8%	-3%	2%	5%
Hilo International	3%	-1%	-4%	-1%	-3%	1%

Source: Transportation Security Administration by Tourism Economics

December 2024 Highlights – Load Factors



DOMESTIC FLIGHTS 2023	82.7	85.8	90.0	89.0	93.2	97.0	97.0	81.2	83.6	89.5	86.1	94.5
DOMESTIC FLIGHTS 2024P	86.1	86.8	87.9	83.1	86.2	95.7	95.7	89.8	87.7	91.9	88.5	93.1



INTERNATIONAL FLIGHTS 2023	79.3	77.4	84.4	80.8	79.0	94.5	97.6	97.6	89.6	84.7	83.0	83.1
INTERNATIONAL FLIGHTS 2024P	77.3	82.0	78.8	74.0	72.8	87.3	93.0	93.2	83.0	85.7	83.9	85.9

Note: 2024 figures are preliminary.

December 2024 Highlights - Lodging

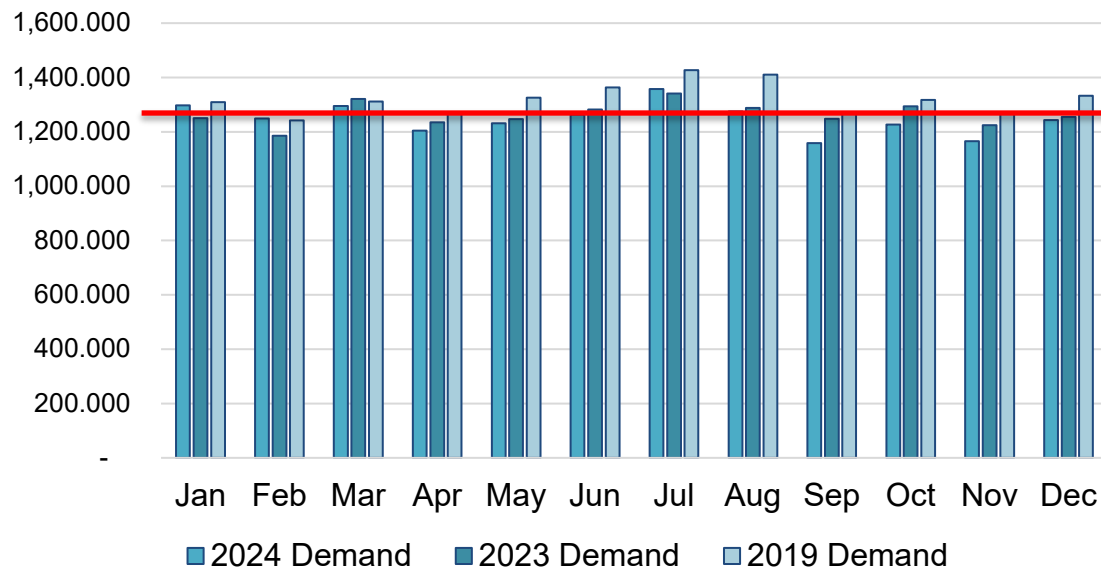
State of Hawai'i Hotel Performance

	2024	2023	2019
Occupancy	71.3%	72.6%	80.2%
ADR	\$435	\$425	\$353
RevPAR	\$310	\$308	\$283

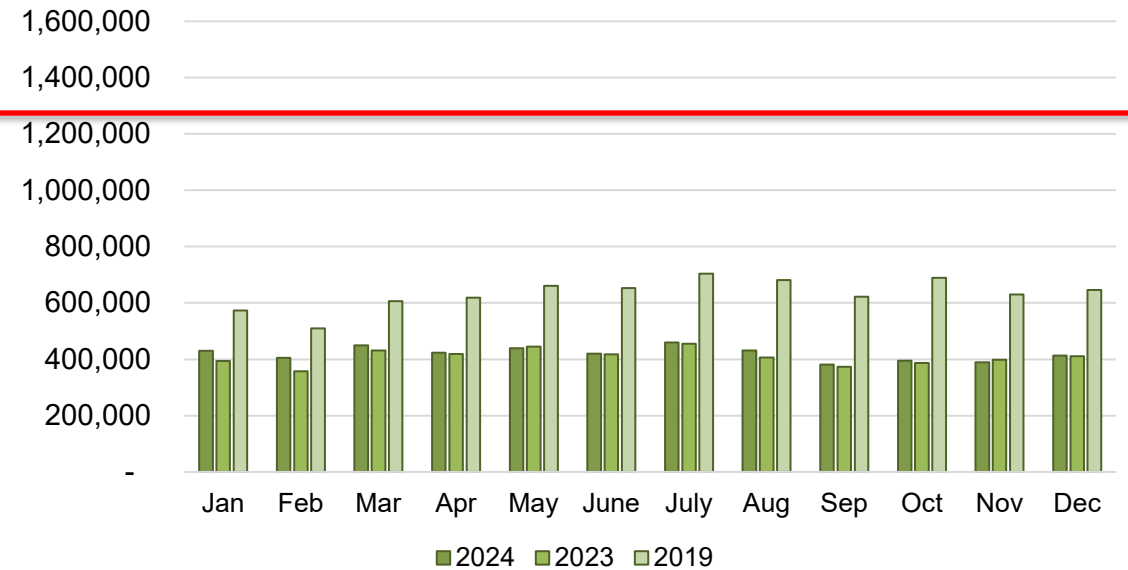
State of Hawai'i Vacation Rental Performance

	2024	2023	2019
Occupancy	52.0%	53.5%	75.3%
ADR	\$354	\$318	\$234

State of Hawai'i Hotel Demand



State of Hawai'i Vacation Rental Demand

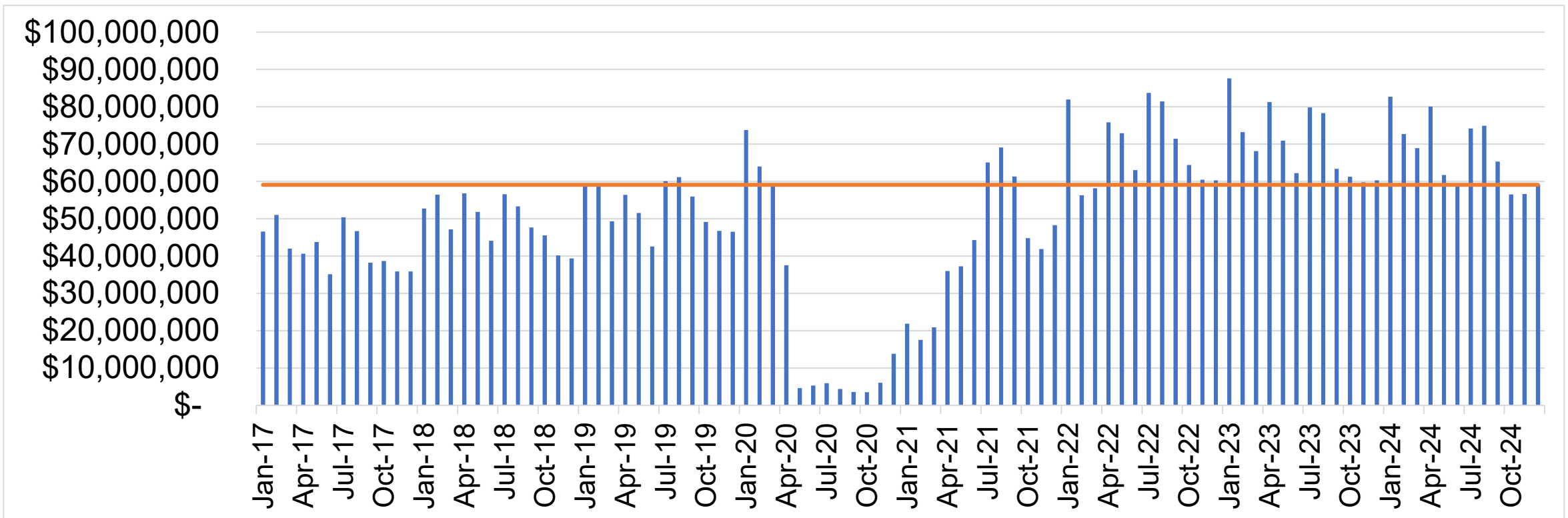


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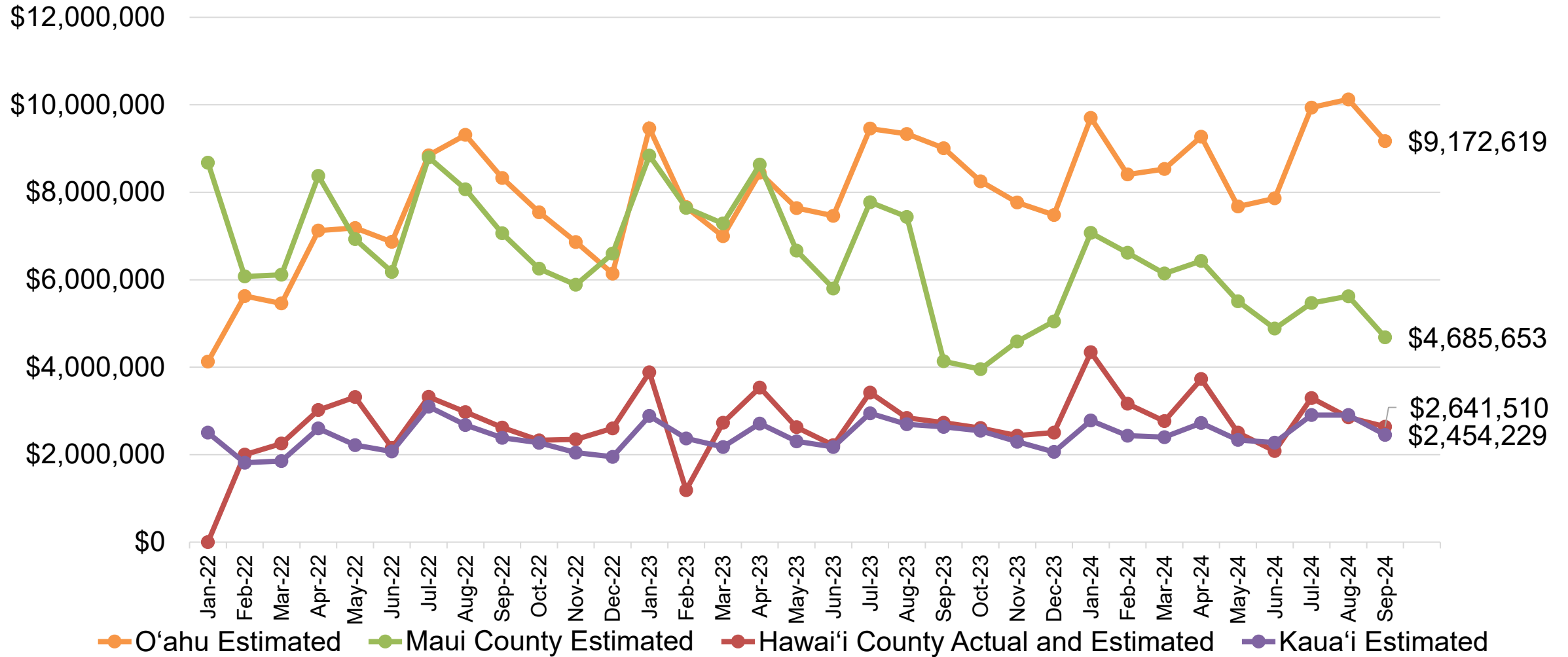
December 2024 Highlights - State TAT Collections

- Preliminary December 2024 TAT Collections: \$59.1 million
- Preliminary YTD Fiscal 25 TAT Collections: \$386.7 million (-4.0%)
- YTD Fiscal 24 TAT Collections: \$402.9 million (-16.2 million)



Source: Department of Taxation

Estimated County TAT Collections



Source: Department of Taxation Transient Accommodation Tax Base



Scheduled Nonstop Seats to Hawai'i by Port Entry

December	Total			Domestic			International		
	2024	2023	2019	2024	2023	2019	2024	2023	2019
STATE	1,189,411	1,124,097	1,240,436	948,225	868,942	898,261	241,186	255,155	342,175
HONOLULU	756,361	699,569	750,881	542,099	479,103	456,929	214,262	220,466	293,952
KAHULUI	220,273	217,265	277,908	203,898	196,156	250,970	16,375	21,109	26,938
KONA	122,599	126,055	115,152	115,008	115,781	98,565	7,591	10,274	16,587
HILO	0	0	4,316	0	0	4,316	0	0	0
LIHU'E	90,178	81,208	92,179	87,220	77,902	87,481	2,958	3,306	4,698

January	Total			Domestic			International		
	2025	2024	2019	2025	2024	2019	2025	2024	2019
STATE	1,139,248	1,095,596	1,128,387	901,309	834,351	763,632	237,939	261,245	364,755
HONOLULU	726,141	699,358	695,632	513,729	470,557	388,968	212,412	228,801	306,664
KAHULUI	212,789	209,405	227,818	196,066	188,324	195,030	16,723	21,081	32,788
KONA	117,654	107,230	114,953	111,460	97,955	97,410	6,194	9,275	17,543
HILO	0	0	2,822	0	0	2,822	0	0	0
LIHU'E	82,664	79,603	87,162	80,054	77,515	79,402	2,610	2,088	7,760

Source: DBEDT READ analysis based on scheduled flights from Diio Mi flight schedules as of January 27, 2025, subject to change



Scheduled Nonstop Seats to Hawai'i by Port Entry

February	Total			Domestic			International		
	2025	2024	2019	2025	2024	2019	2025	2024	2019
STATE	1,001,400	1,039,548	1,004,920	791,466	799,692	679,364	209,934	239,856	325,556
HONOLULU	638,460	661,681	618,244	453,034	452,456	345,670	185,426	209,225	272,574
KAHULUI	189,475	201,234	203,181	173,955	180,857	173,414	15,520	20,377	29,767
KONA	101,851	104,968	104,142	95,473	96,802	87,827	6,378	8,166	16,315
HILO	0	0	2,656	0	0	2,656	0	0	0
LIHU'E	71,614	71,665	76,697	69,004	69,577	69,797	2,610	2,088	6,900

March	Total			Domestic			International		
	2025	2024	2019	2025	2024	2019	2025	2024	2019
STATE	1,204,590	1,176,223	1,185,426	967,859	915,517	836,583	236,731	260,706	348,843
HONOLULU	767,809	743,635	713,111	559,394	519,084	422,760	208,415	224,551	290,351
KAHULUI	238,225	230,701	250,043	220,632	208,510	216,456	17,593	22,191	33,587
KONA	112,006	119,532	124,674	104,415	108,178	106,853	7,591	11,354	17,821
HILO	0	0	3,665	0	0	3,665	0	0	0
LIHU'E	86,550	82,355	93,933	83,418	79,745	86,849	3,132	2,610	7,084

Source: DBEDT READ analysis based on scheduled flights from Diio Mi flight schedules as of January 27, 2025, subject to change



MARKET TRENDS AND INSIGHTS



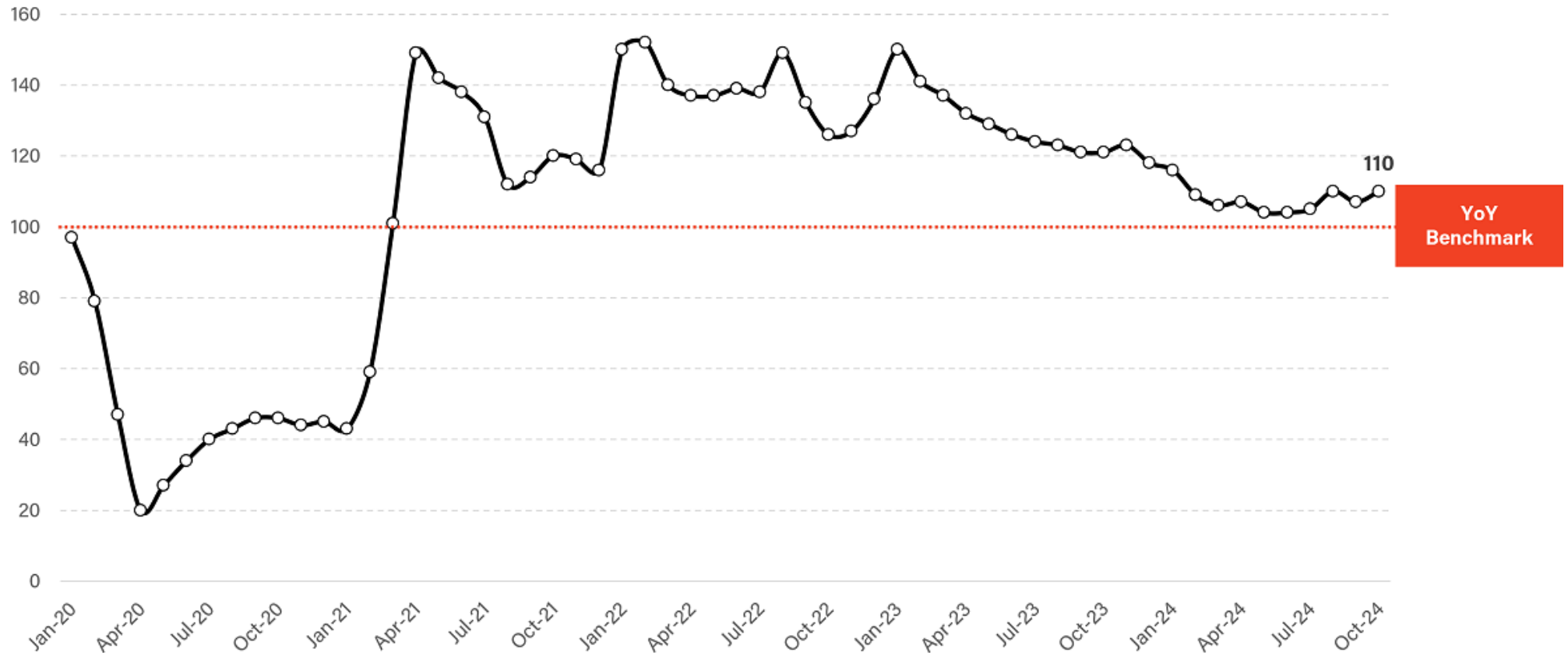
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Skift Travel Health Index = 110

The Travel Health Index, at 110 in October 2024 Shows Continued Travel Momentum

Weighted Average (Index Benchmarked to the Same Month in the Previous Year)



Source: Skift Research from partner data.

Source: Skift Research

National Travel Indicators

November, 2024

Compare to Prior Year or 2019
Previous Year



Travel Spending*

(Tourism Economics)

\$103.7B

↗ +2.6%

November vs. Previous Year

↗ +2.4%

YTD vs. Previous Year



Air Passengers

(TSA)

↗ +0.2%

November vs. Previous Year

↗ +5.1%

YTD vs. Previous Year



Overseas Arrivals

(NTTO)

↗ +6.3%

November vs. Previous Year

↗ +12.4%

YTD vs. Previous Year



Hotel Demand

(STR)

↗ +2.2%

November vs. Previous Year

↗ +0.5%

YTD vs. Previous Year



Short-term Rental Demand

(AIRDNA)

↗ +5.8%

November vs. Previous Year

↗ +8.0%

YTD vs. Previous Year

Insights

Air passenger volume was flat year-over-year in November after posting 1% growth in October.

Overseas arrivals continued to make gains, growing 6% in November. Overseas arrivals for the year through October have recovered to 86% of 2019 volumes.

Hotel room demand growth remained positive at 2% in November, albeit slightly less than 3% in October.

Group room demand for the top 25 markets fell 3% in November, the first decline since March.

Short-term rental demand grew 6% year-over-year in November, compared to 8% in October.

Travel Indicators

% change relative to same month vs. Previous Year

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Travel Spending (Tourism Economics)	4.7%	1.3%	2.2%	0.8%	2.9%	4.8%	2.5%	1.6%	3.4%	0.4%	3.4%	2.6%
Air Passengers (TSA)	9.7%	5.8%	10.7%	7.3%	5.1%	7.7%	6.3%	5.2%	5.5%	2.2%	0.8%	0.2%
Overseas Arrivals (NTTO)	23.7%	24.0%	25.8%	25.4%	9.2%	17.5%	13.7%	9.2%	7.6%	4.5%	5.8%	6.3%
Hotel Demand (STR)	-1.2%	-1.2%	-0.8%	-2.0%	1.7%	2.0%	0.3%	0.0%	1.9%	-2.0%	2.7%	2.2%
Top 25 Group Hotel Demand** (STR)	-2.7%	9.6%	6.4%	-4.7%	10.0%	5.1%	0.5%	4.7%	7.3%	6.9%	0.6%	-3.2%
Short-term Rental Demand (AIRDNA)	3.6%	0.6%	11.9%	11.0%	0.6%	11.8%	10.3%	9.0%	13.3%	3.0%	8.1%	5.8%
National Park Visits (National Park Service)	9.4%	-0.9%	2.2%	11.9%	2.1%	-8.5%	-2.9%	-9.0%	-4.1%	-9.1%	-10.0%	-7.8%

-10.0% 25.8%

*Estimates are subject to revision as annual data becomes available
**Demand at upper-tier hotels (luxury and upper upscale classes)

Compare to Previous Year

Insights

The return of Boeing strikers and workers affected by storms boosted payrolls above expectations in November. We are seeing a labor market where those who have jobs are relatively secure because layoffs have not been broad-based, but those who do lose their jobs struggle to find new work as hiring has been curbed. Year-over-year growth in earnings were steady at 4%, a pace consistent with the Fed's 2% inflation target, given recent strong productivity growth. The Fed is less concerned about wage growth as a source of inflationary pressures, particularly since forward-looking indicators such as the quits rate point to a further deceleration.

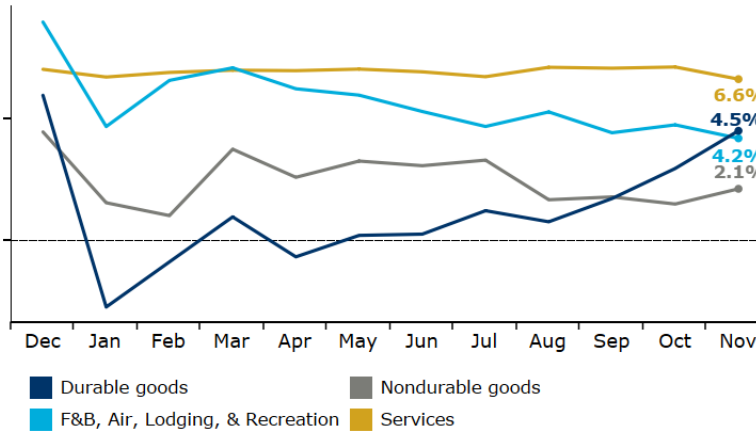
The November consumer price index highlights the strength of the US consumer as the price pressures were mostly in discretionary items, including motor vehicles, lodging away from home like hotels, and airfares. These trends in November caused travel prices (TPI) to grow the most in over a year (2.2%). Meanwhile, there was also some softening in the stickier components of the inflation, including shelter. This highlights that the disinflationary trend has room to run.

Even though job growth is trending lower, a combination of nominal wage gains and slowing inflation is translating into solid growth in real disposable incomes. The strong position of household balance sheets, combined with declining interest rates, means the US consumer is likely to remain a pillar of strength. We expect consumption growth will be 2.8% next year, up from 2.5% this year.

A Republican-led Congress is likely to extend the 2017 personal tax cuts and enact higher spending, while President-elect Donald Trump could use his presidential powers to reduce immigration and impose targeted tariffs. The outlook for 2025 hasn't changed substantially as a result because it will take time for changes in fiscal, trade, and immigration policy to be implemented and impact the economy.

Consumer Spending

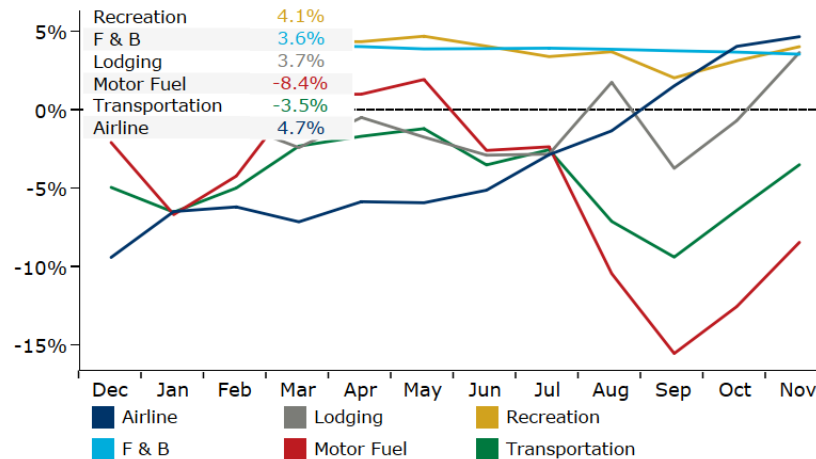
% change relative to same month vs. Previous Year, prior 12-month trend



Source: BEA

Travel Price Index, Major Components

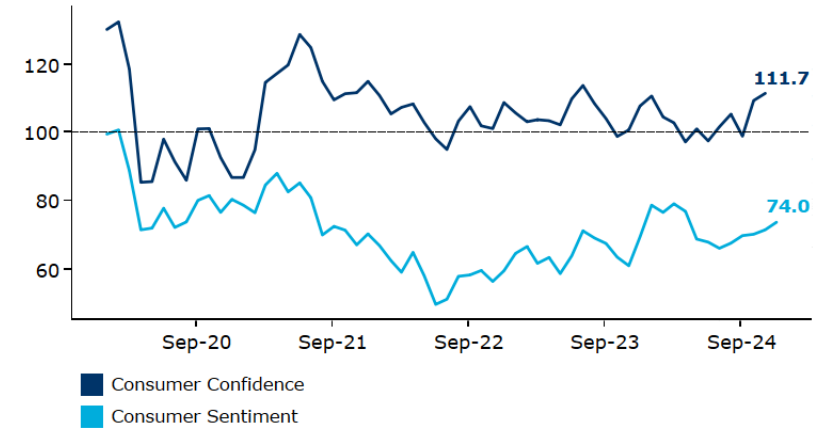
% change relative to same month vs. Previous Year, prior 12-month trend



Source: Tourism Economics

Consumer Confidence & Sentiment Index

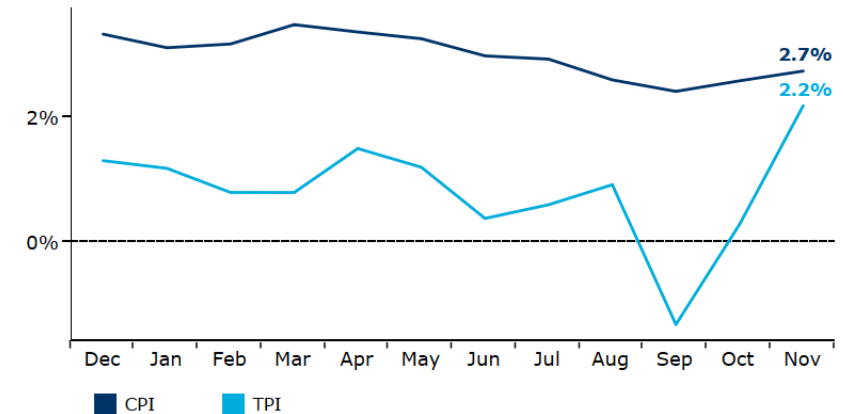
Index, 1985=100, prior 5-years



Source: Conference Board and University of Michigan

Travel (TPI) and Consumer (CPI) Price Indices

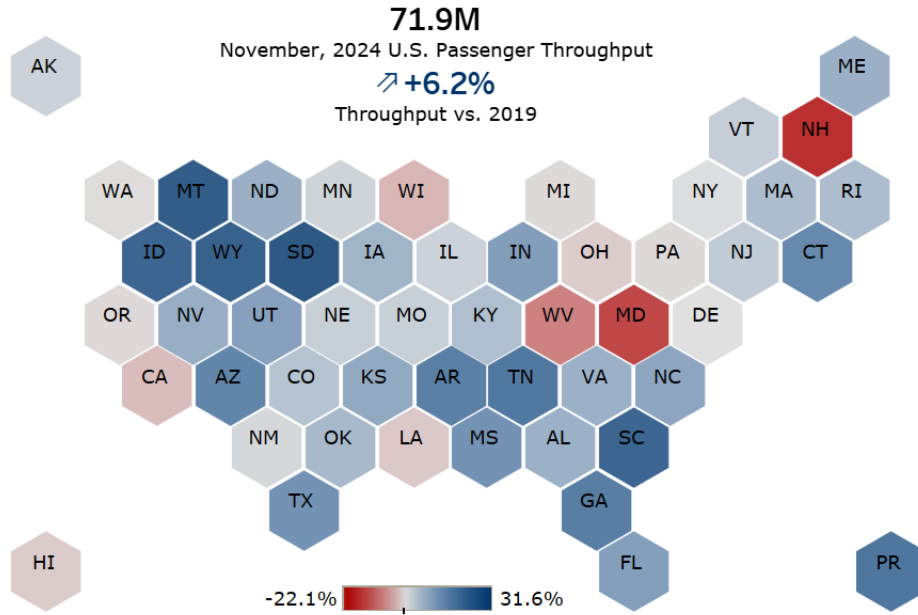
% change relative to same month vs. Previous Year, prior 12-months



Source: BLS (CPI); and Tourism Economics (TPI)

November, 2024 Passenger Throughput by State

All passengers (domestic + international), % change vs. 2019



Passenger Throughput Trend Comparison

All passengers (domestic + international), Index (2019=100)

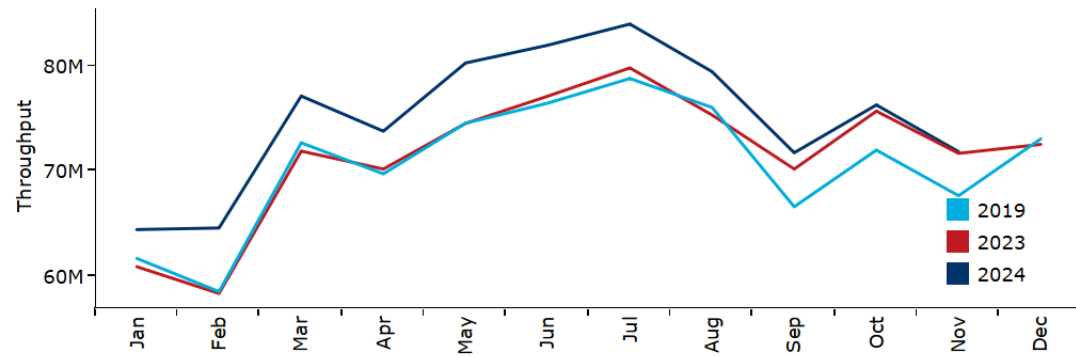
State/Territory Name
Multiple values

	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Arizona	117	119	116	108	120	122	115	122	123	118	116	115	119	119	119
California	95	97	97	91	97	98	96	93	97	96	96	92	97	98	96
Colorado	104	106	106	98	113	112	107	110	107	107	106	106	106	107	105
Hawaii	95	96	97	92	105	104	99	99	94	95	96	92	97	98	98
Illinois	98	98	98	93	102	100	96	97	102	102	103	102	103	100	103
Indiana	109	109	106	98	114	114	108	112	110	112	107	109	111	113	113
Kentucky	109	106	109	102	112	115	108	112	113	110	110	108	112	106	106
Massachusetts	101	104	103	94	107	104	101	102	104	105	107	106	107	110	106
Michigan	101	98	102	92	107	107	97	102	102	105	101	103	104	99	99
Minnesota	100	100	102	93	105	107	100	105	106	107	109	104	102	103	102
Missouri	104	102	105	97	103	108	103	107	106	107	107	105	105	101	103
Montana	132	130	125	108	135	133	126	125	131	139	134	136	142	139	131
Nevada	106	116	107	109	112	117	111	111	112	110	110	107	110	115	109
New Jersey	106	105	108	99	116	114	109	106	108	105	105	104	103	103	104
New York	92	96	101	95	102	102	101	96	95	99	101	98	98	101	100
North Carolina	111	110	110	103	121	120	121	112	118	117	117	113	116	110	111
Oregon	97	100	102	91	97	102	97	101	101	102	101	99	100	102	99
Pennsylvania	98	96	98	90	102	104	104	99	102	104	103	104	104	102	99
Puerto Rico	128	130	129	115	129	136	126	128	141	141	138	134	132	128	123
South Dakota	113	112	117	104	135	132	129	127	119	121	119	122	125	128	132
Texas	115	114	116	108	124	119	116	120	120	116	112	111	115	115	115
Virginia	111	107	109	101	115	114	112	105	110	107	109	108	112	110	109
Washington	101	101	103	91	104	107	99	100	102	104	103	101	104	103	100
United States	105	105	106	99	104	110	106	106	108	107	107	104	108	106	106

Color scale: 90 (red) to 142 (dark blue)

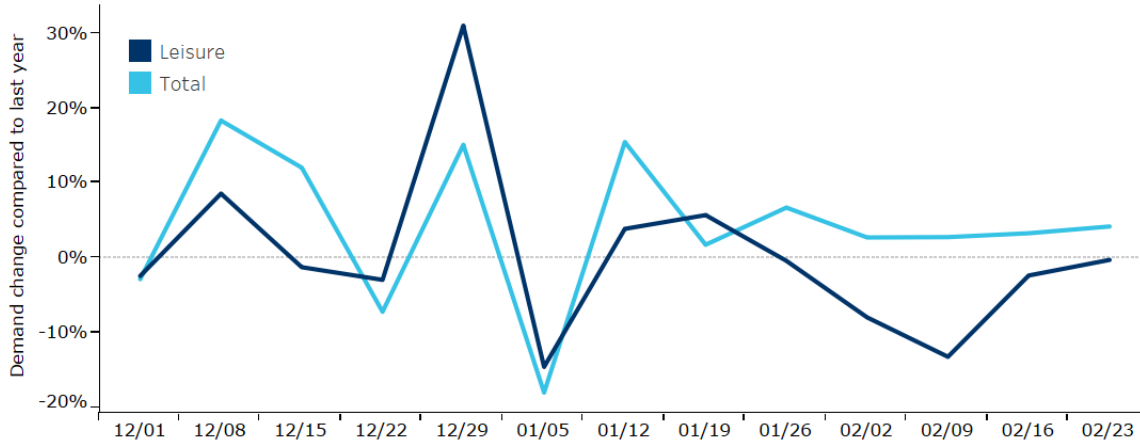
U.S. Monthly Passenger Throughput

All passengers (domestic + international)



U.S. Hotel Leisure Demand Pace

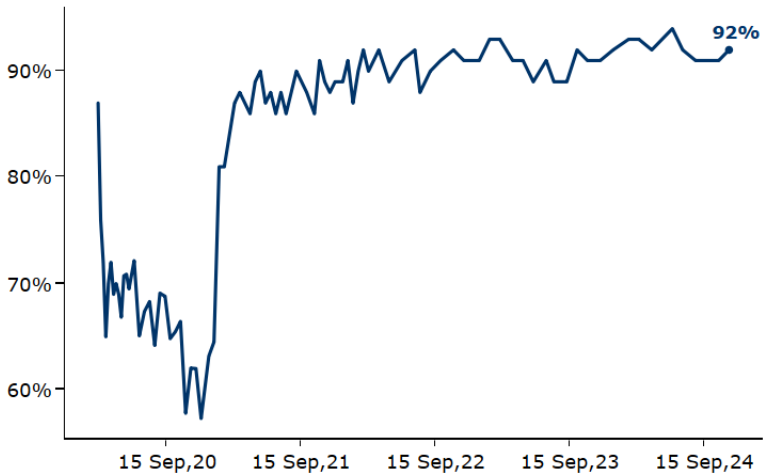
Leisure hotel booking pace vs same time last year, as of 11/18/2024



Source: Amadeus

Consumer Travel Sentiment

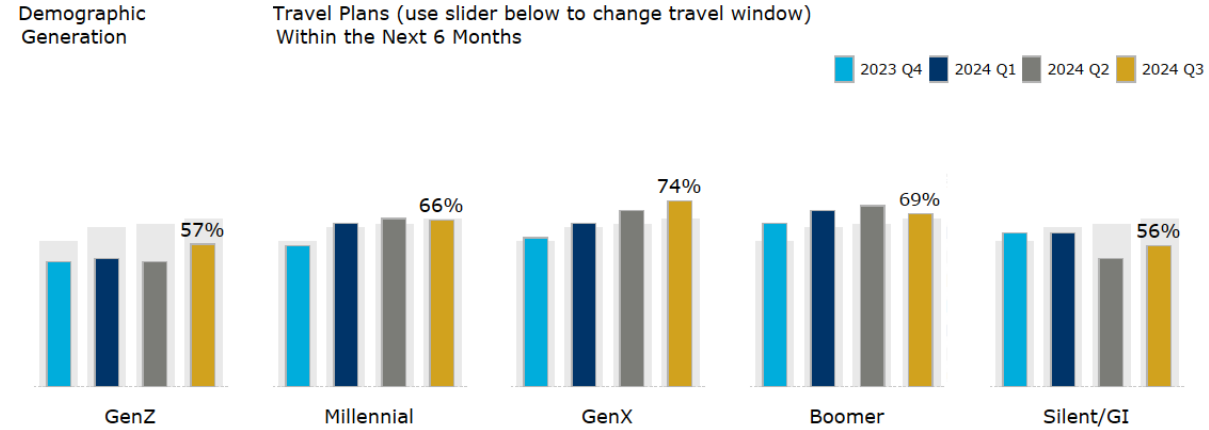
Travelers with Travel Plans in the Next Six Months



Source: Longwoods International

Planning Leisure Travel Within the Next 6 Months

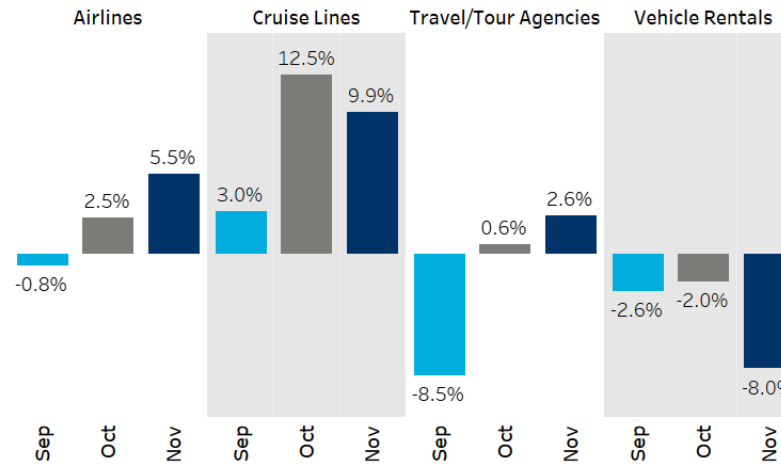
% of American Travelers



Source: MMGY Global's Portrait of American Travelers (released Q3 2024)

US Consumer Credit Card Spend

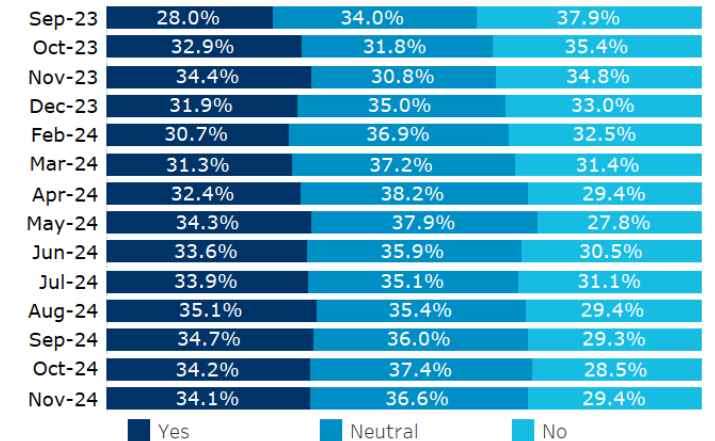
3-month trend, % change YOY



Source: TransUnion

Consumer Travel Sentiment

Do you feel now is a good or bad time for you to spend money on leisure.



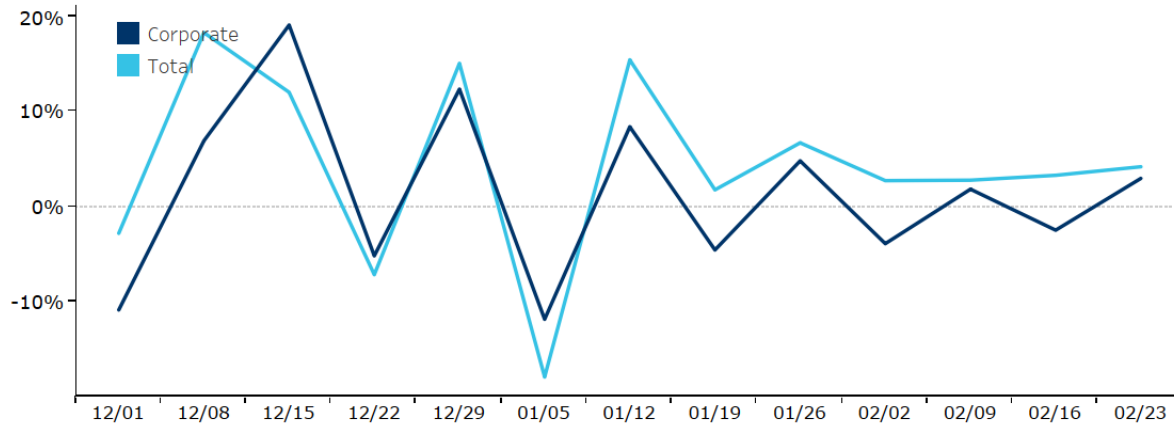
Source: Future Partners

Domestic Business Travel

November, 2024

U.S. Hotel Business Demand Pace

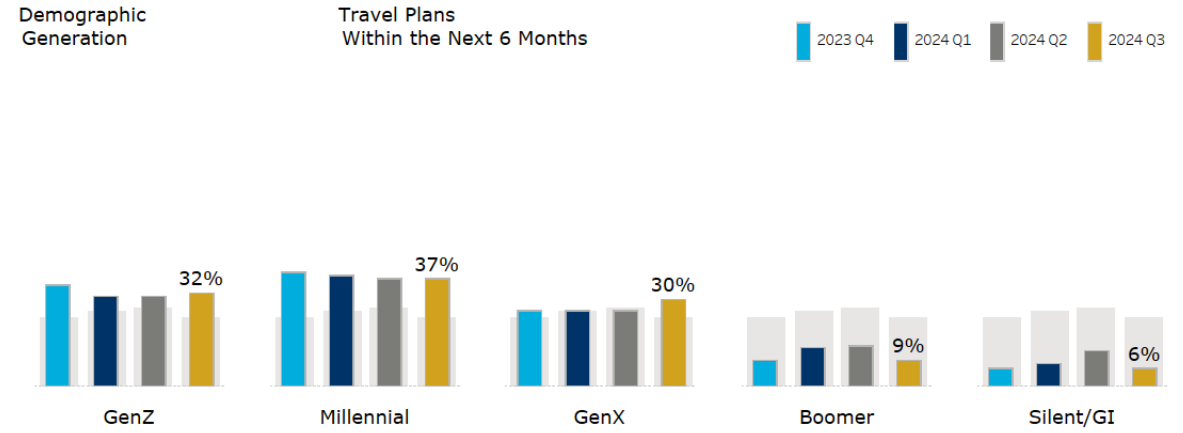
Business hotel booking pace vs same time last year, as of 11/18/2024



Source: Amadeus

Planning Business Travel Within the Next 6 Months

% of American Consumers



Source: MMGY Global's Portrait of American Travelers (released Q3 2024)

Business-related Overnight Trips

How many overnight business trips have you taken the past month?



