



**HĀLĀWAI PAPA ALAKA'I KŪMAU
KE'ENA KULEANA HO'OKIPA O HAWAII**

**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY**

**Po'ahā, 17 Kēkēmapa 2020, 9:30 a.m.
Thursday, December 17, 2020 at 9:30 a.m.**

**Hālāwai Kikoho'e
VIRTUAL MEETING**

**Hiki i ka lehulehu ke hālāwai pū ma o ka ZOOM.
Webinar will be live streaming via ZOOM.**

**E kāinoa mua no kēia hālāwai:
Register in advance for this webinar:**

https://zoom.us/webinar/register/WN_bLtGBPSMR5iKbxurLrjPDQ

Ma hope o ke kāinoa 'ana, e ho'ouna 'ia ka leka uila hō'ōia iā 'oe me ka 'ikepili ho'oku'i hālāwai.
After registering, you will receive a confirmation email containing information about joining the webinar.

**Papa Kumumana'o – Ho'ololi 'Ia
AMENDED AGENDA
(Added #10, #13)**

1. *Ho'omaka A Pule*
Call to Order and Pule
2. *'Āpono I Ka Mo'o'ōlelo Hālāwai*
Approval of Minutes of the November 19, 2020 Board Meeting
3. *Hō'ike Lālā*
Report of Permitted Interactions at an Informational Meeting or Presentation Not Organized by the Board Under HRS section 92-2.5(c)
4. *Hō'ike A Ka Luna Ho'okele*
Report of the CEO Relating to Staff's Implementation of HTA's Programs During November 2020:
 - Major Market Management including Destination Marketing Management Services, Global Meetings, Conventions and Incentives (MCI) Program Management Services, Responsible Tourism, Support of State COVID-19 Mitigation Efforts



5. *Hō'ike No Ka Papahana Movers and Shakas*
Presentation by the coordinators of the recently launched *Movers and Shakas* Program, a Remote Workers Program that leverages the visitor industry in an effort to support economic diversification. The presentation will describe how the program will engage former residents and out-of-state individuals to incentivize working remotely from Hawai'i and giving back to the local community through volunteer opportunities. The program is a partnership between the Department of Business, Economic Development, and Tourism (DBEDT), the Hawai'i Executive Collaborative, and other private and public partners.
6. *Hō'ike 'Ikepili Noi'i 'Oihana Ho'omāka'ika'i*
Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets, Including the United States, Japan, Canada, Oceania, Other Asia, Europe, and Cruise
7. *Hō'ike No Ka Hopena Anamana'o Kama'āina*
Presentation by the Omnitrak Group of the Resident Sentiment Survey Results
8. *Hō'ike, Kūkākūkā A Ho'oholo No Nā Papahana Mālama 'Āina Ho'okipa*
Presentation, Discussion and Action on the Destination Management Action Plans for Kaua'i, Maui Nui and Hawai'i Island
9. *Hō'ike, Kūkākūkā A Ho'oholo No Nā Mo'okālā*
Presentation, Discussion and Action on HTA's Financial Reports for November 2020
10. ***Hō'ike, Kūkākūkā A 'Āpono I Ka Mo'ohelu Makahiki Kālā 2021 Ho'ololi 'Ia***
Presentation, Discussion and Approval of the Amended Fiscal Year 2021 Budget of the Hawai'i Tourism Authority. The Presentation will Include a Review of the Amended Budget Line Items of the Authority's Previously Approved Fiscal Year 2021 Budget
11. *Hō'ike A Ke Kōmike Hō'ike*
Presentation of the Report of the Audit Standing Committee on the Financial Audit for Fiscal Year 2020
12. *Kūkākūkā A Ho'oholo No Ka Hō'ike A Ke Kōmike Hō'ike*
Board Discussion and Action on the Presentation of the Report of the Audit Standing Committee on the Financial Audit for Fiscal Year 2020



13. Kūkākūkā No Ko HTA Noi Uku Pāna'i Mai Ka CRF

Discussion Related to the Hawai'i Tourism Authority's Request for Reimbursement from the Coronavirus Relief Fund (CRF) for Expenditures Made by the Hawai'i Tourism Authority in Support of COVID-19 Pandemic Response as Directed by the State. This may Include a Review of the Activities Leading up to the Request Submitted on or Around June 2020 and any Subsequent Communications Related to the Request for Reimbursement. Action may be Taken by the Board Related to this Item.

14. Hō'ike A Ke Kōmike Hokona Kūmau No Ke Kūkākūkā A Ho'oholo

Report of the Marketing Standing Committee with the Committee's Recommendations to Support Various Marketing Proposals, for Discussion and Action by the Board

15. Ho'oku'u

Adjournment

**** 'Aha Ho'okō: Ua hiki i ka Papa Alaka'i ke mālama i kekahi hālāwai kūhelu i kū i ka Hawai'i Revised Statutes (HRS) § 92-4. E mālama 'ia kēia hālāwai kūhelu nei ma lalo o ka § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) no ka pono o ko ka Papa Alaka'i kūkā a ho'oholo 'ana i nā nīnūnē a nīnau i pili i ko ka Papa Alaka'i kuleana me ko ka Papa Alaka'i loio. He hālāwai kūhelu kēia i 'ole paulele 'ia ka 'ikepili a i mea ho'i e mālama kūpono ai ko Hawai'i 'ano, he wahi i kipa mau 'ia e nā malihini.*

***** Executive Session:** The Board may conduct an executive session closed to the public pursuant to Hawai'i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to HRS § 92-5 (a) (2), § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) for the purpose of consulting with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities; to consider hiring and evaluation of officers or employees, where consideration of matters affecting privacy will be involved; and to discuss information that must be kept confidential to protect Hawai'i's competitive advantage as a visitor destination.

Kono 'ia ka lehulehu e komo mai i ka hālāwai a ho'ouna mai i ka 'ōlelo hō'ike kākau 'ia no kēlā me kēia kumuhana i helu 'ia ma ka papa kumumana'ō. Hiki ke ho'ouna mai i nā 'ōlelo hō'ike kākau 'ia ma mua o ka hālāwai iā carole@gohta.net a i 'ole ma o ke kelepa'i. Inā pono ke kōkua ma muli o kekahi kīnānā, e ho'omaopopo aku iā Carole Hagihara (973-2289 a i 'ole carole@gohta.net), he 'ekolu lā ma mua o ka hālāwai ka lohi loa.

Members of the public are invited to view the public meeting and provide written testimony on any agenda item. Written testimony may also be provided by submitting the testimony prior to the meeting by email to carole@gohta.net or by facsimile transmission. Any person requiring an auxiliary aid/service or other accommodation due to a disability, please contact Carole Hagihara (973-2289 a i 'ole carole@gohta.net) no later than 3 days prior to the meeting so arrangements can be made.

2

Approval of Minutes of the
November 19, 2020 Board Meeting



**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, November 19, 2020
Virtual Meeting**

MINUTES OF REGULAR BOARD MEETING

MEMBERS PRESENT:	Richard Fried (Chair), Micah Alameda, Fred Atkins, Daniel Chun, George Kam, Kyoko Kimura, Ku'uipo Kumukahi, Sherry Menor-McNamara, Benjamin Rafter, and Kimi Yuen
MEMBER NOT PRESENT:	David Arakawa and Kelly Sanders
HTA STAFF PRESENT:	John De Fries, Keith Regan, Pattie Herman, Marc Togashi, Marisa Yamane, Kalani Ka'anā'anā, Caroline Anderson, and Jennifer Chun
GUESTS:	Senator Glenn Wakai, Representative Richard Onishi, and Chris Kam
LEGAL COUNSEL:	Gregg Kinkley

1. Call to Order and Pule:

Chair Richard Fried called the meeting to order at 9:32 a.m. Keith Regan, HTA Chief Administrative Officer, provided instructions to the general public with regard to submitting testimony. Mr. Regan confirmed the attendance of the Board by roll call. He turned the floor over to Chair Fried. Kalani Ka'anā'anā, HTA Director of Hawaiian Cultural Affairs & Natural Resources, opened the meeting with a pule.

2. Approval of Minutes of the October 29, 2020 Board Meeting:

Chair Fried requested a motion to approve the minutes of the October 29, 2020 Board meeting. George Kam made a motion, which was seconded by Fred Atkins. The motion was unanimously approved.

3. Report of Permitted Interactions at an Informational Meeting or Presentation Not Organized by the Board Under HRS section 92-2.5(c):



Chair Fried asked whether there were any permitted interactions to report, and there were none.

4. Report of the CEO Relating to Staff's Implementation of HTA's Programs During October 2020:

Chair Fried recognized John De Fries, HTA President & CEO, to present his report. Mr. De Fries reported that he is involved in recurring meetings three times per week with Governor David Ige, General Ken Hara, the four county mayors, the Attorney General's office (AGO), and the Department of Health (DOH). He noted that by the end of the year, the Department of Transportation (DOT) will transition away from managing health screening at the airports. He added that CARES funding that subsidized the health screening will cease at the end of the year, and according to the Federal Aviation Administration, health screenings are not an authorized airport operational activity. Mr. De Fries said that DOT is finalizing a contract with Roberts Hawai'i and World Flight Services to manage the airport health screenings with the transition to occur in mid-December.

Mr. De Fries reported that HTA has held individual meetings with the four county mayors together with the Hawai'i Lodging and Tourism Association. He noted that he was surprised that this regular interaction had not occurred before. He said that the visitor industry benefits from hearing from the mayors. He added that it is also important for the mayors to hear from industry leaders regarding the implications of their decisions on the economic recovery.

Mr. De Fries reported that he will have meetings with Representative Richard Onishi and Senator Glenn Wakai on the budget. He said that they are examining multiple scenarios with the budget depending on the status of Transient Accommodation Tax (TAT) disbursements.

Mr. De Fries thanked the Board members who have participated in the Destination Management Action Plan (DMAP) process and who serve on the steering committees. He said that with broader community engagement, there are many diverse and innovative ideas and opinions.

Mr. De Fries reported that the Board members and general public will now be able to access videos of the Marketing Standing Committee meetings online. He said that there have been conversations with the Hawai'i Visitors and Convention Bureau (HVCB) about taking initial



steps to increase their sales staff in an effort to move canceled events from 2020 to 2021, 2022, and 2023.

Mr. De Fries reported that he will be joining a panel with House Speaker Scott Saiki and Monica Toguchi, the owner of Highway Inn, for the PBS Hawai'i Insight Series to discuss the impact of the pandemic. He said that after this Board meeting, he will be meeting with Gov. Ige for a press conference to announce Canada's reopening. He added that starting Tuesday, November 24th, travelers disembarking from a trans-Pacific flight must have a negative pre-test uploaded. If they fail to do so, they will automatically undergo a 14 day quarantine. Mr. De Fries said that the stricter policy will address the segment of travelers causing bottlenecks in the system.

Mr. De Fries recognized Mr. Regan to discuss the HTA team's work during the month of October. Mr. Regan reported that Mr. Ka'anā'anā and his team have been working diligently with their Aloha 'Āina and Kukulu Ola programs, and they have been heavily involved in planning for the Festival of Pacific Arts & Culture. Mr. Ka'anā'anā reported that the 'Iolani Palace repairs have been completed. He added that issues with the Mānoa Falls Trail, which have been remediated, will be reopening soon. He noted that the trail has been widened to accommodate two-way traffic and will be safer. He said that a new viewing platform has been built to discourage people from directly accessing the water, and the rock fall mitigation work has been completed. Mr. Ka'anā'anā noted that this project is a good example of an investment into natural resources that benefits both visitors and residents alike.

Mr. Regan reported that Caroline Anderson, HTA Director of Community Enrichment, and her team have been extremely busy leading the efforts for the DMAP process. Mr. Regan said that they held two meetings on Kaua'i with 220 people in attendance, and there has been positive feedback from a significant number of people. They also held a meeting on Maui with 153 people in attendance, as well as a meeting on Moloka'i. Mr. Regan said that the Hawai'i Island DMAP process is moving forward with a meeting in November, and there will be a meeting on Lāna'i later this afternoon.

Mr. Regan reported that the communications team led by Marisa Yamane, HTA Director of Communications & Public Relations, has been extremely busy constantly putting information out to the industry and the public and updating the website regularly. He reported that Jennifer Chun, HTA Director of Tourism Research, has been doing an amazing job pulling together credible data and research.



Mr. Regan reported that Pattie Herman, HTA Vice President of Marketing & Product Development, has been doing an amazing job working closely with DOH, AGO, and the major market teams to line up trusted travel partners in preparation of the markets reopening.

Mr. Regan reported that he is working with Mr. De Fries and the team to make the monthly CEO Report easier to digest because the November report, for example, is over 125 pages. He said that they hope to have the new format ready for the December meeting.

Mr. Atkins said that HTA received a letter from visitors traveling to Kaua'i who had a bad experience, and asked if someone would respond to the letter. Mr. De Fries responded that he would reply to the letter. He said that HTA has also received e-mails from visitors who have not been satisfied with their experience, but that tapered off after the first two weeks of the reopening. He noted that the vast majority of visitors go through the screening process fairly well.

Daniel Chun asked for clarification regarding the health screening transition at the airports. Mr. De Fries responded that DOT has been aware for some time that a transition was required. He said that the responsibility was supposed to shift to DOH, but Gov. Ige relieved DOH of that responsibility due to a lack of capacity and resources. Mr. De Fries noted that DOT extended its contract with Roberts Hawai'i and World Flight Services for six months to create a window to find a solution. He said that he expects the same personnel and hierarchical structure to remain in place, except with the removal of direct DOT supervision.

Mr. Ka'anā'anā shared that Hawai'i and HTA have been selected as a finalist for the Sustainable Tourism Awards.

Chair Fried invited the public to provide testimony, and there was none.

5. Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets, Including the United States, Japan, Canada, Oceania, Other Asia, Europe, and Cruise:

Chair Fried recognized Ms. Chun to present market insights and conditions. Ms. Chun reported that \$3.2 million in TAT was collected in October with \$16 million collected year-to-date, which is down \$209 million or 92.8% compared to the prior fiscal year. She added that the Visitor Satisfaction Activity Report for the second quarter has been released.

Ms. Chun discussed ADR and Revenue per Available Room (RevPAR) data per island as



contained in the Board packet. She reported that hotel occupancy on October 15th was 19.8% and increased to 26.3% on November 7th. She noted that Average Daily Rate (ADR) remained relatively flat throughout.

Mr. Atkins asked why ADR will be down next year. Ms. Chun responded that the assumption is that properties will discount prices as more properties open and supply increases. She noted that a higher occupancy percentage and RevPAR are projected. Ms. Kimura added that higher end properties are not opening until later in 2021, which may influence a lower ADR.

Mr. Atkins asked how guest satisfaction compares to last year. Ms. Chun responded that overall satisfaction was substantially lower due to the pandemic because in the second quarter, the majority of a visitor's time was spent in 14-day quarantine.

Chair Fried invited the public to provide testimony, and there was none.

6. Presentation by SMS of the 2020 Resident Sentiment Survey Questions:

Chair Fried recognized Chris Kam of OmniTrack to present the results of the 2020 Resident Sentiment Survey COVID-19 questions. Mr. C. Kam said that in addition to the standard tracking questions, HTA requested that several additional questions be asked to better gauge how Hawai'i residents feel about the reopening. He noted that the additional questions were presented in agree/disagree statements. The first statement was "Your island should be reopened to tourism to bring back jobs and businesses." Mr. C. Kam reported that 49% of survey takers disagreed with that statement. The second statement was "Visitors from outside of the state should not be here." He reported that 43% of survey takers agreed with that statement. The third statement was "I am confident that state and county governments can safely reopen my island." Mr. C. Kam said that 62% of survey takers disagreed with that statement. The fourth statement was "State and county officials are doing an effective job of enforcing the 14-day quarantine." He noted that 62% of survey takers disagreed with that statement. He added that visitor and non-visitor industry households largely had the same opinions. Mr. C. Kam discussed the data on an island-by-island basis and noted that the responses were consistent. In sum, he said that residents have concerns about the reopening and effectiveness of quarantine enforcement.

Benjamin Rafter asked if the survey also asked the traditional questions gauging resident sentiment about the long-term value of tourism. Mr. C. Kam responded that they fielded all of the normal tracking questions. He noted that those numbers are still being calculated. Ms. Chun added that the results will be shared with the Board prior to being published online. Chair Fried requested that the rest of the survey results be presented to the Board in



December if possible.

Chair Fried invited the public to provide testimony, and there was none.

7. Presentation, Discussion and Action on HTA's Financial Reports for October 2020:

Chair Fried recognized Mr. Regan to present the financial reports as contained in the Board packet. Mr. Regan reported that HTA received no TAT disbursements. He said that there were \$1.4 million of expenditures and \$436,000 of new encumbrances in October. He noted that year-to-date, HTA has encumbered \$11.4 million with a total of \$37.3 million of encumbrances, which includes encumbrances from prior fiscal years. Mr. Regan said that \$14.7 million in prior fiscal year encumbrances are in the process of being disencumbered with \$3.9 million being returned to the HTA budget. He encouraged the Board to keep those funds in reserve. He said that the Tourism Special Fund has \$71.1 million in cash with \$5 million in emergency funds invested in safe instruments. Mr. Regan noted that they will continue to monitor the situation closely. He added that HTA will continue to make requests to Gov. Ige with regard to the emergency funds and CARES Act reimbursement.

Mr. Atkins said that Natural Resources and Hawaiian Culture contracts were cut back by 50% and asked if there are any potential savings. Mr. Ka'anā'anā responded that they have not issued any contracts for Fiscal Year 2021. He noted that they are determining how to pivot programs toward rebuilding the economy and putting videographers, photographers, and dancers back to work. He added that HTA is temporarily moving away from Kukulu Ola and Aloha 'Āina funding.

Mr. Rafter asked if HTA has started to construct scenarios stretching the current budget over the next fiscal year. Mr. De Fries responded that HTA has been working through three or four scenarios with Sen. Wakai and Rep. Onishi. He added that they will be better able to discuss those multiple scenarios next month.

Chair Fried invited the public to provide testimony, and there was none.

Mr. Kam made a motion to approve the financial reports, which was seconded by Ku'uipo Kumukahi. The motion was unanimously approved.

8. Discussion and Action to Accept and Appropriate CARES Act/Coronavirus Relief Funds (CRF) Funding in the Amount of \$33,962 Allocated to the Hawai'i Tourism Authority's Safety and Security Category in the Fiscal Year 2021 Budget to Support the Visitor Aloha Society of Hawai'i's COVID-19 Flight Assistance Program's Anticipated Expenses Through December 2020:



Chair Fried recognized Mr. Regan to discuss allocating funds to the Visitor Aloha Society of Hawai'i (VASH) for its COVID-19 Flight Assistance Program. Mr. Regan said that VASH stepped up with the COVID-19 Flight Assistance Program, and VASH has been working diligently since April to support the program. He said that VASH has requested funding to continue supporting this program through December. He noted that the requested dollar amount is derived from the prior month's expenditures. Mr. Regan said that the program addresses the issue of travelers who refuse to comply with state health requirements and who cannot afford a ticket for a return flight. He explained that VASH subsidizes those costs and coordinates their return flights home.

Chair Fried invited the public to provide testimony, and there was none.

Mr. Kam made a motion to allocate \$33,962 from the Safety and Security Category of HTA's Fiscal Year 2021 budget to support VASH's COVID-19 Flight Assistance Program through December. The motion was seconded by Ms. Kimura. The motion was unanimously approved.

9. Report of the Marketing Standing Committee with the Committee's Recommendations to Support Various Marketing Proposals, for Discussion and Action by the Board:

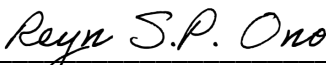
Chair Fried recognized Mr. Kam to make his report of the Marketing Standing Committee meeting. Mr. Kam reported that the committee was briefed on the status of the Korea, Taiwan, and Canada markets. Ms. Herman added that Ms. Chun presented a report on booking pace and John Reyes of HVCB reported on MCI booking pace and the possibility of increasing his sales staff.

Chair Fried invited the public to provide testimony, and there was none.

10. Adjournment:

The meeting adjourned at 10:47 a.m.

Respectfully submitted,



Reyn S.P. Ono
Recorder

4

Report of the CEO Relating to Staff's Implementation of HTA's Programs During November 2020



MEMORANDUM

TO: HTA Board of Directors

FROM: John De Fries, President and CEO

DATE: December 17, 2020

RE: Report of the CEO

The following narrative utilizes the Hawai'i Tourism Authority's (HTA) 2025 Tourism Strategic Plan and its four pillars (Natural Resources, Hawaiian Culture, Community, and Brand Marketing), in addition to Tourism Research, to outline the various matters the staff is currently working on or has completed since the last CEO Report dated November 19, 2020. The narrative also describes the actions conducted by the staff to implement the HTA budget previously approved by the Board.

I. NATURAL RESOURCES PILLAR

1. Aloha 'Āina (Natural Resources) Program

HTA program staff have closed out all remaining 2019 contracts that were granted extensions for various reasons. The 2020 contractors are finishing up their program work through the end of December with reporting due on January 31, 2021. At present, all remaining projects are on schedule to be completed by the close of the calendar year.

2. DLNR Partnership

HTA staff continues to work in partnership with the Department of Land and Natural Resources (DLNR) to improve the visitor and resident experience of Hawai'i's natural and cultural resources on state lands through various initiatives. HTA staff is also working on the current MOA with DLNR to improve signage and conditions in the Nā Ala Hele trail system statewide. Funds have finally been transferred to them to begin the work, which is anticipated to be done at the end of 2021.

II. HAWAIIAN CULTURE PILLAR

1. Kūkulu Ola Program

HTA program staff have closed out all remaining 2019 contracts that were granted extensions for various reasons. The 2020 contractors are finishing up their program work through the end of December with reporting due on January 31, 2021. At present, all remaining projects are on schedule to be completed by the close of the calendar year.

2. Native Hawaiian Hospitality Association

HTA and the Native Hawaiian Hospitality Association (NaHHA) continue to build stronger ties between the Hawaiian community and the tourism industry. From July to present (halfway through the contract year) NaHHA has conducted 29 trainings for more than 1,100 participants. NaHHA has also provided three recorded trainings in the Canada market as requested.

3. Native Hawaiian Festivals and Events

13th Festival of Pacific Arts & Culture (FESTPAC)

Event organizers for the 13th Festival of Pacific Arts & Culture (FESTPAC) announced the new dates of the festival will be June 6-16, 2024. As the pandemic evolves the FESTPAC commission is seeking guidance from the Secretariat of the Pacific Community on how best to proceed. Hawai'i is also a member of a working group of countries that are participating to determine how to create a hybrid festival with both in-person and virtual participation.

Prince Lot Hula Festival

HTA staff came to agreement with the organizers of the Prince Lot Hula Festival to produce a virtual, pre-recorded festival which aired on KHON in November. HTA staff executed a supplemental contract to support the virtual festival.

Merrie Monarch Festival Digitization Project

The 2019 Merrie Monarch Festival contract included a digitization project to preserve the festival's recorded years. Delays in contracting with the University of Hawai'i – West O'ahu's 'Ulu'ulu moving image archive have been reconciled and work can now begin. All other aspects of the HTA contract with the festival have been delivered and met. HTA contracting staff have issued letters to the festival allowing for a time extension to complete this work, which is presently scheduled to be completed in 2021 due to COVID-19 restrictions and delays.

4. Kāheha Program

Harbors

The statewide Kāheha Harbor Greeting Program for calendar year 2020 was suspended as of March 6, 2020, due to the COVID-19 global outbreak. The ports include Nāwiliwili, Lahaina, Hilo and Kona. Work suspended includes, but is not limited to, hula, mele, lei making, the distribution of maps and other collateral, as well as lei greeting with fresh flower lei. HTA staff continues to assess the program as the situation evolves.

Airports

The Kāheha Airports Greeting Program was also been suspended due to the COVID-19 global outbreak. Work suspended includes, but is not limited to, hula, mele, lei making, distribution of maps and other collateral, as well as lei greeting with fresh flower lei. HTA staff will continue to assess the program as the situation evolves.

5. Resort Area Hawaiian Culture Initiative

All 2020 activities have been suspended due to the pandemic. Resort areas included in this program include Waikīkī, Hilo, Lahaina and Kailua-Kona.

6. Hawai'i Investment Ready 2019 Cohort

The HTA and Hawai'i Investment Ready (HIR) contract supports a cohort of social enterprises with a tourism focus, all which previously received funding through the Community Enrichment, Kūkulu Ola or Aloha 'Āina programs. The intent is to elevate these social enterprises to seek other forms of capital to enhance and improve its programs. HIR completed Modules 1-6 and implemented Module 7 in March 2020. HIR is now working to prepare for their post-cohort mentoring for April-December 2020.

7. Center for Hawaiian Music and Dance

This legislative session HTA tracked HB 1622 HD1 which amended language that allowed for the development and operations of the Center for Hawaiian Music and Dance. Due to the unanticipated closing of the Legislature due to COVID-19, the bill never made it out of committee and is effectively dead for this session.

8. 'Ōlelo Hawai'i

He Aupuni Palapala: Preserving and Digitizing the Hawaiian Language Newspapers

In response to COVID-19 and the various county and state restrictions, HTA staff are negotiating a supplemental contract with Bishop Museum that would allow more time for work to be completed on "He Aupuni Palapala: Preserving and Digitizing the Hawaiian Language Newspapers." The goal of this project is to digitize all Hawaiian language newspapers (in all repositories and personal collections). The State of Hawai'i benefits to support programs that preserve and increase access to rare and historical Hawaiian language newspapers to further the understanding and knowledge contained therein. By making readily available these important documents for education, research, and preservation, the project will provide the state with a completely unique and robust resource for Hawaiian language learners and workers to strengthen 'ōlelo Hawai'i.

HTA Strategic Plan Translation Project

HTA staff finalized a Hawaiian translation of the 2020-2025 HTA Strategic Plan and posted it on HTA's website alongside the English version.

9. 'Iolani Palace Repairs

HTA staff finalized a contract to provide funding to support the removal of bees from the palace's façade and walls. It will also allow the coronation to be completely restored from its degraded state. The project began in August 2020 and was completed in October 2020. The construction schedule is subject to change based on the contractors' findings as they fully assess the situation.

III. COMMUNITY PILLAR

1. Community

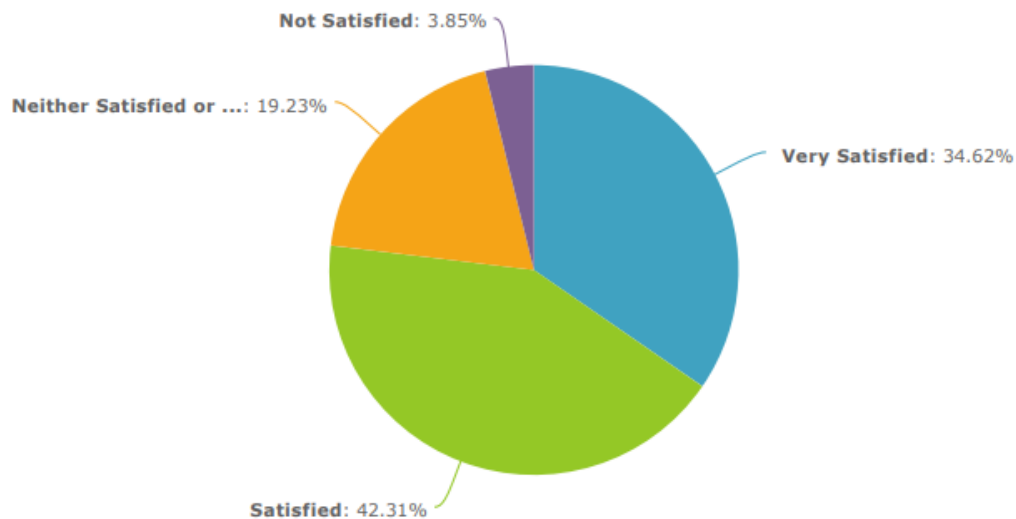
Community-Based Tourism Program – Destination Management Action Plans (DMAPs)

Community Meetings

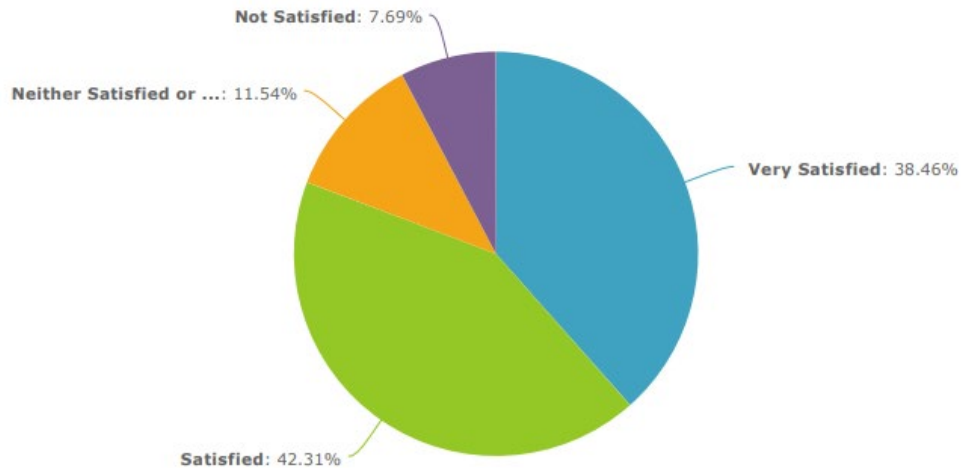
Two community meetings for Hawai'i Island and Lāna'i, respectively, were held in November to explain the DMAP process to the public, share the proposed draft actions, and have the public provide feedback to the proposed draft actions. In addition, HTA created an online input form for detailed input and feedback. The Hawai'i Island community meeting was advertised in Hawai'i Island's newspapers. Additionally, HTA boosted posts on social media. Digital flyers were also created for Steering Committee members to spread the news to their networks and posted on county and community bulletin boards. Informational flyers were also mailed to Lāna'i households.

The **Hawai'i Island DMAP community meeting** took place on November 17 from 11:00 a.m. to 1:00 p.m. There were 189 participants in the meeting. Below are results from the Hawai'i Island community meeting evaluation:

1. Do you feel like you have enough information to understand the purpose of the presentation and the project currently underway? 84.6% responded "yes" and 15.4% responded "no."
2. Please rate the overall presentation.



3. Please rate overall satisfaction with the meeting.



The Steering Committees for Kaua'i, Maui, Moloka'i and Hawai'i Island are finalizing their actions, which will be presented at HTA's December board meeting. The Lāna'i Steering Committee felt they did not receive enough community input, as only 28 people responded to the online input form. Therefore, HTA reopened the survey and pushed back the finalization of the Lāna'i plan to January. The O'ahu DMAP process will begin in early 2021.

Promotion of Nonprofits/Businesses to Visitors

HTA staff continues to work with the Hawai'i Visitors and Convention Bureau (HVCB) to highlight nonprofit organizations and companies on the gohawaii.com website for its Mālama Hawai'i program that highlights projects that visitors can partake in and give back to the destination through activities such as voluntourism projects.

Community Enrichment Program (CEP)

HTA staff continues to work with the remaining 2020 CEP contractors, and process final invoices and reports for 2020. Below is a schedule of the remaining 2020 CEP projects.

Organization	Project Title	Website	Event Date	Island
Big Island RC&D Council	Ka'ū Coffee Festival (virtual)	www.kaucoffeefestival.com	Dec. 11-31	Hawai'i Island
Lāna'i Culture & Heritage Center	Lāna'i Guide App Enhancements	www.Lanaiguidapp.org/map		Lāna'i
Haleiwa Main Street	Haleiwa Interpretative Signage Project and Walking Tour Map	www.gonorthshore.org		O'ahu

Mālama Program

In January, HTA released its 2020-2025 Strategic Plan. On page 33, the Aloha+ Mālama Mandate, signed by the HTA team, expresses the commitment “to navigating towards a better future” through “our love for Hawai‘i [and] our collective ancestors and descendants.” A key component of the Aloha+ Mālama Mandate is the perpetuation of the values of mālama. In alignment with this commitment, HTA staff will be introducing a new program that focuses on Mālama as a rallying statement to engage the community in efforts that will focus on caring for families and friends during this time of crisis.

The Mālama Program will include a project that encourages the use of masks to prevent the spread of COVID-19 in communities statewide. Ideas include the creation of a Hawai‘i-specific cloth mask, identification of renowned individuals to promote the concept of mālama and mask usage, and more. In addition, the Mālama Program will include working with clergy and the community to develop a Mālama Sunday campaign to encourage the community to come together and mālama each other as a way to lift each other’s spirits and provide hope. The program will continue to grow and expand as new and exciting ways to further engage residents and visitors are identified.

2. Communication and Outreach

News Releases/Reports Issued

- News Release: Hawai'i Tourism Authority Strategic Plan Published in 'Ōlelo Hawai'i (November 16)
- News Release: HTA is Accepting Health and Safety Plans from Hawai'i's Hotels (November 17)
- Report: HTA Hawai'i Hotel Performance Report for October 2020 (November 23)
- Report: HTA Hawai'i Vacation Rental Performance Report for October 2020 (November 23)
- News Release: Hawai'i Visitor Statistics Released for October 2020 (November 24)

News Bureau

- Interviews and press conferences: **12**
- Local and national media relations: **32**
- International media relations: **16**

HTA's Destination Management Action Plans

- Distributed e-blast promoting the Hawai'i Island and Lāna'i community meetings
- Responses to inquiries: **3**
- Assisted with communications efforts
 - Provided written responses to questions from the community meetings
 - Edited documents and web copy
- Participated in community meetings and led team discussions
- Created a social media calendar for the month of November including drafting copy, coordinating budgets for boosted events, and scheduling of DMAP posts for HTA's Facebook, Twitter, and Instagram accounts.
- Paid social media events on HTA's Facebook page: **2**
 - Lāna'i meeting: Flight dates from November 5 – November 18. Total Reach 2,411 | Total Responses 88
 - Hawai'i Island meeting: Flight dates from November 6 – November 16. Total Reach 19,649 | Total Responses 346
 - Note: The boosted event for the Lāna'i community meeting was paused on October 23 due to a change of date and resumed on November 5. The event was rescheduled to November 19, 2020.

Community Initiatives and Public Outreach

- Community liaison and communications: **45**

Crisis Communications

- Responses regarding travel to Hawai'i: **99**
- Daily email updates on the COVID-19 situation: **Updates #1255-1364**
- Daily updates to HTA's website – COVID-19 alerts page
- Detailed notes on Gov. Ige and Honolulu Mayor Caldwell's press conferences
- HTA's daily briefer
- Participated in the state's Joint Information Center

HTA's Social Media

- Facebook
 - Number of followers: **16,021 (+41.93%)**
 - Engagement rate: **+49.66%**
 - Daily page engaged users: **3,113**
 - Posts: **66**
- Instagram
 - Number of followers: **3,930 (+52.03%)**
 - Engagement rate: **-40.36%**
 - Number of engagements: **300**
 - Posts: **7**
 - Note: The engagement rate decreased as there were 15 posts in November 2019, compared to seven posts in November 2020. Due to the pandemic and subsequent cuts in funding for the Kūkulu Ola, Aloha 'Āina and Community Enrichment programs, promotional posts were scaled back significantly in 2020. However, the number of followers continued to steadily grow.
- Twitter
 - Number of followers: **37,190 (+1.51%)**
 - Engagement rate: **+55.06%**
 - Number of engagements: **138**
 - Posts: **11**
- YouTube
 - Posts: **2**

Internal Communications

- Communications with state and county departments: **25**
- Edited HTA reports/press releases/documents
- Provided talking points to HTA's staff
- Communicated important updates to the Hawai'i Visitors and Convention Bureau and Hawai'i Lodging and Tourism Association

3. Safety and Security

Visitor Assistance Program (VAP)

HTA currently has four contracts, one in each county, to provide funding support for the Visitor Assistance Program. These contracts are:

- **CON 17031** – Visitor Aloha Society of Hawai'i (O'ahu) with total funding of \$370,000 and a contract expiration date of 4/1/2021. The first payment of \$333,000 was processed on April 17, 2020. The final invoice of \$37,000 is due on February 15, 2021. A Supplemental for the COVID-19 Flight Assistance Program has been executed to fund the program \$33,962 for the months of November and December 2020.
- **CON 17032** – VASHI – Island of Hawai'i VAP with total funding of \$170,000 and a contract expiration date of 4/1/2021. The first payment of \$153,000 was processed on April 17, 2020. The final invoice of \$17,000 is due on February 15, 2021.
- **CON 17033** – VASK – Kaua'i VAP with total funding of \$55,000 and a contract expiration date of 4/1/2021. The first payment of \$49,500 was processed on May 6, 2020. The final invoice of \$5,500 is due on February 15, 2021.
- **CON 17034** – MVCB – Maui VAP with total funding of \$55,000 and a contract expiration date of 4/1/2021. The first payment of \$49,500 was processed on May 6, 2020. The final invoice of \$5,500 is due on February 15, 2021.

During the month of November:

- Maui County's program handled 5 cases and helped 5 visitors (year-to-date: 105 cases/162 visitors).
- Hawai'i County's program handled 9 cases and provided assistance to 17 visitors (year-to-date: 205 cases/340 visitors).
- City and County of Honolulu's program handled 58 cases and helped 136 visitors (year-to-date: 739 cases/1,275 visitors).
- Kaua'i County's program handled 3 cases and provided assistance to 3 visitors (year-to-date: 25 cases/59 visitors).

Lifeguard Support Program

Due to the COVID-19 pandemic, these contracts were canceled because of restrictions placed on group gatherings and beach park usage. Once the restrictions are lifted and HTA returns to normal funding levels, HTA will revisit these programs and hopefully be able to fund them again in the future.

Ocean Safety Advertising Campaign

HTA, through SKYHI MEDIA and Pacific Media Group, supported the displaying of ocean safety videos at airports throughout Hawai'i until June 30, 2020. Due to the COVID-19 pandemic, an extension was no longer possible as funds for these programs are no longer available. Once normal funding levels are returned, HTA will revisit these programs and hopefully be able to fund them again in the future.

Snorkel Safety Study

HTA executed a contract (CON 19171) with the Hawaiian Lifeguard Association (HLA) for \$131,000 to conduct a snorkel safety study with an expiration date of 6/30/2021. The purpose of this two-year study is to formally assess the causes and risk factors in snorkel-related fatalities and near fatal drownings. HLA will collect and analyze data, conduct scientific research, conduct surveys and interviews, and consult with experts in the appropriate fields. The State of Hawai'i Department of Health and the City and County of Honolulu lifeguards are collaborating on the study. HLA has collected information on the cases of snorkeling-related accidents. The second of three payments have been issued. HTA is waiting for the final report and invoice (\$31,000.00), which is due per the contract in April 2021.

Ho'okaulike

Honolulu Parks Security Cameras - MOA 19194

HTA partnered with the City and County of Honolulu's Department of Parks and Recreation (DPR) to provide funding of \$204,000 for the installation of 192 surveillance cameras in 13 parks. The MOA was fully executed, and the work is underway. HTA received and processed the first invoice on September 9, 2019 for \$183,600.00 as per the agreement. Due to the unexpectedly high price of equipment and budget cuts, the list of parks was amended in September 2020. The MOA is still set to expire on December 31, 2020 and the value of the MOA remains unchanged. DPR continues to provide updates as they move forward.

IV. BRAND MARKETING PILLAR

MMA Contracts

Due to the COVID-19 pandemic, the 2020 contracts for Europe and Southeast Asia markets were canceled, effective April 17, 2020. On April 9, RFP 21-04 Europe MMA was canceled due to changing fiscal priorities in response to the COVID-19 crisis. In addition, due to 2021 budget cuts, the decision was made to terminate contracts for China and Taiwan for 2021.

The Walshe Group was appointed as Oceania's Global Marketing Team contractor through RFP 21-05. Since there were no flights scheduled coming out of Oceania this year, HTA issued a stop work order for the Oceania GMT. Qantas is scheduled to fly into Hawai'i in June 2021, and Hawaiian Airlines in mid-March 2021. As these dates could change based on the border situation in Australia and New Zealand, HTA staff will react accordingly to cease the stop work order based on their new schedules. If things do not change, HTA plans to have them reconvene in January 2021 to effectively make an impact on branding and marketing Hawai'i.

In September HTA staff conducted the RFP process for the Cruise Line segment. Two companies submitted their proposals. Access Cruise, Inc was appointed as HTA's Cruise Line contractor. They have been working with HTA for multiple years and their expertise in Hawai'i cruise line laws and contacts gave them the competitive advantage over the other company that applied.

MMA Marketing Plans

The Market Management team is ensuring that the focus of "Responsible Tourism" is thread through the marketing plans from HTA's Global Marketing Team (GMT). This action runs parallel to HTA's brand marketing, and thus Hawai'i will be set up well to welcome the next generation of travelers who are already conscious of and respect destinations that care for their natural resources. The team updated the Brand Management Plan (BMP) templates and GMT BMPs for 2021 were due to HTA on June 30, 2020.

Since mid-March, Hawai'i was impacted by the 14-day quarantine for all incoming passengers, and the stay-at-home orders due to the COVID-19 global pandemic. As a result, HTA instructed its GMT partners to stay dark. All advertising initiatives were halted. As the stay-at-home order increased globally, the GMTs increased the opportunity for educational webinars and other interactive training about each island's treasures and Hawai'i overall.

The Market Managers also worked with the GMTs to receive updates on the development of how each country was dealing with and adapting to the coronavirus spread. HTA continued to conduct conference calls with the airlines, including Hawaiian Airlines, Alaska Airlines, Japan Airlines, All Nippon Airways, Qantas, Southwest Airlines, WestJet, Air Canada and Air New Zealand, to discuss their plans and start-up strategy with continual safety protocol top-of-mind, from on-boarding, to during the flight and during the off-boarding process.

Due to COVID-19, HTA will not be receiving TAT funding. In 2021, HTA's budget will drop by 44.5%. The Branding budget for 2020 was \$51,561,050. Presently, the 2021 Branding budget stands at \$28,590,675. HTA received approval from its Board of Directors to terminate contracts for China and Taiwan, effective January 1, 2021. These countries' expenditures are considerably less than the five countries that HTA will continue to focus on through the GMTs – U.S., Japan, Canada, Oceania and Korea. HTA's funding situation remains fluid and there may come a time when RFPs can be reissued for China, Taiwan, Europe and Southeast Asia.

The HTA Board of Directors approved the FY2021 budget during the July Board Meeting. In having to re-create the "Kuleana" videos and the "The Time Is Now" video as a result of the pandemic, the Board also approved the shifting of \$2.5 million to the U.S. leisure market and \$1 million for MCI.

HVCB is working on the messaging for welcoming visitors back to Hawai'i. For this, HVCB needed funds allocated for the 2020 calendar year. The team agreed to pull in \$2.5 million for the leisure segment and \$1 million for MCI from the FY 2021 U.S. budget to accomplish this.

With the media being focused on the elections, along with most airlines suspending their flights through November and cruise lines probably not starting up until the first quarter of 2021, HTA staff feel that this is not the right time to spend funds on paid messaging. Therefore, HVCB will not be using all the funds brought forward for use in 2020 instead of 2021 as initially planned. HVCB is calculating what is needed and unused funds will be re-entered into the 2021 U.S. leisure budget.

Industry Partners Meetings

The HTA Marketing team held meetings with industry partners over two days in February. In attendance were representatives from various hotels, airlines, wholesalers, land operators, transportation companies, and event creation companies. The discussions included topics such as responsible tourism, sustainability, single-use plastic, HTA's four pillars, key marketing objectives, brand positioning, key performance indicators and resources on HTA's website. The meetings gave the marketing team an opportunity to understand Hawai'i's industry partner needs and how to work together and assist them and each other. As the meetings were well received, HTA plans to have additional meetings quarterly.

Due to COVID-19, the quarterly Industry Partner Meeting was postponed. However, HTA continues to communicate with its industry partners by providing COVID-19 related information daily. HTA continues to conduct Zoom meetings with industry partners.

HTA also held discussions and Zoom meetings with Senator Wakai regarding the ability to welcome back visitors from Japan. Sen. Wakai invited Mr. Yuito Okada, an epidemiologist from Japan who is based in the University of Hawai'i Cancer Research Center to join, as he created a tourism bubble plan with Japan that may be worth pursuing.

This is typically the time of year when the hotel partners start to set their 2021 budgets. HTA is working with the hotel partners to offer them co-op opportunities to help them budget accordingly. All of the GMTs have submitted their partnership opportunities and shared with the hotel partners.

The October 15 launch of the state's pre-travel testing program and Safe Travels program had some issues, and there are still many questions from the visitors and the industry partners. As the pre-test program evolves and information dissemination starts in all means of communication, especially with HTA's alert page, gohawaii.com, hawaiiicovid19.com and travel.hawaii.gov websites, the information is constantly being updated on these sites in hopes that the questions and calls may decrease.

There have been reports that visitors are not wearing masks when walking down Kalākaua Avenue. An industry partner Zoom meeting was set up to discuss this issue and other topics with City and County of Honolulu Mayor Caldwell so everyone can work together in improving this situation. Ideas were brought up to create posters, banners and handouts at the airport, at hotels and other areas visitors frequent.

In November, HTA staff continued to meet with the hotel industry partners. Discussions were centered on opening dates, possible concerns and how we can help each other.

China Summit

Due to the global COVID-19 situation, HTA's China Summit was canceled.

GMT Hawai'i Coalition

The GMT Hawai'i Coalition meeting between the GMT, Island Chapter representatives and HTA was canceled due to the global COVID-19 situation.

Communication

HTA continues to engage with industry partners. The airlines are assisting with reminding all out-of-state passengers about Hawai'i's 14-day quarantine and the pre-test program. HTA has been providing industry partners with up-to-date information from the Department of Health, press conferences by the Governor and County Mayors, cruise line industry updates, daily arrivals, the Joint Information Center's Daily News Digest and HTA's Daily Briefer.

HTA's MĀLAMA committee held primary discussions focused on a recovery plan with the most important voice being the residents. This will be a part of the FY 2021 Community budget to re-build and re-develop tourism.

HTA staff initiated multiple Zoom calls with the State Attorney General's office, DOH and DOD, and assisted them with meetings with the Ministry of Health and Welfare, airlines and the Consulate General's office for Korea, Taiwan and Canada to start the TTP process.

In November, Air Canada and West Jet were approved as Canada Trusted Travel Test Partners. Both airlines worked diligently to contract their own medical partners. The first flight from Canada is scheduled to arrive to Hawai'i in December. With this TTP approval, the arriving travelers from Canada will no longer need to go through a 14-day quarantine if they take the COVID-19 test within 72 hours of their final departing flight with a negative result. Travelers will still need to go through the 14-day quarantine when they return to Canada.

Efforts are still underway regarding the pre-test TTP program for Taiwan and Korea. Taiwan has identified medical organizations to work with and is waiting on the AG's office to contact these organizations. Korea is still in the process of identifying potential pre-test partners.

HTA staff met with executives from JATA (Japan Association of Travel Agents) and JTB (Japan Travel Bureau) via Zoom. Discussions were held about the current strong relationships between Hawai'i and Japan, as well as future opportunities for when travel re-starts out of Japan. The Japanese Government continues to restrict travel out of Japan to Hawai'i, as it is a part of the United States where COVID-19 cases are on the rise on the continent.

HTA staff also had a Zoom meeting with Senator Wakai and his new travel committee members to present and discuss the FY21 branding budget. There are uncertainties as to whether HTA will be receiving funding in the future. Thus, his recommendation was to further assess the situation for more cost savings.

Pattie Herman (PH) participated in the Kaua'i and Hawai'i Island DMAP community meetings on Zoom.

The Marketing Standing Committee Meeting in November covered the following topics: updates on the Trusted Travel Partners for Korea, Canada and Taiwan; travel agents' future booking pace; and general group trends, cancellations and booking pace for the future.

HTA staff continued to hold bi-weekly meetings with the Global Marketing Teams, and received information on in-country activities, Hawai'i messaging and flight plans into Hawai'i if they have not yet started. In addition, discussions also included marketing campaigns, educational programs, Mālama-centric programs and key measures.

PH also set up a monthly Zoom call with John Reyes, senior vice president and chief MCI sales officer of HVCB, to discuss group activities and possible opportunities both in citywide and single-property groups.

V. TOURISM RESEARCH

The Tourism Research Division (TRD) issued the October 2020 monthly visitor statistics on November 24, 2020, including monthly arrivals by country, category expenditures for major markets, and monthly visitor characteristics for each major market area.

TRD posted Seat Outlook data tables for November 2020 through January 2021 to the Infrastructure Research Section of the HTA website.

State, major market and island fact sheets were updated with the October 2020 data and posted to the Board site. State and market fact sheets were published on the website.

TRD issued the October 2020 Hawai'i Hotel Performance Report on November 23, 2020. The report and related October 2020 data tables were posted to the Infrastructure Research section of the HTA website. The Hawai'i Hotel Performance Report is produced using hotel survey data compiled by STR, Inc., the largest survey of its kind in Hawai'i.

TRD issued the October 2020 Hawai'i Vacation Rental Performance Report on November 23, 2020. The report and related October 2020 data tables were posted to the Infrastructure Research section of the HTA website. This report utilizes data compiled by Transparent Intelligence, Inc.

TRD posted the 2nd Quarter 2020 Visitor Satisfaction Monitoring Report and Infographics to the Research section of the HTA website on November 19, 2020. The purpose of the report is to monitor visitors' satisfaction with Hawai'i as a vacation destination, their likelihood to recommend Hawai'i to others, their likelihood to return to the state and their participation in various activities while in Hawai'i, and island-specific questions regarding the island(s) they visited. The survey also asks about visitors' trip planning information, the source of information used in trip planning, and demographic profiles (income, education level, gender and age).

TRD continued publishing the weekly Hawai'i YouGov Destination Brand Index for U.S., Japan, and Australia. These reports are posted on the Other Research section of the HTA website. The report utilizes data from YouGov's Brand Index.

TRD continued publishing weekly Travel Agency Booking Trend reports which feature forward-looking data for U.S., Japan, Canada, and Australia from Global Agency Pro. These reports are posted on the Other Research section of the HTA website.

TRD assists in preparing the HTA Daily Tourism Brief which is posted on the COVID-19 (Novel Coronavirus) alert page on the HTA website. Data include daily transpacific passenger counts by port of entry, daily travel agency bookings/cancellations for US, Japan, Canada, and Australia from Global Agency Pro, daily forward-looking travel agency booking data for U.S., Japan, Canada, and Australia from Global Agency Pro, and weekly hotel performance from STR, Inc.

TRD is assisting with the mandatory 14-day quarantine, including attending Hawai'i Emergency Management Agency operational calls, posting of daily trans-Pacific passenger arrival data derived from data provided through the Office of Enterprise Technology Service's Safe Travels Program, and supporting state and county law enforcement and prosecutors.

TRD continued to work with the State Attorney General's office to analyze visitor data related to the impacts of the national travel ban on inbound travel from seven affected countries.

Jennifer Chun (JC) was a guest speaker for the University of Hawai'i West O'ahu HOST Club on November 4, 2020.

JC participated as a panelist for the Cornell School of Hotel Administration Hotelier Week Panel: "Global Tourism in a Pandemic: Staycations, Virtual Experiences, and Staying Afloat" on November

7, 2020.

JC participated in the University of Hawai'i School of Travel Industry Management's EDIT's Tourism Strategic Planning Engagement Virtual Forum on November 17, 2020.

JC participated in the 2020 PhocusWright Conference, November 18-19, 2020.

JC provided support to DBEDT for the Q4 Quarterly Statistical & Economic Report (QSER) and Tourism Forecast on November 23, 2020.

TRD continues to reply to requests for information from HTA's Global Marketing Team, industry, media, and the general public. Data requests completed include:

- Additional detailed visitor statistic data for UHERO and DBEDT/READ for their databases, and the monthly data requests
- Research inquiries routed through DBEDT
- TRD provided visitation information to John M. Knox & Associates for selected sites on O'ahu's North Shore based on data collected and provided to HTA by UberMedia, Inc. Metrics for each site included 2020 monthly totals of visitor market mix and visitation share for Hawai'i's major tourism markets as well as state residents.

VI. ADMINISTRATIVE

Contracts List

Attached at the end of the CEO report is a list of the contracts executed in November 2020.

Hawai'i Visitors & Convention Bureau (USA) 2020 Monthly Leisure Marketing Report – November

Market Intelligence/Market Conditions

Economy

U.S. economic data released over the last week was generally favorable and consistent with the November forecast of positive, but significantly reduced GDP growth in the fourth quarter after the record-setting rebound in the third quarter. However, given the surge in coronavirus cases this fall, some data points that are typically viewed as reliable leading indicators may prove to be disconnected from typical near-term outcomes.

- The unemployment rate in October fell to 6.9 percent.
- The Conference Board *Consumer Confidence Index* declined slightly in November, after remaining relatively flat in October. The Index now stands at 96.1 (1985=100), down from 101.4 (an upward revision) in October.
- The *Present Situation Index* based on consumers' assessment of current business and labor market conditions decreased slightly from 106.2 to 105.9.
- The *Expectations Index* based on consumers' short-term outlook for income, business, and labor market conditions declined from 98.2 in October to 89.5 this month.

“Consumer confidence declined in November, after remaining virtually flat in October,” said Lynn Franco, Senior Director of Economic Indicators at The Conference Board. “Consumers' assessment of present-day conditions held steady, though consumers noted a moderation in business conditions, suggesting growth has slowed in Q4. Heading into 2021, consumers do not foresee the economy, nor the labor market, gaining strength. In addition, the resurgence of COVID-19 is further increasing uncertainty and exacerbating concerns about the outlook.”

Outbound Travel Market

All of the major U.S. wholesalers reported that since the start of Hawai'i's pre-travel COVID-19 testing program, bookings have increased. Most are for mid to late 2021. They continue to be challenged with each change of Hawai'i's Safe Travels program and how to communicate with their customers about the changes. Their focus continues to be Hawai'i's safety and protocol guide, travel insurance/protection, and travel advisor educational messaging.

Competitive Environment

Tourism New Zealand has teamed up with Trees That Count, a New Zealand conservation charity, to launch the Forest of Hope initiative, which will plant trees in Queenstown and Northland. Founded in November 2016, Trees That Count has a vision to help plant 200 million native trees across New Zealand by creating a community marketplace to connect tree funders to tree planters—like in the Forest of Hope. Through the Trees That Count website, people who donate a tree (or several) can track their journey online and will receive an email notification once their tree has been planted. Representatives from both Tourism New Zealand and Trees That Count say they hope that donors will one day visit the trees they've helped plant. Mask wearing is mandatory in public places. A \$200 fine for not wearing a mask is enforced.

The Tourism Authority of Thailand (TAT) announced a new Tourist Visa for travelers from the United States to visit for up to 60 days. The Royal Thai Embassy said U.S. travelers must apply and receive approval before arriving in the country and being transported to an Alternative State Quarantine hotel for two weeks. Once cleared from the mandatory quarantine, travelers will be able to enjoy itineraries

inspired by TAT's recent campaigns such as the "Sustainable Thailand" video campaign. The tourism board invites Americans to explore their wealth of hidden destinations and dedication to sustainable tourism.

Consumer Trends

The pandemic and its accompanying economic and societal crises have fundamentally rewired the way consumers live. Pre-pandemic, U.S. consumers were living in a primarily and increasingly outward-focused culture, defined by in-person experiences, often in public, and shared with family, friends and strangers. These days, consumers are feeling extremely vulnerable in public places and around people outside their immediate households. Sixty-four percent of consumers responding to the 2020 Gartner Consumer Behaviors and Attitudes Survey believe they are at risk of exposure in public places, and 77 percent say that socializing the way they did pre-pandemic is no longer comfortable.

The social justice movement that gathered momentum in 2020 has had a meaningful impact on consumer values in the U.S., including the emergence of a new No. 1 value, according to Deloitte. After a full decade atop the rankings of consumer values, loyalty has been displaced in 2020. Equality — "I strongly believe that all people should have equal opportunity and equal access in all areas of life" — is now the value with which the highest number of U.S. consumers identify. Equality's appearance on U.S. consumers' list of values is simultaneous with other notable increases in rank for values relevant to consumers' social justice awakening. Inclusion — "I believe equal consideration and inclusion of others advances the culture" — rose seven rank positions, from 26th in 2019 to 19th in 2020. Diversity — "I am always open to ideas, people and cultures that are different from my own" — rose six rank positions, from 39th in 2019 to 33rd in 2020.

Media Trends

Short Videos. Over the past few years, short videos have come to the forefront of social media because they are easily consumable and provide high engagement. COVID-19 has resulted in even *more* people creating and consuming content. What else are you going to do when you're stuck inside, right? The U.S. has seen a 32 percent increase in time spent on social media and short videos are expected to continue to dominate user's feeds well into 2021 and beyond, according to Cisco.

Socially Conscious Content. This year many highly controversial social issues have received attention such as racial inequality, gender inequality, and voting rights. These divisive issues have been taking over social media feeds for months and businesses can no longer be silent. According to a study done by Sprout Social, consumers believe it's important for brands and/or businesses to take a stand on social and political issues. In order for one's business to be taken seriously by their ideal target audience, they must begin to show compassion and empathy to the social issues faced by our country — and specifically their loyal customers.

Airlift

HTA Airline Seat Capacity Outlook for December 2020-February 2021 was released on December 1, 2020. The forecast for domestic scheduled nonstop air seats to Hawai'i during this period will decrease by -18.7 percent as compared to the same time period in 2019 and 2020. The projection is based on flights appearing in *Diio Mi*. Due to the COVID-19 outbreak, the decrease in scheduled air seats is expected to occur in all major market areas including U.S. West (-16.6%) and U.S. East (-32.1%). The situation is being monitored daily and the forecast adjusted accordingly.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

On October 24, 2020, Gov. David Ige signed a 16th COVID-19 emergency proclamation requiring all transpacific travelers to have a negative test result from a trusted travel partner before their departure for the State of Hawai'i, in order to bypass the 14-day quarantine. Travelers heading to Hawai'i must upload their negative test result to the Safe Travels system prior to boarding their flight. The State of Hawai'i highly recommends that all transpacific travelers departing for Hawai'i carry a hard copy of their negative test result as a backup.

Leisure Activity Update

Consumer

- On-line

Digital Campaign November – Estimated Impressions Per Island

PARTNERS	Central	OVB	MVCB	KVB	IHVB	LVB	DMVB
<i>Programmatic</i>	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Condé Nast</i>	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Matador</i>	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Facebook</i>	6,490,000	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Instagram</i>	5,300,000	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
Total	11,790,000	-	-	-	-	-	-

- All digital ad buys were paused for November due to the election and COVID-19 concerns.
- Fall 2020 COVID Recovery Plan: A West Coast flight of paid media launched in key markets (Los Angeles, San Francisco, Portland, Seattle) in November (Nov. 9-Dec. 20) to reach a Hawai'i recovery target audience with messaging of "When It's Time to Fly" and drive consumers to hawaiicovid19.com/travel to inform them of the latest travel requirements, pre-testing and health and safety protocols for the destination. Media included advanced TV/streaming OTT, digital video and paid social.





- Golf Channel - *Aloha Season*: Remaining :30 second commercial units, that were paused from the Q1 2020 media flight in mid-March due to COVID-19, ran in November to lead into the upcoming, new *Aloha Season* golf tournaments and promotional window.

Travel Trade

- Paid trade media – November (37,658 impressions)
 - Affiliate Program (*TravAlliance*), 2,181 impressions, Affiliate Program Homepage Marquee, February – December
 - Affiliate Program (*TravAlliance*), 32,727 impressions, newsletter inclusion, November
 - Affiliate Program (*Questex*), 250 impressions, February-December
 - Affiliate Program (*Questex*), 2,500 impressions, registration emails, November

**Affiliate Program – annual media buy that began pre-COVID and contractually unable to cancel.*
- Paid trade media – October (37,599 impressions) – not reported previously
 - Affiliate Program (*TravAlliance*), 2,181 impressions, Affiliate Program Homepage Marquee, February-December
 - Affiliate Program (*TravAlliance*), 32,727 impressions, newsletter Inclusion, October
 - Affiliate Program (*Questex*), 243 impressions, February-December
 - Affiliate Program (*Questex*), 2,448 impressions, registration emails, October

**Affiliate Program – annual media buy that began pre-COVID and contractually unable to cancel.*

Public Relations

- HVCB
 - As a result of PR relations with Tariro Mzezewa (*New York Times*), the story titled “Hawaii’s Reopening May Be Good for Tourism. Is it Good for Locals?” was published Nov. 6. The HVCB PR team connected Tariro to Lieutenant Governor Josh Green, and President and CEO of the Hawaii Tourism Authority, John De Fries, for interviews. Questions focused on how the tourism industry has come together to proactively communicate Hawai‘i’s health and safety protocols.
 - After HVCB’s support and partnership with Netflix’s “Somebody Feed Phil”, season 4 (including the Hawai‘i episode that launched Oct. 30), writer Megan Murphy teamed up with *Departures Magazine* on Nov. 9 for an *Instagram* takeover to share her Hawai‘i experience. Last November 2019, HVCB hosted Megan’s media visit, wherein she traveled to O‘ahu and island of Hawai‘i with the “Somebody Feed Phil” production crew to elevate coverage of the series.



- As a result of Evie Carrick’s visit to O‘ahu in October 2020, her story titled “8 Places to Enjoy Oahu Without the Crowds Right Now” was published in *Travel + Leisure* on Nov. 16. Her roundup of experiences included hiking Wiliwilinui Ridge Trail, One Ocean Diving, Honolulu Museum of Art, Pearl Harbor, Waimea Valley, Bishop Museum, Ho‘omaluhia Botanical Garden, and surfing in Waikīkī through Star Beachboys and Moniz Family Surf.

8 Places to Enjoy Oahu Without the Crowds Right Now

All you need to enjoy a quieter Oahu is a rental car and a plan.

BY EVIE CARRICK | NOVEMBER 16, 2020



A trip to Oahu doesn't have to include battling the crowds at [Waikiki Beach](#) or dining with what feels like half the island at an indoor restaurant. There's plenty to see and do that's off the typical tourist checklist – you just have to go a bit more off the beaten path.


And with the virus top of mind for most travelers, Hawaii makes it easy to eat and play outdoors thanks to its [year-round balmy weather](#). If you need a little AC or come up against a rainy day there are plenty of indoor activities operating at 50 percent capacity and limiting groups or "quarantine pods" to five people, per guidelines from the [Hawaii State Department of Health](#). That means you don't have to worry about running into a ton of people at the museum or [sharing your sunset cruise](#) with a bachelor party.


- HVCB's PR team drafted and distributed a release titled "Hawai'i Invites Travelers to Mālama Hawai'i" to local PR industry professionals, leisure publications, editors and freelance journalists on Nov. 16. The release shared details on the partnership with Hawai'i Tourism Authority and announced the launch of Mālama Hawai'i – a heartfelt invitation to *mālama*, take care of, our earth, each other and ourselves. In an effort to inspire mindful travel, industry partners and volunteer organizations across the state have come together with an initiative that encourages visitors to give back to the destination. Participating partners were shared as well as encouraging readers to view updated partners at gohawaii.com/malama.

- As a result of ongoing targeted pitches, media relations and distribution of releases, the PR team secured Hot 100 publication stories on Mālama Hawai'i during November from *Forbes*, *Travel + Leisure*, *Travel Pulse* and others. The stories shared the importance of giving back, voluntourism and how to plan to be involved for a more meaningful visit to the Hawaiian Islands. In addition, Safe Travels information and relevant important travel updates were shared.

≡ **Forbes**

Where To Travel Now: Hawaii




Jennifer Kester Contributor
Forbes Travel Guide Contributor Group 
Forbes Travel Guide

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in



Hawaii is welcoming travelers. HAWAII TOURISM AUTHORITY (HTA)/VINCENT LIM

While daydreaming of the soft sand, warm ocean breezes and inviting waters of Hawaii, you have to do extra planning before making your way to the recently reopened paradise.

- On Nov. 19, Governor David Ige held a press conference announcing that the pre-travel COVID-19 testing results must be uploaded and in hand prior to departure for Hawai'i starting Nov. 24. In addition, Gov. Ige also stated that beginning in mid-December, travelers flying from Canada to Hawai'i may bypass the state's mandatory 14-day quarantine if they take a COVID-19 test from labs identified by Air Canada and WestJet. To further support the dissemination of these protocol amendments, HVCB's PR team assisted with drafting and distributing letters to local PR industry professionals, leisure publications, editors and freelance journalists. This communication was pushed out through *PR Newswire* reaching a potential audience close to 92,000,000. The release was picked up by over 113 *PRNewswire* media partners and sites.
- As a result of pitching Stefanie Waldek (*TripSavvy*) for the Mālama Hawai'i Program back in October 2020, she was able to file her story after the official release was distributed on Nov. 16.

Her story was published Nov. 23 titled “Hawaii Offers Tourists Free Hotel Stays in Exchange for Volunteer Work.”

- To launch the new HVCB media site, HVCB PR and the Island Chapters took an extensive review on previous story ideas, messaging, press kits, media tips and other media resources to migrate to the new site. In addition, new and relevant copy was drafted to meet HTA/HVCB’s current marketing messaging and goals as well as Safe Travels Program information.
- Media coverage highlights:
 - “Oahu with the Kids” – *Ranch & Coast Magazine* – November Issue
 - “Hawaii’s Reopening May Be Good for Tourism. Is it Good for Locals?” – *New York Times* – Tariro Mzezewa – Nov. 6
 - “8 Places to Enjoy Oahu Without the Crowds Right Now” – *Travel + Leisure* – Evie Carrick – Nov. 16
 - “Hawaii: Hotels Will Offer You A Free Night’s Stay In Exchange For This” – *Forbes* – Will McGough – Nov. 18
 - “Pre-travel COVID-19 testing results must be in hand prior to departure for Hawaii” – *PRNewswire* – Nov. 19
 - “Hawaii Is Giving Visitors a Free Hotel Night for Doing Volunteer Work” – *Thrillist* – Caitlyn Hitt – Nov. 19
 - “Where to Travel Now: Hawaii” – *Forbes Travel Guide* – Jennifer Kester – Nov. 19, 2020
 - “Hawaii Hotels Offering Free Nights for Volunteers” – *Travel Pulse* – Patrick Clarke – Nov. 20
 - “Want a free night in Hawaii? How to earn a no-cost 1-day stay at a hotel by volunteering” – *AZ Central* – Melissa Yeager – Nov. 20
 - “Want To Stay In Hawaii For Free? Here’s How” – *Forbes* – Laura Begley Bloom – Nov. 23
 - “Hawaii Offers Tourists Free Hotel Stays in Exchange for Volunteer Work” – *TripSavvy* – Stefanie Waldek – Nov. 23
 - “15 Hotels and Inns You Can Buyout for the Holidays” – *Fodor’s Travel* – Kristy Alpert – Nov. 24
- KVB
 - Kaua’i was featured in the following November media:
 - *Go World Travel Magazine* (65,000 uvpm), “Hawaii for Families: 12 Kid-Approved Activities.” This coverage was a result from providing information requested by freelance writer Janna Grabber for family friendly activities on Kaua’i.
 - Media Visits:
 - KVB hosted freelance writer and publisher, Cathy Claesson on an individual media visit to Kaua’i, Nov. 23 - 28 for confirmed coverage in *Adventure Sports Journal Magazine*. Cathy will be highlighting responsible travel tips and how KVB is welcoming back travelers safely and thoughtfully with new health/safety initiatives.
 - KVB hosted blogger and TV correspondent, Emily Kaufman on an individual media visit to Kaua’i, Nov. 25 - 29. Emily will be highlighting responsible travel tips, unique outdoor activities, and how KVB is welcoming back travelers safely and thoughtfully with new health/safety initiatives. Coverage is expected to air two weeks following her trip on local news networks in the west coast markets; such as, KTLA (LA), KPNX (PHX), WFAA (DAL).
 - Liaised with 14 media:
 - Janna Grabber, *Go World Travel Magazine*
 - Cheryl Tsutsumi, *AAA Hawaii*
 - Liz Vaccariello, *Real Simple*
 - Alan Shipnuck, *Golf Magazine*
 - Art Stricklin, *Avid Golfer*
 - Emily Kaufman, *The Travel Mom*

- Sarah Dumbledam, *Darling Magazine*
 - Cathy Claesson, *Adventure Sports Journal*
 - Kelsy Chauvin, *Edge Media Network*
 - Tiana Harris, *Power Couple Life*
 - Anja Mutic, *Travelzoo*
 - Carolyn Owens, *Los Angeles Times*
 - Katie Parker-Magyar, *Forbes*
 - Jay Jones, *Los Angeles Times*
- OVB
 - O'ahu was featured in:
 - *Forbes* (uvpm: 33,734,080) Coverage resulted from Ali Wunderman's participation in the Romance press trip in February. Her article, "Get Thanksgiving Dinner To-Go From These Hotels Across The Country" features the Prince Waikīkī.
 - *Travel + Leisure* (uvpm: 2,005,222) Coverage resulted from Evie Carrick's individual media visit in October. Her article, "8 Places to Enjoy Oahu Without the Crowds Right Now", features One Ocean Diving, Honolulu Museum of Art, Pearl Harbor, Waimea Valley, etc.
 - *Forbes* (uvpm: 33,734,080) Coverage resulted from Jennifer Kester's participation in the virtual media blitz in October. Her article, "Where To Travel Now: Hawaii" features the Halekulani, FSO, The Ritz-Carlton Residences, Espacio and more.
 - *AZ Central* (uvpm:78,514) Coverage resulted from Melissa Yeager's media inquiry in November. Her article, "Want a free night in Hawaii? How to earn a no-cost 1-day stay at a hotel by volunteering" features the Malama Hawaii program.
 - *SFGate* (uvpm: 9,457,598) Coverage resulted from Natasha Bourlin's media inquiry in October. Her article, "How a lockdown saved Hanauma Bay, one of Hawaii's natural treasures" features Hanauma Bay and quotes from Noelani Schilling-Wheeler.
 - Liaised 5 media in November.
- MVCB
 - Liaised with and/or provided information or image(s) assistance to the following media:
 - David Dickstein, *OC Register* (uvpm 37mil) Will be traveling to Maui Dec. 26, 2020 – Jan. 4, 2021. Coordinating itinerary to include luau, golf and farm tours.
 - David Cole, *LinkedIn* Pilot e-newsletter. (subscribers: 16K) Provided suggestions for accommodations and activities for possible visit to Maui Nov. 30 – Dec. 7.
 - Keyla Vasconcellos, Freelance writer, *Travel + Leisure* (uvpm 8.6mil) provided TAQ for
 - Sascha Zuger, Freelance writer, *Islands Magazine* (uvpm 388K) Provided TAQ for Maui visit in December.
 - Madison Blancaflor, *The Points Guy*, (uvpm 8.1mil) Coordinating itinerary for Maui visit Dec. 2 – 5, 2020.
 - Alex Pulaski, Freelance writer, *Washington Post* (uvpm 296mil). Provided TAQ for Maui visit in January 2021.
 - Provided images for *Trivago Magazine*.
- IHVB
 - Liaised with 13 media in November:
 - Andy To and Joycelyn Linh, social influencers
 - Jennifer O'Brien, social influencer
 - Mariann Yip, social influencer
 - Mayra Bazavilvazo, social influencer
 - Rulo Luna Ramos, *Matador network*
 - Rebecca Rimmer, *Fodor's Travel*

- Jennifer Murphy, *AARP*
- Dom Nichols, *AARP*
- Deanne Revel, *Fodor's Travel*
- Didiayer Snyder, *Travel with Didiayer*
- John Nelson, freelance writer, *Spokesman Review, Seattle Times, Los Angeles Times*
- Leslie Kelly, freelance, *Forbes.com*
- Kathy Chin Leong, freelance, *Western Art & Architecture, Champagne Living, Travel Squire*
- o The Island of Hawai'i was featured in the following outlets:
 - @AndyTo, (YouTube audience: 132,277), coverage resulting from hosting Joycelyn Linh and Andy To on the island of Hawai'i in March, 2020; Nov. 16
 - @Jlinhh (YouTube audience 53,016), coverage resulting from hosting Joycelyn Linh and Andy To on the island of Hawai'i in March, 2020; Nov. 16
 - *Fodor's Travel* (uvpm: 494,277), 15 Hotels and Inns You Can Buyout for the Holidays, coverage resulting from hosting Kristy Alpert in Jan. 2020; Nov. 23
- o Participated in the Fairmont's virtual media blitz

Sales Activities

Sales Calls, Trade Shows, Training Events

	Airline/Wholesaler/TA/TO/OTA/Other
HVCB	51
KVB	5
OVB	3
MVCB	-
IHVB	7

Summary of Key Sales Activities

The Travel Trade team has had many requests for online webinars and has participated in numerous virtual events. For the month of November, travel trade hosted 15 webinars/virtual training sessions and 36 one-on-one virtual travel advisor appointments for a total of 51 sales activities for 4,711 participants. The team has worked closely with industry partners to communicate the Safe Travels Program, pre-testing protocols, trusted testing partners list and share all the important links via the travel agent website, linking to gohawaii.com and the DOH accordingly.

HVCB and four Hawai'i partners conducted a webinar with the PTANA Maryland Chapter on Nov. 5 for 56 advisors. The webinar covered details on Hawai'i's pre-travel testing protocols, mask requirements and other safety protocols. Participating Hawai'i partners included Aqua-Aston Hospitality, Four Seasons Resorts Lāna'i, Outrigger Hotels & Resorts and Pleasant Holidays.

Norcal ASTA invited HVCB to deliver a webinar to 45 of their agent members on Nov. 5. Travel Leaders brands Pro-Travel and Tzell held their Elevate conference virtually from Nov. 9-11. HVCB conducted 36 one-on-one appointments and delivered a 45-minute destination presentation highlighting the travel protocols to 200 travel advisors. HVCB presented an update on Hawai'i's pre-testing and safety protocols to 50 Virtuoso advisors during a Virtual Global Showcase on Nov. 11.

KHM Travel Group invited HVCB to be a guest on their Agent-to-Agent discussion series on Nov. 11. HVCB covered Hawai'i's pre-travel testing protocols, mask requirements and other safety protocols in

addition to updates about traveling to Hawai'i. 77 advisors attended the live discussion which was recorded for future viewing.

Classic Vacations hosted a webinar for their travel advisors on Nov. 12 and invited HVCB to present. There were 375 travel advisors in attendance.

HVCB partnered with Classic Vacations to conduct a Hawai'i Webinar for four Boca Travel advisors and their clients on Nov. 12. The webinar covered island highlights as well as an overview of Hawai'i's safety protocols, mask requirements and pre-travel testing program.

HVCB delivered updates via Zoom for two Captain Cruise & Crew advisors and their clients on Nov. 12.

HVCB conducted a webinar for the PTANA Greater Atlanta Chapter on Nov. 16 for 22 advisors. The webinar covered details on Hawai'i's pre-travel testing protocols, mask requirements, marketing updates and island highlights.

HVCB conducted a webinar with Cruise Planners on Nov. 17 for 131 advisors covering details on Hawai'i's pre-travel testing protocols, mask requirements, marketing updates and island highlights. The webinar was recorded for future viewing.

HVCB participated in MAST's virtual trade show on Nov. 17. HVCB's trade show booth page had 52 unique page views and 35 travel advisors connected with HVCB during the trade show through Zoom. During MAST's virtual trade show on Nov. 17, HVCB's trade show booth page received 52 unique page views and 35 travel advisors connected with the team through Zoom.

Ensemble Travel Group held their first virtual event One Ensemble from Nov. 17-19. HVCB hosted a virtual booth, participated in a panel discussion and conducted a destination presentation that was available on-demand during and after the event. There were 1,500 travel advisors from North America in attendance and 150 attendees viewed the destination presentation.

HVCB conducted a Hawai'i Updates webinar for 108 advisors with Cruise Brothers on Nov. 18, covering details on Hawai'i's pre-travel testing protocols, mask requirements, marketing updates and island highlights. The webinar was recorded for future viewing.

Travel Trade hosted its first online virtual event in partnership with Questex entitled The Hawaiian Islands Virtual Event: Mālama Hawai'i. HVCB Central and the Island Chapters conducted video presentations highlighting the Safe Travels program, pre-testing protocols and provided all appropriate links for the travel advisors. Twenty-six Hawai'i partners participated in the event and delivered presentations including ALG Vacations, Pleasant Holidays, KapoKine Adventures, Maverick Helicopters, The Umauma Experience, Andaz Maui & Hāna Maui Resorts, Castle Hospitality Group, Embassy Suites by Hilton O'ahu Kapolei, Embassy Suites by Hilton Waikīkī Beach Walk, Fairmont Hawai'i, Grand Naniloa, a Doubletree by Hilton, Hawaiian Hotels & Resorts, Hyatt Hotels in Hawai'i, Kā'anapali Beach Hotel, (the) Kāhala Hotel & Resort, Kōloa Landing Resort, Marriott International – Hawai'i, Montage Kapalua Bay, Outrigger Hotels & Resorts, Prince Resorts Hawai'i, Residence Inn Marriott Kapolei, (the) Ritz-Carlton Residences Waikīkī Beach, Sheraton Kaua'i Coconut Beach Resort, Sheraton Maui Resort & Spa, and Springboard Hospitality. HVCB, the Island Chapters and supplier partners uploaded assets and video presentations to a Resource Center which will be available for travel advisors to access up to six months after the live event. There were 2,013 registered attendees. Of those registered, 1,099 logged in live across both days (632 live attendees on Day 1 + 467 live attendees on Day 2). Since then, there have been 159 advisors who have accessed the broadcast via

the Questex on-demand link. A follow-up email was sent to all registered attendees so that those who were not able to join the live broadcast can still access the broadcast on-demand.

The Midwest ‘Ohana partnered with the New Jersey ASTA to present a Hawai‘i Webinar for 57 advisors on Nov. 23. HVCB covered Hawai‘i’s pre-travel testing protocols, mask requirements, marketing updates and island highlights. Participating partners included Classic Vacations, Four Seasons Resorts Lāna‘i, Ka‘anapali Beach Hotel, Marriott International, Outrigger Resorts and Pleasant Holidays.

Travel agent website *agents.gohawaii.com* update: There were 412 online graduates who completed the Hawai‘i Destination Specialist and/or Island Specialist educational courses online, and 466 new registrants signed up for access to the online resources. The travel agent database numbers are now up to 86,044 U.S travel agent email contacts.

IHVB conducted 6 online travel advisor webinar training events (total 32 travel advisors). IHVB conducted 1 online wholesaler webinar training with Pleasant Holidays (110 travel advisors).

Key Performance Indicators - Leisure Market

Consumer

Digital Campaign October Actuals – Estimated Impressions Per Island

PARTNERS	Central	OVB	MVCB	KVB	IHVB	LVB	DMVB
Programmatic	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Condé Nast</i>	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Matador</i>	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Facebook</i>	606,317	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Instagram</i>	310,248	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
Total	916,565	0	0	0	0	0	0

Per the previous report, October was paused due to delays in the pre-travel testing program and the election.

Public Relations

- Month-end impressions and publicity values for articles that included Hawai‘i – October results

Impressions and Publicity Values for October		
OCTOBER	Impressions	Publicity Values
Print	63,226,615	\$12,786,547.73
Online	31,395,327,692	\$14,759,085.49
Broadcast	506,408,530	\$22,210,669.67
Total	31,964,962,837	\$49,756,302.89

Countermeasures

- Governor Ige had two significant announcements during November. The first mandated that beginning Nov. 24, all travelers to Hawai'i must have a negative COVID test from a Trusted Partner uploaded to Safe Travels prior to departure from the US mainland. Pending and inconclusive results and lost test kits were no longer allowed as a reason to avoid quarantine. The second mandated that beginning Dec. 2, all trans-pacific and inter-county travelers (residents and visitors) to Kaua'i are required to quarantine for 14 days. HVCB drafted and disseminated letters from John Monahan to U.S. airlines that service Hawai'i, OTAs, travel trade professionals, MCI customers and clients, leisure publications, editors, freelance journalists and Hawai'i partners who market their company/destination. HVCB also shared specific *Kuleana* messaging that provided travel tips and how social adjustments while in Hawai'i are required, which include wearing of masks and social distancing. Ongoing communications occurred with media and consumers who had questions and requested more information.
- HVCB's 1-800-GoHawaii call center fielded over 45,000 calls in November, diverting approximately a third to the Safe Travels service desk, and handling the remaining 32,000 calls. Call volume overwhelmed capacity and wait times were significant. Callers primarily had concerns about finding acceptable tests and testing partners for upcoming trips to Hawaii, particularly given the new policy that was implemented Nov. 24 which impacted people traveling for and over the Thanksgiving holiday. The new info@gohawaii.com email address diverted calls from the 800# and offering a callback option greatly reduced hold times.

Responsible Tourism Update

- Hawaiian Culture & Natural Resources
 - Due to COVID-19 concerns, no emails promoting travel to the islands were sent.
- Community
 - HVCB
 - Due to COVID-19 concerns, no emails promoting travel to the islands were sent.
 - KVB
 - In response to the current pandemic, executive director Sue Kanoho continued to work regularly with the Kaua'i Emergency Management Agency Office in cooperation with the County of Kaua'i's Mayor and Mayor's office, Kaua'i Police Department and other state and county officials and organizations.
 - Through CARES ACT grant funding, KVB launched "Aloha for Kaua'i" in a joint effort with Jaxon Communications and Kupa'a Kaua'i. This 14-week campaign will promote local restaurants and retailers through social media and radio until December.
 - KVB continued "Resort Bubble" efforts in coordination with the County utilizing CARES ACT grant funding. Two additional resorts have completed, submitted and have approved plans to commence the "Resort Bubble" for a current total of 5 properties on island. There are an additional 2 properties who have submitted plans and are awaiting approval.
 - Kauaikamaaina.com was refreshed with updated offers from local businesses and a COVID-19 special alerts link to the gohawaii.com website.
 - Worked with businesses to post banner signage in promoting awareness of wearing mask covering.
 - Worked on airport signage to promote awareness of face mask covering and COVID guidelines for passenger arrivals on Kaua'i to protect our community.
 - Working with KONG Radio to promote the Kaua'i Made program for the holiday season.

- OVB – none to report
- MVCB – none to report
- IHVB – Continue to support County cohort team overseeing Pono Communications action plans/steps for the County of Hawai‘i’s Tourism Strategic Plan, portions of which tie-in to the Hawai‘i Tourism Authority’s Destination Management Action Plan (DMAP).
- HTA Events and Programs.
 - Provided media assets on behalf of HTA for event and program sponsorships:
 - Polynesian Voyaging Society: Requested and received approval for a :60 video submission (rather than :30 seconds) to submit *Hawai‘i Rooted/Kālā Tanaka* (Maui) video asset and feature relevant voyaging content.

Island Chapters Engagement Update

- MVCB
 - Participated in the Meet Hawaii VTS with HCVB
 - Hawai‘i Tourism Canada (HTCAN) webinar
 - Planned the American Airlines FAM scheduled for December

“Coming Attractions” for Leisure Market

	What	When	Where
HVCB	Individual Media Trip: Winston Ross (<i>Daily Beast</i>)	Nov. 25-Dec. 10	Island of Hawai‘i and O‘ahu
	Starstuff Travel Webinar	Dec. 2	Virtual
	Travel Connection Live (Inspired by Shannon consumer event)	Dec. 2	Virtual
	Signature Travel Network Owner Meeting	Dec. 3	Virtual
	Travel Institute Webinar	Dec. 11	Virtual
	Pleasant Holidays Hawai‘i Webinar	Dec. 16	Virtual
	Globe Getaways Consumer Webinar	Dec. 16	Virtual
	WESTA Educational Events	Jan. 11-14	Virtual
	AAA Hawaii Virtual Event with Pleasant Holidays	Jan. 26	Virtual
	Hawai‘i Loves Travel Agents Virtual Expo	Jan. 27	Virtual
KVB	None to report		
OVB	Mailpound Webinar	Dec. 7	Virtual
	Meet Hawai‘i/Connect Virtual Event - Medical	Dec. 16	Virtual
MVCB	None to report		
IHVB	ASTA Facebook Live	Dec 1	Virtual
	Aloha Taiwan Semi-Virtual Mission 2020	Dec 9	Virtual
	Midwest Ohana Partner Meeting	Dec 17	Virtual

Hawai'i Tourism Japan 2020 Monthly Leisure Marketing Report – November

Market Intelligence/Market Conditions

Economy

- Japan's assessment of the economy indicators shows a gradual recovery in the month of October. The Consumer Confidence Index (seasonally adjusted series) in October 2020 was 33.6, up 0.9 points from the previous month. With the employment adjustment subsidy by the government, unemployment remains low as 3.1 % for October.
- Prime Minister Yoshihide Suga instructed Cabinet ministers to register a third supplementary budget for fiscal 2020 to finance an economic stimulus package to support the economy that affected business by COVID-19 pandemic. This third supplementary budget includes funding for extension of the government's Go To Travel subsidy campaign beyond late January to continue stimulating consumption, especially tourism sector and helping businesses maintain employment. For the current 2020 fiscal year, parliament has already enacted two supplementary budgets totaling about ¥57 trillion for COVID19 stimulus measures under the administration of Shinzo Abe, with issuance of nearly ¥46 trillion of deficit-covering bonds. The draft extra budget is likely to be submitted to next year's ordinary Diet session convening in January.
- Government suspended city of Osaka and Sapporo from Go to Travel for 3 weeks until 12/15 due to amid a nationwide surge in new COVID-19 infections. Reservations made before the announcement will be canceled and reimbursed, and the impact on local businesses compensated, by the central government. Selective suspension of the campaign is intended to buffer hard-hit areas where the health care system is at risk of being overwhelmed.

Outbound Travel Market

- **Japanese outbound travelers in October:** Declined by 98.1% year over year due to the COVID19 situation. Although the "residence track" and "business track" system started to be implemented from Asian countries, effects were limited. On a year to date basis, 2020 outbound travelers have declined by 81.4% to 3.11 million.

- **October outbound by airport**

Narita: -97.1% (17,324 pax)	Haneda: -97.15% (10,293 pax)
Kansai: -99.0% (3,086 pax)	Nagoya: -99.9% (118 pax)
Fukuoka: -99.8% (160 pax)	

Competitive Environment

- **Hong Kong** Tourism Bureau and **Singapore** Tourism Bureau established "Hong Kong = Singapore Air Travel Bubble (ATB)" starting from 11/22 to all visitors between 2 countries without any restriction of visiting purposes however, COVID19 pre-testing Negative proof is required on both countries. Both Tourism bureau will create dual promotion, especially SNS.
- **Singapore (Industry Collaboration):** Japan Airlines announced charter domestic flights with Singapore experience conducted on 12/5 in collaboration with JAL/JALPAK/Singapore Visitor

Bureau/Narita Airport. In the experience, the Singapore style meal, showcasing optional tour during the charter flight.

- **Australia:**

- **Soften the gathering restriction:** From 11/13, the Government eases the gathering restriction up to 500 people. This does not allow sit-down dining during the event for outdoor. For indoor event, as long as event follow COVID19 safe plan, max 50% capacity, 1,000 pax event sales can be arranged.
- **8D Escape video series:** Australia Tourism Bureau announced new scenery video series “8D escape”. With the state of art technologies, the audiences are able to experience audio effect of the illusion of hearing sounds.

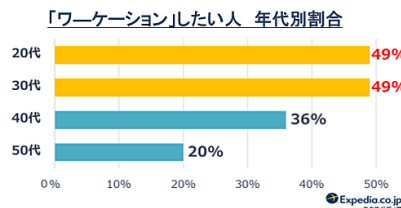
- **COVID19 Lockdown in Europe**

- **England:** 2nd Lockdown from 11/5 to 12/2, prohibit domestic travel, going out, closure of retails and restaurants
- **Netherland:** 2 weeks lockdown as of 11/4, No outbound travel recommended by mid-January
- **Italy:** Lockdown from 11/6 to 12/3 due to the increase of COVID19. No evening movement from 10pm to 5pm, Museums/Culture facilities must close, no retail store activities except essentials on Sat/Sun & Holiday. 14 days quarantine for foreigners including Japanese remains.
- **France:** the Government expands COVID19 test for entering the country and enhancement of guidelines in the airport and train stations. However, for Japanese travelers, the COVID19 testing Negative proof and testing at the entering to the country are not mandatory as rule set on 7/1.

Consumer Trends

- Google announced COVID19 forecast program starting 11/17. The information can be seen “Google Travel” booking service. The viewers who search hotel, flight and experience are able to acquire Safety information as well as destination restriction by COVID19.

- Based on Expedia market research of Workcation demand, over 40% of applicants answered “yes”; however, 50% of 20s and 30s expressed “No”. The reason of do not is they are not able to separate work and private. The applicants who answer “yes” because they want to refresh (75%) followed by longer stay with limited paid-vacation (58%), lift the stress (46%).



Expedia.co.jp 「ワーケーション」を「したくない」派の理由		
1	仕事とプライベートの切り分けが難しそうだから	48%
2	旅先でまで仕事をしたくないから	47%
3	旅先で就業できる仕事内容ではないから	37%
4	旅先での就業が会社に認められないから	25%
5	長期滞在によって値段が高くなるから	14%

- HakuHodo conduct market research to General Consumer for 2021 Lifestyle. The respondents expressed business/economy in 2021 will be better than 2020. Also survey result shows the high demand on purchasing/spending. Due to COVID19 situation in 2020, majority of general public are looking forward to be better conditions in 2021.

- **Digital Marketing Trend**

- Nikkei Trendy and Nikkei Cross Trend announced 2021 trend forecast under New Normal. Unmanned train station x Grumping, 5G x Game watching are ranked in the forecast. With and

after COVID19 create unpredicted trend to be born in 2021.

- COVID19 reformed work style (Tele work = stay home work) in 2020. In 2021, virtual office, business chat conversation will escalate in 2021. Japan in general review the workstyle and lifestyle, like Workcation (Work + Vacation).

Travel Trends

- Due to the drastic increase of daily COVID19 infection cases over 2,000, each local government carefully monitored or slowly announced declaration of emergency. Public starts questioning of promotion of Domestic Travels, especially Go To Travel campaign. This tendency affects on outbound travel and add to more hurdle for outbound promotion in Japan.
- Wholesaler business reformation: Major wholesalers announced their business reformation for next 5 years. JTB announced their reduction plan with closure of 25% of retail outlets and elimination of employees (close to 6,500 jobs). Also, KNT-CT Holding announced termination of package tour brand "Holiday" by end of March 2021 and closer 2/3 of retail stores throughout Japan. This business reformation may increase depended on the prolong COVID19.
- Hawaii pre-testing program launched: the announcement of the pre-testing was features in many Japanese media and travel industries were quite encouraged for future business. However, still Japan's 14 days Quarantine requirement for returnees are the hurdle for outbound travelers.
- With increase airlines' charter flight announcement in December & January, HIS created arranged trip sales starting from November. (Since Japan stated US as Risk Area Level 3, packages tours are not able to sell under current conditions) HTJ will follow up with HIS the results of sales later report.

Media Trends

- From the impact of pandemic, Japan's media has been struggling and finding new ways to feature oversea destinations which being both safe for the crew members and cost effective. By communicating directly with local coordinators and filming done by photographer/videographer, production company can produce video without degrading the quality. Production company that has been producing over 800 programs featuring overseas has been working with the new style
- The business environment has been changing and continuously affecting the media. One of the major guidebook company known for their series "Chikyu no arukikata," Diamond Big Company will be transferring its publishing and inbound business to a new company established by Gakken Plus from 2021. Also woman's magazine "JJ" targeting generation Z (age from 18 to 24) that has been issuing their monthly issue for 45 years has announced to suspend their monthly magazine issue from 2021 while continuing their website and SNS.

Airlift

- **Airlines' pandemic-related loss:** JAL and ANA are considering raising funds to help reduce pandemic-related losses.

- **Japan Airlines** is considering raising up to ¥300 billion (\$2.9 billion) in capital while expecting to post an operating loss of around ¥85 billion for the three months through September, hit by a sharp fall in international passengers due to the COVID-19 pandemic.
- **ANA Holdings Inc.** (the parent company of All Nippon Airways) is also expected to unveil a plan on Tuesday to secure ¥400 billion from Japanese banks in subordinated loans, which will be paid off after other primary corporate debts are repaid.
- **ZIPAIR** announced the inaugural flight from Narita starting on 12/19. By end of January, it operates total 16 round-trip flights between Narita and Honolulu. The ticket sales start from 11/20 Japan time. This is the business plan for ZIPAIR's expansion to US mainland. (for schedule dates, please see the attachment)
 - NRT to HNL (ZG2 - NRT dept: 20:15pm, HNL arr: 7:55am)
 - HNL to NRT (ZG1- HNL dept: 9:55am, NRT arr: 14:30pm (next day))
- **Total Airlines operation** for Hawaii routes in December & January: With ZIPAIR's inaugural Hawaii route and additional Hawaiian Airlines January flight, total flight operation increases as below. (for detail, please see the attachment)
 - December: 51 flights, total 12,623 seats expected
 - January: 69 flights, total 18,141 seats expected

Other carriers like Delta Air Lines, Korean Air and United Airlines have not yet announced resumption of flight operation. Due to the increase of COVID19 spread in Japan, some of them may be extending the suspension by summer.

- **ANA**
 - ANA announced that in April - September, total users of international flights declined by 96.3% as enhanced regulations on international travels continued to be enforced. Revenue passenger kilometers declined by 95.1%, while available seat kilometers declined by 84.4%. Load factors were at 24.2%.
 - ANA: Announced Xmas charter flights on 12/12 & 12/19 utilizing A380 and providing Hawaii related service during the flight. The bookings for this special charters were quite popular and within few days, all seats were sold out. Also, New Year Sunrise charter flight (A380) is selling well in the market.
- **Hawaiian Airlines**
 - Hawaiian Airlines celebrated 10th anniversary Hawaii=Japan routes. In 2010 (11/19), Hawaiian started Haneda=Honolulu. With the anniversary, Hawaiian started special 10th anniversary SNS campaign started on 11/5.
- **JAL**
 - JAL operated a chartered sightseeing flight from Haneda on 11/14. The flight recreated a "JAL Hawaii", and will see return of the bingo games that were held in flights during the 90s. The flight duration is scheduled for 3 hours and was operated with their "Arashi Hawaii Jet" aircraft used on the Hawaii route.
- **Korean Air**

- South Korea's flag carrier Korean Air has announced a W1.8 trillion (\$1.62 billion) takeover bid for embattled rival Asiana Airlines. Korean Air and parent Hanjin KAL made the decision to "stabilize the Korean aviation industry" has acutely felt the impact of the coronavirus outbreak. The South Korean government is to spend 800 billion won (\$722 million) of taxpayers' money to merge Korean Air Lines and Asiana Airlines as the country's two largest airlines struggle to survive the COVID-19 situation.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- Japan will exempt qualified business travelers who return after overseas trips lasting one week or less from a 14-day-quarantine requirement starting on 11/1. To gain the exemption, business travelers must have proof of a negative coronavirus test and submit a written itinerary of places to be visited upon returning. They will be restricted to traveling between work and home. The government already rolled out exemptions for returnees from South Korea and Singapore. This latest quarantine exemption for business travelers applies to all nations and territories, including Vietnam, the U.S. and European countries, according to the Ministry of Foreign Affairs.
- Ministry of Foreign Affairs lifted Level 3 advisories against all travel to nine nations and jurisdictions including China, South Korea, Vietnam and Australia. The warnings have been downgraded to Level 2 - guidance to avoid nonessential travel because each place has managed to control the COVID-19 outbreaks within their borders. The coronavirus task force decided to lift the entry ban against the nine nations and territories.
- Finalizing the China to start business track in Mid-November. This is available for short business trip and long stay for Expatriates. For short term business travelers must provide Negative test with the movement planning (that exempt the 2 weeks Quarantine). This is 4th country that Japan started business track after Singapore, Korea and Vietnam.
- JATA and ANTA submitted the request to political parties, Japan Tourism Agency, Airlines, Airport organization to establish "Restricted Business Track (Managed Travel)" for the preparation of Tokyo Olympic in July 2021. 14 counties (Korea, China, Singapore, Hong Kong, Thailand, Vietnam, Mongolia, Laos, Cambodia, Brunei, New Zealand and Australia) are considered. Hawaii is included as requested areas since high Japanese outbound destination.

Activity Update

Consumer

- **COVID-19 Related Activities**
 - **Website:** HTJ updating the information announced by Governor's office, Department of Health including TTP, Daily COVID19 number (HIEMA). In the month of November, the COVID19 website result PV: 214,188 & UU: 68,341.
 - **Communication with Government Organizations:**
 - **HTA:** Daily & Weekly report of COVID19 Japan Situation
 - **Governor's Office:** For the preparation of Press Release of 11/18's TTP
 - **Attorney General office:** For Japan TTP related inquiry, Neighbor Island PCR testing questions.
 - **Department of Health:** Providing Japan TTP list (for DOH website)

- **Department of Enterprise Technology Service:** Assisting developing Safe Travels Online Japanese version, Japan Flight Information, Weekly meeting for updates
- **Department of Transportation:** Providing Japan TTP list for Airport operation
- **Trust Testing Partners (TTP) Japan:** By working with Dr. Okada from UH and DOH, 1) additional 36 TTP listing creation, 2) providing Flight information for December & January, 3) Year-end PCR test Operation TTP.

● **Marketing**

- **“Share the Aloha” & HTJ’s Safety Protocol video diffusion:** HTJ promote 2 videos for Japan market to share the safety protocol and mandatory rule to wear mask when traveling to Hawaii. As of 11/24, the number of movie sharing on HTJ’s SNS and YouTube are followed.

	Facebook	Twitter	Instagram	YouTube	Total
Reach	67,972	67,105	129,708	116,000	380,785
Share the Aloha views	19931	5,095	12,922	10,594	48,542
Unchanged Aloha views	25,858	-	-	14,707	40,565

● **E-mail distribution**

- **Consumer email distribution:** Sent an email magazine to 371,292 consumers on 11/13 to share the newest information of COVID-19 in Hawaii, HTJ’s new “Remote Hawaii Trip” initiatives, Hokulea support project, HTJ’s survey campaign regarding COVID-19, and Aloha Program’s live webinar.
- **Additional Hawaii Pre-testing partners announcement:** Sent an email to 370,287 consumers on 11/18 to send update of the additional 36 trusted testing partners in Japan where the Hawai’i State Department of Health (DOH) has approved the use of the COVID-19 Nucleic Acid Amplification Test (NAT).
- **Mālama Hawaii promotion:** HTJ’s local NPO support program started and as the 1st project, HTJ introduced Polynesian Voyaging Society’s announcement of new Pacific crossing voyage of Hokulea and Hikianalia to HTJ’s consumers data and encourage support PVS through their virtual tour on 11/14. HTJ has been preparing to launch an educational website of Hokulea by March 2021, to support PVS’s activities to share the importance of “Malama Honua” to all over the world. HTJ also cross posted Polynesian Voyaging Society’s documentary film, “He Wa’a, He Honua – The Earth Is Our Canoe” on HTJ’s Facebook, reached 10,671 people.
- **Millennial initiative “POOLO”:** HTJ is collaborating with Tabippo of the Hawaii millennial ambassador program “POOLO” and 150 applicants to be selected to become global youth leaders through this initiative. These applicants are able to learn about tourism and business marketing from various guest speakers throughout the year that HTJ coordinates. HTJ works with POOLO and offers Hawai’i seminars for group workshops. HTJ conducted the 4th seminar on 11/7 and the 5th(final) seminar on 11/28, attended by total 41 members.
- **Hawaii storytelling movie production:** Began preparing for creation of a new ASMR x roll playing promotional movies and storytelling movies to share on Hawai’i’s myths in collaboration with famous Japanese voice actors. The movies are targeted towards millennials who have not

yet traveled to Hawai'i to increase their interests towards the destination. On November, the recording for the narration was done and this project is scheduled to be launched on YouTube on December.

- **Consumer campaign collaboration:** Conducted a campaign (from 11/13-11/17) of ANA's flying Honu Xmas charter flight (in Japan) sweepstake. Through the campaign, Allhawaii.jp site is able to acquire 720 new member among 1,038 applicants.
- HTJ's "Our Islands" movie to share the cultural similarities and connections between Japan and Hawaii were introduced on 4travel.jp website from 11/18-11/24, with total impression of 148,476.

- **Aloha Program**

- Aloha Program Website: 167,289 PV & 26,473 UU
- **Member Information:** 27,499 Hawaii specialist members consisted of 12,671 advanced, 4,921 intermediate, 9,207 beginners and 700 youth. (Total of 60,243 Aloha Program Members)
- **Webinar:** In the month of November, total 6 webinars were conducted and educated 604 Aloha Program members. Topics of the webinars in November included food culture, history, and mythology. Also, continued from October, Olelo Hawai'i lessons twice a month, a total 203 Hawai'i specialists attended in November to learn Intermedia-level of the Hawaiian language.
- **Contents enhancement:** Enhance online contents on the Aloha Program website for consumers in November. A total 7 new columns on history, culture, and nature were posted. Also, HTJ is creating an infographic Hawaiian history chronological table with Japan and US history on the same table. It is scheduled to be launched on Aloha Program website on December.
- **Aloha Program Member Email distribution:** (see below)

Date	Content	# of emails sent	Open Rate
11/13	Aloha Program Email magazine (Covid-19 updated)	52,228	35.8%

- **Promotion**

- **Hawaii at Home promotion** results (April – November)
 - Created total 165 Hawaii at Home related Columns
 - Impression: 1,109,361 UU: 865,593
 - On 11/14, HTJ Talk show "Mitsue's room" with local designers & artists were invited and close to 150 LIVE viewers, total 1273 views on YouTube channel with 22,000 impression resulted.
 - Allhawaii column: <https://www.allhawaii.jp/article/4484/>
 - YouTube archives: <https://youtu.be/xRT8AOkxR7Y>
- **Remote Hawaii trip promotion**
 - With the Remote Hawaii Trip press release, 70 media coverage, 1,998,843,529 impressions and 、 AVE \$275552 were earned.

- Conducted 2 tours from Feel Hawaii and Adventure Hawaii starting from 11/20, 4,227 were reached. With the tour introduction on Allhawaii site, 24,510 impressions and UU of 19,214 were resulted.
- **Feel Hawaii** (11/20 Waikiki Walk, Royal Hawaiian Center with Mr. McComber)
- Allhawaii Column: <https://www.allhawaii.jp/article/4503/>
- YouTube Archive: <https://youtu.be/UQa6-ebq690>
- **Discover Hawaii** (11/21 Island of Hawaii, Taikobo Hawaii, Mr. Takeishi)
- Allhawaii Column: <https://www.allhawaii.jp/article/4494/>
- YouTube Archive: <https://youtu.be/YyvCY1GQ7ql>

Public Relations

- **Press Releases:** During the month of November, Hawaii Tourism Japan has issued 4 press releases; Remote Hawaii, additional testing partners for COVID-19, revamping of travel trade sites, and He Makana O Na Mele: The Gift of Music program with Hawaii Youth Symphony and collaboration with 5 sister city junior orchestras and Kanazawa Ukulele Junior orchestra. It generated 172 exposures with 7,171,494,388 impression and 678,683 AVE.
- From the additional testing partners release, there were total of 42 exposures and travel trade media, guidebook online site, Toyo Keizai, airline SNS site and Hawaii's free magazine has conducted interview and verified the information with Hawaii Tourism Japan.
- To share the vision of Hawaii's Mālama Hawai'i initiative, participated as a speaker on online festival presented by Leale Hawaii and Waikiki Beach Social club with had approximately 45 participants
- HTJ released specific safety protocol video of Daniel K Inouye International airport and as of 11/29, there are 4,976 views. Unchanged Aloha has 15,122 views and Share the Aloha has 7,084 views. HTJ is currently arranging to film hotel version of safety protocol in December.

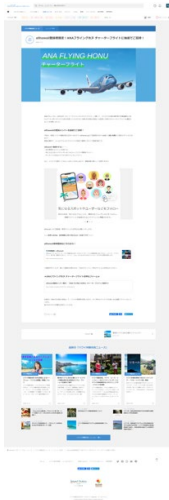
Travel Trade

- **November Monitor tour:** Due to the COVID19 case increase in both Japan and Hawaii, HTA×HTJ monitor tour was cancelled. HTJ visit participating wholesalers to explain situations.
- **BtoB webinar:** In the month of November, 2 BtoB webinars were conducted and over 160 travel related member were reached. Outrigger Hotels and Resorts/Waikiki Beachcomber/Ohana Malia were presented. Also, HTJ is working with December webinar with Highgate Hawaii and Hyatt Resorts Hawaii. (result reflect in December report)

Image#1: Flying Honu Campaign

Image#2: Hokulea Donation Site

Image#3: Remote Hawaii Trip



Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other (Partners)	Total
8	32	22	62 companies 128 representatives

- ANA Sales: Focus on Go To Travel for Domestic recovery and arranged special charter flight with A380. This efforts keep market to be aware of Hawaii destination.
- HIS: Started special arranged tour targeting Year-End period by utilizing Hawaiian Airlines flights. Beyond Travel agencies, HIS is expanding their business model to non-travel related like restaurant for risk hedge.
- KNT: With KNT-CT Holding announcement, the business reformation, it terminates Holiday package and focus Dynamic package and website sales. Also more efforts on Club Tourism's 7 million member and provide more targeted and specific tour in the future.
- JALPAK: As similar to JTB, JALPAK focus on Go to Travel campaign and for the Year-End guests, JALPAK is suggesting change from package tour to arranged tour. Dynamic Package is selling for 2021 and bookings for March – June are slowly coming.
- JTB: As a company, JTB also focus on Go To Travel Campaign for Domestic Travel market recovery. Also, it is developing SDGs related tour products and emphasizing destination information education not only JTB staff but also BtoC webinar in December.

Stop sell

HIS: By 12/19, 2020	JTB, KNT-CT: By 1/7, 2021	JALPAK, ANA Sales: By 1/31, 2021
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Partner Relations

- **JATA JOTC Destination Webinar:** Hawaii Destination Webinar held by JATA on 12/16 (Japan time) and HTJ were able to recruit 24 partners (both Japan & Hawaii) to showcase Hawaii's current situation and promotion. (the event will be reported in December report)
- **HTJ press release:** HTJ issued 4 press release in the month of November. To share HTJ initiatives, these press release sent to share over 6,700 representatives.
- **Japan**
 - **JATA :** Discussion about JATA Events in 1/7-9, 2021. JATA strongly requested Hawaii booth participation.
- **Hawaii**
 - **Japan Hawaii Wedding Association (11/4):** HTJ updated current market situation including COVID19 in Hawaii as well as HTJ initiatives to JHWA members (42 member participated). The wedding business affected by COVID19, however, many of wedding couple to be extending their wedding date later in 2021 instead of cancelling. The association member expects # of wedding group size will shrink due to social distancing, event venue regulation due to New Normal.
 - **Bi-monthly JHTA meeting (11/17):** Close to 40 member participated this Bi-monthly JHTA meeting. HTJ supported Zoom meeting and presented current HTJ COVID19 initiatives including new virtual tour "Remote Hawaii Trip" as well as COVID19 website/regulation including additional 36 TTP to be announced.
 - **Remote Hawaii Trip:** HTJ's new virtual initiatives "Remote Hawaii Trip" revealed and it involved Royal Hawaiian Center for Feel Hawaii (11/19), Taikobo (11/20)/Masashi Natures School (12/11) for Discover Hawaii, Kualoa Ranch Hawaii (12/4).

Responsible Tourism Update

- **Support local NPO:** HTJ continued promoting local NPO's activities in November. Bishop Museum: Virtual tour with HIS (Satellite office) on 11/13, PVS: Virtual event on 11/14 to HTJ's CRM (over 360,000 member & 58,000 Aloha Program member) , Introduction of Hawaii Green Growth/Paepae o Heeia for Komazawa Womens University presentation.

"Coming Attractions" for Leisure Market

What	When	Where
TPI BtoB Webinar	11/20 (Japan)	Kyushu 50 pax
JTB BtoC Webinar	12/8(Japan)	Nationwide 200pax
JTB Osaka BtoC Webinar	12/20(Japan)	Osaka 50 pax
HTJ TT Webinar	12/2 & 9 (Japan)	Expected 200 pax
JATA JOTC Destination Webinar	12/16 (Japan)	Expected 500 pax

Hawai'i Tourism Canada

2020 Monthly Leisure Marketing Report – November

Market Intelligence/Market Conditions

Economy

As expected, the global economy rebounded strongly in Q3 as many countries softened their physical distancing rules after managing to flatten their COVID-19 contagion curves. As some sectors of the economy reopened, a solid rebound was to be expected, the more so because of demand pent up during the spring shutdowns. The bounceback was also fueled by substantial government assistance to businesses and to household incomes. But there is still a long way to go, and global growth is likely to be much slower in Q4 as many countries deal with a marked resurgence in new cases of COVID-19. The resulting lower starting point is likely to be more than offset by stronger growth in 2021 (think vaccine). The National Bank is thus raising its forecast for next year from +4.9% to +5.2%.

In Canada, the economic rebound fueled by the extraordinary government support has surprised by its vigor. Despite the unprecedented upheavals due to the pandemic, the recovery is ahead of the rebound from the last recession at this point, having taken GDP to within 4% of the February peak. In the meantime, with the second wave of COVID-19 well under way in the country, a soft patch cannot be excluded in the near term. Though the curve of new cases in Canada is much more encouraging than in other developed countries, we are not safe from a possible flare-up. To stanch an accelerating spread, Quebec and Ontario have both decreed closings of bars, restaurants, theatres, concert venues, and physical fitness salons in many affected regions. These measures meant a loss of almost 60,000 jobs nationally in the affected industries. Despite this coming downshift, our growth scenario is upwardly revised for 2020 (-5.5% vs. 5.7% previously) as early indicators surprised on the upside in September and October. Next year has also been revised up (4.3% vs. 4.1% previously) given that there is now a light at the end of the tunnel (i.e. a vaccine) which could support business and consumer confidence. During the period, the average value of the loonie declined 1.6% to USD \$0.741.

Outbound Travel Market

With global restrictions on non-essential travel and the mandatory quarantine period for returning Canadian travellers remaining in place in September, just 129 thousand trips were recorded, a -95.0 per cent decline compared to 2019. From Jan-Sept, Canadians made fewer than 8.5 million overnight trips to the U.S. and other destinations, versus 25.8 million last year. Compared to the first three quarters of 2019, overseas activity has fallen 60 per cent while transborder trips have decreased 71 percent.

Canadians made 4.48 million overnight trips to the U.S. throughout the first three quarters of 2020, compared to almost 15.7 million in 2019. During the period, overnight auto trips fell 76 per cent and travel by other modes decreased 65 per cent. Between April and September, just 114 thousand trips by air were recorded, compared to 3.8 million in 2019.

With almost no activity recorded since March, YTD arrivals from Canada are now -63% less than the volume recorded in 2019. The first ten months of 2020 saw direct arrivals fall -59% and

indirect arrivals decline -74%. The decline in activity has resulted in 269 thousand fewer arrivals so far this year.

Competitive Environment

With destinations in the Asia-Pacific region reporting almost no activity since April, arrivals in the region have reached just 645 thousand throughout the first three quarters of 2020, a 75.7 per cent decline compared to 2019. So far, the pandemic has resulted in 2.0 million fewer arrivals in the region with China (-88%), Hong Kong (-89%), Macao (-89%), Taiwan (-81%), and South Korea (-80%) recording the largest proportional declines.

Minimal travel activity since April has led to a -49.8 per cent decline in trips to the Caribbean, Mexico, and Central America throughout the first three quarters of 2020. While more than 2.1 million arrivals from Canada were reported during the period, almost all of this activity took place in the first three months of the year.

Consumer Trends

Amid the second wave of COVID-19, consumer confidence was 74.1 points in November; the same level as last month. However, the pendulum has swung for all regions. The Atlantic region, BC, and the Prairies—which all had rising indexes last month—each logged their largest drop since April. Meanwhile, the indexes of Quebec, Alberta, and Ontario rebounded after their plunge in October. Overall, 58 per cent of Canadians expect little change to their finances and job prospects over the next six months.

Travel Trends

With the second wave of COVID-19 now well underway, many countries have reintroduced travel restrictions and closures for Canadians. Following a slight uptick in activity throughout the peak summer months, outbound travel is weakening once again. The ongoing closure of the U.S. land border along with further air capacity reductions is estimated to reduce annual outbound trips by 24.2 million. Carriers are currently reporting a 71 per cent decrease in transborder capacity and a 63 per cent drop in lift to other destinations for a total loss of 26.4 million seats.

With 83 thousand fewer indirect arrivals recorded throughout the first ten months of the year, activity is down -74% compared to 2019. There were just 29 thousand indirect arrivals in 2020 compared to 112 thousand throughout the same period in 2019.

Airlift

- Compared to 2019, direct capacity fell by half throughout the first ten months of the year (-52%).
- During the period, Air Canada reduced capacity by 84 thousand seats (-56%).
- At the same time, WestJet reduced service by 111 thousand seats, a decrease of 48%.
- There are currently 7 thousand direct seats being offered in December as the State launches its partnership with the airlines to allow pre-tested travelers to bypass quarantine.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- The partial closure of Canada's border with the United States is being extended another month, to December 21, both countries announced. The partial closing of the border does not affect essential travel, including truck and rail traffic carrying food and goods that is key to supply chains or travel for work.
- The federal government has announced it is extending the 14-day mandatory quarantine by one month, until December 31, for anyone arriving in or returning to Canada. Travellers returning to Canada must self-isolate for 14 days.
- Ontarians across the province should only celebrate the upcoming holiday season with people inside their own household, Premier Doug Ford announced.
- The Quebec government is now allowing some gatherings of up to 250 people in COVID-19 red zones, although it says only "very rare and exceptional events" will be permitted.
- Premier John Horgan is urging countrywide restrictions on non-essential travel ahead of the December holiday season, an effort to ensure COVID-19 cases aren't transported across the country as caseloads surge in many regions. Non-essential travel within the Lower Mainland is already banned.
- Canadians now travelling to Hawai'i can avoid the 14-day quarantine if they have a negative COVID test taken within 72 hours of flight when booking with Air Canada or WestJet at one of their preferred labs across Canada.
- COVID Travel Insurance - Many Canadian insurance companies now offer Emergency Medical policies that include additional coverage for COVID-19 and related conditions for Canadian Residents.
- Agents - TICO (Travel Industry Compensation fund of Ontario) have deferred payments due by travel agents.

Leisure Activity Update

Consumer

HTA and the Island Chapters have approved the social media schedule, and the postings are out. HTCAN is preparing an updated posting calendar to comply with the new guidelines.

HTCAN is working with Air Canada Vacations, WestJet Vacations, Expedia.ca and TravelBrands to accompany the pre-arrival testing program launch. Also, a social media campaign has been presented to increase the engagement with the destination.

Travel Trade

Spoiled Agent Webinar Series

During June, HTCAN worked with Spoiled Agent Canada and the Island Chapters to block dates for a series of webinars that will have a more cultural approach with the following topics:

- Hawaiian Culture – September 10th (538 views)
- Island of Hawai'i – October 1st (358 views)
- Maui – October 22nd (566 views)
- Moloka'i & Lana'i – November 20th (327 views)



- O'ahu – December 10th
- Kaua'i – December 16th

Aloha Canada

The virtual trade mission will take place on December 3rd. HTCAN is in the process of promoting the mission to Hawai'i Destination Specialists, VoX International database and Travel Pulse's Canadian database. By November 30th, there were 400 registered attendees. The final attendance will be provided in the December report.

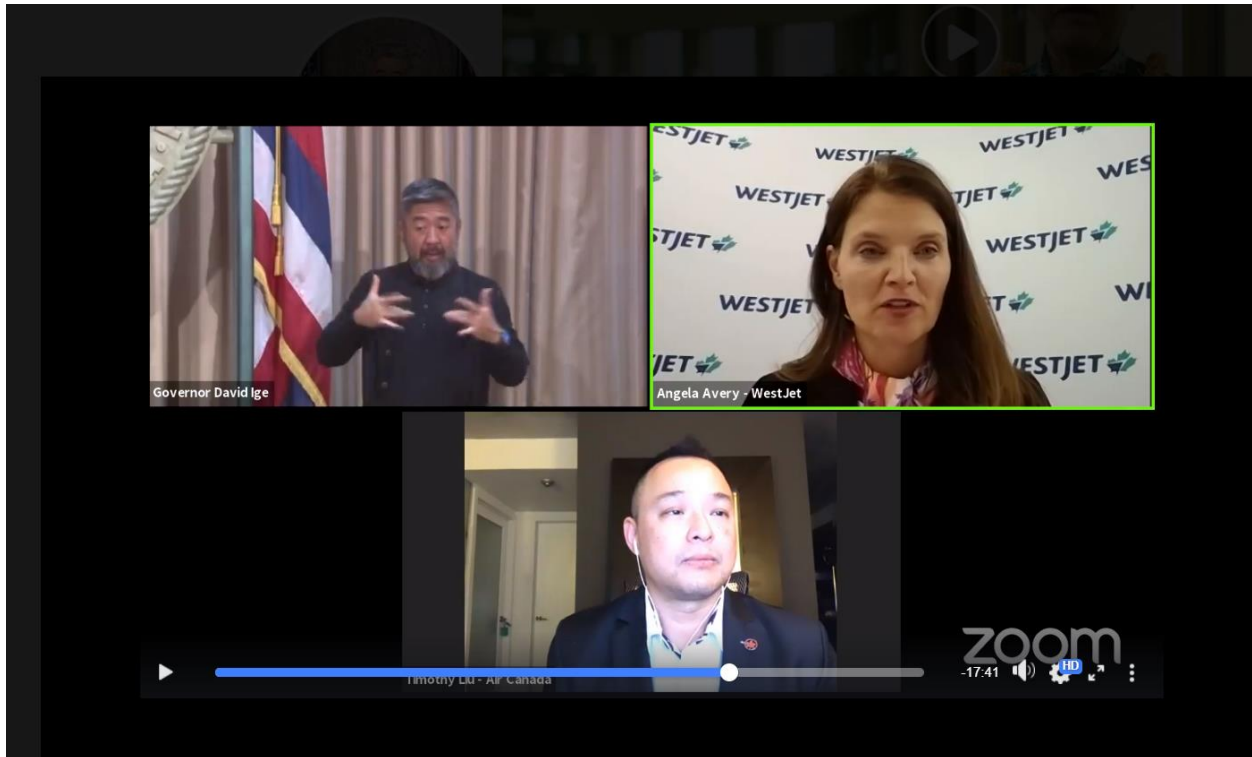
Twenty-three partners will have their booths, including the Island Chapters. Also, the Island Chapters will have appointments with the travel trade media and meeting planners.

The show will live on the platform for 30 days so anyone registered can return to download the material, obtain the representatives' contact information, or access the videos/content.

A wrap up report will be provided to the HTA with the full attendee data base and each one of the partners will get the information of the attendees that "entered" their booths, as well as their whole conversation history.

Public Relations

- Sent out invitations for the Governor's press conference and coordinated with media to attend the virtual press conference.
- Sent out a press release announcing the pre-testing program for Canadians to our media database.
- Followed up with all media post press conference and monitored all coverage.



- Ongoing media outreach to keep Hawai'i top of mind when it's time to travel.
- Proactive and reactive pitching with prior approvals from the HTA. Pitching themes include virtual experiences, recipes you can make at home, movies filmed in Hawai'i that you can watch at home and uplifting/positive stories.
- In regular conversations with media to ensure they are updated on all regulations and protocols pertaining to COVID testing.
- Confirmed media appointments for the Aloha Canada virtual trade mission.

Sales Activities

SALES CALLS

Airline	Wholesaler/TA/TO/OTA	Other	Total
6	30	3	39

Canadian pre-travel testing program announced

- Since Hawai'i governor David Ige announced a new testing protocol that will allow Canadian travelers who have a negative Coronavirus test result within 72 hours of their scheduled flight not to be required to quarantine upon arrival, many Canadian travelers have started looking to escape to Hawai'i this upcoming winter. Travel advisors report an increase in the number of inquirers to the Hawaiian Islands and a lot of excitement from clients.

Kaua'i temporarily pauses participation in state's Safe Travels pre-travel testing program

- Travel advisors have received with disappointment the announcement of Kaua'i Mayor Kawakami's Emergency Rule 23, which temporarily pauses Kaua'i's participation in the state's

Safe Travels pre-travel testing program. Kaua'i is one of the most popular islands among Canadians. Some advisors were already working on trips for their clients in mid-December and January. This means Canadian travelers will probably opt to stay on another Hawaiian island or cancel their plans until they can come back to Kaua'i and not have to submit to a mandatory 14-day quarantine.

Responsible Tourism Update

Hawaiian Culture

The HTCAN team is focusing on Hawaiian culture as a main theme for the Aloha Canada virtual trade mission. During Aloha Canada there will be three webinars on Hawaiian Culture given by NaHHA with the following topics:

- Meaning of Aloha
- Meaning of Ho'okipa
- Meaning of Kuleana

Natural Resources

HTCAN is always trying to minimize its environmental impact with this purpose, just a postcard with informative content is printed for the trade shows. A major effort is constantly made to encourage agents not to use the printed materials, but the digital version of these. Also, HTCAN has made sure that all the branded promotional items are either recyclable, made of recycled materials and/or are biodegradable.

Community

Nothing new to report.

Island Chapters Engagement Update

HTCAN is organizing a series of 6 webinars with Spoiled Agent which will include the following topics:

- O'ahu
- Kaua'i
- Maui
- Lana'i and Moloka'i
- Hawai'i Island
- Hawaiian Culture

“Coming Attractions” for Leisure Market

What	When	Where
Spoiled Agent Webinar Series	September to December	Canada wide
Aloha Canada	December 3	Canada wide

Hawai'i Tourism Oceania

2020 Monthly Leisure Marketing Report – November

Market Intelligence/Market Conditions

Economy

Australia

Australia is having great success in limiting COVID-19 within the community with New South Wales and Victoria reporting zero community transmissions for over three weeks. As a result, state borders are opening with Queensland opening its borders to NSW and Victoria December 1. This month, a small outbreak in South Australia had authorities monitoring Adelaide who had a cluster of around, around 30 cases. However, the situation is under control.

New data from the ABS shows Australia's GDP increased 3.3% in the September quarter driven by household spending, which is up 7.9%. However, while the economic recovery is progressing better than expected, it will take some time to recover in line with the global economic climate. Unemployment increased slightly from 6.9% to 7% in October but there was a strong surge in the number of people hired as Victoria's coronavirus lockdown eased. The underemployment rate (people who want more hours) dropped from 11.4% to 10.4%. More than two million workers have left the JobKeeper wage subsidy scheme since eligibility was tightened and payment rates were reduced at the end of September. Fewer businesses relying on the payments shows that the economy is bouncing back faster than expected. These economic figures build on other important and positive data that we've seen in recent weeks with 178,000 new jobs that were created last month.

Consumer Confidence is on the rise in Australia at its highest level since February. The news about the successful vaccine trial played a major role. The strong result points to a potentially strong Christmas season ahead for retailers (N.B. there was a slight decrease in confidence due to the small coronavirus cluster in South Australia however the trend in confidence is very encouraging). The Australian dollar is continuing to hold firm at the higher end of the scale when compared to the last 12 months, sitting around US\$0.73.

New Zealand

New Zealand continues to have no Covid cases in the community with the only positive cases being related to International arrivals being housed at the managed isolation hotels. Recent business confidence figures released have seen confidence return to pre-Covid levels. This is a sign of the success of shutting out Covid and the resulting positive impact to the domestic economy.

The New Zealand dollar has strengthened over the month to levels not seen in the last two years. The NZ Dollar is currently trading at US\$0.70. So in summary from a domestic and economic perspective, New Zealand and New Zealanders are in a good position to begin travelling again when the restrictions are lifted.

Outbound Travel Market

Australia

With international borders remaining closed, there is limited outbound tourism to report on. The only international flights operating are for repatriation of Australian citizens, and some essential travel such as military and medical reasons. The Australian government has acknowledged the possibility of opening up travel with other low-risk nations in the Asia-Pacific.

Cover-more Insurance has confirmed it will go ahead with the launch of new policies including coverage for COVID-19 related conditions. The new COVID-ready benefits are believed to include overseas medical expenses if clients are diagnosed with COVID-19, along with additional expense coverage if they are required to quarantine immediately after being diagnosed. Cover-More will also cover travel delays and missed connections if flights or land travel are affected by COVID-19.

New Zealand

There have been hints about an announcement before Christmas regarding the two most promising travel bubble opportunities, between New Zealand and the Cook Islands and New Zealand and Australia. With the arrival of the vaccine, the travel industry has been ensuring the government continue to keep progressing, rather than waiting for the vaccine to be available to the consumer.

Competitive Environment

Australia & New Zealand

- With Queensland opening its borders to New South Wales and Victoria starting November 25, the Queensland government has now introduced a major tourism campaign targeting interstate travel from the eastern states. The extended “Good to Go” campaign will see a marketing blitz reaching around 8.3 million people in New South Wales and Victoria. Queensland is well positioned to take advantage of pent-up demand for travel considering the ongoing restrictions.
- In New Zealand, Tourism NZ continues to promote domestic tourism around the “Do Something New, New Zealand” campaign.
- Thailand, Bali, Singapore, New Caledonia and Vanuatu, continue their online training efforts and virtual trade events. These destinations are also running training incentives for famils in 2021.
- Our key competitors continue to be active on social media.
- The Tourism Authority of Thailand (TAT), in collaboration with Thai Airways International (THAI), Thai Hotels Association (THA) and Association of Thai Travel Agents (ATTA), is launching an offer for foreign visitors wishing to enter Thailand during the COVID-19 pandemic. Every foreign traveller to Thailand must undergo a mandatory 14-day quarantine and follow all rules and regulations set by the Ministry of Public Health just like every Thai national returning home from overseas.” Amazing Thailand Plus comes with over 400 packages, inclusive of special fares on international and domestic flights, rooms at government-accredited Alternative State Quarantine (ASQ) hotels, and post-quarantine tours or transfers. Accommodation options are available at 70 ASQ hotels and over other 100 hotels in designated destinations. The offers are available from December 2020, until March 2021, while the travelling period starts from December 2020 until April 2021.

Consumer Trends

Australia & New Zealand

Australian consumers spend in travel has seen its best week since March, on the back of the Pfizer coronavirus vaccine announcement which took place on November 10, according to the latest News Corp Australia credit card collated statistics. The domestic flights category has been the biggest mover, with the increased certainty of travel delivering another injection of consumer confidence. Overall, accommodation is still marginally the best performer (down 32% YOY), however the biggest jump in performance was airline spend under \$350, moving from being 60% down in last week’s figures, to a 53% year-on-year decline this week.

Newly released Roy Morgan data shows just how closely travel intentions are linked to Consumer Confidence. The Leading Indicator: Holiday Travel Intention report shows that during the quarter April to June 2020, a period in which the full scale of the pandemic’s effect was becoming apparent, 5.79

million Australians said they intended to take a holiday in the next 12 months. This is well under half the 13.2 million who had that intention in the equivalent quarter of 2019. If Consumer Confidence continues its upward trend, it is anticipated that this number will rise.

Travel Trends

Australia & New Zealand

Helloworld Travel (HLO) expects to welcome back all of its existing personnel in 2021, initially on a part-time basis but ultimately full-time as quickly as possible through the year. There are still 1,100 people on staff (down from 1,950), most of whom have been working part-time or stood down since March. Over 85% of the company's agent are still in business and are seeing a recovery in domestic travel, trans-Tasman travel and importantly international enquiries for travel. CEO Andrew Burnes said at Helloworld's Annual General Meeting that it's retail travel agencies will experience a "very significant increase in demand in 2021," because their services will be in greater need given the complexities of travel in a post COVID world.

Media Trends

Australia & New Zealand

We are starting to see the gradual return of international travel articles in the consumer media. While domestic still dominates, the conversation is starting to turn towards 2021 and the return of International tourism.

Airlift

Australia & New Zealand

We are fortunate that all our key airline partners to Hawai'i are still retaining key staff in our market. This includes Hawaiian Airlines, Qantas, Jetstar and Air New Zealand. While no-one knows exactly when the restrictions will ease to allow the return of airlift, the recent news around the vaccines has given much more hope.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

Australia & New Zealand

The travel industry in both Australia and New Zealand have been under pressure yet are receiving some support from the governments. In Australia, this is the Job Keeper program which continues until the end of March 2021. This month the government has announced that it will be providing funding to travel agents – one-off payments of up to \$100,000 who have lost income due to COVID-19. The total funding package of \$128 million will offer scaled payments of \$1,500 for those at the low end with annual turnovers of \$50,000, through to a maximum of \$100,000 for those turning over up to \$20 million a year.


Leisure Activity Update

Consumer

Evergreen content: HTO continues to write blog articles and produce social media content utilising new content from the Barberstock image library in preparation for the recovery phase. Social Media,

and inspirational digital content will be key in the first phase of recovery. HTO has loaded captions and images into HTA's Khoros content bank. This is available to all GMTs. Please see below screen grabs.

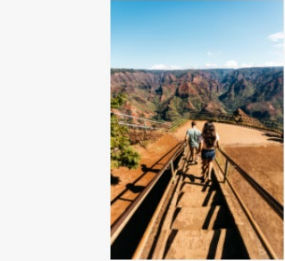
Waikiki Outrigger canoe



Outrigger canoeing isn't just a great way to see the sights and soak up some rays – it's one of Hawaii's most treasured cultural activities. Before boats, ancient Polynesians sailed across the oceans on Outrigger Canoes. Using just their strength, the wind and the waves, these canoes brought the first Polynesians to the Hawaiian Islands. Fast forward to 2020, visitors to Hawai'i can jump aboard an Outrigger Canoe and paddle out to sea, catching waves back to shore with the help of an experienced guide.

[Publish](#)


Waimea Canyon



They say that nature is good for the soul. The island of Kauai offers a direct route to connect with mother nature. One of Kauai's most striking natural landscapes is Waimea Canyon on the island. Centuries of volcanic activity, rainfall and erosion created this rocky masterpiece of red-earth craters, cliffs and crevasses peppered with native plants, waterfalls and the odd rainbow.

[Publish](#)

Shave Ice



Perfect weather for shave ice! Perfect weather for shave ice! Who is in the mood for this summery treat?

[Publish](#)

Travel Trade

- Luxury Escapes (LE) campaign:** LE launched a Hawai'i campaign selling over 1,500 room nights for Waikiki Beachcomber by Outrigger in the first 48 hours of the campaign. So far, LE have sold over 5,000 room nights. Approximately 25% of customers booked travel in 2021 and approximately 25% booked travel in 2022. The rest were choosing the "Buy now" option with flexible dates. The 'buy now' allows customers to choose their travel dates later. LE has reported that most of these customers chose to travel almost immediately – within 2 - 4 months once borders open. LE is planning to run a campaign Q1 with multiple accommodation partners across the neighbor islands as well as O'ahu. HTO is assisting LE with the campaign by connecting them to potential accommodation partners and providing imagery and content.

waikiki BEACH COMBER
by OUTRIGGER.

SUN-KISSED ESCAPE
HONOLULU
HAWAII

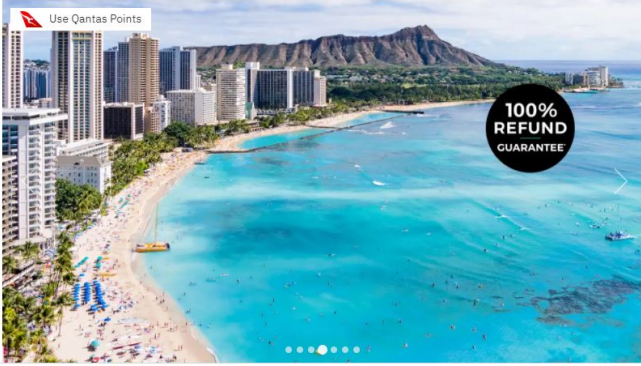
SELLING FAST

Honolulu, Hawaii

Our Best Hawaii Deal Ever: Waikiki Beachside Escape with Daily Breakfast

Waikiki Beachcomber by Outrigger

Travel until 23 Dec 2022



Use Qantas Points

100% REFUND GUARANTEE

Hotel

5 to 14 Nights From
A\$1,399/room
Valued up to A\$3,991

Hotel + Flights

5 to 14 Nights From
A\$3,262/package*
Two Adults
Valued up to A\$5,854

Time limited offer

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LUXURY ESCAPES

100% REFUND GUARANTEE - TRAVEL UNTIL 23 DEC 2022

waikiki BEACH COMBER
by OUTRIGGER.

OUR BEST HAWAII DEAL EVER

WAIKIKI

It is an unfortunate situation in the heart of Waikiki, steps from the world famous Diamond, you'll find the ultra-cool beachside eats you longed for in Honolulu.

YOUR HANDPICKED INCLUSIONS:

- Five nights in a stylish hotel Ocean View Room with private balcony
- Delicious daily breakfast at Oahu's Waikiki or Hawaiian Avenue Cafe, with fresh local food and Hawaiian-green coffee
- Non-peak parking passes at Hale Koa Parking Co with four local craft beers
- Dining and shopping discounts to enjoy at Honolulu's vibrant shopping and entertainment precinct
- Enjoy 50% discounts on parking throughout your stay
- Exclusive resort amenities including complimentary Wi-Fi, sunrise yoga classes and admission for two adults to the Honolulu Museum of Art
- All taxes, fees and charges included
- One child aged 17 years and under stays free (accommodation only)

\$1,399

Two adults + one child
Valued up to \$5,991

5 NIGHTS

Upgraded & longer stays available

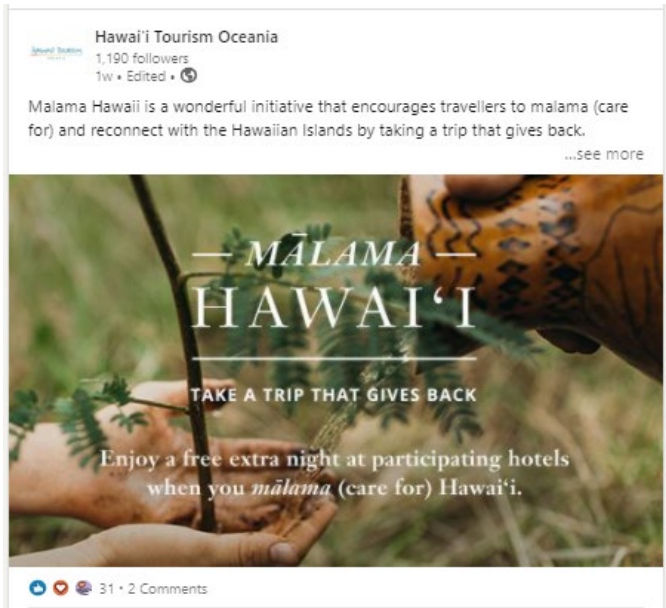
Available for a limited time only

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THE WORLD'S BEST HOLIDAYS

BOOK TODAY AND PAY LATER! CANCELLABLE UNTIL 14 DAYS BEFORE TRAVEL.

1300 XXX XXX

- Linkedin:** HTO is using it's dedicated Linkedln page to communicate information to the trade in Hawaii and Australia on virtual events, COVID-19 updates, partner content and more. This month we promoted Mana Up and the Prince Lot Hula Festival as well as the Malama Hawai'i initiative.



- US Consulate Election Event:** HTO was invited as a guest of the US Consul General in Auckland to attend an US Election event. This provided an opportunity to talk with US Consul General and several businesses who have connections with the US.

Public Relations

In line with HTA's direction, during November HTO did not distribute any press releases and did not pursue any proactive consumer publicity during.

Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
2	2	1	5

Meetings include remote and in-person, including Hawaiian Airlines, Ignite and Luxury Escapes, Flight Centre and US Consul General.

Responsible Tourism Update

It was pleasing to see several articles appearing in the New Zealand media telling the story of Kiwi Charlie Thomas and her time volunteering on Kure Atoll this year. Charlie was one of the youth ambassadors chosen on our first HTO initiated Sea Cleaners trip to Hawai'i in 2018. She is a great example of how the Sea Cleaners initiative helps build these amazing environmental leaders, and with Charlie how she is continuing to make a difference in the Pacific.

"Coming Attractions" for Leisure Market

HTO will continue to provide market intel and continue liaison with key trade, media and political partners. This includes organising a Round Table get-together on December 4th for our key industry and political partners and leaders in New Zealand. HTO also continues to produce 'evergreen' content in preparation for activation of the recovery marketing plan.