Source: Future Partners

Business-related Overnight Trips

Percent of all travelers that have taken an overnight business trip in the past month



Source: Future Partners

Insights

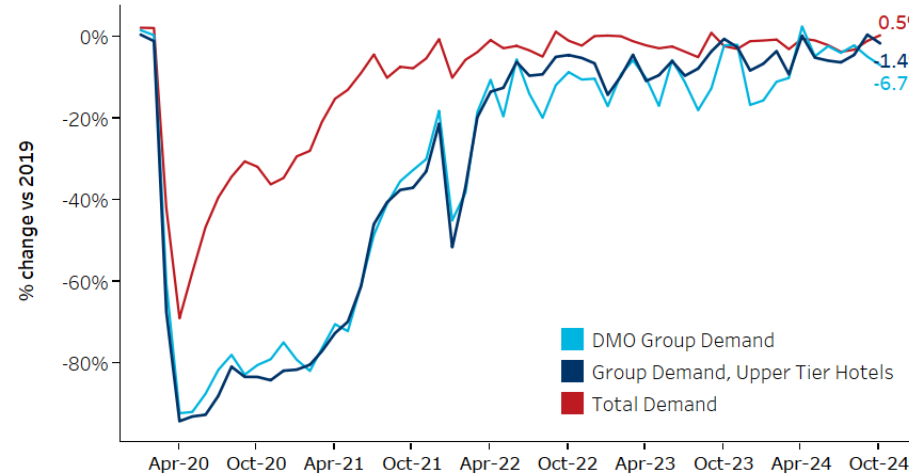
DMO group demand in October slipped to 7% below 2019 levels, compared to 5% below 2019 levels in September.

DMO/CVB pace for room nights on the books as of October 2024 improved from the September readings for the first quarter of 2025.

The majority of meeting planners (59%) in December were more optimistic about the outlook for recovery.

Total U.S. Hotel Demand vs Group Demand

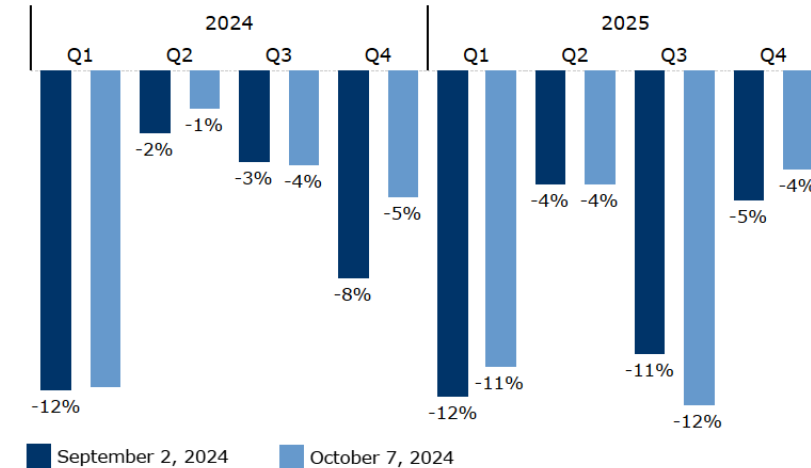
Group demand, % change vs 2019



Source: STR (total demand and top-tier group demand), Simpleview CRM (250+ U.S. DMOs)

DMO/CVB Room Nights on the Books

Pace for future dates, relative to the same period in 2019



Source: Simpleview CRM (250+ U.S. DMOs)

Sourcing of Meeting & Event Venues

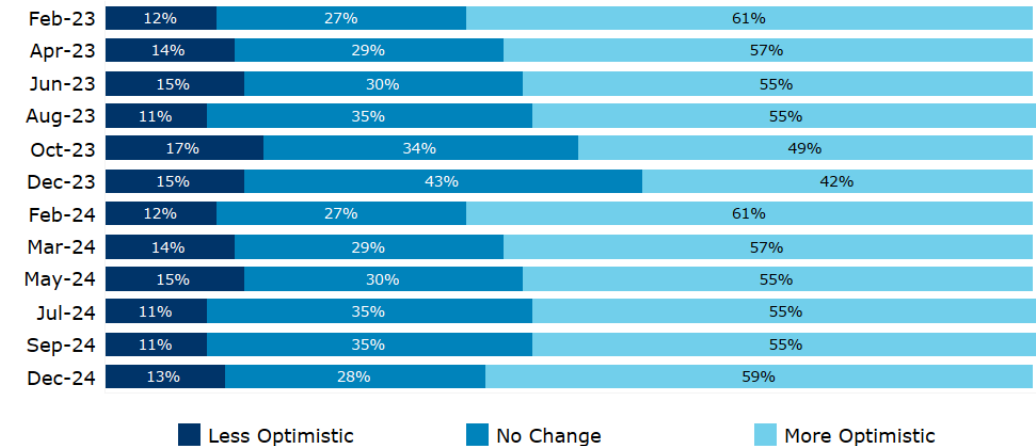
Do you consider any of the following a competitive threat to your meetings and events?



Source: Northstar Meetings Group and Cvent (Meetings industry PULSE survey), as of December 2024

Meeting Planner Outlook

How the outlook for recovery has changed among meeting planners the past six weeks



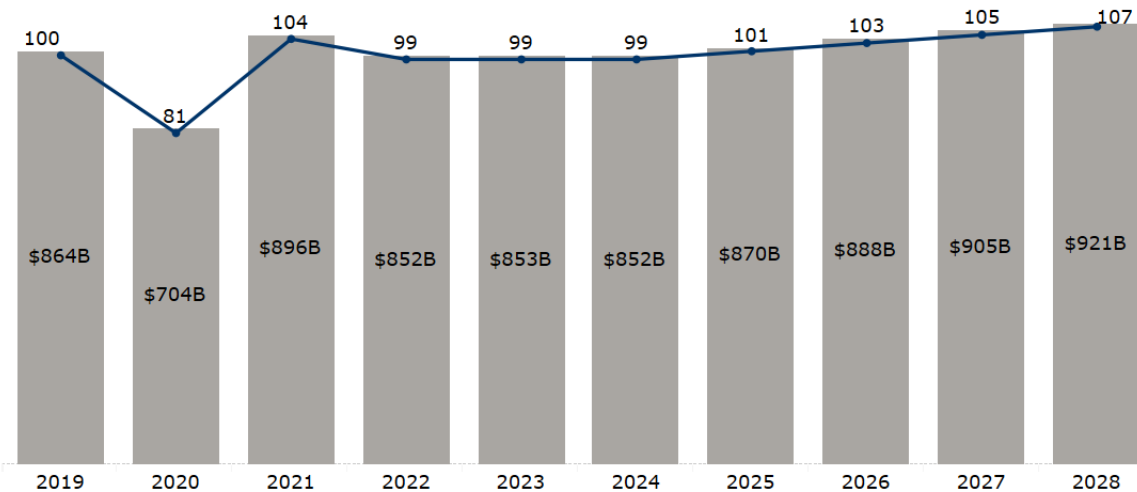
Source: Northstar Meetings Group and Cvent (Meetings industry PULSE survey), as of December 2024

Domestic Travel Forecast

Forecasted in December, 2024

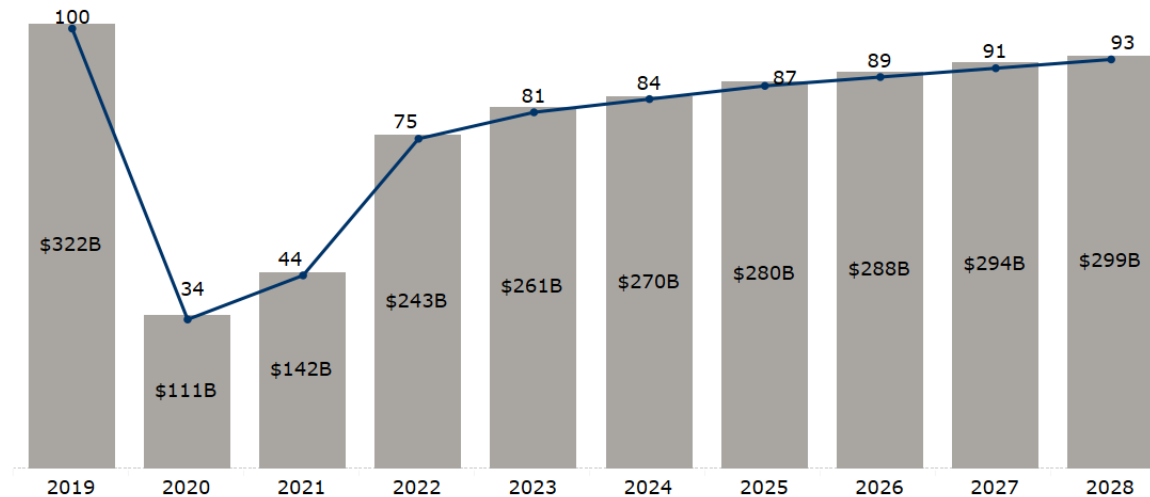
Real Domestic Leisure Travel Spending

Forecasted recovery, relative to 2019 (index, 2019=100)



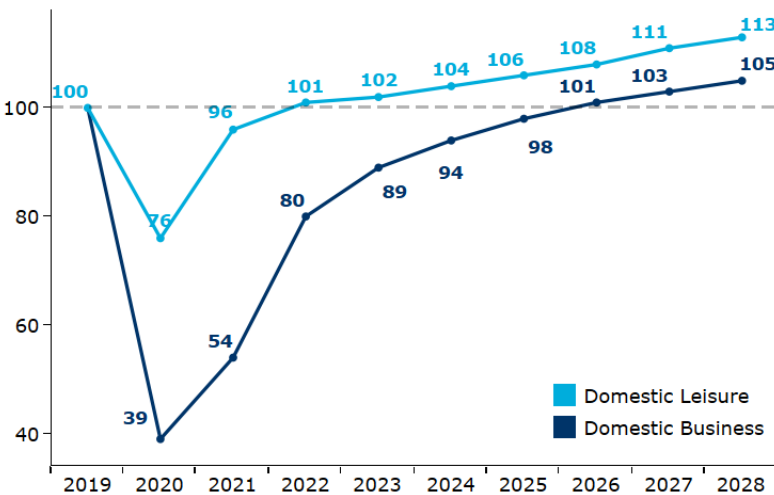
Real Domestic Business Travel Spending

Forecasted recovery, relative to 2019 (index, 2019=100)



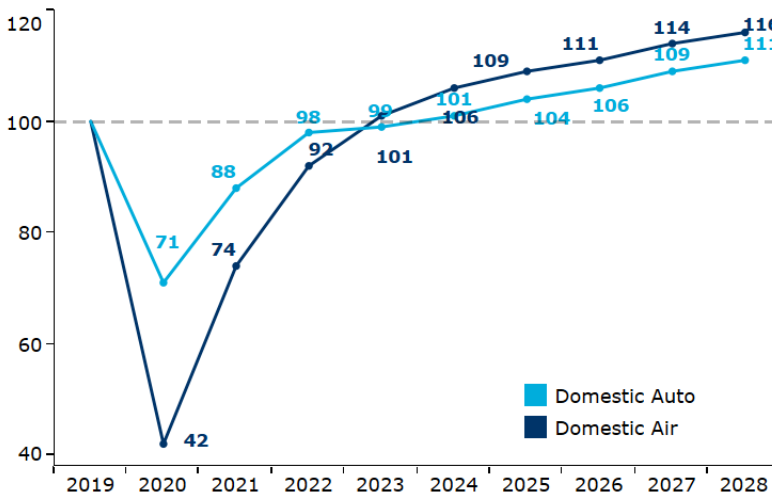
Leisure vs. Business Travel Volume

Forecasted recovery, relative to 2019 (index, 2019=100)



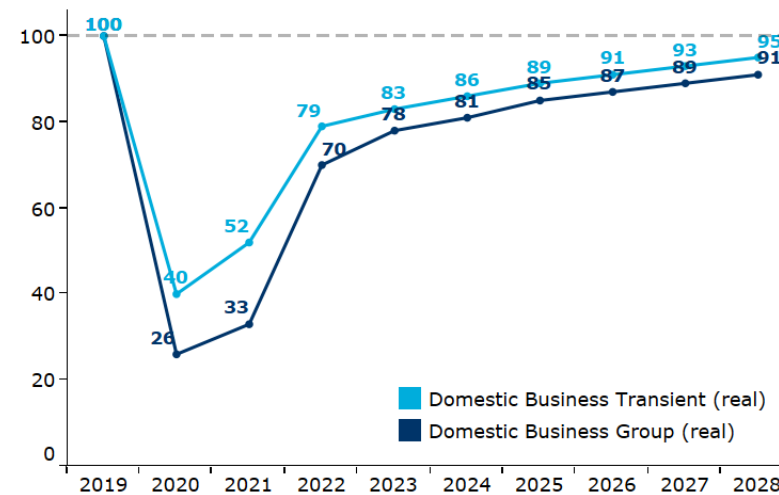
Auto vs. Air Travel Volume

Forecasted recovery, relative to 2019 (index, 2019=100)



Transient vs. Group Business Travel Spending

Forecasted recovery, relative to 2019 (index, 2019=100)

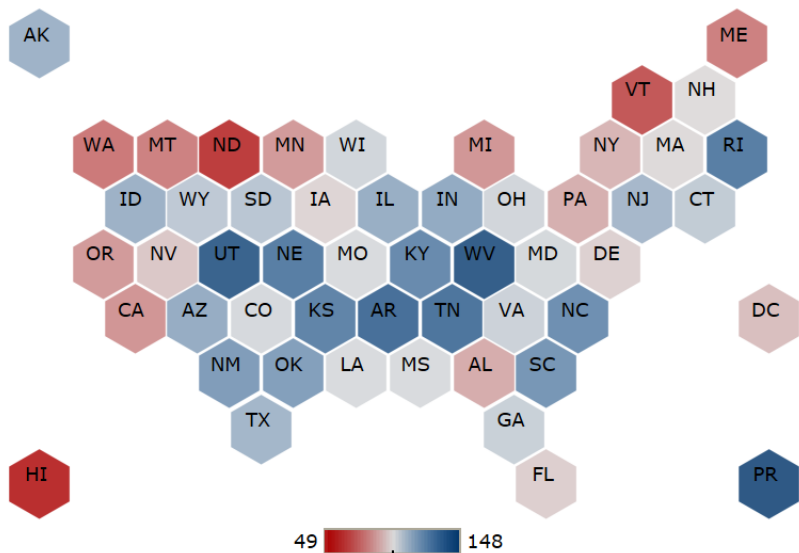


International Inbound Travel

November, 2024

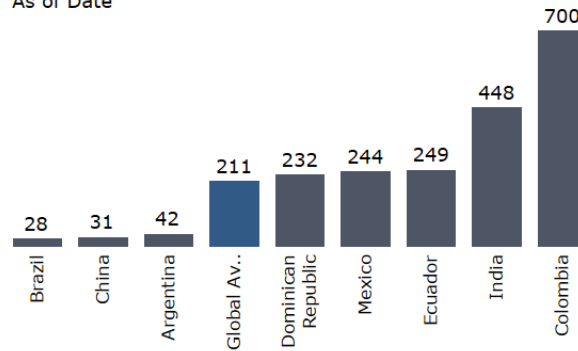
Overseas Arrivals to U.S. by State (+PR)

Visitor arrivals for November, 2024, Index (2019 = 100), based on first intended address



Visa Interview Wait Times, Avg. Days

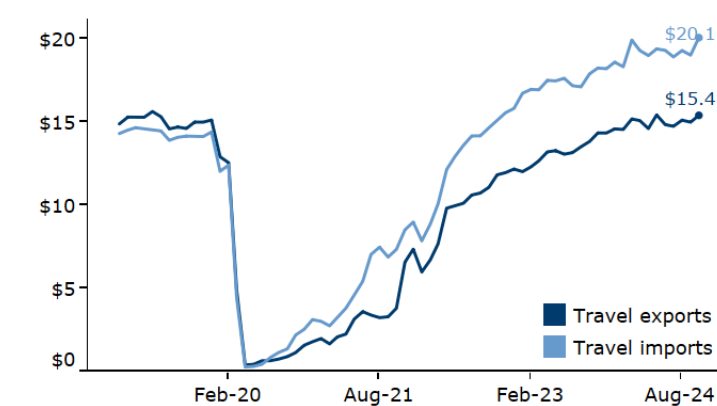
As of Date December 17, 2024



Top-8 inbound markets for tourist visa required countries. Weighted average by 2019 consulate visa issuance. Global Average includes China
Source: Tourism Economics

Nominal US Export and Imports

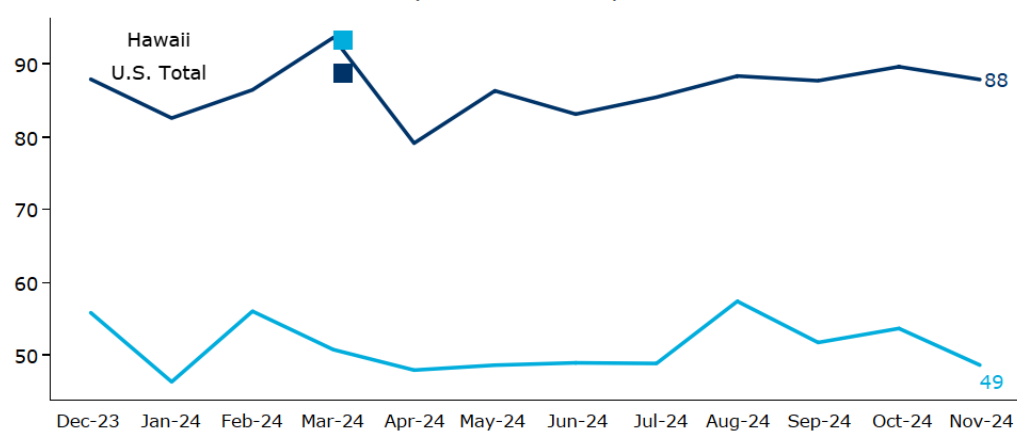
in billions



Source: NTTO

Overseas Arrivals to U.S. Total & Hawaii

Visitor arrivals to U.S. Total & Hawaii, (Index 2019 = 100), based on first intended address



International Arrivals to U.S. Total

Visitor arrivals to U.S. Total, (Index 2019 = 100), based on first intended address

	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24
Total Overseas	84	85	83	88	83	87	94	79	86	83	86	89	88	90	88
Brazil	94	96	83	89	79	89	78	85	95	85	91	89	94	101	101
Canada	90	104	99	91	106	106	101	96	102	95	95	91	94		
Canada (air)	107	113	105	101	113	111	108	109	116	104	107	104	104		
France	87	93	90	103	95	99	93	101	94	81	81	87	90	98	95
Germany	92	94	89	94	91	94	122	84	102	81	95	107	93	101	89
India	136	136	130	149	153	161	159	141	131	135	143	168	151	156	153
Mexico	86	84	81	78	97	92	85	79	88	98	92	106	99		
Mexico (air)	115	121	115	117	120	127	158	91	118	117	119	134	123	128	129
UK	81	84	84	91	89	84	98	73	80	75	84	85	88	87	85
China	48	50	58	58	45	50	60	54	53	52	55	58	67	67	76
Colombia	107	108	107	119	112	104	137	76	110	115	118	117	111	121	113
Dominican Republic	105	97	105	109	123	114	155	87	115	108	113	114	107	112	114
Japan	50	46	51	48	46	50	47	42	51	47	50	55	52	49	47

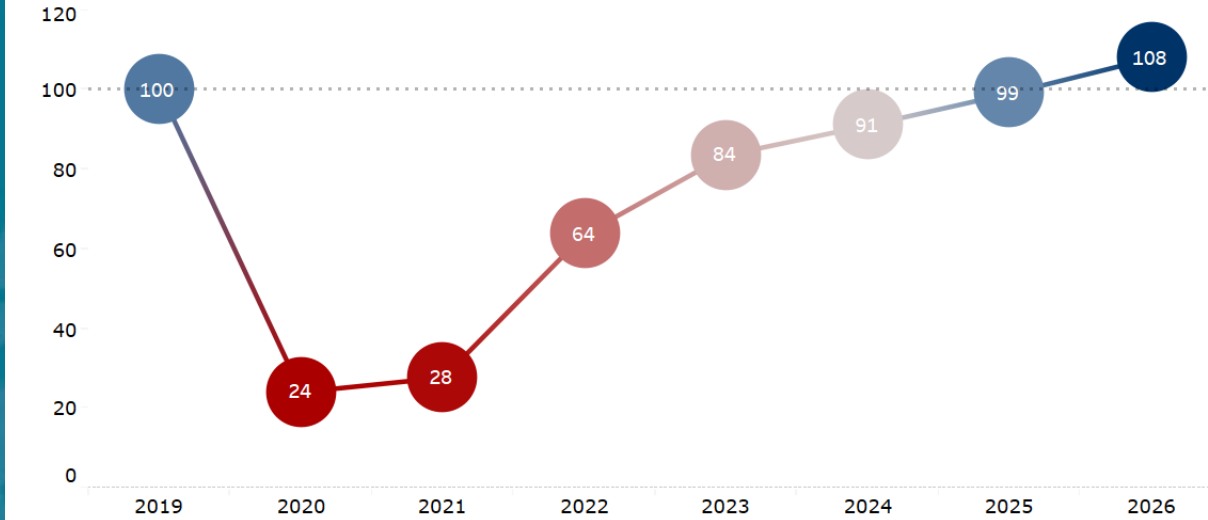
42 168

International Visitor Forecast

Forecasted in December, 2024

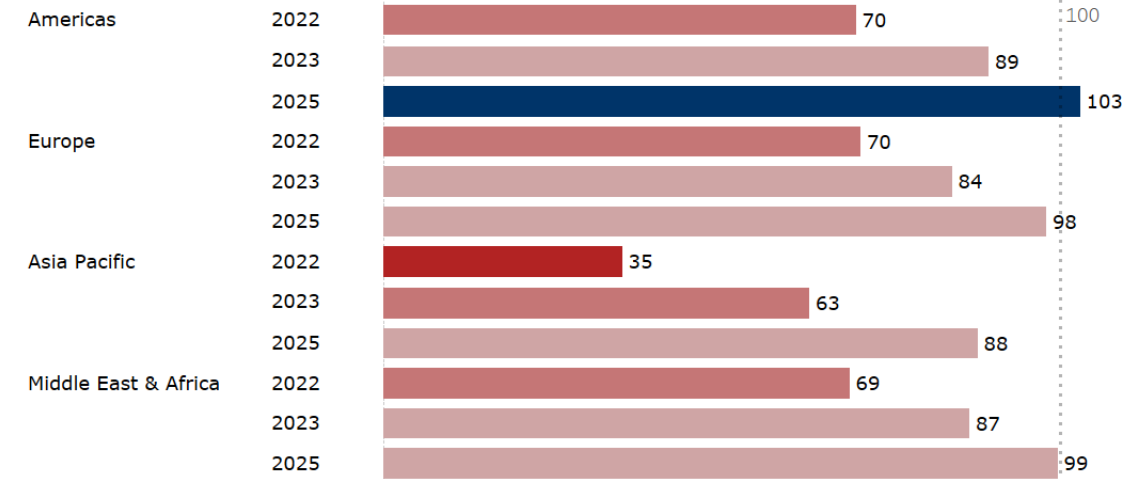
Total International Visits to the U.S.

Forecasted recovery, relative to 2019 (index, 2019=100)



International Visits to the U.S. by World Region

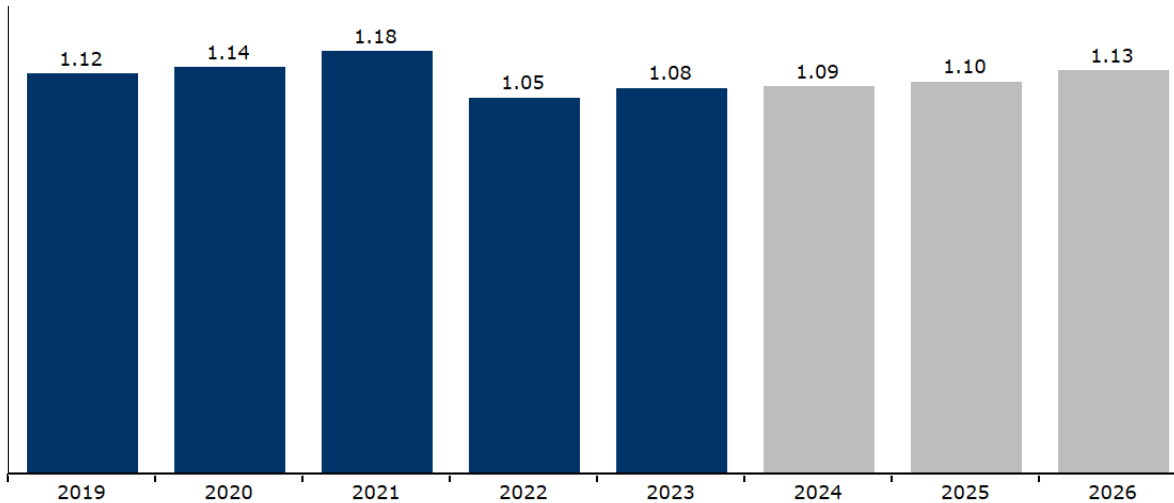
Forecasted recovery for top-regions, relative to 2019 (index, 2019=100)



Exchange Rates

Forecasted exchange rate by year, US\$ per EUR

Currency US\$ per EUR



International Visits to the U.S.

Forecasted recovery for top-10 origin markets, relative to 2019 (index, 2019=100)

	2022	2023	2024	2025	2027
Canada	69	99	98	104	116
Mexico	68	79	93	102	116
United Kingdom	73	82	84	93	110
China	13	38	56	76	96
Japan	16	40	50	65	89
Brazil	58	77	88	98	116
Germany	72	89	97	104	121
Australia	49	72	77	84	103
France	71	86	92	102	121
South Korea	40	70	77	90	118

Date of Last Update: 17 December 2024

U.S. Hotel Forecast

Forecasted in November 2024

Insights

The updated hotel forecast released in November by Tourism Economics and STR anticipates growth in hotel demand will accelerate in 2025. Demand is projected to rise 1.1% in 2025, following an increase of just 0.3% in 2024.

Supply growth in 2025 is expected to match the increase in demand, leaving the annual occupancy rate unchanged for a third consecutive year at 63%.

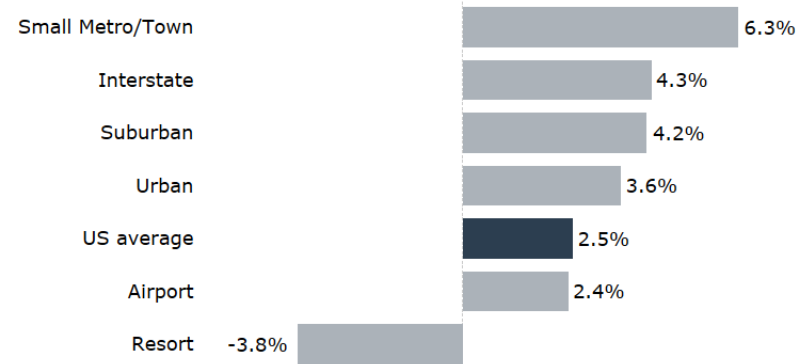
Growth in the average daily rate slowed from 4.3% in 2023 to 1.5% in 2024, and similar growth of about 1.6% is forecast for 2025. Rate growth has been limited by easing inflation and the lack of growth in the occupancy rate.

Room revenue is forecast to grow 2.7% in 2025, consisting of 1.6% growth in ADR and 1.1% growth in demand.

RevPAR is projected to rise 1.8% in 2024, modestly faster than 2024's estimated growth of 1.4%.

U.S. Actual RevPAR Growth by Location

November 2024, % change relative to last year



Source: STR

U.S. Hotel Forecast Summary

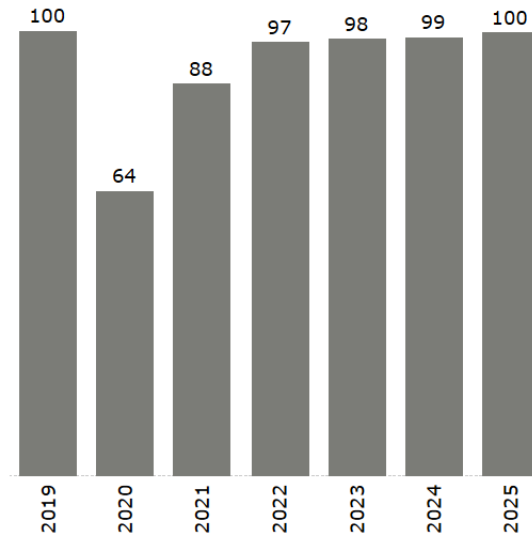
YOY % change, Forecast released November 2024

	2020	2021	2022	2023	2024	2025
Supply	-4.0%	4.9%	1.7%	0.2%	0.5%	0.9%
Occupancy	-33.4%	31.0%	8.7%	0.7%	-0.2%	0.2%
Demand	-36.0%	37.4%	10.6%	0.9%	0.3%	1.1%
ADR	-21.6%	20.7%	19.9%	4.3%	1.5%	1.6%
RevPAR	-47.8%	58.2%	30.4%	5.0%	1.4%	1.8%
RevPAR relative to 2019	-47.8%	-17.2%	8.0%	13.4%	15.0%	17.0%

Source: STR; Tourism Economics

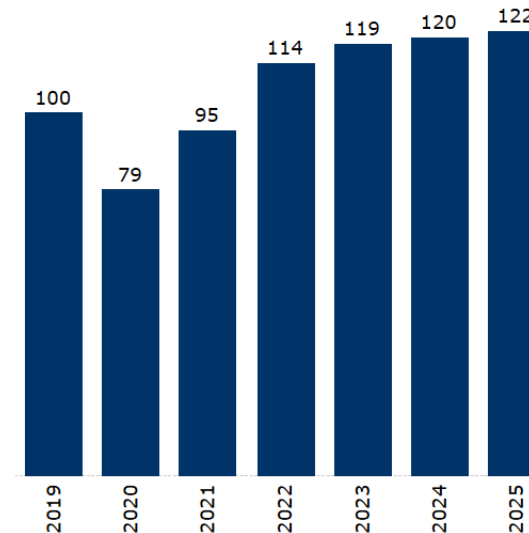
Occupancy Index

Index (2019 = 100)



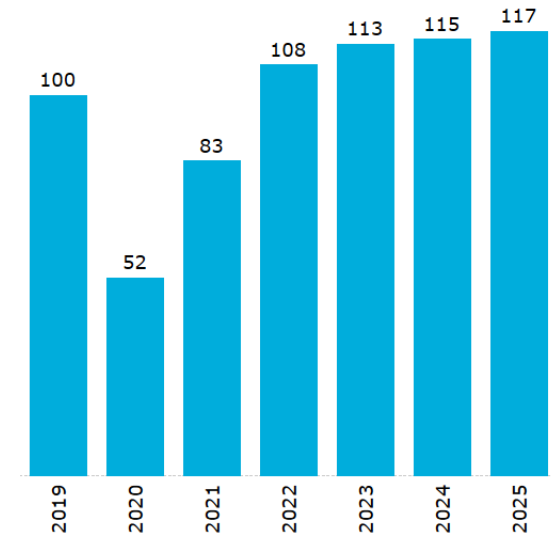
ADR Index

Index (2019 = 100)



RevPAR Index

Index (2019 = 100)

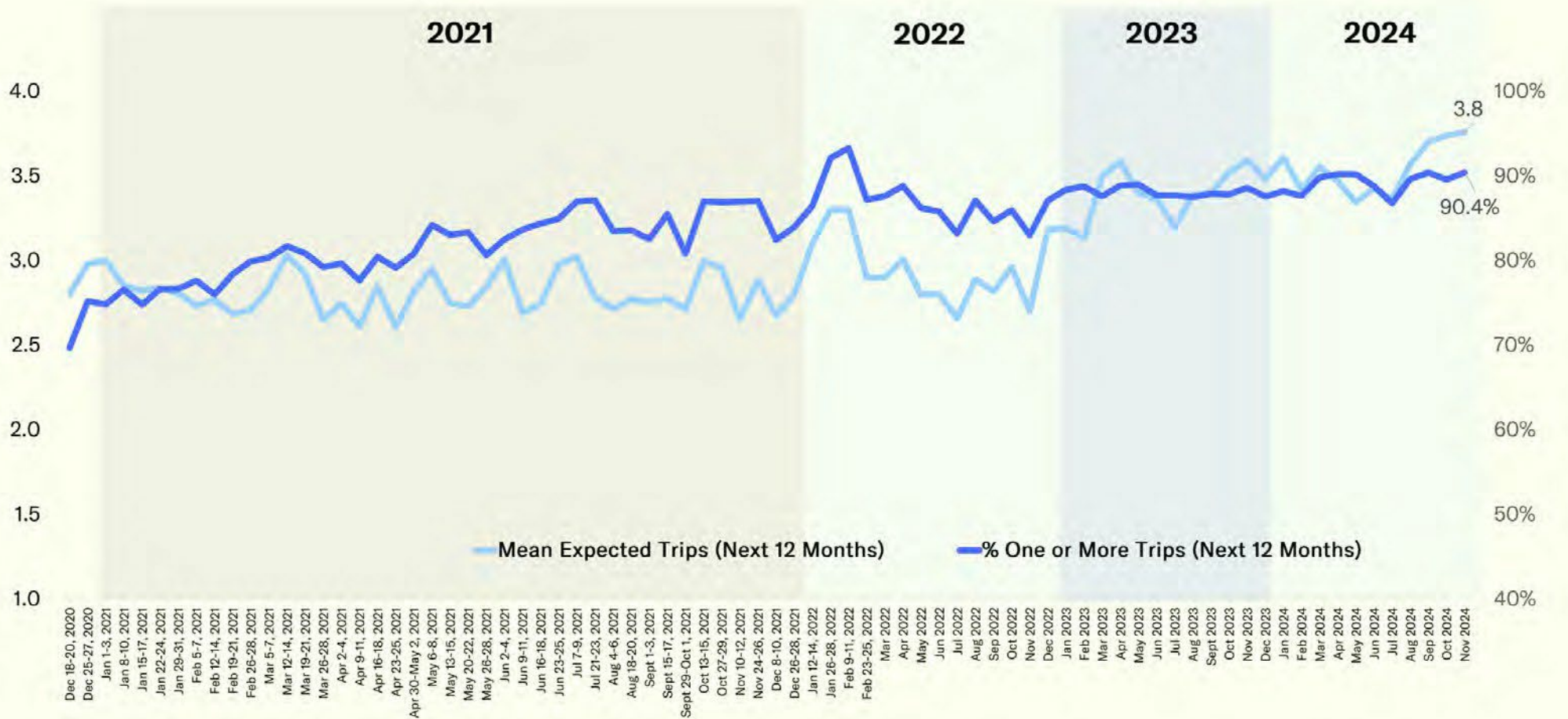


Source: STR; Tourism Economics

New peak in intended leisure trips

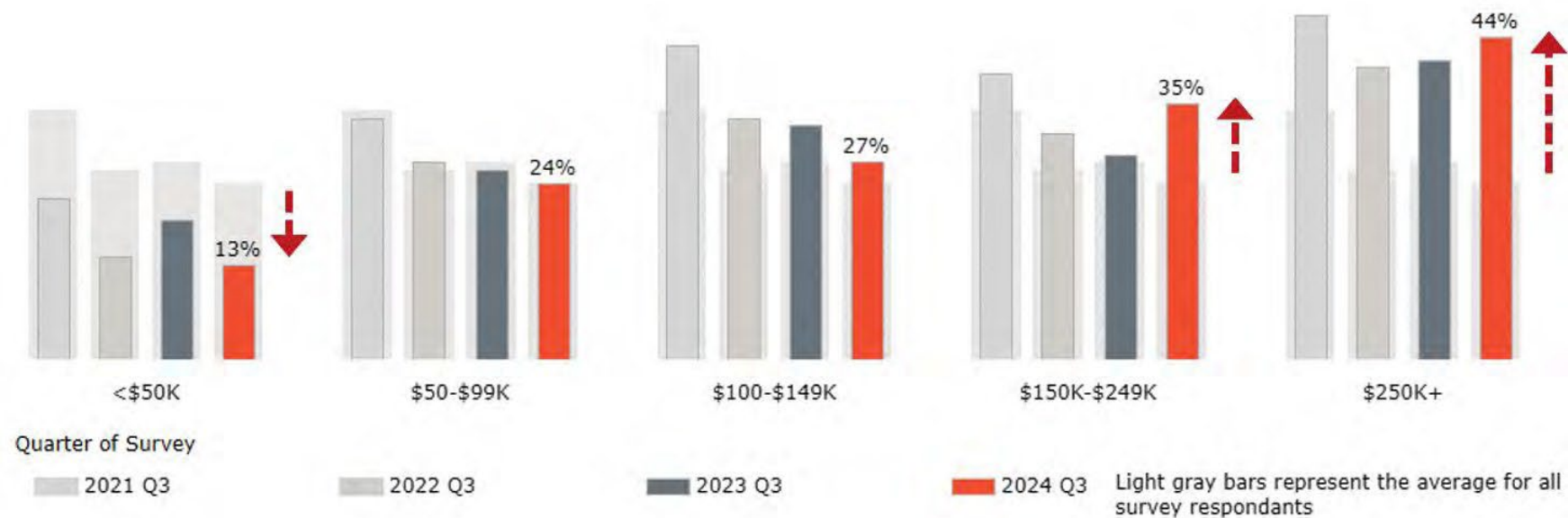
Question:

IN TOTAL, how many leisure trips (of 50 miles or more from your home) do you expect to take in the NEXT TWELVE (12) MONTHS? (Select one)



Business travel intentions are gaining

Planning Business Travel Within the Next 6 Months
% of American Consumers



Source: MMGY Portrait of American Travelers; Tourism Economics Symphony

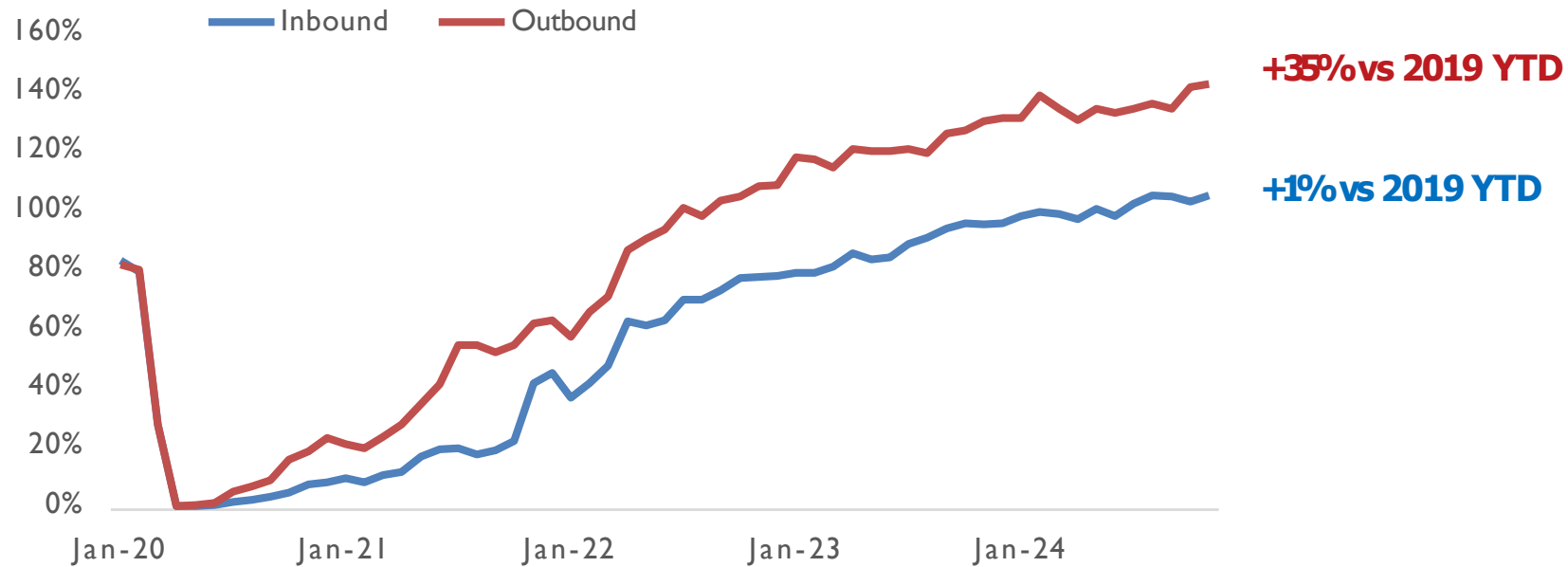
A dark, semi-transparent overlay of a photograph of the White House in Washington, D.C. The building is centered, with the American flag flying on a tall pole in front of it. The text 'Potential Policy Impacts' is overlaid in white, bold, sans-serif font across the middle of the image.

Potential Policy Impacts

Outbound recovery remains ahead of inbound

Inbound and Outbound Travel Spending

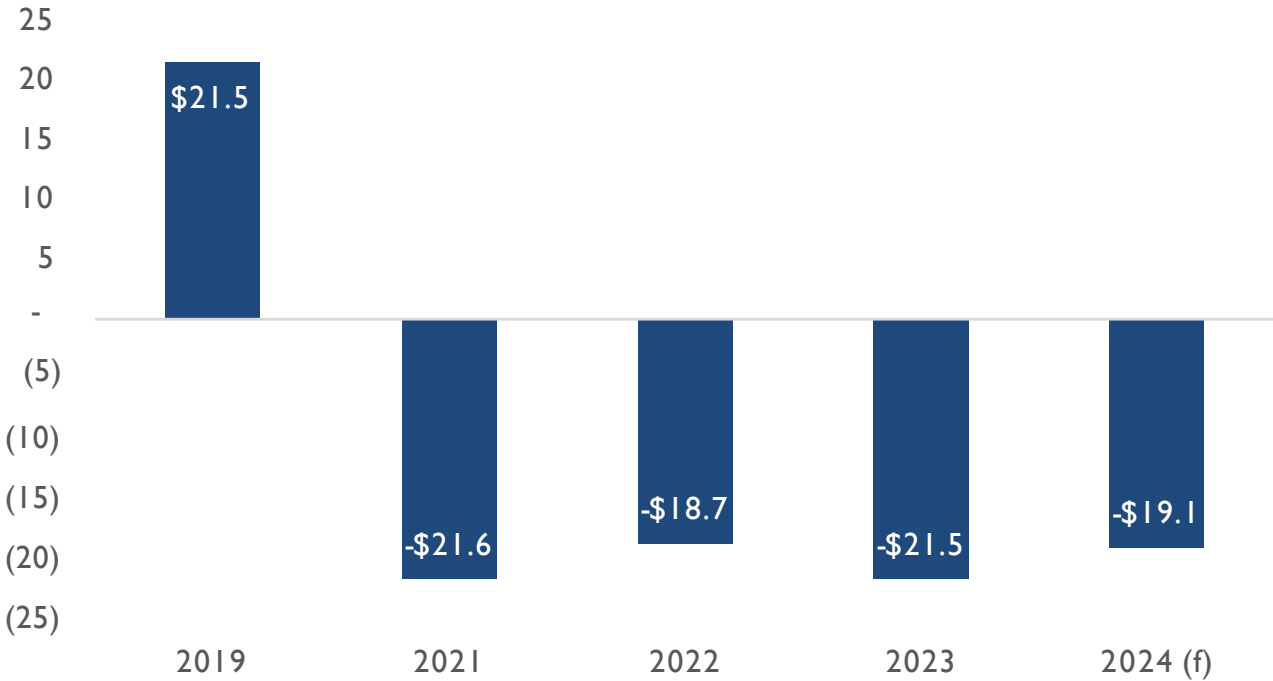
% of same month in 2019



Travel trade balance has flipped from surplus to deficit

U.S. International Travel Trade Balance

Billions of dollars, Exports minus imports

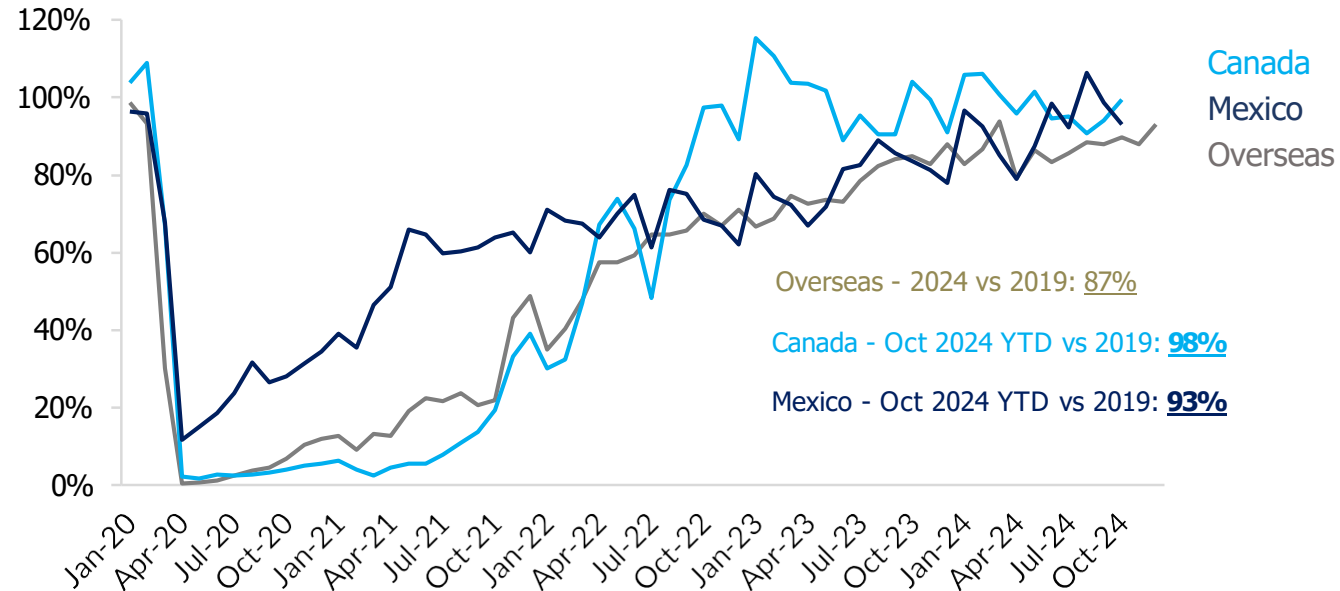


Implies a loss of 3.1% of U.S. hotel room nights

Inbound recovery is building

US Inbound Visits

% relative to same month in 2019

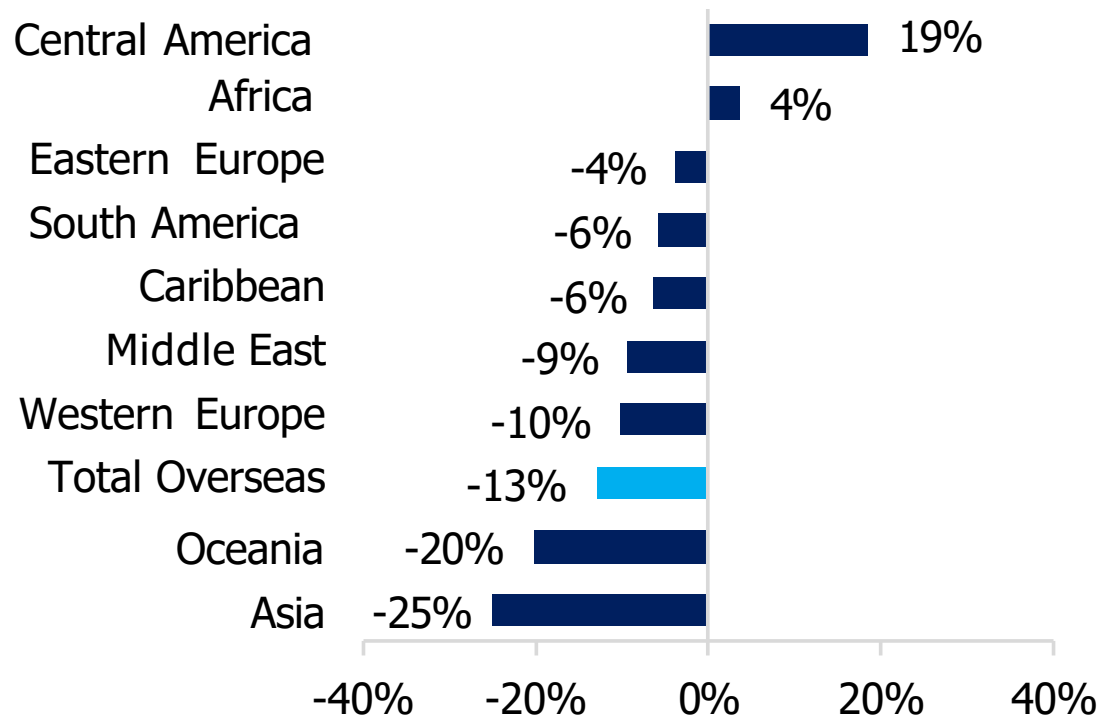


Source: ADIS/ I-94

Note: Lagged data for Canada and Mexico

... with large regional disparities

Arrivals to the US by Global Region
% change relative to 2019 (Dec 2024 YTD)

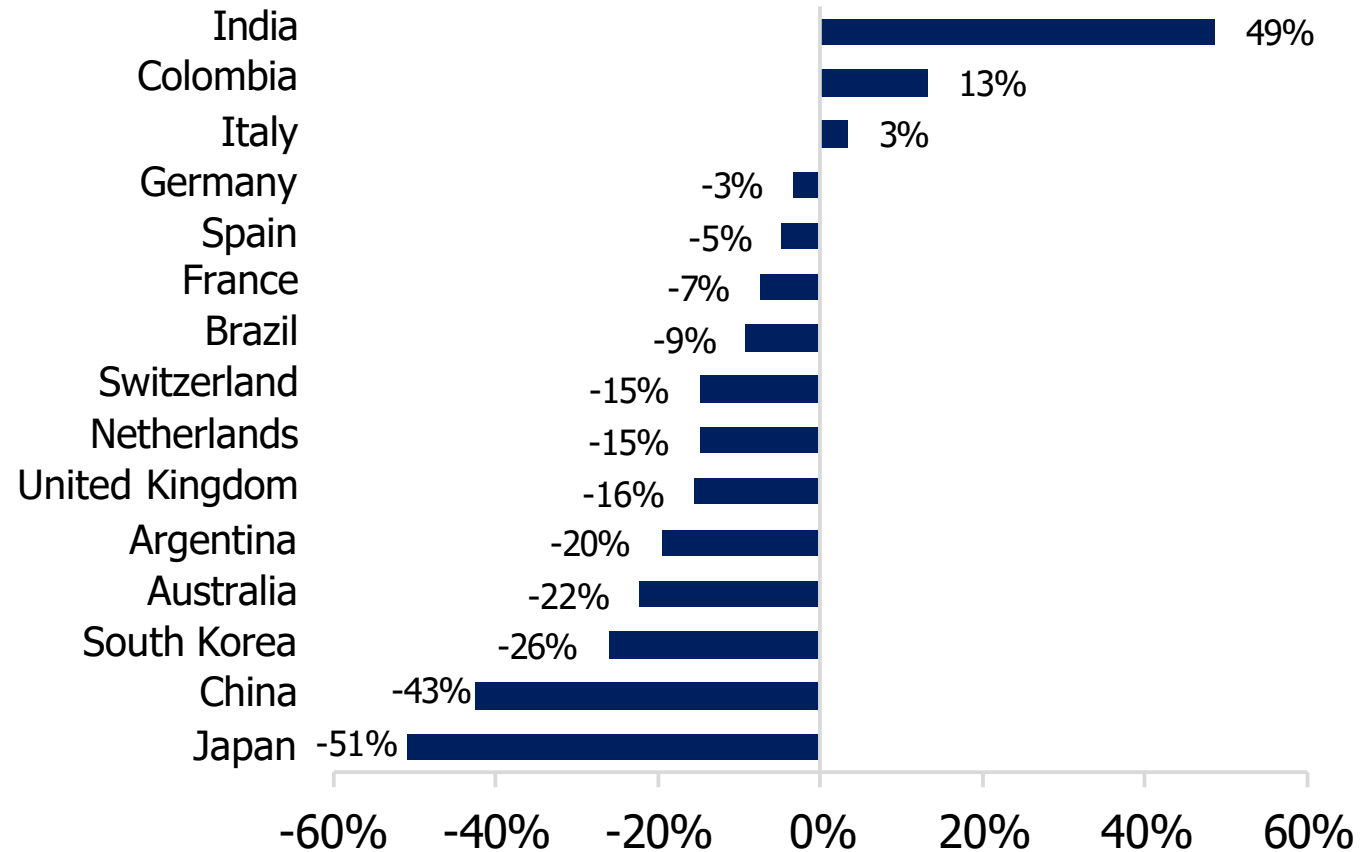


Source: I-94/ADIS

Northeast Asian markets all lagging

Arrivals to the US by Country

% change relative to 2019 (Dec 2024 YTD)

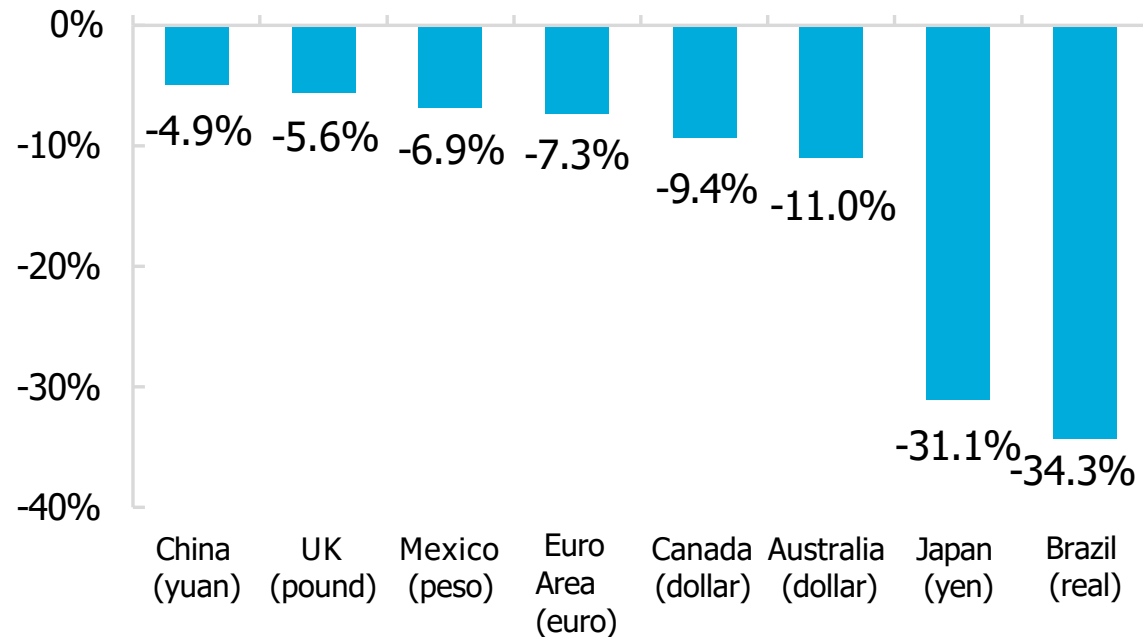


Source: I-94/ADIS

Currency shifts remain a headwind though

Change in USD exchange rates versus 2019

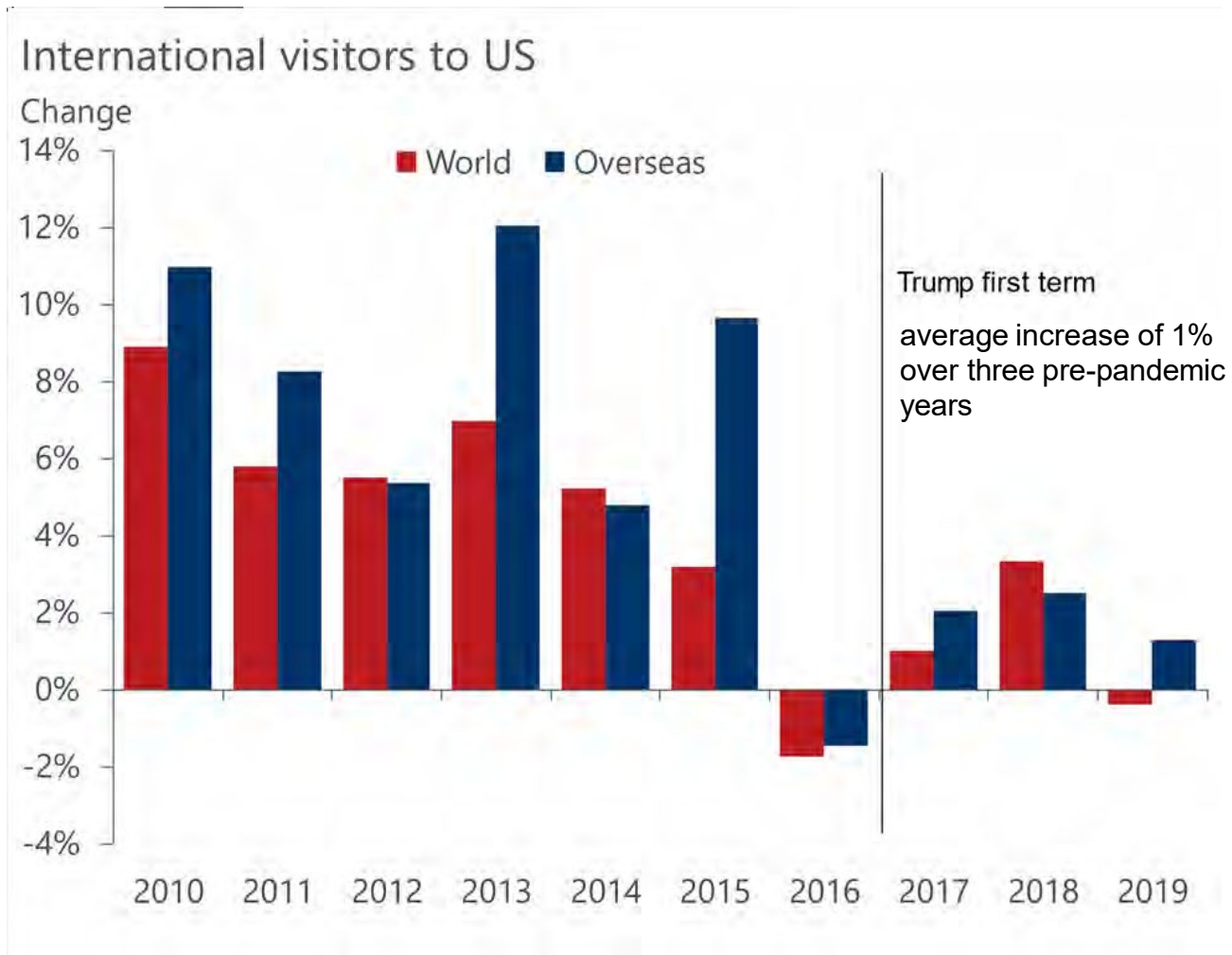
%change from end-2019 spot rate, as of Jan 6 2025
(USD/local currency)



Sources: Tourism Economics

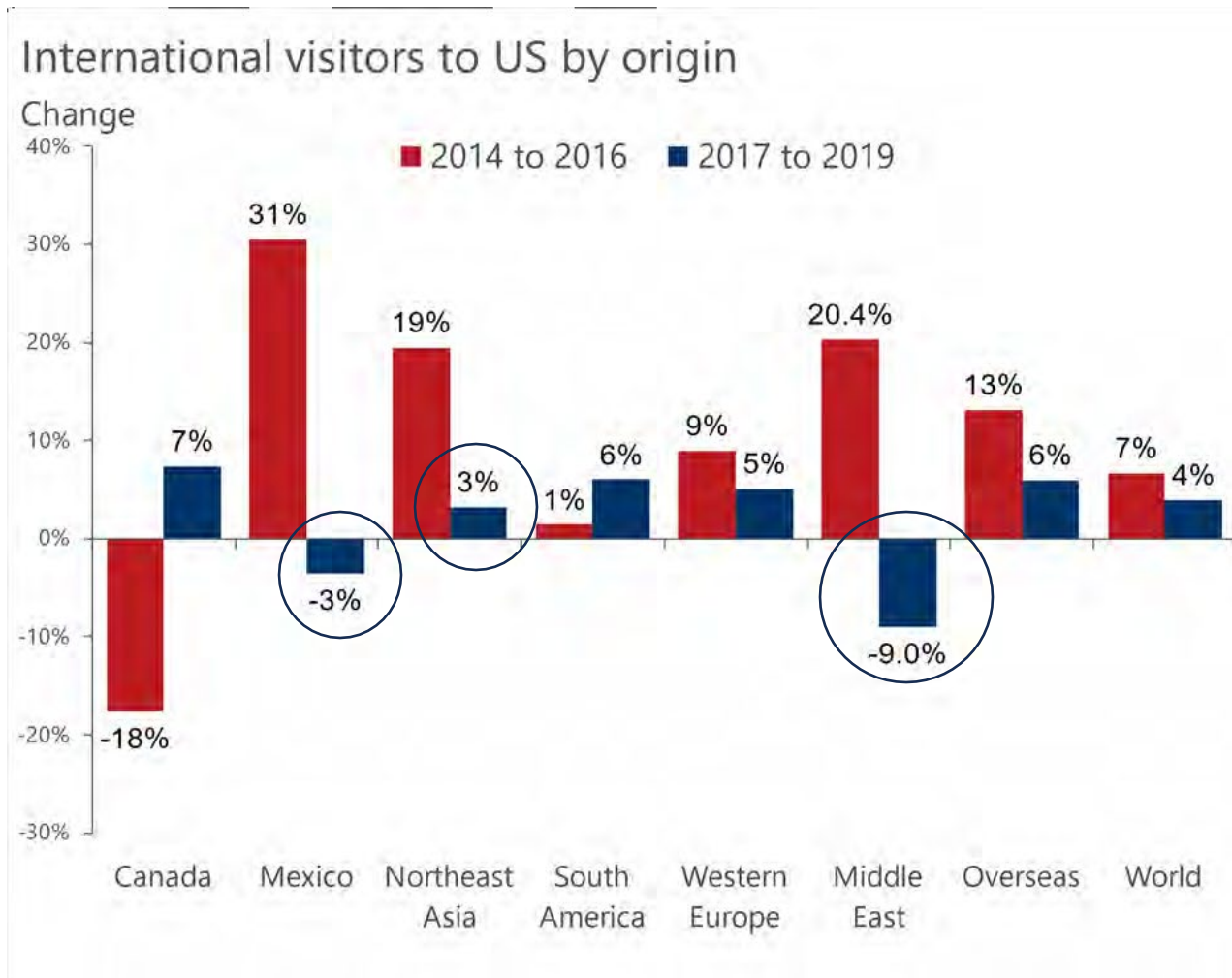
Note: Negative change implies depreciation of local currency versus USD.

Modest inbound growth during first Trump administration



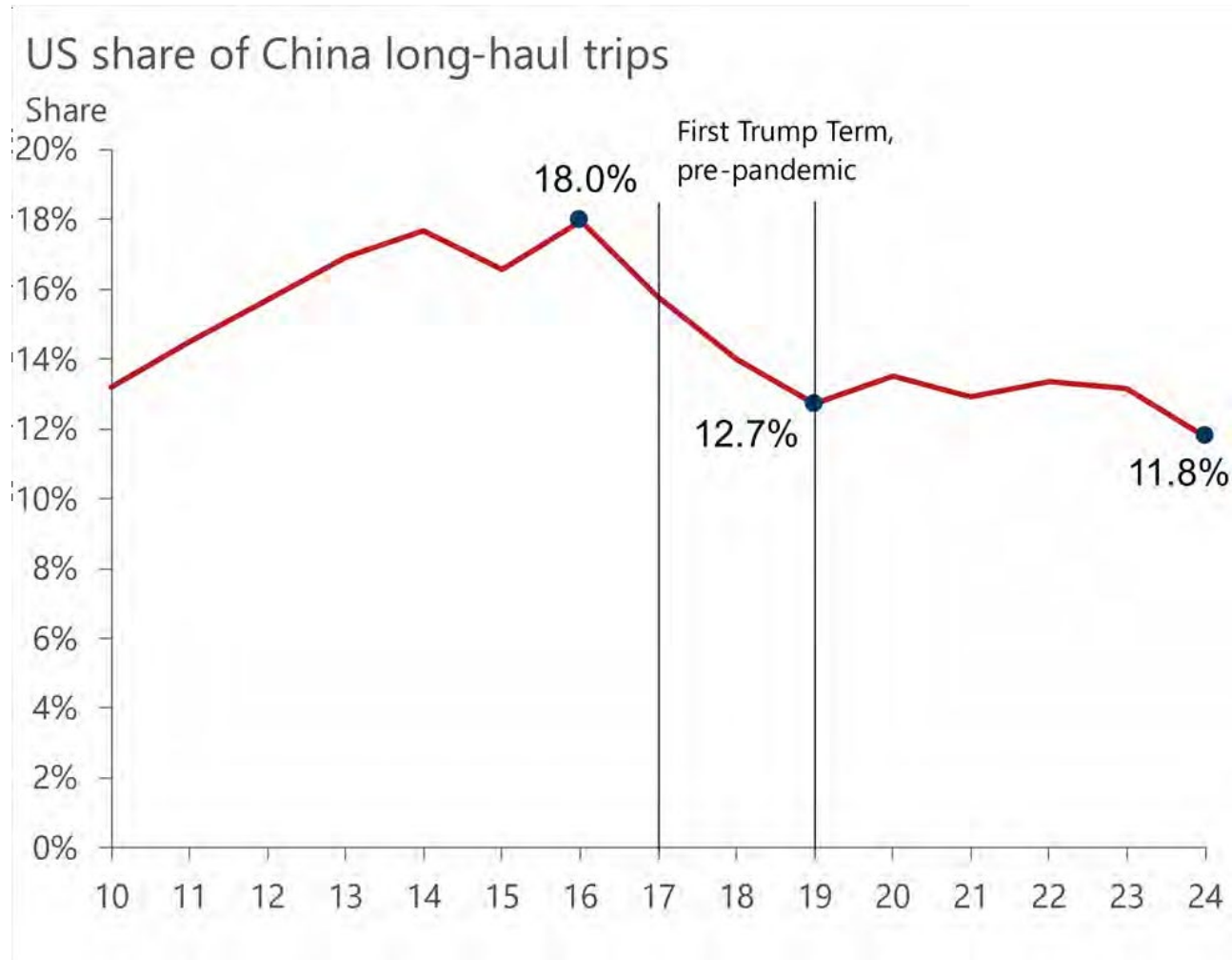
Source: Tourism Economics/National Travel and Tourism Office

Arrivals from several markets slowed or turned negative



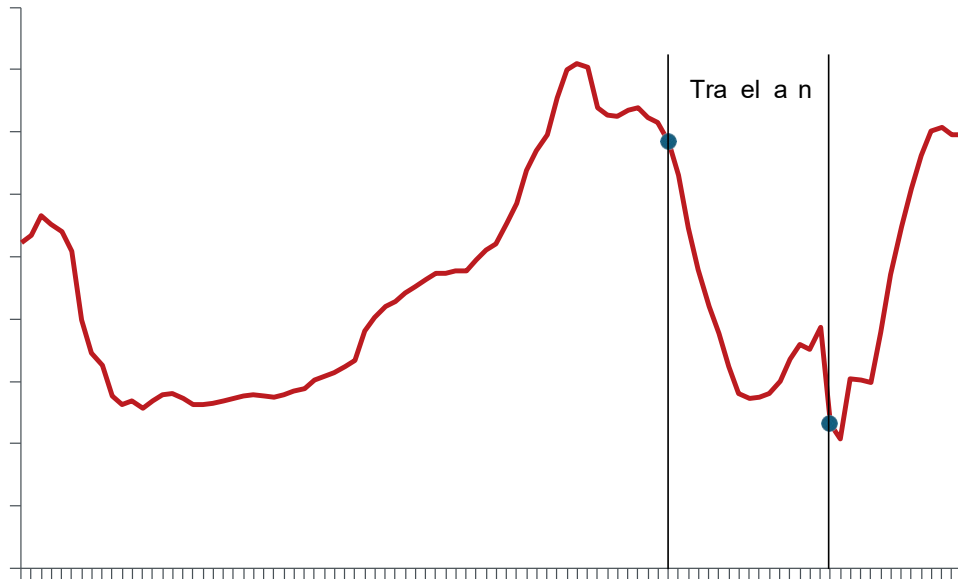
Visits to the US from China declined 7% during from 2017-2019, a reversal of the 63% growth experienced in the prior three years.

US share of China long-haul outbound trips fell during Trump's first term



Source: Tourism Economics/National Travel and Tourism Office

“Travel ban” from 2017 had very little direct effect



“Travel ban” was implemented through a series of executive actions taken by President Trump from January 2017 to October 2017. It was revoked in January 2021 by President Biden.

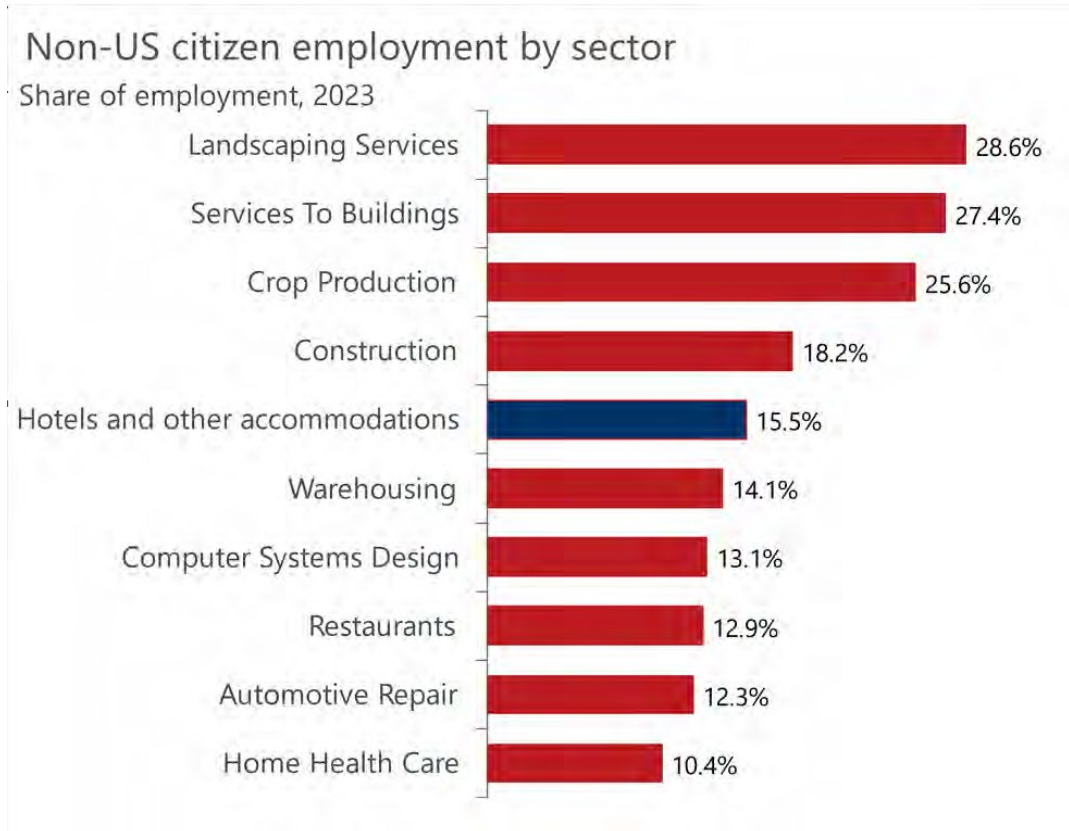
The restriction affected Chad, Iran, Iraq, Libya, Syria, Somalia, Sudan, and Yemen. These countries accounted for only 0.07% of arrivals to US in 2017

Source: Tourism Economics/National Travel and Tourism Office

Potential policy impacts: Inbound travel

Category	Examples with less impact to travel	Examples with greater impact to travel
Visa impediments	<ul style="list-style-type: none">• Slower visa processing, reduced consulate staff, increased scrutiny on some origins	<ul style="list-style-type: none">• Greater visa impediments, such as extended processing times, caps on the number of visas issued, country-specific travel bans
Immigration	<ul style="list-style-type: none">• Rhetoric and publicized examples of immigration enforcement<ul style="list-style-type: none">• <i>Minimal impact to travel, with some hesitancy by travelers from certain origins (Mexico and Latin America, Middle East)</i>	<ul style="list-style-type: none">• More concern that rules could change, mistakes could happen, greater level of uncertainty<ul style="list-style-type: none">• <i>Some potential travelers across the globe hesitate and/or book alternative destinations</i>
Trade war response	<ul style="list-style-type: none">• Chinese government tone generally discouraging travel to US	<ul style="list-style-type: none">• Tit-for-tat responses by China, such as restrictions on group travel to US, restrictions or impediments on leisure travel

An important share of hotel staff are non-US citizens



15.5% non-US citizen share is lower than in sectors such as landscaping, agriculture, and construction, but is higher than the US average of 8.5%.

The non-US citizen category includes those working with documentation (e.g., green card holders, temporary work visas), as well as undocumented workers.

Serving various housekeeping and operational functions

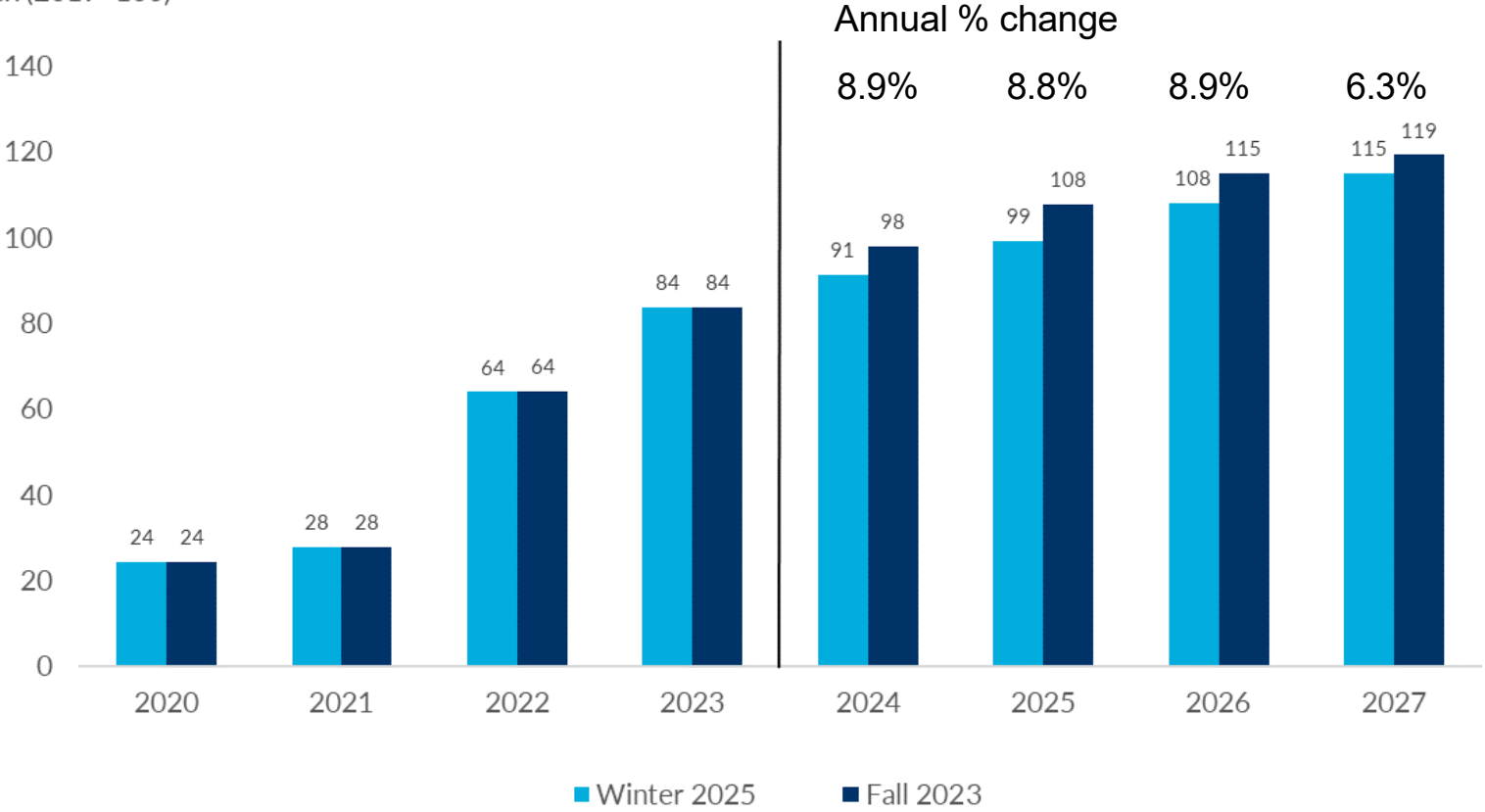


Source: Tourism Economics/US Census Bureau (ACS)

Revisions to international forecast

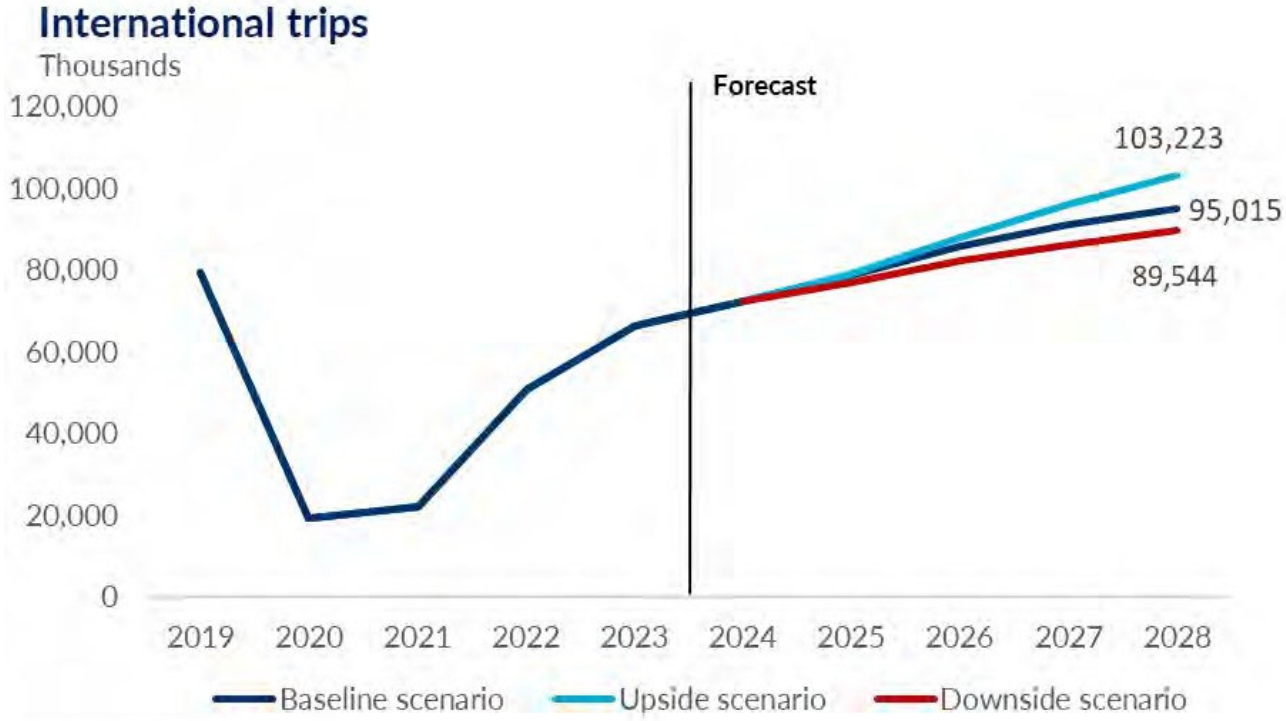
International trips

Index (2019=100)



Source: Tourism Economics

The international outlook faces elevated levels of uncertainty



} 13% difference between upside and downside scenario by 2028

Source: Tourism Economics

Drivers and Headwinds

Domestic Leisure

- + Real income growth
- + Solid balance sheets
- + Modest inflation
- + Tax cut extensions
- Softening labor market
- Potential equity market correction

Domestic Business

- + Lower interest rates
- + Expansionary fiscal policy
- + Tax cut extensions
- Potential inflation from tariffs
- Immigration restrictions

International

- + Pent up demand
- + Reduced visa wait times
- + Outbound plateau
- Dollar strength
- Travel restrictions
- Trade war response
- Visa processing risk
- Sentiment effects

PORTRAIT OF

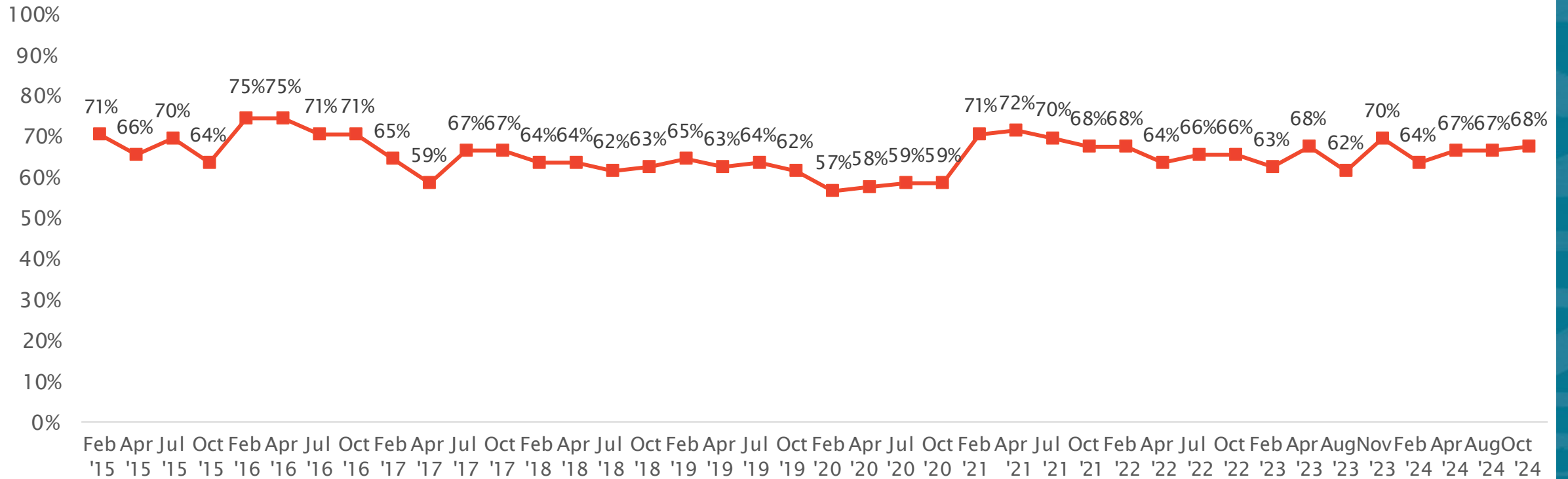


Winter 2024

AMERICAN TRAVELERS[®]

Interest in visiting Hawaii among U.S. leisure travelers has increased 4% from the start of 2024.