Hawai'i Tourism China

2020 Monthly Leisure Marketing Report – November

Market Intelligence/Market Conditions

- **Currency:** In November, the Chinese Yuan continues to strengthen against the USD from 6.54 to 6.7.
- **Unemployment rate:** As of October 2020, the unemployment rate in China was 5.3%, an improvement of 0.2% from September 2020.
- **Consumer Price Index:** In October 2020, the Consumer Price Index was 100.5%, decrease of 0.3% year on year.

Outbound Travel Market

- Chinese President Xi Jinping proposed using a digital health code system as a “fast track” for orderly travel between countries while calling for stronger international coordination to reestablish cross-border movement amid the coronavirus pandemic. China has been using the method to keep track of the health status of citizens and their travel records since February 2020.
- Despite the pandemic, recent research says that China will still be the number one source market for international tourism. According to quantitative research of China Outbound Tourism Research Institute, China will reclaim its top position in 2020 with 18 million Chinese international trips, most of which however happened in January, representing about 10% of the number for 2019. A number of other countries in Asia welcome Chinese visitors again, including Thailand, Laos, Japan, Singapore and others. Chinese citizens within the Schengen region in Europe can also travel between European countries.
- China's domestic tourism market has seen an accelerated rebound amid regular epidemic prevention and control. A sizable 637 million domestic tourist visits were made during the eight-day Golden Week holiday in October, generating overall tourism revenue of 466.56 billion yuan (about 70.5 billion U.S. dollars), according to the official data from the Ministry of Culture and Tourism.
- Tencent-invested local and travel service platform Meituan said its total revenues rose 28.8% in the third quarter this year. Revenues from in-store, hotel & travel business were up by 4.8%, while operating profit from this segment climbed 19.5%. Meituan reported 113.9 million domestic hotel room nights consumed in the third quarter, 3.7% more than that of the same quarter last year. The company mentioned that contribution from high-end hotels further increased year-over-year.

Competitive Environment

- Japan and China are resuming business travel between the countries on Monday, December 7, 2020, as part of efforts to ease entry restrictions and promote economic activities. Business people are now allowed to make trips for both short- and long-term stays. An influx of Chinese travelers is expected at Narita Airport. About 20 flights to and from Chinese cities are operated weekly.

- Singapore lifts border restrictions on visitors from mainland China from November 6, 2020.
- Maldives will conduct virtual roadshows from November 9, 2020 to March 1, 2021, including showroom, livestream, and trade appointments.

Consumer Trends

- Consumers spend big for Singles Day shopping gala. Tmall, Alibaba's business-to-customer platform, saw 342 brands hit 100 million yuan (\$15 million) in sales between November 1 and the first 35 minutes of November 11. Alibaba reported gross merchandise volume on its platforms reaching 486.9 billion yuan from November 1 to 11 pm on November 11. Over at JD, another major e-commerce player posting sales offers, accumulated sales from November 1 through to 2:26 pm on November 11 topped 243.1 billion yuan, surpassing total sales of 204.4 billion yuan last year.

Travel Trends

- “China will reclaim its top position as main source market for international tourism,” exclaimed Dr. Wolfgang Georg Arlt, CEO of the China Outbound Tourism Research Institute (COTRI). According to Arlt, “There are many million Chinese waiting eagerly to travel abroad again. With CoViD-19 almost defeated in East Asia and vaccines hopefully becoming available in a few weeks, we should see a wave of Chinese outbound travelers starting Chinese New Year travelling to Asia and after Easter to Europe. It will take time to get visa regimes and air connections back on track, that’s why we only forecast about 100 million trips in 2021. In 2022 however, we are very likely to see a new record number of outbound trips.” Said Arlt: “China will recover quicker than other source markets and Chinese travelers will look for new, less crowded and friendly destinations offering quality products adopted to their specific demands, which will be different in post-virus times compared to previous years. Destinations and service providers better start now to prepare for these ‘new’ Chinese guests.”
- Sanya is now a popular domestic travel destination, during the China's annual Singles Day period, the tax-free sales volume of offshore islands in Hainan reached 184 million yuan.
- Marriott said that it plans to launch its 400th hotel in China next year, and that Shanghai will be the company's first market in Asia Pacific to have 50 Marriott hotels in operation. The world's biggest hotel group will introduce three new brands to China, including Moxy Hotels and AC Hotels. Chinese are most familiar with brand names when travelling overseas and Marriott is a key brand in their searches.

Media Trends

- China New Media Conference was held on November 19, 2020, and three trends were shared during the conference: 1) The diversified perspectives of articles will become more apparent, 2) The omnimediaization of content will become the ultimate goal of a complete media ecosystem and 3) Build the matrix effect of propagation.

Airlift

- Delta will return to Shanghai after it suspended service to the Chinese city in the early days of the coronavirus pandemic. The Oneworld alliance carrier will offer a weekly direct flight to Shanghai Pudong from Seattle and Detroit. The airline plans to fly the route beginning Dec. 2 ,2020.

Leisure Activity Update

Consumer

- Social media posting**

HTC continued social media postings in November. There were 4 articles posted on WeChat, and 5 articles on Weibo and Xiaohongshu. The details of views of each platform are as follows:

Date	Article	WeChat Views	Weibo Views
2020/11/5	Virtual Lot Hula Festival and Made in Maui Festival	954	11,000
2020/11/6	Virtual Made in Maui Festival	-	8,327
2020/11/12	Latest tourist information on O'ahu island	1,204	8,543
2020/11/20	Mana up	371	1,000
2020/11/30	Ranch, field and blue sky, we are here for you.	401	9,424

Mana up! 了解夏威夷本土企业家的创业故事和创新产品!

夏威夷旅游观光局 2020-11-20



Mana Up, 今年最受期待的活动。作为夏威夷本地创新小企业孵化器, Mana Up帮助孵化夏威夷本土企业, 并发展开发本地资源。

最新欧胡岛旅游信息

夏威夷旅游观光局 11月12日



夏威夷旅游局

11-6-14:23

第7届夏威夷航空茂宜岛制造市集将于11月7日-8日举办。足不出户, 逛线上虚拟市集~
市集观看时间: 北京时间11月8日-9日, 夏威夷时间11月7日-8日, 准备好快来围观哦❤️❤️❤️
观看链接: www.madeinmauicountyfestival.com/



夏威夷旅游局

11-5-13:47

由夏威夷旅游观光局主办的 Moanalua 花园基金会 (MGF) 宣布将举行第43届年度 Lot 王子呼啦节的虚拟首映式。观看夏威夷传统呼啦舞, 了解呼啦文化, 请锁定北京时间11月6日星期五下午1点至3点, 夏威夷时间11月5日星期四晚上7-9点, 就在 [www.khon2.com!](http://www.khon2.com/) ❤️❤️❤️



- Official Account on Dianping**

In November, HTC posted two articles on Dianping, all articles are from postings previously shared on WeChat which focuses on review of Hawai'i itineraries and experiences.



夏威夷, 海岛之王, 野性永存 (上)

📍旅行日记📍

飞机俯冲向檀香山国际机场的跑道, 窗外海的尽头, 夕阳正驱散残云, 和煦的阳光透进舷窗, 涂抹在我们每一个人的脸上。渐渐, 眼前的一切都变得清晰, 远处的椰树、甘蔗园和钻石山, 洒满了阳光, 像是用油画笔描绘出来的。

跨出机舱, 赤道的温热把我紧紧拥抱, 各种肤色的工作人员穿着清一色的花衬衣, 穿行于机场, 彰显着热带国度的感觉。终于, 当彩色的花环挂在脖子上的时候, 一句“Aloha”融化了所有疲惫。

对于夏威夷的执念, 来源于它的体验多样化。我一直觉得夏威夷就是热带海岛的终极形态。比起那些只能刷沙

说点什么吧...



夏威夷, 海岛之王, 野性永存 (下)

📍旅行日记📍

很早就知道了可爱岛的大名, 甚至更早于檀香山。在了解“大航海时代”这段历史的时候, 可爱岛的名字就不止一次被提起。其实欧洲人发现夏威夷则是纯属偶然。他们原本是要寻找传说中一条可以通向生产香料的东方的通道, 但是却发现了太平洋中最富饶的明珠。

一位名叫詹姆斯·库克的船长于1778年在可爱岛登陆, 补给他的船只。从此以后, 夏威夷诸岛就成了世界贸易航海路线中重要的中途停靠港。夏威夷的首长们用岛上的特产檀香木与过往的船只交换武器、货物和牲畜, 夏威夷的原始面貌也在现代文明的影响下, 一点点改变着。

说点什么吧...

Travel Trade

- **HTC attended China International Travel Mart (CITM) Shanghai 2020.** CITM China International Travel Mart is a fair for the tourism market and offers ideas and concepts for travel in Asia. HTC was the only destination from North America attending the event from November 16-18, 2020.
- **HTC attended U.S. Travel and Tourism Strategy Group Meeting.** HTC attended the Travel and Tourism Working Group Meeting organized by U.S. Embassy Commercial Services on November 19, 2020. The visa department shared that it is quite positive that they will resume the student visa in early 2021, and they will resume visa service for other categories step by step. Once they resume, they would like to invite destinations to spread the news through our social media channels. And for 2021, the Embassy is planning a big campaign Virtual Reality Tour of the U.S., and they would like destinations to provide videos and other related materials to showcase.
- **HTC attended ITB China Industry Meet Up 2020 Shanghai Event.** HTC attended ITB China Industry Meet Up 2020 Shanghai Event on November 25, 2020. ITB China conducted 6 offline seminars with over 1,070 attendees. HTC met up with travel agencies and shared the latest information from Hawai'i.



Public Relations / Media Activities

- Crisis Communications Management: HTC continues to update the Chinese through translation on special alerts on COVID-19 and shared daily reports on China movements with HTA.
- Responses to customer’s inquiries about COVID-19 travel inbound process and quarantine procedures on gohawaii.cn

Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
2	5	0	7

Responsible Tourism Update

- Recent social media messages focused on travel inspiration with Kuleana and Mālama concepts.

“Coming Attractions” for Leisure Market

- HTC will continue with weekly social media posts for travel inspiration and information on the Hawaiian Islands.

Hawai'i Tourism Korea

2020 Monthly Leisure Marketing Report – November

Market Intelligence/Market Conditions

Economy

- The Korea Institute for Industrial Economics and Trade (KIET) has forecast that real GDP growth for 2021 in South Korea will be 3.2%. Uncertainty caused by COVID-19 would continue, but the growth rate would recover smoothly due to the gradual improvement in domestic and foreign demand and the base effect of reverse growth this year.
- The consumer sentiment index for South Korea was 97.9 in November, up 6.3 points from October, and higher than the 96.9 registered in February before the COVID-19 outbreak. An index reading of over 100 indicates that consumer expectations for economic conditions are more optimistic, but under 100 indicates pessimism. The November sentiment was due to the resumption of pent-up economic activities under the social distance scheme level 1 and hopeful expectations for an effective vaccine.
- The South Korean government has agreed to a third round of coronavirus payouts worth W4 trillion (US\$1=W1,103). The money will be drawn from next year's budget and will be given to self-employed people and small businesses. The government hopes to make payouts in January or February.
- South Korea in October suffered the biggest fall in employment in six months. The monthly jobless rate hit a two-decade high as job losses extended for the eighth straight month amid protracted pandemic strain on the economy. The number of unemployed totaled 2.71 million in October, down 421,000 from a year earlier in the sharpest year-on-year drop since April, according to Statistics Korea.
- The average USD/WON exchange rate in October was KRW 1,141.93 won, a slight decrease from the previous rate of 1,177.65 won in September. South Korean airlines did not plan to apply fuel surcharges on international routes in November to reflect falling oil prices.

Outbound Travel Market

- Data for the number of outbound travelers in October is yet to be published by Korea Tourism Organization. HTK will report the status as soon as data is made available.

Month	Departures	Growth (%)
January	2,513,030	-13.7%
February	1,046,779	-60.0%
March	143,366	-93.9%
April	31,425	-98.6%
May	37,801	-98.2%
June	48,338	-98.1
July	65,936	-97.5

August	88,888	-96.3
September	76,798	-96.3
October	To be updated	To be updated
Total	4,052,361	

Competitive Environment

- Hong Kong Tourism Board conducted an online virtual Fam tour on November 17, inviting major South Korean travel agencies and media to promote the 2020 Hong Kong Wine & Dine Festival. Through the virtual foodie tour held for 45 minutes, HK introduced its gastronomy and wine, including tea, spices and culinary highlights.
- Tourism Australian presented its new road trip video series called On the Road in Australia, targeting B2B partners. The video clip series will be released every Friday and partners will be encouraged to participate in a simple quiz after watching the video. Mobile coffee coupons will be given to participants.

Consumer Trends

- A recent survey showed that 41% of South Koreans wanted to travel abroad more than they did before COVID-19, but 33% wanted to travel less. In terms of when overseas travel would begin again, 39.4% thought it would be within 1-2 years, 37.9% said it would take more than 2 years, while 22.7% expected it to be within a year. The respondents who expected resumption of travel within a year showed destination preference for short-haul countries, such as Japan or in Southeast Asia. People who expected travel resumption after a year chose long-haul destinations such as Hawai'i or Europe. (Source: *Consumer Insight*, number of respondents 13,056 pax)

Travel Trends

- Booking.com announced five leading Korean travel trends it expected for 2021: 1) 42% of Koreans would travel alone after COVID-19, compared to 15% before the virus; 2) 50% of Koreans would consider traveling for a special event; 3) 63% of Koreans would plan for a trip to relax outside of daily routines; 4) 50% of Koreans would opt for a shorter domestic travel itinerary than they did in 2019; 5) 35% of Koreans showed strong demand for overseas travel, saying they would go abroad in the first weekends of restrictions being eased.
- Local Korean OTAs such as Yanolja, Goodchoice and Naver have achieved rapid growth while global OTAs have struggled during COVID-19. An annual survey of travel platform user experience ranked Yanolja as the most used OTA platform; Goodchoice and Naver ranked 2nd and 3rd after being 4th and 8th respectively last year. Global platforms achieved less growth as demand for international flights and hotels dropped significantly. (Source: *Consumer Insight*)
- The Seoul (Gimpo) - Jeju route has been ranked as the world's number one in terms of monthly passenger counts by route. It is the only route to exceed 1 million seats in one month in the world, according to OAG (Official Airline Guide) Aviation Worldwide. The first to tenth places are all Asian countries including Korea, Vietnam, China and Japan, reflecting clear signals of travel business recovery in the Asian region.

Media Trends

- Traditional media is losing increasingly more of the advertising market in South Korea, attracting only 31% of the total spend (10 trillion KRW) in Korea in 2020. Its market share has continuously decreased from 43% in 2015 to 36% in 2017 and 33% in 2019. (Source: Cheil Worldwide Inc.)
- Online media is aggressively reinforcing/creating e-commerce platforms, especially for live video streaming. Apart from YouTube and Instagram, Kakao, the No.1 messenger app in Korea, even launched Kakao Shopping Live, a home-shopping style e-commerce service which reached 10 million views in a month from late October to November. Total sales jumped by a factor of 21 compared to the former beta service launched in May, 2020.

Airlift

- Korean Air extended its suspension of flight services on the ICN-HNL route (KE053) and ICN-NRT-HNL route (KE001) until January 31.
- Asiana Airlines halted flight services on the ICN-HNL route (OZ232) until March 27.
- Hawaiian Airlines started to operate weekly flights from ICN to HNL (HA 460) starting November 27. The flights will depart on Wednesdays.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- The Ministry of Foreign Affairs extended its special travel advisory for Koreans to avoid non-essential overseas trips until December 17.
- Korean Air, Korea's biggest full-service carrier, will acquire cash-strapped rival Asiana Airlines in a deal valued at 1.8 trillion won (\$1.6 billion) that would create the world's 7th largest airline by capacity for passengers and cargo. Korea's antitrust regulator will review the deal in terms of monopoly implications. If things go smoothly, the merger is expected to be completed later next year.
- For the first time among Korean travel agencies since the COVID-19 outbreak, major travel agency Very Good Tour has started selling overseas tour products which depart from next summer. On the first day of sales, Very Good Tour's server was down due to the surge of traffic. The travel agency achieved more than US\$9 million in sales revenue, with more than 6,000 bookings for North America and Europe. This meaningful result reflects strong consumer desire to travel abroad.
- South Korea's government allowed airlines to operate landless international flights to contribute to the aviation industry's profits for a year. A landless international flight is an airline product that has no destination. Passengers are checking in at the airport, boarding the plane, circling in the sky around a specific area, enjoying inflight meals, entertainment and shopping then returning to the airport. Korean Air, Asiana Airlines, Jeju Air, Jin Air, T'way Airlines, and Air Busan are preparing for a schedule of non-stop international landless flights during December.

Activity Update

Pre-PCR Test Program Preparation

- **Contacting major hospitals:** HTK has been in active communication with HTA and DOH to discuss the process for selecting Trusted Testing Partners in Korea. HTK has suggested a list of key hospitals for the testing and has sent official partnership letters for which it is awaiting responses. HTK also has reached out to KE to develop a program partnership with its COVID-19 screening center in ICN.
- **Safe Travel Program - translation:** Following a virtual call with HTA and the state's Office of Enterprise Technology Services, HTK has been providing Korean translation for the Safe Travel Program application for Korean visitors.

Consumer

- **#StoriesofAloha HTK Social Media Update:** In November, HTK uploaded 8 social media posts in line with a Hawaiian vibe theme, including Mālama Honua-related content such as Made in Maui County Festival, 43rd Prince Hot Hula Festival and Mana Up Online Showcase. The posts also highlighted COVID-19 alert information for consumers. HTK has been updating its official social media account by sharing new posts every Wednesday. It also submitted its social media calendar for December to HTA for approval.
- **Go Hawai'i KR Website travel alert updates:** HTK delivered up-to-date travel alerts to consumers and industry partners in local language.
- **Islands Promotion:** HTK has supported Goyang City to open their tourism information office by providing Hawaii islands brochures and maps. As Goyang City has sistership with Maui Island, both city has long time relationship to exchange their cultures.



Travel Trade

- **Destination Webinar:** HTK will hold its 2020 HTK Webinar on December 9 and has issued invitations to key travel agency and airline partners. Through the webinar, HTK will renew up-to-date destination information, including pre-testing program progress, and deliver season's greetings and best wishes for the coming New Year to industry partners.



Public Relations

- **HTK COVID-19 Crisis Management:** HTK has been following its real-time crisis management protocol by submitting daily HTA COVID-19 reports with timely media monitoring and content localization for Korean travelers.
 - **Media monitoring:** HTK shared daily COVID-19 reports to update the South Korean market situation, including newly confirmed cases, government responses, and details about the economy, airlift, travel industry, competing destination activity and public sentiment, etc.
 - **Media handling:** HTK has been in active communication with major media to provide latest destination information.

Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
3	6	4	13

- **Airlines:** HTK held virtual meetings with three major airline partners, KE, HA and OZ, to discuss current market conditions and their flight suspension schedules. HTK also shared updates about the pre-test program process.
- **Travel Agencies:** HTK held regular virtual meetings with leading South Korean wholesalers, retailers, OTAs and receptive operators to share current market status and travel agency responses to market trends.
- **Others:** HTK actively communicated with industry partners in Hawai'i, such as local hotels, transport operators, attractions, and communities, to carefully monitor market conditions.

Responsible Tourism Update

Mālama Mindset:

- As a part of the Mālama Mindset promotion, HTK promoted the following local entrepreneurs and traditional events via social media to Korean consumers in November.
 - Made in Maui County Festival
 - 43rd Prince Hot Hula Festival
 - Mana Up Online Showcase

Coming Attractions for Leisure Market

What	When	Where
Destination Webinar	December 9	Online
#StoriesofAloha HTK Social Media Update	January	Online

Hawai'i Tourism Taiwan

2020 Monthly Leisure Marketing Report – November

Market Intelligence/Market Conditions

Economy

- Taiwan's economy rebounded strongly in Q3, contrasting the marginal contraction in Q2 and marking the best result in two years. The turnaround was spearheaded by firmer exports growth, chiefly thanks to soaring demand for Taiwanese electronic goods from China and the U.S.
- Domestically, consumer demand showed signs of recovery in Q3, contracting at a much softer pace than in Q2. On top of that, government spending bounced back in the quarter, solidifying the overall economic recovery in turn.

Outbound Travel Market

- The sentiment for outbound tourism is gradually resumed with discussions among the general public. Media exposures on international destinations were also increased compared with a few months ago in the beginning of the pandemic.

Competitive Environment

- The world's first Air Travel Bubble was formed between Hong Kong and Singapore. However, it was postponed due to increasing cases in Hong Kong and Mainland China. It is an index for international travel boundaries and many travelers are keenly looking forward to its execution.

Consumer Trends

- Because people can't travel abroad for vacations, the budget is saved for other spending. According to one of the leading department stores in Taiwan – SOGO, they are expected to achieve the total revenue of US\$360million during the annual sale period. Their competitor of the Shin Kong Mitsukoshi Department Stores is expecting a total of US\$670million revenue for the annual sale. All department stores in Taiwan are seeing a growth in the annual sale promotion period.
- Taiwan's Ministry of Health and Welfare (MHW) announced Wednesday that it is recruiting 20,000 volunteers for Phase 2 clinical trials of coronavirus vaccines developed by Taiwanese researchers. Over 6,000 volunteers have signed up on the first day.

Travel Trends

- Consumers in Taiwan continued to go on domestic travel for vacations. The shopping malls and city governments started off the celebration for Christmas earlier than before. The decorations are also more attractive to entice tourists from all over Taiwan.

- EVA Air is launching two flights to nowhere with one on the New Year's Eve and the other on January 1st to catch the first sun rise. In addition, more attractions, scenic restaurants, and bars are hosting New Year's Eve Parties than before.

Airlift

- Soon after United Airlines has resumed 3 weekly non-stop services from Taiwan to San Francisco since November, the airline is increasing its frequency of flights to 5 times weekly in December.
- Taiwan's start-up airline, StarLux Airlines, has applied with the Civil Aeronautics Administration (CAA) for the rights to fly to 15 American destinations including Honolulu with operations expected to begin by 2022. It will be Taiwan's third airline to operate services to the USA.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- After Japan, Canada became the second market for its travelers to be allowed to enter Hawai'i without a 14-day quarantine if the traveler can get tested from a Hawai'i Trusted Testing Partner. As of now, there are no other similar destinations to allow tourists from Taiwan without a quarantine. Therefore, all the travel trade, media and consumers in Taiwan are expecting Hawai'i to be the first destination to be opened for tourism.

Leisure Activity Update

Consumer

- HTT continued to share updates from Hawai'i with the consumers via GohawaiiTW Facebook and Instagram. The social media posts include Hawai'i's natural resources, community businesses such as restaurants and local shops, and Hawaiian Culture.



Travel Trade

- HTT has sent invitations to Taiwan's top-tiered Travel Agencies for their participation in Aloha Taiwan Semi-Virtual Mission. The invitation was sent to over 20 agents and 17 of them has confirmed to participate.

- HTT shared with the travel agents that Hawai'i is working closely with 3 selected private hospital groups with 10 branches through out the regions in Taiwan to be a part of the Hawai'i Trusted Testing Partners Program. When the contracts are signed, Taiwanese people will be able to tap on the Pre-Travel Testing Program when traveling to Hawai'i and waive the 14-day quarantine.

Public Relations

- HTT broadcasted the update from Kaua'i travel advisory to Taiwanese media to keep the market updated on the latest regulations and protocols from Hawai'i.
- HTT invites Taiwan's most popular media to join the interviews with Hawai'i Island Chapters who will be present at the Aloha Taiwan Semi-Virtual Mission. We have confirmed a total of 6 media with 3 of them joining live interviews during the mission and 3 other media will edit the story from the interviews afterwards.

Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
6	21	8 Media & 2 government agencies	37

- To show our appreciation of the airlines' continued support, HTT extends the invitation to Taiwan Mahalo Lunch during the Aloha Mission to airline representatives. In addition to China Airlines, Hawaiian Airlines and United Airlines, American Airlines, Delta Air Lines, EVA Air and All Nippon Airways are also invited to join the lunch event.
- In addition to the airline partners, HTT also invites VIPs from American Institute in Taiwan (AIT) and State of Hawai'i Office in Taipei as guests to join with airlines, agents and media for the Aloha Mission day.

Responsible Tourism Update

Social media posts dedicated to the Hawaiian culture and nature resources and is shared once a week on Gohawaiiitw social channels.

Island Chapters Engagement Update

- Kaua'i, O'ahu, Maui and Island of Hawai'i Visitors Bureaus will be joining the 2020 Aloha Taiwan Semi-Virtual Mission. Island Presentations, B2B Appointments, and Media Interviews will be conducted during the Mission.

"Coming Attractions" for Leisure Market

What	When	Where
2020 Aloha Taiwan Semi-Virtual Mission	December 9	Taipei, Taiwan



Group Sales Status Report – November 2020

OVERVIEW

The coronavirus pandemic, complete with social distancing and endless Zoom calls and webinars, has accentuated the need and desire for human connection in person. From growing new business, retaining and building existing relationships, to staying informed and educated, in-person is much more effective, efficient, and genuine than a virtual setting can capture. The fact is the importance of face-to-face meetings is invaluable. Northstar’s most recent Pulse survey reiterates this, with planners’ confidence in the effectiveness in virtual events declining for the second month in a row, -5 percent compared to last month. However, the desire to meet in person continues to be tempered by fluctuating travel restrictions and a recent spike in coronavirus cases across the U.S.

According to the Fall U.S. Travel forecast, U.S. business trips in 2020 are expected to drop by -60.2 percent compared to 2019. While 2021 is expected to see a modest rebound, with +23.8 percent growth in business trips, 2022 is expected to be the year that business travel sees a real recovery (+72.7%). In their Business Events Compass report, PCMA reports that the 2021 business events industry demand profile is beginning to take shape. Nearly four out of 10 (39%) of survey respondents expect a -50 percent decline in their 2021 face-to-face business event participation, relative to 2019 levels.

While participation intent at regional/national events in 2021 has deteriorated, pent-up demand for face-to-face meetings has subsequently manifested in the form of expected increases in local event participation. Sixty-two percent of participants are likely to attend a local business event even without a vaccine, 68 percent said they would be unlikely to attend a regional or national business event under the same circumstances. In good news for airlines, when asked what the farthest distance is from home they would travel to a business event in 2021, assuming no financial or regulatory restrictions, 30 percent of North American event participants said they would travel any distance necessary by plane, compared to only 11 percent who said any distance necessary by car. In fact, air travel is preferred to car travel in 2021, with 60 percent of North Americans favoring flying.

SALES PRODUCTION (in the month for any year)

Table 1: Total Sales Production – November 2020

Room Nights	2020 Actual Month	Prior Year	Variance to Prior Year	2020 Year-to-Date	Prior Year	Variance to Prior Year
Definite & Assist-Definite	2,328	57,328	-96%	55,906	286,464	-80%
Tentative & Assist-Tentative	18,540	58,786	-68%	602,812	989,216	-39%

The ongoing auditing and database cleansing may result in changes to previously reported figures.

**Table 2a: Hawai'i Visitors and Convention Bureau (HVCB) Sales Production
November 2020**

Room Nights	2020 Actual Month	Prior Year	Variance to Prior Year	2020 Year-to-Date	Prior Year	Variance to Prior Year	Annual Goal	YTD as % of Annual Goal
Combined Total								
Definite	2,328	47,031	-95%	47,417	210,942	-78%	TBD	TBD
New to Hawai'i	2,328	19,658	-88%	35,497	97,281	-64%	TBD	TBD
Tentative	18,540	45,960	-60%	576,970	885,048	-35%	TBD	TBD
Citywide								
Definite	2,279	1,140	100%	9,596	25,325	-62%	TBD	TBD
New to Hawai'i	2,279	0	N/A	2,279	11,805	-81%	TBD	TBD
Tentative	0	0	N/A	104,429	297,743	-65%	TBD	TBD
Single Property								
Definite	49	45,891	-100%	37,821	185,617	-80%	TBD	TBD
New to Hawai'i	49	19,658	-100%	33,218	85,476	-61%	TBD	TBD
Tentative	18,540	45,960	-60%	472,541	587,305	-20%	TBD	TBD

The ongoing auditing and database cleansing may result in changes to previously reported figures.

COMMENTS

Sales Production vs. Goals Analysis

Overall sales production for both citywide and single property continues to reflect the COVID-19 negative impact on the meetings, conventions and incentive business. Citywide sales activity has been focused on the rebooking of cancelled citywide groups in 2020 with continued efforts to generate new business. Single Property production is being impacted by a modest rebound in 2021 booking interest.

Highlights of Any Key Definites

- Convention – educational association, November 2023 (2,279 room nights)

Highlights of Any Key Tentatives

- Meeting – confidential group, March 2021 (2,430 room nights)
- Convention – business services corporation, October 2021 (2,176 room nights)
- Convention – government group, June 2023 (1,940 room nights)
- Convention – medical association, September 2021 (1,900 room nights)
- Incentive – manufacturing, distrib. corporation, January 2022 (1,800 room nights)

Advertising Efforts

- Meetings, conventions and incentives (MCI) Paid Media Recap
 - None to report for the month.

Public Relations Efforts

- Activity highlights include:
 - Supported news bureau request for an upcoming feature combining sports events with an extended vacation incorporating HVCB's Mālama Hawai'i program for Sherri

Middleton, *SportsEvents Magazine*.

- Media Coverage Highlights:
 - None to report for the month.

- Impressions and Publicity Values for Articles that included Hawai'i:

October	October
<u>Impressions</u>	<u>Publicity Values</u>
Print: 783,293	Print: \$ 323,726.20
Online: 113,316,980	Online: \$ 47,372.77
Broadcast: 7,396,589	Broadcast:\$ 2,598,990.51
Total: 121,496,862	Total: \$ 970,089.48

**Table 2b: Hawai'i Tourism Canada Single Property Sales Production
November 2020**

Room Nights	2020 Actual Month	Prior Year	Variance to Prior Year	2020 Year-to-Date	Prior Year	Variance to Prior Year	Annual Goal	YTD as % of Annual Goal
Combined Total								
Definite & Assist-Definite	0	0	N/A	0	1,305	-100%	TBD	TBD
New to Hawai'i	0	0	N/A	0	1,305	-100%	TBD	TBD
Tentative & Assist-Tentative	0	2,059	-100%	5,240	11,313	-54%	TBD	TBD
MCI								
Definite & Assist-Definite	0	0	N/A	0	1,080	-100%	TBD	TBD
New to Hawai'i	0	0	N/A	0	1,080	-100%	TBD	TBD
Tentative & Assist-Tentative	0	2,059	-100%	2,990	11,088	-73%	TBD	TBD
Non-MCI								
Definite & Assist-Definite	0	0	N/A	0	225	-100%	TBD	TBD
New to Hawai'i	0	0	N/A	0	225	-100%	TBD	TBD
Tentative & Assist-Tentative	0	0	N/A	2,250	225	900%	TBD	TBD

COMMENTS

Market Conditions

- Canada will not lift the ban on non-essential travel with the U.S. until the COVID-19 outbreak is significantly under control around the world. Prime Minister Trudeau's recent comments indicate that the border restrictions will last well into 2021.
- With almost no activity recorded since March, YTD arrivals from Canada are now -63 percent less than the volume recorded in 2019.
- Compared to 2019, direct capacity fell by half throughout the first ten months of the year (-52%).
 - During the period, Air Canada reduced capacity by 84,000 seats (-56%).
 - At the same time, WestJet reduced service by 111,000 seats, a decrease of 48 percent.
- In December, 7,000 direct seats will be available as Hawai'i launches its partnership with the airlines to allow pre-tested travelers to bypass quarantine.

Sales Production Analysis

Hawai'i Tourism Canada (HTCanada) has no definite production to report for the month amid the COVID-19 pandemic. November was a slow month with no RFPs. HTCanada reached out to planners to share some Aloha. Planners and clients are eager to start traveling again. However, with the number of cases in the U.S. on the rise and continued enforcement of restrictive safety protocols, clients are extremely hesitant. When asked about travel intentions, many state that their clients will not consider the U.S. right now due to the political climate as well as COVID-19 testing and vaccines.

Advertising and PR Activity

- None to report for the month.

**Table 2c: Hawai'i Tourism China Single Property Sales Production
November 2020**

Room Nights	2020 Actual Month	Prior Year	Variance to Prior Year	2020 Year-to-Date	Prior Year	Variance to Prior Year	Annual Goal	YTD as % of Annual Goal
Combined Total								
Definite & Assist-Definite	0	0	N/A	600	9,348	-94%	TBD	TBD
New to Hawai'i	0	0	N/A	600	7,713	-92%	TBD	TBD
Tentative & Assist-Tentative	0	0	N/A	2,840	18,485	-85%	TBD	TBD
MCI								
Definite & Assist-Definite	0	0	N/A	0	5,621	-100%	TBD	TBD
New to Hawai'i	0	0	N/A	0	3,986	-100%	TBD	TBD
Tentative & Assist-Tentative	0	0	N/A	2,240	16,480	-86%	TBD	TBD
Non-MCI								
Definite & Assist-Definite	0	0	N/A	600	3,727	-84%	TBD	TBD
New to Hawai'i	0	0	N/A	600	3,727	-84%	TBD	TBD
Tentative & Assist-Tentative	0	0	N/A	600	2,005	-70%	TBD	TBD

COMMENTS

Market Conditions

Despite the pandemic, recent research says that China will continue to be the number one source market for international tourism. According to quantitative research of China Outbound Tourism Research Institute, China will reclaim its top position in 2020 with 18 million Chinese international trips, most of which however happened in January, representing about 10 percent of the number in 2019. A number of other countries in Asia have welcomed Chinese visitors again, including Thailand, Laos, Japan, Singapore and others. Chinese citizens within the Schengen region in Europe can also travel between European countries.

Sales Production Analysis

Hawai'i Tourism China (HTC) has no production to report for the month amid the COVID-19 pandemic.

Advertising and PR Activity

- None to report for the month.

**Table 2d: Hawai'i Tourism Japan Single Property Sales Production
November 2020**

Room Nights	2020 Actual Month	Prior Year	Variance to Prior Year	2020 Year-to-Date	Prior Year	Variance to Prior Year	Annual Goal	YTD as % of Annual Goal
Combined Total								
Definite & Assist-Definite	0	9,964	-100%	7,204	48,268	-85%	TBD	TBD
New to Hawai'i	0	4,175	-100%	4,384	27,072	-84%	TBD	TBD
Tentative & Assist-Tentative	0	8,575	-100%	7,204	47,033	-85%	TBD	TBD
MCI								
Definite & Assist-Definite	0	9,964	-100%	7,204	45,846	-84%	TBD	TBD
New to Hawai'i	0	4,175	-100%	4,384	26,400	-83%	TBD	TBD
Tentative & Assist-Tentative	0	8,575	-100%	7,204	44,611	-84%	TBD	TBD
Non-MCI								
Definite & Assist-Definite	0	0	N/A	0	2,422	-100%	TBD	TBD
New to Hawai'i	0	0	N/A	0	672	-100%	TBD	TBD
Tentative & Assist-Tentative	0	0	N/A	0	2,422	-100%	TBD	TBD

COMMENTS

Market Conditions

Travel Industry

- The industry welcomed and is excited about Hawai'i's pre-testing program that started on November 6. However, the 14-day quarantine for returnees to Japan remains a huge hurdle.
- Some travel agencies have planned site inspection trips targeting MICE organizers in Spring 2021 and onward to acquire future group businesses despite Japan's mandatory quarantine.
- The ambiguity of the City & County of Honolulu's gathering rule has many questioning whether any group business can be accommodated until current restrictions ease. Despite client interest increasing for March 2021 and onward, stakeholders are not able to secure the group due to this uncertainty.

Airline Operations to Hawai'i

- With the start of Hawai'i pre-testing program on November 6, ANA, HA, JAL have increased the flights between Japan and Honolulu through January 2021.
- Tokyo's new airline, ZIPAIR, will offer routes from Narita to Honolulu starting on December 19, which will be an additional 16 flights (with close to 5,000 seats) for December and January. ZIPAIR's target market is the FIT business, giving legacy airlines more opportunity serve group business in the future.

Target Segment Condition/Support

Incentive/Anniversary:

- Incentive/Anniversary group cancellations for January are expected to occur in December as group organizers determine whether Q1 tour dates will cancel before the 60-day cancellation period for MICE market leads.

- Wholesalers have reported an increase in large group size inquiries.
- Hawai'i Tourism Japan (HTJ) is discussing the implementation of an online FAM tour coinciding with the Honolulu Festival. The Honolulu Festival is a key event to observe the tourism reopening measure for group business, as HTJ continues to monitor wholesaler annual events.

Edu-tourism:

- HTJ continues to see tour cancellations and postponements for Q1 and Q2 of 2021 as more educational groups consider domestic tours.
- Unlike Incentive/Anniversary group market, additional cost increases related to health and safety protocols due to COVID-19, such as PCR tests and Negative Certificate arrangements, have affected the student groups significantly due to their limited budget.
- Business inquiries for Fall 2021 and later are slowly coming in and recovery is looking positive for future education groups. When the COVID-19 situation eases, HTJ plans to arrange media coverage to promote and recruit future education groups.
- HTJ is in discussion with JTB to promote sustainable development goals (SDG) related product tours for educational institutes to align with Hawai'i's Mālama campaign.

Sales Production Analysis

HTJ has no production to report for the month amid the COVID-19 pandemic.

Advertising and PR Activity

- None to report for the month.

**Table 2e: Hawai'i Tourism Korea Single Property Sales Production
November 2020**

Room Nights	2020 Actual Month	Prior Year	Variance to Prior Year	2020 Year-to-Date	Prior Year	Variance to Prior Year	Annual Goal	YTD as % of Annual Goal
Combined Total								
Definite & Assist-Definite	0	333	-100%	247	9,477	-97%	TBD	TBD
New to Hawai'i	0	188	-100%	130	5,149	-97%	TBD	TBD
Tentative & Assist-Tentative	0	342	-100%	1,372	9,416	-85%	TBD	TBD
MCI								
Definite & Assist-Definite	0	333	-100%	247	9,366	-97%	TBD	TBD
New to Hawai'i	0	188	-100%	130	5,038	-97%	TBD	TBD
Tentative & Assist-Tentative	0	342	-100%	1,372	9,305	-85%	TBD	TBD
Non-MCI								
Definite & Assist-Definite	0	0	N/A	0	111	-100%	TBD	TBD
New to Hawai'i	0	0	N/A	0	111	-100%	TBD	TBD
Tentative & Assist-Tentative	0	0	N/A	0	111	-100%	TBD	TBD

COMMENTS

Market Conditions

- **Korean Air to buy Asiana Airlines:** Korean Air, Korea's biggest full-service carrier will acquire cash-strapped rival Asiana Airlines in a deal valued at 1.8 trillion won (\$1.6 billion) that would create the world's 7th largest airline by capacity to transport passengers and cargo. The merger is expected to be completed later next year.
- **Extension of special travel advisory:** The Ministry of Foreign Affairs extended the special travel advisory for Koreans to avoid non-essential overseas trips until December 17.
- **Airlift updates:** Korean Air extended its suspension of flight services on ICN-HNL route (KE053) and ICN-NRT-HNL route (KE001) till January 31. Asiana Airlines halted flights service of ICN-HNL route (OZ232) until March 27. Hawaiian Airlines started to operate its flight from ICN to HNL (HA 460) starting November 27.
- **Exchange rate/fuel surcharges:** The average USD/WON exchange rate in November was KRW 1,063.43 won, a slight decrease from the previous rate of 1,085.99 won in October. South Korean airlines will not apply fuel surcharges on international routes in December to reflect falling oil prices.

Sales Production Analysis

Hawai'i Tourism Korea (HTK) was unable to fulfill its KPI targets due to the impact of the COVID-19 pandemic. HTK's MCI team will be in line with HTA and Meet Hawai'i Team's directive and make its continuous effort to deliver the key messages to Korean MICE corporate clientele.

Advertising and PR Activity

- None to report for the month.

**Table 2f: Hawai'i Tourism Oceania Single Property Sales Production
November 2020**

Room Nights	2020 Actual Month	Prior Year	Variance to Prior Year	2020 Year-to-Date	Prior Year	Variance to Prior Year	Annual Goal	YTD as % of Annual Goal
Combined Total								
Definite & Assist-Definite	0	0	N/A	438	7,124	-94%	TBD	TBD
New to Hawai'i	0	0	N/A	438	6,500	-93%	TBD	TBD
Tentative & Assist-Tentative	0	1,850	-100%	9,186	17,921	-49%	TBD	TBD
MCI								
Definite & Assist-Definite	0	0	N/A	358	2,721	-87%	TBD	TBD
New to Hawai'i	0	0	N/A	358	2,558	-86%	TBD	TBD
Tentative & Assist-Tentative	0	1,850	-100%	7,582	16,001	-53%	TBD	TBD
Non-MCI								
Definite & Assist-Definite	0	0	N/A	80	4,403	-98%	TBD	TBD
New to Hawai'i	0	0	N/A	80	3,942	-98%	TBD	TBD
Tentative & Assist-Tentative	0	0	N/A	1,604	1,920	-16%	TBD	TBD

COMMENTS

Market Conditions

- Confidence in business events is growing once again, according to the latest research by Business Events Australia. The latest survey of 459 corporate event decision makers reveals 46 percent of businesses are planning an event for the next seven to 11 months, compared to 43 percent in the first wave of research. The top three reasons for businesses to plan an event in the next 18 months were to build team morale (57 percent), to reward employees (51 percent) and to reinforce company culture (44 percent).
- In New Zealand, recent business confidence figures released have seen confidence return to pre-COVID levels. This is a sign of the success of shutting out COVID and the resulting positive impact to the domestic economy.
- The Australian and New Zealand dollars are continuing to hold firm at the higher end of the scale when comparing the last 12 months. During the month, the AUD was sitting around 0.73 USD and the NZD 0.70 USD.

Sales Production Analysis

Hawai'i Tourism Oceania (HTO) was unable to fulfill its KPI targets due to the impact of the COVID-19 pandemic. However, the team has remained in constant contact with key clients to ensure Hawai'i remains front of mind once planning resumes.

Advertising and PR Activity

- None to report for the month.

**Table 2g: Hawai'i Tourism Taiwan Single Property Sales Production
November 2020**

Room Nights	2020 Actual Month	Prior Year	Variance to Prior Year	2020 Year-to-Date	Prior Year	Variance to Prior Year	Annual Goal	YTD as % of Annual Goal
Combined Total								
Definite & Assist-Definite	0	0	N/A	0	0	N/A	TBD	TBD
New to Hawai'i	0	0	N/A	0	0	N/A	TBD	TBD
Tentative & Assist-Tentative	0	0	N/A	0	0	N/A	TBD	TBD
MCI								
Definite & Assist-Definite	0	0	N/A	0	0	N/A	TBD	TBD
New to Hawai'i	0	0	N/A	0	0	N/A	TBD	TBD
Tentative & Assist-Tentative	0	0	N/A	0	0	N/A	TBD	TBD
Non-MCI								
Definite & Assist-Definite	0	0	N/A	0	0	N/A	TBD	TBD
New to Hawai'i	0	0	N/A	0	0	N/A	TBD	TBD
Tentative & Assist-Tentative	0	0	N/A	0	0	N/A	TBD	TBD

COMMENTS

Market Conditions

- The sentiment for outbound tourism has gradually resumed with discussions among the general public. Media exposures on international destinations also increased compared to a few months ago since the beginning of the pandemic.
- Taiwan's start-up airline, StarLux Airlines, has applied with the Civil Aeronautics Administration (CAA) for the rights to fly to 15 American destinations, including Honolulu, with operations expected to begin by 2022. It will be Taiwan's third airline to operate services to the U.S.

Sales Production Analysis

HTT has no production to report for the month but will continue efforts in tracking potential leads with MCI intermediaries to be ready when marketing activities kick off again.

- Earlier last month, Taiwan Tourism Bureau announced its projection of the tourism rebound post-COVID-19. MICE, charter flights and group travel will be the first to reboot when international travel gradually reopens.
- Tapping on that projection, Hawai'i Tourism Taiwan (HTT) will invite top-tiered wholesalers and retail travel agents in Taiwan to participate in the 2020 Aloha Taiwan! Semi-Virtual Mission on December 9. The Mission will be semi-virtual in Taiwan thanks to the well-controlled COVID-19 pandemic omitting serious international conditions. There are no size limits on group gathering.
- The semi-virtual Mission will include presentations by the Island Chapters, B2B appointments for Hawai'i Industry Partners to meet one-on-one with Taiwan buyers individually, as well as Ma'ema'e training of hula and lei making.

Advertising and PR Activity

- HTT continued to share updates on GoHawaiiTW social media channels to keep consumers updated on latest news from Hawai'i. Travel protocols such as the Pre-Testing Program was also shared via Facebook and Instagram.
- HTT will share the latest update from Kaua'i with airlines, travel agents and media partners in Taiwan via a press release. A social media post has also been updated to keep the general public aware of Hawai'i's latest activities.

**Table 3: Island Distribution of HVCB Single Property Sales – Year-to-Date
November 2020**

Island	Tentative Room Nights YTD Actual*	Definite Room Nights Annual Goal	Definite Room Nights Month Actual	Definite Room Nights YTD Actual	Percent of Goal	Lead-to-Booking Conversion (Room Nights) Goal	Lead-to-Booking Conversion (Room Nights) Actual
O'ahu	257,016	TBD	0	8,388	TBD	TBD	3%
Kaua'i	101,669	TBD	0	825	TBD	TBD	1%
Maui County	212,432	TBD	49	14,976	TBD	TBD	7%
Hawai'i	167,875	TBD	0	13,632	TBD	TBD	8%
Total	738,992	0	49	37,821	0		

*Tentative room nights do not match those in Table 2a for Single Property because many leads are distributed to more than one island.

'ELELE PROGRAM

November meetings and updates from Deborah Zimmerman, 'Elele Program Director from New Millennium Meetings (NMM):

Targeting/Qualifying Accounts

- The 'Elele Director finished qualifying scientific and technology association meetings for the Hawai'i Convention Center, and commenced qualifying citywide association business in the insurance, engineering and legal market segments. Corresponding updates were made in Simpleview. This work is helping current HCC sellers to prioritize new opportunities. Moreover, it will assist citywide sellers onboarding in the future to prioritize opportunities quickly.

LOST BUSINESS

**Table 4a: HVCB Citywide Lost Business
November 2020**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
MCI: Convention - Domestic (18140)	A: Educational	1,851	428	05/02/2022 - 05/08/2022	China and Australia	Program cancelled due to COVID-19.
MCI: Convention - Domestic (18985)	A: Engineering	1,800	400	08/07/2021 - 08/12/2021	Initially, Hawai'i only	Program cancelled due to COVID-19.
MCI: Convention - Domestic (19265)	A: Scientific	7,812	3,016	03/10/2024 - 03/17/2024	Initially, Hawai'i only	Client no longer considering Hawai'i due to distance and airfare cost.

**Table 4b: HVCB Single Property High Profile Lost Business
November 2020**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
MCI: Incentive (18044)	C: High Tech	2,800	650	05/16/2021 - 05/21/2021	Miami, Caribbean and Canada	Program requirements changed.
MCI: Meeting (18967)	Unknown	519	175	02/18/2022 - 02/26/2022	Initially, Hawai'i only	Program cancelled due to COVID-19.
MCI: Convention - Domestic (19051)	C: Insurance	1,805	650	04/25/2021 - 05/03/2021	Canada, Italy	Program cancelled due to COVID-19.
MCI: Incentive (19103)	C: Insurance	2,247	561	04/13/2021 - 04/18/2021	Madrid, Barcelona	Program cancelled due to COVID-19.

**Table 4c: International Single Property Lost Business
November 2020**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
HT Canada: MCI: Convention - Domestic (18180)	A: Medical, Healthcare	1,405	550	11/03/2020 - 11/07/2020	Scottsdale, AZ; Caribbean	Program cancelled due to COVID-19.
HT Oceania: MCI: Incentive (18363)	C: Automotive	85	17	11/15/2020 - 11/19/2020	Initially, Hawai'i only	Program cancelled due to COVID-19.
HT Oceania: MCI: Meeting (18833)	C: Insurance	660	220	11/08/2020 - 11/10/2020	Initially, Hawai'i only	Program cancelled due to COVID-19.
HT Oceania: Non-MCI: Other (specify) (18847)	A: Educational	60	60	11/20/2020 - 11/22/2020	Initially, Hawai'i only	Program cancelled due to COVID-19.

New-to-Hawai'i Definite Bookings

**Table 5a: HVCB Citywide New to Hawai'i Definite Bookings
November 2020**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
MCI: Convention - Domestic (19167)	A: Educational	2,279	1,000	11/04/2023 - 11/13/2023	Initially, Hawai'i only

TOTAL NEW TO HAWAI'I CITYWIDE BOOKINGS FOR THE MONTH	1
TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I CITYWIDE BOOKINGS	2,279

**Table 5b: HVCB Single Property High Profile New to Hawai'i Definite Bookings
November 2020**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
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None to report for the month.

**Table 5c: International Single Property New to Hawai'i Definite Bookings
November 2020**

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
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None to report for the month.

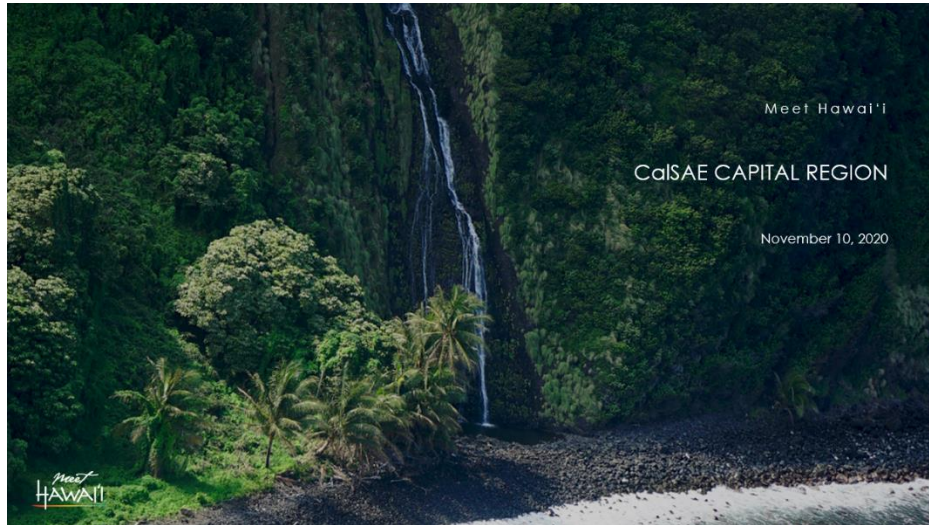
TOTAL NEW TO HAWAI'I SINGLE PROPERTY BOOKINGS FOR THE MONTH	1
TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I SINGLE PROPERTY BOOKINGS	49

New to Hawai'i bookings are accounts that have never met in Hawai'i before or, in the case of citywides, have not met in Hawai'i in the last 10 years or for single property bookings, not in the past five years.

MAJOR SALES AND MARKETING ACTIVITIES

Meet Hawai'i participated in the following MCI events in October:

- 3 educational events
 - HVCB
 - California Society of Association Executives (CaSAE), Hawai'i Update and Mai Tai Hour, Virtual, November 10



- Executive Women International (EWI) Monthly Meeting, Virtual, November 11
 - Reston/Henderson Meeting Planner (RHMP) Monthly Meeting, Virtual, November 19
- 1 trade show
 - International GMTs
 - HTC – TravelDaily Conference 2020, Shanghai, China, November 25-27
 - 1 major site visits and familiarization (FAM) tours with clients and potential clients
 - HVCB
 - 1 site visit, Maui

FUTURE SALES AND MARKETING ACTIVITIES

Meet Hawai'i will participate in the following MCI events in the upcoming months:

December 2020			
Dec. 3	Aloha Canada, Virtual	Virtual Trade Show	HTCanada
Dec. 9	Aloha Taiwan! Semi-Virtual Workshop, Taipei, Taiwan	Educational Event	HTT

Dec. 15	Taiwan Tour Manager Association Seminar, Taipei Taiwan	Educational Event	HTT
Dec. 16	Japan Association of Travel Agents Overseas Travel Promotion Department Outbound Promotion Council (JATA JOTC) Destination Series Webinars, Virtual	Educational Event	HTJ
January 2021			
Jan. 11-15	Professional Convention Management Association (PCMA) Convening Leaders, Virtual	Virtual Trade Show	HVCB
None to report for February 2021.			

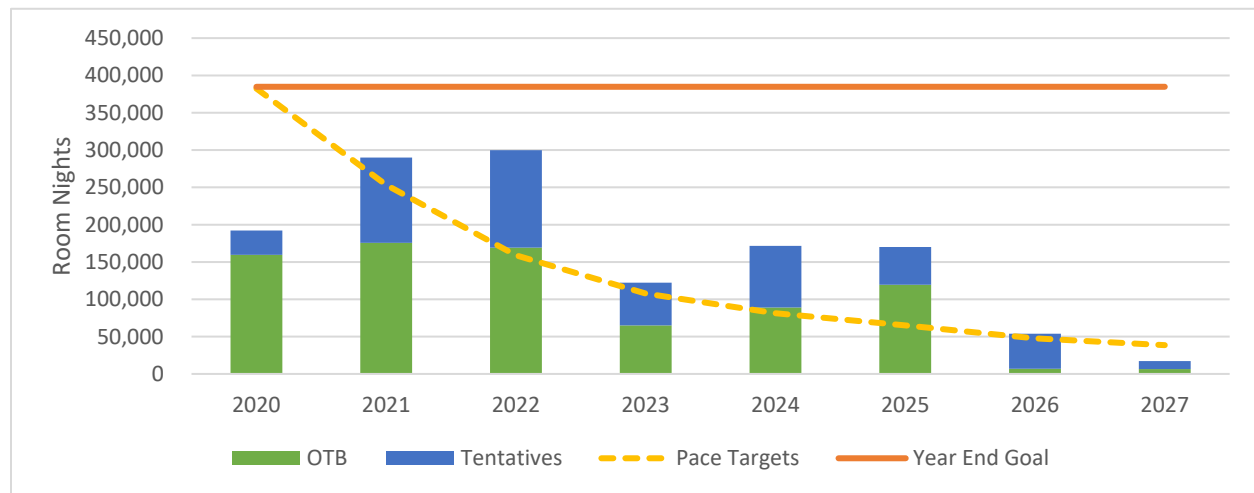
CONSUMPTION

The FuturePace Reports on the next page show the number of events and room nights on the books for each year 2020-2027 against a 3-Year Average Year-End Goal.

Table 6: FuturePace Report: Hawai'i 8-year Pace (citywide and single property)

Period Ending: November 30, 2020

Report Date: December 7, 2020



Room Nights

Year	OTB	Pace Targets	Variance	Variance %	LTB	Tentatives	Year End Goal
2020	159,529	382,431	(222,902)	-58%	225,265	32,630	384,794
2021	175,560	253,346	(77,786)	-31%	209,234	114,463	384,794
2022	169,303	158,924	10,379	7%	215,491	130,424	384,794
2023	64,953	107,744	(42,790)	-40%	319,841	57,373	384,794
2024	88,959	81,422	7,537	9%	295,835	82,567	384,794
2025	119,528	65,018	54,510	84%	265,266	50,663	384,794
2026	6,999	47,643	(40,644)	-85%	377,795	46,843	384,794
2027	6,508	38,548	(32,040)	-83%	378,286	10,650	384,794

Events

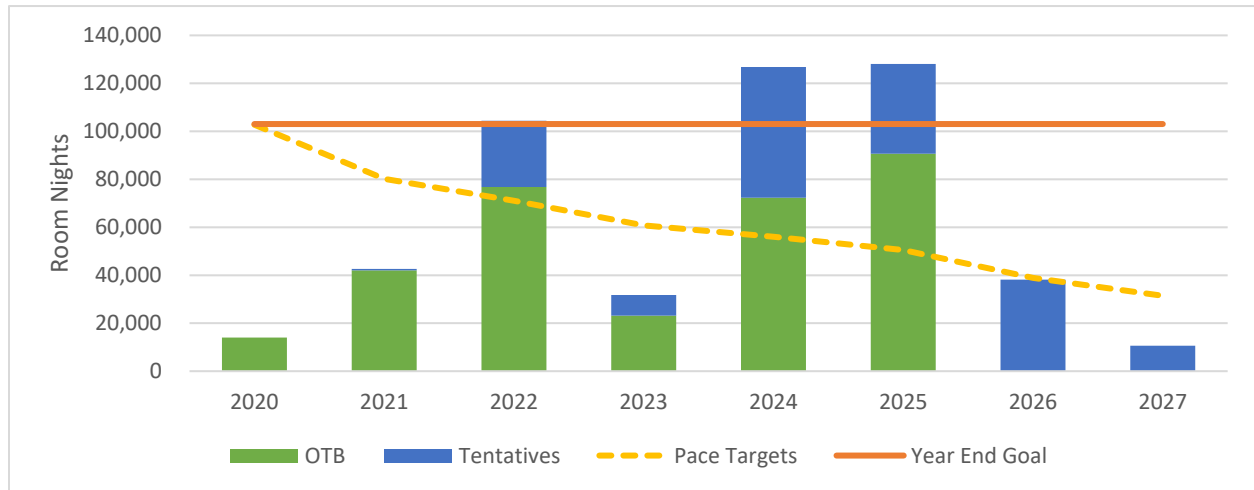
Year	OTB	Pace Targets	Variance	Variance %	LTB	Tentatives	Year End Goal
2020	233	639	(406)	-64%	415	48	648
2021	154	224	(70)	-31%	494	220	648
2022	65	76	(11)	-14%	583	113	648
2023	26	34	(8)	-23%	622	34	648
2024	19	17	2	13%	629	20	648
2025	18	9	9	94%	630	11	648
2026	4	5	(1)	-23%	644	8	648
2027	2	4	(1)	-43%	646	1	648

The number of events reported in FuturePace is slightly higher than the actual number of events due to a number of overflow programs and the splitting of some bookings into two in order to track shared credit.

Table 7: FuturePace Report: Convention Center 8-year Pace (citywide only)

Period Ending: November 30, 2020

Report Date: December 7, 2020



Room Nights

Year	OTB	Pace Targets	Variance	Variance %	LTB	Tentatives	Year End Goal
2020	14,035	102,749	(88,714)	-86%	89,006	0	103,041
2021	42,055	80,210	(38,155)	-48%	60,986	600	103,041
2022	76,768	71,033	5,735	8%	26,273	27,668	103,041
2023	23,164	60,772	(37,608)	-62%	79,877	8,585	103,041
2024	72,330	56,057	16,273	29%	30,711	54,467	103,041
2025	90,687	50,485	40,202	80%	12,354	37,385	103,041
2026	0	38,902	(38,902)	-100%	103,041	38,188	103,041
2027	0	31,436	(31,436)	-100%	103,041	10,650	103,041

Events

Year	OTB	Pace Targets	Variance	Variance %	LTB	Tentatives	Year End Goal
2020	3	28	(25)	-89%	25	0	28
2021	6	15	(9)	-59%	22	1	28
2022	10	10	0	5%	18	4	28
2023	3	7	(4)	-57%	25	3	28
2024	6	6	0	8%	22	5	28
2025	5	4	1	17%	23	4	28
2026	0	3	(3)	-100%	28	4	28
2027	0	2	(2)	-100%	28	1	28

The number of events reported in FuturePace is slightly higher than the actual number of events due to a number of overflow programs and the splitting of some bookings into two in order to track shared credit.

Glossary of FuturePace Report Terms

Cancelled: The status of a Lead for an event that was once in a Booked or Definite status but now will no longer occur.

Definite: The status of a Lead indicating the event is booked or confirmed. To qualify or count as Definite, the Lead snapshot must show the 'Booked' status type within the selected date range. In addition, the Lead cannot show in a Lost or Cancelled status during the report time frame.

LTB: An acronym for "Left to Book," this term reflects the number of room nights that still need to be booked to reach the Year-End Goal(s).

OTB: An acronym for "On the Books," this designation refers to a confirmed or definite booking.

Pace Target: A performance goal based on the percentage of your Year-End Goal that should be booked as of the report's run date, for a certain month, quarter or year. The Pace Target reflects the total number of room nights or events that should be booked as of the report's run date.

Tentatives: Business or Leads that have yet to move to a booked or Definite status. In other words, Tentatives are Leads in an unbooked or Lead status in the arrival month/year. For the Long-Term Pace report, Tentatives reflect the current count, as of the report's run date, for the years displayed on the report.

Variance: In the Long-Term Pace report, Variance reflects the OTB (or Cancelled or Tentative) figure minus the Pace Target, as of the report's run date. Positive numbers indicate performance is also positive; negative numbers suggest booking deficiencies.

Variance %: The Variance Percentage, or percentage of variance, reflects the Variance divided by the Pace Target, multiplied by 100 and then expressed as a percentage. Positive percentages indicate performance is also positive; negative numbers suggest booking deficiencies.

Year-End Goal: The Long-Term Pace report includes a 3-Year Average Year-End Goal to establish a benchmark for the years displayed on the report.

DEFINITIONS

- **Single Property Group:** A group that can be booked into a single hotel for both guest rooms and meeting space.
- **Citywide Group:** A group that books Hawai'i Convention Center for meeting space; and which needs two or more hotels and has a minimum of 1,000 out-of-town attendees.
- **Group Bookings:** The total number of group room nights booked for the future. A group is defined as needing a minimum of 10 hotel rooms.
- **MCI and Non-MCI Bookings:** Both MCI and Non-MCI Bookings must primarily be off-shore bookings requiring attendees to stay in visitor accommodations. An MCI booking is an association or corporate meeting, convention or incentive program that requires meeting space. A Non-MCI booking requires off-site meeting space or no meeting space, or is public/consumer-facing like expos, sporting events, etc.
- **Definite Room Night:** Room nights associated with groups that have a signed contract or letter of commitment with the convention center and or a signed contract with a hotel.
- **Tentative Room Night:** Room nights associated with groups that have indicated interest in holding a meeting or convention in Hawai'i and a lead has been sent to the convention center and/or the hotels. Citywide leads are considered tentative when space is blocked at the convention center. Includes leads generated by partners at HVCB coordinated trade shows.
- **Economic Impact:** The direct and induced spending generated from a group meeting in Hawai'i. The economic impact formulas are based on research of attendee spending patterns.
- **Lead-to-Booking Conversion:** Conversion of tentative leads into definite bookings as measured by dividing tentative room nights generated in the month/year by definite room nights for the same month/year.
- **Consumed Room Night:** Room nights generated from groups that have convened in Hawai'i. For citywide events, this figure is calculated from the number of attendees. For single property meetings, the figure is the contracted room nights.
- **Goal:** A level of achievement that has been determined through the goal setting process that includes industry stakeholders and the HTA board.
- **International Markets:** Current areas of focus for international groups. These markets are supported by contractors of HTA.
- **New to Hawai'i – New Business:** A group that has never met or has not had a single property meeting in Hawai'i over the past five years or a citywide meeting within the past 10 years.
- **Repeat Business:** A group that has had a single property meeting in Hawai'i within the past five years or a citywide meeting in Hawai'i within the past 10 years.

- **Island Distribution:** The breakdown of room nights that have been booked on the neighboring islands. This includes Maui, Kaua'i, O'ahu and the Island of Hawai'i.
- **Pace:** A calculation that evaluates the annual sales activity level by comparing production to the same time frames for previous years. This calculation shows if the current year-to-date room night bookings are at the same or higher/lower levels than the past year.
- **Need Period:** A future timeframe where the projections for room night demand are lower, therefore warranting specific sales strategies to attract business.
- **Lost Business:** A group where a lead has been generated due to client interest and Hawai'i was not chosen for the meeting or convention.
- **Total Events:** Total licensed events held at the Hawai'i Convention Center.
- **Total Attendance:** Total delegate attendees at licensed events at the Hawai'i Convention Center.
- **Visitor Spending:** State economic impact of offshore licensed events.
- **Tax Generation:** State tax generation of offshore licensed events.

November 2020

Contract No.	Contractor	Description	Contract Amount	Total Contract Value	Start Date	End Date
20195 S1	Bishop Museum	He Aupuni Palapala: Preserving and Digitizing the Hawaiian Language Newspapers	\$ -	\$ 500,000.00	11/19/2020	3/31/2022
20196 S2	Anthology Marketing Group	Hawai'i's Visitor Industry Workforce Needs Assessment	\$ -	\$ 131,937.00	11/19/2020	12/31/2021
19203 S1	Ho`ola Na Pua	Educational Workshops on Sex Trafficking for Hawai'i's Visitor Industry	\$ -	\$ 50,000.00	11/19/2020	12/31/2021
19007 S3	SMS Research & Marketing Services, Inc.	Statewide Domestic In-flight Visitors' Basic Characteristic Survey CY 2019-2022	\$ -	\$ 638,184.12	11/16/2020	6/30/2023
•MOA 21012	County of Hawaii	Destination Management Action Plan: Hawaii Island	\$ 25,000.00	\$ 25,000.00	11/19/2020	1/29/2021
PON 21011	SMS Research & Marketing Services, Inc.	Destination Management Action Plan for O`ahu	\$ 44,738.20	\$ 44,738.20	11/19/2020	7/31/2021
21013	Access Cruise, Inc.	Hawai'i Cruise Industry Consultant Services	\$ 50,000.00	\$ 50,000.00	11/16/2020	9/30/2023
17017 S9	Vox International Inc.	Destination Marketing Management Services for Canada MMA	\$ 373,820.00	\$ 373,820.00	11/16/2020	12/31/2021
21015	Anthology Marketing Group	Statewide Visitor Satisfaction and Island Visitor Satisfaction and Activity Survey 2021-2023 (VSAT)	\$ 851,902.56	\$ 851,902.56	11/19/2020	9/30/2024
			\$ 1,345,460.76			

Contract Type:
 • Sole Source
 † Procurement
 Exemption

6

Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets, Including the United States, Japan, Canada, Oceania, Other Asia, Europe, and Cruise



Market Insights – October 2020

The HTA Monthly Market Insights reports on the most recent key performance indicators that the Hawai'i Tourism Authority (HTA) uses to measure success. The following measures provide indicators of the overall health of Hawai'i's visitor industry and help to gauge if the HTA is successfully attaining its goals.

Report on Economic Impact

On October 15, the state launched a pre-travel testing program, allowing passengers arriving from out-of-state and traveling inter-county to bypass the 14-day quarantine with a valid negative COVID-19 test result from a Trusted Testing and Travel Partner. As a result, slightly more travelers arrived in Hawai'i than in previous months, when testing was not an option to bypass the trans-Pacific quarantine requirement that began on March 26. Also in October, the County of Maui issued a stay-at-home order for all individuals on Lāna'i that began on October 27. In addition, the U.S. Centers for Disease Control and Prevention (CDC) continued to enforce the "No Sail Order" on all cruise ships.

Visitor spending data were not available in October 2020.

For the first 10 months of 2020, Hawai'i's tourism economy experienced:

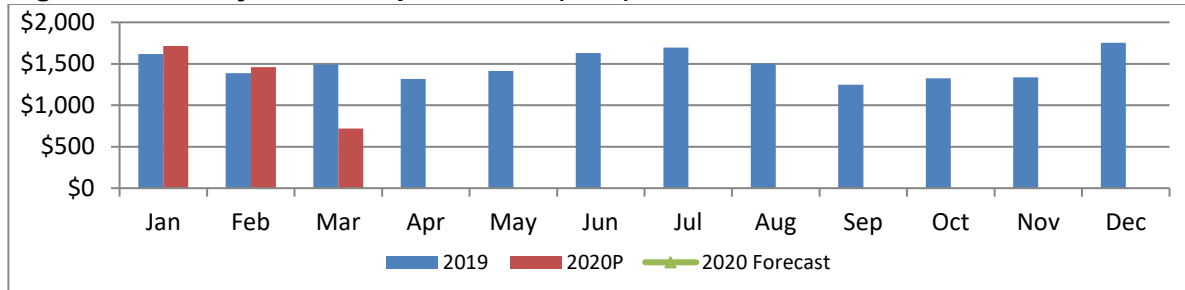
- Total visitor arrivals declined 73.4 percent to 2,296,622 visitors, with considerably fewer arrivals by air service (-73.4% to 2,266,831) and by cruise ships (-74.2% to 29,792) compared to the same period a year ago. Total visitor days fell 68.6 percent.
- Through October 2020, the state collected \$16.21 million in TAT, down 92.8 percent compared to FY 2020 through October 2019.
- Total air capacity (scheduled and charter seats) into Hawai'i declined 62.1 percent to 4,278,381 seats.