Interest in Visiting Hawai'i Next Two Years
(Top 2 Box)



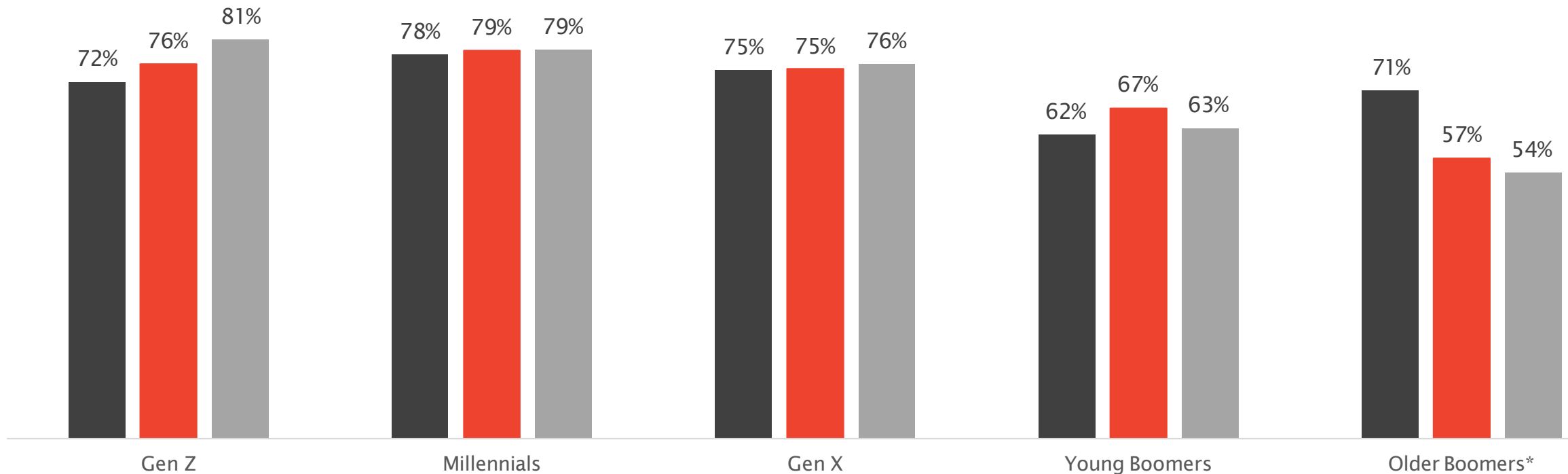
Base: U.S. Leisure Travelers (n=3,633)
Source: MMGY Global's 2024 *Portrait of American Travelers*® "Winter Edition"



Among air travelers, Gen Zers overtook Millennials to become the generation most interested in visiting Hawaii over the next two years.

Interest in Visiting Hawaii
By Generation

■ Winter '22 ■ Winter '23 ■ Winter '24

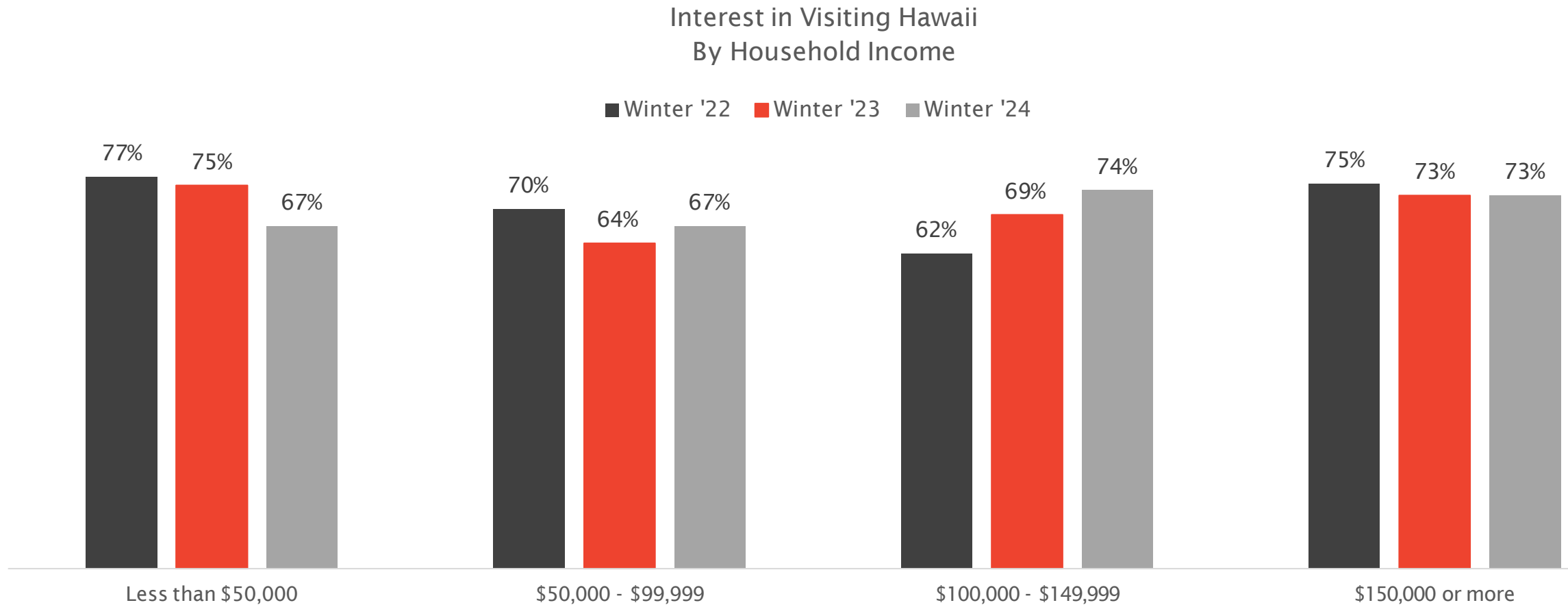


Base: Air Travelers (n=2,227)

Source: MMGY's 2024 *Portrait of American Travelers*® "Winter Edition"



Air travelers with household incomes of \$100K-\$149K have seen a significant 12% increase in interest in visiting Hawai'i since 2022.



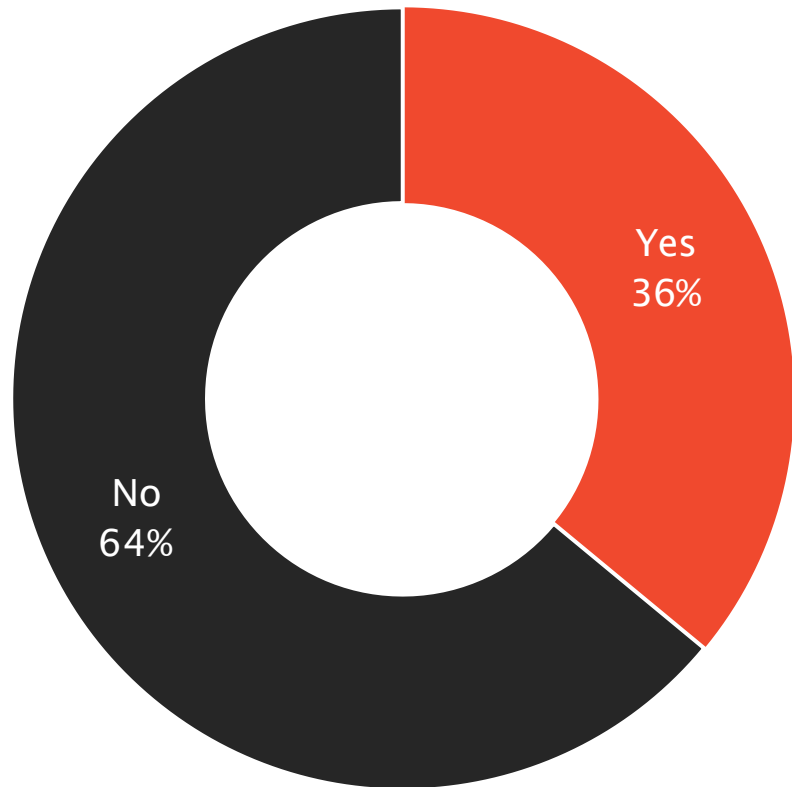
Base: Air Travelers (n=2,227)

Source: MMGY's 2024 *Portrait of American Travelers*® "Winter Edition"



Price of airfare is stopping more travelers from visiting Hawai'i compared to anytime in the previous three years.

Considered Visiting Hawaii But Changed Their Mind



Reasons For Not Visiting Hawaii - Among Those Who Changed Their Mind	Winter '22	Winter '23	Winter '24
Price of airfare	34%	35%	43%
Price of a vacation package	33%	32%	34%
Price of the hotel	28%	35%	32%
Better value at another destination	22%	22%	29%
The flight to Hawaii is too long	20%	22%	24%
Not enough time to travel to Hawaii	13%	9%	14%
Heard/read that Hawaii residents don't want visitors	9%	13%	12%
Not sure which island(s) in Hawaii to visit	12%	12%	10%
Already been and want to try another destination	10%	11%	10%
Hawaii is too crowded	9%	10%	10%
Concerns about COVID-19 variants	19%	14%	9%
Hurricanes and tropical storms hitting Hawaii	11%	12%	8%
Higher quality entertainment at other destinations	NA	9%	8%
Heard rental cars limited/not available	NA	8%	7%
Accommodations were not available	10%	11%	6%
Hawaii is not unique enough	10%	9%	5%
Not enough dining options at price point	NA	7%	5%
Hawaii is not exotic enough	9%	10%	3%
Not enough activities in Hawaii	8%	9%	3%

Base: Air Travelers who didn't visit Hawaii (n=769) & U.S. Leisure Travelers Who Changed Their Mind (n=1,334)
 Source: MMGY's 2024 *Portrait of American Travelers*® "Winter Edition"

Data in bold indicates a significant difference from Winter 2023.



Among those likely to visit Hawai'i in the next 2 years, 28% will book a trip to Hawai'i first, before any other destination.

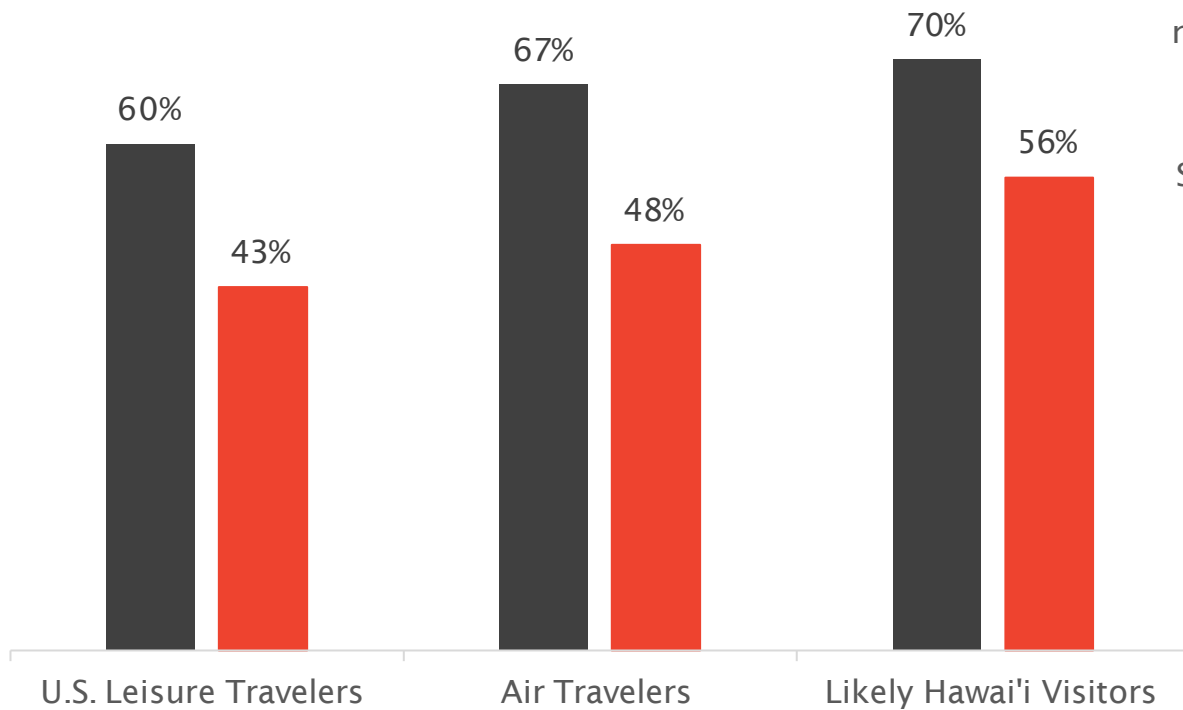
Destinations Most Likely to Book First in the Next Two Years	U.S. Leisure Travelers	Air Travelers	Likely Hawaii Visitors
Hawai'i	12%	13%	28%
Another U.S. state	42%	24%	37%
Caribbean	12%	12%	9%
Europe	13%	17%	17%
Mexico	8%	9%	10%
Asia	6%	7%	8%
Oceania	2%	2%	2%
Other	6%	3%	2%

Data in bold indicates a significant difference from U.S. Leisure Travelers
Base: U.S. Leisure Travelers (n=3,796), Air Travelers (n=2,227), Likely Hawaii Visitors (n=991)
Source: MMGY's 2024 *Portrait of American Travelers*® "Winter Edition"

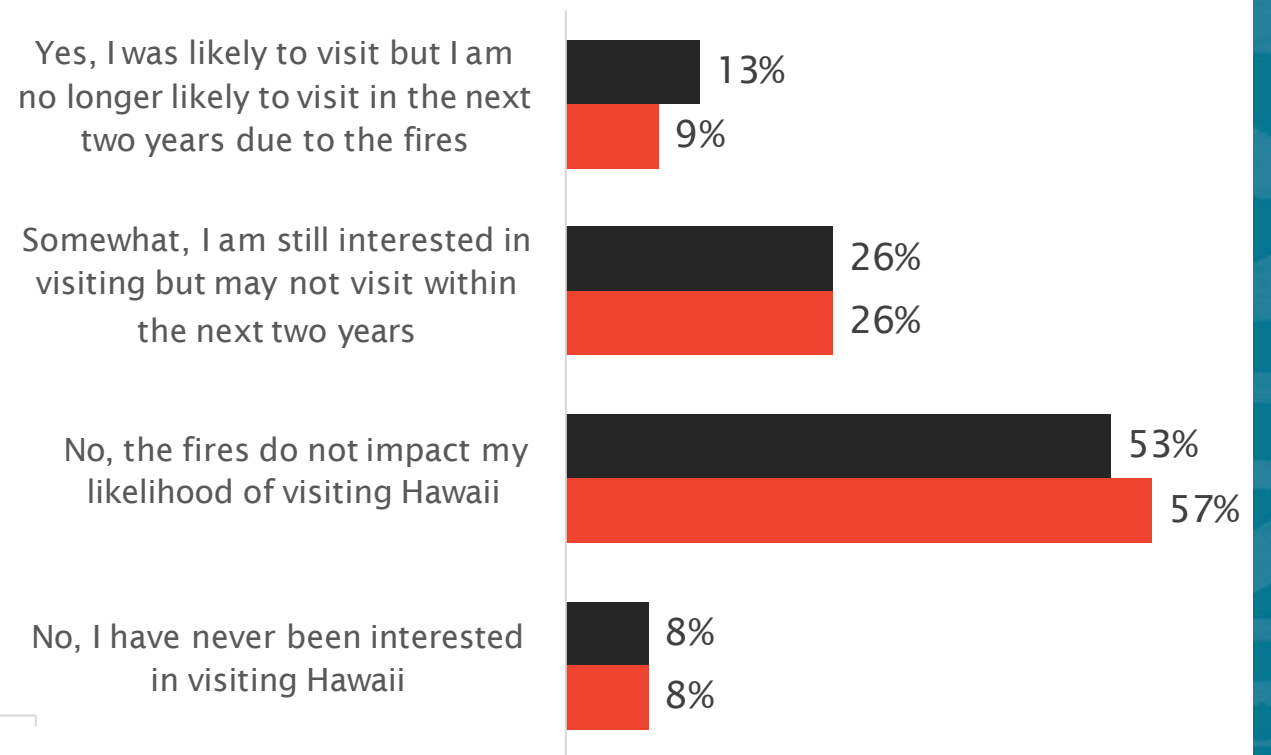


Awareness of the Maui fires has decreased significantly across all travelers when compared to 2023. The fires also have a lower impact on air traveler's likelihood to visit Hawai'i.

Awareness of Maui Fires
 ■ Winter '23 ■ Winter '24



Impact of Maui Wildfires on Air Traveler Likelihood to Visit Hawai'i



Data in bold indicates a significant difference from U.S. Leisure Travelers
Base: U.S. Leisure Travelers (n=3,796), Air Travelers (n=2,227), Likely Hawaii Visitors (n=991)
Source: MMGY's 2024 *Portrait of American Travelers*® "Winter Edition"

California, Florida and Colorado were the top three states, excluding Hawaii, which Likely Hawai'i visitors indicated an interest in visiting.

Top 20 States of Interest	Winter '22	Winter '23	Winter '24
California	71%	69%	74%
Florida	70%	73%	71%
Colorado	68%	71%	70%
Alaska	67%	70%	68%
New York	66%	61%	68%
Nevada	56%	61%	57%
Arizona	57%	57%	57%
Texas	57%	58%	54%
Washington	60%	50%	53%
Maine	47%	47%	52%
North Carolina	47%	45%	51%
Tennessee	49%	43%	49%
Georgia	48%	50%	48%
Oregon	48%	44%	48%
South Carolina	45%	44%	47%
Louisiana	45%	42%	47%
Massachusetts	48%	44%	46%
Montana	48%	45%	45%
Utah	42%	41%	45%
Vermont	39%	40%	43%

- California, New York, North Carolina and Tennessee all saw significant increases in interest from Winter 2023.
- Interest in California was particularly strong, overtaking Florida, Colorado and Alaska to become the state with the most interest behind Hawaii.

Base: Likely Hawaii Visitors (n=991)
 Source: MMGY's 2024 Portrait of American Travelers® "Winter Edition"

Data in bold indicates a significant difference from Winter 2023



Las Vegas and San Diego are the top two destinations of interest, outside of Hawai'i locations, for Likely Hawai'i visitors.

Top 20 Destinations of Interest	Winter '22	Winter '23	Winter '24
Maui, HI	77%	81%	82%
Island of Hawai'i	79%	78%	81%
Honolulu, HI	77%	77%	80%
Kaua'i, HI	76%	75%	78%
Lanai, HI	NA	69%	67%
Las Vegas, NV	64%	70%	66%
San Diego, CA	66%	62%	64%
New York City, NY	67%	62%	63%
Florida Keys/Key West, FL	64%	70%	62%
Napa Valley, CA	59%	58%	62%
Orlando, FL	60%	62%	60%
San Francisco, CA	65%	59%	60%
Niagara Falls, NY	61%	59%	59%
Miami, FL	59%	63%	57%
Los Angeles, CA	61%	58%	57%
Denver, CO	57%	57%	56%
Palm Beach, FL	56%	63%	55%
Palm Springs, CA	56%	60%	55%
Tampa/St. Petersburg/Clearwater, FL	47%	59%	52%
Fort Lauderdale, FL	51%	59%	48%

- The significant decrease in travel intent to destinations in Florida can be attributed to the damaging effects of the recent Hurricane Helene.

Data in bold indicates a significant difference from Winter 2023.



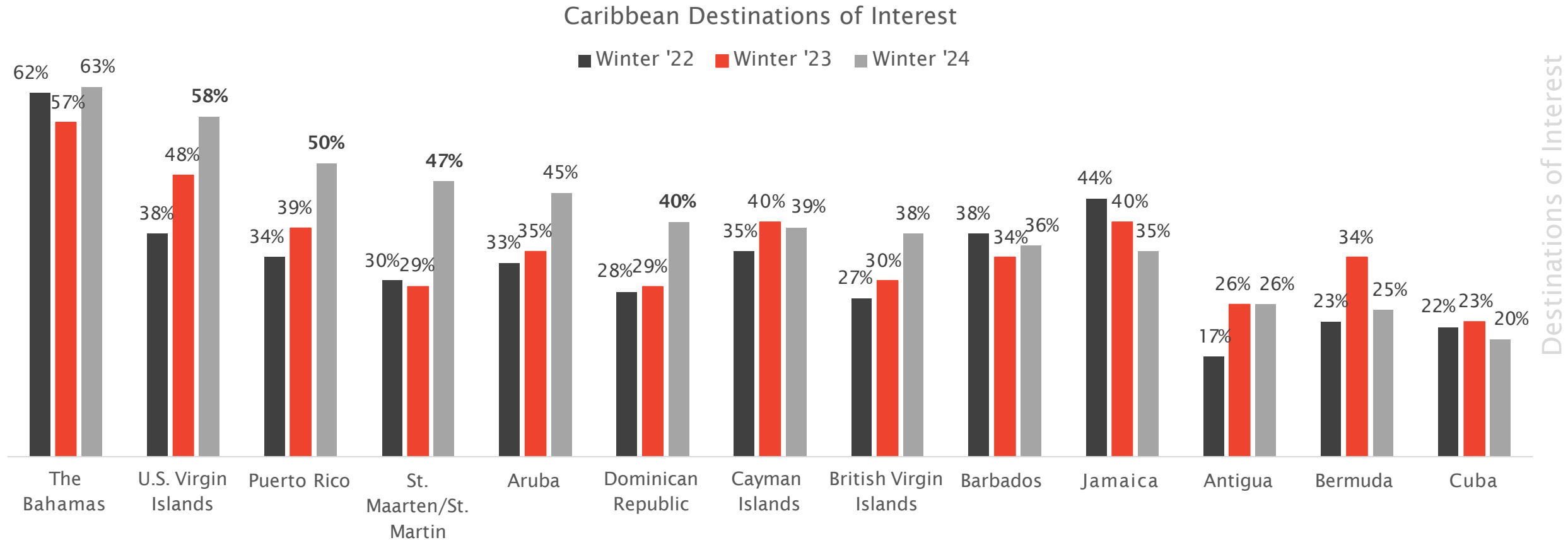
Among Likely Hawai'i visitors, Europe, Canada and the Caribbean remain the top three international destinations for the third consecutive year.

International Destinations of Interest	Winter '22	Winter '23	Winter '24
Europe	51%	53%	63%
Canada	37%	41%	42%
The Caribbean	40%	38%	42%
Mexico	36%	36%	42%
Asia	21%	26%	29%
South America	22%	26%	28%
Central America	21%	22%	24%
Oceania	18%	22%	22%
Africa	11%	14%	14%
Middle East	10%	11%	10%

Data in bold indicates a significant difference from Winter 2023.

- Europe was the only international destination to see a significant change in interest, recording a 10% increase in desire to visit among Likely Hawaii visitors.
- Asia has also seen significant growth in interest over the past years, increasing 8% from 2022 to 2024.

When looking at Caribbean destinations, significant increases in interest were recorded for the U.S. Virgin Islands, Puerto Rico and St. Maarten among likely Hawai'i visitors.

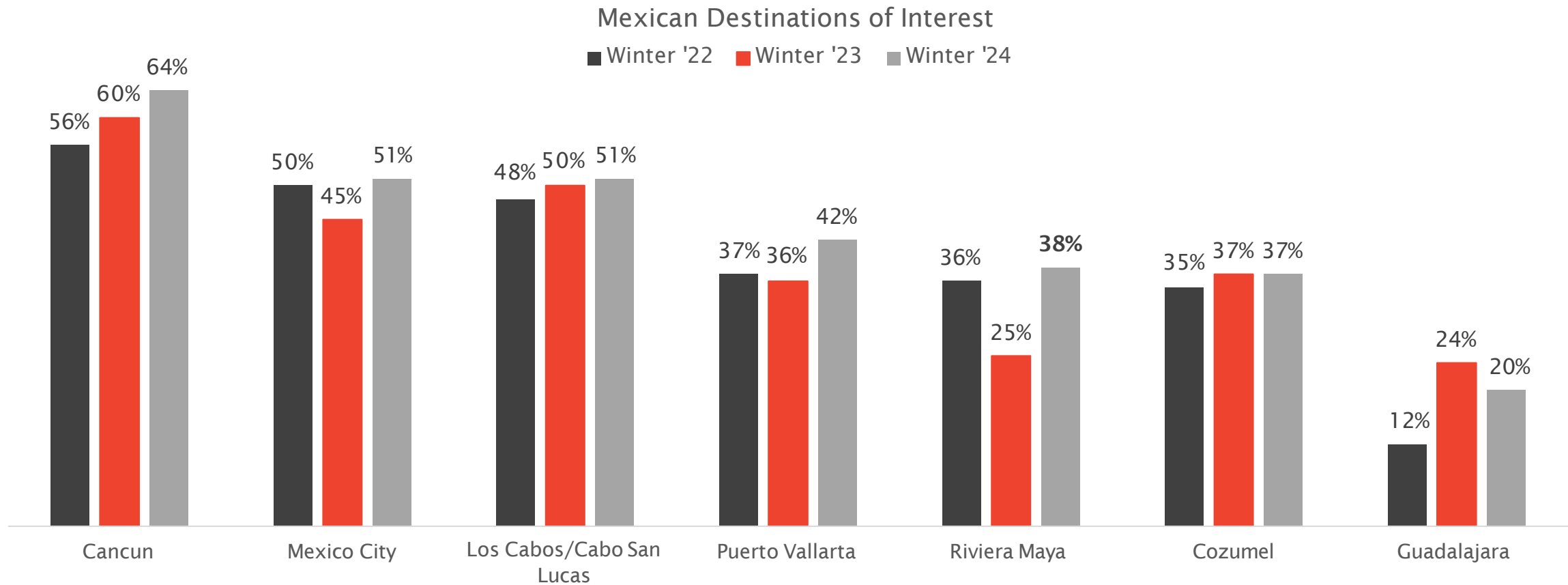


Data in bold indicates a significant difference from Winter 2023.

Base: Likely Hawaii Visitors & Interested in Visiting The Caribbean (n=414)

Source: MMGY's 2024 Portrait of American Travelers® "Winter Edition"

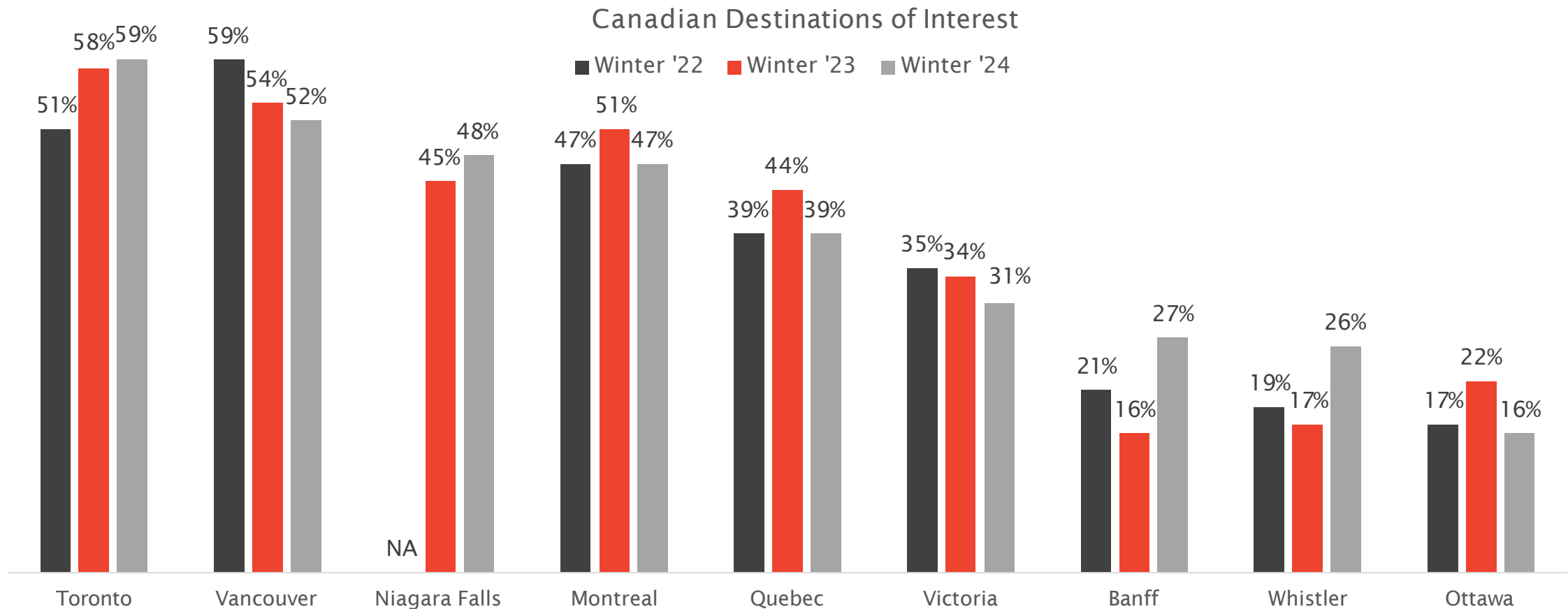
For Mexican destinations, likely Hawaii visitors are most interested in visiting Cancun and Mexico City.



Data in bold indicates a significant difference from Winter 2023.
Base: Likely Hawaii Visitors & Interested in Visiting Mexico (n=400)
Source: MMGY's 2024 Portrait of American Travelers® "Winter Edition"

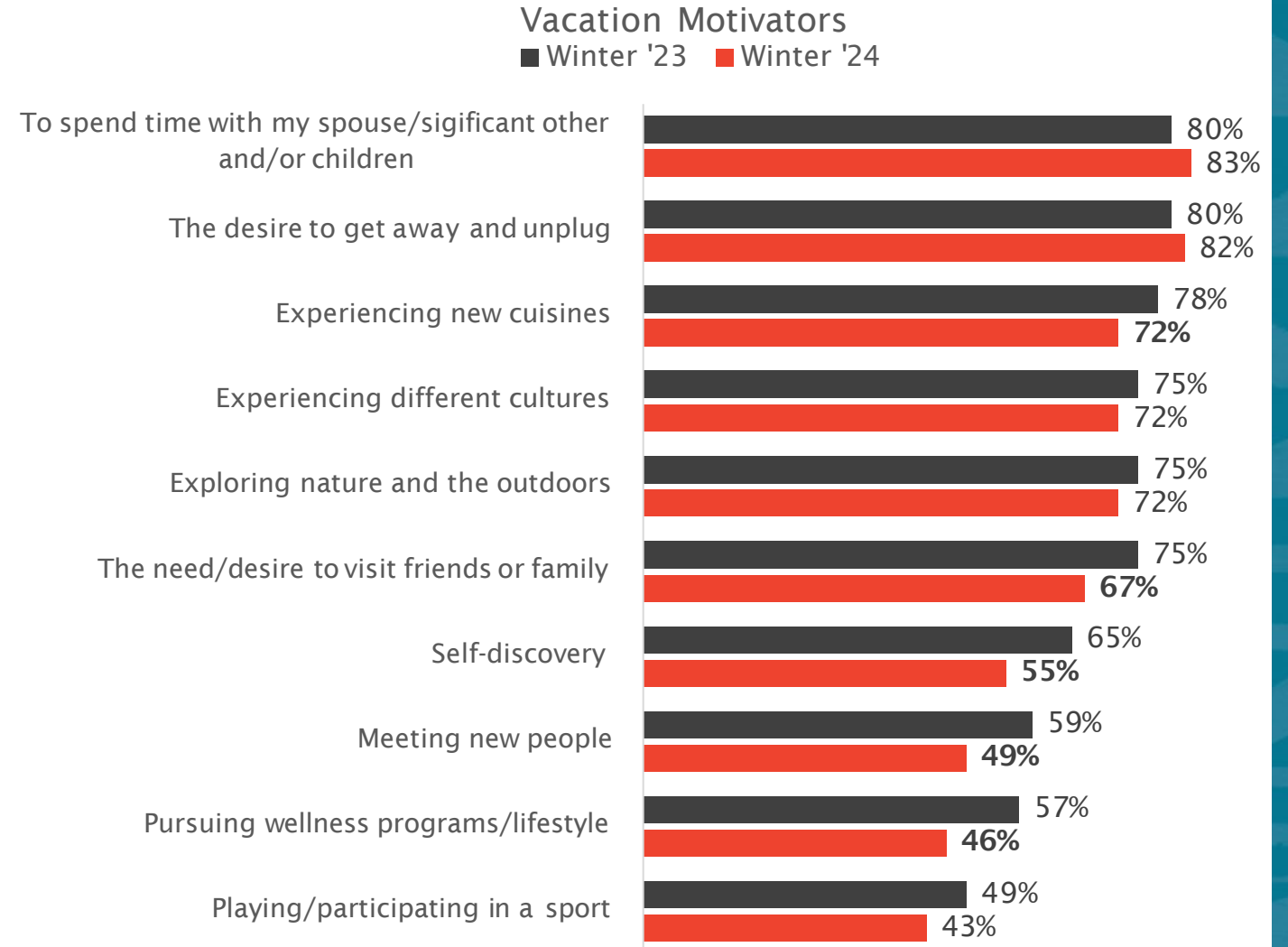


Toronto and Vancouver top the list for destinations of interest among Likely Hawai'i visitors.





Spending time with family and the desire to get away and unplug are slightly more important for Likely Hawai'i visitors compared to 2023.



Data in bold indicates a significant difference from Winter 2023.
Base: Likely Hawaii Visitors (n=991)
Source: MMGY's 2024 *Portrait of American Travelers*[®] "Winter Edition"



What Destination Attributes Influence Choice of Destination?

Influential When Selecting a Destination	Winter '23	Winter '24
Beautiful scenery	68%	74%
Food and drink scene	63%	67%
Safety	61%	63%
Outdoor/nature activities	52%	62%
Historical significance of a destination	49%	52%
Focus on family activities	36%	33%
Music scene	35%	29%
Nightlife/bars	35%	30%
A sense of tradition (place family has traditionally visited)	34%	31%
The ethnic diversity and multicultural population of a destination	30%	30%
The destination's reputation for environmental responsibility	24%	22%
The destination's commitment to social justice and equality	22%	16%
LGBTQ+ travel offerings	8%	6%

Data in bold indicates a significant difference from Winter 2023.

- Beautiful scenery is the top attribute travelers look for when selecting a destination and has become significantly more important compared to 2023.
- Outdoor/nature activities was the only other attribute to record a significant increase in interest year-over-year, indicating that natural activities and beautiful landscapes are becoming more in-demand for Likely Hawai'i visitors.

Activities of Interest on Vacation

	Winter '23	Winter '24
Beach experiences	54%	64%
Visiting a state or national park	44%	57%
Shopping	50%	51%
Historical sites	47%	50%
Visiting a museum	48%	45%
Food tours	46%	44%
Dining cruise	43%	42%
Visiting a theme or amusement park	39%	42%
Visiting a zoo or aquarium	42%	41%
Hiking/climbing/biking/other outdoor adventures	39%	41%
Visiting notable architectural sites	32%	39%
Adventure travel (safaris, mountain climbing, trekking vacations, etc.)	36%	38%
Attending a concert/music festival	35%	37%
Guided tours with access to local experiences that are otherwise inaccessible	33%	37%
Attending a sporting event	29%	37%
Cooking, wine or cocktail class	31%	36%
Nightlife	35%	33%
Spa Services (massages, facials, etc.)	28%	33%
Casino gambling	28%	30%
Dinner theatre	28%	30%
Water sports (waterskiing, boating/rafting)	25%	30%
Attending performing arts events	25%	26%
Exploring family's ancestry/past on a heritage vacation	29%	25%
Camping	28%	25%
Film/art festivals	29%	20%
Scuba diving	15%	20%
Snow skiing/snowboarding	16%	19%
Playing golf	17%	17%
Playing tennis	18%	10%

- Beach experiences, shopping, visiting a museum and historical sites are the top activities Likely Hawai'i visitors look for when selecting a destination.
- Interest in dining cruises, visiting a zoo or aquarium nightlife, film/art festivals and playing tennis increased significantly compared to last year.

Data in bold indicates a significant difference from Winter 2023.