Table 1: Overall Key Performance Indicators – Total (Air + Cruise) – YTD October 2020

	% of Forecast	YOY Rate	Aug. YTD	Forecast
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-68.6%	23,487,067	N/A
Arrivals	N/A	-73.4%	2,296,622	N/A
Daily Census	N/A	-68.7%	77,007	N/A
Airlift (scheduled seats)	N/A	-62.3%	4,234,380	N/A

DBEDT 2020 forecasts were not available at the time of report publication.

Figure 1: Monthly Visitor Expenditures (\$mil)



Major Market Areas (MMAs)

USA

Table 2: Key Performance Indicators - U.S. Total

	% of Forecast	YOY Rate	Aug. YTD	Forecast
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-66.6%	17,051,844	N/A
Arrivals	N/A	-72.3%	1,581,267	N/A
Daily Census	N/A	-66.8%	55,908	N/A
Airlift (scheduled seats)	N/A	-59.4%	3,280,436	N/A

DBEDT 2020 forecasts were not available at the time of this report.

- According to the Congressional Budget Office's economic projections, real GDP will contract by 5.6 percent in 2020.
- U.S. economic data at the end of October looks favorable. However, the gain to Quarter 3 GDP was largely due to business re-openings that occurred in the second half of Quarter 2. Looking ahead, economic gains will be slower through early 2021 due in part to increasing coronavirus transmission this fall and winter, the potential for stricter social mitigation policy, and the presidential election and transition. The unemployment rate in October fell to 6.9 percent.
- The Conference Board Consumer Confidence Index declined slightly in October, after increasing sharply in September. The Index now stands at 100.9 (1985=100), down from 101.3 in September.
- The Expectations Index based on consumers' short-term outlook for income, business, and labor market conditions decreased from 102.9 in September to 98.4 this month.
- The forecast for domestic scheduled nonstop air seats to Hawai'i for November 2020-January 2021 will decrease by -23.7 percent as compared with the same time period of 2019. The projection is based on flights appearing in Dii Mi airline schedules. Due to COVID-19, the decrease in scheduled air seats is expected to occur in all major market areas including U.S. West (-21.9%) and U.S. East (-35.9%). The situation is being monitored and the forecast adjusted accordingly.
- Travel restrictions differed by state. For Alaska, returning residents were required to submit a travel declaration and self-isolation plan online, and arrive with proof of a negative Covid-19 test. In New York, a 14-day quarantine was required if a returning resident came from

states with a significant degree of COVID-19 spread, defined as daily case rate of more than 10 in every 100,000 resident or a positive testing rate of higher than 10 percent.

US WEST

Table 3: Key Performance Indicators - U.S. West

	% of Forecast	YOY Rate	Aug. YTD	Forecast
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-68.0%	10,471,382	N/A
Arrivals	N/A	-73.2%	1,016,948	N/A
Daily Census	N/A	-68.1%	34,332	N/A
Airlift (scheduled seats)	N/A	-59.3%	2,888,445	N/A

DBEDT 2020 forecasts were not available at the time of report publication.

- In October, there were 53,396 visitors from U.S. West compared to 354,007 visitors in October 2019. Year-to-date, arrivals decreased 73.2 percent to 1,016,948 visitors.

US EAST

Table 4: Key Performance Indicators - U.S. East

	% of Forecast	YOY Rate	Aug. YTD	Forecast
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-64.2%	6,580,462	N/A
Arrivals	N/A	-70.5%	564,318	N/A
Daily Census	N/A	-64.4%	21,575	N/A
Airlift (scheduled seats)	N/A	-60.2%	391,991	N/A

DBEDT 2020 forecasts were not available at the time of report publication.

- In October, 19,582 visitors arrived from U.S. East compared to 148,075 visitors in October 2019. Year-to-date, arrivals dropped 70.5 percent to 564,318 visitors.

CANADA

Table 5: Key Performance Indicators – Canada

	% of Forecast	YOY Rate	Aug. YTD	Forecast
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-59.2%	2,096,320	N/A
Arrivals	N/A	-63.2%	156,565	N/A
Daily Census	N/A	-59.4%	6,873	N/A
Airlift (scheduled seats)	N/A	-56.4%	164,881	N/A

DBEDT 2020 forecasts were not available at the time of report publication

- In October, 389 visitors arrived from Canada compared to 32,250 visitors a year ago. All 389 visitors came to Hawai'i on domestic flights. Year-to-date through October, arrivals dropped 63.2 percent to 156,565 visitors.

- U.S. borders with Canada have been closed since March 2020 and border crossings have been largely restricted to essential workers and citizens returning home. Residents returning to Canada must quarantine for 14 days.
- A 6.6 percent contraction is forecasted for the Canadian economy this year due to mandated business closures and a collapse in consumer confidence. The economy is forecast to rebound by 6.7 percent in 2021 and 4.8 percent in 2022.
- The consumer confidence index dropped to 74.1 in October—the largest monthly drop since April (-9.5 points).
- Households have benefited from the Canada Emergency Response Benefit, which is set to be replaced by an updated employment insurance system and the Canada Recovery Benefit. These programs will help boost real household disposable income by a record 9 percent this year, despite the recession and massive loss in labor income.
- The Canadian Dollar has lost value averaging at \$0.73 USD so far this year (-3%).
- Between January to August, Canadians made 8.36 million overnight trips to the U.S. and other destinations, versus 23.2 million last year. Canadians made 4.4 million overnight trips to the U.S. throughout January to August, compared to 14.0 million in 2019.
- Air Canada and WestJet will resume direct flights to Hawai'i starting December 2020. Air Canada will offer flights from Vancouver to Honolulu and Kahului, and from Calgary to Kahului. WestJet will offer flights from Vancouver to Honolulu and Kahului, and from Calgary to Honolulu and Kahului.

JAPAN

Table 6: Key Performance Indicators – Japan

	% of Forecast	YOY Rate	Aug. YTD	Forecast
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-77.4%	1,749,845	N/A
Arrivals	N/A	-77.5%	294,830	N/A
Daily Census	N/A	-77.5%	5,737	N/A
Airlift (scheduled seats)	N/A	-71.8%	469,256	N/A

DBEDT 2020 forecasts were not available at the time of report publication.

- In October, 183 visitors arrived from Japan compared to 134,557 visitors a year ago. Of the 183 visitors, 128 arrived on international flights from Japan and 55 came on domestic flights. Year-to-date through October, arrivals declined 77.5 percent to 294,830 visitors.
- According to the Ministry of Foreign Affairs of Japan, Japanese nationals returning from abroad were requested to refrain from using public transportation and to stay at home for 14 days.
- The Japanese government upgraded its assessment of the economy for the first time since May 2019, after a key indicator improved for August, indicating potential for the economy to be heading towards a gradual recovery. This indicator was the index of coincident economic indicators that track a variety of data including factory output, employment, retail sales, etc., which saw growth of 1.1 points from July values to 79.4. There is also potential for the index to grow further, notably in automobile shipments and consumer spending.

- Unemployment rate in Japan remained unchanged at 3 percent in September from 3 percent in August. It was still the highest jobless rate since May 2017 and is higher than the 2.2 percent in the same month of the previous month.
- The Japanese Foreign Ministry announced that they will be lowering travel advisories from level 3 to level 2, allowing for Japanese nationals and foreign residents returning to be exempt from quarantine measures. Various conditions remain for exemption such as a requirement for the trip being shorter than 1 week.
- Narita airport has opened the PCT testing center for passengers who need proof of a negative coronavirus test result prior to traveling overseas. It is open around the clock and can carry out about 700 tests per day.
- The following are currently announced flight changes for Hawai'i:
 - Japan Airlines announced that in November, they will be continuing operation of special services to Honolulu from Haneda twice, as well as 6 flights in December, and 4 flights in January 2021.
 - All Nippon Airways will be operating 6 flights in November, 2 flights in December, and 2 flights in January 30.
 - Hawaiian Airlines announced that they will be phasing in an increase of services between Japan and Honolulu. Flights from Narita will be increased to 2 weekly flights from November 7 and eventually to 4 weekly flights from December 21. Additionally, they will resume services from Haneda at 3 times per week from December 23 and Kansai at 3 times per week from December 21.
 - Japan Airlines' low-cost subsidiary Zipair to offer Narita-Honolulu service starting December 19.

OCEANIA

Table 7: Key Performance Indicators – Oceania

	% of Forecast	YOY Rate	Aug. YTD	Forecast
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-80.3%	574,833	N/A
Arrivals	N/A	-80.4%	60,990	N/A
Daily Census	N/A	-80.4%	1,885	N/A
Airlift (scheduled seats)	N/A	-77.3%	95,737	N/A

DBEDT 2020 forecasts were not available at the time of report publication.

- Australia: There were 30 visitors who traveled to Hawai'i in October compared to 26,858 visitors a year ago. All 30 visitors came on domestic flights. Through the first 10 months of 2020, arrivals decreased 79.6 percent to 50,163 visitors.
- The Government continued to impose a ban on all overseas travel for Australians, unless an exemption was granted. Residents returning to Australia were required to undergo a mandatory 14-day quarantine.
- In October, Australia's unemployment rate hit 6.9 percent – outperforming expectations. A report by 'Seek' shows that tourism has topped the list of industries with the highest job advertisement growth in month-to-month volume for September. The industry has seen the

highest number of jobs increase from August to September, with a 41 percent spike in new jobs advertised. The industry's recovery is linked to the easing of restrictions. Businesses are also preparing for the summer and Christmas holiday period by beginning seasonal hiring.

- Australia's federal budget that was announced in October will bring forward tax cuts that were scheduled for 2022 as part of the coronavirus response to stimulate spending. The budget also provides support for pensioners, encourages business investment and introduces a new wage subsidy for new employees aged between 16 and 35.
- Consumer confidence in Australia is steadily increasing in October and is now close to neutral, its highest level since the pandemic induced a collapse in confidence in mid-March. This increase in consumer sentiment is due to the declining amount of new daily COVID cases across Australia, the easing of restrictions and the new federal budget.
- The Australian dollar continues to perform strongly, trading between US\$0.71-\$0.72 during October
- New Zealand: There were 25 visitors in October versus 6,316 visitors a year ago. These 25 visitors arrived on domestic flights. Through the first 10 months of 2020, arrivals declined 83.5 percent to 10,826 visitors.
- New Zealand held its General Election, retaining Jacinda Adern as Prime Minister and giving her Labour Government a unanimous majority. This means that Labour do not require a coalition partner to govern which will enable policy to be implemented quicker. The other positive of having the election completed is that decisions around COVID-19 and border control can be made without the same level of concern around the ramification of being voted in or out of government.
- Unemployment figures have come in reflecting a rate of 5.3 percent, below the 9 percent prediction made at budget time. This compares favorably with Australia at 6.9 percent and the OECD average of 7.4 percent.
- The NZ dollar continues to trade around US\$0.66.
- Hawaiian Airlines announced extended service cancellation to Australia and New Zealand. Instead of until 01DEC20, the following routes will now be suspended until 27MAR21: Honolulu – Auckland; Honolulu – Brisbane; and Honolulu – Sydney.

EUROPE

Table 8: Key Performance Indicators – Europe

	% of Forecast	YOY Rate	Aug. YTD	Forecast
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-81.4%	283,486	N/A
Arrivals	N/A	-82.4%	20,869	N/A
Daily Census	N/A	-81.5%	929	N/A
Airlift (scheduled seats)	N/A	N/A	N/A	N/A

DBEDT 2020 forecasts were not available at the time of report publication.

- There were 152 visitors from Europe (United Kingdom, France, Germany, Italy and Switzerland) in October versus 14,892 visitors a year ago. These 152 visitors arrived on

domestic flights. Through the first 10 months of 2020, arrivals decreased 82.4 percent to 20,869 visitors.

- EU Countries had varying levels of travel restrictions. In Germany, returning German nationals were required to present a certificate showing a negative result for COVID-19 issued no more than 48 hours prior to departure from a government-approved provider. Individuals who were unable to produce such a certificate were mandated to undergo testing upon arrival and were also required to self-isolate while awaiting their test results. In the United Kingdom, returning residents were required to self-quarantine for 14 days.

CHINA

Table 9: Key Performance Indicators – China

	% of Forecast	YOY Rate	Aug. YTD	Forecast
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-85.3%	95,024	N/A
Arrivals	N/A	-87.4%	10,160	N/A
Daily Census	N/A	-85.4%	312	N/A
Airlift (scheduled seats)	N/A	-91.9%	8,176	N/A

DBEDT 2020 forecasts were not available at the time of report publication.

- There were 72 visitors in October compared to 5,039 visitors a year ago. These 72 visitors arrived on domestic flights. Year-to-date through October, arrivals decreased 87.4 percent to 10,160 visitors.
- Since February 2020, a proclamation prohibited Chinese citizens from entering the U.S. due to COVID-19. Returning Chinese nationals were required to demonstrate proof of a negative COVID-19 result issued no more than 72 hours before departure, performed by an approved provider, and were mandated to undergo a 14-day mandatory quarantine.
- In Quarter 3 2020, China GDP increased 4.9 percent overall, compared to a year earlier. The GDP of China was 72,278.6 billion yuan in the first three quarters, a year-on-year growth of 0.7 percent.
- In October 2020, the Consumer Price Index (CPI) went up by 0.5 percent year-on-year, with an increase of 0.5 percent in urban and 0.4 percent in rural. From January to October, on average, the overall consumer prices were up by 3.0 percent from the same period of the previous year.

KOREA

Table 10: Key Performance Indicators – Korea

	% of Forecast	YOY Rate	Aug. YTD	Forecast
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-74.9%	361,162	N/A
Arrivals	N/A	-77.5%	41,863	N/A
Daily Census	N/A	-75.0%	1,184	N/A
Airlift (scheduled seats)	N/A	-73.7%	71,175	N/A

DBEDT 2020 forecasts were not available at the time of report publication.

- There were 45 visitors in October versus 20,261 visitors a year ago. Of the 45 visitors, 43 arrived on domestic flights and two came on international flights from Japan. Through the first 10 months of 2020, arrivals fell 77.5 percent to 41,863 visitors.
- Residents returning to Korea were tested on arrival for COVID-19, required to install a Self-Quarantine Safety Protection App on their phone to monitor their health, and subject to a mandatory 14-day quarantine.
- South Korea's economy returned to modest growth in Quarter 3, marking the first quarterly expansion since the coronavirus pandemic began, according to Bank of Korea. Nation's GDP grew 1.9 percent in Quarter 3 from the previous quarter, when it shrank 3.2 percent. South Korean Government expects the economy entered a recovery path for normalization of the economy, and it is also expected to report an expansion in Quarter 4 as government eased restrictions against the pandemic.
- The average USD/WON exchange rate in October was KRW 1,141.93, a slight decrease from the previous rate of 1,177.65 won in September.
- Korean Air extended its suspension of flight services on ICN-HNL route (KE053) and ICN-NRT-HNL route (KE001) until December 31.
- Asiana Airlines halted flights service of ICN-HNL route (OZ232) until March 27, 2021.
- Hawaiian Airlines will resume its flight from ICN to HNL (HA 460) starting November 27. The flight will operate once a week departing on Wednesday.

TAIWAN

Table 11: Key Performance Indicators – Taiwan

	% of Forecast	YOY Rate	Aug. YTD	Forecast
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-82.6%	34,402	N/A
Arrivals	N/A	-84.0%	3,481	N/A
Daily Census	N/A	-82.6%	113	N/A
Airlift (scheduled seats)	N/A	-78.8%	7,344	N/A

DBEDT 2020 forecasts were not available at the time of report publication.

- Two visitors traveled to Hawai'i in October compared to 1,776 visitors a year ago. These two visitors came on domestic flights. Year-to-date through October, arrivals dropped 84.0 percent to 3,481 visitors.
- Taiwanese citizens were allowed to visit the U.S., but were required to quarantine for 14 days upon their return home.
- Taiwan is the record holder for fighting against COVID-19 by reaching the landmark of no locally transmitted cases in over 200 days. Closing borders early, tightly regulating travel, rigorous contact tracing, technology-enforced quarantine and widespread mask-wearing are the keys to success.
- Taiwan Tourism Bureau announced its projection of tourism market rebound in post COVID-19 period. Taiwan will be focusing on MICE and charter flights aiming at group travel as first step when international travel gradually reopens.

- Taiwan's start-up airline, StarLux Airlines, has applied with the Civil Aeronautics Administration (CAA) for the rights to fly to 15 American destinations, including Honolulu with operations expected to begin by 2022. It will be Taiwan's third airline to operate services to the USA.
- China Airlines has announced the flights schedule for January and February 2021. The route of Taipei-Honolulu direct flights is not on the schedule at this time.

LATIN AMERICA

Table 122: Key Performance Indicators – Latin America

	% of Forecast	YOY Rate	Aug. YTD	Forecast
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-66.3%	76,243	N/A
Arrivals	N/A	-74.5%	5,471	N/A
Daily Census	N/A	-66.4%	250	N/A
Airlift (scheduled seats)	N/A	N/A	N/A	N/A

DBEDT 2020 forecasts were not available at the time of report publication.

- There were 117 visitors from Latin America (Mexico, Brazil and Argentina) in October compared to 2,062 visitors a year ago. These 117 visitors came on domestic flights. Year-to-date through October, arrivals dropped 74.5 percent to 5,471 visitors.
- Many of the Latin America nations were still in some form of lockdown or quarantine. Entry into the U.S. by Brazilian citizens remained suspended, per the U.S. Presidential Proclamation.

ISLAND VISITATION:

- **Oahu:** In October, total visitor days decreased 82.8 percent compared to a year ago. There were 36,007 visitors on O'ahu in October compared to 469,339 visitors year-over-year. Through the first 10 months of 2020, visitor arrivals dropped 74.1 percent to 1,325,501 visitors.
- **Maui:** In October, total visitor days declined 83.1 percent from a year ago. There were 23,103 visitors on Maui in October versus 238,043 visitors a year ago. Year-to-date through October, arrivals decreased 75.0 percent to 637,315 visitors.
- **Hawai'i Island:** In October, visitor days decreased 77.0 percent from a year ago. There were 10,640 visitors on Hawai'i Island in October compared to 130,336 visitors a year ago. Through the first 10 months of 2020, arrivals fell 71.4 percent to 416,122 visitors.
- **Kaua'i:** In October, total visitor days were down 77.9 percent compared to a year ago. There were 11,246 visitors on Kaua'i in October compared to 102,662 visitors a year ago. Through the first 10 months of 2020, visitor arrivals dropped 73.8 percent to 298,708 visitors.

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

Hawai'i Tourism Authority Report Date: **Oct-20** *Preliminary*

Visitor Industry Performance Measures

Market: **OVERALL**

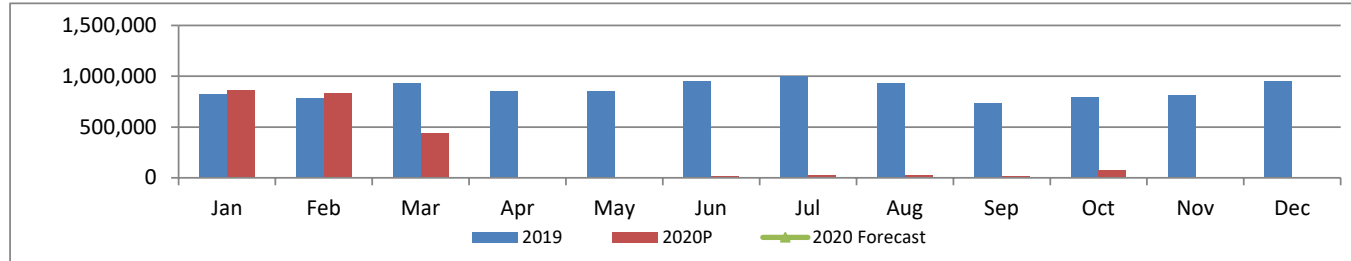
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A	O'ahu	-74.1%	1,325,501
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A	Maui	-75.0%	637,315
Visitor Days	N/A	-68.6%	23,487,067	N/A	Moloka'i	-70.9%	15,274
Arrivals	N/A	-73.4%	2,296,622	N/A	Lāna'i	-78.0%	15,810
Daily Census	N/A	-68.7%	77,007	N/A	Kaua'i	-73.8%	298,708
Airlift (scheduled seats)	N/A	-62.3%	4,234,380	N/A	Hawai'i Island	-71.4%	416,122

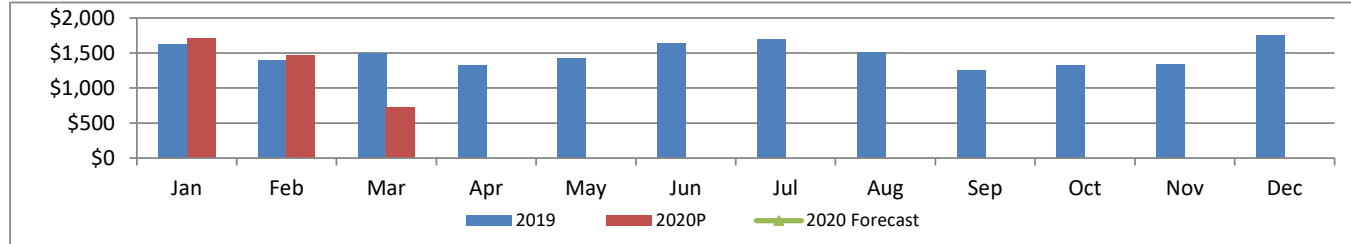
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

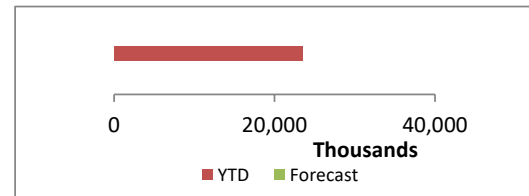


Monthly Visitor Expenditures (\$mil)

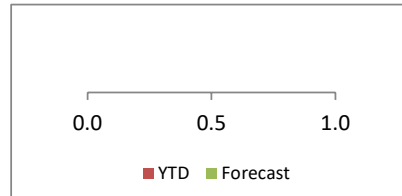


Annual Indicators

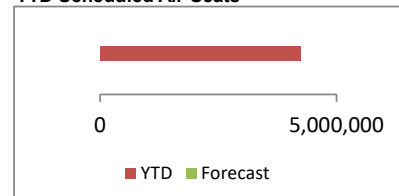
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

Hawai'i Tourism Authority Report Date: **Oct-20** Preliminary

Visitor Industry Performance Measures

Market: **U.S. TOTAL**

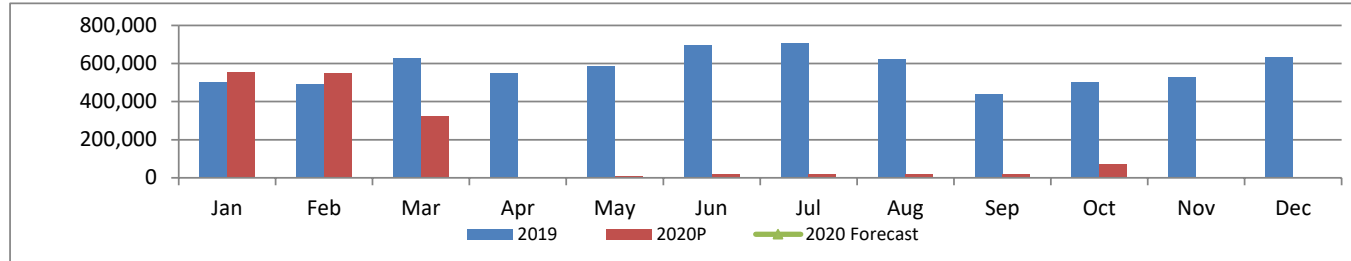
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD	Column 1
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A	O'ahu	-71.6%	784,207	
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A	Maui	-75.0%	510,747	
Visitor Days	N/A	-66.6%	17,051,844	N/A	Moloka'i	-69.6%	10,580	
Arrivals	N/A	-72.3%	1,581,267	N/A	Lāna'i	-75.1%	12,427	
Daily Census	N/A	-66.8%	55,908	N/A	Kaua'i	-73.6%	249,457	
Airlift (scheduled seats)	N/A	-59.4%	3,280,436	N/A	Hawai'i Island	-70.4%	305,165	

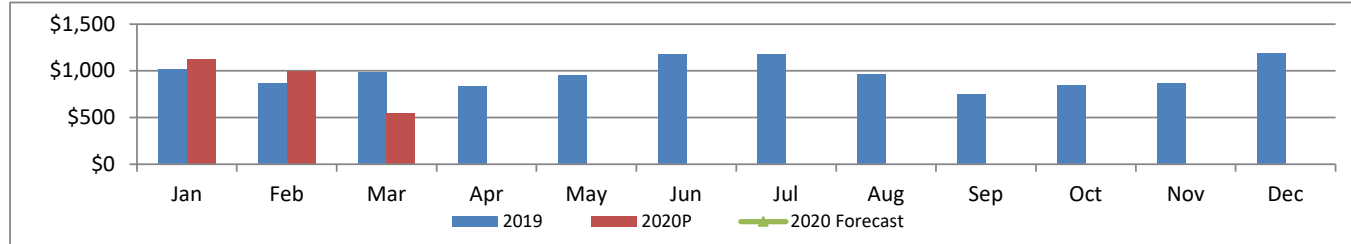
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

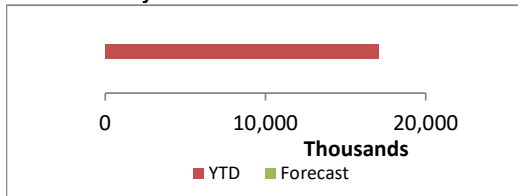


Monthly Visitor Expenditures (\$mil)

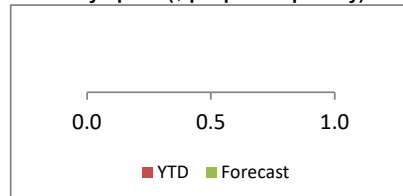


Annual Indicators

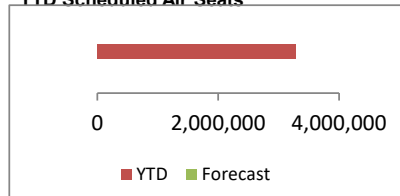
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

Hawai'i Tourism Authority Report Date: **Oct-20** Preliminary

Visitor Industry Performance Measures

Market: **U.S. WEST**

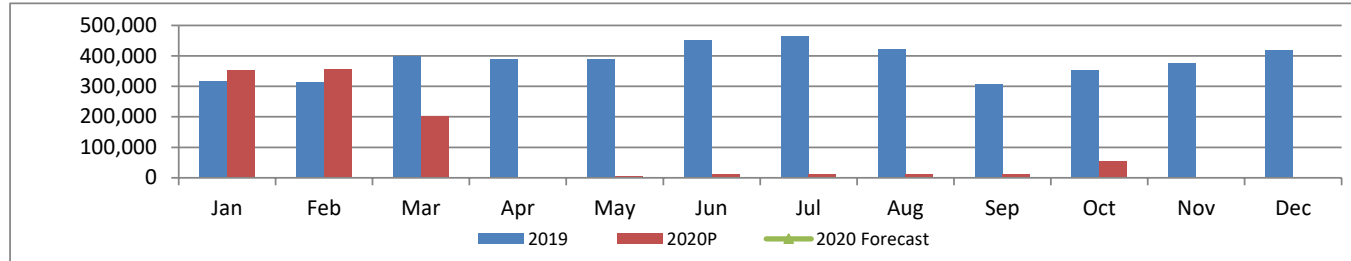
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A	O'ahu	-72.2%	461,988
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A	Maui	-76.2%	319,290
Visitor Days	N/A	-68.0%	10,471,382	N/A	Moloka'i	-69.7%	6,328
Arrivals	N/A	-73.2%	1,016,948	N/A	Lāna'i	-74.1%	6,730
Daily Census	N/A	-68.1%	34,332	N/A	Kaua'i	-74.4%	154,881
Airlift (scheduled seats)	N/A	-59.3%	2,888,445	N/A	Hawai'i Island	-70.1%	190,982

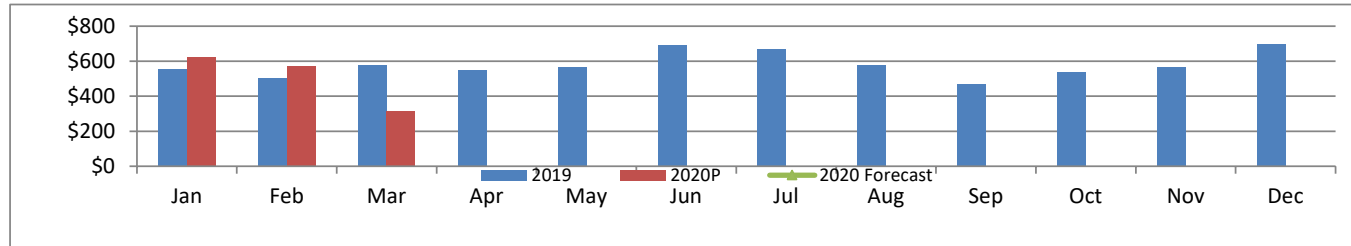
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

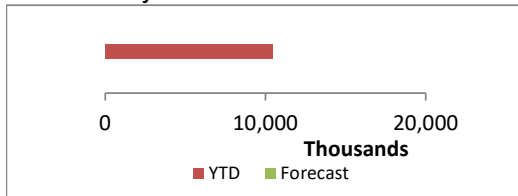


Monthly Visitor Expenditures (\$mil)

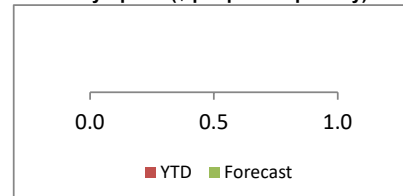


Annual Indicators

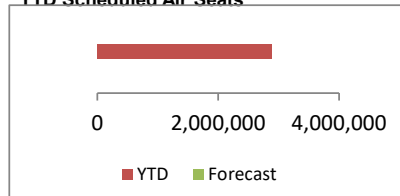
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

Hawai'i Tourism Authority Report Date: **Oct-20** *Preliminary*

Visitor Industry Performance Measures

Market: **U.S. EAST**

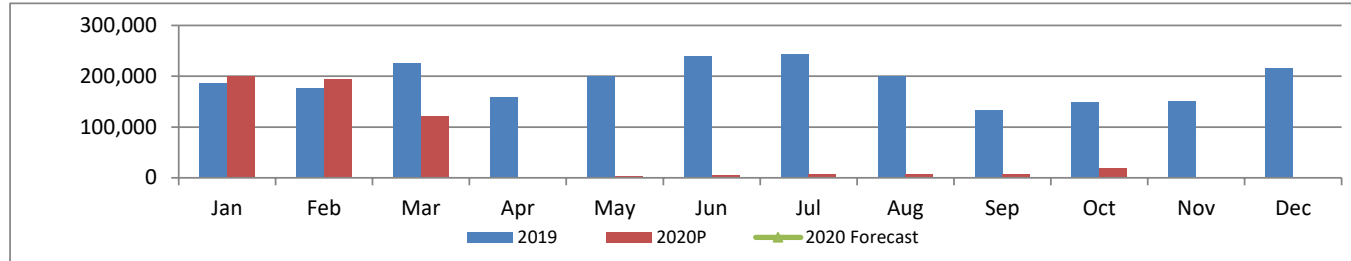
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A	O'ahu	-70.8%	322,219
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A	Maui	-72.7%	191,456
Visitor Days	N/A	-64.2%	6,580,462	N/A	Moloka'i	-69.6%	4,252
Arrivals	N/A	-70.5%	564,318	N/A	Lāna'i	-76.2%	5,697
Daily Census	N/A	-64.4%	21,575	N/A	Kaua'i	-72.3%	94,576
Airlift (scheduled seats)	N/A	-60.2%	391,991	N/A	Hawai'i Island	-70.8%	114,183

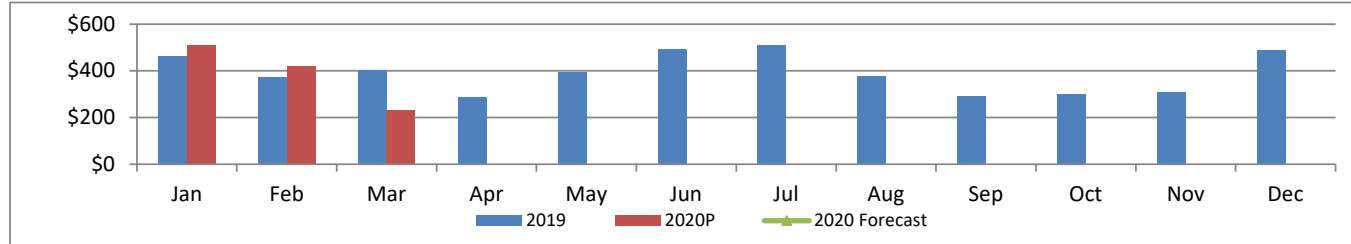
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

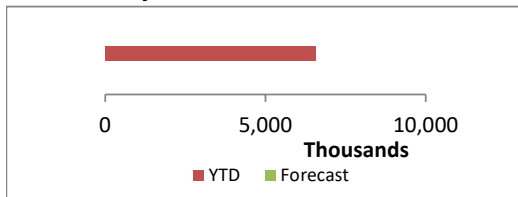


Monthly Visitor Expenditures (\$mil)

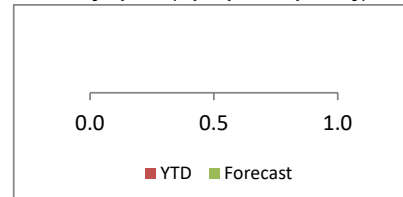


Annual Indicators

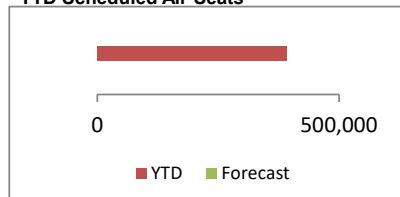
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

Hawai'i Tourism Authority Report Date: **Oct-20** Preliminary

Visitor Industry Performance Measures

Market: **CANADA**

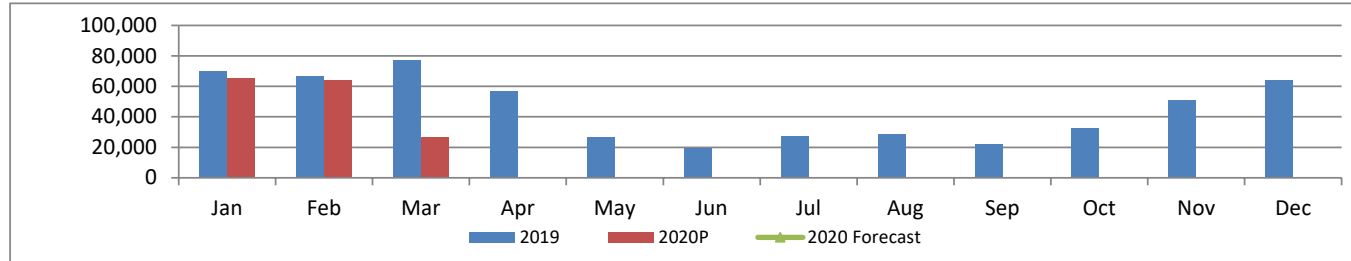
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A	O'ahu	-66.2%	61,951
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A	Maui	-67.5%	71,336
Visitor Days	N/A	-59.2%	2,096,320	N/A	Moloka'i	-73.1%	1,024
Arrivals	N/A	-63.2%	156,565	N/A	Lāna'i	-66.8%	1,556
Daily Census	N/A	-59.4%	6,873	N/A	Kaua'i	-62.8%	22,630
Airlift (scheduled seats)	N/A	-56.4%	164,881	N/A	Hawai'i Island	-52.3%	36,034

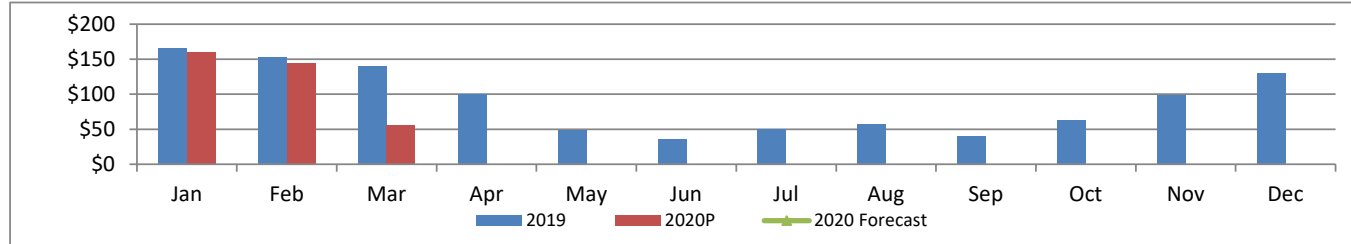
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

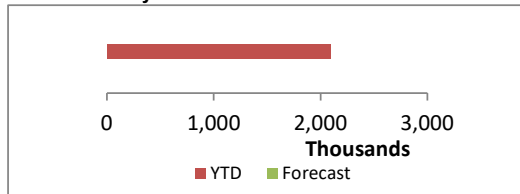


Monthly Visitor Expenditures (\$mil)

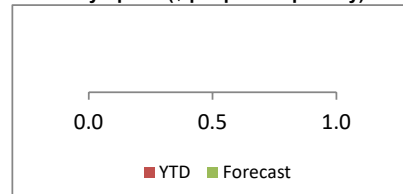


Annual Indicators

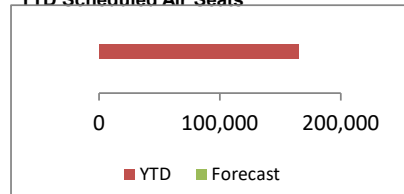
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

Hawai'i Tourism Authority Report Date: **Oct-20** *Preliminary*

Visitor Industry Performance Measures

Market: **JAPAN**

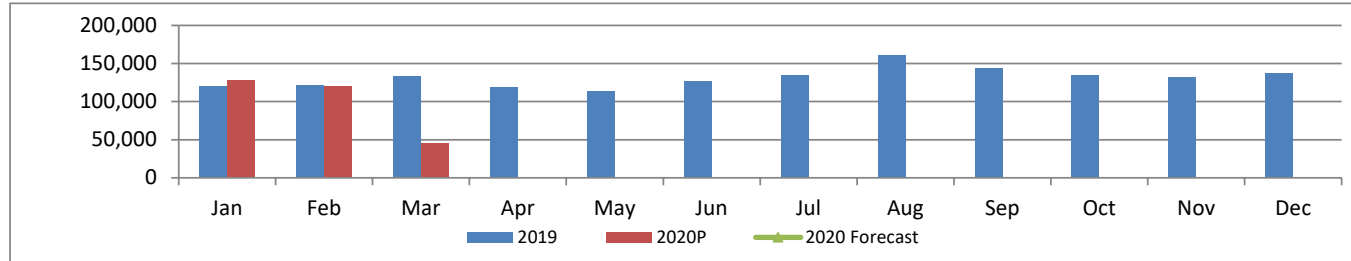
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A	O'ahu	-77.8%	275,064
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A	Maui	-79.9%	8,155
Visitor Days	N/A	-77.4%	1,749,845	N/A	Moloka'i	-72.4%	421
Arrivals	N/A	-77.5%	294,830	N/A	Lāna'i	-93.4%	133
Daily Census	N/A	-77.5%	5,737	N/A	Kaua'i	-82.7%	3,712
Airlift (scheduled seats)	N/A	-71.8%	469,256	N/A	Hawai'i Island	-74.3%	35,918

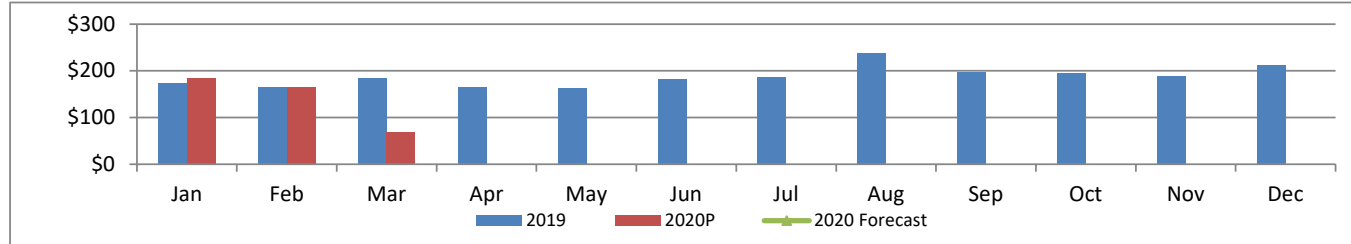
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

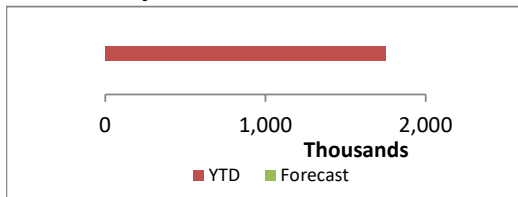


Monthly Visitor Expenditures (\$mil)

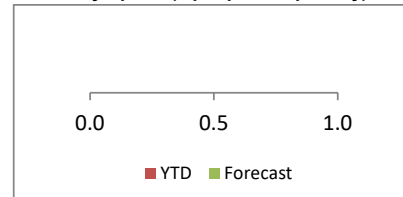


Annual Indicators

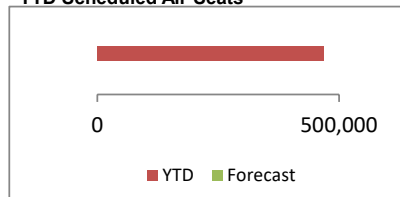
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

Hawai'i Tourism Authority Report Date: **Oct-20** *Preliminary*

Visitor Industry Performance Measures

Market: **CHINA**

Key Performance Indicators

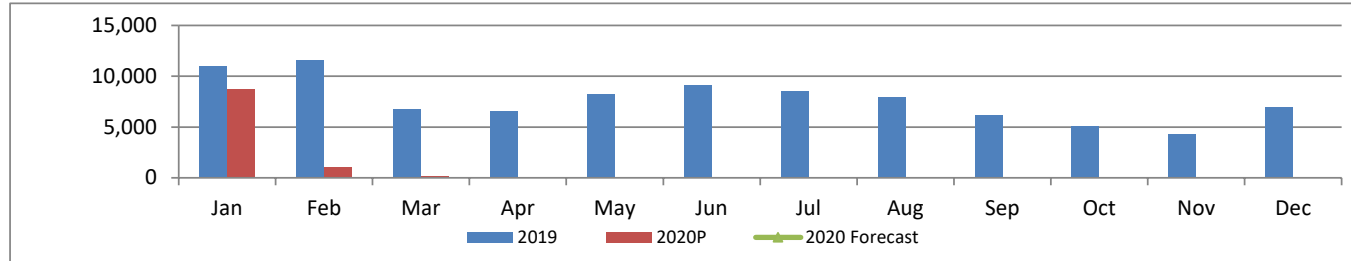
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-85.3%	95,024	N/A
Arrivals	N/A	-87.4%	10,160	N/A
Daily Census	N/A	-85.4%	312	N/A
Airlift (scheduled seats)	N/A	-91.9%	8,176	N/A

Arrivals	YOY Rate	YTD
O'ahu	-87.6%	9,671
Maui	-86.0%	2,424
Moloka'i	-88.0%	75
Lāna'i	-92.9%	56
Kaua'i	-80.6%	617
Hawai'i Island	-86.9%	3,940

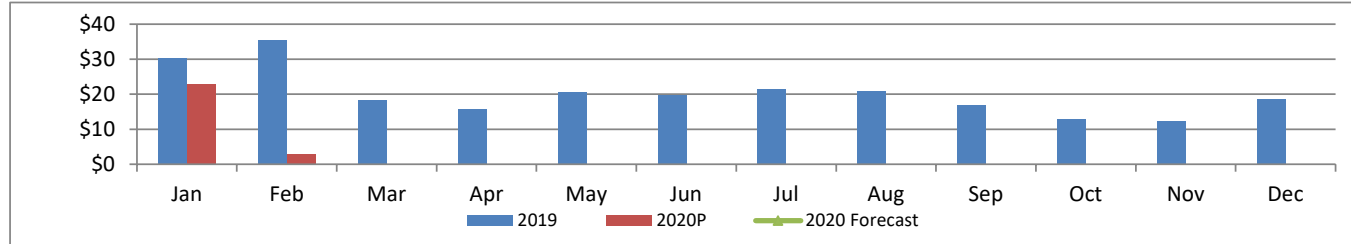
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

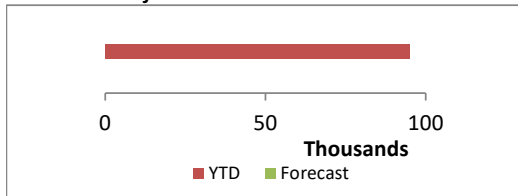


Monthly Visitor Expenditures (\$mil)

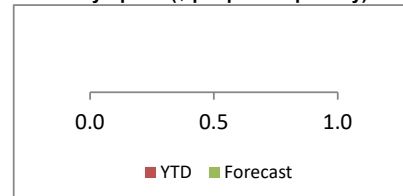


Annual Indicators

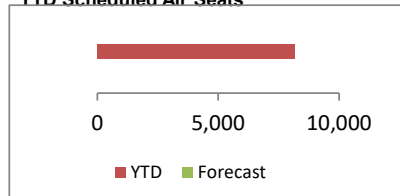
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

Hawai'i Tourism Authority Report Date: **Oct-20** *Preliminary*

Visitor Industry Performance Measures

Market: **KOREA**

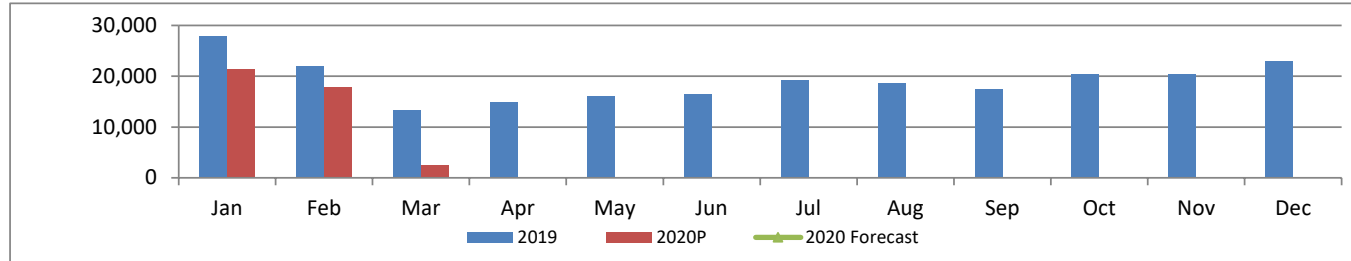
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A	O'ahu	-77.5%	41,225
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A	Maui	-82.7%	4,175
Visitor Days	N/A	-74.9%	361,162	N/A	Moloka'i	-91.7%	60
Arrivals	N/A	-77.5%	41,863	N/A	Lāna'i	-81.1%	94
Daily Census	N/A	-75.0%	1,184	N/A	Kaua'i	-79.0%	1,213
Airlift (scheduled seats)	N/A	-73.7%	71,175	N/A	Hawai'i Island	-71.6%	6,136

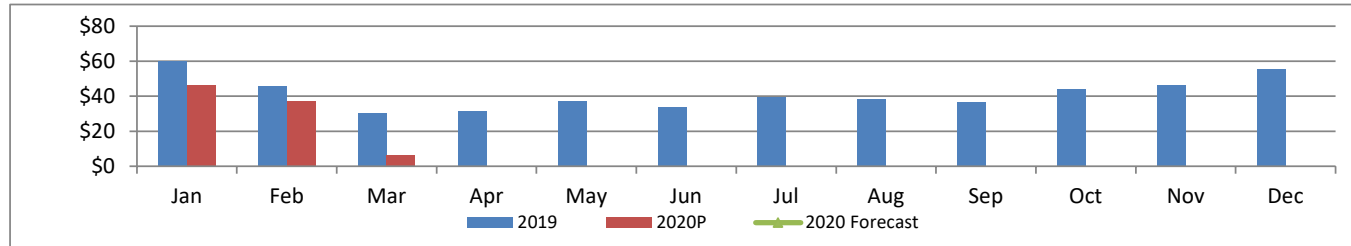
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

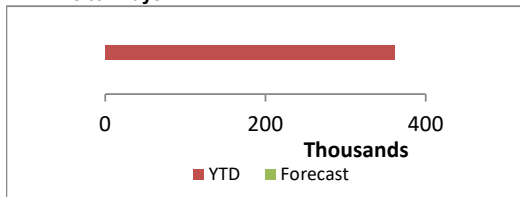


Monthly Visitor Expenditures (\$mil)

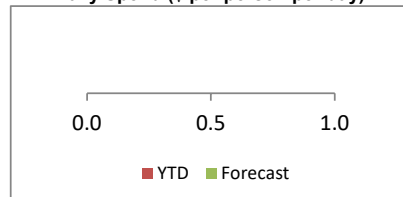


Annual Indicators

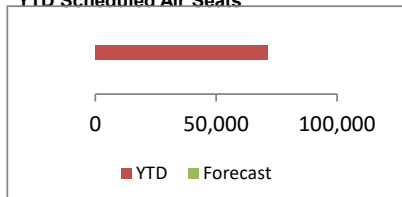
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

Hawai'i Tourism Authority Report Date: **Oct-20** *Preliminary*

Visitor Industry Performance Measures

Market: **TAIWAN**

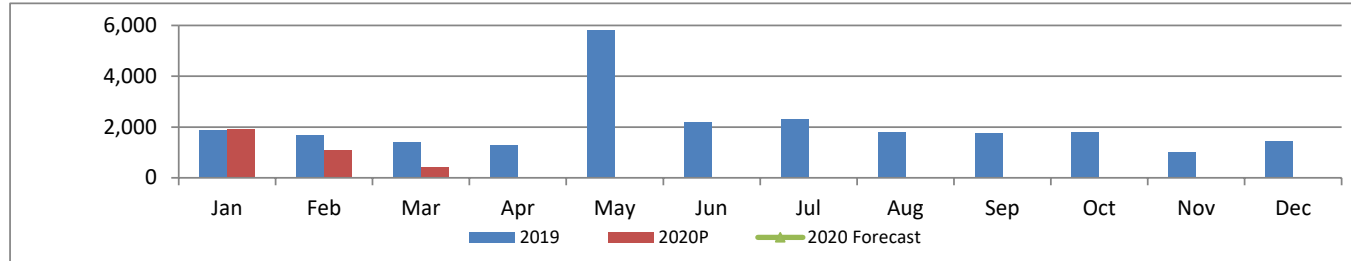
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A	O'ahu	-84.1%	3,391
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A	Maui	-83.4%	601
Visitor Days	N/A	-82.6%	34,402	N/A	Moloka'i	-28.1%	22
Arrivals	N/A	-84.0%	3,481	N/A	Lāna'i	-97.4%	3
Daily Census	N/A	-82.6%	113	N/A	Kaua'i	-82.6%	133
Airlift (scheduled seats)	N/A	-78.8%	7,344	N/A	Hawai'i Island	-76.6%	1,244

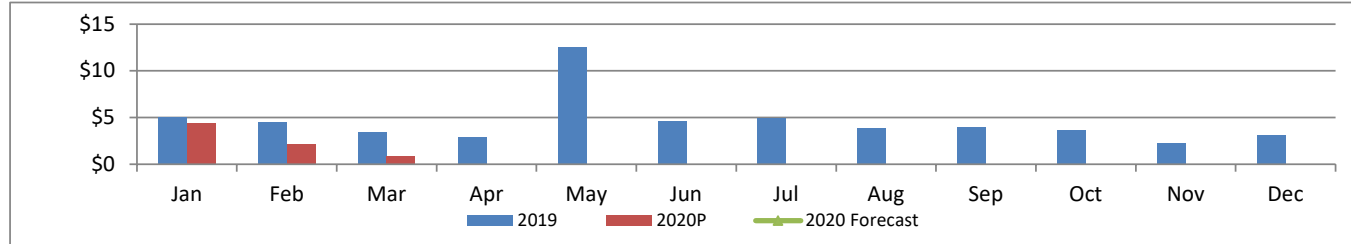
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

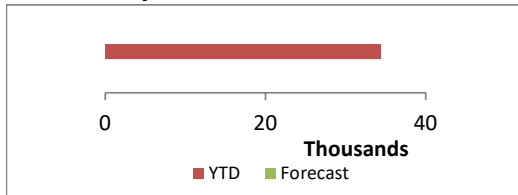


Monthly Visitor Expenditures (\$mil)

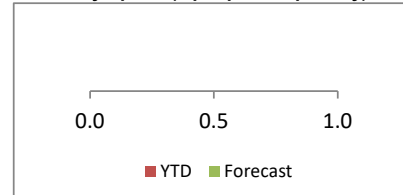


Annual Indicators

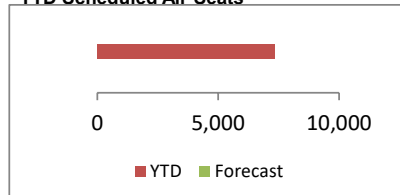
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

Hawai'i Tourism Authority Report Date: **Oct-20** *Preliminary*

Visitor Industry Performance Measures

Market: **OCEANIA**

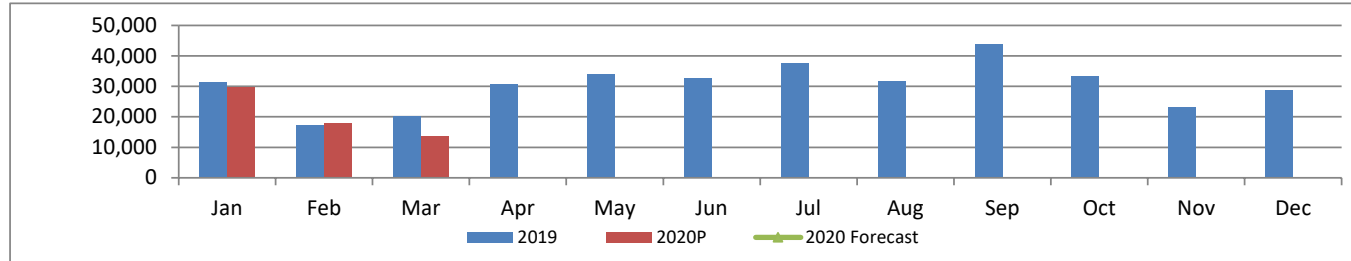
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A	O'ahu	-80.5%	59,647
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A	Maui	-83.8%	8,665
Visitor Days	N/A	-80.3%	574,833	N/A	Moloka'i	-80.1%	834
Arrivals	N/A	-80.4%	60,990	N/A	Lāna'i	-84.8%	849
Daily Census	N/A	-80.4%	1,885	N/A	Kaua'i	-82.1%	5,056
Airlift (scheduled seats)	N/A	-77.3%	95,737	N/A	Hawai'i Island	-81.0%	7,652

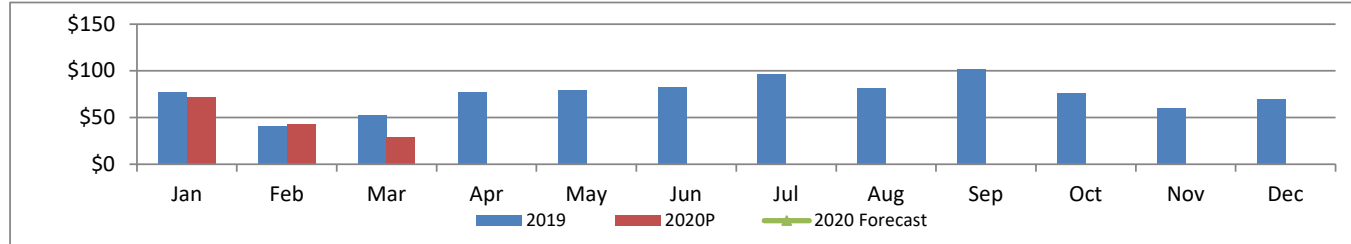
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

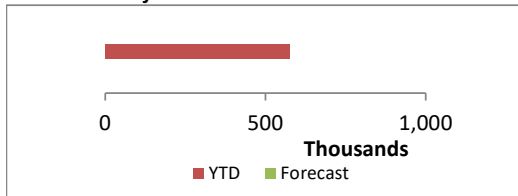


Monthly Visitor Expenditures (\$mil)

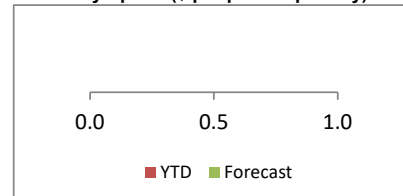


Annual Indicators

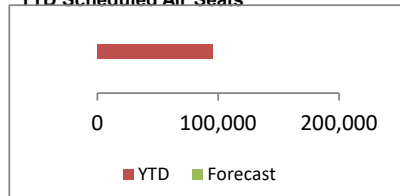
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

Hawai'i Tourism Authority Report Date: **Oct-20** *Preliminary*

Visitor Industry Performance Measures

Market: **EUROPE**

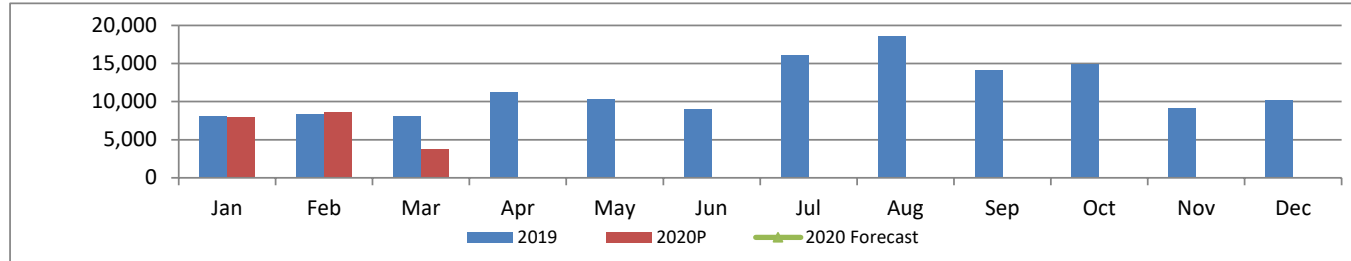
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A	O'ahu	-82.8%	15,023
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A	Maui	-84.1%	8,382
Visitor Days	N/A	-81.4%	283,486	N/A	Moloka'i	-75.8%	362
Arrivals	N/A	-82.4%	20,869	N/A	Lāna'i	-83.2%	249
Daily Census	N/A	-81.5%	929	N/A	Kaua'i	-83.6%	4,948
Airlift (scheduled seats)	N/A	N/A	N/A	N/A	Hawai'i Island	-82.5%	6,592

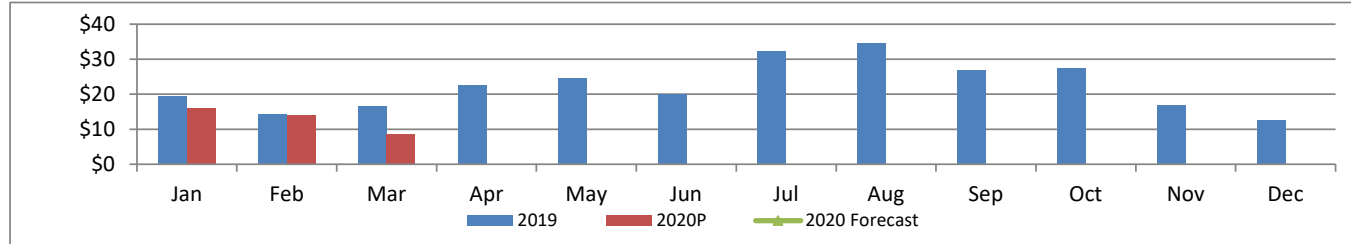
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

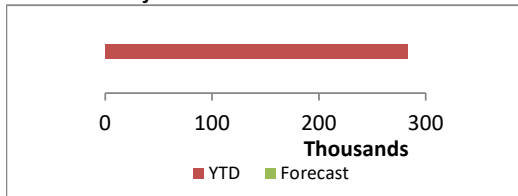


Monthly Visitor Expenditures (\$mil)

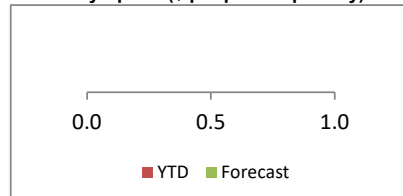


Annual Indicators

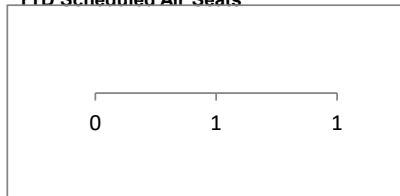
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

Hawai'i Tourism Authority Report Date: **Oct-20** *Preliminary*

Visitor Industry Performance Measures

Market: **LATIN AMERICA**

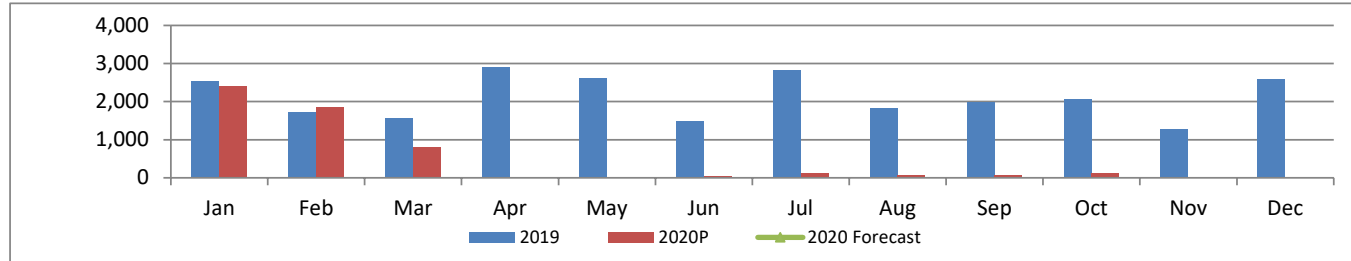
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A	O'ahu	-74.9%	4,053
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A	Maui	-76.0%	1,782
Visitor Days	N/A	-66.3%	76,243	N/A	Moloka'i	-90.9%	20
Arrivals	N/A	-74.5%	5,471	N/A	Lāna'i	-89.7%	51
Daily Census	N/A	-66.4%	250	N/A	Kaua'i	-79.3%	590
Airlift (scheduled seats)	N/A	N/A	N/A	N/A	Hawai'i Island	-80.4%	920

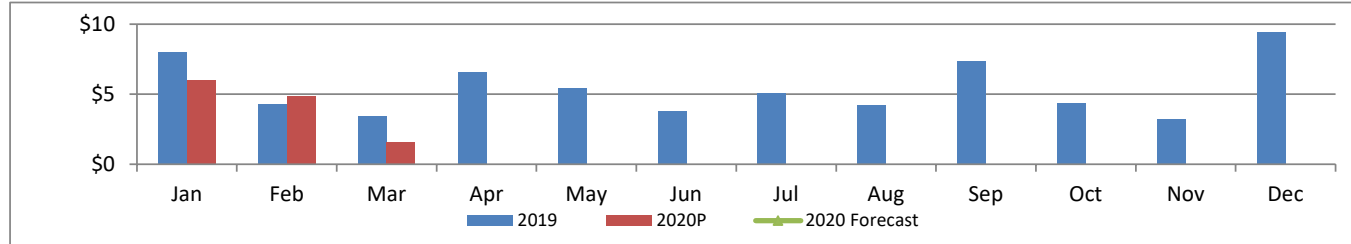
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

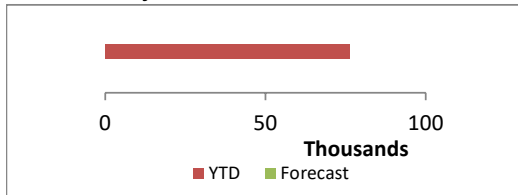


Monthly Visitor Expenditures (\$mil)

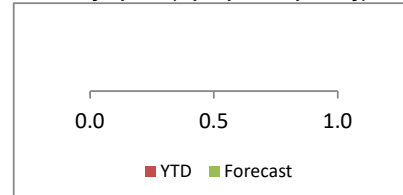


Annual Indicators

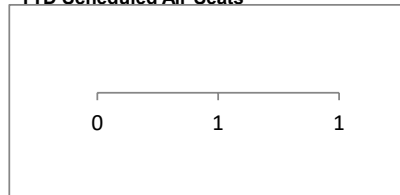
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA REGULAR BOARD MEETING

Hō‘ike ‘ikepili Noi‘i ‘oihana Ho‘omāka‘ika‘i

Presentation and Discussion of Current Market Insights and Conditions in Hawai‘i and Key Major Hawai‘i Tourism Markets, including the United States, Japan, Canada, Oceania, Other Asia, Europe, and Cruise

Jennifer Chun

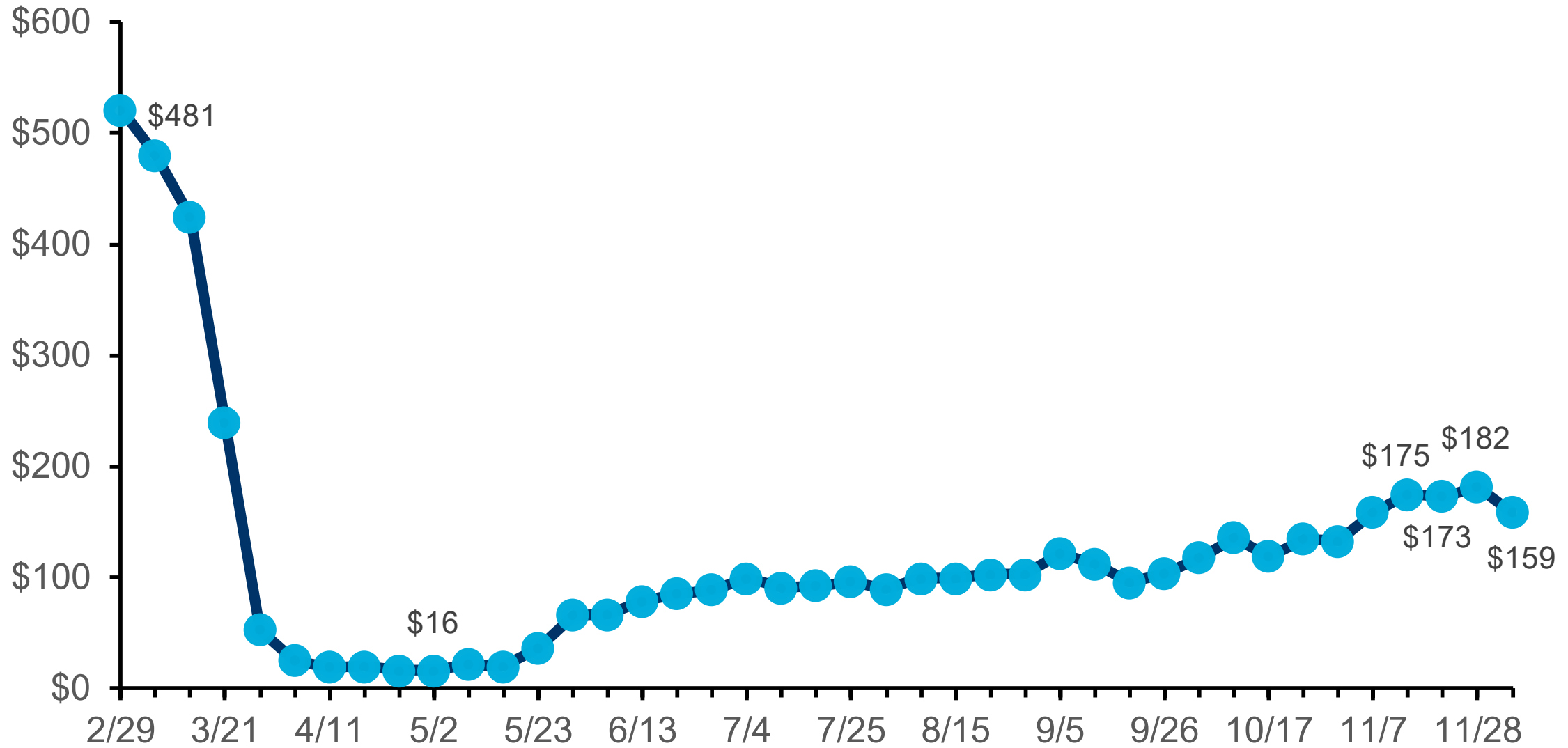
Director of Tourism Research



U.S. Travel COVID-19 Travel Industry Research

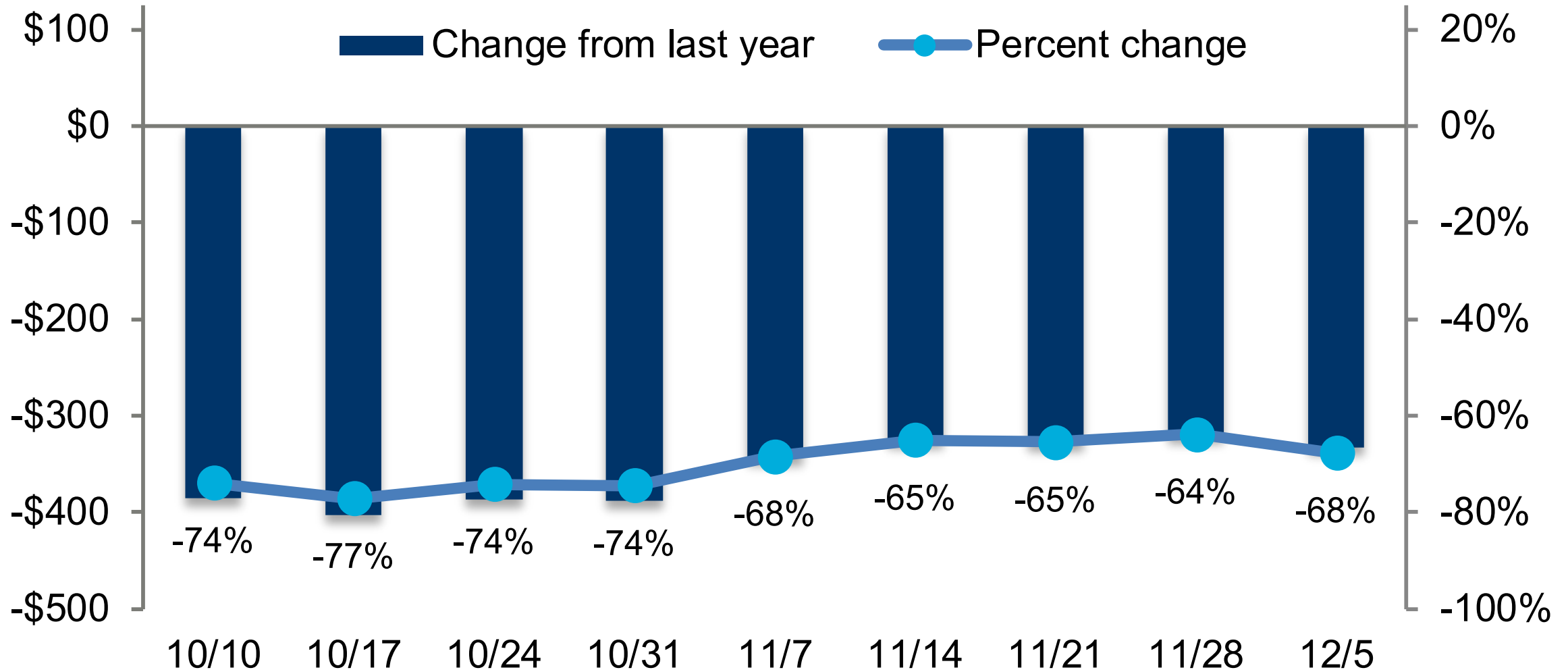
- HTA is a member of the U.S. Travel Association. The U.S. Travel Association is the national, non-profit organization representing all components of the travel industry
- COVID-19 Research
 - Analysis by Tourism Economics shows a week-by-week outlook on travel spending in the U.S.
 - The report is updated every Friday.
 - <https://www.ustravel.org/toolkit/covid-19-travel-industry-research>

Hawai'i Weekly Travel Spending (\$millions)



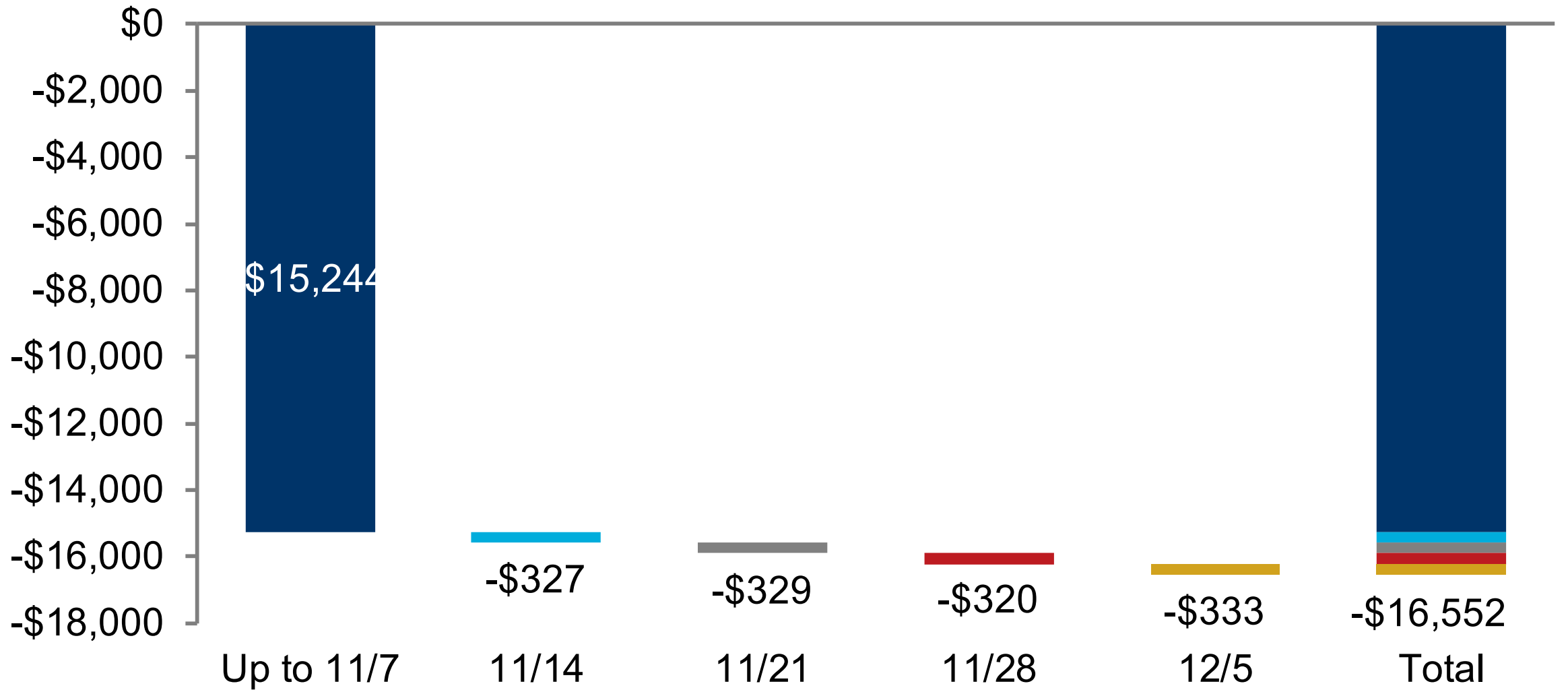
Source: Tourism Economics, as of December 5, 2020

Hawai'i Weekly Travel Spending



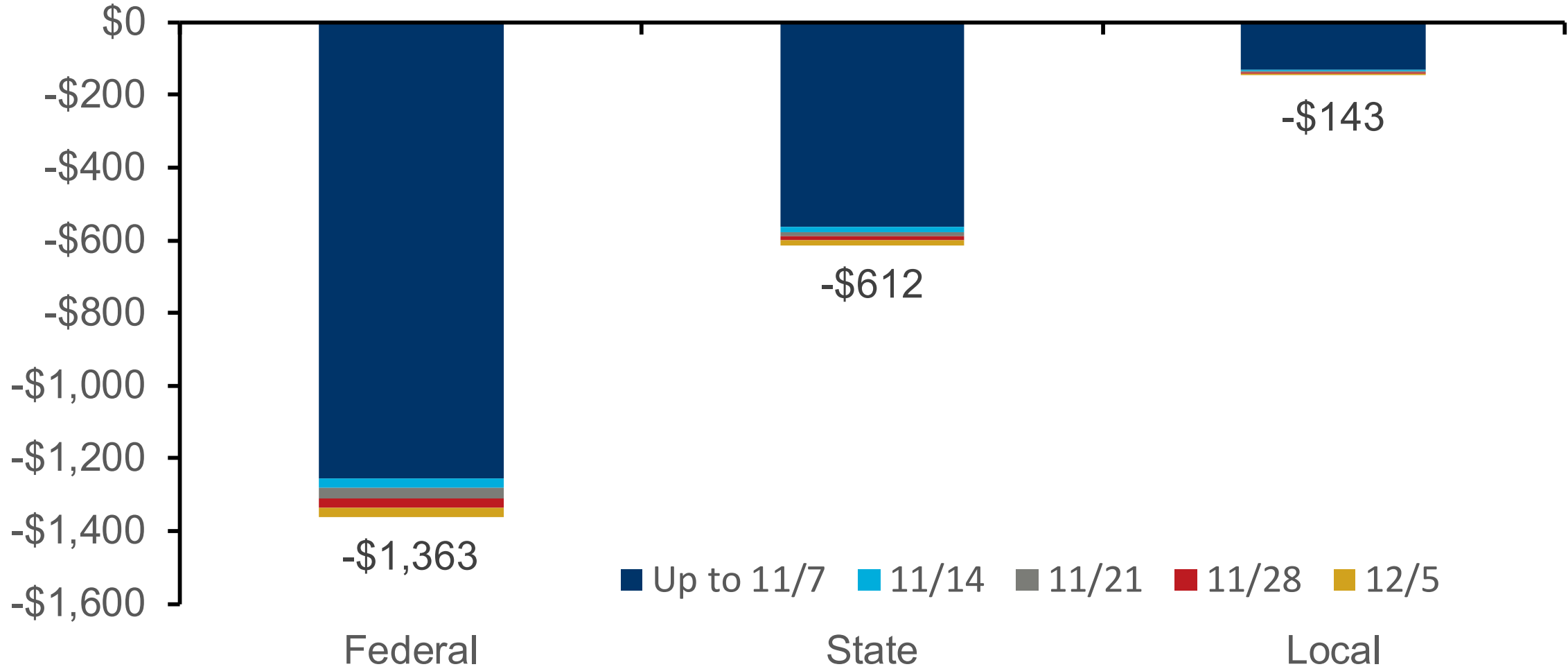
Source: Tourism Economics, as of December 5, 2020

Hawai'i Weekly Travel Spending Losses (\$millions)



Source: Tourism Economics, as of December 5, 2020

Hawai'i Tax Revenue Losses on Travel Spending



Source: Tourism Economics, as of December 5, 2020

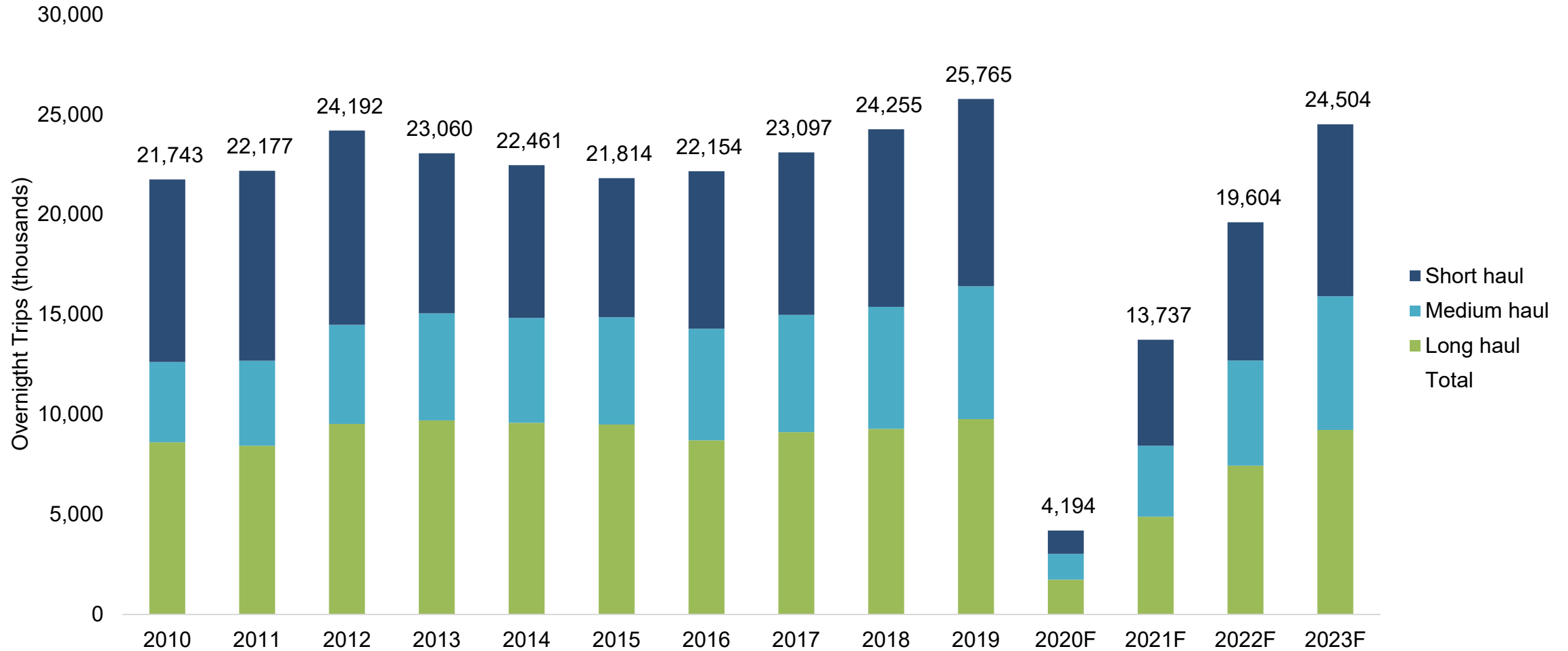
Global Travel Service

- HTA subscribes to Tourism Economic's Global Travel Service (GTS)
- GTS is the most comprehensive dataset of its kind, allowing clients to quickly analyze market trends and the outlook for travel and the economy around the world
- Includes 25 years of historical data and forecasts from Oxford Economics

Abbreviation	Source
IMF	International Monetary Fund
NSO	National Statistical Office or Central Bank
OECD	Organization for Economic Co-operation and Development
UNWTO	United Nations World Tourism Organization
NTO	National Tourism Office
WEF	World Economic Forum
Other	Regional tourism association (CTO, ETC, TourMIS) or GTS client

Japan

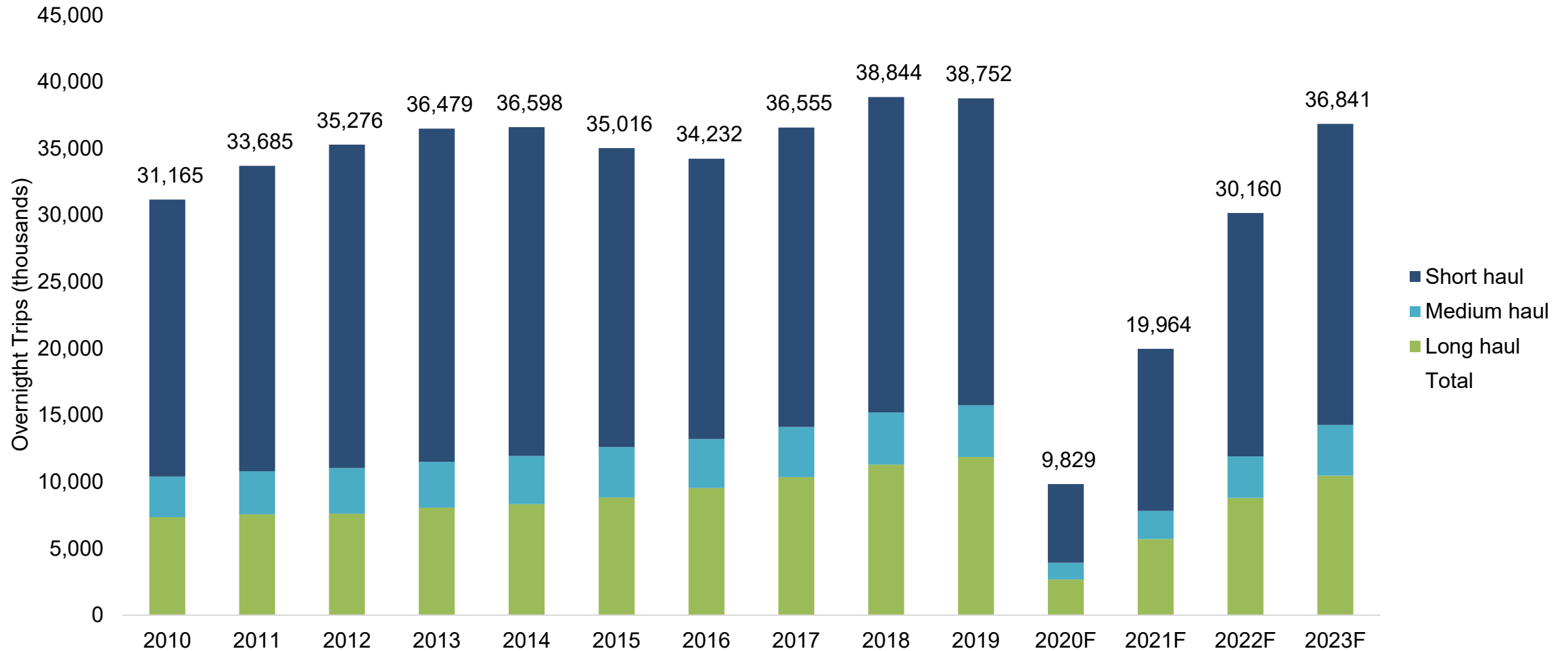
Long Haul, Medium Haul, and Short Haul Overnight International Trips



Source: Oxford Economics, as of December 7, 2020

Canada

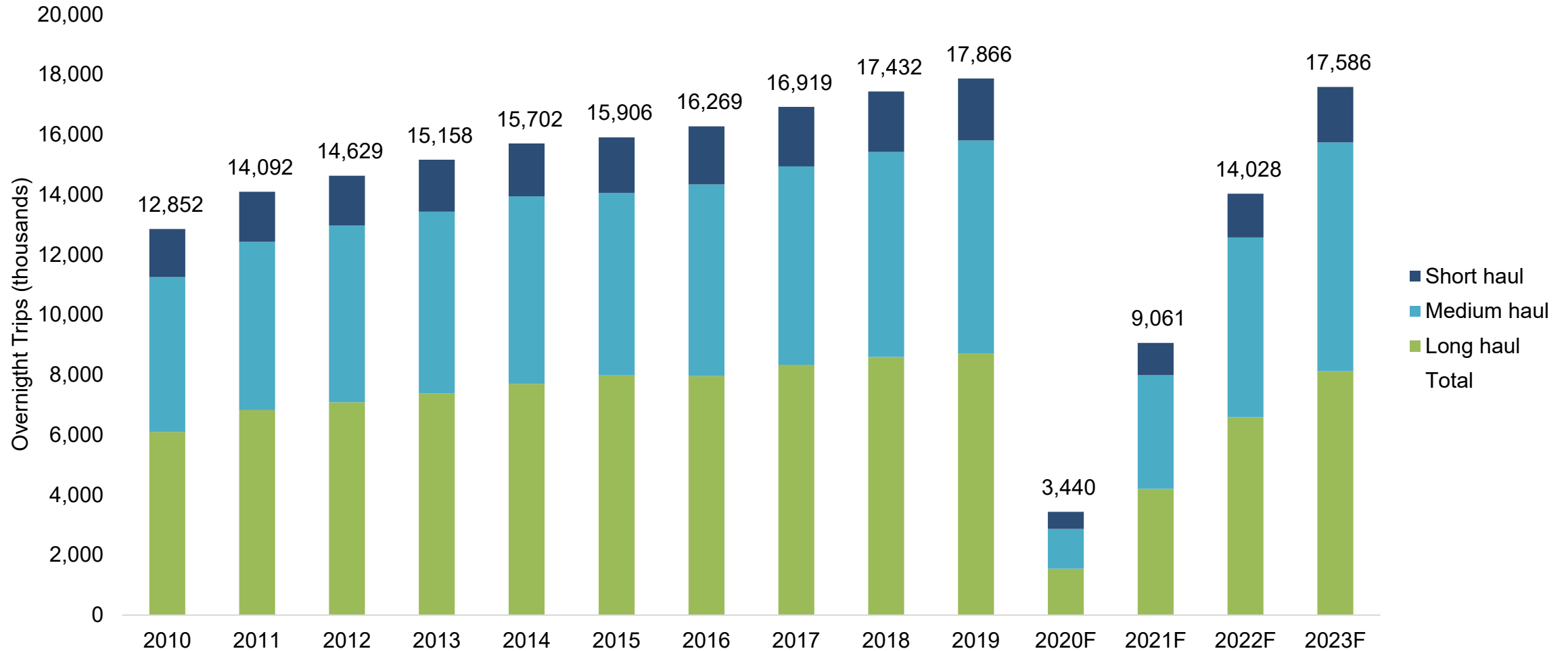
Long Haul, Medium Haul, and Short Haul Overnight International Trips



Source: Oxford Economics, as of December 7, 2020

Australia

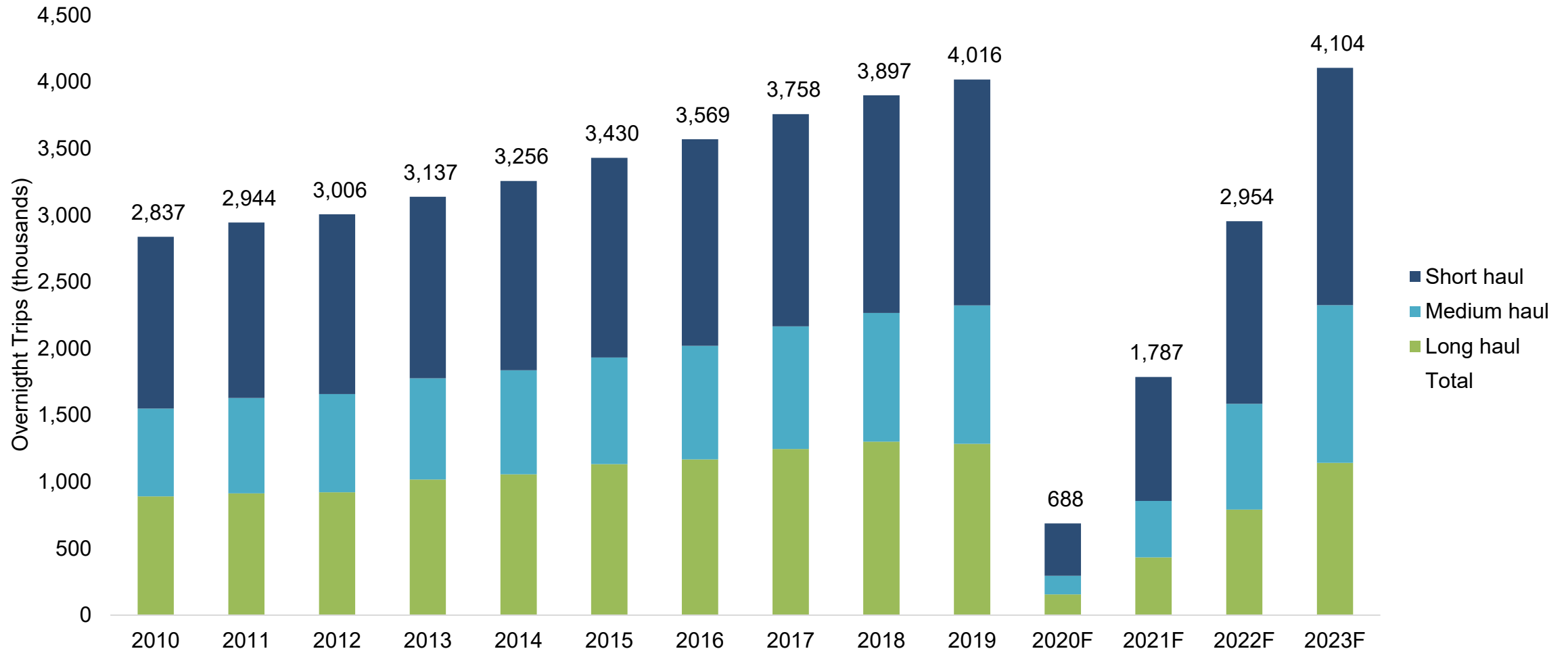
Long Haul, Medium Haul, and Short Haul Overnight International Trips



Source: Oxford Economics, as of December 7, 2020

New Zealand

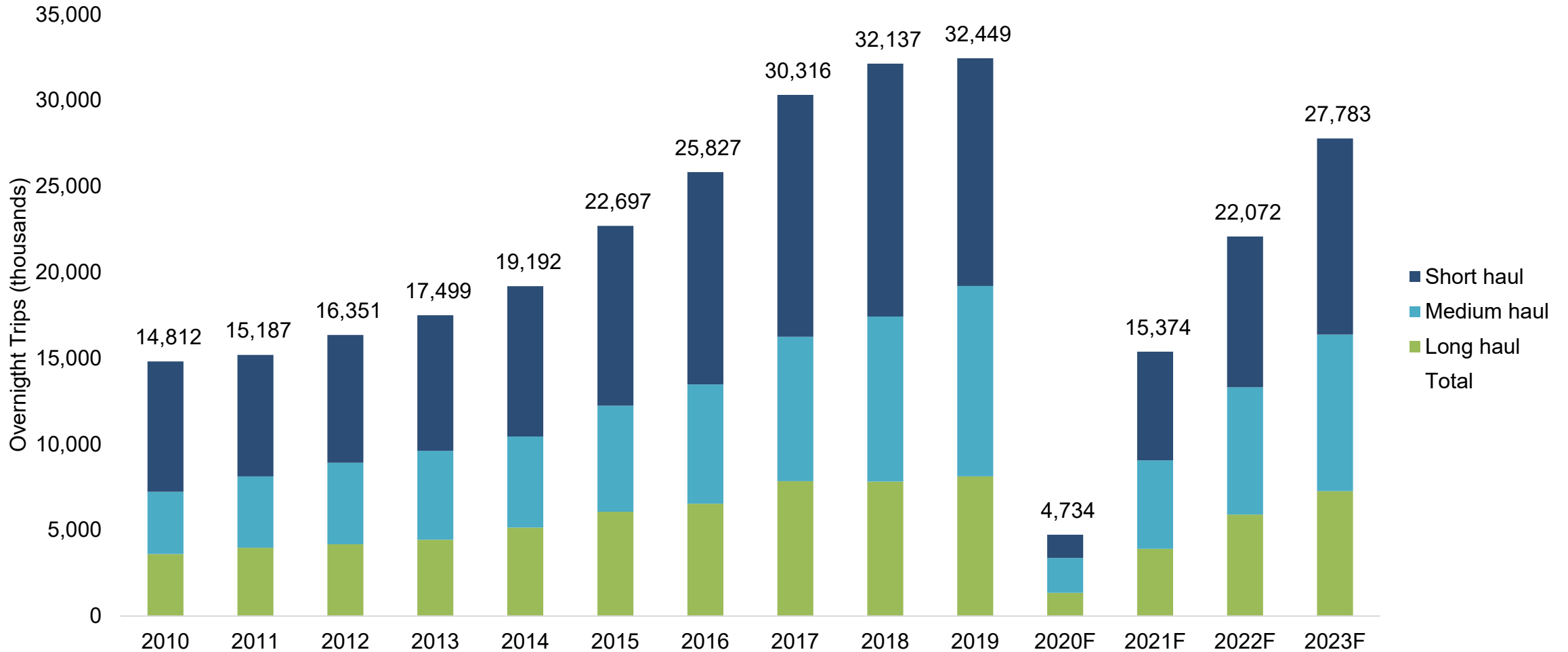
Long Haul, Medium Haul, and Short Haul Overnight International Trips



Source: Oxford Economics, as of December 7, 2020

Korea

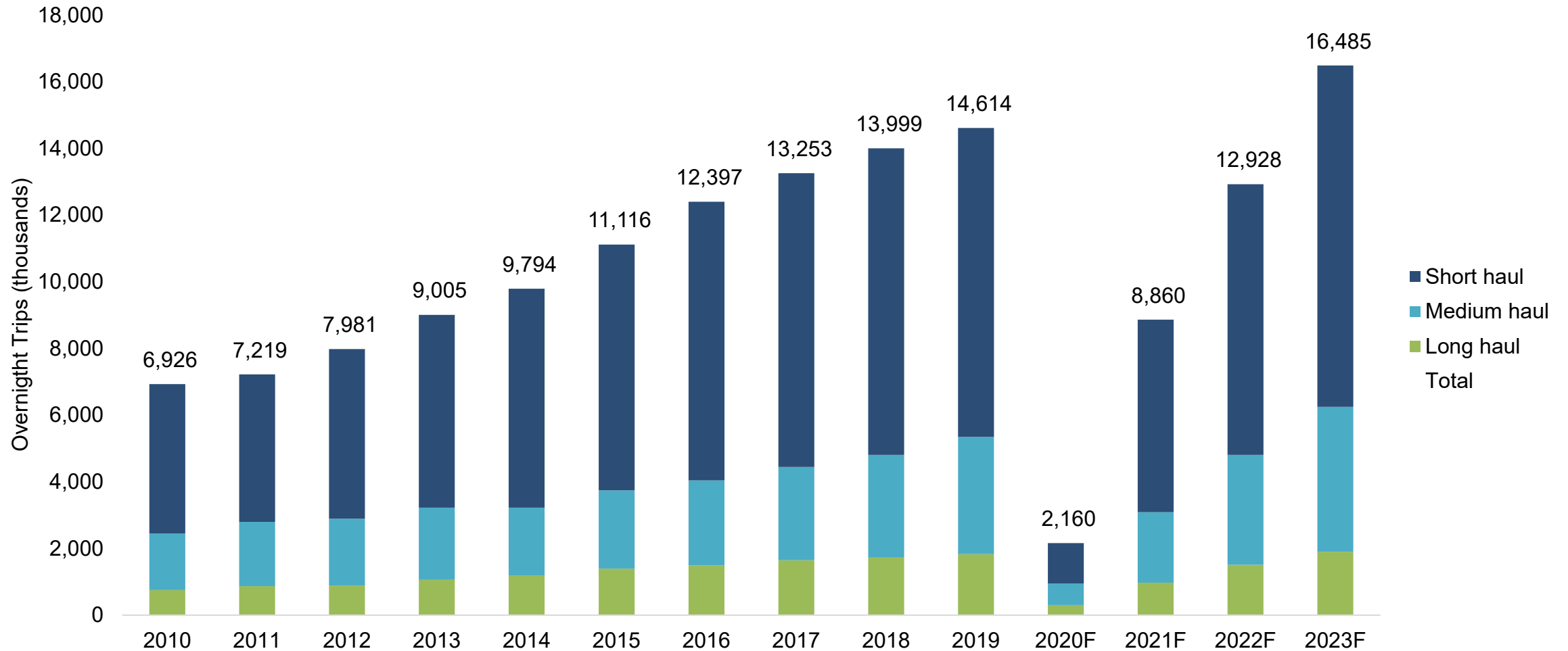
Long Haul, Medium Haul, and Short Haul Overnight International Trips



Source: Oxford Economics, as of December 7, 2020

Taiwan

Long Haul, Medium Haul, and Short Haul Overnight International Trips



Source: Oxford Economics, as of December 7, 2020

7

Presentation by the Omnitrak Group of the Resident
Sentiment Survey Results



HTA Resident Sentiment Survey 2020 Highlights



Prepared for the:
Hawai'i Tourism Authority: Project #5745
December 2020



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Research Objectives

- Resident sentiment toward Hawai'i's visitor industry is vital to maintaining Responsible and Regenerative Growth in the industry and in the state's economy overall.
- The Resident Sentiment Survey (RSS) has been conducted 16 times since 1999, and the current survey was conducted by Omnitrak Group, Inc. The primary objectives of the RSS research are:
 - To track **key resident attitudes** toward tourism in Hawai'i over time.
 - To identify perceived **positive and negative impacts** of the visitor industry on local residents.
 - To identify for the visitor industry and HTA, **issues or concerns** regarding tourism expressed by residents.
 - To explore resident perceptions of the **impact of the COVID-19 pandemic** and re-opening Hawai'i to outside tourism.

Statistical Analysis – Within the reports' graphs and tables, a box or shaded area shows a statistically significant difference across columns (e.g. islands or attributes) in the same year at the 95% level of confidence.

An arrow ↑ or ↓ indicates a statistically significant difference when ratings are compared across years at the 95% confidence level.

Sample Plan and Methodology

Sample Plan

OmniTrak used a region-based stratified sampling for the study, the same approach used in earlier Resident Sentiment survey efforts conducted by OmniTrak. The sampling plan divided the State into 12 sub-regions with consideration to population proportion, and allocated sufficient sample for each area to achieve an acceptable sampling error. Within each region, data was collected randomly. The resulting sample of residents was weighted proportionate to population distribution of per the latest State Census from the state Department of Business, Economic Development and Tourism. The sample includes both landline (30%) and cellular (22%) phones; and an online component (48%)

Statewide sampling produced a total of **n = 1,709** respondents as follows:

- O'ahu: 670
- Hawai'i Island: 460
- Maui County: 378
- Kaua'i: 201

Methodology

- A mixed methodology used was for this survey, including a combination of Computer Assisted Telephone Interview (CATI) and online surveys. Just over half (52%) respondents completed the survey via telephone and the remainder (48%) completed the online survey.
- All calls were placed from OmniTrak's continuously quality-controlled calling center in the Davies Pacific Center building in Downtown Honolulu.
- Field Dates:
September 16 through October 25, 2020

What's the Big Idea?

1

Resident sentiment toward Hawai'i's visitor industry has weakened in 2020 due to an unparalleled major shock from the COVID-19 pandemic in which residents associate the visitor industry with increased health risks. Overtourism concerns also linger.

2

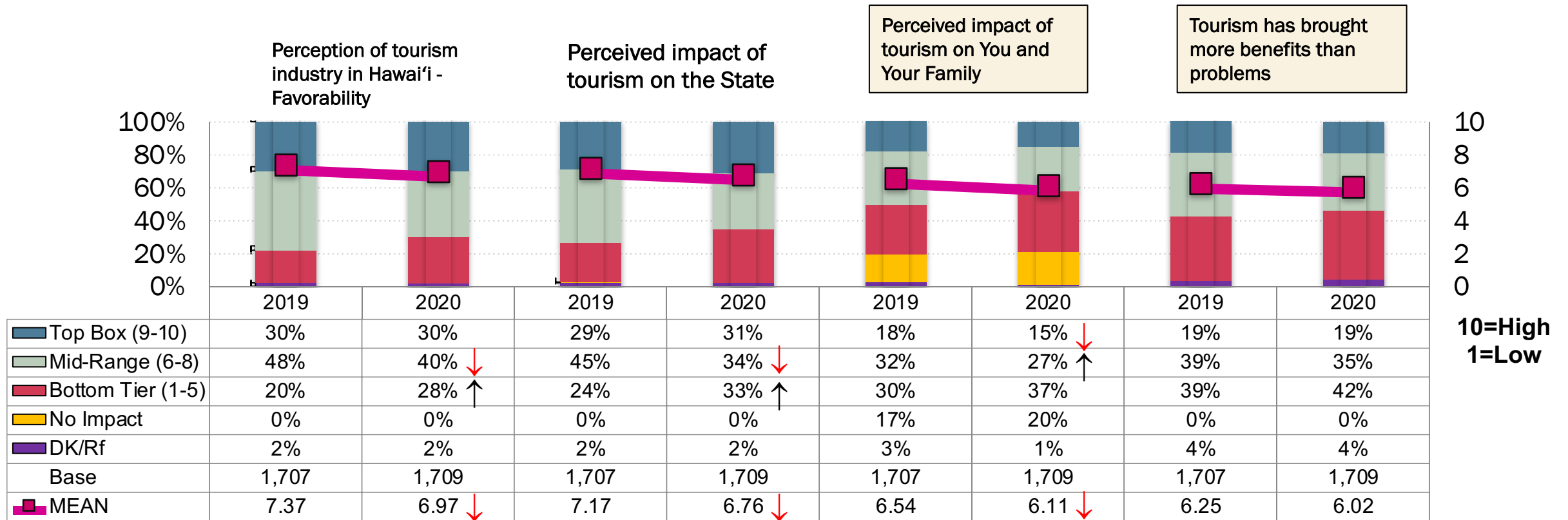
As a result, residents are largely hesitant to re-open Hawai'i to outside tourism and promoting/encouraging travel to the state at this time.

3

To improve resident sentiment – a key part of regenerative growth for the state's visitor industry:

- Economic/Social benefits
- Cultural/Community benefits
- Address negative impacts of tourism (traffic, cost of living)
- NEW: Responsible Re-opening & Quarantine enforcement

Key Resident Sentiment Indicators



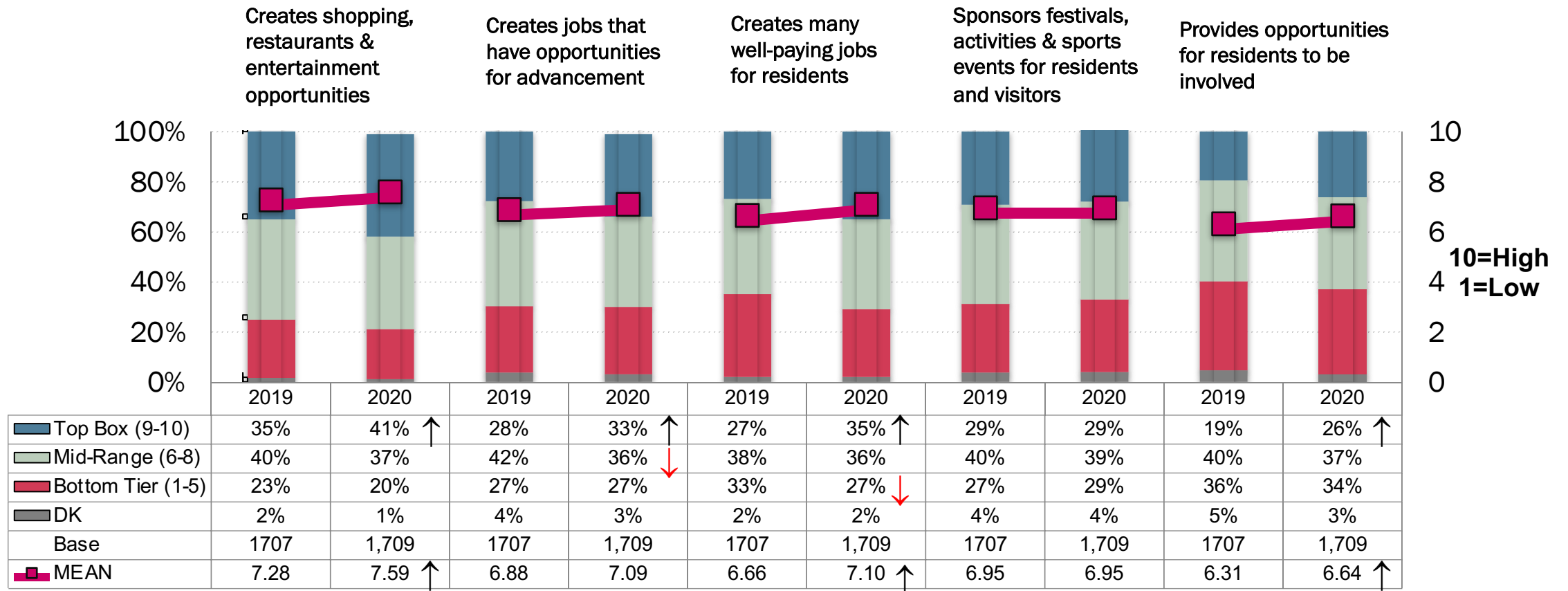
Q1. Using a 10-point scale where 10 means Extremely Favorable and 1 means Not Favorable at All, please give me your opinion of tourism as an industry in Hawai'i.

Q2a/b. Using a 10-point scale where 10 means Extremely Positive and 1 means Extremely Negative, how would you rate the overall impact tourism has on...The State as a whole/You and Your Family?

Q.4.1 Using a 10-point scale where 10 means Completely Agree and 1 means Do Not Agree at All, how much do you agree or disagree that... Tourism has brought more benefits than problems?

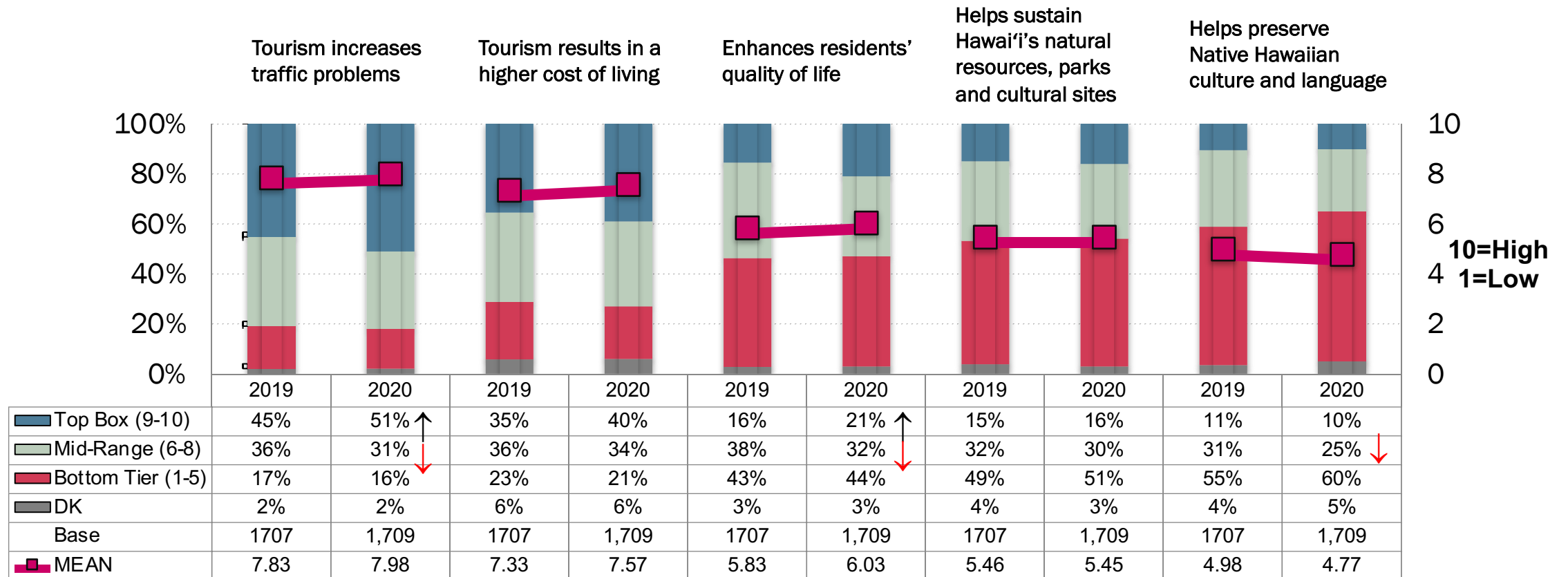
10=High
1=Low

Impact of Hawai'i Tourism



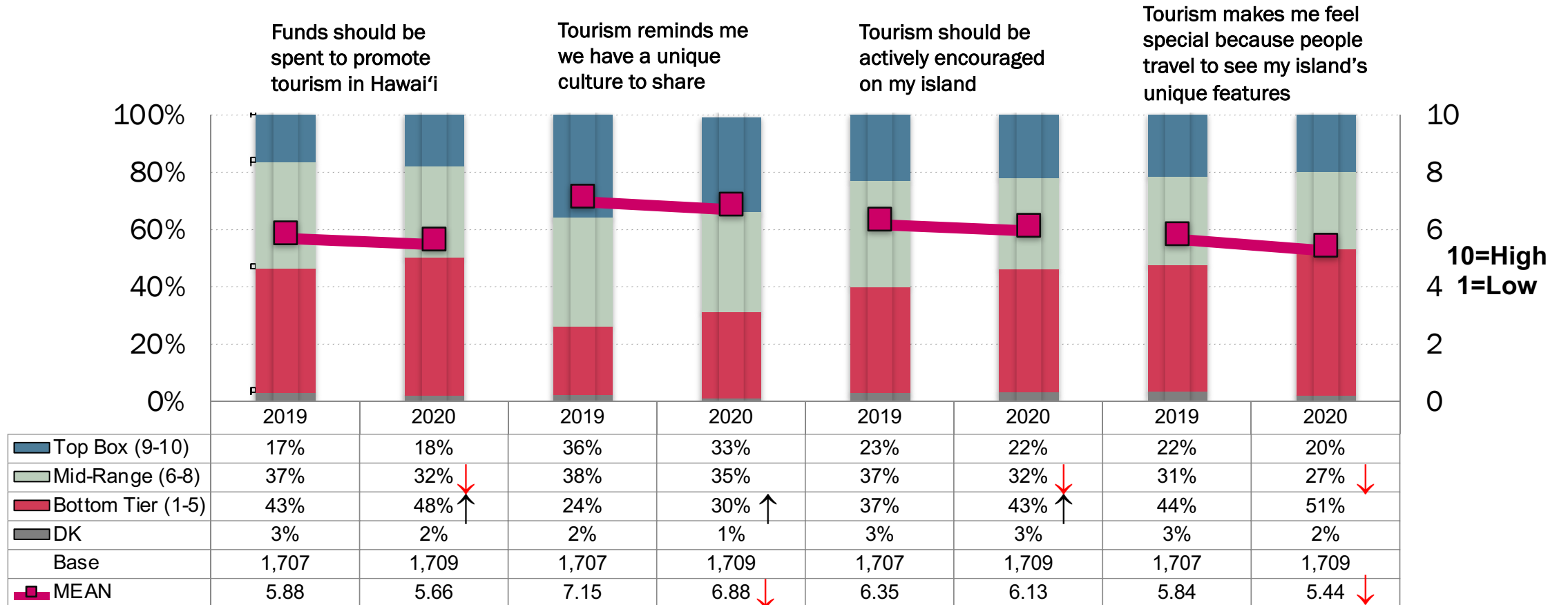
Q3. I'm going to read you some ways tourism may affect your island, please tell me how much you agree or disagree with each statement using a scale of 1 to 10 with 10 being Completely Agree and 1 being Do Not Agree At All?

Impact of Hawai'i Tourism



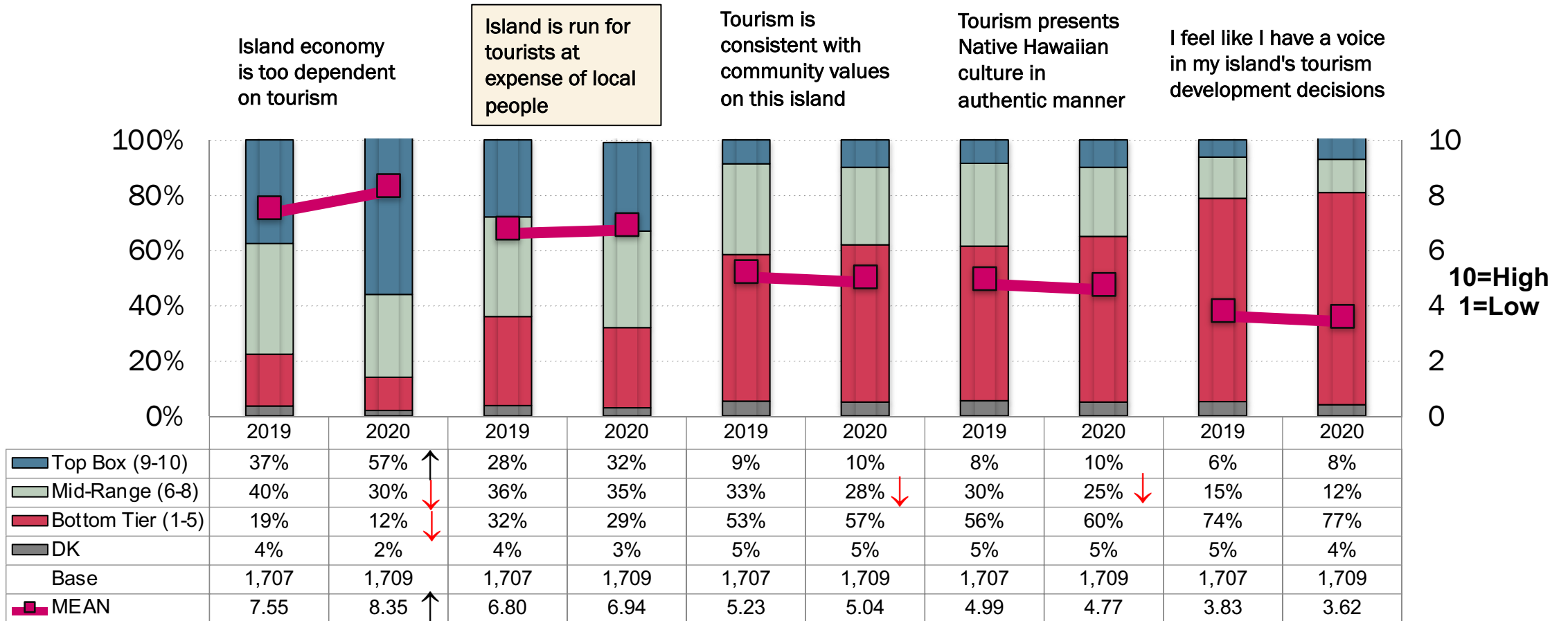
Q3 & Q4. I'm going to read you some ways tourism may affect your island, please tell me how much you agree or disagree with each statement using a scale of 1 to 10 with 10 being Completely Agree and 1 being Do Not Agree At All?

General Perceptions



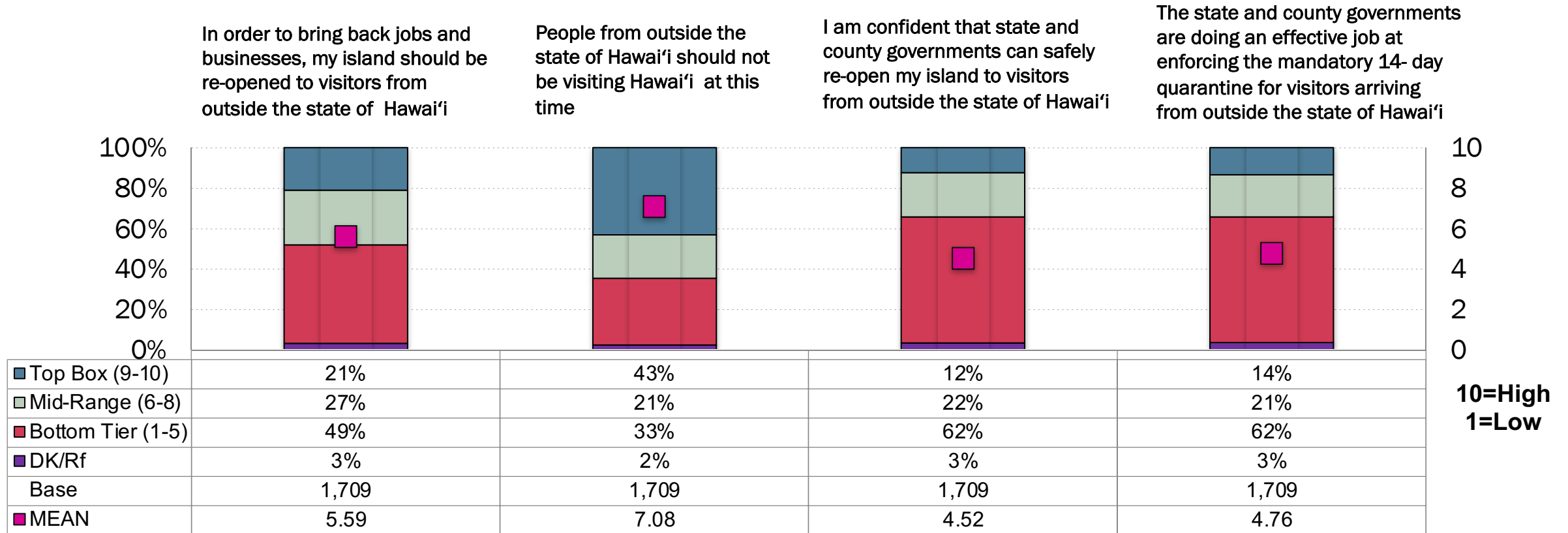
Q4. Using a 10-point scale where 10 means Completely Agree and 1 means Do Not Agree at All, how much do you agree or disagree that ...

General Perceptions



Q4. Using a 10-point scale where 10 means Completely Agree and 1 means Do Not Agree at All, how much do you agree or disagree that ...

Resident Sentiment Towards Re-Opening Hawai'i to Tourism

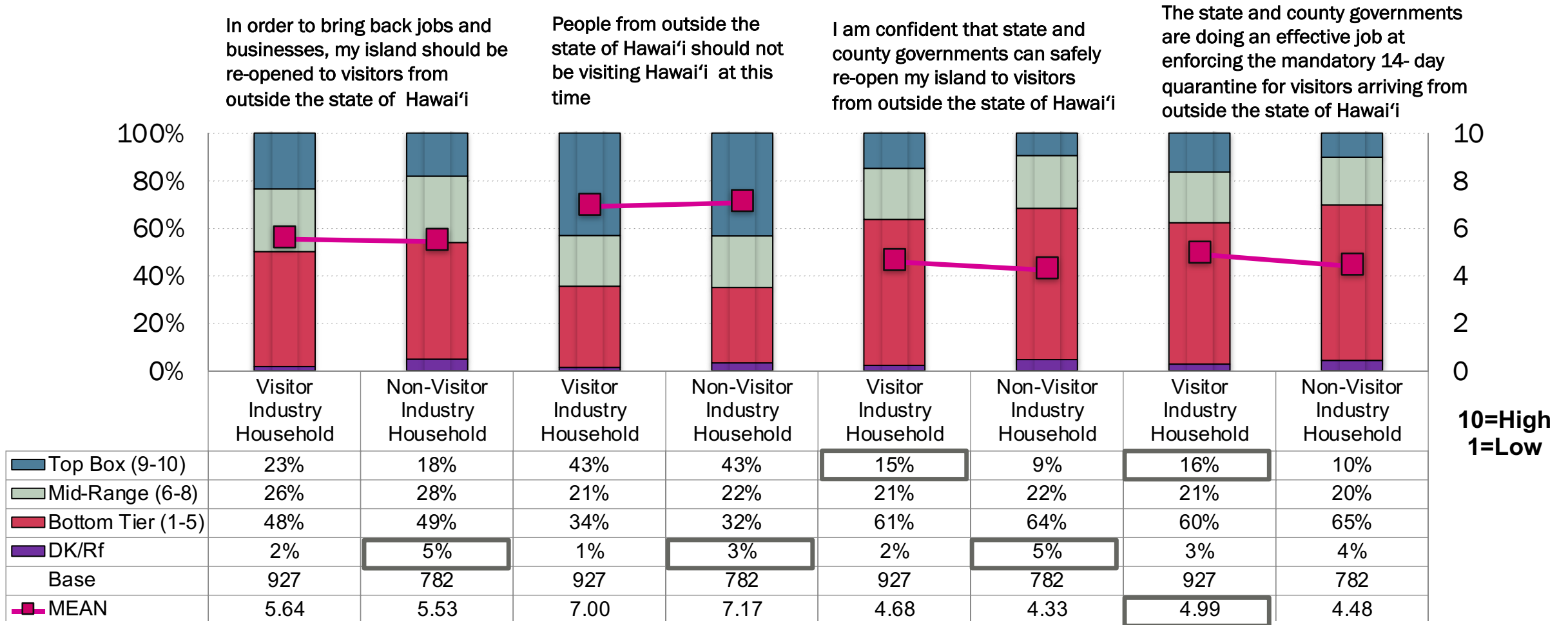


Q6. Still using a 10-point scale where 10 means Completely Agree and 1 means Do Not Agree at All, do you agree or disagree that ... [INSERT].

Source: HTA 2020 Resident Sentiment Study, fielded September 16 through October 25, 2020.

Resident Sentiment Towards Re-Opening Hawai'i to Tourism

By Visitor Industry Household vs Non-Visitor Industry Household

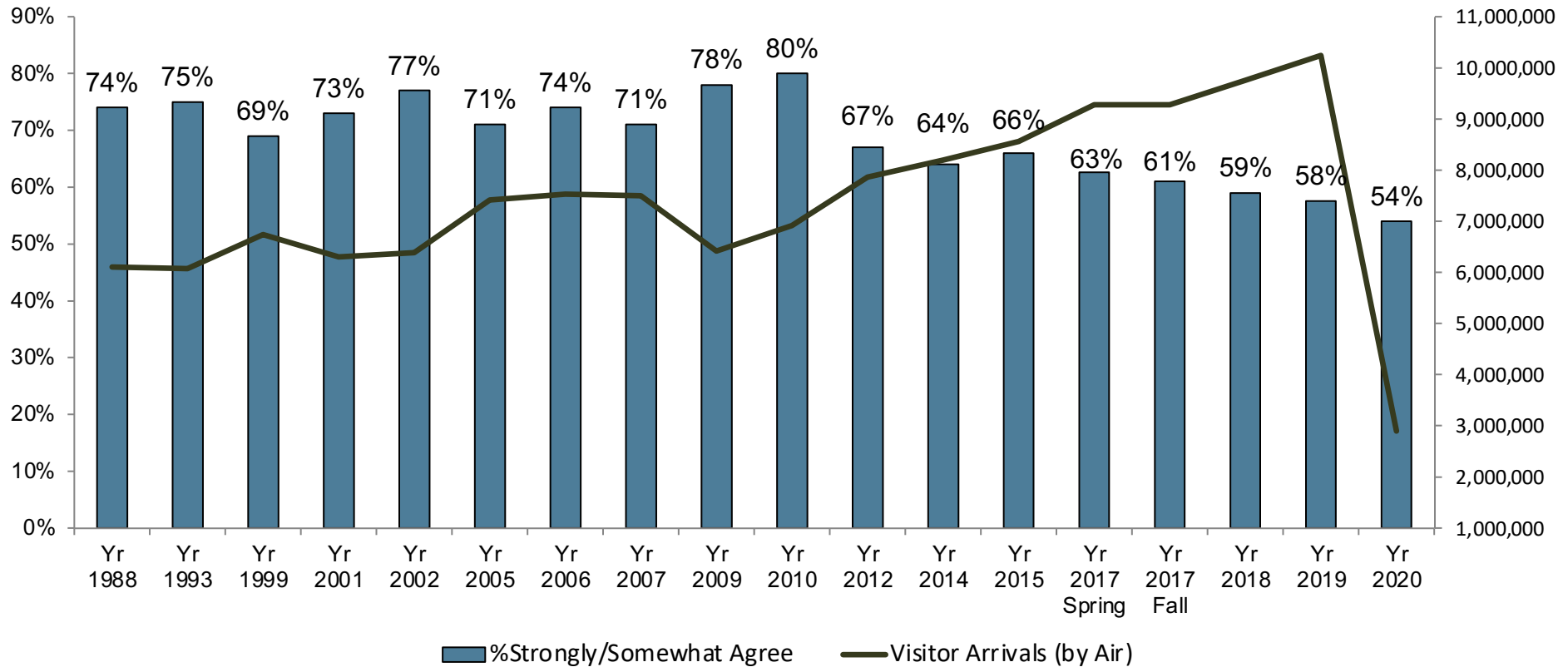


Q6. Still using a 10-point scale where 10 means Completely Agree and 1 means Do Not Agree at All, do you agree or disagree that ... [INSERT].
Source: HTA 2020 Resident Sentiment Study, fielded September 16 through October 25, 2020.

“Tourism has brought more benefits than problems”

% strongly/ somewhat agree tourism has brought more benefits than problems
(Rating of 6-to-10 on 10 Point Scale)

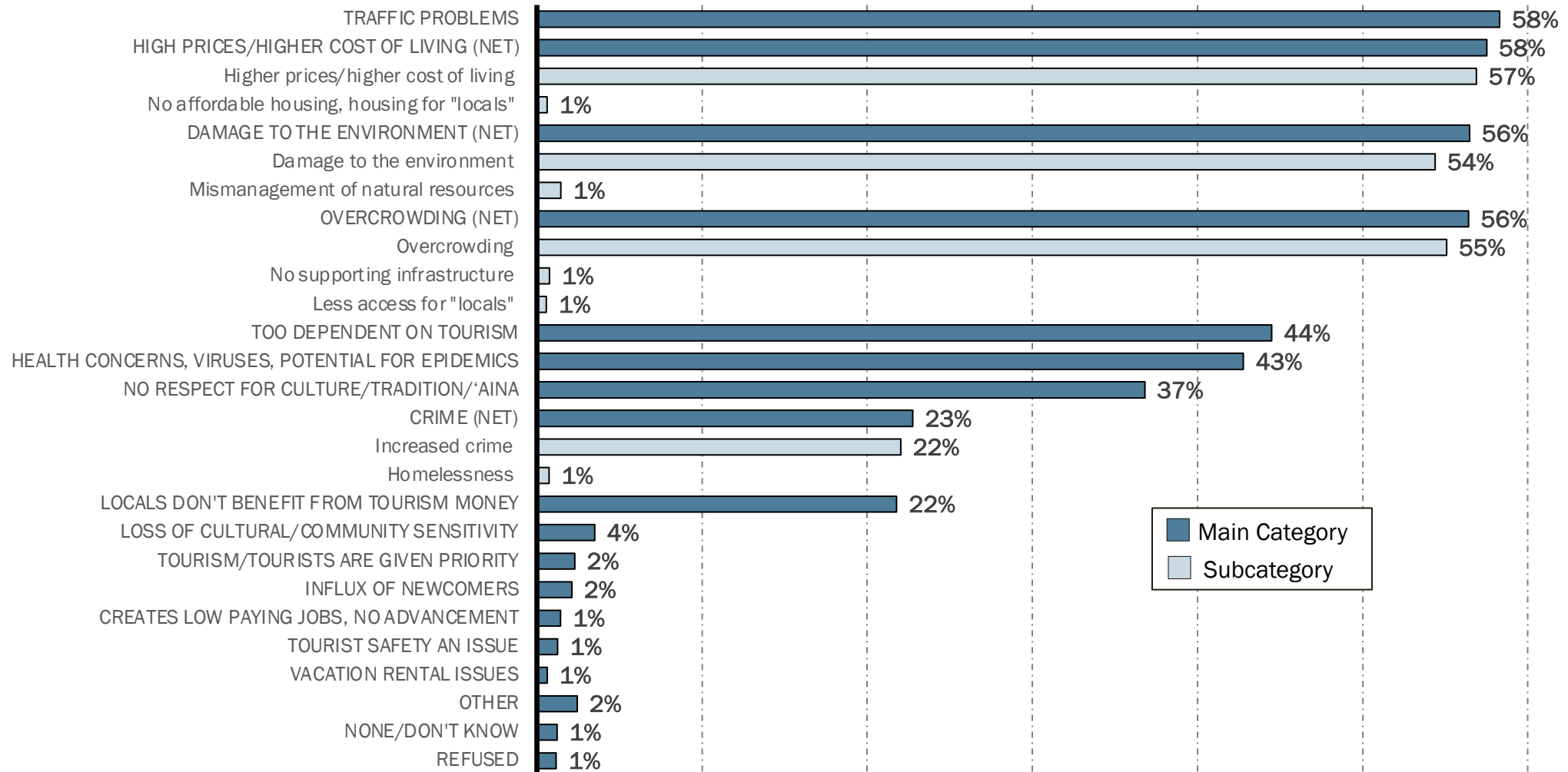
Annual Visitor Arrivals



Q4.1. Using a 10-point scale where 10 means Completely Agree and 1 means Do Not Agree at All, how much do you agree or disagree that...?

Problems Created by Tourism in Hawai'i (2020 only)

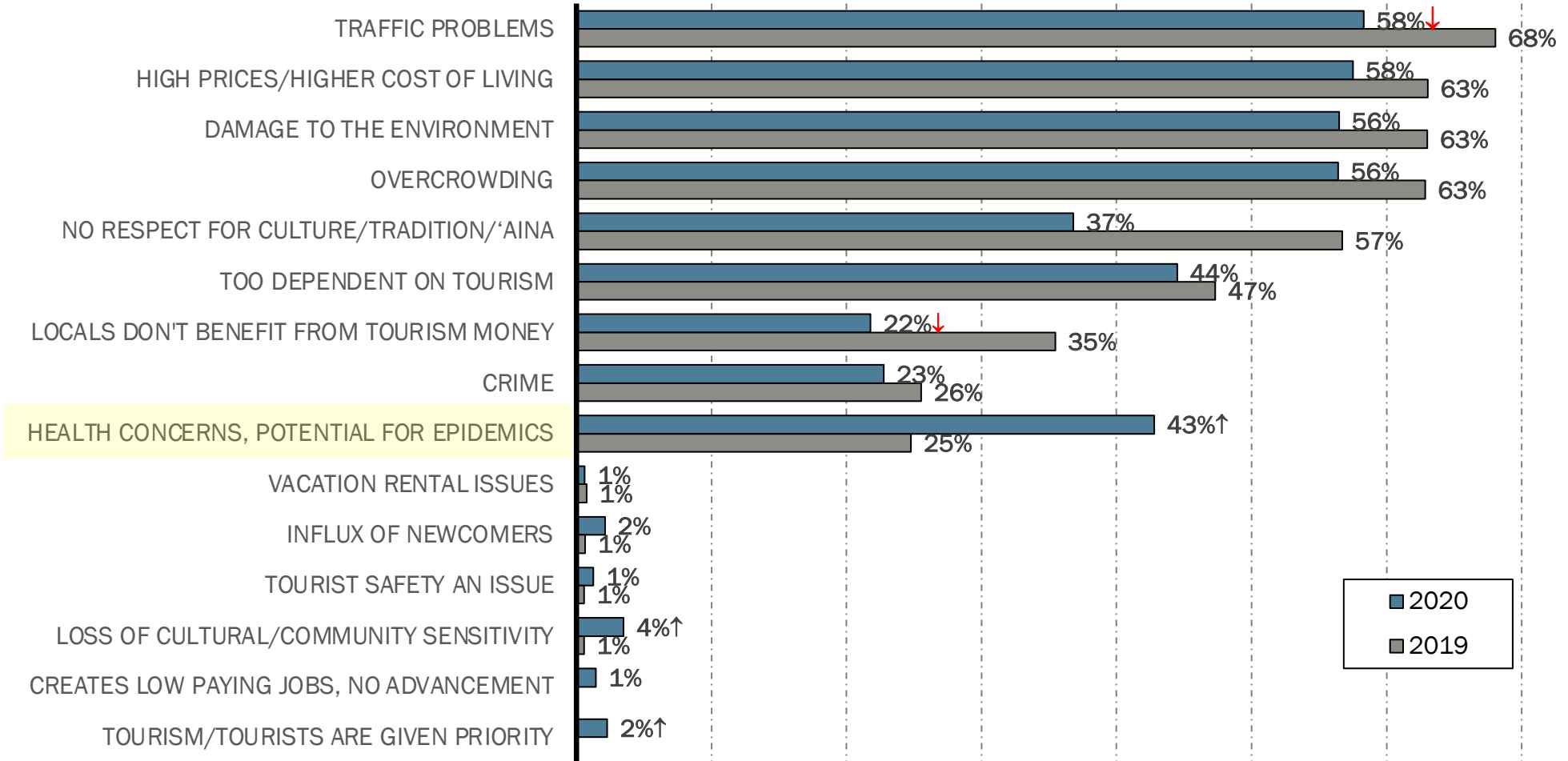
(According to residents saying Hawai'i tourism creates more problems than benefits)



Base: 734
 Q5a. In your opinion, what problems do you think tourism has created in Hawai'i?