DBEDT ECONOMIC OUTLOOK & TOURISM FORECAST

Dr. Eugene Tian presentation to House Finance Committee and
Ways and Means Committee

Forecast: <https://dbedt.hawaii.gov/visitor/tourism-forecast/>

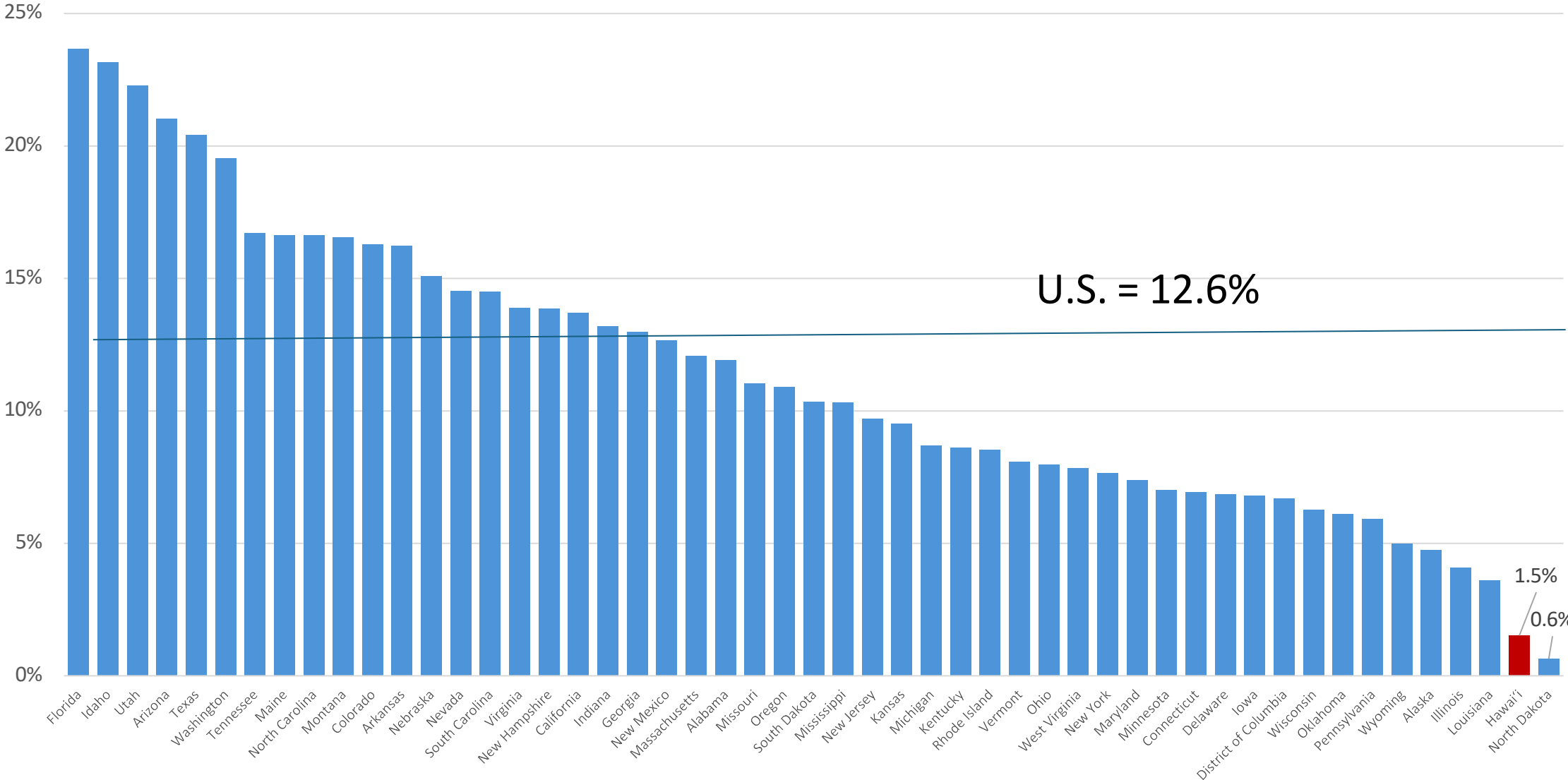
December 2024 World Economic Growth Projections

Economy	2019	2020	2021	2022	2023	2024	2025
USA	2.3	-2.2	6.1	2.5	2.9	2.7	2.1
Canada	1.9	-5.1	5.0	4.2	1.5	1.2	1.8
Japan	-0.2	-4.7	2.3	1.1	1.6	-0.2	1.2
S. Korea	2.2	-0.7	4.3	2.7	1.4	2.3	2.0
Hong Kong	-1.7	-6.5	6.4	-3.7	3.3	2.6	2.3
Taiwan	3.1	3.4	6.5	2.7	1.1	4.1	2.7
China	6.0	2.2	8.5	3.0	5.2	4.8	4.3
United Kingdom	1.7	-11.0	8.7	4.8	0.3	0.9	1.4
Germany	1.1	-4.1	3.1	1.4	-0.1	-0.1	0.6
France	1.8	-7.9	6.4	2.6	1.1	1.1	0.8
Euro area	1.6	-6.3	5.9	3.6	0.5	0.8	1.0
Australia	2.0	-1.8	5.2	4.1	2.1	1.1	2.0
Brazil	1.2	-3.3	5.0	3.0	3.2	3.1	2.1

Source: Blue Chip Economic Indicators, December 10, 2024

Economic Recovery from 2020 COVID Recession by State

(Real GDP growth between 1st 3Qs 2019 and 1st 3Qs of 2024)

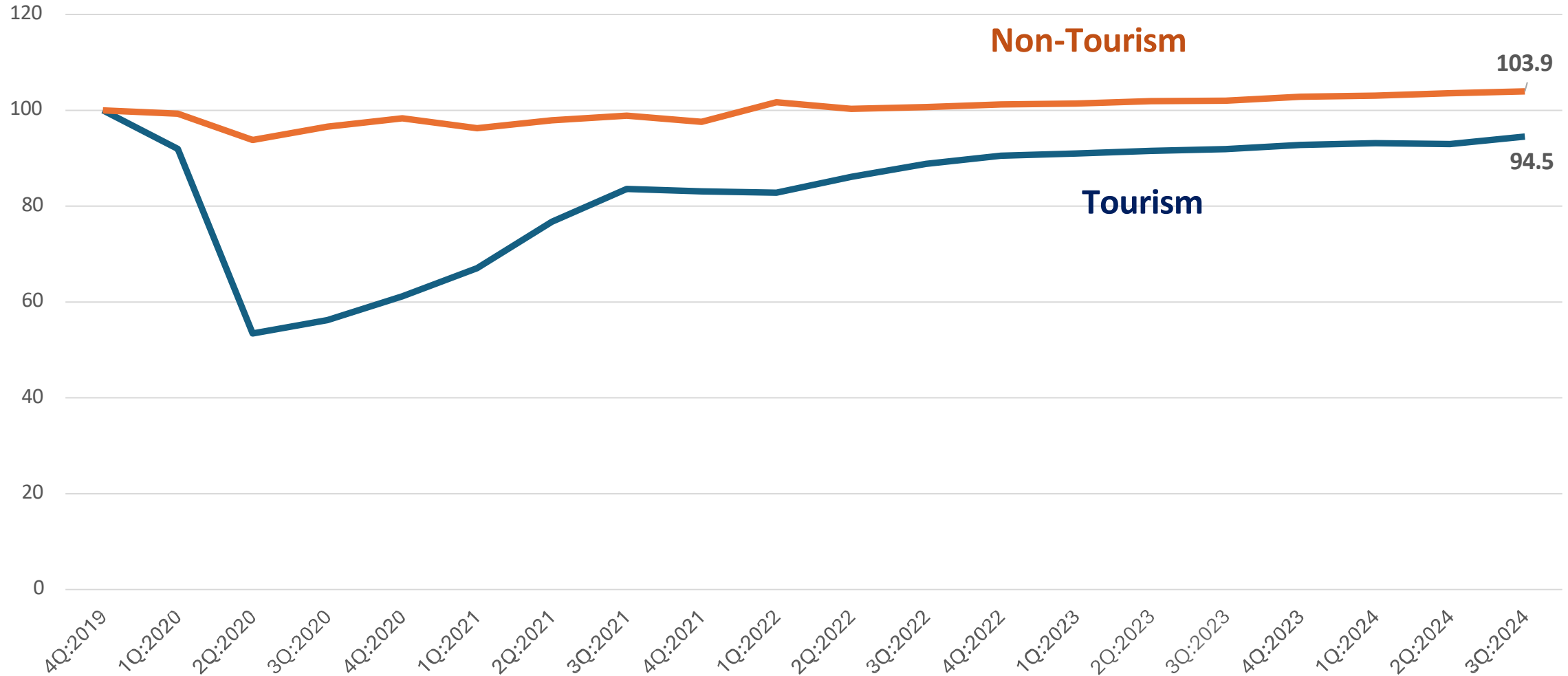


Source: U.S. Bureau of Economic Analysis



Hawai'i Economic Recovery Status

(% of real GDP in 4Q 2019)



Source: U.S. Bureau of Economic Analysis

U.S. and Hawai'i Industry Structure: % of 2024 Real GDP by Industry*

Industry	U.S.	Hawaii	Concentration U.S. =100
Agriculture, forestry, fishing and hunting	0.9	0.5	62.3
Mining, quarrying, and oil and gas extraction	1.4	0.1	3.8
Utilities	1.5	1.8	121.0
Construction	3.7	5.0	135.6
Manufacturing	10.2	1.7	16.9
Trade	11.1	9.9	88.8
Transportation and warehousing	3.1	5.3	173.0
Information	7.1	3.1	43.9
Finance and insurance	6.8	3.8	55.8
Real estate and rental and leasing	13.5	17.3	128.5
Professional and business services	14.9	9.9	66.7
Educational services	1.1	1.1	96.3
Health care and social assistance	7.8	8.0	102.7
Hospitality	3.9	10.7	275.6
Other services	1.8	2.1	118.1
Government	11.2	19.7	175.1
Top 5 Industries	54.6	67.5	123.6

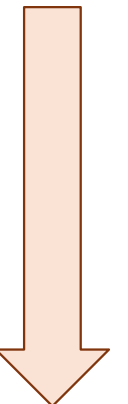
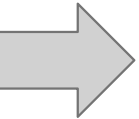
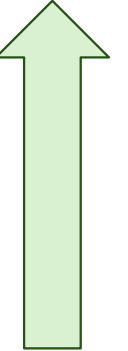
Hawaii's economy is more concentrated than the U.S.

* 1st 3 quarters
Source: U.S. Bureau of Economic Analysis



Hawai'i Industry Share of Real GDP: 2005 and 2024* (%)

Industry (by NAICS code)	2005	2024
Real estate and rental and leasing	15.4	17.3
Health care and social assistance	5.8	8.0
Professional, scientific, and technical services	4.0	5.3
Transportation and warehousing	4.5	5.3
Information	1.7	3.1
Administrative & support & waste management & remediation services	2.8	3.1
Utilities	1.7	1.8
Management of companies and enterprises	1.3	1.5
Finance and insurance	3.8	3.8
Federal government	11.9	11.2
Hospitality	11.9	10.7
Trade	10.6	9.9
State and local	10.2	8.5
Mining and construction	7.6	5.0
Other services (except government and government enterprises)	2.9	2.1
Manufacturing	1.9	1.7
Educational services	1.2	1.1
Agriculture, forestry, fishing and hunting	0.7	0.5



* 1st 3 quarters

Source: U.S. Bureau of Economic Analysis

Visitor Recovery Rate by Market: First 11 Months of 2019, 2022-2024

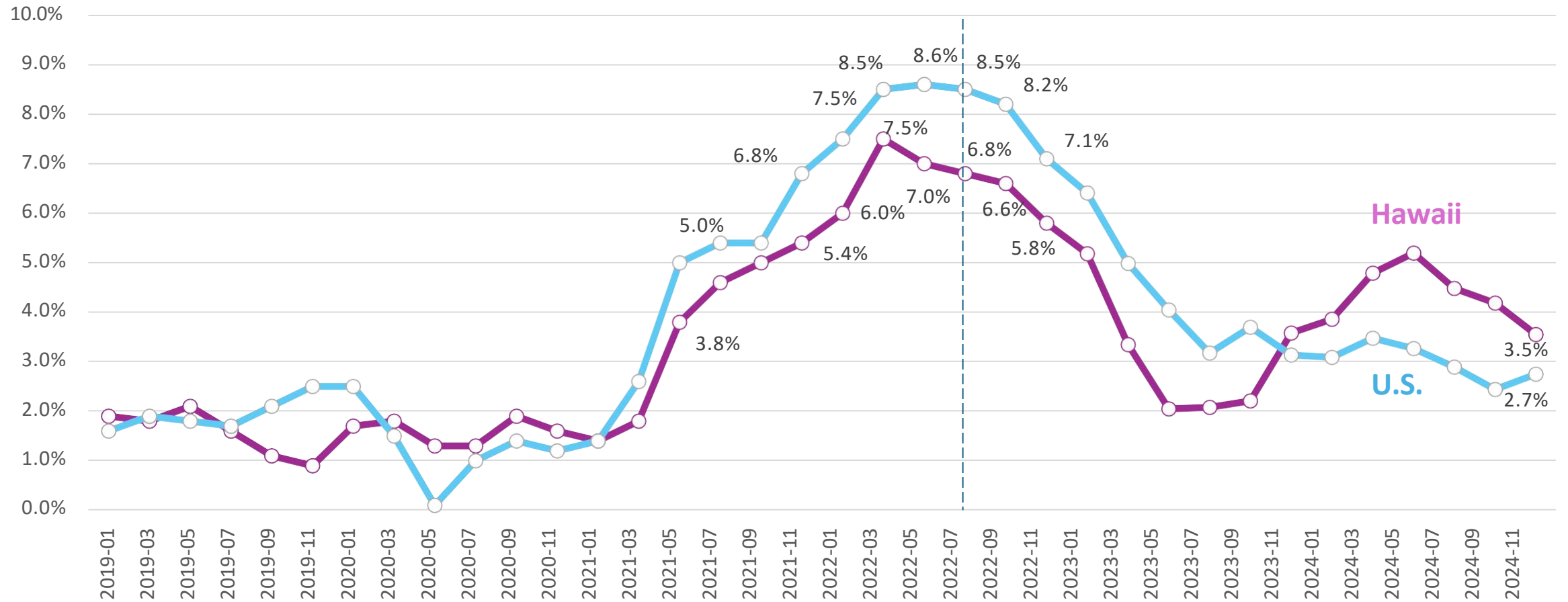
Market	Arrivals, 11 mon. 2019	Arrivals, 11 mon. 2022	Arrivals, 11 mon. 2023	Arrivals, 11 mon. 2024	Recovery rate 2022	Recovery rate 2023	Recovery rate 2024	23-24 growth
TOTAL	9,434,230	8,362,095	8,795,160	8,779,058	88.6	93.2	93.1	-0.2%
U.S. West	4,176,799	4,830,023	4,575,290	4,518,879	115.6	109.5	108.2	-1.2%
U.S. East	2,061,163	2,240,772	2,217,571	2,134,050	108.7	107.6	103.5	-3.8%
Japan	1,439,570	157,421	518,824	649,663	10.9	36.0	45.1	25.2%
Canada	475,922	352,898	416,842	379,847	74.2	87.6	79.8	-8.9%
Other	1,148,584	699,288	924,210	946,638	60.9	80.5	82.4	2.4%
Cruise ship	132,194	81,692	142,421	149,981	61.8	107.7	113.5	5.3%

Air Seat Capacity Growth During the First 6 Months of 2025

Market	First 6 months of 2025	First 6 months of 2024	% change
Total	6,654,473	6,646,734	0.1
Domestic	5,331,006	5,259,834	1.4
US West	4,655,449	4,646,183	0.2
US East	675,557	613,651	10.1
International	1,323,467	1,386,900	-4.6
Japan	642,380	694,630	-7.5
Canada	233,593	253,406	-7.8
Other Asia	133,988	144,903	-7.5
Oceania	146,796	146,924	-0.1

Source: Diio MI Flight Schedules

Hawai'i Consumer Inflation Has Been Higher Than the U.S. Since November 2023

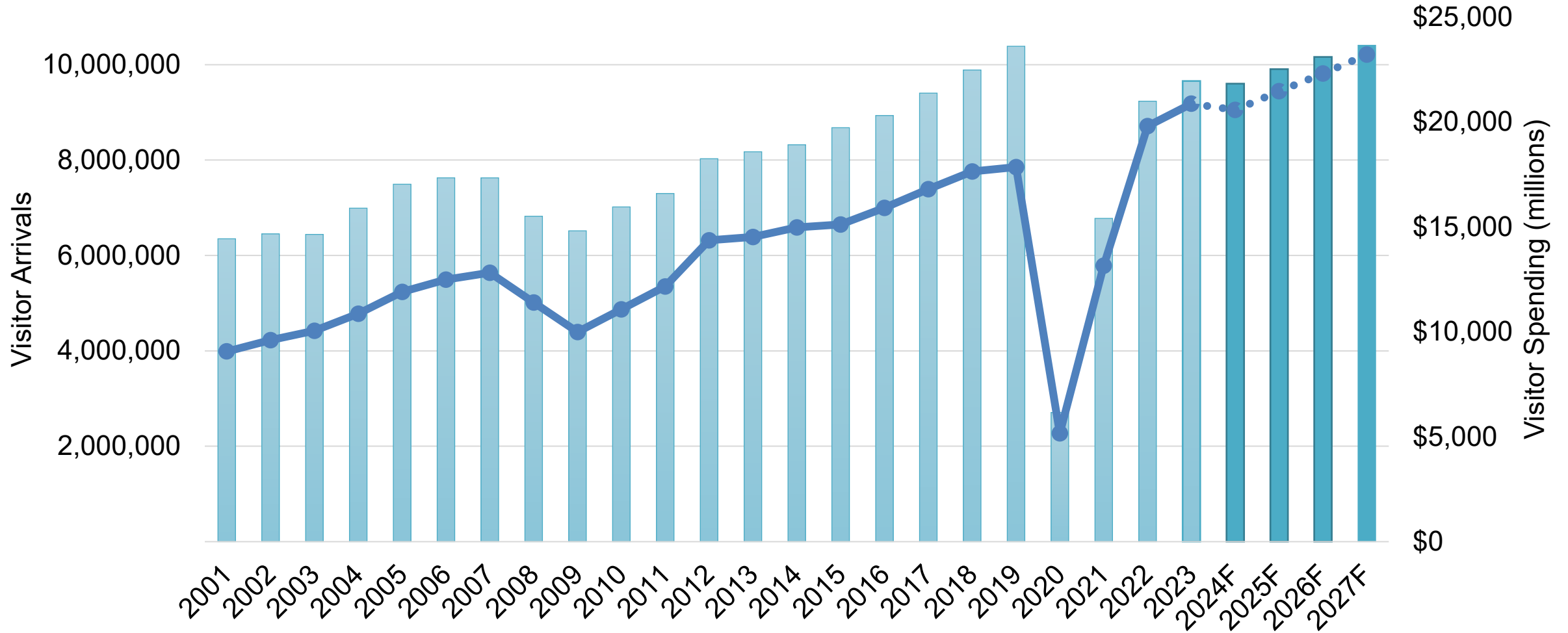


Source: U.S. Bureau of Labor Statistics

DBEDT Economic Forecast

Economic Indicators	Actual					Forecast			
	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total population (1,000)	1,457	1,451	1,447	1,439	1,435	1,433	1,434	1,435	1,437
Visitor arrivals (1,000)	10,387	2,708	6,778	9,234	9,658	9,602	9,906	10,162	10,407
Visitor expenditures (\$M)	17,844	5,162	13,154	19,800	20,866	20,572	21,461	22,305	23,203
Honolulu consumer inflation rate (%)	1.6	1.6	3.8	6.5	3.1	4.3	3.1	2.7	2.6
Non-agricultural wage & salary jobs (1,000)	658.6	560.0	586.9	618.1	632.2	637.7	645.4	653.0	659.8
Civilian unemployment rate (%)	2.5	11.7	6.0	3.5	3.0	2.9	2.7	2.6	2.5
Real GDP growth rate (%)	0.0	-10.1	5.7	2.9	2.0	1.6	2.0	2.0	1.8

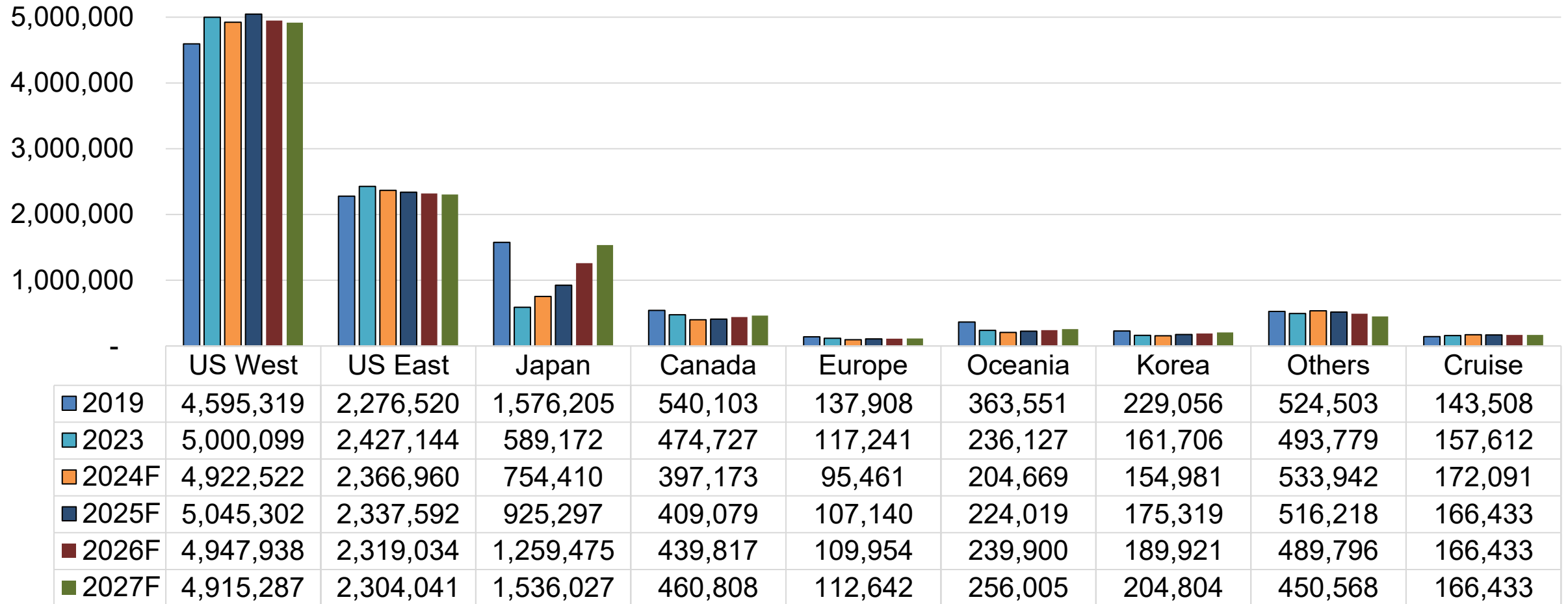
DBEDT Tourism Forecast



Source: DBEDT, Q3 2024 Forecast

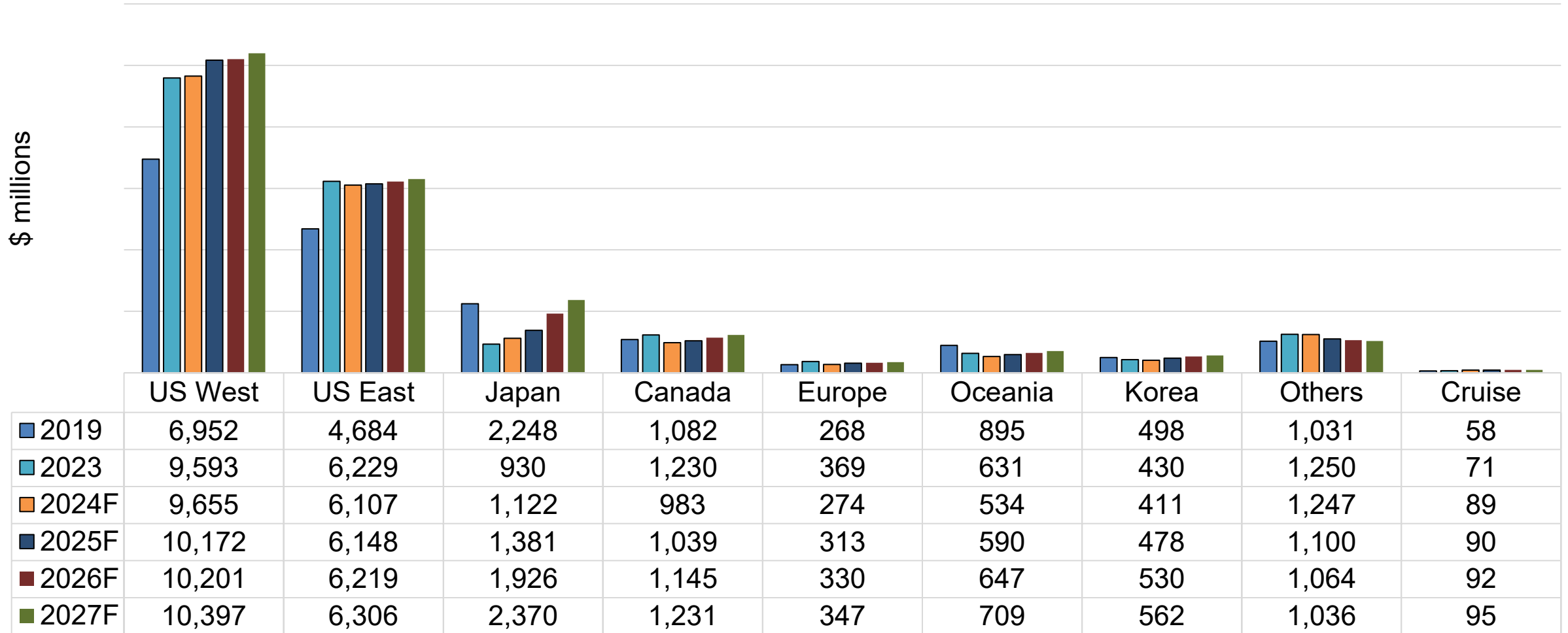
Visitor Arrivals Visitor Spending

DBEDT Tourism Forecast – Visitor Arrivals



Source: DBEDT, Q1 2024 Forecast

DBEDT Tourism Forecast – Visitor Spending



Source: DBEDT, Q3 2024 Forecast

TRAVELER PROFILES



STATE OF HAWAII • DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM



Vision Insights Syndicated Survey

- DBEDT subscribes to Vision Insight's Brand Health and Profiles databases for the U.S., Japan, Canada, Australia, and Korea
- Consumers are surveyed each day
- DBEDT receives access to new data each week for selected traveler profile segments for the U.S., Japan, Canada, Australia, and Korea
- Traveler Profiles Reports
 - US – Monthly
 - Canada – Quarterly
 - Japan – Annual
 - Australia – Annual
 - Korea - Annual

US Segment Definitions

Avid Traveler \$100k+

- Gross household income is \$100k+
- Age is 25-54
- Either
 - Took an international vacation by air in the last 12 months
 - Likely/very likely to book an air trip in the next 12 months
 - Most recent leisure destination was Hawai'i or Alaska
 - Next leisure destination is Hawai'i or Alaska

Long-Distance Air Traveler under 55

- Took an international vacation by air in the last 12 months
- State of residence is not Hawai'i
- Under the age of 55

Avid Traveler \$150k+

- Gross household income is \$150k+
- 2+ persons per household
- Age is 25-54
- Either
 - Took an international vacation by air in the last 12 months
 - Likely/very likely to book an air trip in the next 12 months
 - Most recent leisure destination was Hawai'i or Alaska
 - Next leisure destination is Hawai'i or Alaska

Nationally Representative Sample (Nat Rep)

- Representative of U.S. adults in terms of age, gender, social class and education

U.S. - Importance of Travel Factors

	Very Important 5			
	US: Avid Traveler \$100k+	US: Avid Traveler \$150k+	US: Long-Distance Air Traveler under 55	US Market
Comfort and accessibility	61%	60%	56%	53%
Value for money	58%	60%	56%	58%
Entertainment and nightlife	58%	60%	48%	32%
Consideration of sustainable principles	52%	56%	43%	29%
Natural attractions/activities	56%	57%	52%	46%
Cultural attractions	54%	56%	49%	40%
Opportunity to experience local restaurants/businesses	55%	57%	50%	42%
Family-friendly location and activities	57%	59%	52%	44%

Sample Size:

n=1,213

n=820

n=2,501

n=10,259



How important are the following factors in choosing your travel destination. Please rate the following list with 1 = not very important and 5 = very important?

Canada - Segment Definitions

Avid Traveler \$100k+

- Gross household income is \$100k+
- Age is 35-49
- Took an international trip in the last 12 months

Long-Distance Traveler

- Gross household income is \$100k+
- Age is 35-64
- Took an international trip by air in the last 12 months

Nationally Representative Sample (Nat Rep)

- Representative of Canada adults in terms of age, gender, social class and education

Older Avid Traveler \$100k+

- Gross household income is \$100k+
- Age is 50-64
- Took an international trip in the last 12 months

Senior Traveler \$100k+

- Gross household income is \$100k+
- Age is 64+
- Been to Hawai'i (ever)

Canada - Importance of Travel Factors

	Very Important 5				
	Canada: Avid Traveler \$100k+	Canada: Older Avid Traveler \$100k+	Canada: Senior Traveler \$100k+	Canada: Long-Distance Air Traveler	Canada Market
Value for money	53%	50%	40%	58%	57%
Comfort and accessibility	43%	40%	30%	48%	46%
Natural attractions/activities	42%	35%	37%	42%	40%
Family friendly locations and activities	38%	19%	10%	32%	30%
Opportunity to experience local restaurants/businesses	39%	34%	24%	36%	34%
Cultural attractions	37%	34%	29%	35%	33%
Entertainment and nightlife	21%	13%	4%	22%	22%
Consideration of sustainable principles	22%	14%	10%	20%	20%

Sample Size:

n=267

N=205

n=79

n=1,381

n=3,874

How important are the following factors in choosing your travel destination. Please rate the following list with 1 = not very important and 5 = very important?



Japan - Segment Definitions

Avid Traveler

- Gross household income is 10M+ yen
- Age is 25-35
- Married or living with partner
- No children under the age of 18
- Full time/part time employed
- Either took an international vacation in the past 12 months, very likely/likely to book a flight in the next 12 months, or book a vacation using online agencies/websites

Nationally Representative Sample (Nat Rep)

- Representative of Japan adults in terms of age, gender, social class and education

Affluent Traveler

- Gross household income is 20M+ yen
- Age is 35-50
- Either took an international vacation in the past 12 months, very likely/likely to book a flight in the next 12 months, family friendly locations and activities are important, or comfort and accessibility is important

Active Senior

- Gross household income is greater than 1.95M+ yen
- Age is 60-75
- Books travel via a travel agent
- Belongs to a frequent flyer program
- Becomes aware of travel destinations on TV, radio, or newspaper

Japan - Importance of Travel Factors

	Very Important 5			
	Japan: Avid Traveler	Japan: Affluent Traveler	Japan: Active Senior Traveler	Japan Market
Value for money	18%	32%	14%	23%
Comfort and accessibility	27%	44%	36%	33%
Natural attractions/activities	0%	34%	35%	23%
Family friendly locations and activities	27%	35%	20%	22%
Opportunity to experience local restaurants/businesses	0%	23%	11%	15%
Cultural attractions	27%	23%	33%	22%
Entertainment and nightlife	0%	18%	13%	12%
Consideration of sustainable principles	0%	12%	10%	8%

Sample Size:

n=8

N=75

n=58

n=5,374

Australia - Segment Definitions

Family Traveler

- Gross household income is \$150k+
- Age is 35-50
- Has children under the age of 18
- Either took an international flight in the last 12 months or whose most recent leisure destination was Hawai'i/USA/or Southeast Asia in the past 12 months

Avid Traveler

- Gross household income is \$100k+
- Age is 45-65
- Been to Hawai'i more than 2x in the past
- Either took an international flight in the last 12 months or likely/very likely to book an air trip in the next 12 months

Couples Traveler

- Gross household income is \$100k+
- Married or living with partner
- Age is 30-50
- Not traveling with children under the age of 18
- Either took an international flight in the last 12 months, are likely/very likely to book an air trip in the next 12 months, or whose most recent leisure destination was either Hawai'i/Europe/Bali/Fiji/California/or Thailand in the past two years

Nationally Representative Sample (Nat Rep)

- Representative of Australia adults in terms of age, gender, social class and education

Australia - Importance of Travel Factors

	Very Important 5			
	Australia: Family Traveler	Australia: Older Avid Traveler	Australia: Couples Traveler	Australia Market
Value for money	46%	19%	54%	56%
Comfort and accessibility	43%	45%	43%	45%
Natural attractions/activities	39%	46%	44%	43%
Family friendly locations and activities	45%	26%	23%	34%
Opportunity to experience local restaurants/businesses	42%	25%	47%	36%
Cultural attractions	37%	40%	45%	35%
Entertainment and nightlife	27%	21%	21%	21%
Consideration of sustainable principles	26%	31%	14%	18%

Sample Size:

n=308

n=23

n=181

n=6,802

South Korea - Segment Definitions

Avid Traveler 90M+ Won

- Gross household income is 90M+ won
- Age is 25-54
- Either took an international vacation or very likely/likely to book a flight in the next 12 months

Avid Traveler 130M+ Won

- Gross household income is 130M+ won
- Age is 25-54
- Either took an international vacation, very likely/likely to book a flight in the next 12 months, or visited any of the Hawaiian Islands in the past two years

Nationally Representative Sample (Nat Rep)

- Representative of South Korea adults in terms of age, gender, social class and education

South Korea - Importance of Travel Factors

	Very Important 5		
	South Korea: Avid Traveler 90M+ Won	South Korea: Avid Traveler 130M+ Won	South Korea Market
Value for money	34%	37%	43%
Comfort and accessibility	34%	42%	40%
Natural attractions/activities	30%	42%	28%
Family friendly locations and activities	30%	45%	25%
Opportunity to experience local restaurants/businesses	28%	40%	21%
Cultural attractions	28%	41%	26%
Entertainment and nightlife	24%	37%	14%
Consideration of sustainable principles	25%	30%	16%

Sample Size:

n=750

n=184

n=6,511



How important are the following factors in choosing your travel destination. Please rate the following list with 1 = not very important and 5 = very important?

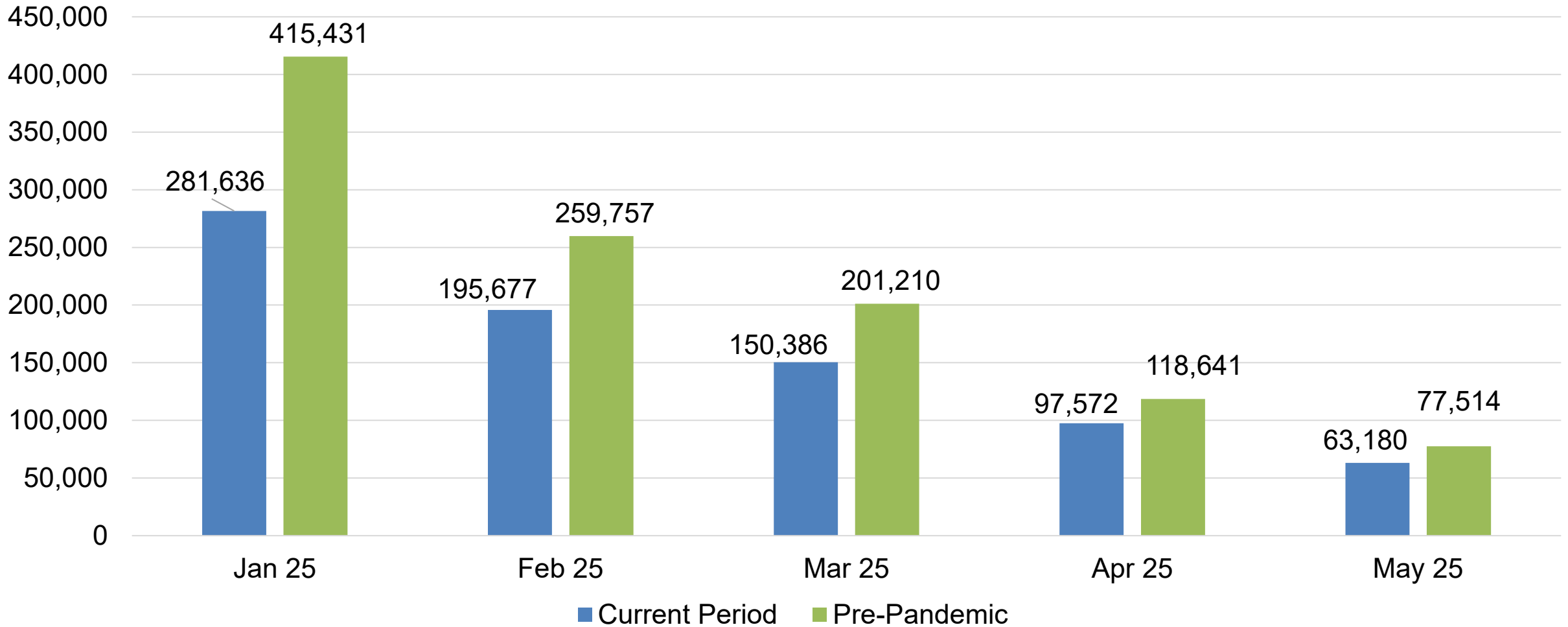
ARC/FORWARDKEYS DESTINATION GATEWAY AIR BOOKING TRENDS



STATE OF HAWAII • DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM

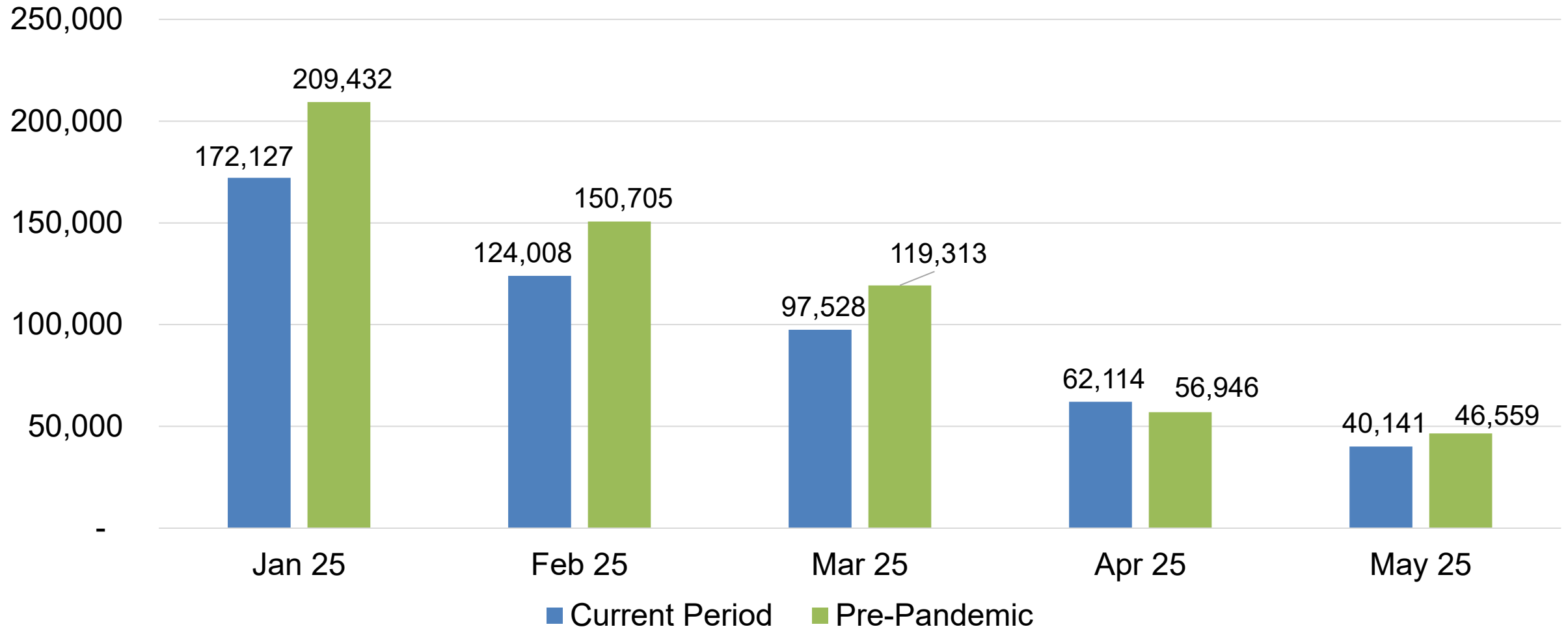


Six Month Outlook: All Markets



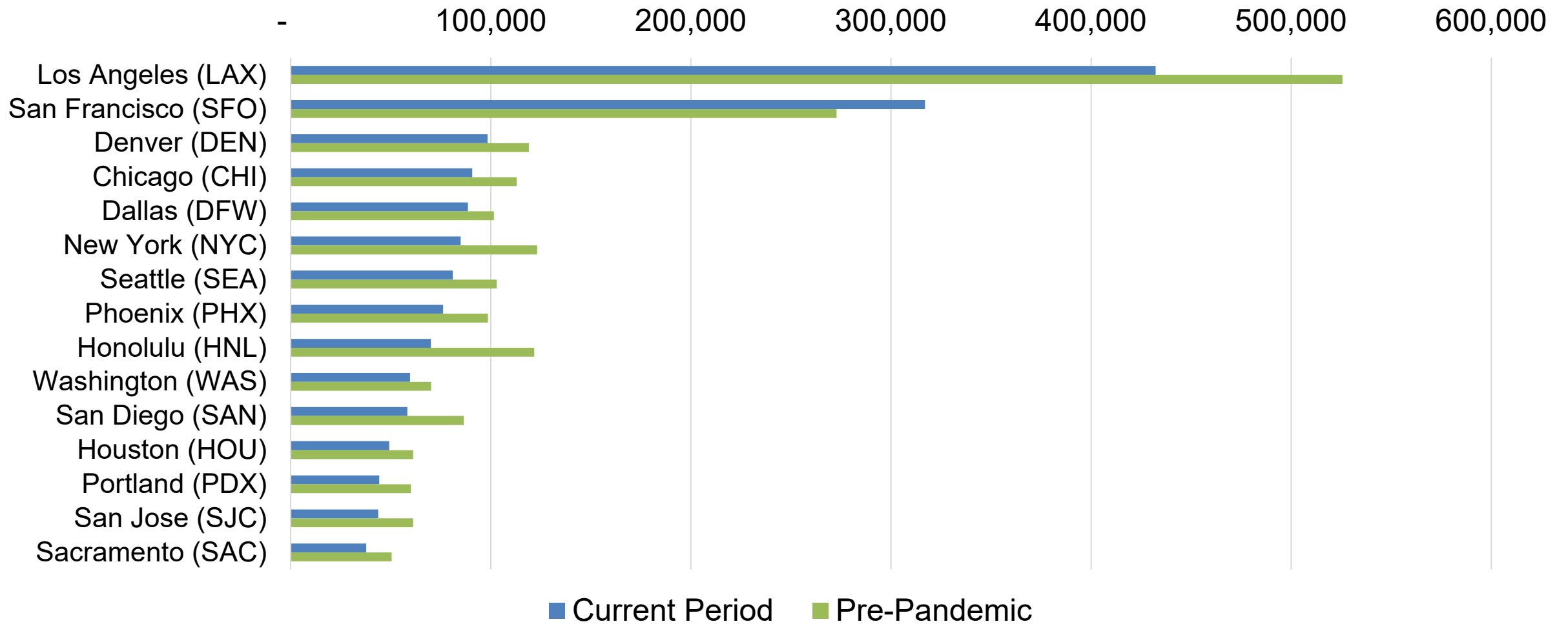
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Six Month Outlook: United States



Source: ARC/ForwardKeys Destination Gateway

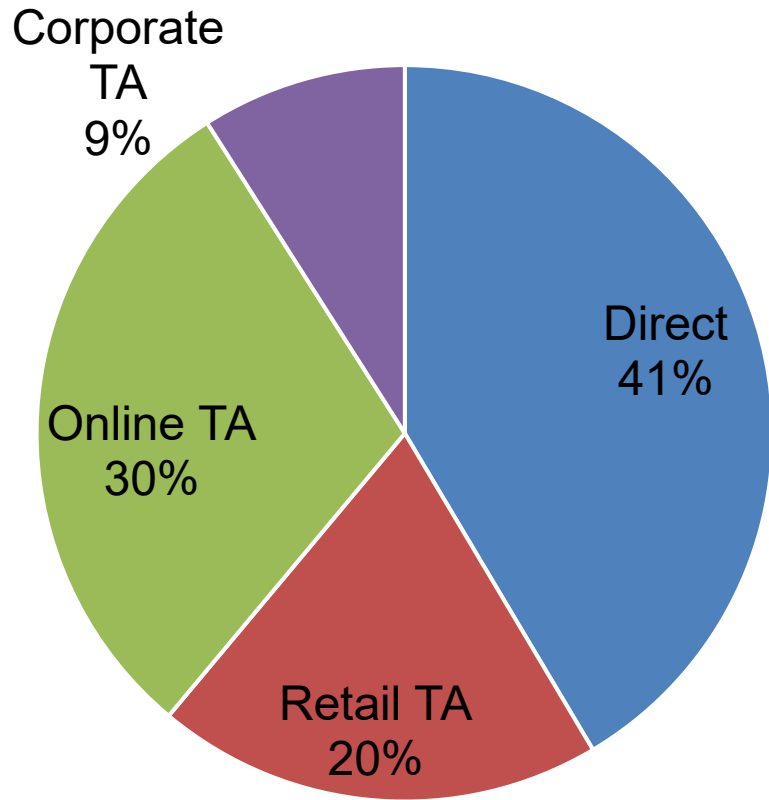
Trip Origins: United States



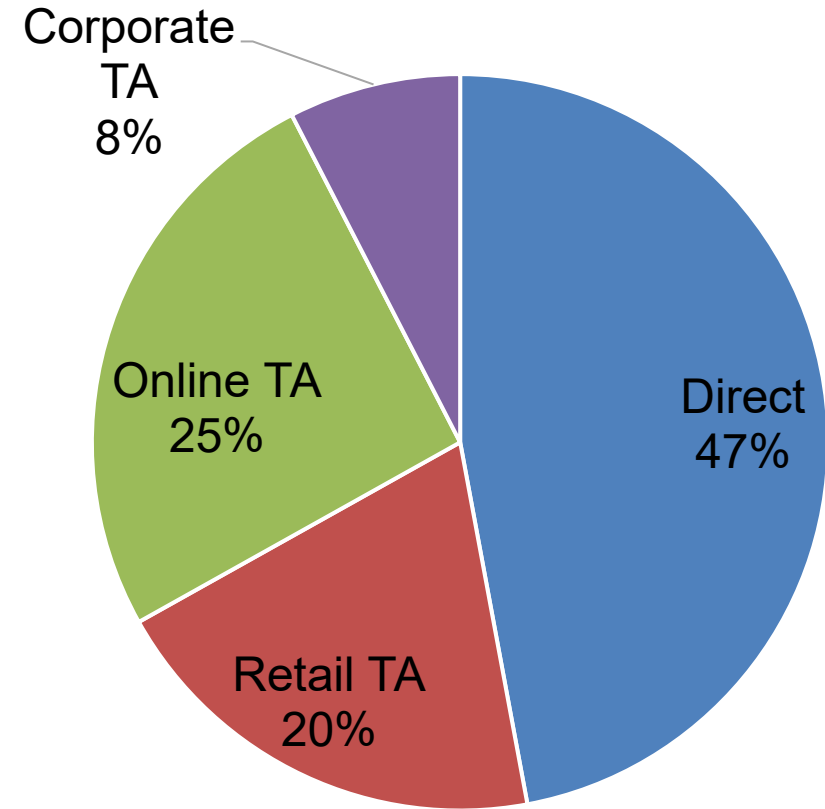
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Distribution Channel: United States

Pre-Pandemic



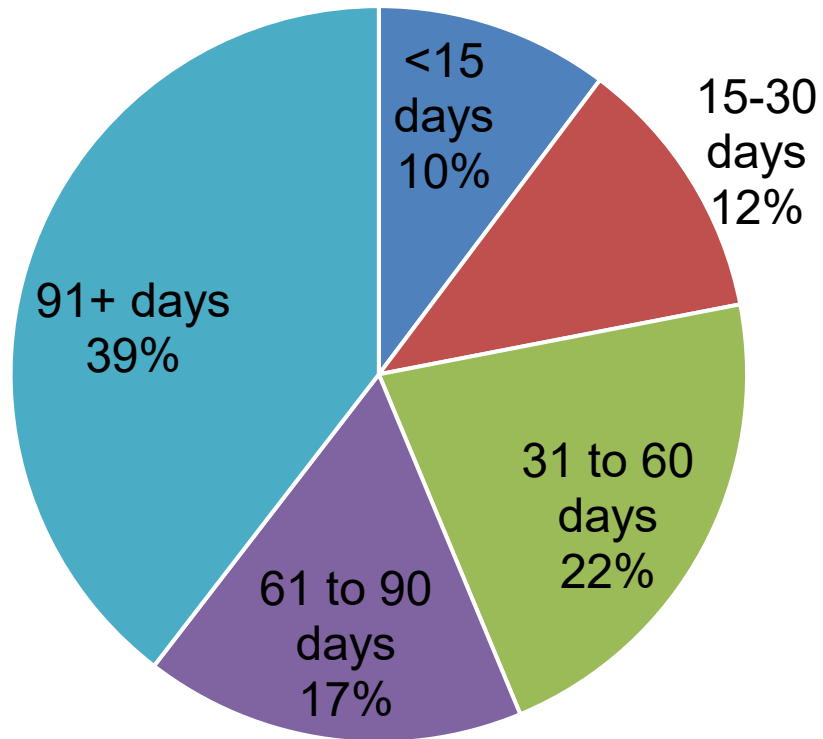
Current Period



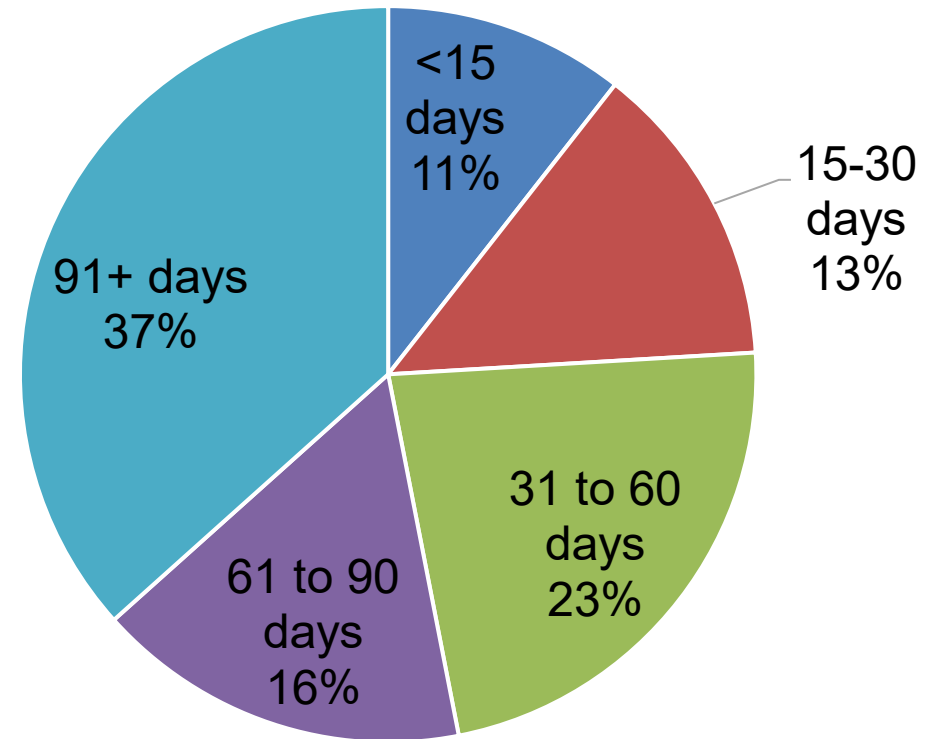
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Lead Time: United States

Pre-Pandemic

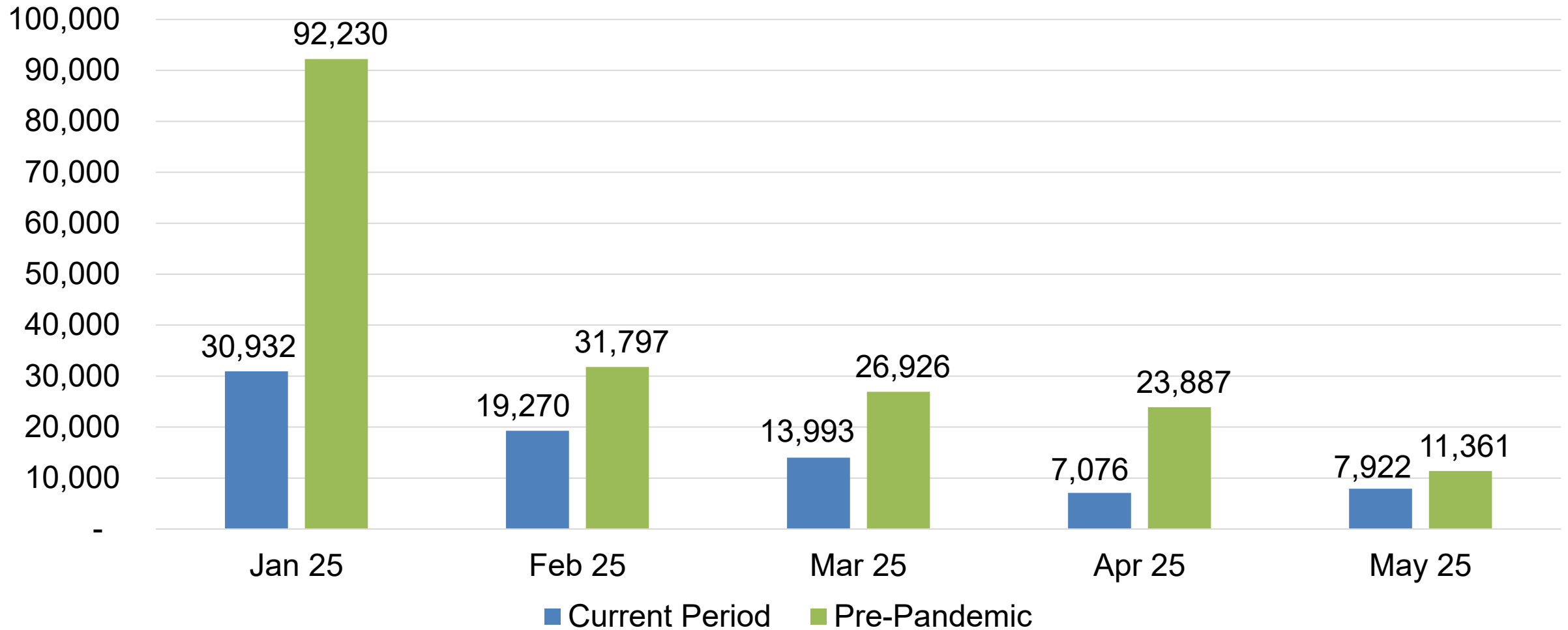


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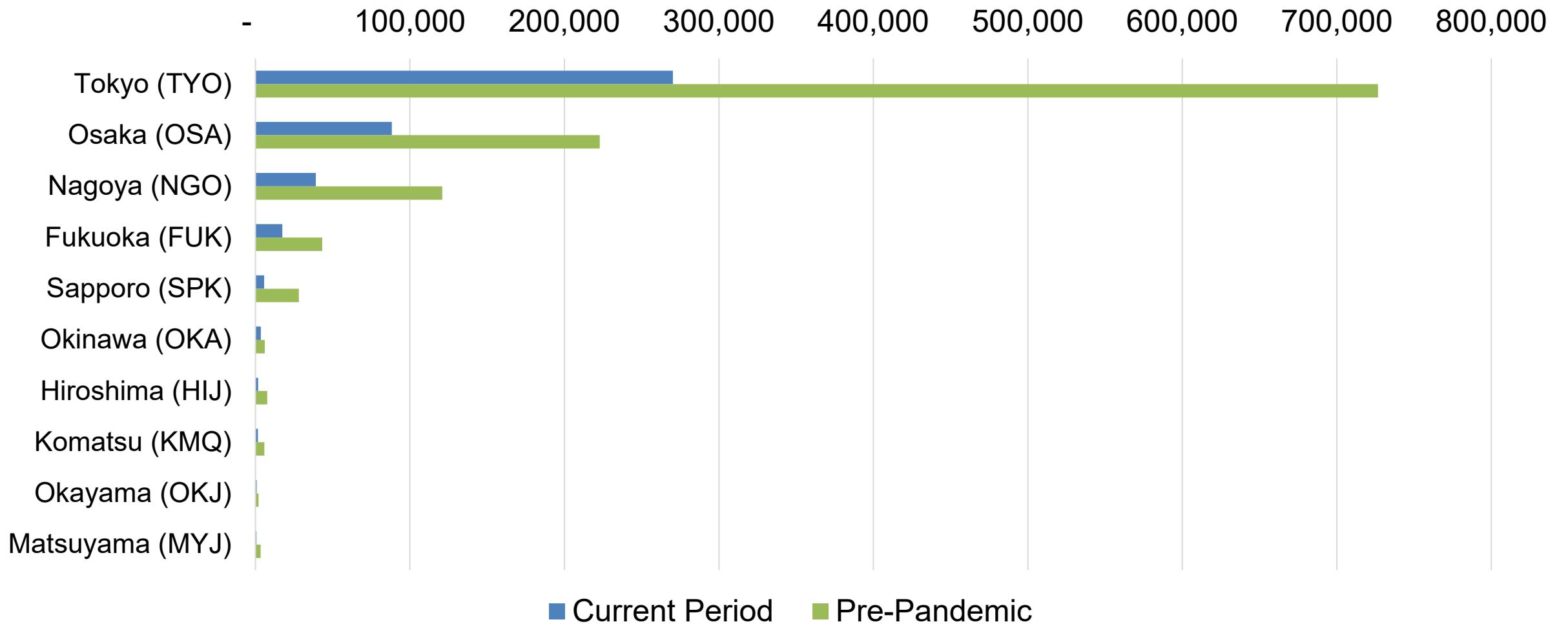
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Six Month Outlook: Japan



Source: ARC/ForwardKeys Destination Gateway

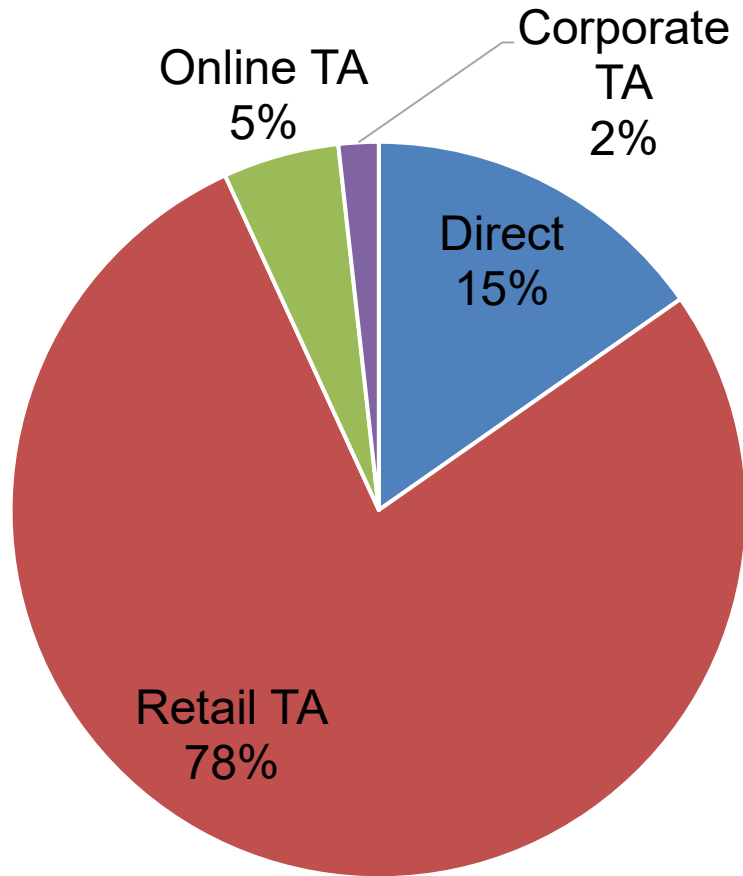
Trip Origins: Japan



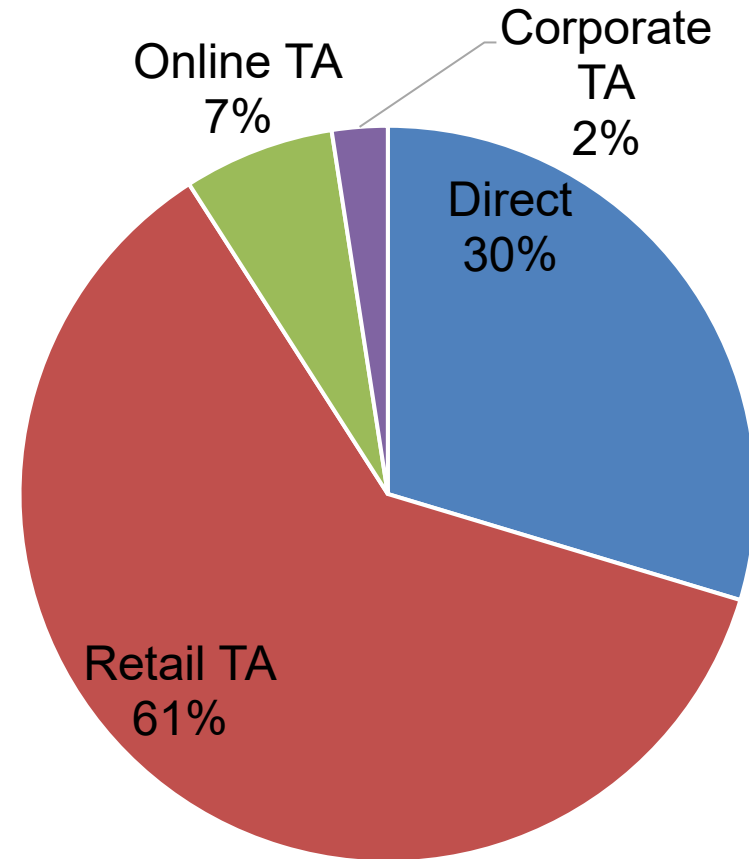
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Distribution Channel: Japan

Pre-Pandemic



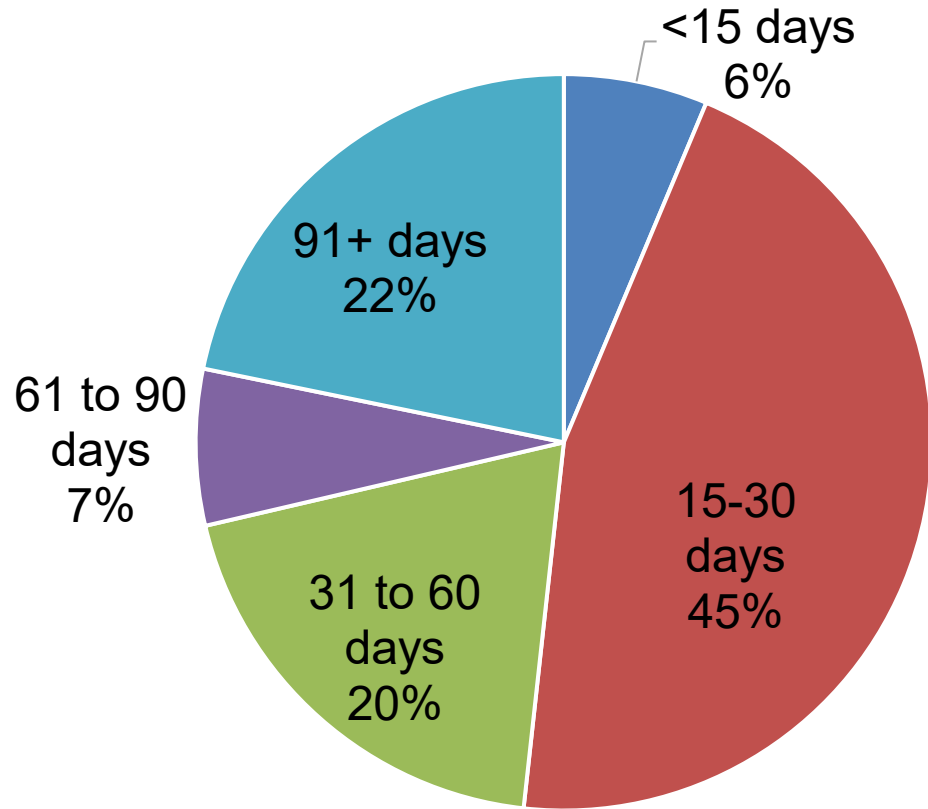
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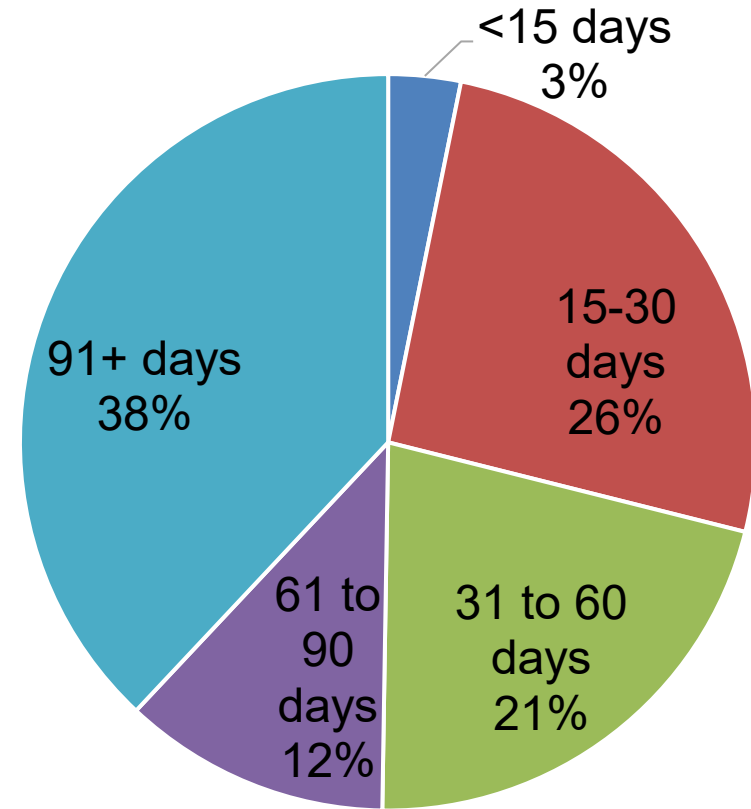
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Lead Time: Japan

Pre-Pandemic

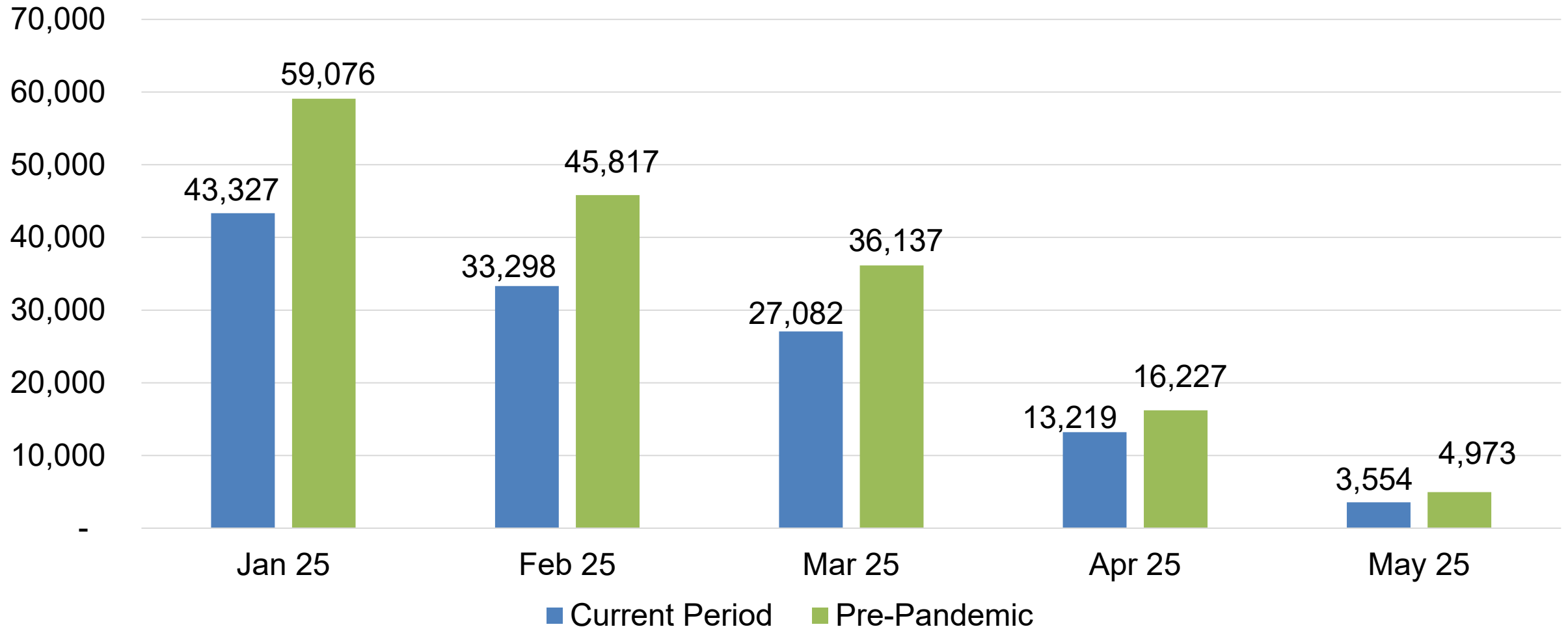


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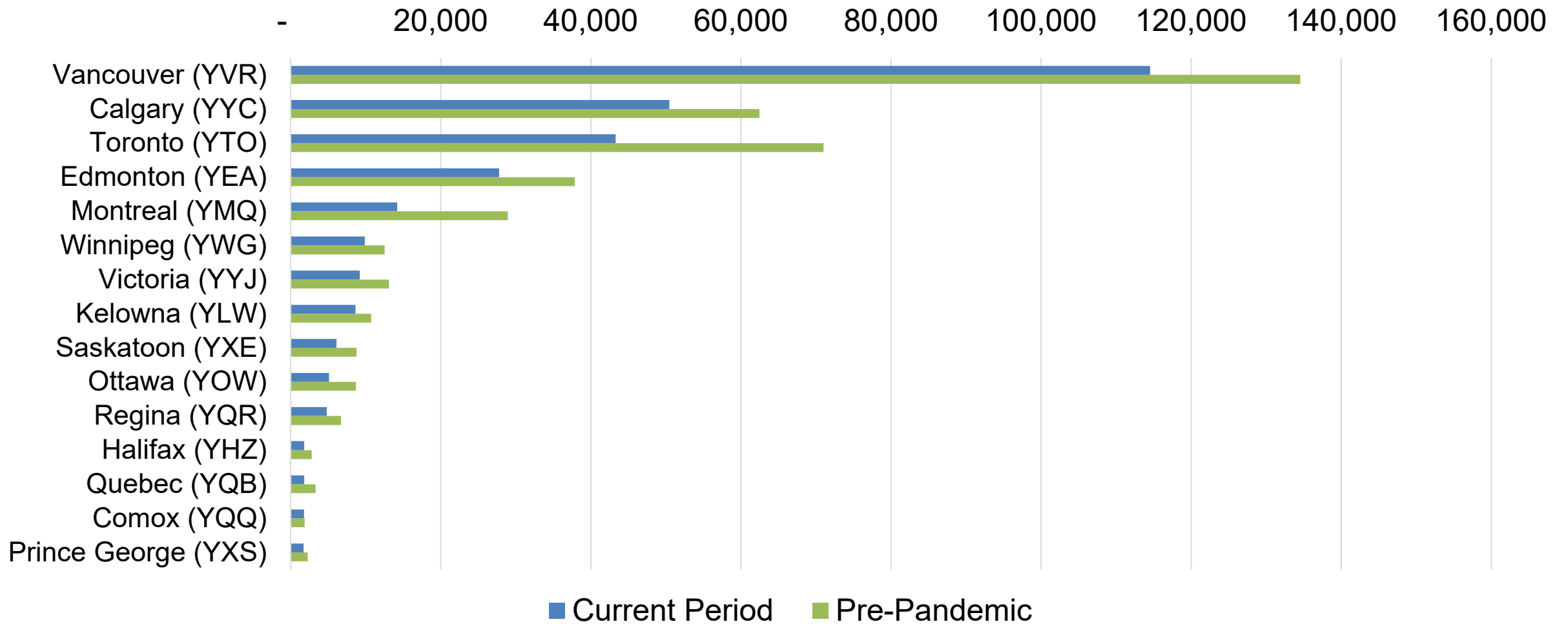
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Six Month Outlook: Canada



Source: ARC/ForwardKeys Destination Gateway

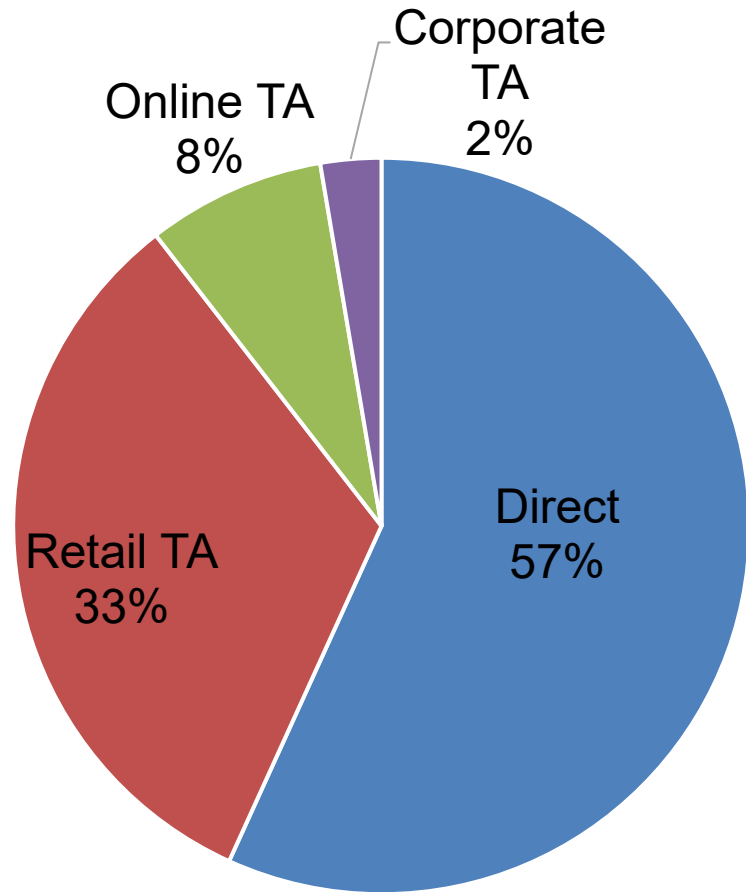
Trip Origins: Canada



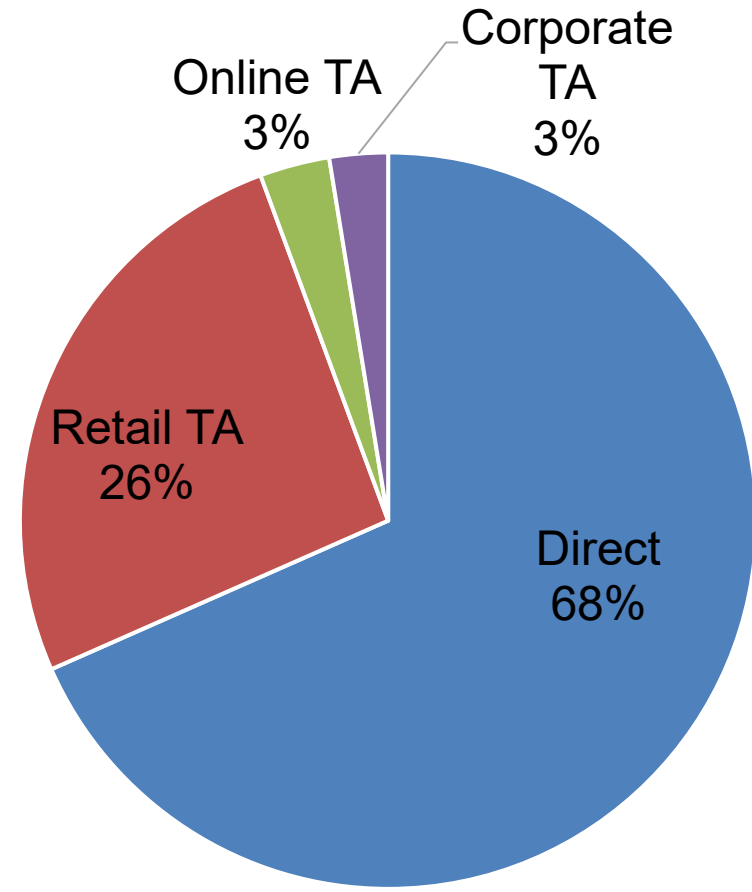
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Distribution Channel: Canada

Pre-Pandemic



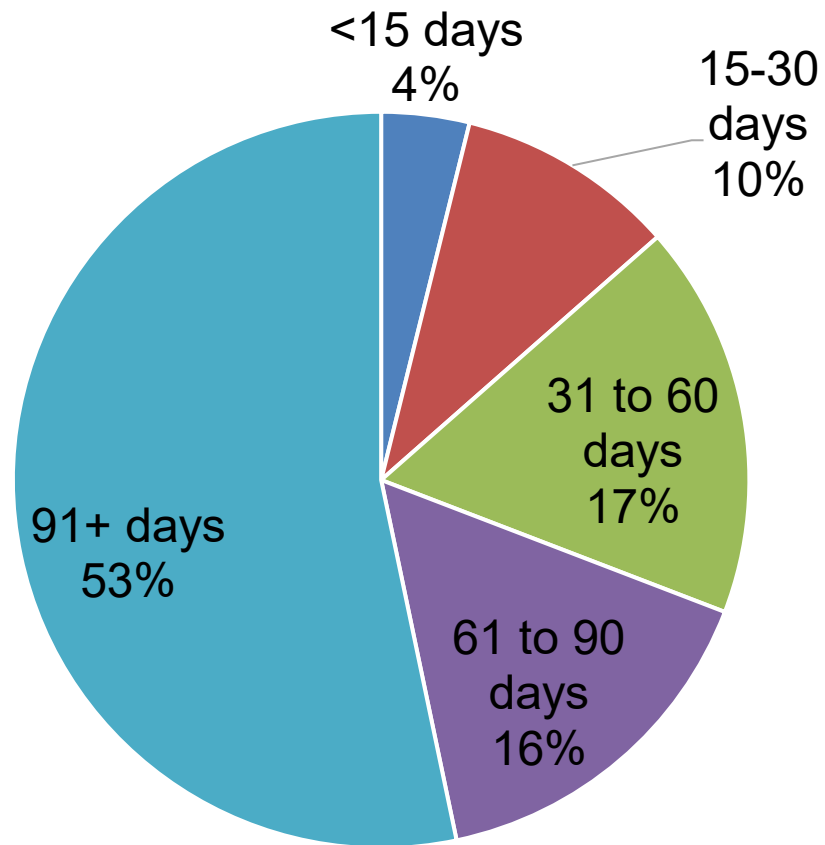
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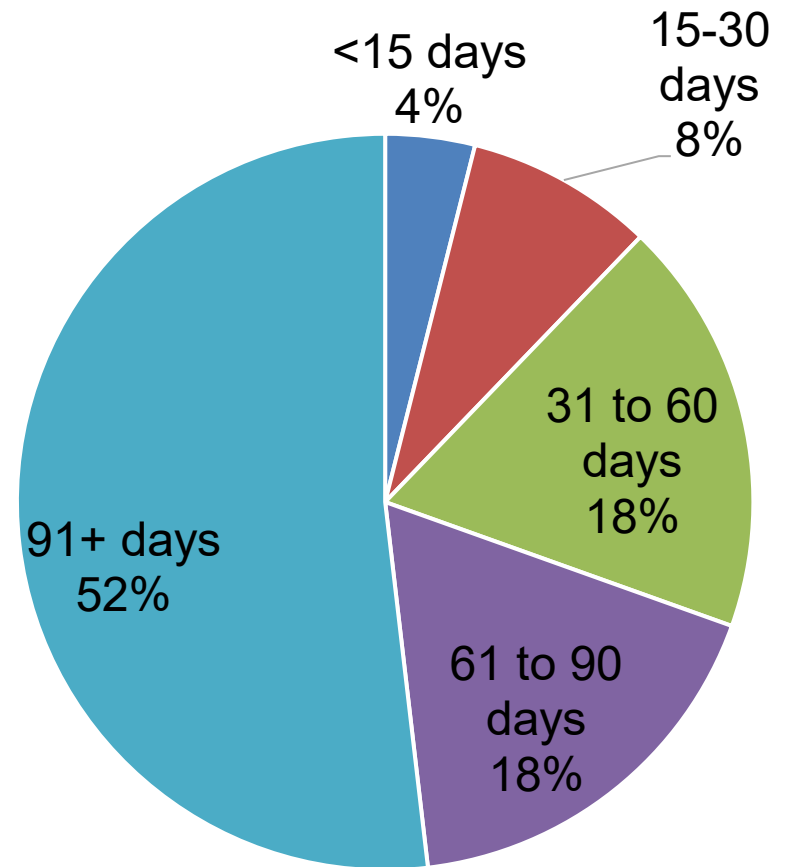
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Lead Time: Canada

Pre-Pandemic

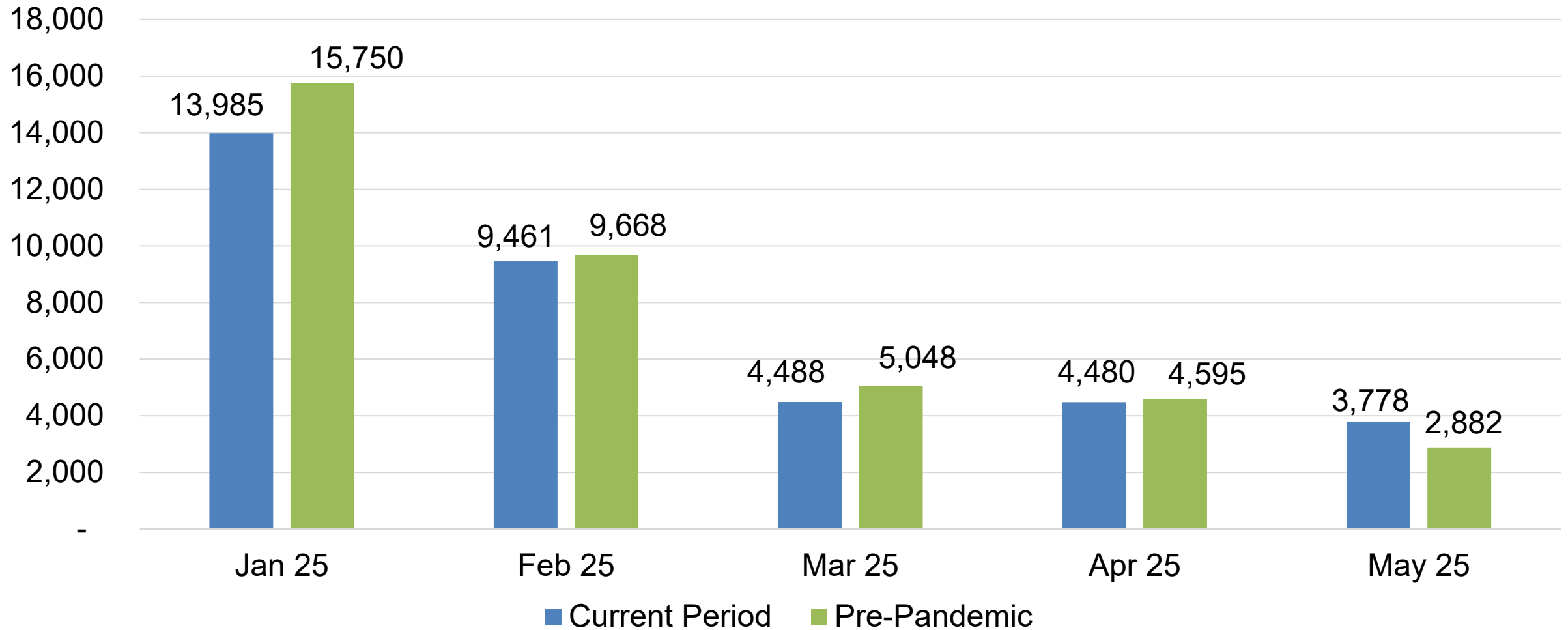


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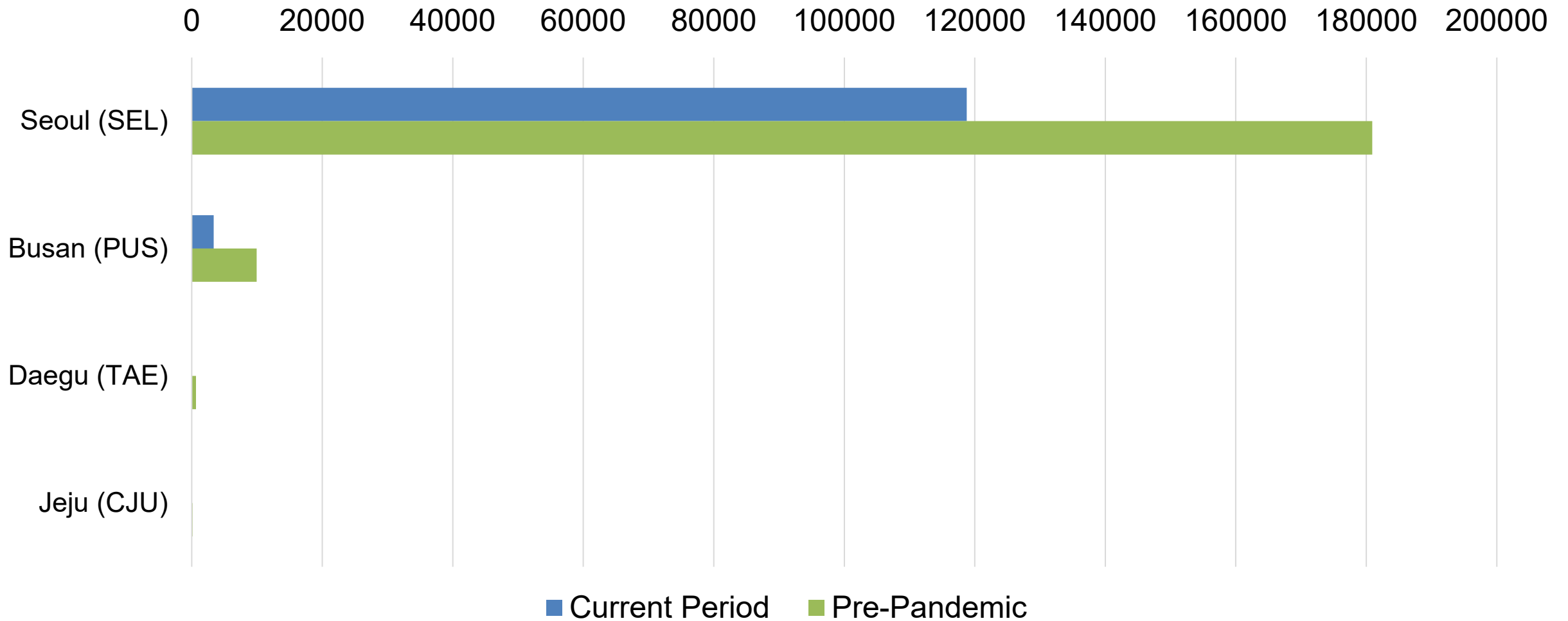
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Six Month Outlook: Korea