Problems Created by Tourism in Hawai'i (2020 vs. 2019)

(According to residents saying Hawai'i tourism creates more problems than benefits)

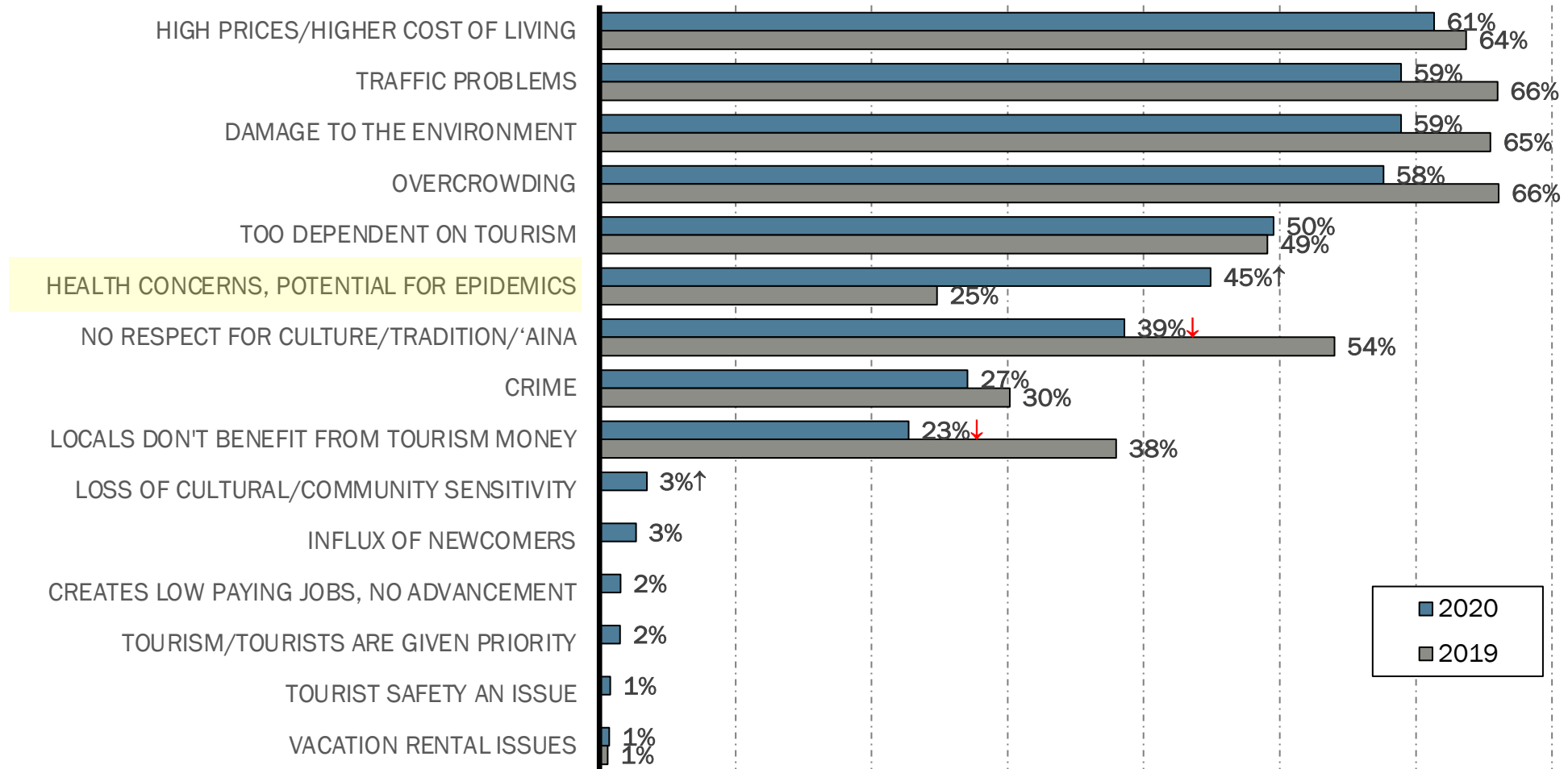


Base: 2019 (669), 2020 (734)

Q5a. In your opinion, what problems do you think tourism has created in Hawai'i?

Problems Created by Tourism in Hawai'i: O'ahu Residents

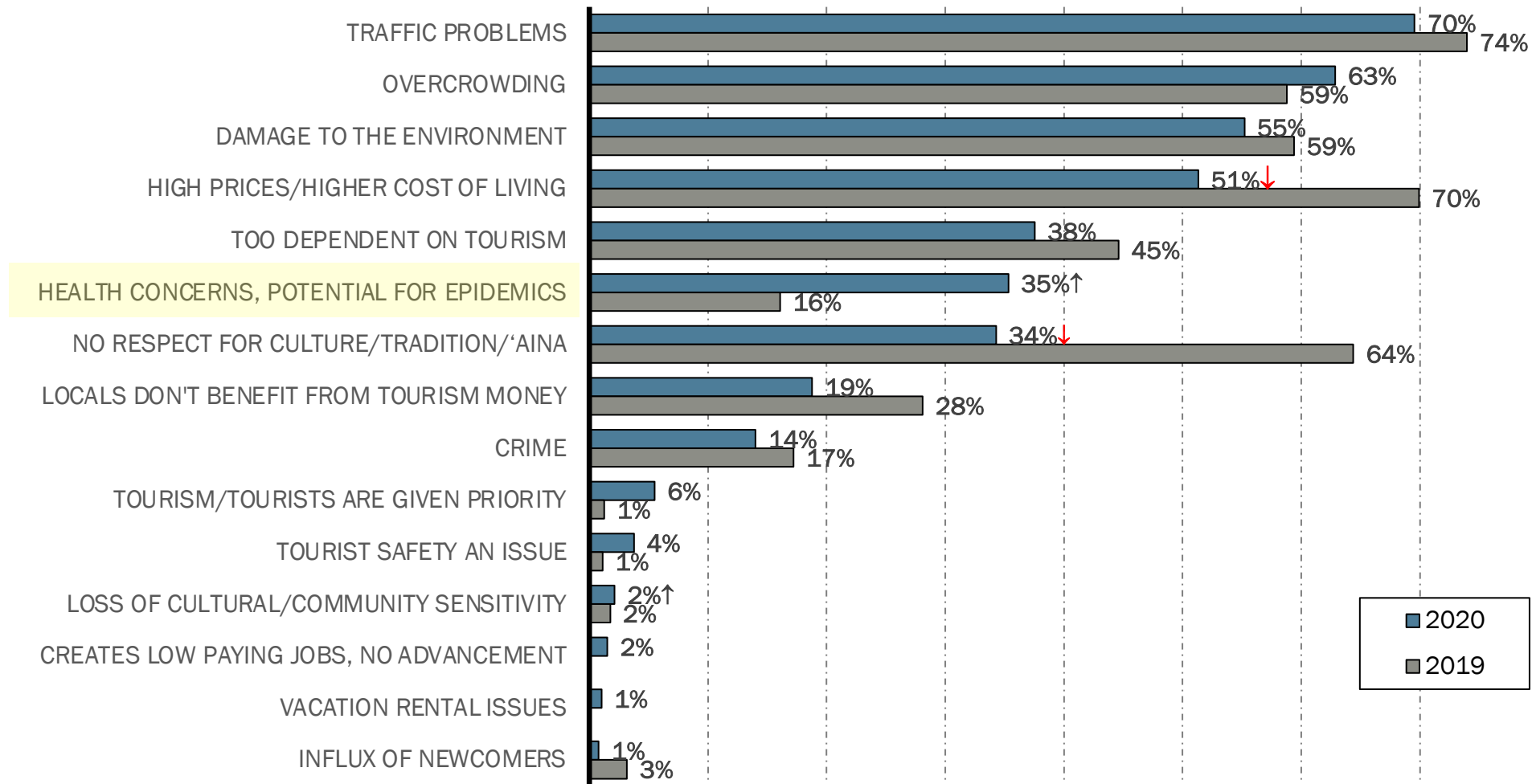
(According to residents saying Hawai'i tourism creates more problems than benefits)



Base: 2019 (235), 2020 (266)

Q5a. In your opinion, what problems do you think tourism has created in Hawai'i?

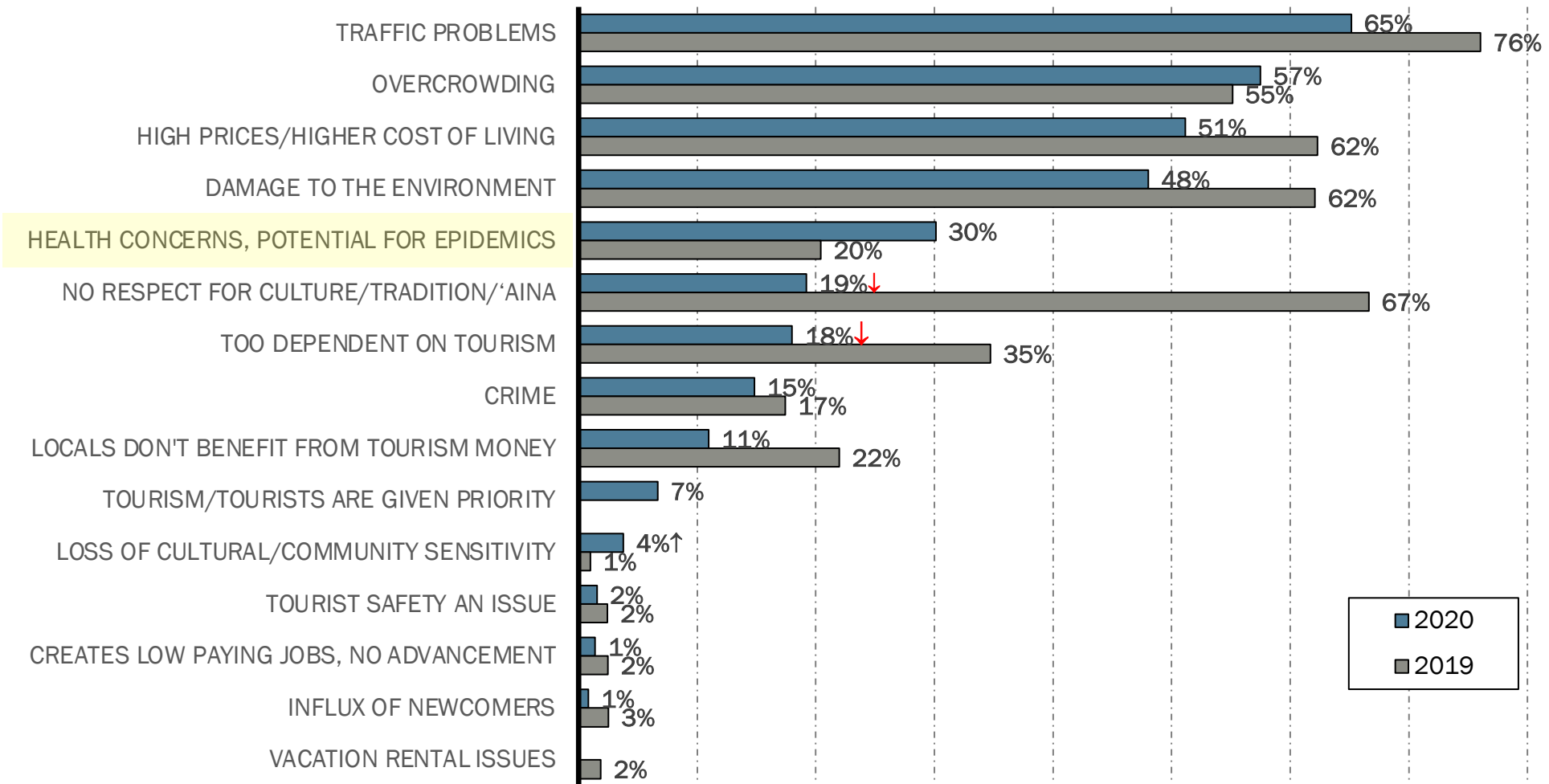
Problems Created by Tourism in Hawai'i: Maui County Residents (According to residents saying Hawai'i tourism creates more problems than benefits)



Base: 2019 (184), 2020 (189)

Q5a. In your opinion, what problems do you think tourism has created in Hawai'i?

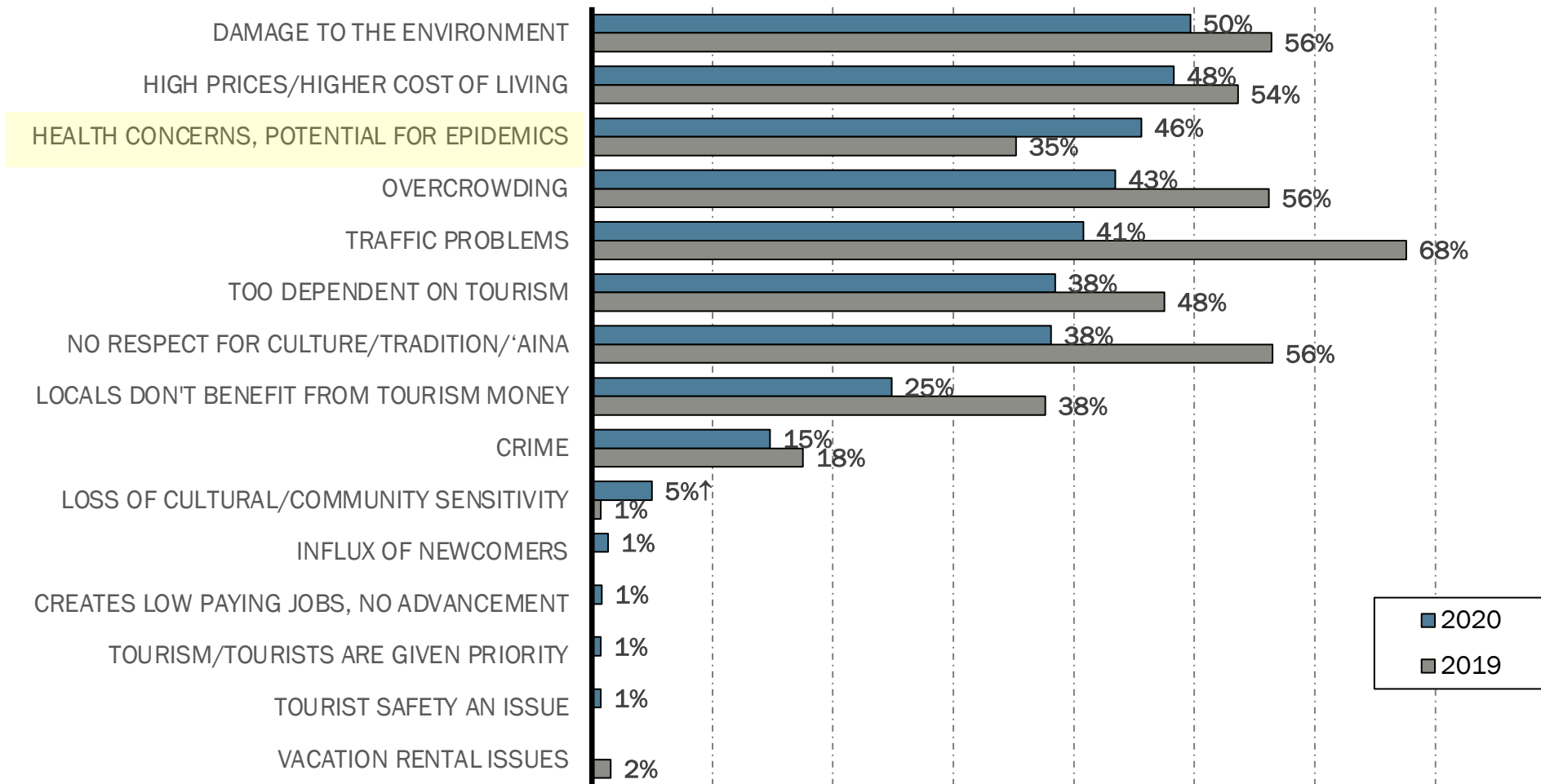
Problems Created by Tourism in Hawai'i: **Kaua'i Residents** (According to residents saying Hawai'i tourism creates more problems than benefits)



Base: 2019 (90), 2020 (95)

Q5a. In your opinion, what problems do you think tourism has created in Hawai'i?

Problems Created by Tourism in Hawai'i: Hawai'i Island Residents (According to residents saying Hawai'i tourism creates more problems than benefits)



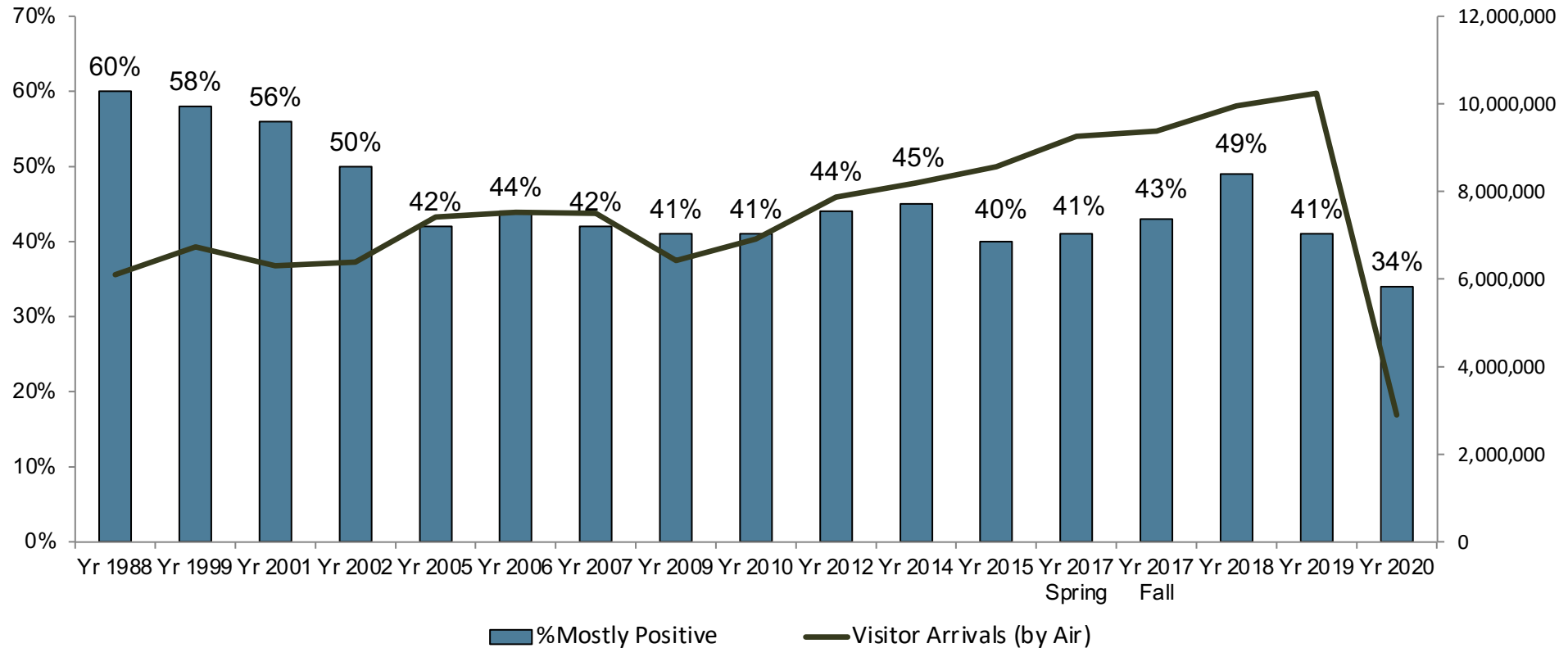
Base: 2019 (160), 2020 (184)

Q5a. In your opinion, what problems do you think tourism has created in Hawai'i?

Impact on You & Your Family

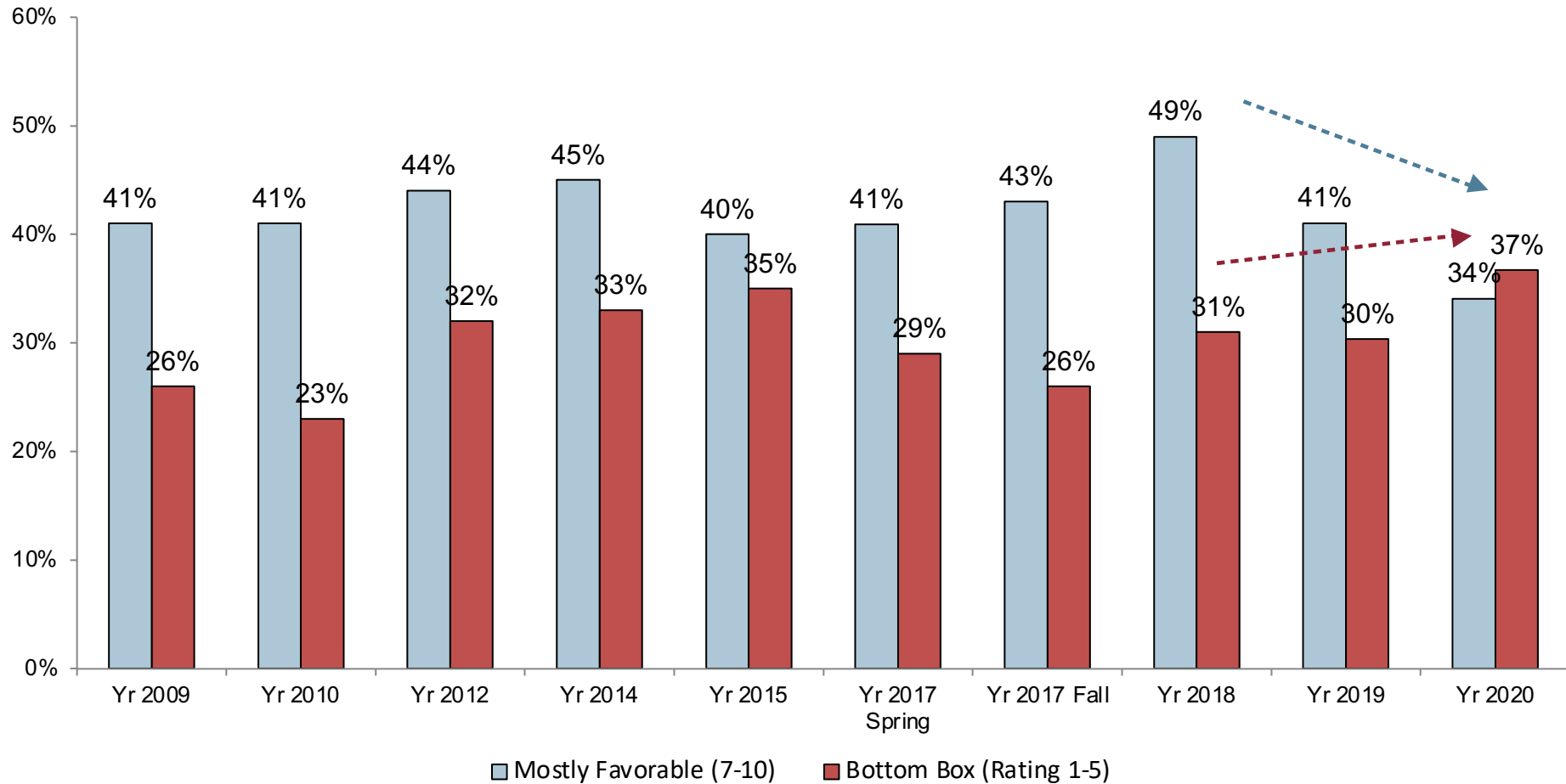
**% saying Tourism has been “mostly positive”
for you and your family**
(Rating of 7-to-10 on 10 Point Scale)

Annual Visitor Arrivals



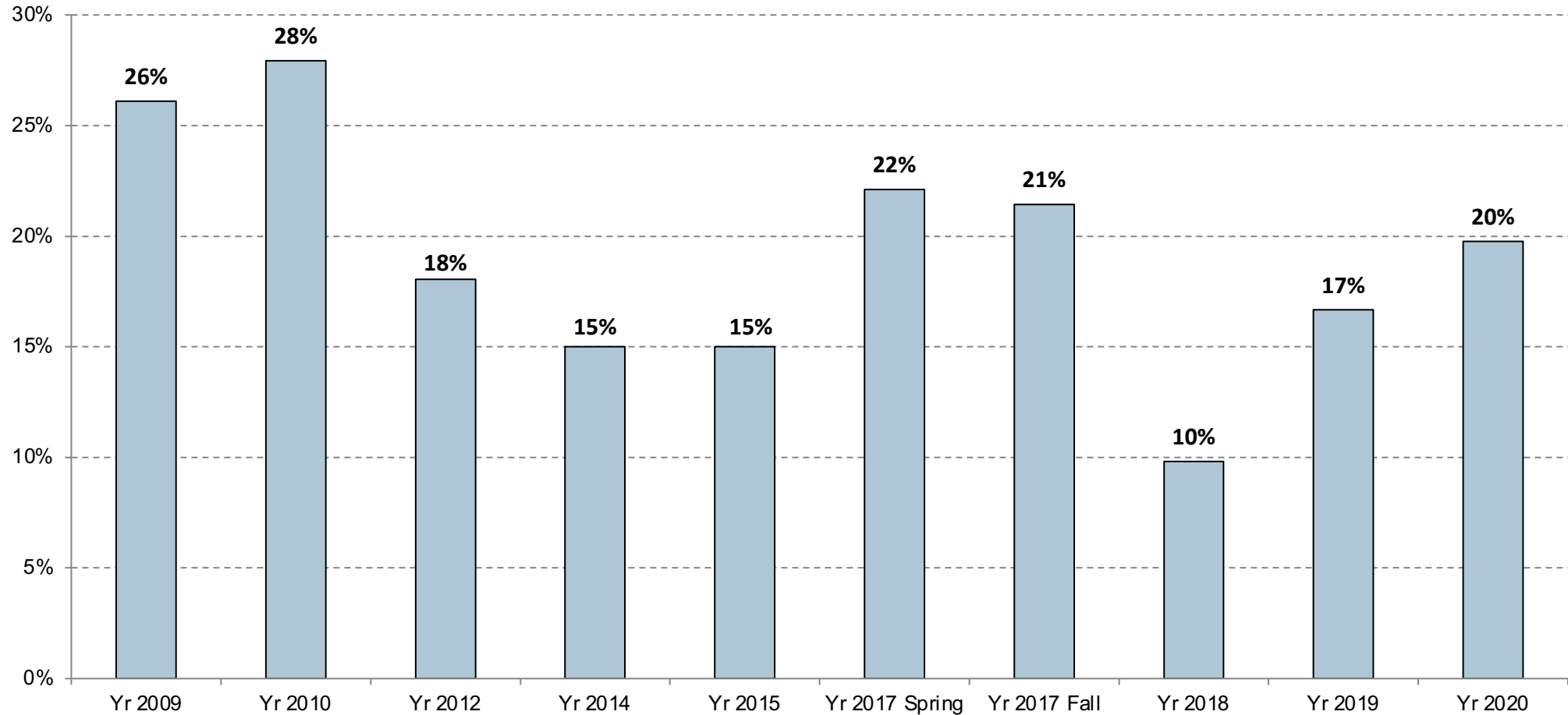
Q2b. Using a 10-point scale where 10 means Extremely Positive and 1 means Extremely Negative, how would you rate the overall impact tourism has on...you and your family?

Impact of Tourism on You & Your Family



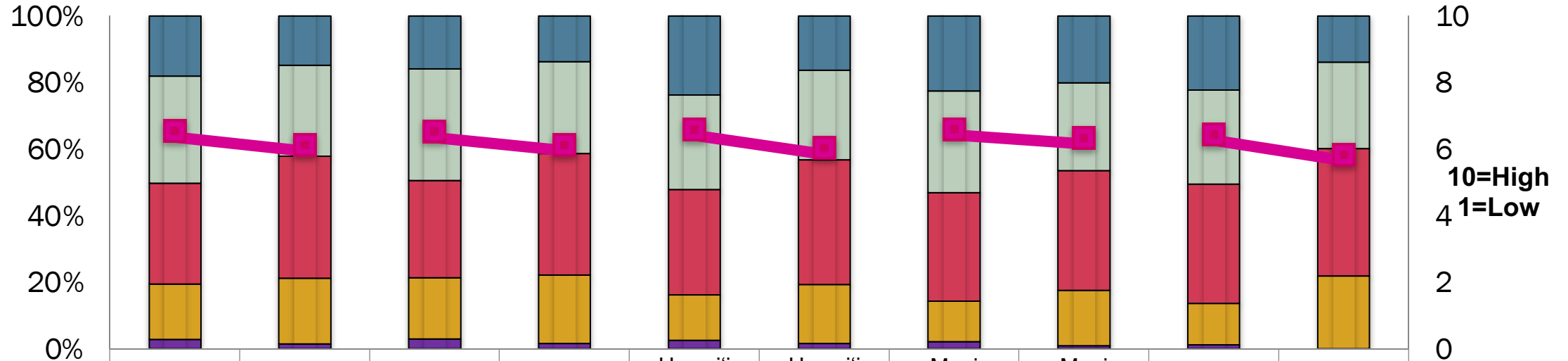
Q2b. Using a 10-point scale where 10 means Extremely Positive and 1 means Extremely Negative, how would you rate the overall impact tourism has on...you and your family?

Impact of Tourism on You & Your Family – No Impact



Q2b. Using a 10-point scale where 10 means Extremely Positive and 1 means Extremely Negative, how would you rate the overall impact tourism has on...you and your family?

Impact of Tourism on You & Your Family - *By Island*



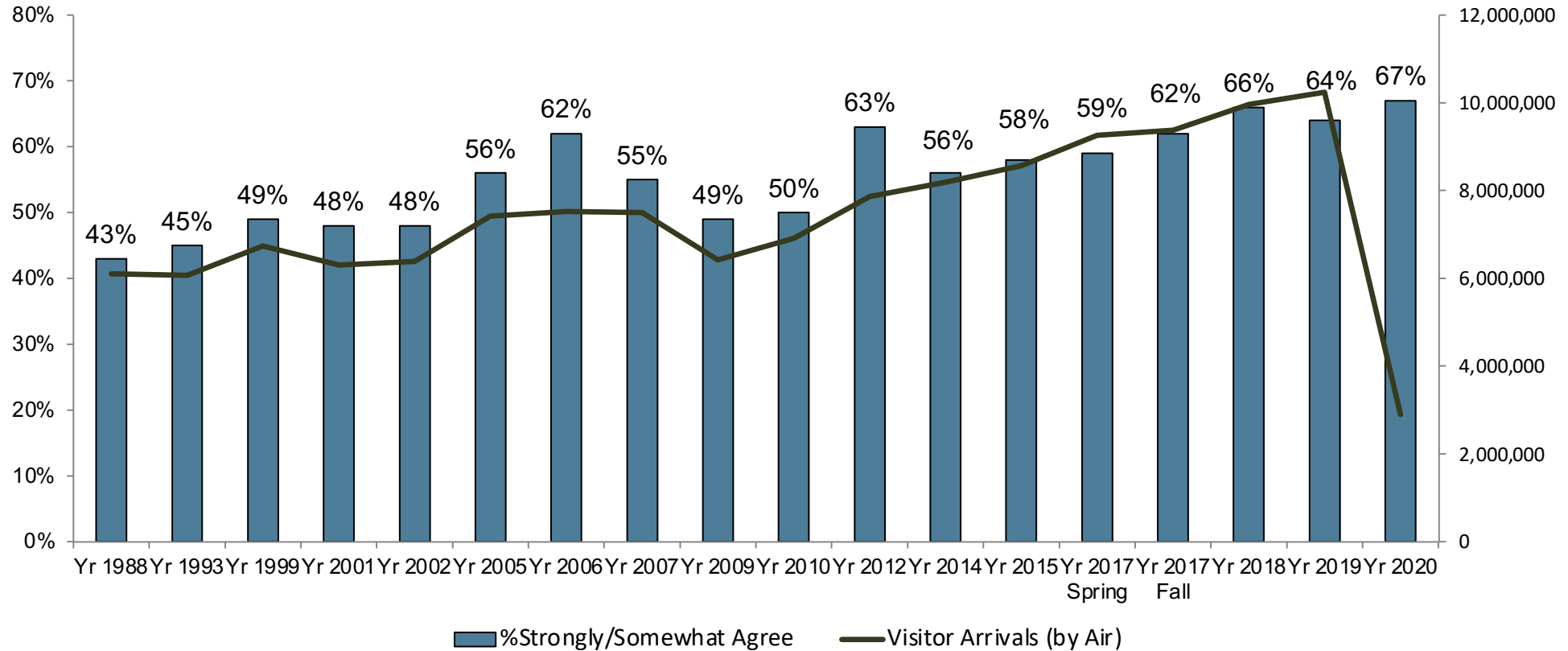
	OVERALL 2019	OVERALL 2020	O'ahu 2019	O'ahu 2020	Hawai'i Island 2019	Hawai'i Island 2020	Maui County 2019	Maui County 2020	Kaua'i 2019	Kaua'i 2020
Top Box (9-10)	18%	15%	16%	14%	24%	16%	23%	20%	22%	14%
Mid-Range (6-8)	32%	27%	33%	28%	28%	27%	31%	26%	28%	26%
Bottom Tier (1-5)	30%	37%	29%	37%	32%	37%	33%	36%	36%	38%
No Impact	17%	20%	18%	21%	14%	18%	12%	17%	12%	22%
DK/Rf	3%	1%	3%	2%	3%	2%	2%	1%	1%	0%
Base	1707	1709	683	670	451	460	373	378	200	201
MEAN	6.54	6.11	6.52	6.12	6.58	6.02	6.60	6.33	6.44	5.83

Q2b. Using a 10-point scale where 10 means Extremely Positive and 1 means Extremely Negative, how would you rate the overall impact tourism has on...you and your family?

“Island is being run for tourists at the expense of local people”

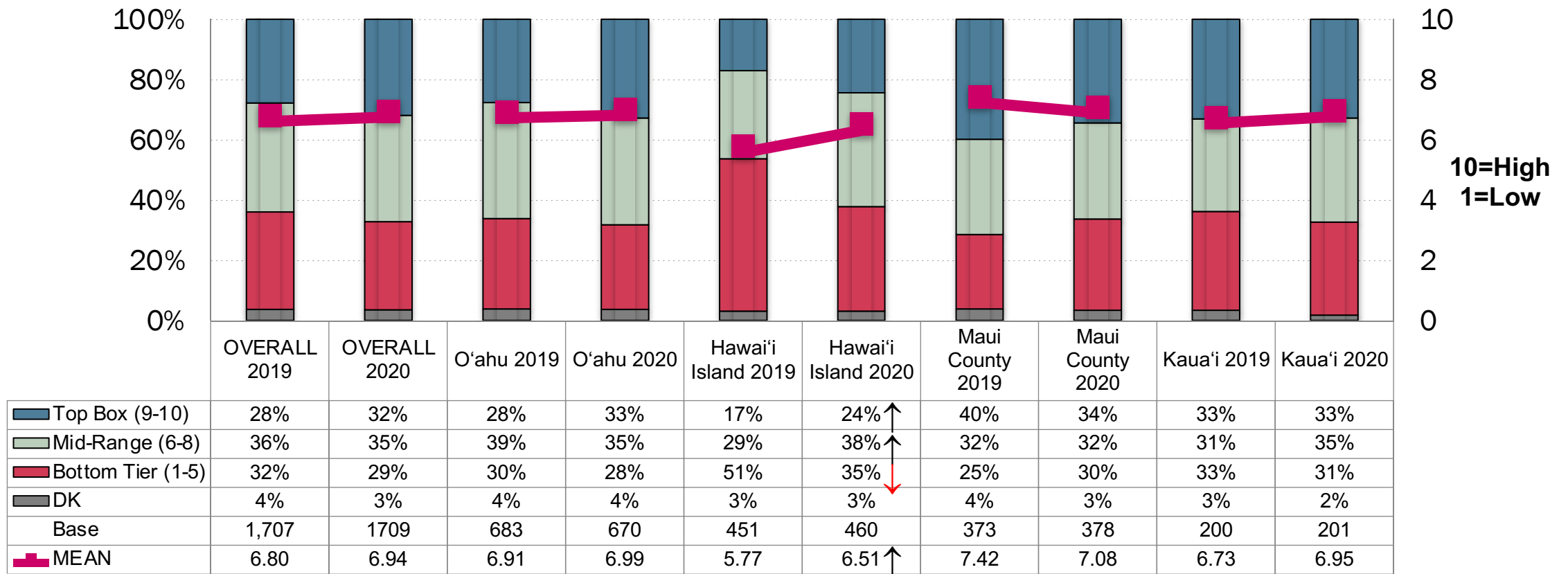
% strongly/ somewhat agree island is being run for tourists at expense of local people
(Rating of 6 to 10)

Annual Visitor Arrivals



Q4.2. Using a 10-point scale where 10 means Completely Agree and 1 means Do Not Agree at All, how much do you agree or disagree that...?

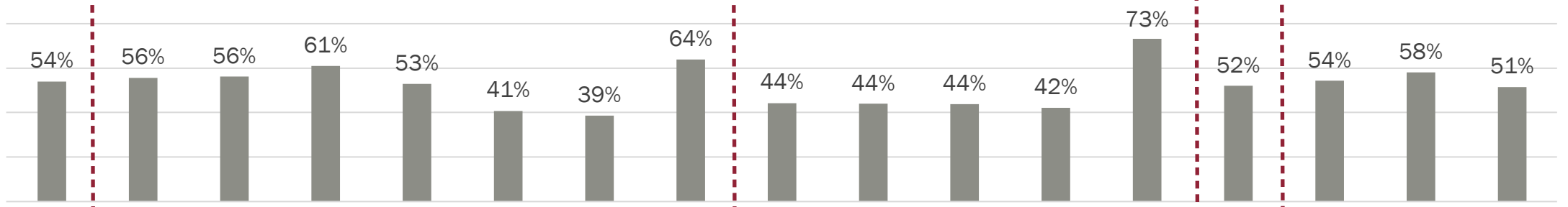
“This island is being run for tourists at the expense of local people” – *By Island*



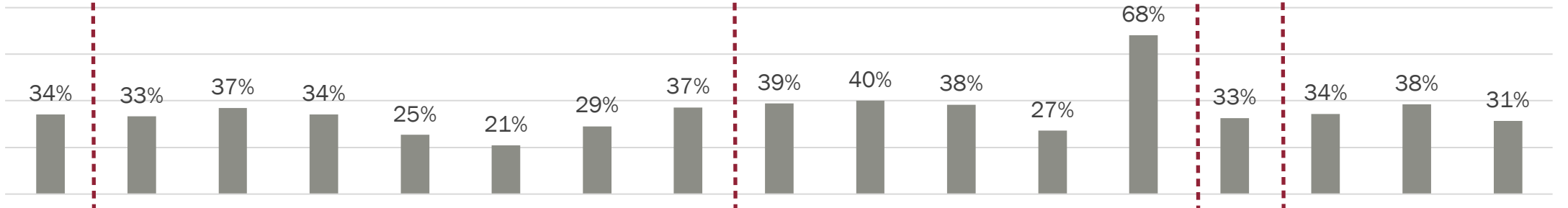
Q4.2. Using a 10-point scale where 10 means Completely Agree and 1 means Do Not Agree at All, how much do you agree or disagree that...?

3 Tracking Statements by Island/Area

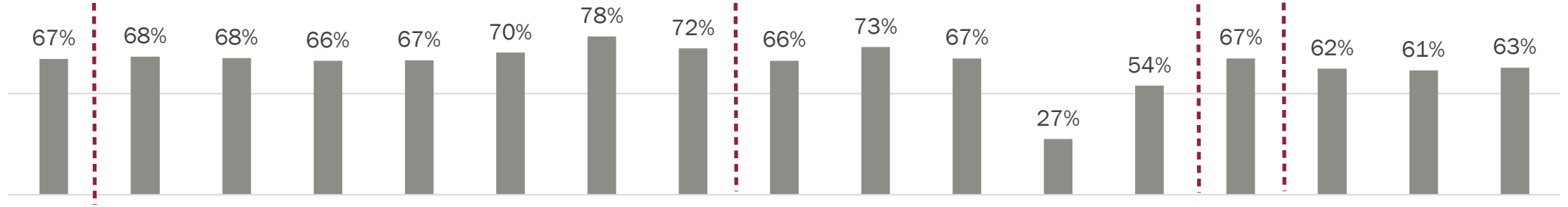
**% strongly/
somewhat
agree tourism
has brought
more benefits
than problems
(Rating 6-10)**



**% saying
Tourism has
been "mostly
positive" for
you and your
family
(Rating 7-10)**



**% strongly/
somewhat
agree Island is
being run for
tourists at
expense of
local people
(Rating 6-10)**



Statewide O'ahu Honolulu 'Ewa/Leeward Wai'anae Windward No. Shore Central Maui County West Maui Central/E. Maui Moloka'i Lāna'i Kaua'i Hawai'i West Hawai'i East Hawai'i

Drivers of Resident Sentiment

Drivers (Driver Weight)	Attribute	Attribute Weights
Economic & Social Benefits (35%) 2019: 42% 2018: 20% Fall '17: 40%	Creates many well-paying jobs for residents	10%
	Creates shopping, restaurants and entertainment opportunities for residents	8%
	Creates jobs that have opportunities for advancement	8%
	Sponsors festivals, activities & sports events for residents & visitors	7%
	Provides opportunities for residents to be involved	2%
	Is an industry that enhances residents' quality of life	0%
Cultural & Community Benefits (35%) 2019: 42% 2018: 55% Fall '17: 40%	I feel like I have a voice in my island's tourism development decisions	11%
	Tourism presents Native Hawaiian language and culture in an authentic manner	10%
	Tourism makes me feel special because people travel to see my island's unique features	6%
	Tourism is consistent with community values on this island	4%
	Helps to preserves Native Hawaiian culture and language	4%
	Helps sustain Hawai'i's natural resources, parks and cultural sites	0%
	Tourism in Hawai'i reminds me that we have a unique culture to share with visitors	0%
Negative Impacts (15%) 2019: 16% 2018: 25% Fall '17: 20%	Tourism results in a higher cost of living	4%
	My island's economy is too dependent on tourism	4%
	Tourism in Hawai'i increases traffic problems	4%
	This island is being run for tourists at the expense of local people	3%
Re-open Hawaii (12%)	People from outside the state of Hawai'i should not be visiting Hawaii at this time	6%
	My island should be re-opened to visitors in order to bring back jobs & businesses	5%
	I am confident that state & county governments can safely re-open my island to visitors	1%
Quarantine (3%)	The state & county governments are doing an effective job at enforcing the mandatory 14-day quarantine for visitors	3%

Moving Forward: What's the Big Idea?

1

Resident sentiment toward Hawai'i's visitor industry has weakened in 2020, due to an unparalleled major shock from the pandemic which has associated tourism with increased health concerns.

2

The industry's impact on residents' health and safety takes on key role in resident sentiment, as residents seek:

- Economic/Social benefits
- Cultural/Community benefits
- Address negative impacts
- AND a responsible reopening, quarantine enforcement

3

To improve resident sentiment:

- Provide residents with a voice in tourism development
- Present Native Hawaiian culture/language authentically
- Create well-paying jobs, with opportunities for advancement
- Create shopping, restaurants and entertainment



Mahalo from the OmniTrak Group

8

Presentation, Discussion and Action on the
Destination Management Action Plans for Kaua‘i,
Maui Nui and Hawai‘i Island



Kaua'i Destination Management Action Plan

DRAFT

This 'ōlelo no'eau speaks about the peace and calmness of Kaua'i. It is most appropriate today that Kaua'i remain a sanctuary of calmness in these very unsettling times.

*Maika'i Kaua'i,
Hemolele i ka mālie.*

Beautiful Kaua'i,
Peaceful in the calm.

DRAFT

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I. Introduction

Purpose of the Plan

In 2019, the Hawaiian Islands received a record high of 10.4 million visitors. While this brought in \$17.75 billion in total visitor spending to Hawai'i's businesses, \$2.07 billion in taxes generated, and supported 216,000 jobs statewide, it has also put pressure on some of our destinations and communities. This situation is not unique to Hawai'i. Other popular destinations – from Venice, Italy to Machu Picchu, Peru, to Kyoto, Japan – also felt the negative effects of tourism, which not only impact the residents' quality of life but also the quality of the visitor experience.

The Hawai'i Tourism Authority (HTA), in partnership with the counties and the respective visitor bureaus, developed community-based Destination Management Action Plans (DMAPs) that aim to **rebuild, redefine and reset** the direction of tourism over a three-year period. The focus is on **stabilization, recovery, and rebuilding to the desired visitor industry for each island**. The actions put forth in the DMAPs are guided by an island-based Steering Committee for each island, and includes a collaborative process which encourages participation and vital input from the community, visitor industry and other sectors. The DMAPs identify areas of need as well as actionable solutions for enhancing the residents' quality of life and improving the visitor experience across the islands.

HTA's 2020-2025 Strategic Plan is organized around four interacting pillars – Natural Resources, Hawaiian Culture, Community, and Brand Marketing, with more emphasis on addressing tourism impacts and greater destination management. In it, HTA defined Destination Management to include:

- attracting and educating responsible visitors;
- advocating for solutions to overcrowded attractions, overtaxed infrastructure, and other tourism-related problems; and
- working with other responsible agencies to improve natural and cultural assets valued by both Hawai'i residents and visitors.

The DMAP initiative is a part of HTA's strategic vision and plan to manage Hawai'i tourism in a responsible and regenerative manner.

The idea of "regenerative tourism" has gained momentum in 2020, especially as the global COVID-19 pandemic has made people more aware of tourism's opportunities and vulnerabilities. What is regenerative tourism? About 15 years ago, the model for "sustainable tourism" was instituted, built on tourism that was environmentally friendly, culturally sensitive and had less impact than mass volumes of visitors.

Regenerative tourism takes sustainability one step further and focuses on the net benefit of the visitor economy to a destination, looking at the social and cultural benefits. "Regenerative tourism is bolder and more inspiring. It aims not just to do less harm, but to go on and restore the harm that our system has already done to the natural world, and by using nature's principles, to create the conditions of life to flourish. It views wholes and not parts, and is a very different way of looking at the world." (Anna Pollock, International tourism consultant and Founder of Conscious Travel)

Many of the actions in this plan take a regenerative tourism approach.

Formation of the DMAP

The process of the development of the Kaua'i DMAP started with the HTA, County of Kaua'i's Office of Economic Development and the Kaua'i Visitors Bureau (KVB) developing a list of Kaua'i residents who not only represented the visitor industry sectors (hotel, attractions, activities), different business sectors (e.g. agriculture, retail), the community (e.g. Hawaiian culture, education), and other nonprofit organizations, but also the communities that they live in. Invitations were sent, and 22 members volunteered their time to participate on the Kaua'i Steering Committee (see Acknowledgement section).

At the first Steering Committee virtual meeting, the members reviewed HTA's Strategic Plan in addition to the 2019-2021 Kaua'i Tourism Strategic Plan, including HTA's key performance indicators and four pillars, as well as the county's tourism strategies and situational analysis. These two plans are the foundation of the Kaua'i DMAP. After the review, they critically examined destination attributes valued only by residents, only by visitors, and by both the residents and visitors. They also discussed the destination attributes that are at-risk or threatened. From there the Steering Committee brainstormed actions – what to protect or mitigate, what to preserve or grow, and where the gap can be closed or bridged. During the Steering Committee's second virtual meeting, the actions were then grouped, and overarching anchor actions and sub-actions were identified. They were presented to Kaua'i residents at two virtual community meetings via Zoom from October 21-22, 2020. More than 200 residents were in attendance. The community was encouraged to provide input at the virtual community meetings as well as through an online input form from October 14 to November 12. The results are provided in Appendix A.

After reviewing the community feedback, the Steering Committee met virtually for a third time, and selected 10 anchor actions that the DMAP would focus on. Employees of HTA, the county, and KVB reviewed the proposed actions to verify they could be done under their respective purviews. The final draft anchor and sub-actions were reviewed and approved by the Steering Committee at their last meeting. All of the actions were developed by the Steering Committee with input from the community.

Implementation Framework

Hawai'i's tourism industry is at a critical point and residents' livelihoods depend on the recovery of the visitor industry – whether directly or indirectly. Tourism needs to be managed responsibly so that the residents and destination can thrive. HTA is leading many of the efforts in the Kaua'i Destination Management Action Plan. However, there needs to be collaboration and support of other state and county agencies, in addition to the community, visitor industry and other sectors, to help move the actions forward. This three-year plan is a living document that will be evaluated annually.

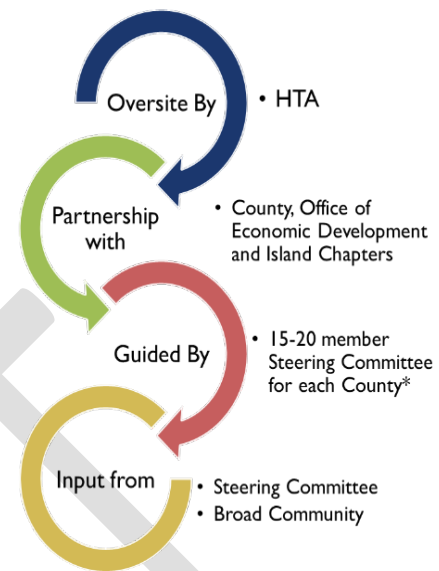


Figure 1: Collaborative Process

'A'ohē hana nui ke alu 'ia.
"No task is too big when
done together by all."

- 'Ōlelo No'eau (Hawaiian Proverb)

II. Overview of Tourism in Hawai'i

Overall Trends

Tourism has remained the primary economic driver for Hawai'i's economy across all islands. In 2019, tourism was 16.2% of Hawai'i Gross Domestic Product (GDP), second to real estate and rental and leasing at 18.8% of Hawai'i GDP. Jobs in the tourism industry accounted for 20% of total jobs in Hawai'i while jobs in the real estate and rental and leasing sector accounted for 4.4% of total jobs. For the past eight years, the State of Hawai'i's visitor industry sustained annual growth in terms of arrivals and expenditures. In 2019, tourism was the largest single source of private capital for Hawai'i's economy. Total visitor spending reached \$17.84 billion (1.1% increase compared to 2018). Tourism generated \$2.08 billion in state tax revenue. A total of 10,424,995 visitors came to the Hawaiian Islands by either air service or cruise ship (5.4% increase over 2018).

The visitor industry has provided steady employment opportunities and supported the development of small businesses throughout the state. In 2019, tourism supported 216,000 jobs throughout the state. Hawai'i experienced record arrivals over the past few years with no significant increase in the number of traditional lodging units (e.g., hotels and resorts), however, unpermitted short-term rentals grew in Hawai'i's neighborhoods.

Prior to the global COVID-19 pandemic, 2020 was set to be another year of record growth for Hawai'i. However, in the first 10 months of 2020, visitor arrivals were down 73.4 percent to 2,296,622, with significantly fewer arrivals by air service (-73.4% to 2,266,831) and by cruise ship (-74.2% to 29,792). The average daily census or the number of visitors in Hawai'i on any given day was 77,007 (68.7% decrease over year-to-date October 2019). Compared to year-to-date October 2019, the average length of stay increased by 17.9% to 10.23 days. This was a result of visitors staying double-digit days during the state's trans-Pacific 14-day quarantine requirement that started on March 26, 2020. The state's pre-travel testing program started on October 15, 2020 as a way for travelers to bypass the mandatory quarantine requirement.

The majority of visitors to Hawai'i arrive by air, and thus air service to the islands is vital for Hawai'i's tourism industry. Total air capacity (number of seats) decreased 62.1 percent to 4,278,381 seats as a result of a reduction in air service to Honolulu (-59.9% to 2,803,908 seats), Kahului (-65.8% to 816,083 seats), Kona (-62.9% to 390,573 seats), Līhu'e (-68.6% to 258,853 seats) and Hilo (-77.4% to 8,964 seats).

Sails on the Hawai'i home-ported cruise ship, Norwegian Cruise Line's Pride of America, were suspended since April 2020 and out-of-state cruise ships were not permitted into the islands due to the Center for Disease Control and Prevention's (CDC) "No Sail Order" from March 14 to October 29, 2020. Thereafter, the CDC took a phased approach to resuming passenger operations.

Hawai'i's unemployment rate increased from 2.6 percent in the first quarter of 2020 to 20.3 percent in the 2nd quarter and then decreased to 13.9 percent in the third quarter. DBEDT projects that for 2020 overall, the average annual employment rate will be at 11.2 percent, then decrease to 7.9 percent in 2021 and 7.1 percent in 2022. These rates are significantly higher than Hawai'i's average unemployment rate of 2.5% from 2017 to 2019.

Tourism Forecast

According to the Department of Business, Economic Development & Tourism's 4th quarter Outlook for the Economy, total visitor expenditures is forecasted to end the year at \$5.11 billion (-71.4%) with 2.73 million visitor arrivals (-73.7%). Economists predict that it will take a couple of years before Hawai'i's visitor industry recovers.

Resident Sentiment

HTA conducts an annual Resident Sentiment Survey (RSS) to gauge resident attitudes toward tourism in Hawai'i and to identify perceived positive and negative impacts of the visitor industry on residents. Resident sentiment is important to maintain a healthy industry. The 2019 RSS report showed that resident sentiment had generally weakened compared to the previous year. The report identified that the visitor industry's impact on the resident's overall quality of life is essential to improving resident sentiment – the balance of economic, social and cultural, and community benefits from tourism. Furthermore, providing residents with a voice in tourism development, creating jobs with opportunities for advancement, and creating shopping, dining and entertainment opportunities are key to improving resident sentiment.

Tourism on Kaua'i

Visitor Statistics

In 2019, 1,370,029 visitors traveled to Kaua'i, resulting in 27,695 visitors on any given day compared to the resident population of 72,293. Total visitor spending was \$1.91 billion. Half of the visitors stayed in hotels while condominiums, timeshare resorts and vacation rentals were also used. The majority of visitors were from the U.S., followed by Canada and Australia.

The global COVID-19 pandemic significantly affected visitor arrivals to Kaua'i. In the first 10 months of 2020, visitor arrivals dropped 73.8 percent to 298,708 visitors. The average length of stay grew 16.2 percent to 8.54 days. The average daily census was 27,612 visitors, a decline of 69.7 percent over the same period a year ago. There were significantly fewer airseats in the market year-over-year.

2019 Kaua'i Visitor Satisfaction

According to HTA's 2019 Visitor Satisfaction Report, U.S. visitors rated their Kaua'i visit "excellent" and were likely to recommend the destination. However, they expressed concerns about traffic and the destination being too expensive.

2019 Resident Sentiment

According to HTA's 2019 Resident Sentiment Report, residents felt that visitors were responsible for the traffic, showed no respect for the culture/'āina (land), and contributed to the cost of living and damage to the environment. Though there was an increase in residents who felt that "tourism has brought more benefits than problems," resident sentiment generally weakened. As mentioned previously, the visitor industry's impact on the resident's quality of life is key to improving resident sentiment, as they seek an equal balance of economic/social and cultural/community benefits from the industry.

Jobs

In the third quarter of 2020, Kaua'i County lost 8,500 jobs (-25.5% over the same quarter of 2019). Jobs decreased the most in the Accommodations sector which lost 4,300 jobs (-89.6%), followed by Food Services and Drinking Places which lost 1,400 jobs (-29.8%), Retail which lost 700 jobs (-17.1%), and and

Transportation, Warehousing, & Utilities lost 700 jobs (41.2%). Year-to-date 3rd quarter 2020, the unemployment rate increased to 16.7 percent compared to 2.7 percent during the same period last year.

Visitor Accommodations

Hotel occupancy for Kaua'i was at 36.0% year-to-date October 2020. During the same period last year, hotel occupancy was 72.6%, which is a -36.6 percentage difference. The average daily rate dropped slightly to \$269.82 (-3.7%) from \$280.28 in 2019. Room demand was 371,800 room nights or 62.6 percent lower than year-to-date October 2019. The room supply was 1.034 million room nights (-24.5%).

Looking at vacation rentals year-to-date October 2020, Kaua'i's unit demand was 307,784 unit nights (-62.9 percent) which resulted in a 45.2% occupancy rate (-40.7 percentage points) with an average daily rate is \$298.10 (-20.3%). Kaua'i's unit supply was 680,198, a 37.4 percent decrease over the same period last year. A vacation rental is defined as the use of a rental house, condominium unit, private room in a private home, or share room/space in private home. The report does not determine or differentiate between units that are permitted or unpermitted. The "legality" of any given vacation rental is determined on a county basis.

Situation Analysis Summary

On September 1, 2020, members of the Kaua'i Tourism Strategic Plan Steering Committee conducted a SWOT analysis to identify the destination's strengths, weaknesses, opportunities and threats.

The group first looked at internal factors. In summary, Kaua'i has pristine, natural beauty and overall a great climate. The Native Hawaiian culture is cherished. Kaua'i's ruralness, small towns and community atmosphere also make the destination special. The aloha spirit permeates throughout. The island provides for relaxing, rejuvenating and healthy experiences for residents and visitors.

Of particular concern is State leadership with regards to the management of parks and the current COVID-19 crisis. Housing costs and the cost of living on Kaua'i also present challenges for its residents. The condition and maintenance of parks and bathrooms, management of resources and facilities, and overuse of some locations are areas for improvement. Traffic is also a top issue. There is a significant increase in unemployment and loss of jobs.

Externally, the group cited poor leadership at the state and federal levels as the top threat for Kaua'i, especially if communications amongst agencies do not improve. Residents' negative attitude towards tourism could hinder opportunities for new strategic tourism initiatives aiming to improve the destination experience and residents' quality of life. Travel restrictions relating to the state's 14-day quarantine and international travel could further delay the welcoming back of visitors and tourism. The wage imbalance and poverty are also areas of concern.

The ability to redefine and reinvent tourism for Kaua'i is ranked highest amongst opportunities for the destination. Efforts to encourage and promote sustainable tourism are in alignment with Kaua'i's values. More engagement and communications with the state (Governor's office, parks, transportation) and Federal Aviation Administration (FAA) agencies can be improved for better partnership and management of areas and airseat capacity. Kaua'i is considered a COVID-safe destination and the ability

to sustain it is essential. Mobility options can be expanded especially for visitors to move around the island via shuttles, ride sharing and bicycle paths, resulting in less dependency on daily car rentals.

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Table 1 – Situational Analysis Summary

<p>STRENGTHS Kaua'i Enjoys...</p> <ul style="list-style-type: none"> • Natural Beauty & Climate • Hawaiian Culture • Rural/Small Town/Community • Aloha Spirit • Relaxing/Rejuvenating/Healthy • Sense of Place • Activities • Strong Brand Awareness • Plantation History • Renewable Energy Leader 	<p>OPPORTUNITIES Kaua'i Can Potentially Take Advantage Of...</p> <ul style="list-style-type: none"> • Redefined/Reinvented Tourism • Promoting Sustainable Tourism • Improved Communications with State and Federal Government • Sustaining as a COVID-Safe Destination • Expanded Mobility Options • Engaged Community • Supporting Community Involvement/Voluntourism • Transportation • Festivals & Events • Bike Path Expansion
<p>WEAKNESSES Kaua'i Faces...</p> <ul style="list-style-type: none"> • State Leadership • Housing Costs/Cost of Living • Parks: Conditions/Management/Overuse • Traffic • Unemployment/Loss of Jobs • Resident Sentiment • Air Dependence • Dependency on Imports • Gentrification • Auto Dependence 	<p>THREATS Kaua'i Can Be Affected By...</p> <ul style="list-style-type: none"> • Poor State and Federal Leadership • Negative Attitude Towards Tourism • Travel Restrictions • Climate Change • Wage Imbalance/Poverty • Airlift • Uncertain Future • Social Media • Pandemics • Labor Disputes

III. Vision for Tourism on Kauaʻi

The Kauaʻi DMAP incorporates the vision from the 2019-2021 Kauaʻi Tourism Strategic Plan:

In our vision of tourism in 2040, Kauaʻi is a global leader in the reinvention of the visitor industry. Collaborative action by community stakeholders has addressed unsustainable visitor growth as well as climate change and social inequity. Tourism remains a valued economic sector, as other sectors have emerged to offer greater stability and opportunity for the island.

IV. Goal

The goal of the Kauaʻi DMAP is to rebuild, redefine and reset the direction of tourism over a three-year period.

V. Objectives

There are six objectives to achieve the goals and vision of the Kauaʻi DMAP.

Objective 1: Create positive contributions to the quality of life for Kauaʻi's residents.

Objective 2: Support the maintenance, enhancement, and protection of Kauaʻi's natural resources.

Objective 3: Ensure the authentic Hawaiian culture is perpetuated and accurately presented in experiences for residents and visitors, materials and marketing efforts.

Objective 4: Maintain and improve visitor satisfaction of their experience on Kauaʻi.

Objective 5: Strengthen the economic contribution of Kauaʻi's visitor industry.

Objective 6: Increase communication and understanding between the residents and visitor industry.

VI. Actions

The following actions were developed by the Steering Committee and the community, and address what residents desire for Kauaʻi's visitor industry and their communities. In a few instances, HTA took the essence of the community's feedback and transformed them into actionable initiatives.

The actions were shaped by overarching themes that were identified by the steering committee and also appeared in the community input:

- Better management and enforcement of laws that protect Kauaʻi's natural resources.
- Management of the number of visitors.
- Education of visitors and residents.
- Transportation issues and infrastructure.
- Two-way communication and industry collaboration.
- Support for local businesses.

The actions were also cross-referenced against the four interacting pillars of HTA's strategic plan – Natural Resources, Hawaiian Culture, Community and Brand Marketing – to ensure alignment and for organizational purposes.

- **Natural Resources – Respect for Our Natural & Cultural Resources.** Dedicate resources to programs that enhance and support Hawai‘i’s natural resources and cultural sites to improve the quality of life for all of Hawai‘i’s residents and to enhance the visitor experience.
- **Hawaiian Culture – Support Native Hawaiian Culture & Community.** *Ho‘oulu* (grow) the uniqueness and integrity of the Native Hawaiian culture and community through genuine experiences for both visitors and residents.
- **Community – Ensure Tourism & Communities Enrich Each Other.** Work to make sure residents and local communities benefit from tourism by supporting projects valued by the community and aligned with the destination’s brand and image; informing both residents and visitors of these projects and events; strengthening relations between residents and visitors; and forming partnerships to build a resilient tourism workforce and community.
- **Brand Marketing – Strengthen Tourism’s Contribution.** Take the lead in protecting and enhancing Hawai‘i’s globally competitive brand in a way that is coordinated, authentic, and market-appropriate; is focused on Hawai‘i’s unique culture and natural environment; and supports Hawai‘i’s economy by effectively attracting higher-spending, lower-impact travelers.

The following tables identify opportunities and needs for each of the anchor actions, including the identification of responsible agencies and timing of the action’s commencement and/or delivery over a three-year period. As HTA carries out the DMAP, there will be more organizations and businesses identified to help move this plan forward.

The long-term **measures of success** will be measured through HTA’s Strategic Plan’s four overall Key Performance Measures: Resident Satisfaction, Visitor Satisfaction, Average Daily Visitor Spending, and Total Visitor Spending. A “milestone” is a qualitative way of determining progress toward accomplishing a specific defined action. The **milestones for success** are the completion of each subaction in the phase indicated.

Respect for Natural and Cultural Resources

Action A: Focus policy efforts on appropriate behavior that will instill value in both visitors and residents for our natural and cultural resources (mālama ‘āina).

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
A.1	Include Department of Land and Natural Resources (DLNR) on all discussions and find ways for state and county departments to work together.	L = County/KVB S = HTA	X	X	
A.2	Explore and implement a universal user fee model to help offset maintenance costs at beaches and parks. Advocate for the adjustment of usage fees (camping permits) to target different levels of users and instill better management of illegal users.	L = HTA S = DLNR/County	X	X	
A.3	Support and promote DLNR’s App (DLNRtip) which allows citizens to help with enforcement and creates public awareness.	L = HTA/ County/KVB	X		
A.4	Identify and provide more informational signage at cultural sites, beaches and hiking spots for safety, education and a great experience.	L= HTA S = County/DLNR		X	X
A.5	Educate tour operators and boating companies about proper etiquette to deter ocean and reef pollution.	L = Sustainable Tourism	X	X	X

		Association of Hawai'i S = HTA; DLNR			
A.6	Advocate for more stringent and intentional inspections/enforcement of camping/hiking gear and shoes upon arrival at the airport.	L = HTA S = Dept of Agriculture; OCBP	X	X	X
A.7	Support awareness and education of appropriate behavior towards endangered species such as Hawaiian monk seals, sea turtles, Newell's Shearwaters, kōloa maoli (native ducks) and native birds.	L = HTA S = County	X	X	X
A.8	Advocate for increased ranger presence and enforcement at county and state parks.	L = County S = HTA	X	X	X
A.9	Conduct assessment of North Shore beach accesses and remediate to assure use for subsistence and traditional uses.	L = County S = HTA		X	X

Action B. Collaborate with State of Hawai'i Department of Land & Natural Resources (DLNR) to develop and implement policies to increase monitoring and enforcement efforts.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
B.1	Include DLNR on all discussions and find ways for state and county departments to work together.	L = County S = HTA	X	X	X
B.2	Advocate state/county partnerships with organizations to steward sites. Explore HTA's role in being a liaison between DLNR and Hawaiian lineage descendants for land stewardship.	L = HTA S = DLNR/ County	X	X	X
B.3	Advocate for DLNR staff training and education.	L = HTA	X	X	X
B.4	Advocate for increased state funding within DLNR for natural resource protection, watershed management, maintenance and development of trail networks, and protection of shoreline and nearshore marine resources, all paired with increased island-specific control and input in such efforts.	L = HTA/ County	X	X	X
B.5	Encourage DLNR to review regulations for commercial boat and kayak tours along the Nāpali Coast, including schedules and capacity at the Kikiaola Boat Harbor and Port Allen. Implement restrictions if deemed necessary.	L = HTA S = County	X	X	

Hawaiian Culture

Action C. Invest in Hawaiian cultural programs and identify funding sources that enhance the visitor experience and connect both tourism and communities.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
C.1	Develop training programs relating to Hawaiian textiles and weaving targeted at visitors and locals.	L = County S = HTA; SFCA	X	X	X
C.2	Work with hotels to provide cultural and history classes that guests can attend. Examples include lei making or making poi.	L = HTA S = KVB	X	X	
C.3	Develop a video to educate groups (corporate, weddings, other larger parties) about cultural values and respecting the 'āina and ocean. Encourage viewership of the video.	L = HTA S = KVB/ County	X		

C.4	Support activities like kanikapila songfests featuring Hawai'i's music and musicians.	L = HTA S = County/ KVB		X	X
C.5	Support educational programs at cultural sites and invest time into mālama sacred sites such as heiau and resources such as the kai (ocean).	L = HTA S = County/ KVB		X	X
C.6	Connect Hawaiian culture organizations with the visitor industry to help grow, enhance, design their programs and offering. Explore creating a resource team.	L = HTA S = NaHAA; County, KVB	X	X	
C.7	Develop ways to bridge cultural practitioners with the visitor industry and small businesses, such as connecting to meetings, conventions and incentives markets, ground operators, destination management companies, festivals and events. Explore the creation of a resource list of cultural practitioners.	L = HTA S = NaHAA; Kaua'i Native Hawaiian Chamber of Commerce	X	X	

Community

Action D: Focus policies that address overtourism by managing people while on Kaua'i.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
D.1	Assess and set specific site visitor limits, and create site management plans/develop and implement tourism capacity management models at "hotspot" areas. Allot rest days for hotspot areas.	L = DLNR S = County	X	X	X
D.2	Pilot a reservation system to manage capacity of visitors and explore feasibility of expanding to other hotspot areas.	L = HTA S = DLNR/ County	X	X	
D.3	Continue the county's stringent shut down of illegal transient vacation rentals (TVRs), such as the partnership with Airbnb and Expedia.	L = County S = HTA	X	X	X
D.4	Explore and understand land use, zoning and permitting to manage number of future visitor accommodations on Kaua'i based on current infrastructure and improve infrastructure. Create a white paper to document findings.	L = County S = DOT Airports/ HTA	X	X	X
D.5	Explore ways to count and manage the movement of visitors and residents at identified hotspot areas to prevent the degradation of natural resources, alleviate congestion, and manage the area. Strive for a systematic mechanism to monitor different areas.	S = Counties; Highways Dept; DBEDT/ Energy; HTA	X	X	X

Note: It has been suggested that we limit the number of visitors to the island of Kaua'i, as well as the number of rental cars. Unfortunately, HTA has no control over these. The free movement of people to travel to the islands and between the islands falls under federal jurisdiction. And businesses are free to operate on the islands so long as they do not break any laws. The goal of the DMAP meetings was to gather input from the community regarding how to manage tourism on the individual islands before and after the visitors arrive as well as how we mālama the visitors, and each other, once the visitors are here. This includes considerations around protecting our 'āina and perpetuating the Hawaiian culture. This does not, however, include deciding who can and cannot come to Kaua'i specifically, or to Hawai'i in general, since we have no control over that.

Action E: Encourage low-impact green rides to improve the visitor experience, reduce island traffic, increase small business opportunities, and meet climate action goals.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
E.1	Foster and promote diverse mobility choices so that visitors may elect alternatives to renting cars for their entire stay.	L = County S = HTA	X	X	X
E.2	Continuously examine the movement of visitors around the island, including popular visitor attractions and beach destinations, and encourage the development of public-private shuttle systems from the airport and in major Visitor Destination Areas (VDAs).	L = County S = HTA	X	X	
E.3	Meet with and discuss with rental car agencies and car sharing companies to provide electric vehicles, and increase incentives to install EV chargers at the airport and at potential high-use car share locations.	L = County S = HTA	X		
E.4	Create incentives for visitors to choose alternative transportation options such as separating parking costs from resort fees and implementing paid parking at beaches and other parking-limited destinations.	L = County S = HTA	X	X	X

Action F: Increase communication, engagement and outreach efforts with the community, visitor industry, and other sectors.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
F.1	Explore new ways to communicate with the residents and visitor industry to share information and increase understanding. Create a communications plan.	L = HTA S = County/ KVB	X	X	X

Brand Marketing

Action G: Develop educational materials for visitors and new residents to have respect for our local cultural values.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
G.1	Create a list of organizations to work with to build an educational program.	L = HTA S = County/ KVB	X		
G.2	Review existing publications that address respect for Kaua'i's local culture values. Explore the creation of a "Kaua'i 101" curriculum for visitors and new residents.	L = HTA S = County/ KVB	X	X	
G.3	Work with Hawaiian cultural practitioners when developing education materials so that the Hawaiian culture is portrayed accurately for the visitors.	L = HTA S = County/ KVB	X	X	
G.4	Create an educational video about entering Hawai'i and the history, culture, people and environment of Kaua'i. Look at the feasibility of an inflight video, and playing it at the airport.	L = HTA S = County/ KVB	X	X	

G.5	Explore developing content for social media – “home grown media” – to showcase Kaua’i local culture.	L= HTA S = County/ KVB	X	X	
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Action H: Promote “Shop Local” to visitors and residents.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
H.1	Expand the <i>Kaua’i Made</i> Program, and market, promote, and brand beyond Kaua’i’s shores. Explore an “Aloha for Kaua’i” type of online-portal.	L = County S = HTA/ KVB	X	X	X

Action I: Support Diversification of Other Sectors

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
I.1	Support and preserve Kaua’i’s agriculture industry, such as value-added products, and agritourism through amended rules/regulations).	L = HTA/County S = KVB	X	X	X

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VII. Tourism Hotspots

A “hotspot” is an area or site that attracts visitors due to its popularity, which may result in overcrowding, congestion, degradation of resources, safety hazards, and a negative experience for both residents and visitors.

While HTA is not an enforcement agency, it can be a catalyst to bring together respective state and county agency(s), the community and private sector to develop solutions that address hotspot sites and areas.

HTA reviewed the community’s input from the surveys and community meetings, in addition to feedback from the county, KVB, and Kaua’i Steering Committee. Below are the hotspot areas and sites that HTA will monitor together with the respective agencies as needed to help mitigate issues. Other areas and sites were identified, but the locations of utmost concern are:

- Polihale State Park
- Kōke’e and Waimea Canyon
- Nāpali and Kalalau Trail
- Salt Pond Beach Park and surrounding area
- North Shore
 - From Hanalei Bridge to the end of the road at Ke’e Beach
 - Hanalei Bay
 - Ke’e Beach
 - Hā’ena
 - Hanakāpī’ai
 - Anini Beach
- Po’ipū Beach
- Queen’s Bath
- Kapa’a (traffic)
- Old Kōloa town (parking)
- Wailua River State Park

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Glossary

Average Length of Stay: Number of days visitors are on the island, including the day of arrival and the day of departure.

Average Daily Census: Average number of visitors present in Hawai'i on a single day.

Carrying Capacity: The maximum number of people that may visit a tourist destination at the same time, without causing destruction of the physical, economic, socio-cultural environment and an unacceptable decrease in the quality of visitors' satisfaction. (World Tourism Organization)

Regenerative Tourism: Regenerative tourism is “creating the conditions for life to continuously renew itself, to transcend into new forms, and to flourish amid ever-changing life conditions” (Hutchins and Storm, 2019) - through tourism. It “recognizes its communities and places are living systems, constantly interacting, evolving, self-organising, efficient, learning, distinct, and vital to create abundance, balance and conditions to support other life, resilience and contribute to a greater system of well-being.” (Earth Changers, 2020)

Sustainable Tourism: Development that meets the needs of present tourist and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems. (World Tourism Organization)

Per-Person Per-Day Spending: Total spending of an individual on a given day during their stay.

Visitor: Out-of-state traveler who stayed in Hawai'i for a period of time between one night, but less than one year.

Visitor Days: Total number of days visitors are on the island and/or in the state.

Visitor Destination Area (VDA): The three main visitor destination areas on Kaua'i are in Princeville, Po'ipū, and Kapa'a.

Total Visitor Spending: The U.S. dollar amount spent in Hawai'i attributed to a visitor. This includes direct spending by visitors while in Hawai'i, as well as any prepaid package purchased before arrival. The expenditure data does not include trans-Pacific airfare costs to-and-from Hawai'i, commissions paid to travel agents, or portions of the package in another state or country.

Appendix A – Actions for Future Consideration

The following actions were considered by the Kaua'i Steering Committee, but did not make it to the top 10 priority actions. Should the 10 priority actions be completed before the end of the DMAP, HTA will revisit these actions:

- Visitor Safety.
- Monitor to address helicopter noise pollution.
- Redefine brand to promote “regenerative tourism” (i.e. ecotourism, voluntourism, agritourism).
- Inspection of tour operators (tour Guides/tour operators).
- Increase offerings of group tours.
- Discourage vendors from associating Kaua'i with feral chickens, an invasive species and nuisance species with diseases and parasites that can spread to people, agricultural animals, and native birds.

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Appendix B – Other Areas Identified to be Managed More Intentionally

The following is a list of other areas that were identified to be managed more intentionally. These sites were not mentioned as often as the sites listed on page 16.

Alomanu

Anahola

Burns Field

Halelea parks

Hanapēpē

Ho‘opi‘i Falls

Kalihiwai

Kawaie State Bird Sanctuary

Kealia

Kekaha

Kīlauea Point National Wildlife Refuge

Kipu Kai

Lumahai

Mahaulepu

Mauka Wailua

Mcbryde coastal

Nāwiliwili

O‘Paeka‘a Falls

Secrets Beach

Wainini

Appendix C – Sources

Department of Business, Economic Development & Tourism’s County Economic Conditions:
<https://dbedt.hawaii.gov/economic/qser/county/>

Hawai’i Tourism Authority (HTA) Annual Visitor Research Report 2019:
<https://hawaiitourismauthority.org/media/5062/2019-annual-report-final-for-posting.pdf>

HTA November Monthly Visitor Statistics: <https://hawaiitourismauthority.org/research/monthly-visitor-statistics/>

HTA Visitor Satisfaction & Activity Reports: <https://hawaiitourismauthority.org/research/visitor-satisfaction-and-activity/>

HTA Resident Sentiment Survey Update 2019: <https://hawaiitourismauthority.org/media/4268/resident-sentiment-board-presentation-02-27-20.pdf>

Hawai’i Hotel Performance Report: (<https://hawaiitourismauthority.org/media/5085/hawaii-hotel-performance-07-2020.pdf>)

Hawai’i Vacation Rental Performance Report: (<https://hawaiitourismauthority.org/media/5097/hta-july-2020-hawaii-vacation-rental-performance-final.pdf>)

DRAFT



Maui Destination Management Action Plan

Hanohano Maui nō ka 'oi

Glorious Maui, is the very best

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I. Introduction

Purpose of the Plan

In 2019, the Hawaiian Islands received a record high of 10.4 million visitors. While this brought in \$17.75 billion in total visitor spending to Hawai'i's businesses, \$2.07 billion in taxes generated, and supported 216,000 jobs statewide, it has put pressure on some of our destinations and communities. This situation is not unique to Hawai'i. Other popular destinations – from Venice, Italy to Machu Picchu, Peru, to Kyoto, Japan – have also felt the negative effects of tourism, which not only impacts residents' quality of life but also the quality of the visitor experience.

In recognition of these challenges, the Hawai'i Tourism Authority (HTA), in partnership with the counties and the respective visitor bureaus, initiated the process of developing community-based Destination Management Action Plans (DMAPs) that aim to **rebuild, redefine and reset** the direction of tourism over a three-year period. The focus is on **stabilization, recovery, and rebuilding of the desired visitor industry for each island**. The actions put forth in the DMAPs are guided by an island-based Steering Committee, that went through a collaborative process which encouraged participation and vital input from the community, visitor industry and other sectors. The DMAPs identify areas of need as well as actionable solutions for enhancing the residents' quality of life and improving the visitor experience across the islands.

HTA's 2020-2025 Strategic Plan is organized around four interacting pillars – Natural Resources, Hawaiian Culture, Community, and Brand Marketing, with more emphasis on addressing tourism impacts and greater destination management. In the plan, HTA defined Destination Management to include:

- attracting and educating responsible visitors;
- advocating for solutions to overcrowded attractions, overtaxed infrastructure, and other tourism-related problems; and
- working with other responsible agencies to improve natural and cultural assets valued by both Hawai'i residents and visitors.

The DMAP initiative is a part of HTA's strategic vision and plan to manage Hawai'i tourism in a responsible and regenerative manner.

The idea of "regenerative tourism" gained momentum in 2020, as the global COVID-19 pandemic has increased awareness of tourism's opportunities and vulnerabilities. What is regenerative tourism? About 15 years ago, the model for "sustainable tourism" was instituted, built on tourism that was environmentally friendly, culturally sensitive and had less impact than high numbers of visitors. Regenerative tourism takes sustainability one step further and focuses on the net benefit of the visitor economy to a destination, looking at social and cultural benefits and costs. "Regenerative tourism is bolder and more inspiring. It aims not just to do less harm, but to go on and restore the harm that our system has already done to the natural world, and by using nature's principles, to create the conditions of life to flourish. It views wholes and not parts, and is a very different way of looking at the world." (Anna Pollock, International tourism consultant and Founder of Conscious Travel)

Many of the actions in this plan take a regenerative tourism approach.

Formation of the DMAP

The process of the development of the Maui DMAP started with the HTA, the County of Maui’s Office of Economic Development and the Maui Visitors and Convention Bureau (MVCB) developing a list of Maui stakeholders who represented the visitor industry sectors (hotel, attractions, activities), other business sectors (e.g. agriculture, retail), the community (e.g. Hawaiian culture, education), and other nonprofit organizations. They also represented the communities that they live in. Invitations were sent, and 19 members volunteered their time to participate on the Maui Steering Committee (see Acknowledgement section).

During the first Steering Committee virtual meeting, the members reviewed HTA’s Strategic Plan, including HTA’s key performance indicators and four pillars, as well as the Maui County Tourism Strategic Plan and its tourism strategies. These two plans are the foundation of the Maui DMAP. After an overview, the group critically examined destination attributes valued only by residents, only by visitors, and by both the residents and visitors. They also discussed the destination attributes that are at-risk or threatened. From there, the Steering Committee brainstormed actions – what to protect or mitigate, what to preserve or grow, and where the gap can be closed or bridged. During the Steering Committee’s second virtual meeting, the actions were grouped, and overarching anchor actions and sub-actions were identified. These were presented to Maui residents at a virtual community meetings via Zoom on October 28, 2020. The community was encouraged to provide input at the virtual community meetings as well as through an online input form. The results are provided in Appendix A.

After reviewing the community feedback, the Steering Committee met virtually for a third time, and selected anchor actions that the DMAP would focus on. Employees of HTA, the county, and the Maui Visitors Bureau reviewed the proposed actions to confirm they could be done under their respective purviews. The final draft anchor and sub-actions were reviewed and approved by the Steering Committee at their last meeting in December. All of the anchor actions were developed by the Steering Committee with input from the community.

Implementation Framework

Hawai‘i’s tourism industry is at a critical point and residents’ livelihoods depend on the recovery of the visitor industry – directly or indirectly. Tourism needs to be managed responsibly so that residents and destinations can thrive. HTA is leading many of the efforts in the Maui Destination Management Action Plan. However, there needs to be collaboration and support from other state and county agencies, the community, the visitor industry and other sectors, to help move the actions forward.

This is a three-year plan and a living document that will be evaluated annually against key performance indicators.

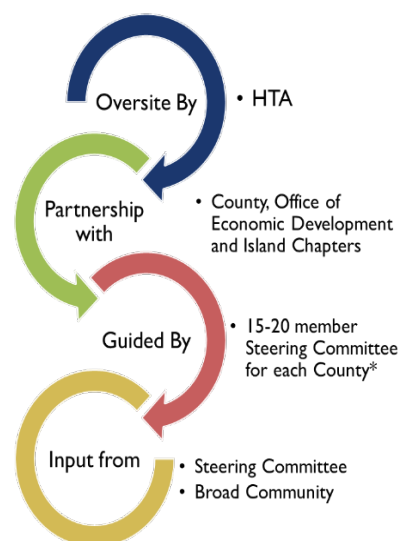


Figure 1: Collaborative

‘A’ohe hana nui ke alu ‘ia.
“No task is too big when
done together by all.”

- ‘Ōlelo No‘eau (Hawaiian Proverb)

II. Overview of Tourism in Hawai'i

Overall Trends

Tourism has remained the primary economic driver for Hawai'i's economy across all islands. In 2019, tourism was 16.2% of Hawai'i Gross Domestic Product (GDP), second to real estate and rental and leasing at 18.8% of Hawai'i GDP. Jobs in the tourism industry accounted for 20% of total jobs in Hawai'i while jobs in the real estate and rental and leasing sector accounted for 4.4% of total jobs. For the past eight years, the State of Hawai'i's visitor industry sustained annual growth in terms of arrivals and expenditures. In 2019, tourism was the largest single source of private capital for Hawai'i's economy. Total visitor spending reached \$17.84 billion (1.1% increase compared to 2018). Tourism generated \$2.08 billion in state tax revenue. A total of 10,424,995 visitors came to the Hawaiian Islands by either air service or cruise ship (5.4% increase over 2018).

The visitor industry has provided steady employment opportunities and supported the development of small businesses throughout the state. In 2019, tourism supported 216,000 jobs throughout the state. Hawai'i has experienced record arrivals over the past few years with no significant increase in the number of traditional lodging units (e.g., hotels and resorts), however, unpermitted short-term rentals increased in Hawai'i's neighborhoods.

Prior to the global COVID-19 pandemic, 2020 was set to be another year of record growth for Hawai'i. However, in the first 10 months of 2020, visitor arrivals were down 73.4 percent to 2,296,622, with significantly fewer arrivals by air service (-73.4% to 2,266,831) and by cruise ship (-74.2% to 29,792). The average daily census or the number of visitors in Hawai'i on any given day was 77,007 (68.7% decrease over year-to-date October 2019). Compared to year-to-date October 2019, the average length of stay increased by 17.9% to 10.23 days. This was a result of visitors staying double-digit days during the state's trans-Pacific 14-day quarantine requirement that started on March 26, 2020. The state's pre-travel testing program started on October 15, 2020 as a way for travelers to bypass the mandatory quarantine requirement.

The majority of visitors to Hawai'i arrive by air, and thus air service to the islands is vital for Hawai'i's tourism industry. Total air capacity (number of seats) decreased 62.1 percent to 4,278,381 seats as a result of a reduction in air service to Honolulu (-59.9% to 2,803,908 seats), Kahului (-65.8% to 816,083 seats), Kona (-62.9% to 390,573 seats), Līhu'e (-68.6% to 258,853 seats) and Hilo (-77.4% to 8,964 seats).

Sails on the Hawai'i home-ported cruise ship, Norwegian Cruise Line's Pride of America, have been suspended since April 2020 and out-of-state cruise ships were not permitted into the islands due to the Center for Disease Control and Prevention's (CDC) "No Sail Order" from March 14 to October 29, 2020. As of October 30, 2020, the CDC will take a phased approach to resuming passenger operations.

Hawai'i's unemployment rate increased from 2.6 percent in the first quarter of 2020 to 20.3 percent in the 2nd quarter and then decreased to 13.9 percent in the third quarter. DBEDT projects that for 2020 overall, the average annual employment rate will be at 11.2 percent, then decrease to 7.9 percent in 2021 and 7.1 percent in 2022. These rates are significantly higher than Hawai'i's average unemployment rate of 2.5% from 2017 to 2019.

Tourism Forecast

According to the Department of Business, Economic Development & Tourism's 4th quarter Outlook for the Economy, total visitor expenditures is forecasted to end the year at \$5.11 billion (-71.4%) with 2.73 million visitor arrivals (-73.7%).

Resident Sentiment

HTA conducts an annual Resident Sentiment Survey (RSS) to gauge resident attitudes toward tourism in Hawai'i and to identify perceived positive and negative impacts of the visitor industry on residents. Positive resident sentiment is important to maintain a healthy industry. The 2019 RSS report showed that resident sentiment had generally weakened compared to the previous year. By extension the quality of the visitor experience will likely decline if this trend continues. For now, the two are inexorably linked and changes are necessary to improve resident sentiment – there must be a better balance of economic, social and cultural, and community benefits from tourism. Providing residents with a voice in tourism development, creating jobs with opportunities for advancement, and creating shopping, dining and entertainment opportunities are key to improving resident sentiment.

III. Maui Island Tourism Situation Analysis

Riding the surge of global travel in 2019, Maui Island saw visitor arrivals reach a record 3.06 million visitors. Those Maui visitors also contributed \$5.13 billion in expenditures to Hawai'i's economy. On average, visitors stayed eight days and spent \$212 per person per day.

Maui has a reputation for high quality resorts and Maui hotels experienced another strong year with annual hotel occupancy at 78 percent on average and an average daily hotel room rate of \$400. Other visitor accommodations also were experiencing boom times (timeshare: 94% occupancy, vacation rentals: 79% occupancy). Only half of visitors stayed in hotels (54%), while condo (27%), timeshare (10%) and rental houses (9%) are also well used. Some visitors felt traffic was a concern or mentioned the destination being expensive.

However, as of October 2020, the consequences of the global pandemic have resulted in visitor counts down 75 percent compared to last year. The number of direct air seats into Maui was also down 66 percent. The decline in the visitor industry also resulted in a loss of jobs on Maui with accommodation jobs down 80 percent (-9,700 jobs) and Maui food service, restaurants and drinking places down 4,600 job for a loss of -46 percent.

Maui Island has a strong distinct brand known worldwide. The Maui experience consistently performs well with 90 percent of visitors rating their Maui experience as excellent. Most visitors are also highly likely to recommend Maui to their friends and family. However, a recent DestinationNEXT study¹ found some concern for Maui's readiness for International visitors (81% of visitors come from the U.S.).

Visitor behavior may also be a cause for concern. A high proportion of independent repeat visitors take part in fewer guided activities, instead doing more self-directed tours and driving around the island. Further, few visitors took part in history, culture or arts activities.

- High number of repeat visitors (71%) who are usually independent travelers (81%)
- 83% do self-guided tours or drive around the island.
- Only 21% of visitors go to historic sites and 19% go to museums or art galleries.

The community's perspective on the Maui's visitor industry in 2019 was not as positive. Residents felt crowded out because 3-in-10 persons walking around Maui were visitors. Maui residents felt that tourism created traffic problems and increased the cost of living on island. They also felt that visitors did not have respect for local culture or the 'āina and their activities damaged the environment. However, specific quantitative metrics for resident sentiment of Maui residents are not published by HTA.

¹ DestinationNEXT Multi-User Diagnostic Assessment:Hawaii Statewide, Destinations International and MMGY NextFactor, December 30, 2019

Table 1: Situational Analysis Summary

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Hospitality culture • Strong brand as leisure destination • Direct flight from core West Bound markets • High quality resorts • Diverse attractions • Higher percent of repeat and second home visitors (short term) • Strong organized industry support 	<p>PROBLEMS</p> <ul style="list-style-type: none"> • Visitor to resident ratio is high - residents feel too many visitors • Environmental impacts • Readiness for International visitors • Ineffective advocacy for tourism • Mobility and access issues • High repeat and second home visitors • Harbor limitations for cruise industry • Seasonality creates unstable business and seasonal layoffs • Low utilization of cultural resources especially Native Hawaiian resources • High unemployment rate in visitor industry due to COVID-19
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Increase workforce quality and relations • Present authentic Hawaiian culture • Improve mobility (walk, bike, public transport, road network) • Local leadership engagement • Tourism master planning • Group/incentive business • Niche honeymoon target market • Market to repeat and second home visitors (Recovery) • Focus on hotels and package tours • Reputation for high-tech and innovation (MCI and new niche markets) 	<p>THREATS</p> <ul style="list-style-type: none"> • Changing lodging demand: shift away from full-service hotels to timeshare and vacation rentals, visitors that spend less. • Climate change • If infrastructure is not improved, then visitor satisfaction will go down • Core tourism businesses and non-profits may not survive COVID-19 • Loss of West Bound market • Island specific data on resident sentiment is not available to track change over time

IV. Vision for Maui Island Tourism

The Maui DMAP vision was created based on feedback provided by the Steering Committee at its first meeting.

By 2024, together with the community, the visitor industry will

- *Rebound to lead Maui's economic recovery;*
- *Develop shared strategies and actions for a more balanced long term future that ensures economic sustainability for the community while preserving the quality of life for residents and quality of place for visitors.*

V. Goal

The goal of the DMAP is to **rebuild, redefine and reset** the direction of tourism over a three-year period.

VI. Objectives

There are six objectives to achieve the goals and vision of the Maui DMAP

Objective 1: Create positive contributions to the quality of life for Maui's residents.

Objective 2: Support the maintenance, enhancement, and protection of Maui's natural resources.

Objective 3: Ensure the authentic Hawaiian culture is perpetuated and accurately presented in experiences for residents and visitors, materials and marketing efforts.

Objective 4: Maintain and improve visitor satisfaction of their experience on Maui.

Objective 5: Strengthen the economic contribution of Maui's visitor industry.

Objective 6: Increase communication and understanding between the residents and visitor industry.

VII. Actions

The actions were developed by the Steering Committee and the community. The plan represents the community's desire for the Maui's visitor industry and for the island. In some cases, the HTA took the essence of the community's feedback and input and turned it into an action.

The actions were shaped by underlying issues that were identified by the steering committee and also appeared in the community input:

- Concern over illegal rentals
- Finding visitors that have similar values to residents
- Educating visitors
- Two-way communications and industry collaboration
- Transportation issues and infrastructure

The community also made mention about limiting the number of visitors to the island, as well as the number of rental cars. Unfortunately, HTA has no control over these. The free movement of people to travel to the islands and between the islands falls under federal jurisdiction. And businesses are free to

operate on the islands so long as they do not break any laws. The goal of the DMAP meetings was to gather input from the community regarding how to manage tourism on the individual islands before and after the visitors arrive as well as how we mālama the visitors, and each other, once the visitors are here. This includes considerations around protecting our ‘āina and perpetuating the Hawaiian culture. This does not, however, include deciding who can and cannot come to an island specifically, or to Hawai‘i in general, since HTA does not have control.

The following tables identify opportunities and needs for each of the anchor actions, including the identification of responsible agencies and timing of the action’s commencement and/or delivery over a three-year period. As HTA carries out the DMAP, there will be more organizations and businesses identified to help move this plan forward.

The long-term **measures of success** will be measured through HTA’s Strategic Plan’s four overall Key Performance Measures: Resident Satisfaction, Visitor Satisfaction, Average Daily Visitor Spending, and Total Visitor Spending. A “milestone” is a qualitative way of determining progress toward accomplishing a specific defined action. The **milestones for success** are the completion of each subaction in the phase indicated.

Action A. Implement a responsible tourism marketing communications program to educate visitors pre- and post-arrival about safe and respectful travel

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Develop and implement a coordinated marketing and branding plan that defines and amplifies Regenerative tourism on Maui Island.	L = HTA S = GMTS (e.g. HVCB; MVCB; HTJ) Industry partners	X	X	X
2	Review and enhance the goHawaii app to include more island specific features such as real time information, road closures, events, local etiquette, resource protection, and areas that are off-limits. A geo-targeted app is desired.	L = HTA S = County/HVCB/MVCB	X		
3	Encourage usage of the updated goHawaii app in the implementation of the marketing/branding plan (including social media). Encourage partners to also promote the goHawaii app and other visitor education programs.	L = HVCB/MVCB S = County; HTA		X	X
4	Continue public service announcements about being a responsible visitor on incoming flights and at airports. Ensure continued funding for program.	L = HTA S = DOT Airports	X	X	X

Action B. Initiate, fund and continue programs to protect the health of ocean, fresh water and land-based ecosystems and biosecurity

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Promote Hawai'i's sunscreen law and educate visitors about proper sunscreen use through the goHawaii app and other visitor education programs.	L = MVCB S = HTA/County	X	X	X
2	Explore the capacity limits at hot spots through science-based data. Continue educating the community and visitors about the importance of limiting numbers to ensure the hot spots can be sustained and thrive.	L = (work with) DLNR S = HTA	X		
3	Pilot a reservation system (e.g., East Maui Reservation and Itinerary System) to support a sustainable capacity of visitors and explore the feasibility of expanding capabilities to other hot spots on the island	L = HTA S = County	X	X	X
4	Encourage and if needed provide incentives to visitor industry partners for recycling, wastewater reuse, organic land care, and renewable energy installation. Recognize those partners who have exceeded expectations.	L = County			X

Action C. Continue to reach out to the community to understand resident sentiment, increase communications to residents, and foster collaboration

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Hold regular town hall meetings to include both community members, stakeholders, and industry partners.	L = County S = HTA	X	X	X
2	Increase awareness of tourism benefits such as jobs, small business successes, local/Maui workforce; how resident concerns are being viewed and addressed; and how it correlates with Maui's overall economy. Use town hall meetings addressed in C.1. as one vehicle for these messages.	L = HTA S = MLTA; MVCB; Chamber; NaHAA	X	X	X

Action D. Continue to offer cultural education and training programs to enhance and perpetuate aloha, mālama and kuleana and the authentic Hawai'i experience.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Explore funding and scholarships to increase tour guide certification program participation as pilot project for future compulsory culture and language training programs.	L = HTA	X	X	X
2	Work with UH MCC to increase and promote visitor industry training programs.	L = HTA	X	X	X
3	Explore options and identify community organizations that can work with industry partners to foster locations for educational sites for learning that supports practitioners: apprentice type of programs to ensure proper, quality learning.	L = HTA S = Community/ County	X	X	X
4	Continue to offer and promote cultural education workshop series for visitor industry and other businesses.	L = HTA S = County, NaHAA	X	X	X

Action E. Develop Regenerative Tourism initiatives.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Support and incentivize product development to create more packages with opportunities to not only learn about Hawai'i but to also make the place better.	L = HTA S = County	X	X	X
2	Identify and promote cross-discipline activities into product development (i.e., invasive species eradication, planting taro, wildlife preservation and environmental protection for visitors and residents)	L = HTA S = County	X	X	X

Action F. Develop and promote initiatives to improve the experience of transportation & ground travel.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Support the efforts of Maui Metropolitan Planning Organization on decreasing traffic (Hele Mai)	L = MPO S = County	X	X	X
2	Work with hotels and other employers to stagger shift times to mitigate traffic congestion	L = MLTA S = County		X	X
3	Identify ways to increase availability of rental cars in the resort areas for on-demand use.	L = County S = HTA	X		
4	Together with HDOT-Airports explore options to reduce the number of flights arriving near the same time to reduce the related impact of high traffic volume between the airport and resort areas.	L = County S = DOT Airports; HTA		X	

Action G. Ensure more direct benefits to residents from tourism.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Encourage hotels and restaurants to prioritize purchases from local suppliers to support recovery efforts and recognize those who are helping.	L = HTA S = County	X		
2	Develop a master list of locally grown and value-added products that can be accessed by hotels and restaurants to know more easily what is available. The list can include local growers; co-ops; volume of product available; list of food products (Chamber); other manufactured/value-added products]	L = HTA S = County	X		

Action H. HTA and County to advocate for consistent enforcement, enforce current laws, and provide progress report on enforcement.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Advocate for increased enforcement of current laws	L = HTA S = Community	X	X	X

VIII. Tourism Hotspots

A “hotspot” is an area or site that attracts visitors due to its popularity, which may result in overcrowding, congestion, degradation of resources, safety hazards, and a negative experience for both residents and visitors.

While HTA is not an enforcement agency, it can be a catalyst to bring together respective state and county agencies, the community, and private sector to develop solutions that address hotspot sites and areas.

HTA reviewed the community’s input from the surveys and community meetings, in addition to feedback from the county, MVCB, and Maui Steering Committee. Below are the hotspot areas and sites that HTA will monitor together with the respective agencies as needed to help mitigate issues. Other areas and sites were identified, but the locations of utmost concern are:

- Kaihalulu Bay – Access
- Pu’u Keka’a – Safety
- Highway 330: Kukui Bay to Huakini Bay – Safety and Car Rental
- Highway 30: Honolua Bay to Kahakuloa Bay – Safety
- Nākālele blowhole: - Safety
- Helele’ike’ōhā – Access
- Haleakalā – Access
- Bamboo forest, Kailua – Access, Safety, Cultural
- Puka Maui coastline – Access, Safety, Cultural
- Puahokamoa falls – Access, Safety, Cultural
- Honomanu waterfall – Access, Safety, Cultural
- Waikani waterfall – Access, Safety, Cultural
- Wailuaiki pond – Access, Safety, Cultural
- Waioka, venus pool – Access, Safety, Cultural
- Pools of ‘Ohe’o – Safety
- Molokini Island – Environmental, overcrowding

Acknowledgement

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Glossary

Average Length of Stay: Number of days visitors are on the island, including the day of arrival and the day of departure.

Average Daily Census: Average number of visitors present in Hawai'i on a single day.

Carrying Capacity: The maximum number of people that may visit a tourist destination at the same time, without causing destruction of the physical, economic, socio-cultural environment and an unacceptable decrease in the quality of visitors' satisfaction.

Day Trip: A journey to a place and back again on the same day, usually for pleasure.

Kama'āina traveler: A Hawai'i resident that visits another island that is not their residence.

Regenerative Tourism: Regenerative tourism is “creating the conditions for life to continuously renew itself, to transcend into new forms, and to flourish amid ever-changing life conditions” (Hutchins and Storm, 2019) - through tourism. It “recognizes its communities and places are living systems, constantly interacting, evolving, self-organising, efficient, learning, distinct, and vital to create abundance, balance and conditions to support other life, resilience and contribute to a greater system of well-being.” (Earth Changers, 2020)

Sustainable Tourism: According to the World Tourism Organization (UNWTO), sustainable tourism is defined as “Development that meets the needs of present tourist and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems.”

Per-Person Per-Day Spending: Total spending of an individual on a given day during their stay.

Visitor: Out-of-state traveler who stayed in the State of Hawai'i for a period of time between one night, but less than one year.

Visitor Days: Total number of days visitors are on the island and/or in the state.

Total Visitor Spending: The U.S. dollar amount spent in Hawai'i attributed to a visitor. This includes direct spending by visitors while in Hawai'i, as well as any prepaid package purchased before arrival. The expenditure data does not include trans-Pacific airfare costs to-and-from Hawai'i, commissions paid to travel agents, or portions of the package in another state or country.

Appendix A – Online Input Form Results

Appendix B – Actions for Future Consideration

The following actions were considered by the Maui Steering Committee, but did not make it to the top priority actions.

The following actions were considered as important actions by the Maui Steering Committee. However, further review by HTA and County determined these actions to be beyond the current scope of the Maui DMAP. These action would be better served by a community lead and would need additional time to identify organization and work towards an agreement; or the action would require significant review and research beyond the three-year scope of this DMAP.

- **Address impacts of sea level rise, including repair and rebuilding of roads and properties to ensure resilience**
- **Align infrastructure with County projections**

Appendix C – Sources

Department of Business, Economic Development & Tourism’s County Economic Conditions:
<https://dbedt.hawaii.gov/economic/qser/county/>

DestinationNEXT Multi-User Diagnostic Assessment Hawai’i 2019:
<https://hawaiitourismauthority.org/media/4275/assessment-report-hawaii-statewide.pdf>

Hawai’i Tourism Authority (HTA) Annual Visitor Research Report 2019:
<https://hawaiitourismauthority.org/media/5062/2019-annual-report-final-for-posting.pdf>

HTA October Monthly Visitor Statistics: <https://hawaiitourismauthority.org/research/monthly-visitor-statistics/>

HTA Visitor Satisfaction & Activity Reports: <https://hawaiitourismauthority.org/research/visitor-satisfaction-and-activity/>

HTA Resident Sentiment Survey Update 2019: <https://hawaiitourismauthority.org/media/4268/resident-sentiment-board-presentation-02-27-20.pdf>

Hawai’i Hotel Performance Report: (<https://hawaiitourismauthority.org/media/5085/hawaii-hotel-performance-07-2020.pdf>)

Hawai’i Vacation Rental Performance Report: (<https://hawaiitourismauthority.org/media/5097/hta-july-2020-hawaii-vacation-rental-performance-final.pdf>)



Moloka'i Destination Management Action Plan

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I. Introduction

Purpose of the Plan

In 2019, the Hawaiian Islands received a record high of 10.4 million visitors. While this brought in \$17.75 billion in total visitor spending to Hawai'i's businesses, \$2.07 billion in taxes generated, and supported 216,000 jobs statewide, it has also put pressure on some of our destinations and communities. This situation is not unique to Hawai'i. Other popular destinations – from Venice, Italy to Machu Picchu, Peru, to Kyoto, Japan – also felt the negative effects of tourism, which not only impact the residents' quality of life but also the quality of the visitor experience.

The Hawai'i Tourism Authority (HTA), in partnership with the counties and the respective visitor bureaus, developed community-based Destination Management Action Plans (DMAPs) that aim to **rebuild, redefine and reset** the direction of tourism over a three-year period. The focus is on **stabilization, recovery, and rebuilding to the desired visitor industry for each island**. The actions put forth in the DMAPs are guided by an island-based Steering Committee for each island and include a collaborative process which encourages participation and vital input from the community, visitor industry and other sectors. The DMAPs identify areas of need as well as actionable solutions for enhancing the residents' quality of life and improving the visitor experience across the islands.

HTA's 2020-2025 Strategic Plan is organized around four interacting pillars – Natural Resources, Hawaiian Culture, Community, and Brand Marketing, with more emphasis on addressing tourism impacts and greater destination management. In it, HTA defined Destination Management to include:

- attracting and educating responsible visitors;
- advocating for solutions to overcrowded attractions, overtaxed infrastructure, and other tourism-related problems; and
- working with other responsible agencies to improve natural and cultural assets valued by both Hawai'i residents and visitors.

The DMAP initiative is a part of HTA's strategic vision and plan to manage Hawai'i tourism in a responsible and regenerative manner.

The idea of "regenerative tourism" has gained momentum in 2020, especially as the global COVID-19 pandemic has made people more aware of tourism's opportunities and vulnerabilities. What is regenerative tourism? About 15 years ago, the model for "sustainable tourism" was instituted, built on tourism that was environmentally friendly, culturally sensitive and had less impact than mass volumes of visitors.

Regenerative tourism takes sustainability one step further and focuses on the net benefit of the visitor economy to a destination, looking at the social and cultural benefits. "Regenerative tourism is bolder and more inspiring. It aims not just to do less harm, but to go on and restore the harm that our system has already done to the natural world, and by using nature's principles, to create the conditions of life to flourish. It views wholes and not parts, and is a very different way of looking at the world." (Anna Pollock, International tourism consultant and Founder of Conscious Travel)

Many of the actions in this plan take a regenerative tourism approach.

Formation of the DMAP

The process of the development of the Moloka'i DMAP started with the HTA, County of Maui's Office of Economic Development and the Maui Visitors and Bureau (MVB) developing a list of Moloka'i stakeholder who represented the visitor industry sectors (hotel, attractions, activities), different business sectors (e.g. agriculture, retail), the community (e.g. Hawaiian culture, education), and other nonprofit organizations. They also represented the communities that they live in. Invitations were sent, and 10 members volunteered their time to participate on the Maui Steering Committee (see Acknowledgement section).

At the first Steering Committee virtual meeting, the members reviewed HTA's Strategic Plan in addition to the Maui County Tourism Strategic Plan, including HTA's key performance indicators and four pillars, as well as the county's tourism strategies. The Steering Committee received "A Community-Based Visitor Plan for Moloka'i," McGregor, 2006. After the review, they critically examined destination attributes valued only by residents, only by visitors, and by both the residents and visitors. They also discussed the destination attributes that are at-risk or threatened. From there the Steering Committee brainstormed actions – what to protect or mitigate, what to preserve or grow, and where the gap can be closed or bridged. During the Steering Committee's second virtual meeting, the actions were grouped, and overarching anchor actions and sub-actions were identified. These were presented to Moloka'i residents at a virtual community meetings via Zoom on October 29, 2020. The community was encouraged to provide input at the virtual community meetings as well as through an online input form. The results are provided in Appendix A.

After reviewing the community feedback, the Steering Committee met virtually for a third time, and selected anchor actions that the DMAP would focus on. Employees of HTA, the county, and the Maui Visitors Bureau reviewed the proposed actions to verify they could be done under their respective purviews. The final draft anchor and sub-actions were reviewed and approved by the Steering Committee at their last meeting. All of the anchor actions were developed by the Steering Committee with input from the community.

Implementation Framework

Hawai'i's tourism industry is at a critical point and residents' livelihoods depend on the recovery of the visitor industry – whether directly or indirectly. Tourism needs to be managed responsibly so that the residents and destination can thrive. HTA is leading many of the efforts in the Maui Destination Management Action Plan. However, there needs to be collaboration and support of other state and county agencies, in addition to the community, visitor industry and other sectors, to help move the actions forward. This is a three-year plan and living document that will be evaluated annually against key performance indicators.

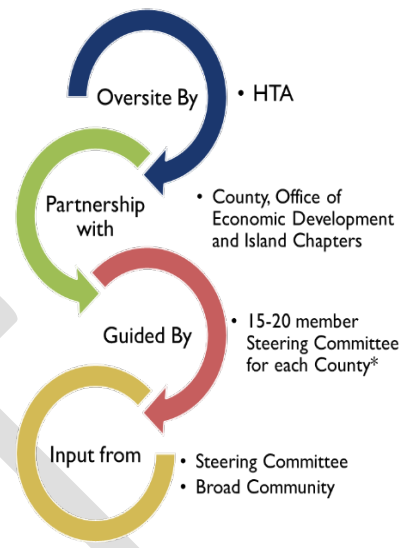


Figure 1: Collaborative

'A'ohē hana nui ke alu 'ia.
"No task is too big when
done together by all."

- 'Ōlelo No'eau (Hawaiian Proverb)

II. Overview of Tourism in Hawai'i

Overall Trends

Tourism has remained the primary economic driver for Hawai'i's economy across all islands. In 2019, tourism was 16.2% of Hawai'i Gross Domestic Product (GDP), second to real estate and rental and leasing at 18.8% of Hawai'i GDP. Jobs in the tourism industry accounted for 20% of total jobs in Hawai'i while jobs in the real estate and rental and leasing sector accounted for 4.4% of total jobs. For the past eight years, the State of Hawai'i's visitor industry sustained annual growth in terms of arrivals and expenditures. In 2019, tourism was the largest single source of private capital for Hawai'i's economy. Total visitor spending reached \$17.84 billion (1.1% increase compared to 2018). Tourism generated \$2.08 billion in state tax revenue. A total of 10,424,995 visitors came to the Hawaiian Islands by either air service or cruise ship (5.4% increase over 2018).

The visitor industry has provided steady employment opportunities and supported the development of small businesses throughout the state. In 2019, tourism supported 216,000 jobs throughout the state. Hawai'i has experienced record arrivals over the past few years with no significant increase in the number of traditional lodging units (e.g., hotels and resorts), however, unpermitted short-term rentals grew in Hawai'i's neighborhoods.

Prior to the global COVID-19 pandemic, 2020 was set to be another year of record growth for Hawai'i. However, in the first 10 months of 2020, visitor arrivals were down 73.4 percent to 2,296,622, with significantly fewer arrivals by air service (-73.4% to 2,266,831) and by cruise ship (-74.2% to 29,792). The average daily census or the number of visitors in Hawai'i on any given day was 77,007 (68.7% decrease over year-to-date October 2019). Compared to year-to-date October 2019, the average length of stay increased by 17.9% to 10.23 days. This was a result of visitors staying double-digit days during the state's trans-Pacific 14-day quarantine requirement that started on March 26, 2020. The state's pre-travel testing program started on October 15, 2020 as a way for travelers to bypass the mandatory quarantine requirement.

The majority of visitors to Hawai'i arrive by air, and thus air service to the islands is vital for Hawai'i's tourism industry. Total air capacity (number of seats) decreased 62.1 percent to 4,278,381 seats as a result of a reduction in air service to Honolulu (-59.9% to 2,803,908 seats), Kahului (-65.8% to 816,083 seats), Kona (-62.9% to 390,573 seats), Līhu'e (-68.6% to 258,853 seats) and Hilo (-77.4% to 8,964 seats).

Sails on the Hawai'i home-ported cruise ship, Norwegian Cruise Line's Pride of America, have been suspended since April 2020 and out-of-state cruise ships were not permitted into the islands due to the Center for Disease Control and Prevention's (CDC) "No Sail Order" from March 14 to October 29, 2020. As of October 30, 2020, the CDC will take a phased approach to resuming passenger operations.

Hawai'i's unemployment rate increased from 2.6 percent in the first quarter of 2020 to 20.3 percent in the 2nd quarter and then decreased to 13.9 percent in the third quarter. DBEDT projects that for 2020 overall, the average annual employment rate will be at 11.2 percent, then decrease to 7.9 percent in 2021 and 7.1 percent in 2022. These rates are significantly higher than Hawai'i's average unemployment rate of 2.5% from 2017 to 2019.

Tourism Forecast

According to the Department of Business, Economic Development & Tourism's 3rd quarter Outlook for the Economy, total visitor expenditures is forecasted to end the year at \$5.74 billion (-67.0%) with 2.92 million visitor arrivals (-71.9%). Economists predict that it will take a couple of years before Hawai'i's visitor industry recovers.

Resident Sentiment

HTA conducts a Resident Sentiment Survey (RSS) each year to gauge resident attitudes towards Hawai'i's tourism and to identify perceived positive and negative impacts of the visitor industry on residents. Resident sentiment is important to maintain a healthy industry. The 2019 RSS report showed that resident sentiment has generally weakened. The report identified that the visitor industry's impact on the overall quality of the resident's quality of life is essential to improving resident sentiment – balance of economic, social and cultural, and community benefits from tourism. Furthermore, providing residents with a voice in tourism development, creating jobs with opportunities for advancement, and creating shopping, dining and entertainment opportunities are key to improving resident sentiment.

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III. Moloka'i Tourism Situation Analysis

Moloka'i is home to the highest sea cliffs in the world along its northeast coast and Hawaii's longest continuous fringing reef (28 miles) off Moloka'i's southern coast. With a high percentage of its population being of Native Hawaiian ancestry, Moloka'i is a place where Hawaiian culture thrives. With a population of 6,820, the people of Moloka'i continue to preserve their rural lifestyle and show a great respect and love of the land.

In 2019, visitors spent a total of \$36 million on Moloka'i with 63,035 out-of-state visitors. This equated to 783 visitors on any given day (10% of the de facto population). Those visitors spent about \$126 per person per day or \$571 per person per trip. Data on interisland travel by Hawai'i residents is not available. Among those out-of-state visitors, 71 percent came for vacation, 12 percent came to visit friends or relatives, 4 percent for honeymoon/get married, 4 percent for business, and 10 percent came for sports and other purposes.

However, as of October 2020, visitor arrivals has dropped by 71 percent down to an average daily census of 323 visitors. Available Hawaii labor statistics showed that the pandemic has resulted in a loss of approximately 100 jobs (down 50%) at food & beverages stores.

Almost a third of visitors were first-timers and most were independent travelers in couples or groups. Two-thirds of visitors stayed in hotels or condos while 16 percent stayed with friends/relatives and 15 percent stayed in rental houses. The Moloka'i visitor experience was regarded highly, 84 percent of visitors rating their Moloka'i experience as excellent. However, only half of visitors were likely to recommend Moloka'i (54%) to their friends and family. A noticeable number say that there was no reason to return to Moloka'i (23%), which reflected on the lower proportion of repeat visitors. Visitors felt that Moloka'i needed more variety of activities and dining options.

Based on a recent DestinationNEXT study¹ Moloka'i did well for mobility and access but was very weak on communication & internet infrastructure and International readiness. Stakeholders felt that Moloka'i needs some improvement with industry support and effective advocacy but very weak with effective DMO governance and funding support.

¹ DestinationNEXT Multi-User Diagnostic Assessment:Hawaii Statewide, Destinations International and MMGY NextFactor, December 30, 2019

Table 1: Situational Analysis Summary

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Hawaiian cultural heritage • Local culture • Rural character, agricultural base • Hospitality • Natural beauty and resources • Quiet, peaceful, relaxing • ‘Ohana and belonging • Visitors and residents interact frequently where residents live and work • Unique sites 	<p>PROBLEMS</p> <ul style="list-style-type: none"> • Lack of conventional resort facilities • Real estate linked to tourism • Interisland air service and no ferry service • Public park infrastructure • Limited dining • Large landowner not interested in doing anything with the land except to sell • Land Trust is small
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Focus on vacationers from other islands • Out-of-state guests who have been educated on Island’s desire to maintain traditional rural lifestyle • Residents’ desire for community-based model • Expansion of well-known events (Moloka’i Hoe, Ka Hula Piko) for kama’āina market • Kaluako’i and Moloka’i Ranch have infrastructure that could be revitalized • Vigilant residents will monitor and keep tourism in-line 	<p>THREATS</p> <ul style="list-style-type: none"> • Limited entrepreneurial skills, training, support • Large scale tourism operations could easily overwhelm the limited community and environmental resources • Polarization of the community • Moloka’i specific data on interisland travel, resident sentiment, and lodging statistics are not available to track change over time

IV. Vision for Moloka‘i’s Tourism

The Moloka‘i DMAP Vision was developed by the Steering Committee at its first meeting.

By 2024, together with the community, the visitor industry will

- *Support developing basic infrastructure needs that benefit residents, kamaaina travelers and out of state visitors.*
- *Develop shared strategies and actions for a balanced long-term future that contributes to economic sustainability for the community and preserves the quality of life for residents.*

V. Goal

The goal of the DMAP is to **rebuild, redefine and reset** the direction of tourism over a three-year period.

VI. Objectives

There are six objectives to achieve the goals and vision of the DMAP

Objective 1: Create positive contributions to the quality of life for Maui’s residents.

Objective 2: Support the maintenance, enhancement, and protection of Maui’s natural resources.

Objective 3: Ensure the authentic Hawaiian culture is perpetuated and accurately presented in experiences for residents and visitors, materials and marketing efforts.

Objective 4: Maintain and improve visitor satisfaction of their experience on Maui.

Objective 5: Strengthen the economic contribution of Maui’s visitor industry.

Objective 6: Increase communication and understanding between the residents and visitor industry.

VII. Actions

The actions were developed by the Steering Committee and the community. The plan represents the community's desire for the visitor industry and for the island. In some cases, the HTA took the essence of the community's feedback and input and turned it into an action.

The actions were shaped by underlying issues that were identified by the steering committee and also appeared in the community input:

- Strengthen tourism through supporting job stability
- Keep residents feeling safe and comfortable in their communities without feeling pressure from outside sources (Keep Moloka'i, Moloka'i)
- Residents are empowered to have control of events and tourism activities
- Trust in the community
- Residents participate in tourism and educating visitors

The community also made mention about limiting the number of visitors to the island, as well as the number of rental cars. Unfortunately, HTA has no control over these. The free movement of people to travel to the islands and between the islands falls under federal jurisdiction. And businesses are free to operate on the islands so long as they do not break any laws. The goal of the DMAP meetings was to gather input from the community regarding how to manage tourism on the individual islands before and after the visitors arrive as well as how we mālama the visitors, and each other, once the visitors are here. This includes considerations around protecting our 'āina and perpetuating the Hawaiian culture. This does not, however, include deciding who can and cannot come to an island specifically, or to Hawai'i in general, since HTA does not have control.

The following tables identify opportunities and needs for each of the anchor actions, including the identification of responsible agencies and timing of the action's commencement and/or delivery over a three-year period. As HTA carries out the DMAP, there will be more organizations and businesses identified to help move this plan forward.

The long-term **measures of success** will be measured through HTA's Strategic Plan's four overall Key Performance Measures: Resident Satisfaction, Visitor Satisfaction, Average Daily Visitor Spending, and Total Visitor Spending. A "milestone" is a qualitative way of determining progress toward accomplishing a specific defined action. The **milestones for success** are the completion of each subaction in the phase indicated.

Action A. Develop communication and education programs to encourage responsible visitor behaviors

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Assess the feasibility of a visitor center open every day and fully staffed.	L = HTA S = MVCB	X		
2	Develop Moloka'i specific content for communications pieces to educate visitors about what to expect on Moloka'i, including types of activities that are available as well as rules, sites where access is not allowed, safety rules, list of resources, etc. The content should also describe a process of mutual respect between residents and visitors.	L = HTA S = County	X	X	X
3	Develop a process that incoming visitors are highly encouraged to watch an orientation video at MKK.	L = HTA S = DOT	X	X	
4	Explore other means of delivering orientation information to guests, pre-arrivals (i.e., videos on goHawaii.com, YouTube, printed materials to business and visitor touchpoints).	L = HTA S = HVCB/MVC B/GMTs		X	
5	Work with landowners and promote use of existing reservations systems to access sensitive areas (hotspots).	L = HTA S = County; private land owners	X	X	

Action B. Support the growth of Moloka'i businesses by encouraging new product development focused on regenerative tourism, while continuing support of traditional leisure tourism, to increase jobs for residents.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Support existing businesses to remain viable until visitor industry stabilizes - anticipated to be Summer 2021. This could take the form of offering workshops on recovery, different aspects of capacity building, grants, and/or temporary offices/workspaces.	L = County	X		
2	Support the creation of new businesses (and existing businesses looking to grow or transition into new areas) that can offer desired experiences and services to visitors and provide more job stability for residents. This could take the form of offering workshops on different aspects of starting up a business, start-up grants, and/or temporary offices/workspaces.	L = County		X	X
3	Community-based businesses, organizations and tourism providers to identify regenerative tourism activities that could be offered to visitors and then amplified through product development and marketing programs.	L = HTA S = County/ MVCB/ Chamber of Commerce		X	X

Action C. Promote Moloka'i to attract kama'aina and specific visitor segments who appreciate and understand the Moloka'i lifestyle

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Invite members of the community, cultural experts and businesses to be a part of an advisory group to guide messaging and campaigns to evolve the positioning of Moloka'i towards a cultural and educational experience in addition to a leisure vacation destination.	L = HTA S = HVCB/MVC B/Moloka'i community/ County	X	X	
2	Develop marketing programs for on-island businesses to attract earnest visitors who value, appreciate, want to learn about, be inspired by, and experience local cultures and lifestyles of Moloka'i.	L = HVCB/ MVCB/GMT		X	X
3	Target marketing towards groups that match with the experiences that Moloka'i has to offer. <ul style="list-style-type: none"> • Kama'aina visitors who better understand the lifestyle and experience Moloka'i has to offer. • Retreat groups. • Repeat visitors to Moloka'i. • Visitors looking to take part in agritourism and cultural tourism activities. Explore further the Hunter segment who can also help manage the deer population.	L = HTA S = HVCB/MVC B/GMTs	X	X	X

Action D. Enhance resident-visitor relations by strengthening existing cultural/community-based organizations and activities

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Develop voluntourism activities that give visitors opportunities to participate with local nonprofit organizations in Lo'i Kalo, Loko l'a, conservation, and restoration activities.	L = HTA	X	X	X
2	Support and strengthen existing events and create new events by local community experts for both residents and visitors. Ensure cultural events are run by someone with relevant experience.	L = HTA S = County		X	X
3	Guide through HTA's Ma'ema'e program event organizers and visiting groups (retreat groups, sports organizations/teams) to ensure they interact with the island in a sustainable manner that enhances the environment.	L = HTA S = County/ community		X	X
4	Involve more Moloka'i residents and Moloka'i-based tourism related businesses in developing events.	L = County S = HTA		X	X
5	Encourage cultural practitioners with generational ties to Moloka'i to participate and lead in business efforts and events, to support continued cultural practices on island.	L = HTA S = County	X	X	

6	Identify clean-up/restoration projects that could be implemented to support residents and tourists alike (see A.3).	L = HTA S = County		X	X
7	Identify and evaluate options on how the fishponds can play a larger role in uniting the community and visitors.	L = HTA S = County		X	X
8	Hold regular town hall meetings to include both community, stakeholders, and industry partners, to share updates on the benefits and trade-offs of tourism for Moloka'i, through multiple modes of communication (not just online).	L = HTA S = County	X		

Action E. Provide accommodations that meet the needs of the target segments

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Identify community infrastructure that needs improvement/revitalization.	L = County	X	X	X
3	Seek public-private partnership to improve and revitalize existing accommodations to meet the needs of target segments. (e.g. tentalows, The Lodge, Kaluako'i , DHHL – Coconut Grove, Lanikila)	L = County S = HTA		X	X

Action F. HTA will engage partners to determine a path forward that will enhance interisland transportation options for both residents and visitors.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Advocate for airlines, County, HDOT and FAA to restore affordable and dependable air and sea transportation to viable levels that meet the needs of the community.	L = HTA S = County	X	X	X
2	Consider whether there are options to increase services during high demand events without increasing impact to the natural resources.	L = HTA S = County		X	X

VIII. Tourism Hotspots

A “hotspot” is an area or site that attracts visitors due to its popularity, which may result in overcrowding, congestion, degradation of resources, safety hazards, and a negative experience for both residents and visitors.

While HTA is not an enforcement agency, it can be a catalyst to bring together respective state and county agencies, the community, and private sector to develop solutions that address hotspot sites and areas.

HTA reviewed the community’s input from the surveys and community meetings, in addition to feedback from the county, MVCB, and Moloka’i Steering Committee. Below are the hotspot areas and sites that HTA will monitor together with the respective agencies as needed to help mitigate issues. Other areas and sites were identified, but the locations of utmost concern are:

- Mo’oula Falls – Access
- Kiowea Park – Access
- Kapuāiwa – Access by roadside
- Kalaupapa Trail – Access
- Kamakou Preserve – Conservation limited access
- Kaloko’eli Fishpond – Access by appointment
- Keawanui Fishpond – Access
- Lā’au Point – Access
- Ali’i Fishpond – Access
- ‘Ili’ili’ōpae – Access
- Mo’omomi Preserve – Conservation limited access
- Mo’omomi Beach – Access, community issues
- Kahinapōhaku Fishpond – Access
- ‘Ualapu’e Fishpond - Access

Acknowledgement

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Glossary

Average Length of Stay: Number of days visitors are on the island, including the day of arrival and the day of departure.

Average Daily Census: Average number of visitors present in Hawai'i on a single day.

Carrying Capacity: The maximum number of people that may visit a tourist destination at the same time, without causing destruction of the physical, economic, socio-cultural environment and an unacceptable decrease in the quality of visitors' satisfaction.

Day Trip: A journey to a place and back again on the same day, usually for pleasure.

Kama'āina traveler: A Hawai'i resident that visits another island that is not their residence.

Regenerative Tourism: Regenerative tourism is “creating the conditions for life to continuously renew itself, to transcend into new forms, and to flourish amid ever-changing life conditions” (Hutchins and Storm, 2019) - through tourism. It “recognizes its communities and places are living systems, constantly interacting, evolving, self-organising, efficient, learning, distinct, and vital to create abundance, balance and conditions to support other life, resilience and contribute to a greater system of well-being.” (Earth Changers, 2020)

Sustainable Tourism: According to the World Tourism Organization (UNWTO), sustainable tourism is defined as “Development that meets the needs of present tourist and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems.”

Per-Person Per-Day Spending: Total spending of an individual on a given day during their stay.

Visitor: Out-of-state traveler who stayed in the State of Hawai'i for a period of time between one night, but less than one year.

Visitor Days: Total number of days visitors are on the island and/or in the state.

Total Visitor Spending: The U.S. dollar amount spent in Hawai'i attributed to a visitor. This includes direct spending by visitors while in Hawai'i, as well as any prepaid package purchased before arrival. The expenditure data does not include trans-Pacific airfare costs to-and-from Hawai'i, commissions paid to travel agents, or portions of the package in another state or country.

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HTA October Monthly Visitor Statistics: <https://hawaiitourismauthority.org/research/monthly-visitor-statistics/>

HTA Visitor Satisfaction & Activity Reports: <https://hawaiitourismauthority.org/research/visitor-satisfaction-and-activity/>

HTA Resident Sentiment Survey Update 2019: <https://hawaiitourismauthority.org/media/4268/resident-sentiment-board-presentation-02-27-20.pdf>

Hawai’i Hotel Performance Report: (<https://hawaiitourismauthority.org/media/5085/hawaii-hotel-performance-07-2020.pdf>)

Hawai’i Vacation Rental Performance Report: (<https://hawaiitourismauthority.org/media/5097/hta-july-2020-hawaii-vacation-rental-performance-final.pdf>)

9

Presentation, Discussion and Action on HTA's
Financial Reports for November 2020

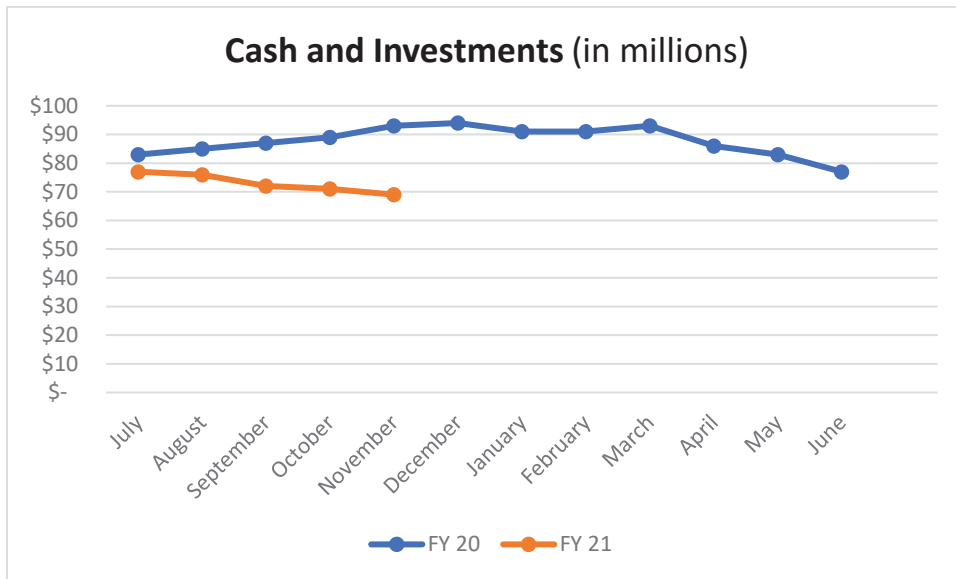


AUTHORITY

Financial Statements – Executive Summary
November 1, 2020 – November 30, 2020

Tourism Special Fund:

1. \$69.3M in cash and investments



- a. Includes \$5M in Emergency Fund held as investments.
 - i. Approximately \$4.1M held in money market funds; and
 - ii. Approximately \$1.0M held in US Treasury Notes, laddered to mature throughout FY 2021.
 - iii. Further detail provided in the financial statements (as of October 2020)
- b. Decrease from October of \$1.9M due to:
 - i. Recording \$1.9M in expenditures for the month ended November 30, 2020.

2. HTA’s outstanding encumbrances are summarized as follows:

\$11.9M	Prior year encumbrances currently being spent down	
\$8.9M	Current year encumbrances remaining	
\$20.8M	Total encumbrances outstanding at November 30, 2020	

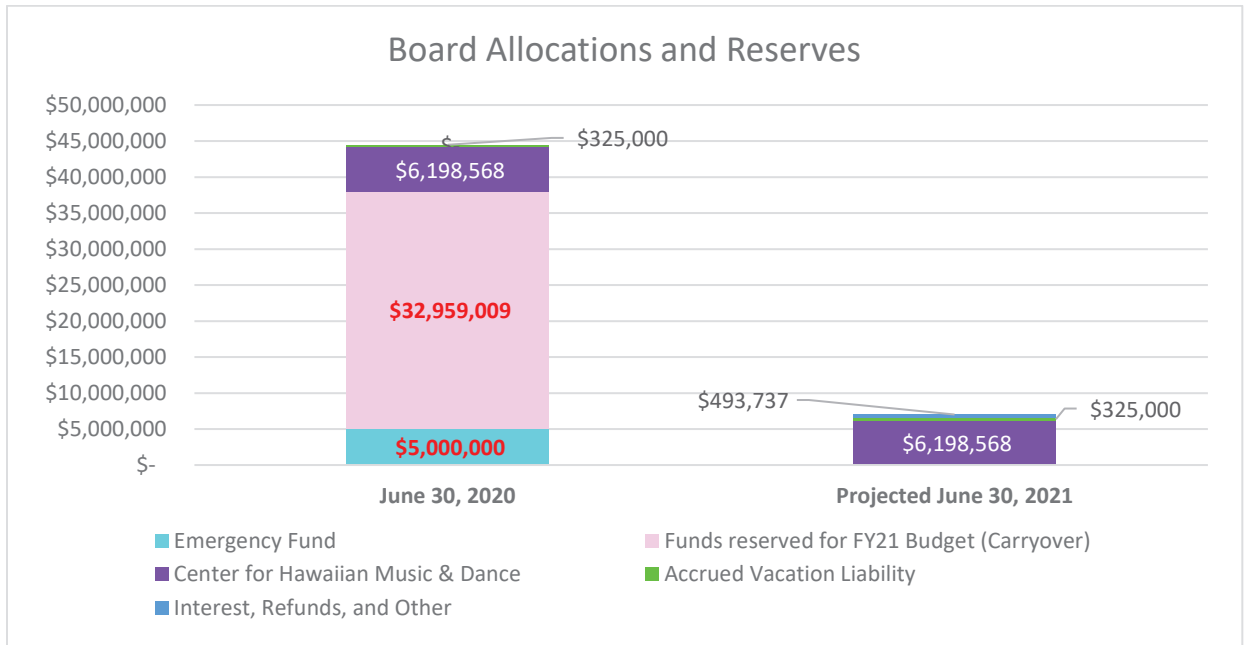
Of the \$20.8M encumbrances outstanding, \$1.0M represents encumbrances that HTA planned to cancel during FY 2020 and will instead cancel in FY 2021:

		\$20.8M	
		\$1.0 M	\$19.8 M
		anticipate cancelling in FY 21	encumbrances anticipated
			to spend down in FY 21

Its impact on the FY 2021 budget is discussed in item 4 below.

In FY 2021, HTA cancelled approximately \$13.7M of the \$14.7M encumbrances we anticipated cancelling at the beginning of the fiscal year. The \$14.7M will be available toward funding the FY21 budget. HTA is currently assessing its FY 2021 budget to identify opportunities for cost savings; to the extent such cost savings were funded by the \$14.7M, those savings could alternatively be used to fund the FY 2022 budget (instead of the FY 2021 budget).

3. \$7M reserved as Board allocations projected for the end of FY 2021, compared to \$44.4M at the beginning of the fiscal year. A supporting schedule is embedded in these financial statements to provide greater detail. These balances are comprised of the following:



Staff continues to review the FY 2021 budget for savings opportunities and to assess the funding of its programs. Accordingly, this balance may change. At its December 2020

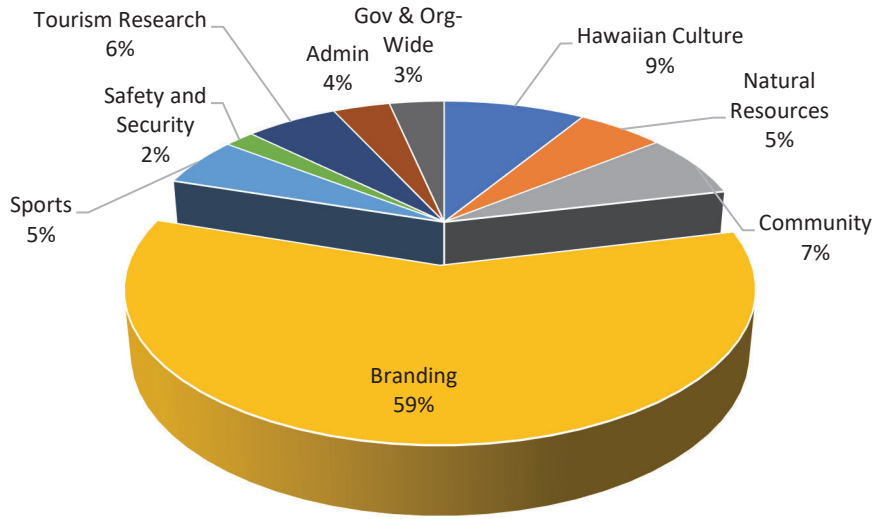
Board meeting, the HTA Board of Directors will review a proposed reduced FY 2021 budget.

4. Reconciliation of funds available for the original adopted FY 2021 Budget:

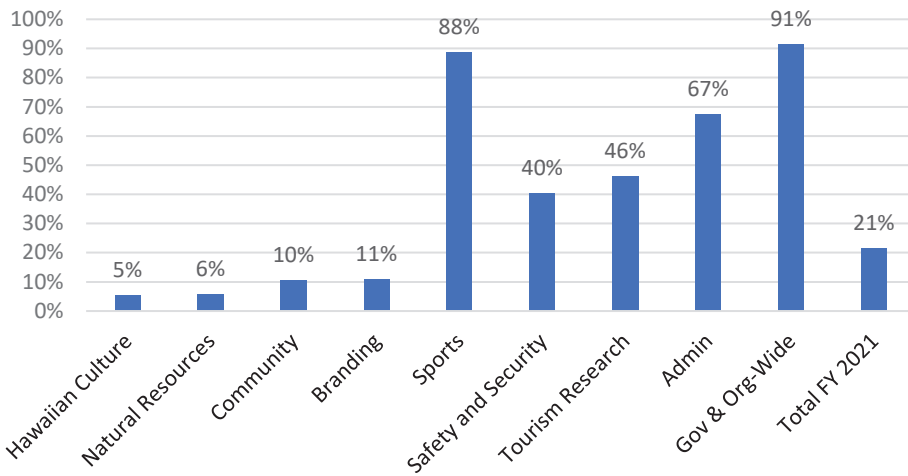
Items in Red above				
\$14.7M	Encumbrances anticipate cancelling in FY 21			
\$32.9M	Funds reserved by HTA Board for FY 21's Budget			
\$5M	Emergency Fund, subject to Governor's release			
\$52.6M	Available for FY 2021 Budget	-VS-	\$48.67M	FY 21 Budget approved by Board in June 2020
	\$3.9M potentially available to increase FY 21's Budget			
	(Or, if the Governor does not release the \$5M Emergency Fund for use, HTA could cover the \$5M with this \$3.9M, \$70K in CARES funding, as well as funds from current year interest, refunds and other income, thereby not having to reduce the budget.)			