Source: ARC/ForwardKeys Destination Gateway

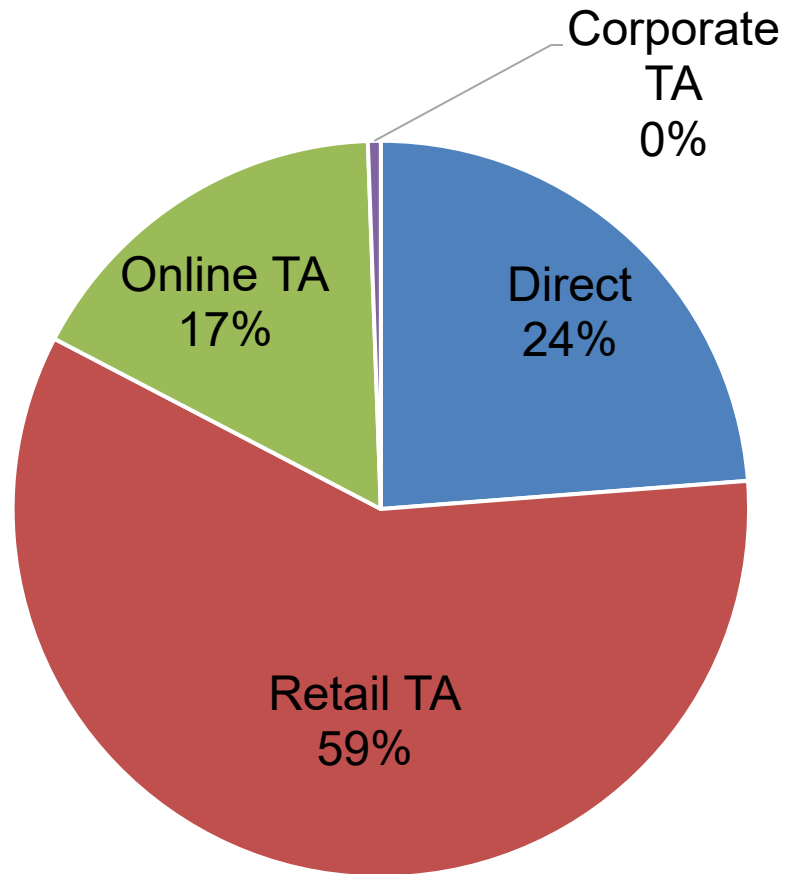
Trip Origins: Korea



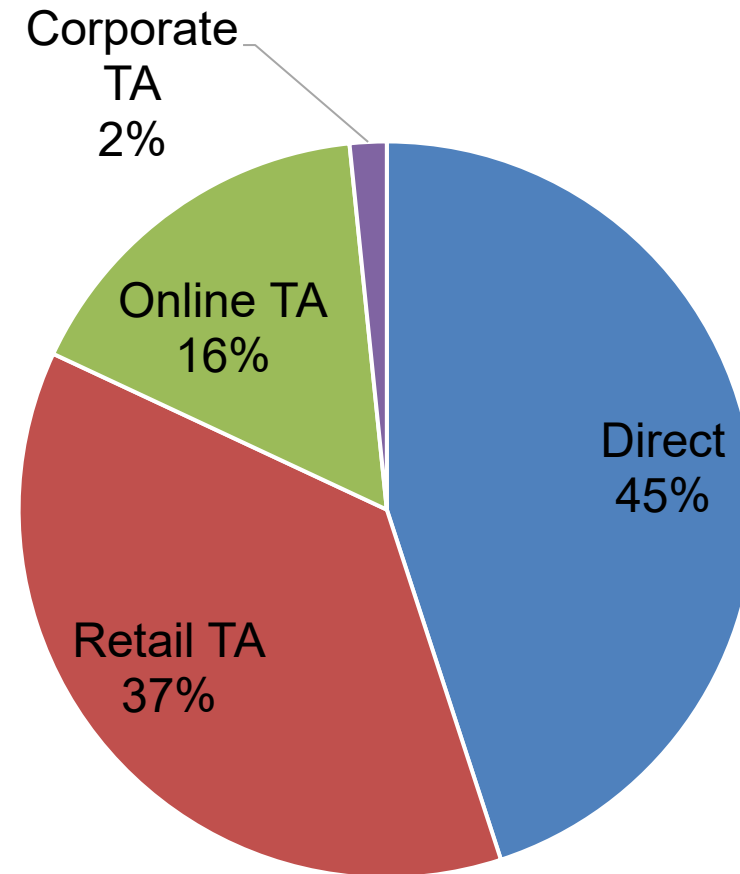
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Distribution Channel: Korea

Pre-Pandemic



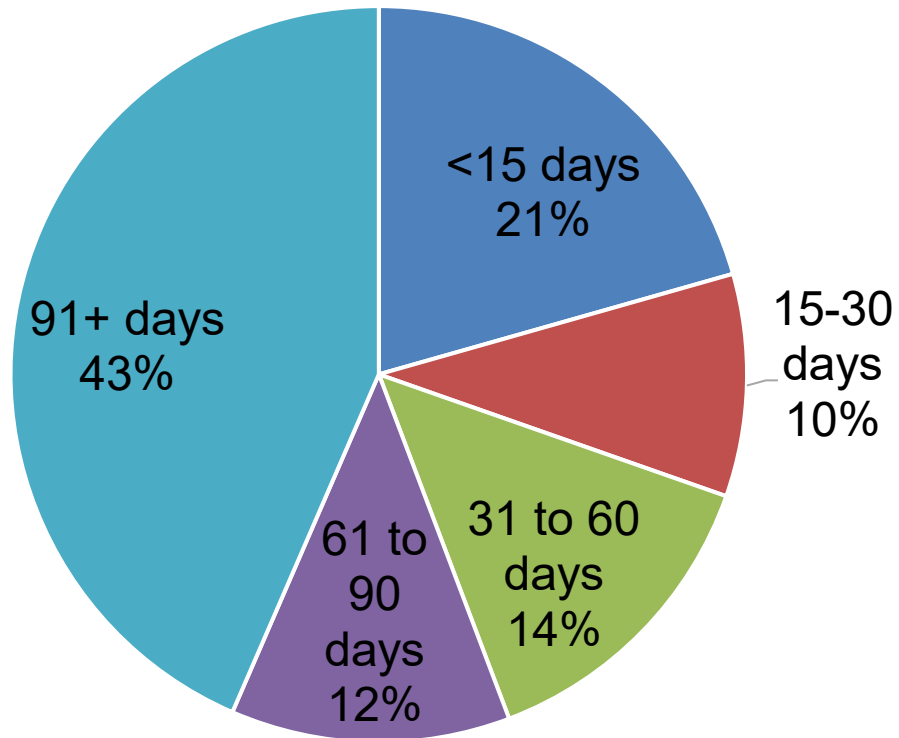
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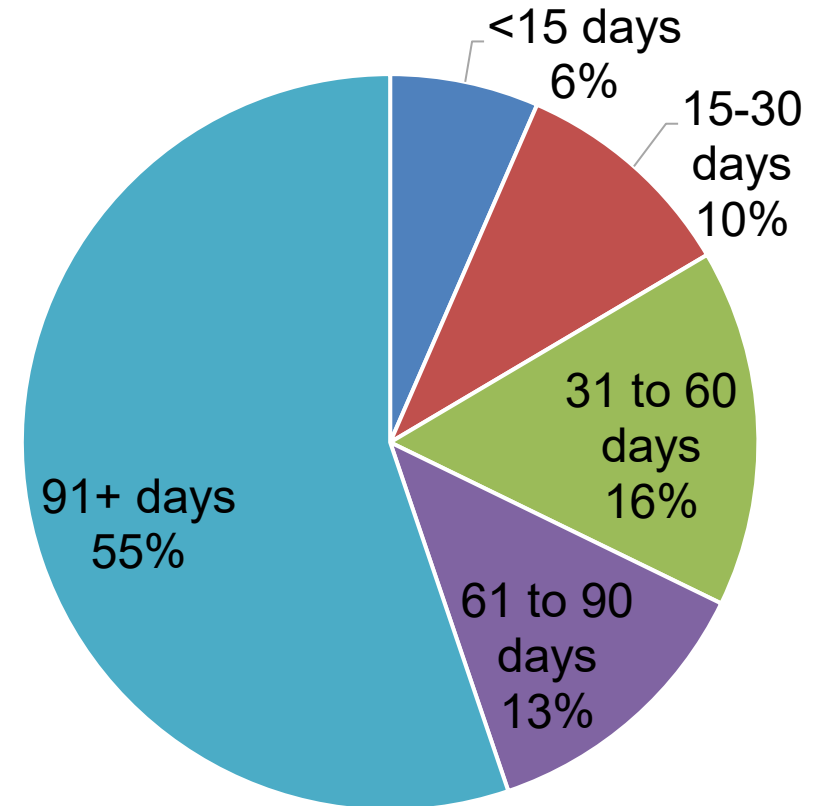
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Lead Time: Korea

Pre-Pandemic

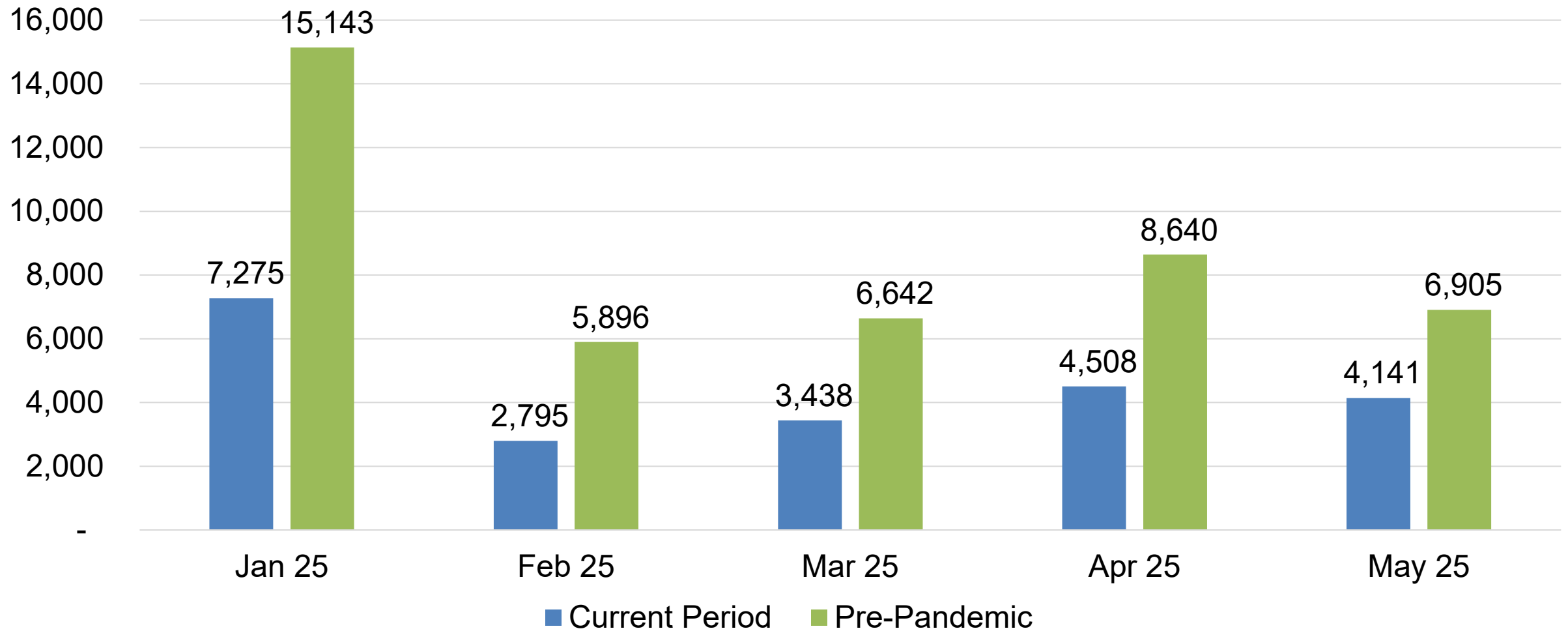


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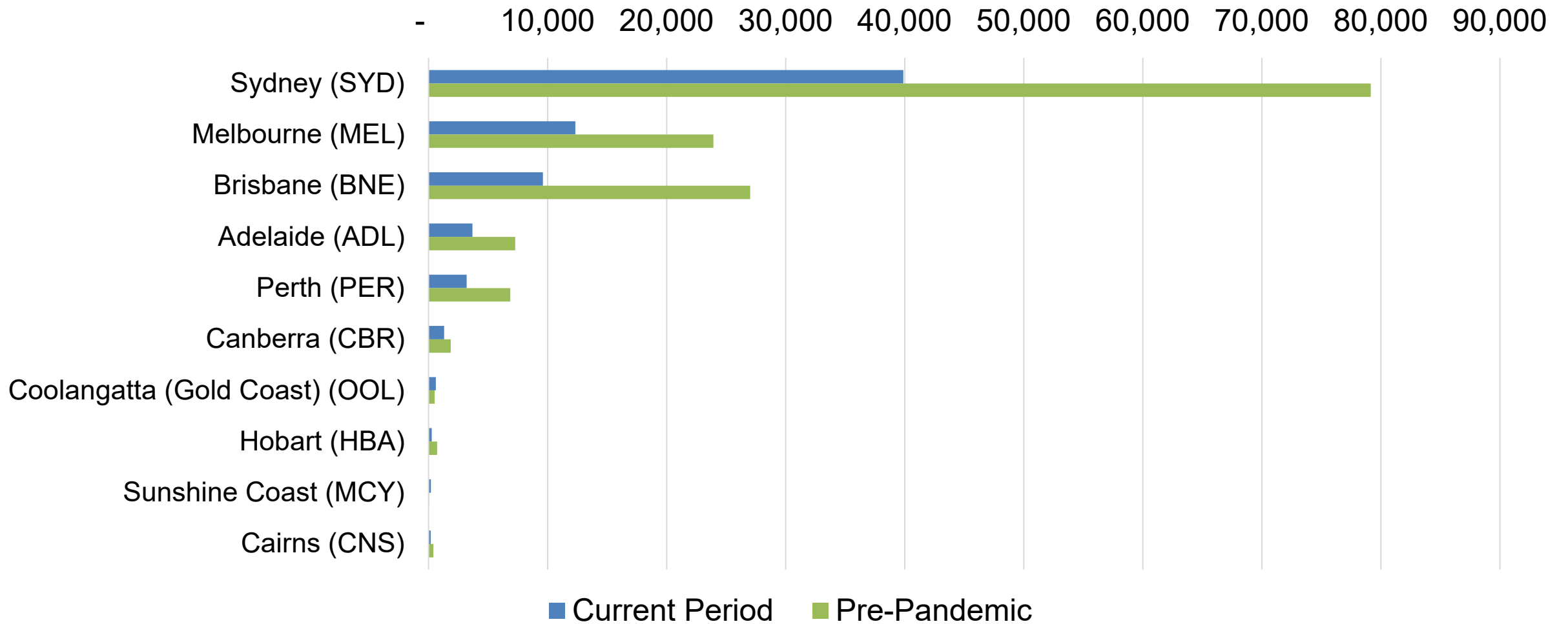
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Six Month Outlook: Australia



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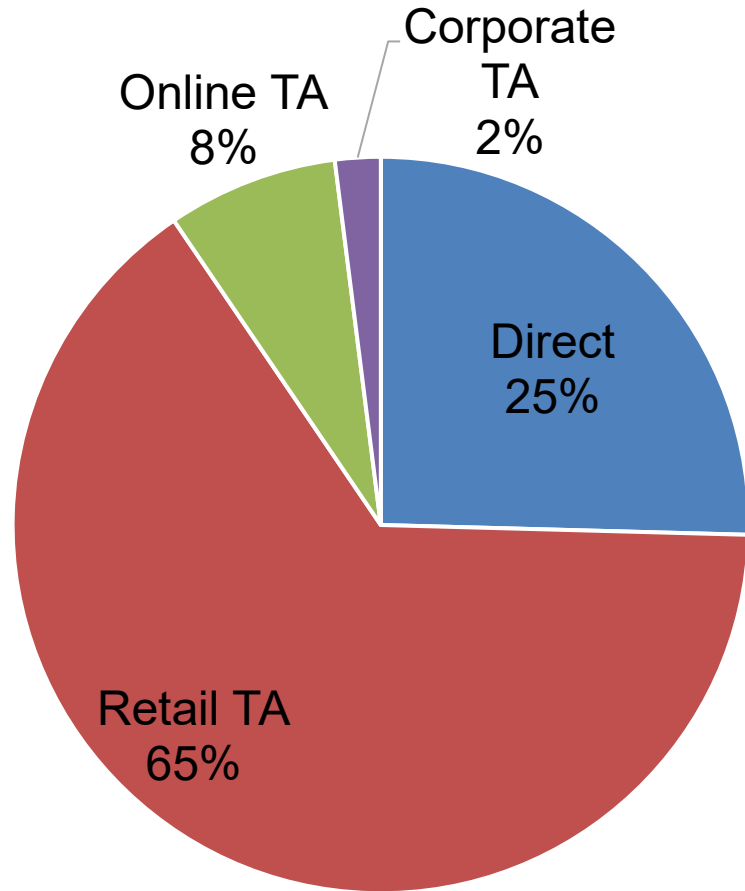
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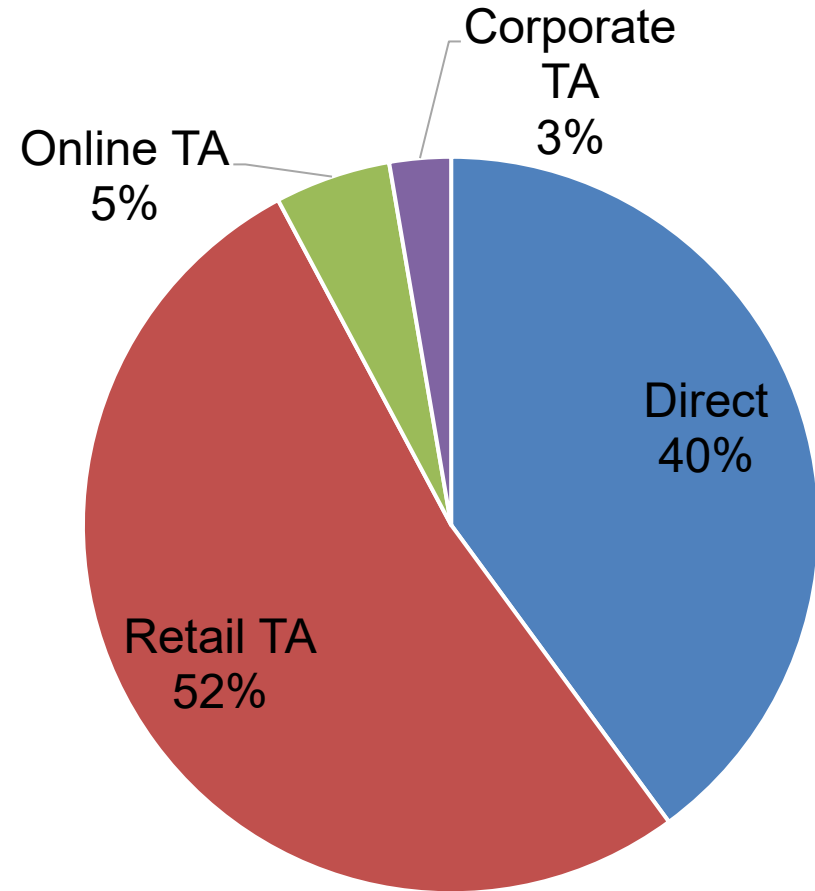
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Distribution Channel: Australia

Pre-Pandemic



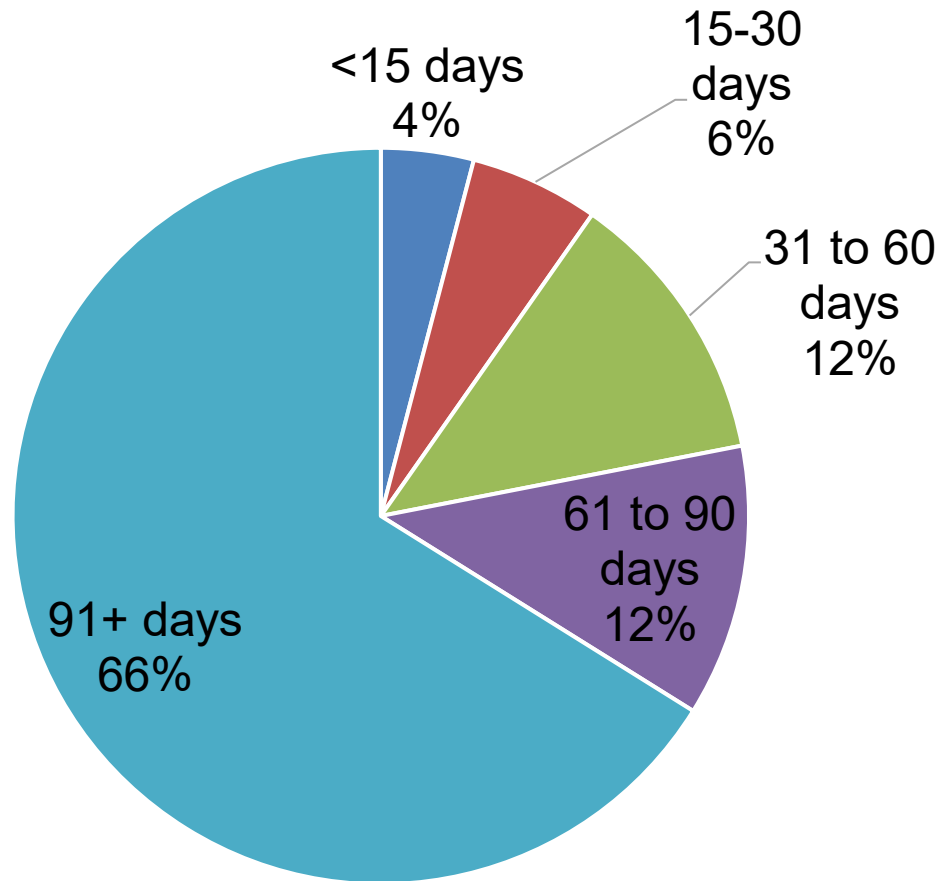
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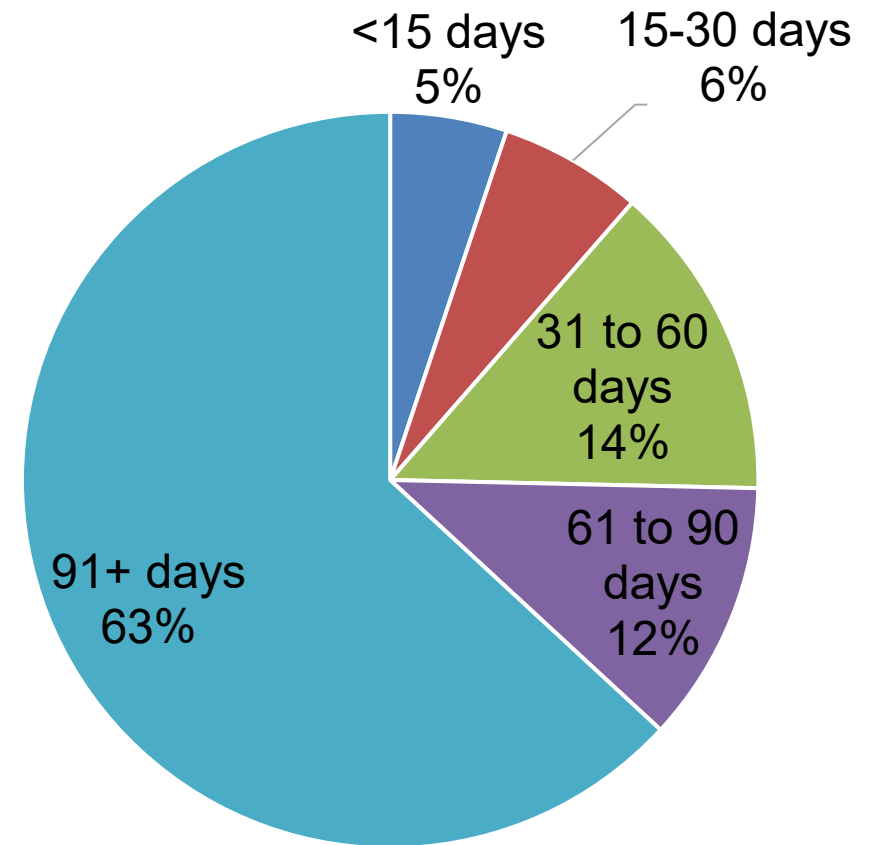
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Lead Time: Australia

Pre-Pandemic

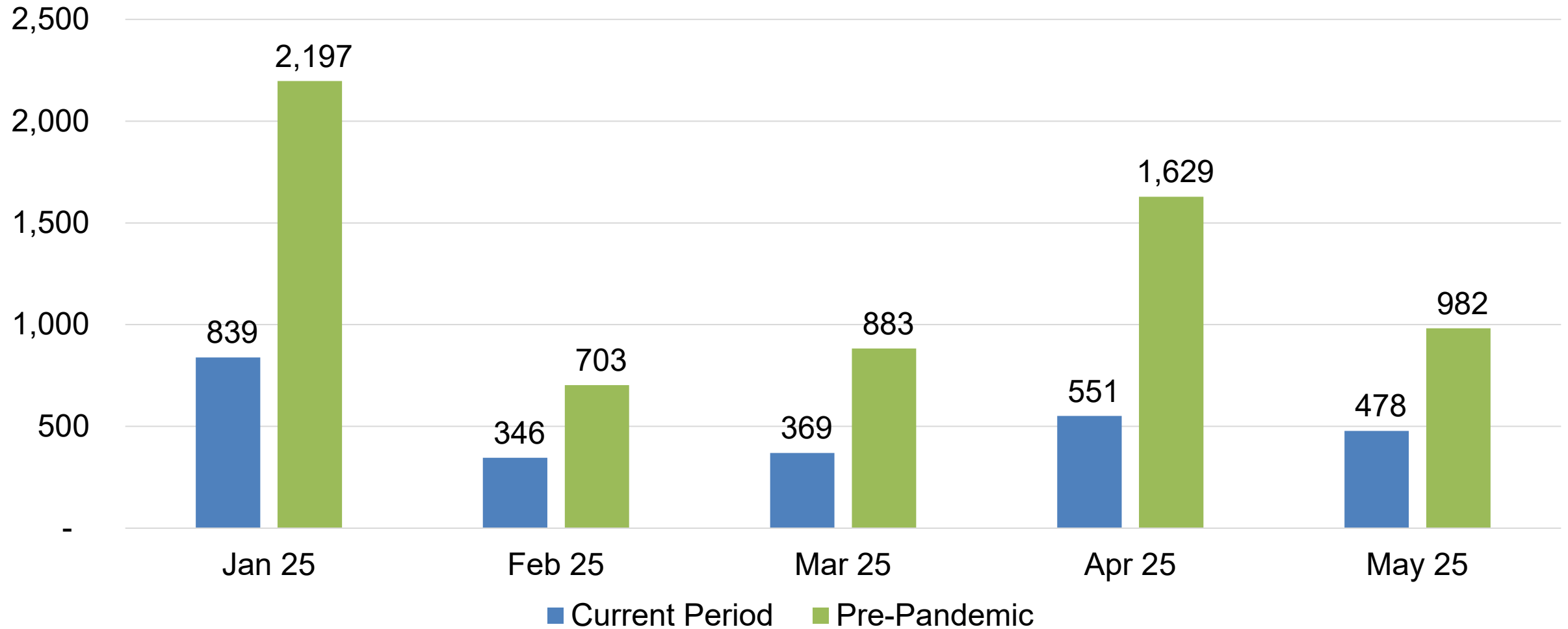


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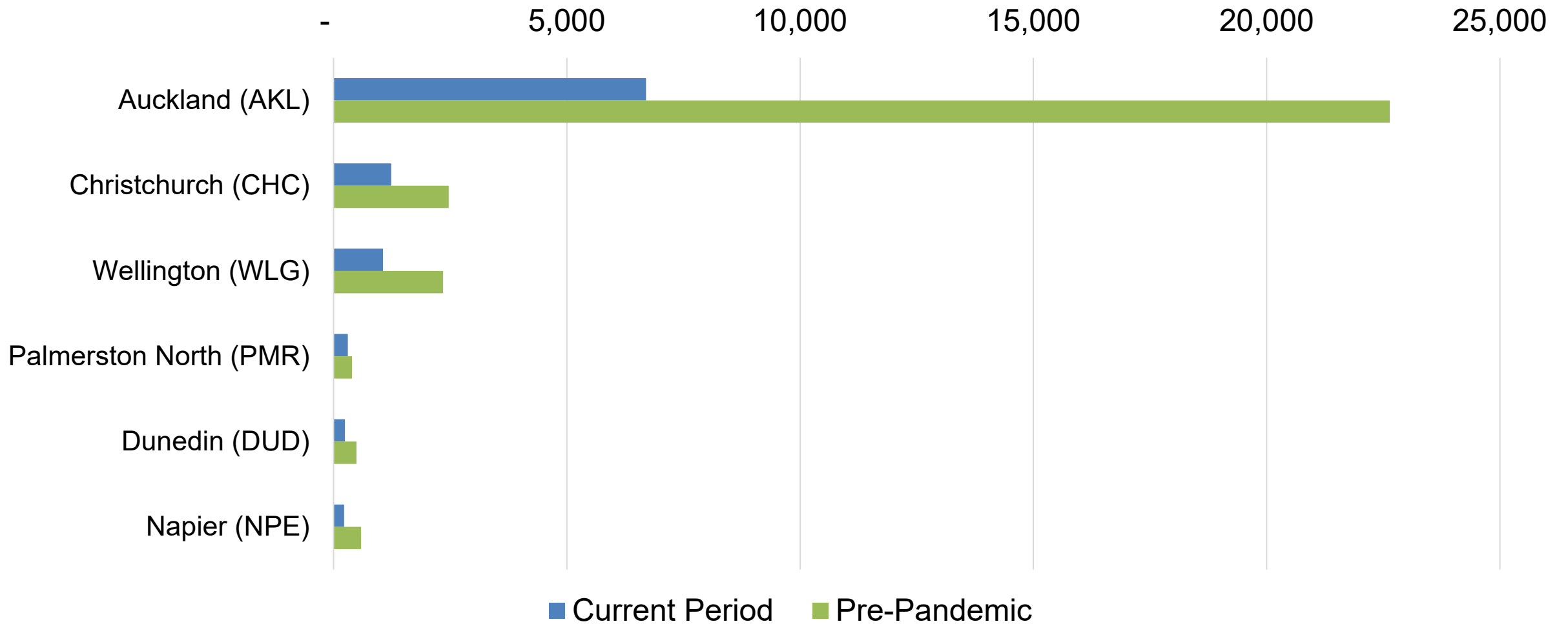
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Six Month Outlook: New Zealand



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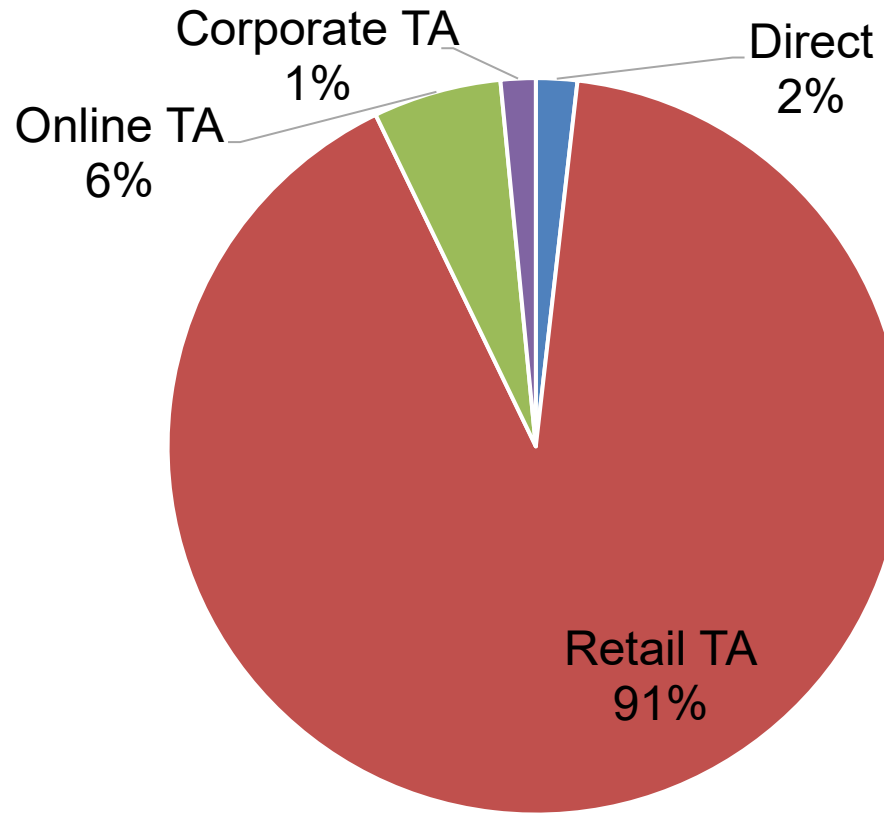
Trip Origins: New Zealand



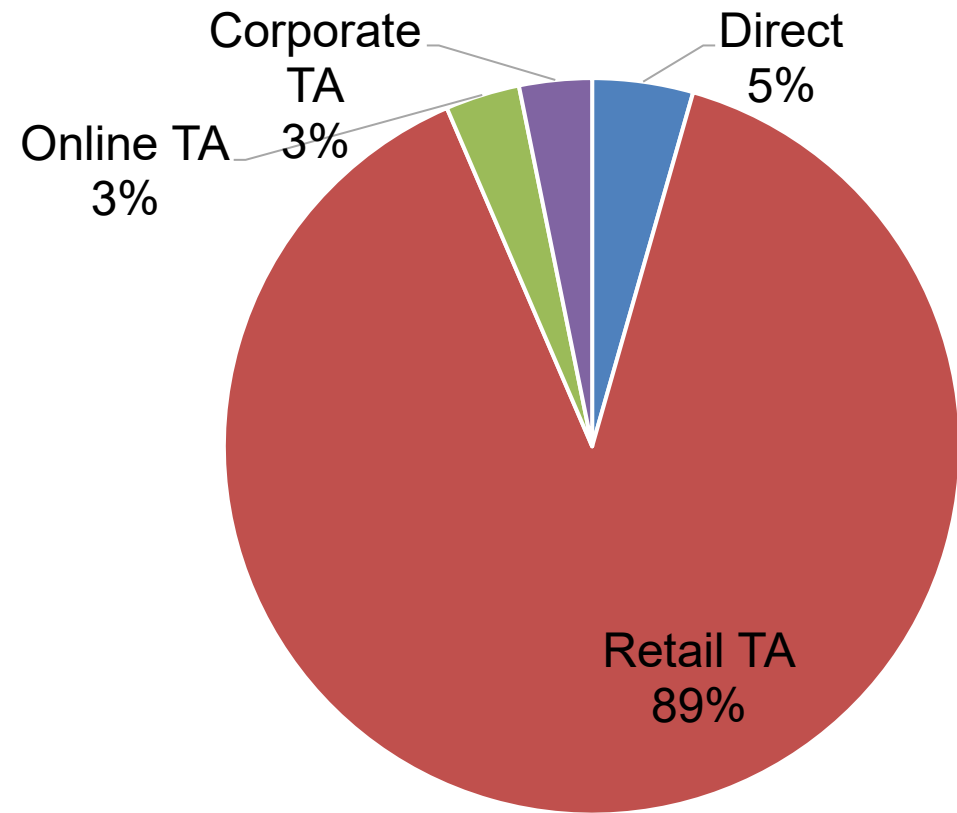
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Distribution Channel: New Zealand

Pre-Pandemic



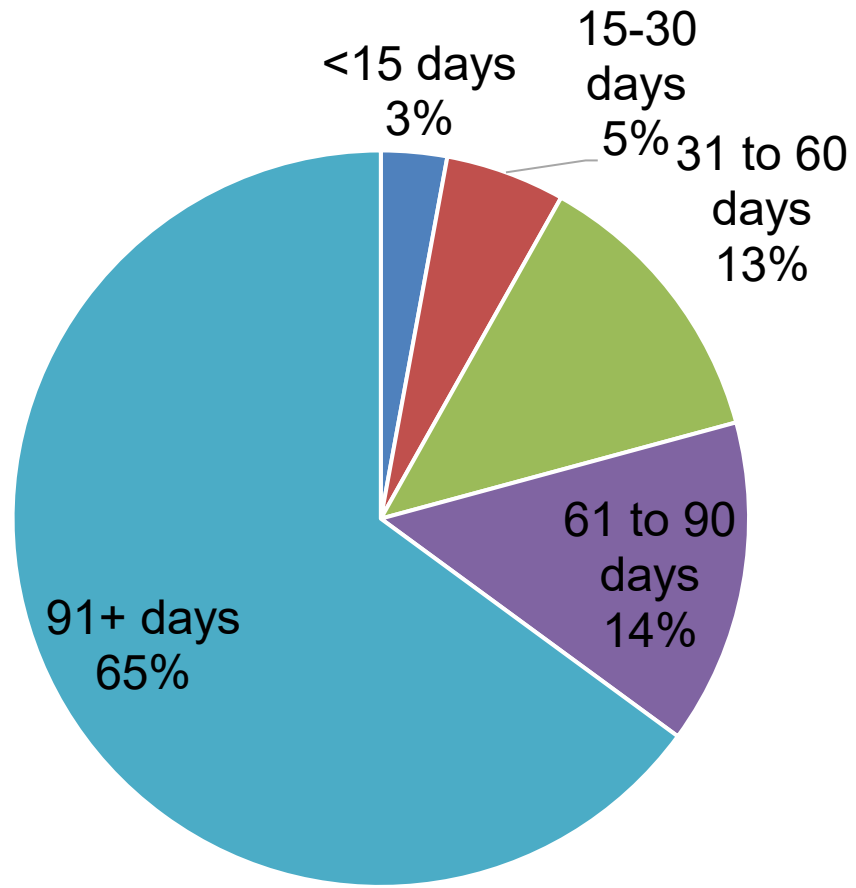
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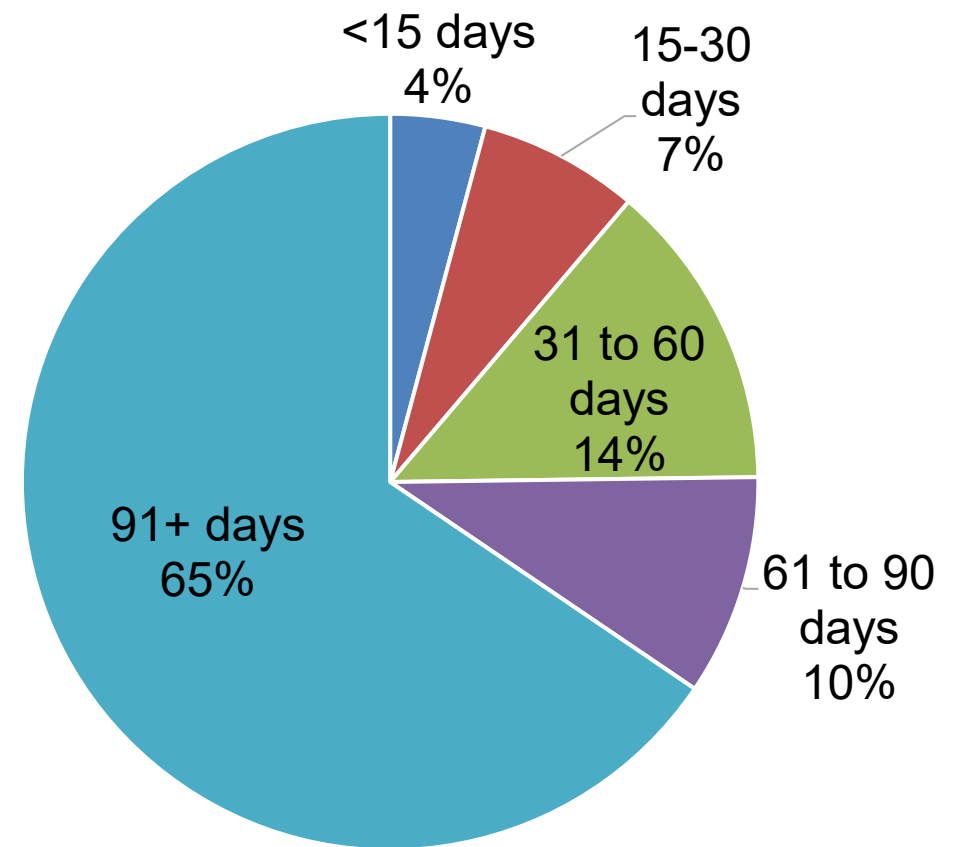
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Lead Time: New Zealand

Pre-Pandemic

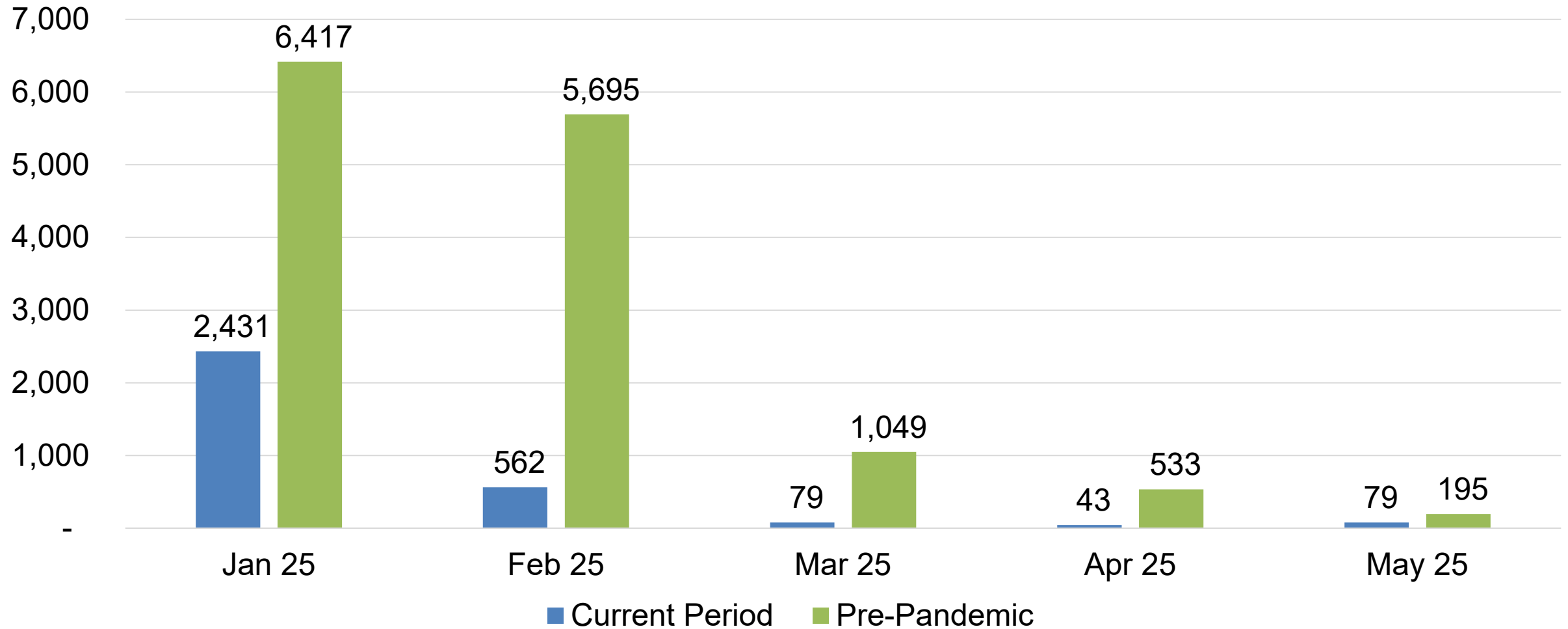


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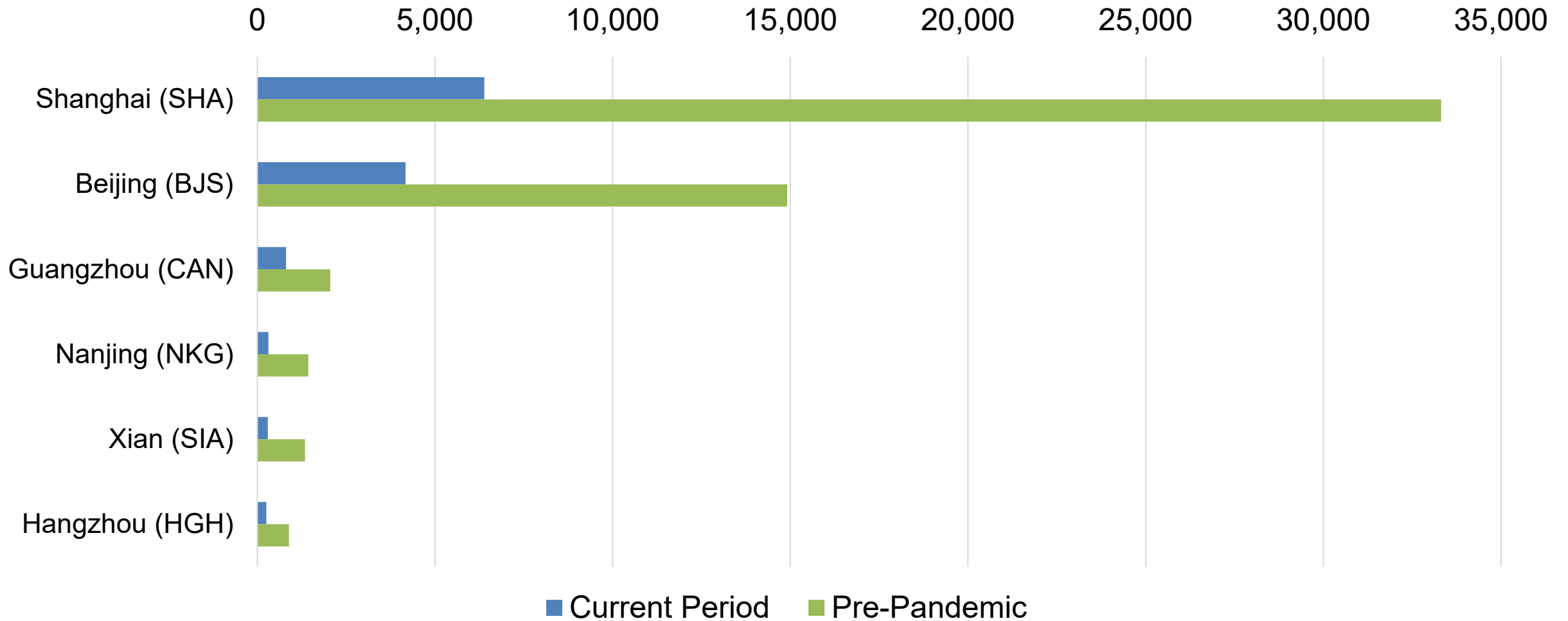
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Six Month Outlook: China



Source: ARC/ForwardKeys Destination Gateway

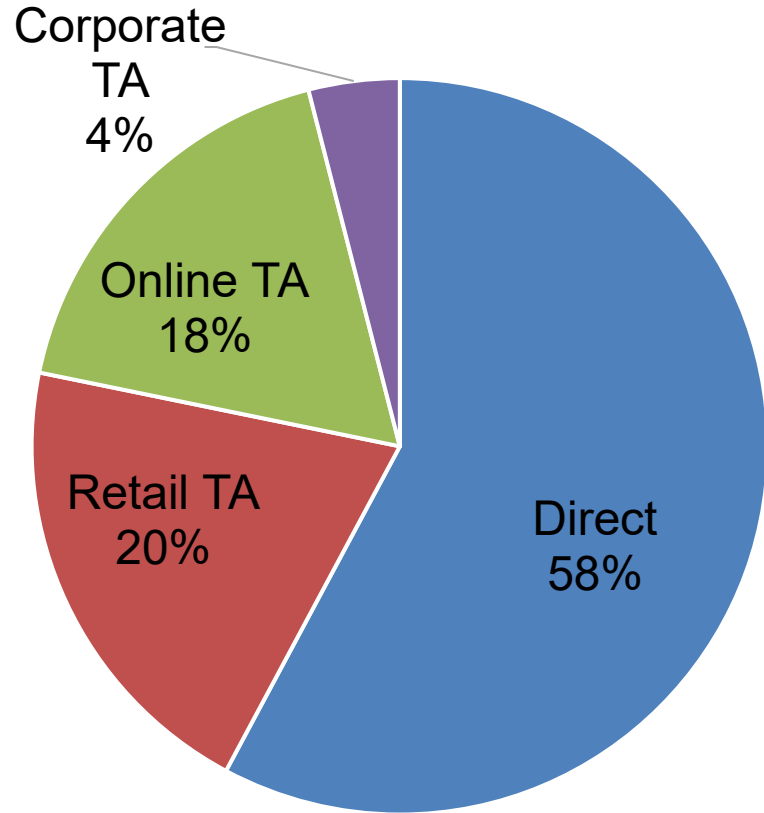
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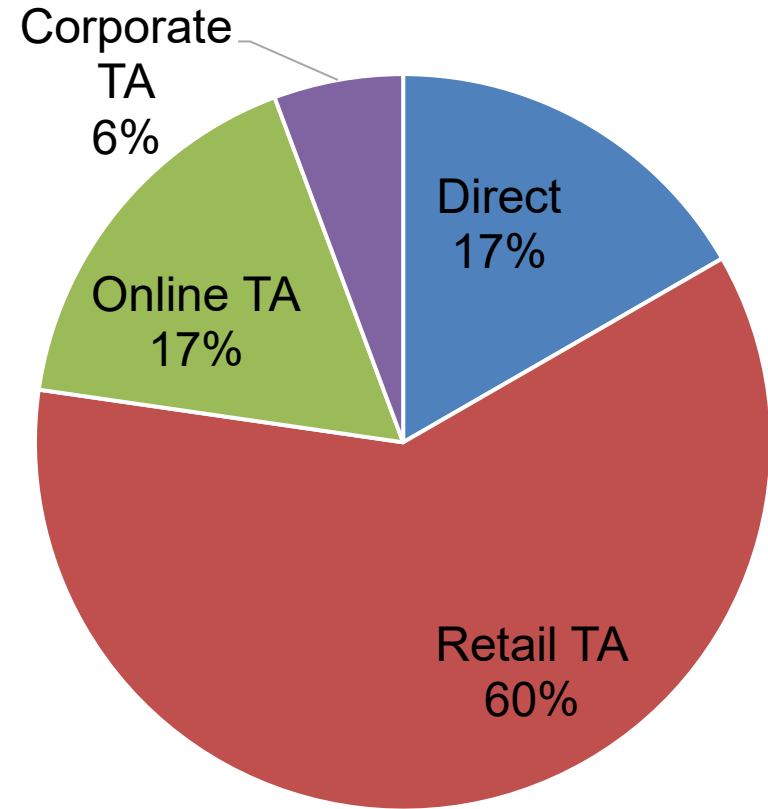
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Distribution Channel: China

Pre-Pandemic



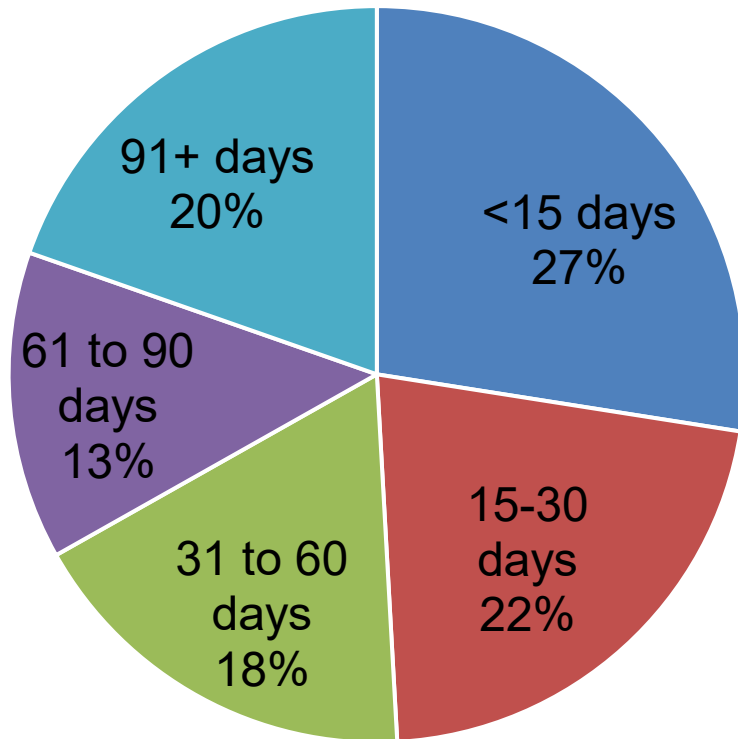
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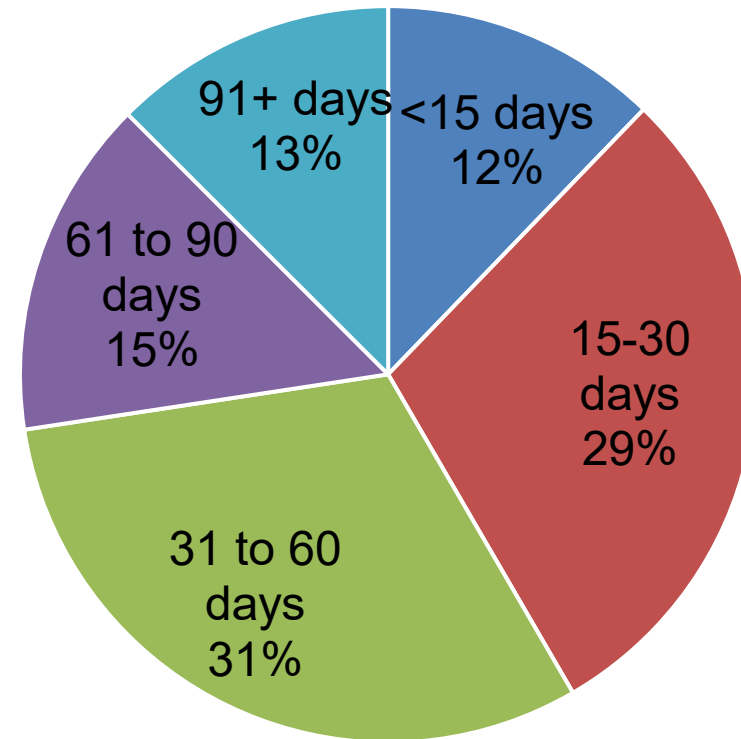
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Lead Time: China

Pre-Pandemic

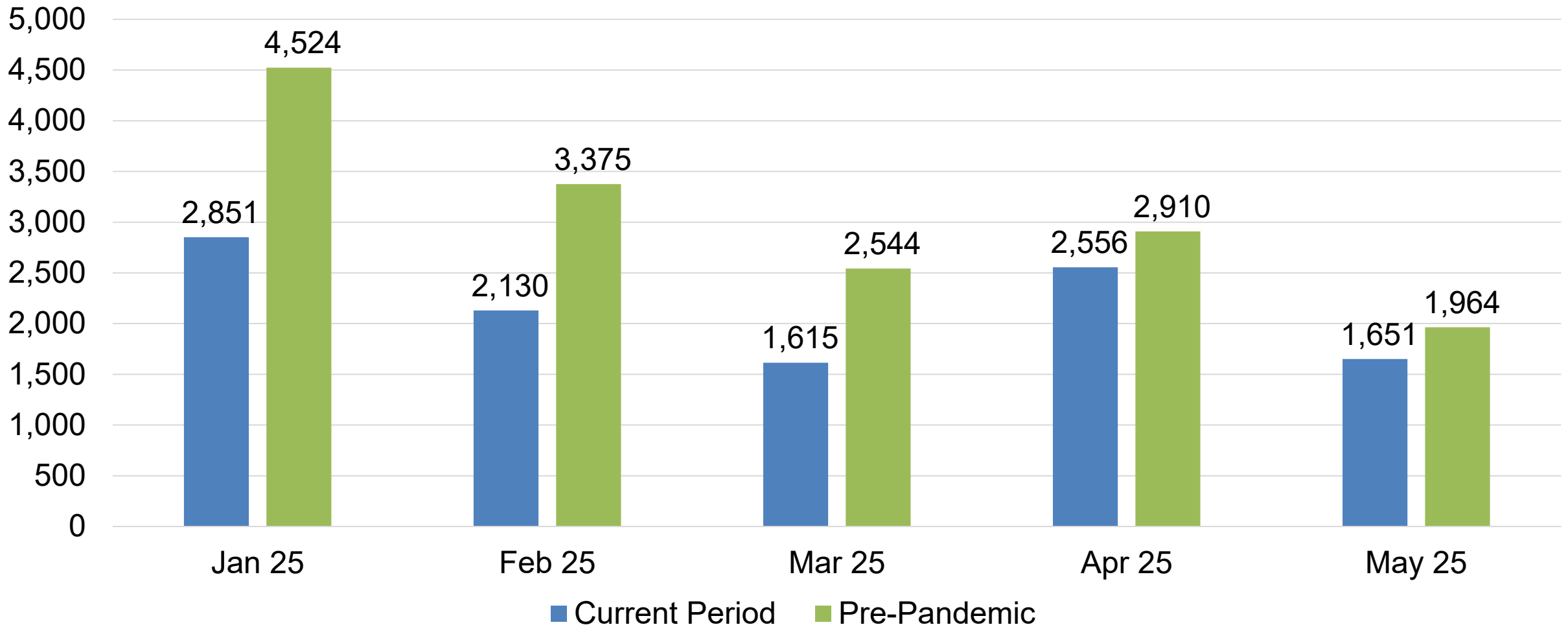


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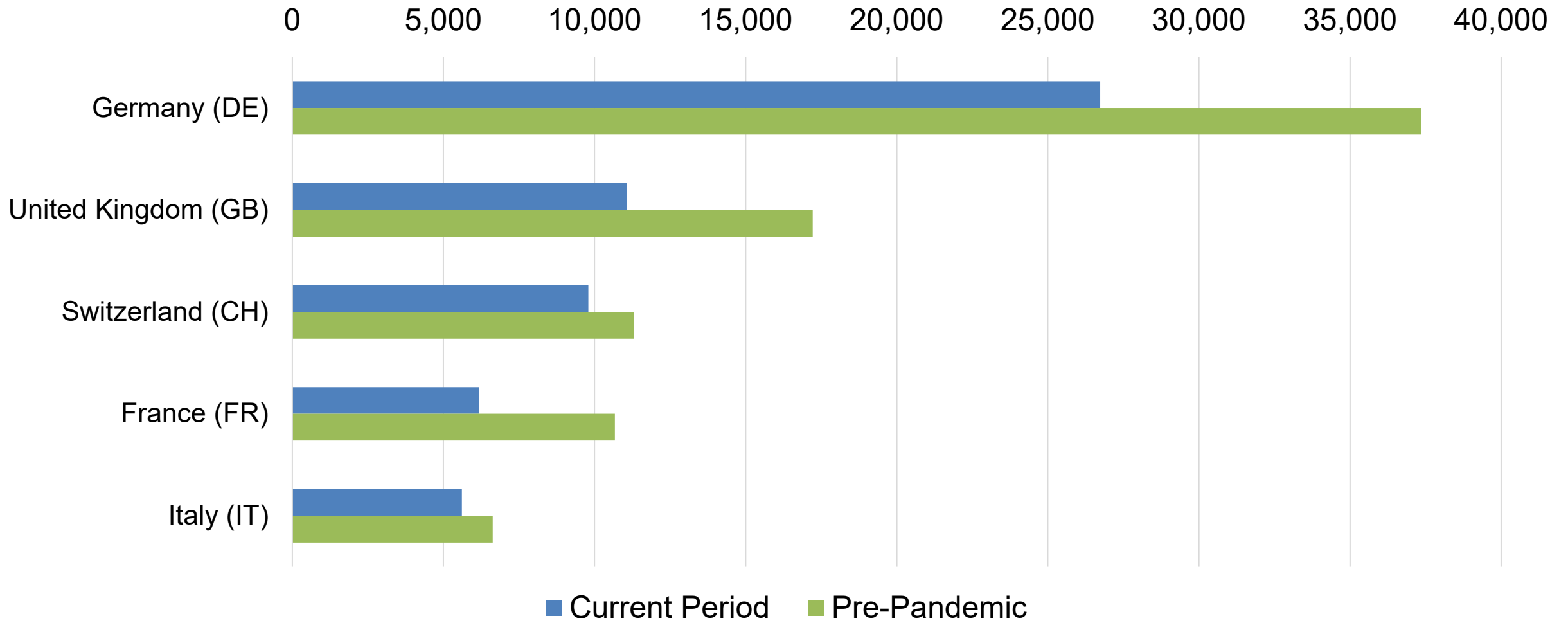
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Six Month Outlook: Europe



Source: ARC/ForwardKeys Destination Gateway

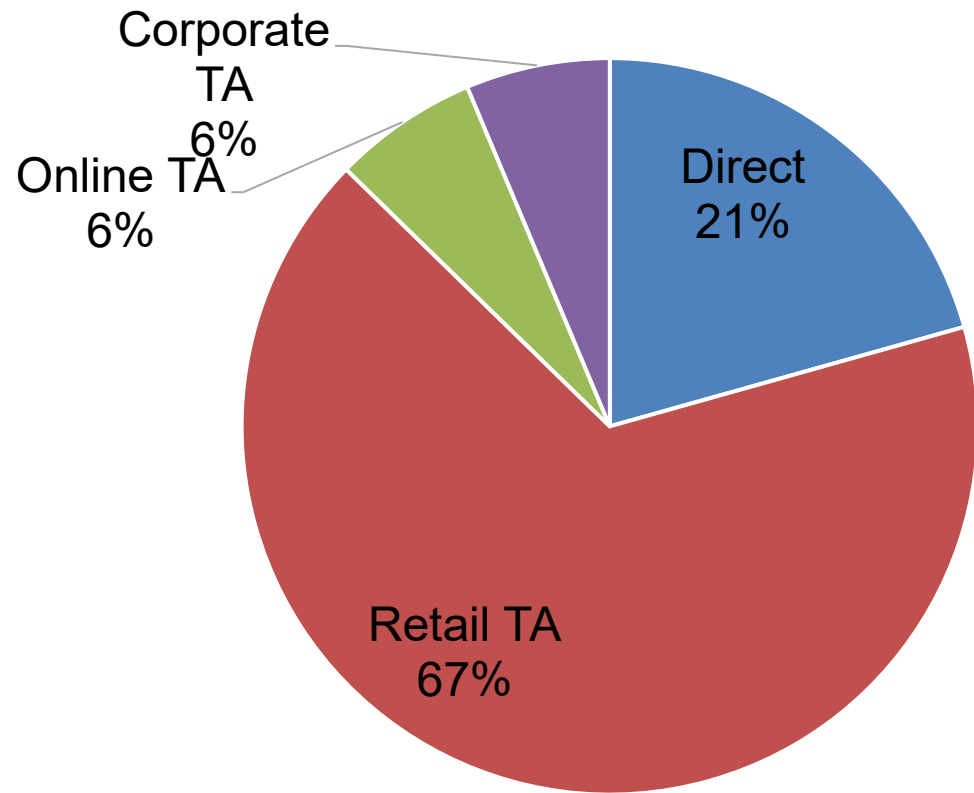
Trip Origins: Europe



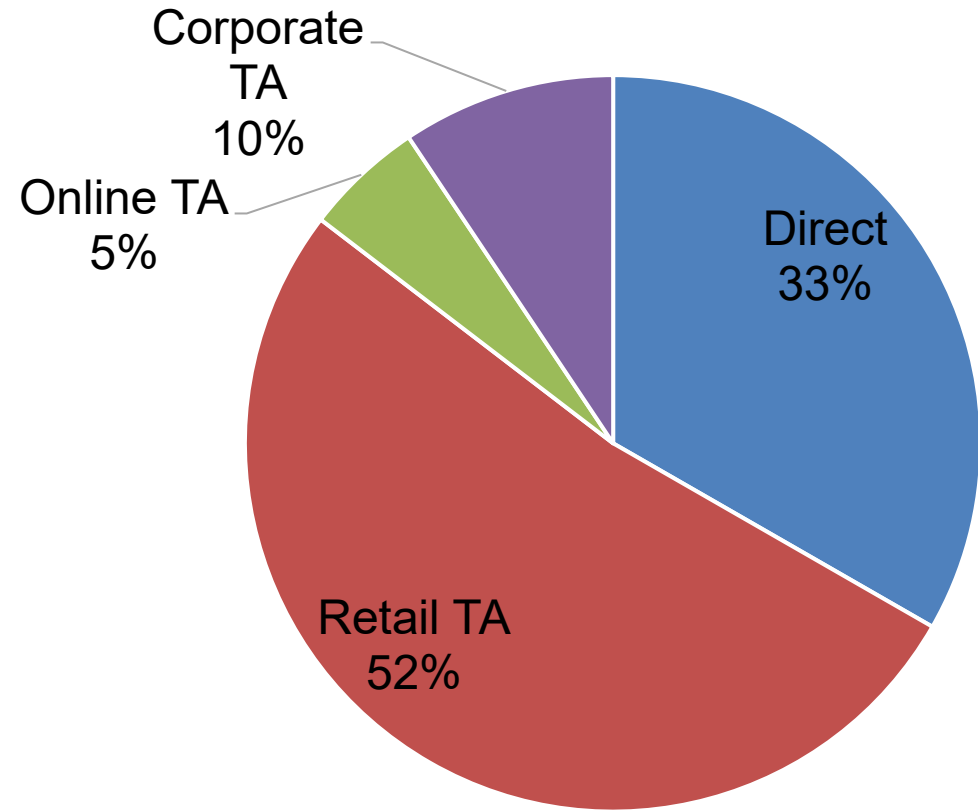
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Distribution Channel: Europe

Pre-Pandemic



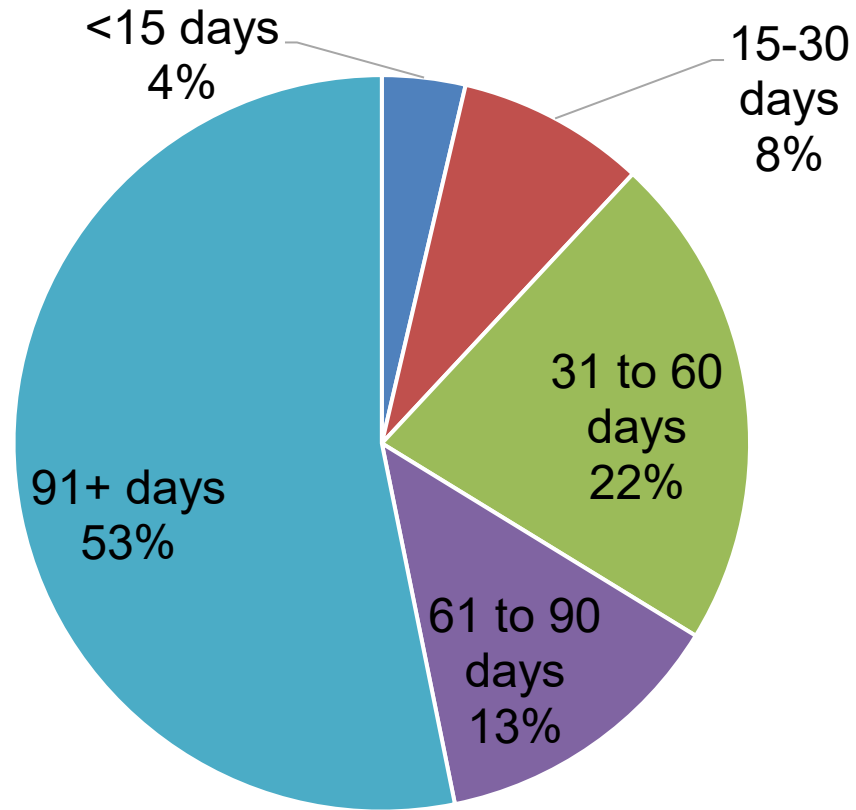
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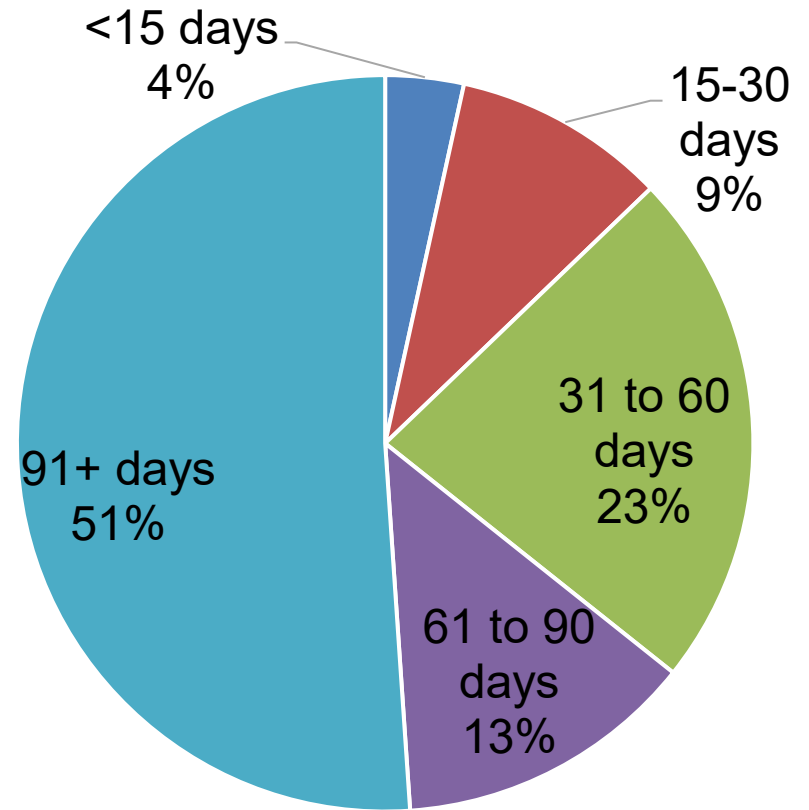
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Lead Time: Europe

Pre-Pandemic

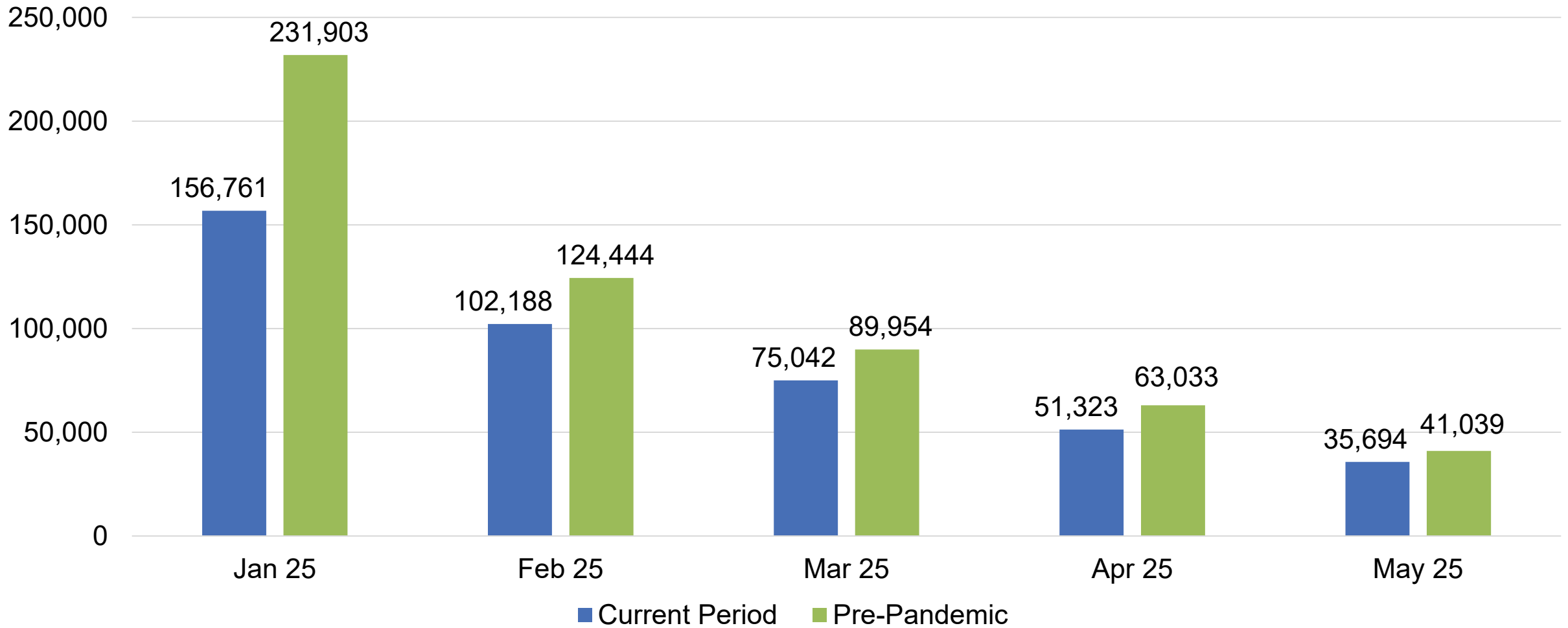


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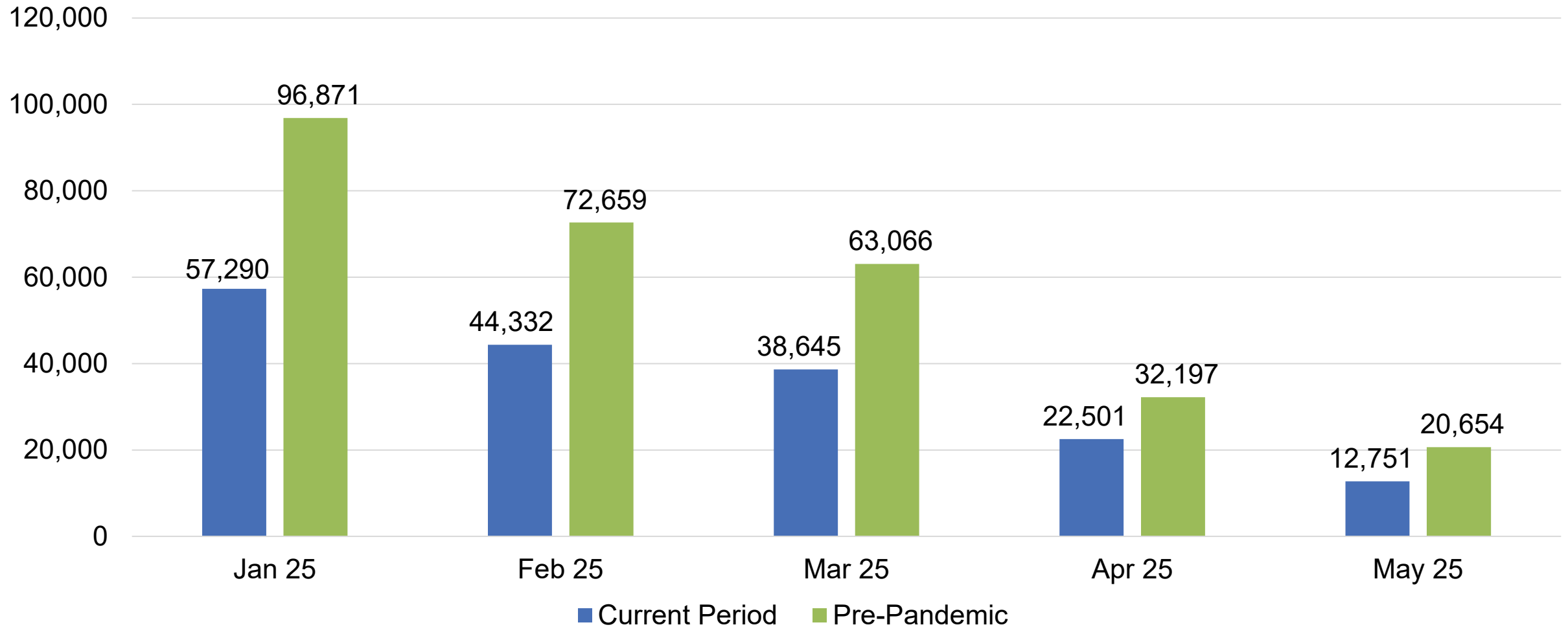
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Six Month Outlook: All Markets to O'ahu



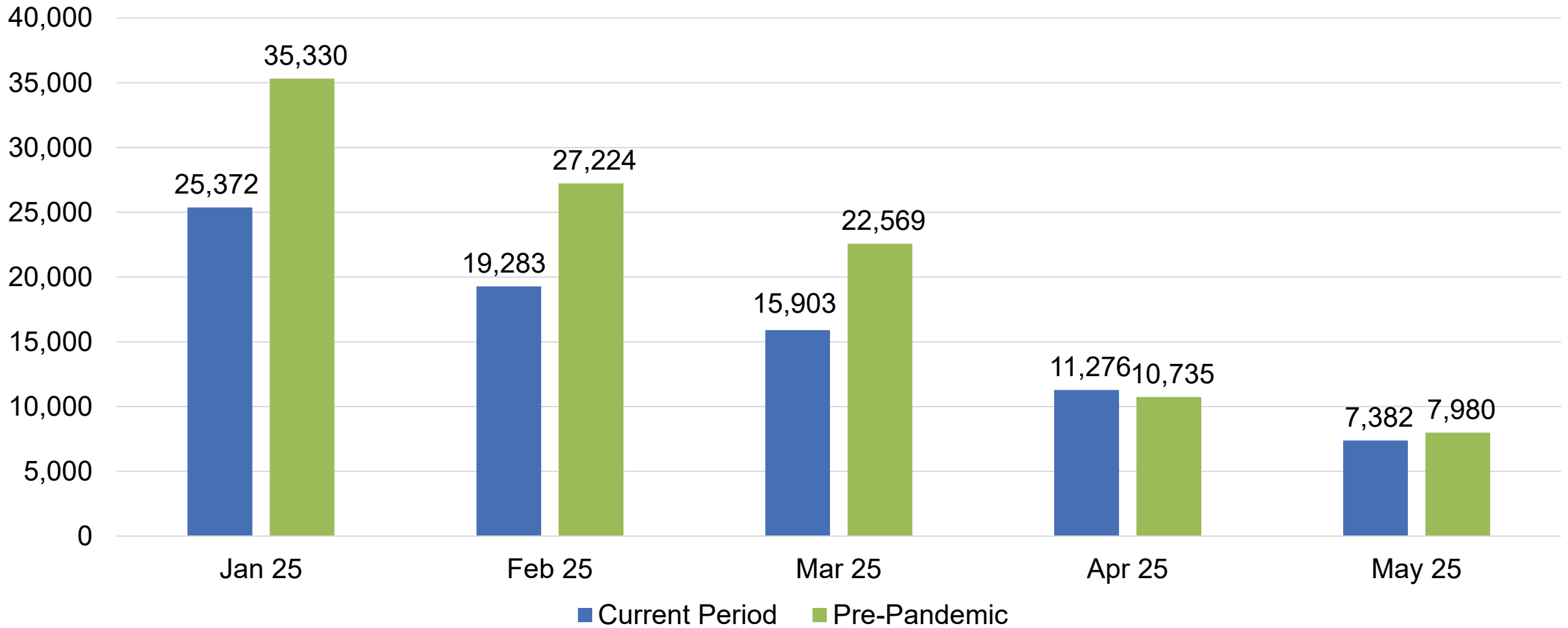
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Six Month Outlook: All Markets to Maui



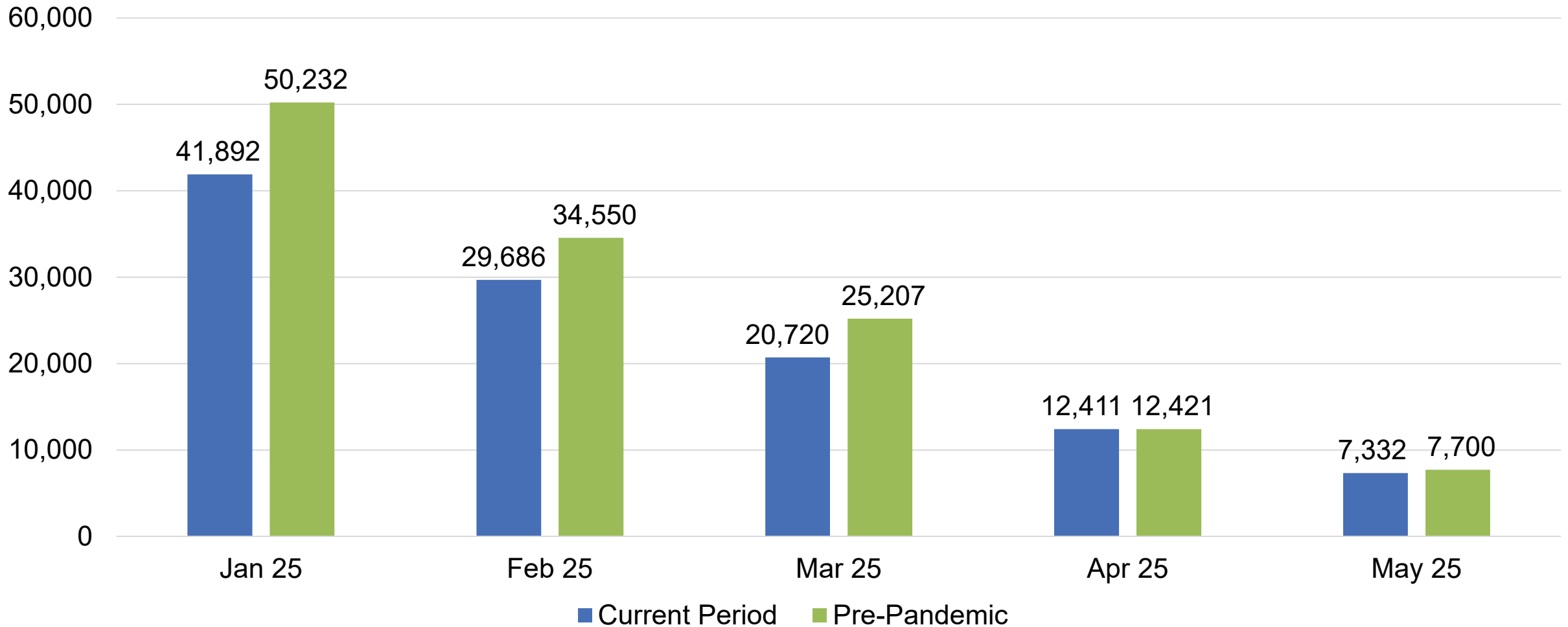
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Six Month Outlook: All Markets to Kaua'i



Source: ARC/ForwardKeys Destination Gateway

Six Month Outlook: All Markets to Hawai'i Island



Source: ARC/ForwardKeys Destination Gateway

MAHALO!

The logo for the Department of Business, Economic Development & Tourism (DBEDT). The letters 'DBEDT' are rendered in a bold, white, sans-serif font. A stylized, white, wavy line representing water or a path flows through the letters, starting from the left and ending at the right.

STATE OF HAWAII • DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM

The logo for the Hawaii Tourism Authority. The words 'HAWAII TOURISM' are written in a white, stylized, sans-serif font. A horizontal line with a rainbow gradient (red, orange, yellow, green, blue) runs beneath the text.

AUTHORITY