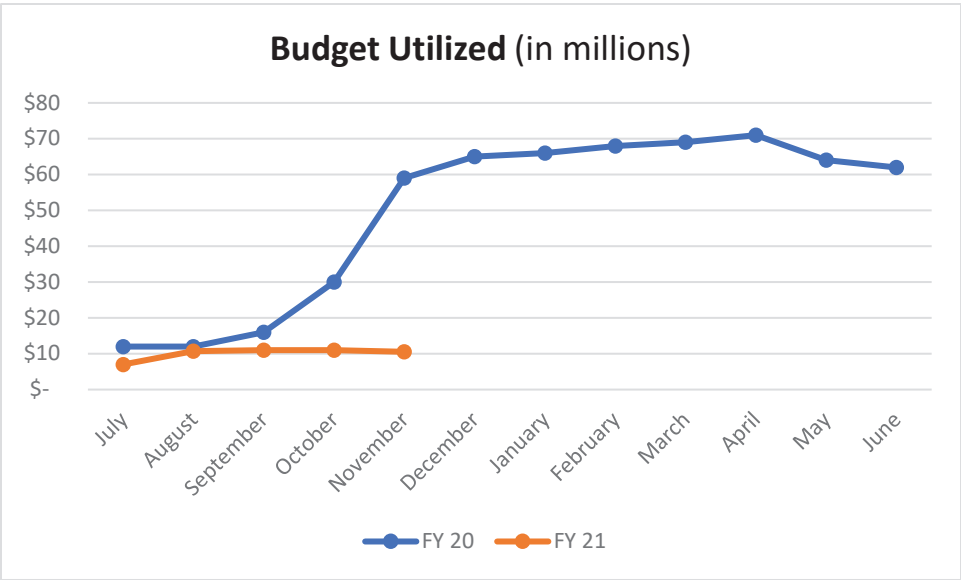
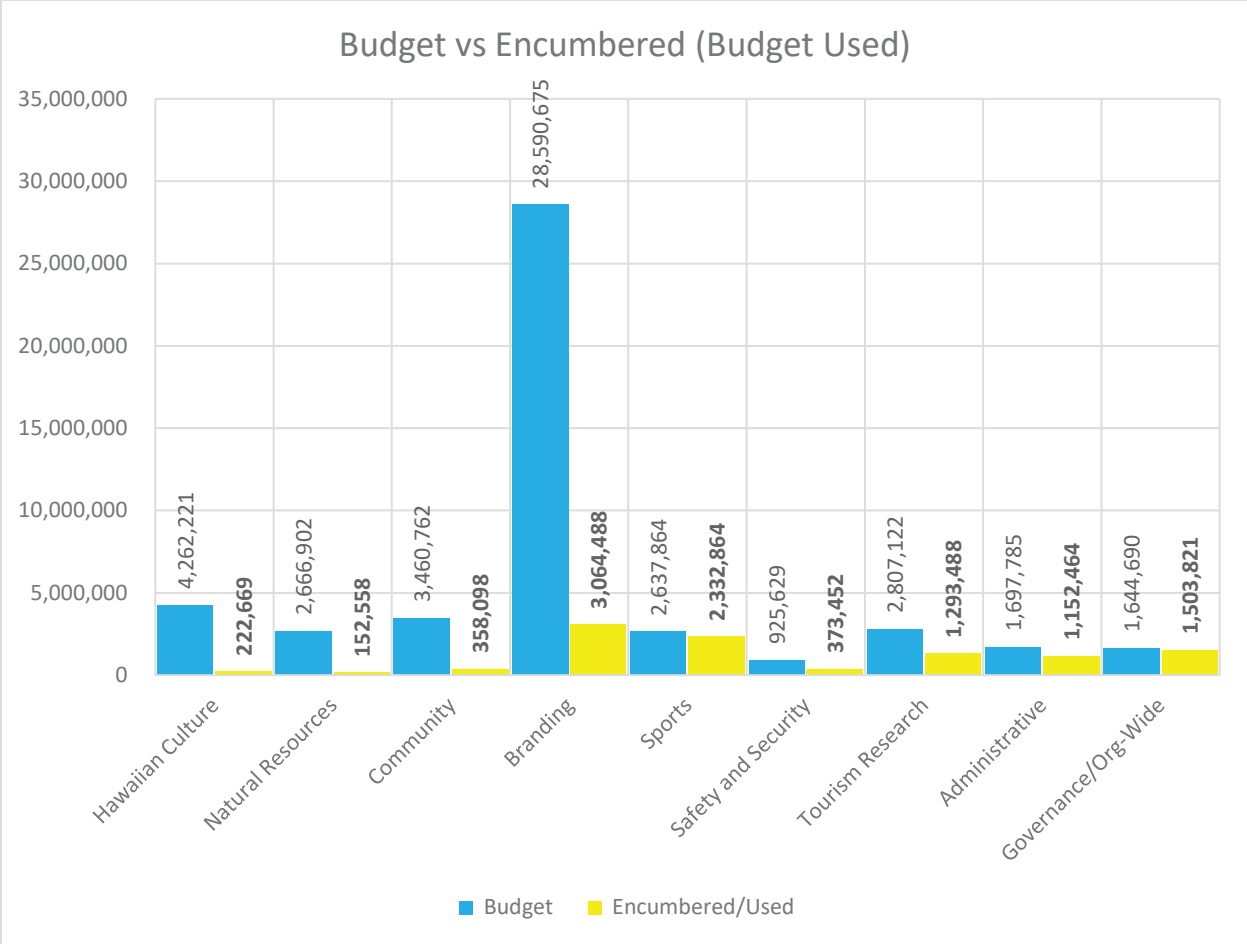
- a. The \$14.7M generally represents encumbrances that were planned to be cancelled in FY 20, however was not cancelled due to timing. Of the \$14.7M, \$12.2M was accounted for in determining the FY 2021 budget, and \$2.5M were newly-identified savings. As noted above, a majority of the \$14.7M in encumbrances have been cancelled in FY 2021.
 - b. The \$3.9M available to potentially increase the FY 21 budget is comprised of the above-noted \$2.5M in newly-identified savings and \$1.4M in FY 2020 interest income that was not originally anticipated to be available by June 30, 2020.
5. \$10.5M of the \$48.7M FY 2021 budget utilized. The following are various charts to depict our budget, budget utilization and trends.

Budget Breakdown - FY 2021



Percentage of Budget Utilized YTD





6. There were no budget reallocations made during November 2020. A detail of the reallocations made cumulatively for the fiscal year are detailed on the accompanying Budget Reallocation Summary.
7. Operating Income (Loss):
 - a. No TAT or investment income was received in November 2020.
 - i. HTA's TAT allocation was suspended due to the COVID-19 pandemic, resulting in HTA not receiving the statutorily prescribed allocation from May 2020 through November 2020.
 - b. Incurred \$8.6M in expenditures YTD.

Convention Center Enterprise Special Fund:

8. \$25.8M in cash
 - a. Cash balance at November 30, 2020 is consistent with October's cash balance.
9. \$2.3M in accounts receivable
10. \$20.8M in cash with contractor or with DAGS, for R&M projects (as of October 2020).
 - a. Includes \$2M in Emergency R&M funds
 - b. These funds are encumbered or budgeted toward specific projects such as cooling tower replacement, furnishings and enhancements, wall rehabilitation, boiler and chiller replacement, and various equipment purchases and upgrades. Of the \$20.8M, approximately \$6.3M has been contracted.
 - c. Reflects \$18M spent on current and future projects (in-progress costs or preliminary work); includes recent costs expended on meeting room roof repairs.
11. \$17.1M reserved as Board allocations projected for the end of FY 2021, compared to \$23.5M at the beginning of the fiscal year. This includes funds targeted to fund future repair and maintenance projects, large equipment purchases, convention center operating contingencies and operating capital. With HTA's TAT allocation currently suspended, the FY 2021 Convention's Center Enterprise Special Fund budget is being funded entirely by its reserves.
12. \$422K of prior year outstanding encumbrances currently being spent down.
13. Operating Income:
 - a. No TAT or investment income was received in November 2020.

- i. HTA's TAT allocation for the CCESF was suspended due to the COVID-19 pandemic, resulting in HTA not receiving the statutorily prescribed allocation from May 2020 through November 2020.
- b. Convention Center Operations
 - i. \$272K operating loss fiscal-year-to-date per HCC financial statements (as of October 2020).

Hawaii Tourism Authority

Balance Sheet

Tourism Special Fund

As of 11/30/20

	<u>Current Year</u>
Assets	
Current Assets	
Checking	64,214,044.40
Petty Cash	<u>5,000.00</u>
Total Current Assets	<u>64,219,044.40</u>
Total Assets	<u><u>64,219,044.40</u></u>
Fund Balance	
Current year payables	
Accounts Payable	(739.06)
Credit Card Payable	<u>2,885.30</u>
Total Current year payables	<u>2,146.24</u>
Encumbered Funds	
FY 2015 Funds	8,322.49
FY 2016 Funds	45,661.18
FY 2017 Funds	34,641.92
FY 2018 Funds	218,574.08
FY 2019 Funds	1,539,055.06
FY 2020 Funds	10,017,910.73
FY 2021 Funds	<u>8,976,051.86</u>
Total Encumbered Funds	<u>20,840,217.32</u>
Unencumbered Funds	
Total Unencumbered Funds	43,376,680.84
Total Fund Balance	<u><u>64,219,044.40</u></u>

Hawaii Tourism Authority
Balance Sheet
Convention Center Enterprise Special Fund
As of 11/30/20

	Current Year
Assets	
Current Assets	
Checking	25,848,412.06
Total Current Assets	25,848,412.06
Accounts Receivable	
Accounts Receivable	2,349,391.38
Total Accounts Receivable	2,349,391.38
Total Assets	28,197,803.44
 Fund Balance	
Encumbered Funds	
FY 2018 Funds	400.00
FY 2019 Funds	183,336.86
FY 2020 Funds	238,750.50
FY 2021 Funds	4,964,469.00
Total Encumbered Funds	5,386,956.36
Unencumbered Funds	
Total Unencumbered Funds	22,810,847.08
 Total Fund Balance	28,197,803.44

Hawaii Tourism Authority

Balance Sheet

Emergency Trust Fund

As of 11/30/20

	<u>Current Year</u>
Assets	
Current Assets	
Investments	5,139,336.56
Total Current Assets	<u>5,139,336.56</u>
 Total Assets	 <u><u>5,139,336.56</u></u>
 Fund Balance	
Current year net assets	
	13,544.30
Total Current year net assets	<u>13,544.30</u>
Prior years	
Total Prior years	5,125,792.26
 Total Fund Balance	 <u><u>5,139,336.56</u></u>

HTA Allocations
FY 2020 and FY 2021 (Projected)

HTA Allocations:

Annual Budgets:
-\$48.7M FY 2021 HTA Tourism Special Fund
 (\$0M TAT + \$32.9M carryover + \$5M Emergency Fund + \$10.8M encumbrance cancellations to be processed in FY21)
-\$7.5M FY 2021 Convention Center Fund

\$5M Emergency Funds

\$5M Emergency Fund Reserve (Established by Statute as a separate fund, to be used upon declaration of a tourism emergency by the Governor; HTA requested to use in FY21)	\$0M Mandated by Board (designated for use in the event of a significant economic downturn upon Board approval; used to fund FY 21 budget in response to COVID-19)
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	Tourism Special Fund Long-Term Obligations, Commitments and Allocations:		Convention Center Fund Long-Term Obligations, Commitments and Obligations:	
	6/30/2020	Projected 6/30/2021	6/30/2020	Projected 6/30/2021
Carryover of FY 2020 to FY 2021 Budget (Use in FY 21)	32,959,009	-	2,586,817	2,586,817
Carryover for FY 2022 Budget	-	-	20,862,308	14,464,911
FY21 Interest, Refunds and Other Income	-	493,737		
Center for Hawaiian Music & Dance	6,198,568	6,198,568		
Accrued Health Liability	-	-		
Accrued Retirement Liability	-	-		
Accrued Vacation Liability	325,000	325,000	80,000	80,000
Total Long-Term Obligations and Commitments	39,482,577	7,017,305	23,529,125	17,131,728

TOTAL RESERVES (incl \$5M Emergency Fund at 6/30/20; to be used in FY21) 44,482,577 7,017,305

23,529,125 17,131,728

Hawaii Tourism Authority
Statement of Revenues and Expenditures
348 - Tourism Special Fund
21 - FY 2021 Funds
From 11/1/2020 Through 11/30/2020

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Refunds	0.00	0.00	493,737.31	493,737.31
Total Revenue	<u>0.00</u>	<u>0.00</u>	<u>493,737.31</u>	<u>493,737.31</u>
Expense				
Perpetuating Hawaiian Culture	4,262,221.00	5,528.79	50,766.29	4,211,454.71
Natural Resources	2,666,902.00	11,491.91	86,394.83	2,580,507.17
Community	3,460,762.00	76,310.66	106,960.66	3,353,801.34
Branding	28,590,675.00	0.00	105,968.30	28,484,706.70
Sports	2,637,864.00	0.00	0.00	2,637,864.00
Safety and Security	891,667.00	323.99	331,464.06	560,202.94
Tourism Research	2,807,122.00	52,989.74	297,301.51	2,509,820.49
Administrative	1,697,785.00	13,822.24	230,750.93	1,467,034.07
Governance and Organization-Wide	1,644,690.00	24,219.80	268,243.65	1,376,446.35
Total Expense	<u>48,659,688.00</u>	<u>184,687.13</u>	<u>1,477,850.23</u>	<u>47,181,837.77</u>
Net Income	<u>(48,659,688.00)</u>	<u>(184,687.13)</u>	<u>(984,112.92)</u>	<u>47,675,575.08</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
361 - Convention Center Enterprise Special Fund
21 - FY 2021 Funds
From 11/1/2020 Through 11/30/2020

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
HCC Revenue	4,188,144.00	1,077,184.38	2,193,295.04	(1,994,848.96)
Total Revenue	<u>4,188,144.00</u>	<u>1,077,184.38</u>	<u>2,193,295.04</u>	<u>(1,994,848.96)</u>
Expense				
Branding	70,000.00	0.00	0.00	70,000.00
Administrative	255,700.00	0.00	0.00	255,700.00
HCC Operating Expense	7,519,257.00	0.00	0.00	7,519,257.00
HCC Repair and Maintenance	2,000,000.00	0.00	0.00	2,000,000.00
HCC Sales and Marketing / MFF	1,356,157.00	365,175.00	365,175.00	990,982.00
Governance and Organization-Wide	529,420.00	0.00	125.00	529,295.00
Total Expense	<u>11,730,534.00</u>	<u>365,175.00</u>	<u>365,300.00</u>	<u>11,365,234.00</u>
Net Income	<u>(7,542,390.00)</u>	<u>712,009.38</u>	<u>1,827,995.04</u>	<u>9,370,385.04</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
348 - Tourism Special Fund Prior Years
From 11/1/2020 Through 11/30/2020

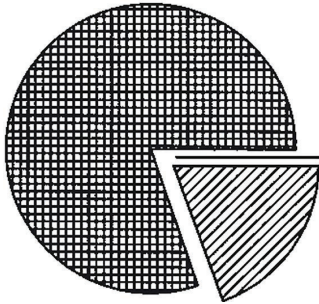
	Total Budget	Current Period Actual	Current Year Actual	Total Budget Variance
Expense				
Perpetuating Hawaiian Culture	2,673,431.42	98,000.00	631,834.61	2,041,596.81
Natural Resources	1,282,200.00	431,200.00	891,842.43	390,357.57
Community	2,381,173.21	0.00	316,688.82	2,064,484.39
Branding	21,213,138.80	1,024,386.00	3,788,246.09	17,424,892.71
Sports	434,671.22	0.00	9,855.00	424,816.22
Safety and Security	1,433,403.12	0.00	680,442.35	752,960.77
Tourism Research	2,709,523.93	93,312.50	566,113.70	2,143,410.23
Administrative	605,544.63	17,212.89	148,423.83	457,120.80
Governance and Organization-Wide	63,171.50	6,000.00	49,215.88	13,955.62
Total Expense	<u>32,796,257.83</u>	<u>1,670,111.39</u>	<u>7,082,662.71</u>	<u>25,713,595.12</u>
Net Income	<u>(32,796,257.83)</u>	<u>(1,670,111.39)</u>	<u>(7,082,662.71)</u>	<u>25,713,595.12</u>




Hawaii Tourism Authority
Statement of Revenues and Expenditures
361 - Convention Center Enterprise Special Fund Prior Years
From 11/1/2020 Through 11/30/2020

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
HCC Revenue	0.00	1,272,207.00	1,272,207.00	1,272,207.00
Total Revenue	<u>0.00</u>	<u>1,272,207.00</u>	<u>1,272,207.00</u>	<u>1,272,207.00</u>
Expense				
HCC Operating Expense	1,736,916.67	0.00	1,433,517.00	303,399.67
HCC Sales and Marketing / MFF	1,245,908.83	0.00	0.00	1,245,908.83
Governance and Organization-Wide	51,917.03	0.00	32,750.00	19,167.03
Total Expense	<u>3,034,742.53</u>	<u>0.00</u>	<u>1,466,267.00</u>	<u>1,568,475.53</u>
Net Income	<u>(3,034,742.53)</u>	<u>1,272,207.00</u>	<u>(194,060.00)</u>	<u>2,840,682.53</u>

Summary Of Investments

Investment Allocation



0.1%		CASH	5,342.66
80.4%		CASH EQUIVALENTS	4,135,169.34
19.5%		FIXED INCOME	1,004,895.00
100.0%		TOTAL	5,145,407.00

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH	5,342.66	0.10	0	0.00
CASH EQUIVALENTS	4,135,169.34	80.37	827	0.02
FIXED INCOME	1,004,895.00	19.53	21,250	2.11
Total Fund	5,145,407.00	100.00	22,077	0.43

Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	53.94	53.94	1.01
	ACCRUED INCOME	5,288.72	5,288.72	98.99
	TOTAL CASH	5,342.66*	5,342.66*	100.00*
	CASH EQUIVALENTS			
	CASH MANAGEMENT			
4,135,169.34	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	4,135,169.34	4,135,169.34	100.00
	FIXED INCOME			
	U S TREASURY OBLIGATIONS			
500,000	US TREASURY NOTES 2% 01/15/2021	499,091.04	501,850.00	49.94

Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
900.000	US TREASURY NOTES 2.25% 02/15/2021	499,733.52	53,045.00	50.06
	TOTAL U S TREASURY OBLIGATIONS	998,824.56*	1,004,895.00*	100.00*
	Total Fund	5,139,336.56*	5,145,407.00*	00.00*



**Hawaii Convention Center
Facility**
Income Statement
From 10/01/2020 Through 10/31/2020
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Direct Event Income								
Rental Income (Net)	299,485	383,339	(83,854)	231,674	2,688,370	2,683,146	5,224	2,382,863
Service Revenue	206,155	128,185	77,970	100,839	1,645,767	879,460	76,307	987,644
Total Direct Event Income	505,640	511,524	(5,884)	332,513	4,334,137	3,562,606	771,531	3,370,527
Direct Service Expenses	199,027	216,288	17,261	170,065	1,674,718	1,964,120	289,402	1,772,903
Net Direct Event Income	306,612	295,236	11,376	162,448	2,659,419	1,598,486	1,060,933	1,597,624
Ancillary Income								
Food and Beverage (Net)	16,785	21,932	(605,147)	06,748	1,458,907	4,835,781	(3,376,874)	5,175,291
Event Parking (Net)	8,788	87,590	(78,802)	96,276	244,292	878,300	(634,008)	763,808
Electrical Services	0	14,400	(14,400)	11,586	33,001	106,200	(73,199)	124,760
Audio Visual	498	25,700	(25,202)	27,929	47,895	225,000	(177,105)	231,983
Internet Services	0	4,710	(4,710)	2,147	0	4,710	(4,710)	15,519
Rigging Services	0	2,900	(2,900)	972	22,502	42,400	(19,898)	58,263
First Aid Commissions	0	0	0	0	0	0	0	0
Total Ancillary Income	26,071	757,232	(731,161)	745,658	1,806,597	,092,391	(4,285,794)	,369,624
Total Event Income	332,683	1,052,468	(719,785)	908,106	4,46,016	7,690,877	(3,224,861)	7,967,247
Other Operating Income								
Non-Event Parking	0	4,875	(4,875)	3,233	12,853	48,750	(35,897)	43,378
Other Income	1,417	14,759	(13,342)	1,061	68,003	147,590	(79,587)	148,562
Total Other Operating Income	1,417	19,634	(18,217)	19,293	80,856	196,340	(115,484)	191,940
Total Gross Income	334,100	1,072,102	(738,002)	927,399	4,546,872	7,887,217	(3,340,345)	8,159,187
Net Salaries & Benefits								
Salaries & Wages	323,744	457,792	134,048	447,973	3,154,160	4,471,200	1,317,040	4,013,671
Payroll Taxes & Benefits	75,291	128,647	53,356	111,721	921,521	1,286,470	364,949	1,088,447
Labor Allocations to Events	(188,826)	(76,895)	111,931	(67,157)	(1,303,061)	(600,196)	702,865	(568,225)
Total Net Salaries & Benefits	210,210	509,544	299,334	492,537	2,772,620	5,157,474	2,384,854	4,533,893
Other Indirect Expenses								
Net Contracted Services	8,995	34,175	25,180	17,752	240,651	329,788	89,137	252,111
Operations	1,382	17,274	15,892	21,293	82,496	153,140	70,644	120,436
Repair & Maintenance	38,221	76,265	38,044	58,595	487,269	762,650	275,381	561,884
Operational Supplies	6,785	62,863	56,078	76,129	204,113	585,656	381,543	498,422
Insurance	7,239	14,373	7,134	17,338	102,133	127,501	25,368	122,815
Utilities	148,096	254,536	106,440	194,718	1,542,709	2,025,008	482,299	2,031,913
Meetings & Conventions	(42)	6,650	6,692	1,709	11,621	20,680	9,059	29,577
Promotions & Communications	153	5,175	5,022	8,973	46,632	51,750	5,118	58,657
General & Administrative	3,956	30,192	26,236	32,507	93,018	287,528	194,510	249,279
Management Fees	18,232	18,233	1	11,000	182,335	182,330	(5)	110,000
Other	(82,655)	2,800	85,455	497	90,054	28,600	(61,454)	36,843
Total Other Indirect	150,362	522,536	372,174	440,511	3,083,033	4,554,631	1,471,598	4,071,936
Net Income (Loss) before CIP Funded Expenses	(26,472)	40,022	(6,494)	(5,650)	(1,308,781)	(1,824,888)	516,107	(446,642)
CIP Funded Expenses	(83,190)	0	(83,190)	2,217	87,880	0	87,880	2,76
Net Income (Loss) from Operations	(109,662)	40,022	(149,684)	(3,433)	(1,220,901)	(1,824,888)	604,987	(443,876)
Fixed Asset Purchases	0	25,000	25,000	0	57,474	250,000	192,526	53,094
Net Income (Loss) After Fixed Asset Purchases	(109,662)	15,022	(124,684)	(3,433)	(1,278,374)	(2,074,888)	796,514	(496,970)

Hawaii Convention Center
Facility
Income Statement
From 10/1/2020 Through 10/31/2020
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Revenues								
Food & Beverage	21,440	1,002,451	(981,011)	1,191,951	2,476,213	8,007,943	(5,531,730)	9,342,342
Facility	516,342	676,218	(159,876)	503,456	4,786,827	5,104,266	(317,439)	4,858,985
Total Revenues	537,782	1,678,669	(1,140,887)	1,695,407	7,263,040	13,112,209	(5,849,169)	14,201,327
Expenses								
Food & Beverage	58,209	562,905	504,696	793,072	1,849,116	4,919,627	3,070,511	5,704,029
Facility	506,045	1,075,742	569,697	907,984	6,722,705	10,017,470	3,294,765	8,943,940
Total Expenses	564,254	1,638,647	1,074,393	1,701,056	8,571,821	14,937,097	6,365,276	14,647,969
Net Income (Loss) before CIP Funded Expenses	(26,472)	40,022	(66,494)	(5,650)	(1,308,781)	(1,824,888)	516,107	(446,642)
CIP Funded Expenses	(83,190)	0	(83,190)	2,217	87,880	0	87,880	2,766
Net Income (Loss) from Operations	(109,662)	40,022	(149,684)	(3,433)	(1,220,901)	(1,824,888)	603,987	(443,876)
Fixed Asset Purchases	0	25,000	25,000	0	57,474	250,000	192,526	53,094
Net Income (Loss) after Fixed Asset Purchases	(109,662)	15,022	(124,684)	(3,433)	(1,278,375)	(2,074,888)	796,513	(496,970)

Hawaii Convention Center
Sales and Marketing
Income Statement
From 10/1/2020 Through 0/31/2020
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Other Operating Income								
Other Income	0	0	0	83	57	0	57	,156
Total Other Operating Income	0	0	0	83	57	0	257	,156
Total Gross Income	0	0	0	83	57	0	57	,156
Net Salaries & Benefits								
Salaries & Wages	4,303	44,175	9,872	9,572	55,247	441,750	86,503	,192,017
Payroll Taxes & Benefits	(867)	,295	,162	5,437	65,951	,950	47,000	58,435
Total Net Salaries & Benefits	,437	55,470	42,033	45,010	,198	554,700	,502	,450,452
Other Indirect Expenses								
Net Contracted Services	0	0	0	9,021	0	0	0	71,662
Repair & Maintenance	7,865	5,517	(2,348)	9,133	58,647	55,170	(3,477)	61,358
Utilities	50		50	446	,461	,000	(461)	6,074
Meetings & Conventions								
Mileage	0	0	0	61	0	0	0	800
Meals & Entertainment	0	500	500	,048	6	5,000	4,674	6,584
Meetings & Conventions	(5,516)	0	5,516	,741	(5,279)	0	5,279	494,365
Dues & Subscriptions	(537)	7	654	,181	(32)	,170	,202	,854
Total Meetings & Conventions	(6,053)	617	6,670	6,030	(4,985)	6,170	,155	514,603
Promotions & Communications								
Site Visit	0	0	0	6,779	0	0	0	6,937
Photography	0	0	0	,614	79	,750	,671	8,411
Advertising	,000	,000	,000	4,768	,047	,000	6,953	59,663
Web Development & Maint	40	,725	,385	8,118	,204	7,250	6,047	86,735
Market Research	0	0	0	5,026	0	0	0	9,652
Promotional	0	9,500	9,500	5,563	(6,264)	,500	59,764	9,142
Attendance Promotion	0	0	0	9,742	(528)	0	528	64,341
Global Outreach	0	0	0	0	0	0	0	0
Total Promotions & Comm	,340	6,225	,885	40,609	(2,463)	,500	5,963	614,882
Marketing Flexibility Fund	0	0	0		0	0	0	876,913
General & Administrative	83	,108	825	5,280	,454	4,080	,626	55,658
Management Fees	0	0	0	,000	0	0	0	,000
Other	,047	,166	,119	4,188	4,66	,660	7,000	42,199
Total Other Indirect Expenses	5,732	5,933	,201	5,719	72,774	,580	,806	,453,349
Net Income (Loss) from Operations	(9,169)	(81,403)	62,234	(350,647)	(393,715)	(758,280)	64,565	(3,902,645)
Fixed Asset Purchases	0	0	0	0	0	0	0	0
Net Income (Loss) After Fixed Asset Purchases	(9,169)	(81,403)	62,234	(350,647)	(393,715)	(758,280)	64,565	(3,902,645)

Budget Reallocation Summary
 FY 2021
 Through November 30, 2020

Budget Line Item	Program Code	Original Budget	Year-to-Date		November 2020 Activity
			Reallocation	Budget After Reallocations	
Perpetuating Hawaiian Culture					
<i>From:</i>					
State Employees Salaries - Hawaiian Culture	932	217,140	(12,500)	204,640	
				-	
				-	
				-	
			(12,500)		-
<i>To:</i>					
In-House Contracted Staff - Hawaiian Culture	299	-	20,000	20,000	
				-	
				-	
				-	
				-	
			20,000		-
Natural Resources					
<i>From:</i>					
None				-	
				-	
				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
				-	
			-		-
Community					
<i>From:</i>					
Travel - Community	798	25,000	(11,858)	13,142	
				-	
				-	
			(11,858)		-
<i>To:</i>					
				-	
				-	
				-	
				-	
				-	

Budget Reallocation Summary
 FY 2021
 Through November 30, 2020

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations	November 2020 Activity
				-	
				-	
				-	
			-		-
<hr/>					
Branding					
<i>From:</i>					
None				-	
				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
			-		-
<hr/>					
Sports					
<i>From:</i>					
None				-	
				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
			-		-
<hr/>					
Safety and Security					
<i>From:</i>					
None				-	
				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
			-		-

Budget Reallocation Summary
 FY 2021
 Through November 30, 2020

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations	November 2020 Activity
Tourism Research					
<i>From:</i>					
None				-	
				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
			-		-
Administration					
<i>From:</i>					
None				-	
				-	
				-	
			-		-
<i>To:</i>					
hawaiiitourismauthority.org	103	75,000	11,858	86,858	
				-	
				-	
				-	
			11,858		-
Governance and Organization-Wide					
<i>From:</i>					
State Employees Fringe	931	1,367,590	(7,500)	1,360,090	
				-	
				-	
			(7,500)		-
<i>To:</i>					
				-	
				-	
				-	
			-		-
Board Allocations					
<i>From:</i>					
None				-	
				-	
			-		-
			-		-

Hawaii Tourism Authority
 Budget Statement - Summary
 FY 2021
 As of November 30, 2020

Category	Tourism Special Fund				Convention Center Enterprise Special Fund			
	Fiscal Year 2021				Fiscal Year 2021			
	Budget	YTD Amount of Budget Used	Balance	Activity for November 2020	Budget	YTD Amount of Budget Used	Balance	Activity for November 2020
Revenues								
TAT Revenue Allocation	-	-	-	-	-	-	-	-
Prior Year Carryover	43,674,688	-	43,674,688	-	-	-	-	-
Availability of \$5M Emergency Fund (Subject to Governor Approval)	5,000,000	-	5,000,000	-	-	-	-	-
Other	33,962	493,737	(459,775)	-	-	-	-	-
	<u>48,708,650</u>	<u>493,737</u>	<u>48,214,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures								
Perpetuating Hawaiian Culture								
Hawaiian Culture Programs	4,045,081	5,529	4,039,552	5,529	-	-	-	-
In-House Contracted Staff - Hawaiian Culture	-	-	-	-	-	-	-	-
State Employee Salaries - Hawaiian Culture	217,140	217,140	-	-	-	-	-	-
Subtotal	<u>4,262,221</u>	<u>222,669</u>	<u>4,039,552</u>	<u>5,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Natural Resources (Statute: \$1M minimum)								
Natural Resources Programs	2,581,943	67,599	2,514,344	-	-	-	-	-
In-House Contracted Staff - Natural Resources	20,000	20,000	-	-	-	-	-	-
State Employee Salaries - Natural Resources	64,959	64,959	-	-	-	-	-	-
Subtotal	<u>2,666,902</u>	<u>152,558</u>	<u>2,514,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community								
Community Programs	3,313,642	210,978	3,102,664	1,954	-	-	-	-
In-House Contracted Staff - Community	-	-	-	-	-	-	-	-
State Employee Salaries - Community	147,120	147,120	-	-	-	-	-	-
Subtotal	<u>3,460,762</u>	<u>358,098</u>	<u>3,102,664</u>	<u>1,954</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Branding								
Branding Programs	28,082,027	2,555,840	25,526,187	(994,500)	-	-	-	-
In-House Contracted Staff - Branding	-	-	-	-	-	-	-	-
State Employee Salaries - Branding	508,648	508,648	-	-	70,000	70,000	-	-
Subtotal	<u>28,590,675</u>	<u>3,064,488</u>	<u>25,526,187</u>	<u>(994,500)</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>-</u>
Sports								
Sports Programs	2,637,864	2,332,864	305,000	-	-	-	-	-
Subtotal	<u>2,637,864</u>	<u>2,332,864</u>	<u>305,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Safety and Security								
Safety and Security Programs	925,629	373,452	552,177	136	-	-	-	-
Subtotal	<u>925,629</u>	<u>373,452</u>	<u>552,177</u>	<u>136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tourism Research								
Tourism Research Programs	2,422,942	909,308	1,513,634	31,750	-	-	-	-
In-House Contracted Staff - Tourism Research	-	-	-	-	-	-	-	-
State Employee Salaries - Tourism Research	384,180	384,180	-	-	-	-	-	-
Subtotal	<u>2,807,122</u>	<u>1,293,488</u>	<u>1,513,634</u>	<u>31,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Hawai'i Convention Center								
Sales & Marketing	-	-	-	-	1,356,157	1,088,813	267,344	-
Operations	-	-	-	-	3,331,113	260,209	3,070,904	(2,349,391)
Major Repair & Maintenance	-	-	-	-	2,000,000	-	2,000,000	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,687,270</u>	<u>1,349,022</u>	<u>5,338,248</u>	<u>(2,349,391)</u>
Administrative (Statute: Cannot exceed 3.5% = \$2,765,000)								
Operations	665,558	105,358	560,200	1,083	-	-	-	-
In-House Contracted Staff - Admin	-	-	-	-	-	-	-	-
State Employee Salaries - Admin	1,047,227	1,047,227	-	-	255,700	255,700	-	-
Subtotal	<u>1,712,785</u>	<u>1,152,585</u>	<u>560,200</u>	<u>1,083</u>	<u>255,700</u>	<u>255,700</u>	<u>-</u>	<u>-</u>
Organizationwide Costs								
State Employee Fringe	1,360,090	1,360,090	-	-	189,420	189,420	-	-
Organization-Wide	195,000	105,000	90,000	-	340,000	125	339,875	-
Governance - Board/Others	89,600	38,731	50,869	158	-	-	-	-
Subtotal	<u>1,644,690</u>	<u>1,503,821</u>	<u>140,869</u>	<u>158</u>	<u>529,420</u>	<u>189,545</u>	<u>339,875</u>	<u>-</u>
Total Expenditures	<u>48,708,650</u>	<u>10,454,023</u>	<u>38,254,627</u>	<u>(953,890)</u>	<u>7,542,390</u>	<u>1,864,267</u>	<u>5,678,123</u>	<u>(2,349,391)</u>
Revenues vs Expenditures	<u>-</u>	<u>(9,960,286)</u>			<u>(7,542,390)</u>	<u>(1,864,267)</u>		
Administrative Cap (3.5%, HRS 201B-11)	2,765,000	2,765,000						
HTA's Budgeted/Actual Administrative Costs (applying AG Definition)	<u>1,712,785</u>	<u>1,152,585</u>	1.5%					
	<u>1,052,215</u>	<u>1,612,415</u>						

Hawaii Tourism Authority
Budget Statement
November 30, 2020

Program Code	Program Name	Budget - FY21	Encumbered (Budget Used) - FY21	Budget Remaining	November 2020 Activity
Perpetuating Hawaiian Culture					
201	Kukulu Ola: Living Hawaiian Cultural Prog	3,059,781.00	0.00	3,059,781.00	0.00
202	Hawaiian Culture Initiative	950,000.00	5,528.79	944,471.21	5,528.79
203	Ma'ema'e HTA	15,000.00	0.00	15,000.00	0.00
204	Market Support	20,000.00	0.00	20,000.00	0.00
297	Memberships and Dues - Hawaiian Culture	300.00	0.00	300.00	0.00
299	In-House Contracted Staff - Hawaiian Culture	0.00	0.00	0.00	0.00
932	Salaries - Hawaiian Culture	217,140.00	217,140.00	0.00	0.00
Subtotal Perpetuating Hawaiian Culture		4,262,221.00	222,668.79	4,039,552.21	5,528.79
Natural Resources					
402	Aloha Aina (formerly NR and Leg Prov NR)	2,376,276.00	67,000.00	2,309,276.00	0.00
406	Visitor Impact Program	205,667.00	599.00	205,068.00	0.00
499	In-House Contracted Staff - Natural Resources	20,000.00	20,000.00	0.00	0.00
936	State Employee Salaries - Natural Resources	64,959.00	64,959.00	0.00	0.00
Subtotal Natural Resources		2,666,902.00	152,558.00	2,514,344.00	0.00
State Employee Salaries - Community					
731	Community-Based Tourism - Oahu	825,000.00	50,060.76	774,939.24	0.00
732	Community-Based Tourism - Maui County	825,000.00	118,029.65	706,970.35	0.00
733	Community-Based Tourism - Hawaii Island	825,000.00	7,276.60	817,723.40	1,954.04
734	Community-Based Tourism - Kauai	825,000.00	35,610.81	789,389.19	0.00
797	Memberships and Dues - Community	500.00	0.00	500.00	0.00
798	Travel - Community	13,142.00	0.00	13,142.00	0.00
933	State Employee Salaries - Community	147,120.00	147,120.00	0.00	0.00
Subtotal Community		3,460,762.00	358,097.82	3,102,664.18	1,954.04
Branding					
4	Cruise Infrastructure Improvements and Arrival Experience	50,000.00	50,000.00	0.00	0.00
318	gohawaii.com (formerly Online Website Coordination)	300,000.00	0.00	300,000.00	0.00
320	Island Chapters Staffing and Admin	2,400,000.00	0.00	2,400,000.00	0.00
321	US (formerly North America)	17,685,707.00	2,500,000.00	15,185,707.00	(1,000,000.00)
322	Canada	373,820.00	0.00	373,820.00	0.00
323	Japan	5,000,000.00	0.00	5,000,000.00	0.00
324	Korea	400,000.00	0.00	400,000.00	0.00
325	Oceania	500,000.00	0.00	500,000.00	0.00
339	Global Digital Marketing Strategy (former Intl Online Strat)	380,500.00	0.00	380,500.00	0.00
350	Global Mkt Shared Resces (formerly Intellect Prop Data Bank)	787,000.00	0.00	787,000.00	0.00
380	Marketing Opportunity Fund	400.00	340.31	59.69	0.00
397	Memberships and Dues - Branding	125,000.00	5,500.00	119,500.00	5,500.00
398	Travel - Branding	49,600.00	0.00	49,600.00	0.00
723	Hawaii Film Office Partnership	30,000.00	0.00	30,000.00	0.00
934	State Employee Salaries - Branding	508,648.00	508,648.00	0.00	0.00
Subtotal Branding		28,590,675.00	3,064,488.31	25,526,186.69	(994,500.00)
Sports					
312	PGA Tour Contracts	2,166,864.00	2,166,864.00	0.00	0.00
377	Polynesian Football HoF	155,000.00	0.00	155,000.00	0.00
378	UH Athletics Branding Partnership	316,000.00	166,000.00	150,000.00	0.00
Subtotal Sports		2,637,864.00	2,332,864.00	305,000.00	0.00
Safety and Security					
601	Visitor Assistance Programs	500,000.00	0.00	500,000.00	0.00
602	Crisis Management	425,629.00	373,452.42	52,176.58	135.85
Subtotal Safety and Security		925,629.00	373,452.42	552,176.58	135.85
Tourism Research					
505	Est of Visitor Arrivals by Country by Month	3,500.00	0.00	3,500.00	0.00
506	Infrastructure Research (Accomodations and Airseats)	520,879.00	181,245.26	339,633.74	31,350.00
512	Visitor Arrivals and Departure Surveys	1,150,581.00	394,183.55	756,397.45	400.00
513	Evaluation and Performance Studies	662,810.00	333,144.00	329,666.00	0.00
514	Marketing Research	42,850.00	0.00	42,850.00	0.00
597	Memberships and Dues - Research	42,322.00	735.00	41,587.00	0.00
935	State Employee Salaries - Research	384,180.00	384,180.00	0.00	0.00
Subtotal Tourism Research		2,807,122.00	1,293,487.81	1,513,634.19	31,750.00
Administrative					
101	Community-Industry Outreach & Public Relations Svcs	265,000.00	0.00	265,000.00	0.00
103	hawaiiitourismauthority.org (formerly HTA web/Global Social)	86,858.00	11,858.40	74,999.60	0.00
901	General and Administrative	288,700.00	93,378.19	195,321.81	1,083.19
930	State Employee Salaries - Admin	1,047,227.00	1,047,227.00	0.00	0.00
998	Travel - Admin	10,000.00	0.00	10,000.00	0.00
Subtotal Administrative		1,697,785.00	1,152,463.59	545,321.41	1,083.19
Governance and Organization-Wide					
915	Organization-Wide	195,000.00	105,000.00	90,000.00	0.00
919	Governance - Gen Board/Others	89,600.00	38,731.35	50,868.65	157.84
931	State Employees Fringe	1,360,090.00	1,360,090.00	0.00	0.00
Subtotal Governance and Organization-Wide		1,644,690.00	1,503,821.35	140,868.65	157.84
Total FY 2021 Funds		48,693,650.00	10,453,902.09	38,239,747.91	(953,890.29)
Convention Center Enterprise Special Fund					
Branding					
934	State Employee Salaries - Branding	70,000.00	70,000.00	0.00	0.00
Subtotal Branding		70,000.00	70,000.00	0.00	0.00
Administrative					
930	State Employee Salaries - Admin	255,700.00	255,700.00	0.00	0.00
Subtotal Administrative		255,700.00	255,700.00	0.00	0.00
Convention Center Operations					
850	HCC Operating Expense	7,519,257.00	3,725,711.00	3,793,546.00	0.00
860	HCC Repair and Maintenance	2,000,000.00	0.00	2,000,000.00	0.00
870	HCC Sales and Marketing / MFF	875,625.00	875,625.00	0.00	0.00
871	HCC Local Sales	480,532.00	213,188.00	267,344.00	0.00
Subtotal Convention Center Operations		10,875,414.00	4,814,524.00	6,060,890.00	0.00
Governance and Organization-Wide					
915	Organization-Wide	340,000.00	125.00	339,875.00	0.00
931	State Employees Fringe	189,420.00	189,420.00	0.00	0.00
Subtotal Governance and Organization-Wide		529,420.00	189,545.00	339,875.00	0.00
Total FY 2021 Funds		11,730,534.00	5,329,769.00	6,400,765.00	0.00
Protocol Fund					
Administrative					
909	Protocol Fund	15,000.00	120.94	14,879.06	0.00
Subtotal Administrative		15,000.00	120.94	14,879.06	0.00
Total FY 2021 Funds		15,000.00	120.94	14,879.06	0.00

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Presentation, Discussion and Approval of the Amended Fiscal Year 2021 Budget of the Hawai'i Tourism Authority. The Presentation will Include a Review of the Amended Budget Line Items of the Authority's Previously Approved Fiscal Year 2021 Budget

Hawaii Tourism Authority
 Amended Budget (December 17, 2020 Board Meeting)
 FY 2021

Program Code	Program Title	FY 2020 Budget (Adopted)	FY 2021 Budget (Adopted)	FY 2021 Proposed Amended Budget	Variance
Revenues					
	Transient Accommodations Tax (237D-6.5: \$79 million)	79,000,000	-	-	-
	General Funds	-	-	-	-
	Prior Year Carryover Savings	7,790,788	43,000,000	43,000,000	-
	Hawaiian Music and Dance Center Reserves	-	-	250,000	250,000
	Tourism Emergency Funds (201B-10 & 237D-6.5: \$5 million)	-	5,000,000	-	(5,000,000)
	Total Revenues	86,790,788	48,000,000	43,250,000	
Encumbrances					
Perpetuating Hawaiian Culture					
200	Hawaiian Culture Programs - Unallocated	6,780,000	-	-	-
201	Kukulu Ola: Living Hawaiian Cultural Prog	-	3,059,781	-	(3,059,781)
202	Hawaiian Culture Initiative	-	950,000	500,000	(450,000)
203	Ma'ema'e HTA	-	15,000	-	(15,000)
204	Market Support	-	20,000	-	(20,000)
205	Aloha Festivals	-	-	-	-
206	Kahea Program - Harbor Greetings	-	-	-	-
207	Kahea Program - Airport Greetings	-	-	-	-
208	Hawaiian Music and Dance Center	1,000,000	-	250,000	250,000
210	King Kamehameha Celebration	-	-	-	-
211	Prince Lot Hula Festival	-	-	-	-
212	Merrie Monarch Hula Festival	-	-	100,000	100,000
213	Prince Kūhiō Celebration	-	-	-	-
214	Legacy Award Program	-	-	-	-
215	Hawaiian Culture Opportunity Fund	-	-	250,000	250,000
216	ʻōlelo Hawaiʻi	-	-	250,000	250,000
217	FESTPAC	-	-	50,000	50,000
297	Memberships and Dues - Hawaiian Culture	500	300	-	(300)
298	Travel - Hawaiian Culture	15,000	-	-	-
299	In-House Contracted Staff - Hawaiian Culture	-	-	-	-
373	Duke's OceanFest	-	-	-	-
374	Surfing	-	-	50,000	50,000
713	Mele Mei & Na Hōkū Music Festival (Formerly May Music Month)	-	-	-	-
715	Canoe Regatta	-	-	-	-
716	May Day	-	-	-	-
718	Resort Area Hawaiian Cultural Initiative	-	-	-	-
932	Salaries - Hawaiian Culture	285,000	217,140	228,561	11,421
	Subtotal Perpetuating Hawaiian Culture	8,080,500	4,262,221	1,678,561	
Natural Resources [HRS 201B-11(c)(2) - Minimum Required: \$1,000,000]					
400	Natural Resources Programs - Unallocated	3,980,000	-	-	-
402	Aloha Aina (formerly NR and Leg Prov NR)	-	2,376,276	-	(2,376,276)
406	Visitor Impact Program	-	205,667	1,000,000	794,333
499	In-House Contracted Staff - Natural Resources	-	-	20,000	20,000
936	State Employee Salaries - Natural Resources	66,950	77,459	64,959	(12,500)
	Subtotal Natural Resources	4,046,950	2,659,402	1,084,959	
Community					
701	Community Enrichment Program	-	-	-	-
702	Community Training Workshops	-	-	-	-
705	Community Programs - Unallocated	5,789,252	-	-	-
731	Community-Based Tourism - Oahu	-	825,000	81,000	(744,000)
732	Community-Based Tourism - Maui County	-	825,000	350,000	(475,000)
733	Community-Based Tourism - Hawaii Island	-	825,000	250,000	(575,000)
734	Community-Based Tourism - Kauai	-	825,000	250,000	(575,000)
797	Memberships and Dues - Community	500	500	500	-
798	Travel - Community	15,000	25,000	-	(25,000)
802	Current Workforce	-	-	-	-
803	Future Workforce	-	-	-	-
933	State Employee Salaries - Community	210,000	147,120	154,834	7,714
	Subtotal Community	6,014,752	3,472,620	1,086,334	
Branding					
004	Cruise Infrastructure Improvements and Arrival Experience	250,000	50,000	50,000	-
102	Hawai'i Tourism Summit	300,000	-	-	-
306	Island-Based International Marketing	800,000	-	-	-
316	MICE Asia (formerly MCI Global - Management)	350,000	-	-	-
318	gohawaii.com (formerly Online Website Coordination)	350,000	300,000	300,000	-
320	Island Chapters Staffing and Admin	3,170,000	2,400,000	2,400,000	-
321	US (formerly North America)	22,525,000	17,685,707	17,000,000	(685,707)
322	Canada	800,000	373,820	400,000	26,180
323	Japan	10,000,000	5,000,000	4,500,000	(500,000)
324	Korea	1,400,000	400,000	300,000	(100,000)
325	Oceania	1,900,000	500,000	400,000	(100,000)
326	Europe	400,000	-	-	-
329	China	2,000,000	-	-	-
330	Taiwan	500,000	-	-	-
331	Meetings, Convention & Incentives (Global - Conv. Ctr and Single Prop.)	2,300,000	-	-	-
336	Southeast Asia	500,000	-	-	-
339	Global Digital Marketing Strategy (former Intl Online Strat)	500,000	380,500	380,500	-
350	Global Mkt Shared Resces (formerly Intellect Prop Data Bank)	797,000	787,000	787,000	-
380	Marketing Opportunity Fund	2,000,000	-	-	-
397	Memberships and Dues - Branding (US Travel Membership)	100,000	125,000	125,000	-
398	Travel - Branding	50,000	50,000	10,000	(40,000)
723	Hawaii Film Office Partnership	30,000	30,000	30,000	-
934	State Employee Salaries - Branding	539,050	508,648	535,011	26,363
	Subtotal Branding	51,561,050	28,590,675	27,217,511	

Hawaii Tourism Authority
 Amended Budget (December 17, 2020 Board Meeting)
 FY 2021

Program Code	Program Title	FY 2020 Budget (Adopted)	FY 2021 Budget (Adopted)	FY 2021 Proposed Amended Budget	Variance
Sports					
312	PGA Tour Contracts	-	2,166,864	2,166,864	-
342	Maui Jim - Maui Invitational	-	-	-	-
345	ESPN Hawaii Bowl / Diamond Head Classic	-	-	-	-
377	Polynesian Football HoF	-	155,000	155,000	-
378	UH Athletics Branding Partnership	-	316,000	166,000	(150,000)
379	Sports Programs - Unallocated	7,200,000	-	-	-
384	Football (Hula Bowl)	-	-	-	-
340	Ironman World Championship	-	-	-	-
341	XTERRA World Championship/XTERRA Trail Championship	-	-	-	-
343	LPGA Lotte Championship	-	-	-	-
346	Los Angeles Clippers	-	-	-	-
370	Tennis - Davis Cup and Invesco Hawaii Champions Cup	-	-	-	-
371	AVP Hawaii Open	-	-	-	-
Subtotal	Sports	7,200,000	2,637,864	2,487,864	
Safety and Security					
601	Visitor Assistance Programs	650,000	500,000	650,000	150,000
602	Crisis Management	100,000	391,667	391,667	-
603	Lifeguard Program	700,000	-	-	-
604	Preventative Programs	400,000	-	-	-
606	Safety and Security Opportunity Fund	300,000	-	-	-
Subtotal	Safety and Security	2,150,000	891,667	1,041,667	
Tourism Research [HRS 201B-7 - Necessary to Support Requirement: \$2,215,620]					
501	Data Dissemination	54,000	-	-	-
505	Est of Visitor Arrivals by Country by Month	6,000	3,500	3,500	-
506	Infrastructure Research (Accommodations and Airseats)	556,330	520,879	520,879	-
512	Visitor Arrivals and Departure Surveys	1,314,540	1,150,581	1,150,581	-
513	Evaluation and Performance Studies	1,148,405	662,810	662,810	-
514	Marketing Research	498,797	42,850	42,850	-
597	Memberships and Dues - Research	7,322	42,322	42,322	-
598	Travel - Research	15,000	-	-	-
935	State Employee Salaries - Research	393,000	384,180	408,393	24,213
Subtotal	Tourism Research	3,993,394	2,807,122	2,831,335	
Administrative					
101	Community-Industry Outreach & Public Relations Svcs	250,000	265,000	265,000	-
103	hawaiitourismauthority.org (formerly HTA web/Global Social)	100,000	75,000	50,000	(25,000)
901	General and Administrative	401,700	303,700	288,700	(15,000)
930	State Employee Salaries - Admin	1,075,000	1,047,227	1,103,024	55,797
998	Travel - Admin	50,000	10,000	-	(10,000)
Subtotal	Administrative	1,876,700	1,700,927	1,706,724	
Governance and Organization-Wide					
915	Organization-Wide	240,000	195,000	195,000	-
919	Governance - Gen Board/Others	146,300	89,600	89,600	-
931	State Employees Fringe	1,481,142	1,367,590	1,535,226	167,636
Subtotal	Governance and Organization-Wide	1,867,442	1,652,190	1,819,826	
Protocol Fund					
909	Protocol Fund	15,000	15,000	5,000	(10,000)
		15,000	15,000	5,000	
	Total Encumbrances	86,805,788	48,689,688	40,959,781	(7,729,907)
	Projected Revenues	86,790,788	48,000,000	43,250,000	
	Projected Shortage/Overage	(15,000)	(689,688)	2,290,219	

11

Presentation of the Report of the Audit Standing
Committee on the Financial Audit for Fiscal Year 2020

The Auditor
State of Hawaii

The Board of Directors
Hawaii Tourism Authority

We have audited the financial statements of the governmental activities and each major fund of the Hawaii Tourism Authority (the "Authority") for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter with the Authority dated August 7, 2019 and Contract No. 67940 with you dated July 18, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, the Authority adopted Governmental Accounting Standards Board ("GASB") Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, and GASB Statement No. 91, *Conduit Debt Obligations*, in 2020. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements are:

- Useful lives used to depreciate capital assets such as capitalized costs of the Convention Center.
- Accrued vacation liability.
- Net pension and other postemployment benefit ("OPEB") liabilities.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- *Note 7*, related to the Authority's net pension liability.
- *Note 7*, related to the Authority's net OPEB liability.
- *Note 9*, related to significant subsequent events impacting the Authority.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The schedule in the attached management representation letter summarizes the uncorrected misstatements of the financial statements. Management has determined that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The adjusting and reclassifying entries included in the attached management representation letter and detected as a result of our audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the attached management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

As discussed in Note 1 to the financial statements, the financial statements of the Authority include only the governmental activities and each major fund of the Authority, and are not intended to present fairly the financial position of the State of Hawaii as of June 30, 2020, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our auditors' report includes an emphasis of matter paragraph for this matter.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and budgetary comparison schedules, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Auditor and the directors and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

Honolulu, Hawaii
December 1, 2020

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Hawaii Tourism Authority

(A Component Unit of the State of Hawaii)

Financial Statements

June 30, 2020

DRAFT

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
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June 30, 2020

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Report of Independent Auditors

The Auditor
State of Hawaii

The Board of Directors
Hawaii Tourism Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Hawaii Tourism Authority (the "Authority"), a component unit of the State of Hawaii, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the index.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions on the Financial Statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1, the financial statements of the Authority include only the governmental activities and each major fund of the Authority, and are not intended to present fairly the financial position of the State of Hawaii as of June 30, 2020, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and budgetary comparison schedules for the Tourism Special Fund and Convention Center Enterprise Special Fund on page 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2020, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Honolulu, Hawaii
December 11, 2020

Hawaii Tourism Authority

(A Component Unit of the State of Hawaii)

Management's Discussion and Analysis

June 30, 2020

The Hawaii Tourism Authority (the "Authority") was established on January 1, 1999 by Act 156, Session Laws of Hawaii 1998. The Authority is responsible for developing and implementing a strategic tourism marketing plan to enhance and promote the Hawaii brand. As management of the Authority, we offer readers of these basic financial statements, this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2020. This discussion and analysis is designed to assist the reader in focusing on the Authority's significant financial matters and activities and to identify any significant changes in the Authority's financial position. We encourage readers to consider the information presented here in conjunction with the basic financial statements as a whole.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, accounted for with an economic resources measurement focus using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the fiscal year's revenues and expenses are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses are reported in these statements for some items that will result in cash flows in future fiscal periods. Government-wide financial statements are comprised of the following:

- The *Statement of Net Position*, which presents all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- The *Statement of Activities*, which presents information showing the Authority's revenues and expenses for the fiscal year. Functional activities are highlighted in this statement, whereby direct and indirect functional costs are shown, net of related program revenue. This statement shows the extent to which the various functions depend on taxes and nonprogram revenues for support.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Management's Discussion and Analysis
June 30, 2020

Fund Financial Statements

A fund is a grouping of related accounts, which is used to maintain control over resources that have been segregated for specific activities or objectives.

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Authority's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities of the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Authority's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation on pages 14 and 16, respectively, to facilitate this comparison between governmental funds and governmental activities.

The Authority maintains three governmental funds (Tourism Special Fund, Convention Center Enterprise Special Fund, and Tourism Emergency Special Fund). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of these funds.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Management's Discussion and Analysis
June 30, 2020

Condensed Financial Information

The following are summaries from the Authority's government-wide financial statements as of and for the years ended June 30, 2020 and 2019:

Condensed Statements of Net Position
As of June 30, 2020 and 2019

	2020	2019
Assets		
Current assets	\$ 103,204,000	\$ 98,885,000
Capital assets, net	194,881,000	196,781,000
Investments – noncurrent	2,014,000	3,495,000
Other noncurrent assets	24,192,000	24,883,000
Total assets	<u>\$ 324,291,000</u>	<u>\$ 324,044,000</u>
Deferred outflows of resources		
Deferred outflows on net pension liability	\$ 985,000	\$ 996,000
Deferred outflows on net other postemployment benefits liability	596,000	458,000
Total deferred outflows of resources	<u>\$ 1,581,000</u>	<u>\$ 1,454,000</u>
Liabilities		
Current liabilities	\$ 3,276,000	\$ 4,118,000
Noncurrent liabilities	12,410,000	12,102,000
Total liabilities	<u>\$ 15,686,000</u>	<u>\$ 16,220,000</u>
Deferred inflows of resources		
Deferred inflows on net pension liability	\$ 175,000	\$ 212,000
Deferred inflows on net other postemployment benefits liability	73,000	96,000
Total deferred inflows of resources	<u>\$ 248,000</u>	<u>\$ 308,000</u>
Net position		
Net investment in capital assets	\$ 194,881,000	\$ 196,781,000
Restricted	115,057,000	112,189,000
Total net position	<u>\$ 309,938,000</u>	<u>\$ 308,970,000</u>

A reconciliation on page 14 facilitates the comparison between governmental funds and governmental activities.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Management's Discussion and Analysis
June 30, 2020

Condensed Statements of Activities
For the Years Ended June 30, 2020 and 2019

	2020	2019
Revenues		
Program revenues		
Charges for services	\$ 6,716,000	\$ 9,325,000
General revenues		
Transient accommodations taxes	79,583,000	95,500,000
Other	2,676,000	3,519,000
Debt cancellation with State of Hawaii	-	224,110,000
Total revenues	<u>88,975,000</u>	<u>332,454,000</u>
Expenses		
Hawaii Convention Center management		
Contract	14,418,000	17,307,000
Depreciation	7,525,000	7,313,000
Payroll	316,000	307,000
Pension	77,000	79,000
Postemployment	41,000	51,000
Other	280,000	144,000
Total Hawaii Convention Center management expenses	<u>22,657,000</u>	<u>25,201,000</u>
Tourism and marketing		
Contract	61,210,000	79,125,000
Payroll	2,668,000	2,201,000
Pension	608,000	580,000
Administrative and general	343,000	640,000
Postemployment	323,000	376,000
Other	198,000	227,000
Total tourism and marketing expenses	<u>65,350,000</u>	<u>83,149,000</u>
Total expenses	<u>88,007,000</u>	<u>108,350,000</u>
Change in net position	968,000	224,104,000
Net position		
Beginning of year	<u>308,970,000</u>	<u>84,866,000</u>
End of year	<u>\$ 309,938,000</u>	<u>\$ 308,970,000</u>

A reconciliation on page 16 facilitates the comparison between governmental funds and governmental activities.

The effects of the COVID-19 pandemic have been substantial globally. Its impacts have been particularly extensive for our local economy, with tourism being one of Hawaii's largest industries and a vital economic driver. Effective May 2020, the Authority's allocation of transient accommodations tax, its primary source of revenue, was suspended. The eventual restoration of funding will be key to our work in branding Hawaii as a tourism destination to help with Hawaii's economic recovery. We will do so in a responsible manner in our efforts to mālama Hawaii, our home.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Management's Discussion and Analysis
June 30, 2020

Financial Analysis

Current Assets increased by approximately \$4,319,000, or 4.4%, primarily due to an increase in cash and cash equivalents of approximately \$5,836,000, partially offset by a decrease in accounts receivable and other assets of approximately \$1,458,000 and \$59,000, respectively.

Capital Assets decreased by approximately \$1,900,000, or 1.0%, primarily due to the recording of current year depreciation expense of approximately \$7,525,000, partially offset by capital asset purchases. A substantial portion of the Authority's capital asset additions pertains to renovations and improvements to the Center. See Note 4 to the financial statements.

Investments decreased by approximately \$1,481,000, or 42.4%, due to increasing cash equivalents in the Tourism Emergency Special Fund as a result of the maturing of investments.

Other Noncurrent Assets decreased by approximately \$691,000, or 2.8%. This represents funds held by Anschutz Entertainment Group and the Department of Accounting and General Services for emergency capital improvements, repair or maintenance purchases, and funds earmarked for various capital improvement projects for the Center.

Current Liabilities decreased by approximately \$842,000, or 20.4%, primarily due to a decrease in vouchers payable of approximately \$1,007,000, or 26.1%.

Noncurrent Liabilities increased by approximately \$308,000, or 2.5%, primarily due to an increase in net pension liability of approximately \$246,000.

Net Position went from a net position of approximately \$308,970,000 at June 30, 2019 to a net position of approximately \$309,938,000 at June 30, 2020 due to operating results of the Authority.

Effective July 1, 2002, the Convention Center Fund was established by Act 253, Session Laws of Hawaii 2002 ("Act 253"). In accordance with Act 253, the Convention Center Fund was placed within the Authority and was created to receive all revenues generated from the Center's operations and an allocated portion of the revenues received from the State's transient accommodations tax ("TAT").

Expenses decreased by approximately \$20,343,000, or 18.8%, primarily due to the decrease in contract expenses in the current year as compared to the prior year and correlates with the decrease in the Authority's TAT revenues discussed further below.

Revenues decreased by approximately \$243,479,000, or 73.2%, primarily due to cancellation of amounts due to Budget and Finance that were recorded in the prior year. Also, effective May 2020, the Authority's allocation of TAT revenue was suspended under the Governor's emergency proclamation relating to the COVID-19 global pandemic. HTA's TAT revenue decreased from the prior year by approximately \$15,917,000, or 16.7%.

On June 29, 2018, Act 086, Session Laws of Hawaii 2018 ("Act 086"), canceled the remaining outstanding balance of approximately \$224,110,000 on the debt service payments, effective July 1, 2018.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Management's Discussion and Analysis
June 30, 2020

Financial Analysis of the Authority's Individual Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements.

As of the end of the current fiscal year, the Authority's governmental funds reported combined ending fund balances of approximately \$102,177,000, an increase of approximately \$4,141,000 in comparison with the prior fiscal year. The Authority's entire fund balance is committed to indicate that it can only be used for specific purposes pursuant to formal action of the Authority's board of directors.

The Tourism Special Fund is used to account for functions related to the development and promotion of Hawaii's brand as a visitor destination. At the end of the current fiscal year, committed fund balance of the Tourism Special Fund was approximately \$71,715,000, an increase of 3.8% from the prior fiscal year. As a measure of the Tourism Special Fund's liquidity, it may be useful to compare the committed fund balance to total fund expenditures. Committed fund balance represents 110% of total Tourism Special Fund expenditures, an increase of 25.6% from the prior fiscal year.

The Convention Center Enterprise Special Fund was established by Act 253 to receive all revenues generated from the operation of the Center and an allocated portion of the revenues received from the State's TAT. Funds collected by the Convention Center Enterprise Special Fund are used to pay all expenses arising from the use and operation of the Center and to reimburse Budget and Finance for debt service payments on general obligation bonds issued for construction of the Hawaii Convention Center through June 30, 2018. As noted above, Act 086 cancelled the remaining outstanding balance of debt service payments effective July 1, 2018. In accordance with Act 253, the operations of the Convention Center Enterprise Special Fund are included in the Authority's financial statements. At the end of the current fiscal year, the Convention Center Enterprise Special Fund had a committed fund balance of approximately \$25,462,000.

The Tourism Emergency Special Fund was established by Hawaii Revised Statutes Section 201B-10. Monies in the Tourism Emergency Special Fund shall be used exclusively to provide for the development and implementation of emergency measures to respond to any tourism emergency including providing emergency assistance to tourists during the tourism emergency. At the end of the current fiscal year, the Tourism Emergency Special Fund had a committed fund balance of approximately \$5,000,000.

Hawaii Tourism Authority
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Capital Assets

As of June 30, 2020, the Authority had approximately \$194,881,000 invested in capital assets as shown in the following table. There was a net decrease (additions, deductions and depreciation) of approximately \$1,900,000 from the end of the prior fiscal year.

	2020	2019
Capital assets		
Land	\$ 131,497,000	\$ 131,497,000
Buildings and improvements	221,198,000	211,714,000
Furniture, fixtures, and equipment	7,903,000	5,577,000
Construction in progress	<u>3,739,000</u>	<u>9,924,000</u>
Total capital assets	364,337,000	358,712,000
Less: Accumulated depreciation and amortization	<u>(169,456,000)</u>	<u>(161,931,000)</u>
Total capital assets, net	<u>\$ 194,881,000</u>	<u>\$ 196,781,000</u>

Additional information regarding the Authority's capital assets can be found in Note 4 to the financial statements.

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Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Statement of Net Position – Governmental Activities
June 30, 2020

Current assets	
Equity in cash and cash equivalents and investments in State Treasury	\$ 101,814,778
Accounts receivables	919,212
Other current assets	470,471
Total current assets	<u>103,204,461</u>
Noncurrent assets	
Investments	2,013,660
Capital assets	
Land	131,496,508
Construction in progress	3,738,667
Other capital assets, net	59,645,614
Capital assets, net of depreciation	<u>194,880,789</u>
Other noncurrent assets	24,192,157
Total noncurrent assets	<u>221,086,606</u>
Total assets	<u>324,291,067</u>
Deferred outflows of resources	
Deferred outflows on net pension liability	984,408
Deferred outflows on net other postemployment benefits liability	596,259
Total deferred outflows of resources	<u>1,580,667</u>
Total assets and deferred outflows of resources	<u>\$ 325,871,734</u>

The accompanying notes are an integral part of these financial statements.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Statement of Net Position – Governmental Activities
June 30, 2020

Current liabilities	
Vouchers payable	\$ 2,847,109
Accrued payroll	285,588
Accrued vacation	142,636
Total current liabilities	<u>3,275,333</u>
Long-term liabilities	
Accrued vacation, net of current portion	269,845
Net other postemployment benefits liability	5,617,949
Net pension liability	6,522,577
Total long-term liabilities	<u>12,410,371</u>
Total liabilities	<u>15,685,704</u>
Deferred inflows of resources	
Deferred inflows on net pension liability	174,668
Deferred inflows on net other postemployment benefits liability	73,174
Total deferred inflows of resources	<u>247,842</u>
Total liabilities and deferred inflows of resources	<u>15,933,546</u>
Net position	
Net investment in capital assets	194,880,789
Restricted	115,057,399
Total net position	<u>309,938,188</u>
Total liabilities and net position	<u>\$ 325,871,734</u>

The accompanying notes are an integral part of these financial statements.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Statement of Activities – Governmental Activities
Year Ended June 30, 2020

	Functional Programs		
	Hawaii Convention Center Management	Tourism and Marketing	Total
Expenses			
Contracts	\$ 14,418,292	\$ 61,209,978	\$ 75,628,270
Depreciation	7,525,213	-	7,525,213
Payroll	316,107	2,667,562	2,983,669
Pension	76,673	608,323	684,996
Postemployment	40,730	323,149	363,879
Administrative and general	-	343,099	343,099
Other	280,374	197,950	478,324
Total expenses	<u>\$ 22,657,389</u>	<u>\$ 65,350,061</u>	88,007,450
Program revenues – charge for services			<u>6,716,382</u>
Net expenses			<u>81,291,068</u>
General revenues			
Transient accommodations tax			79,583,333
Interest and investment income			2,233,238
Net increase in fair value of investments			18,500
Other			424,367
Total general revenues			<u>82,259,438</u>
Change in net position			<u>968,370</u>
Net position			
Beginning of year			<u>308,969,818</u>
End of year			<u>\$ 309,938,188</u>

The accompanying notes are an integral part of these financial statements.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Balance Sheet – Governmental Funds
June 30, 2020

	Tourism Special Fund	Convention Center Enterprise Special Fund	Tourism Emergency Special Fund	Total Governmental Funds
Assets				
Equity in cash and cash equivalents and investments in State Treasury Investments	\$ 72,128,815	\$ 26,565,394	\$ 3,120,569	\$ 101,814,778
Due from State Department of Budget and Finance	-	-	2,013,660	2,013,660
Due from other fund	435,640	194,727	-	630,367
Other assets	148,148	-	-	148,148
	237,217	177,588	13,919	428,724
Total assets	<u>\$ 72,949,820</u>	<u>\$ 26,937,709</u>	<u>\$ 5,148,148</u>	<u>\$ 105,035,677</u>
Liabilities and Fund Balances				
Liabilities				
Vouchers and contracts payable	\$ 979,558	\$ 1,445,117	\$ -	\$ 2,424,675
Due to other funds	-	-	148,148	148,148
Other accrued liabilities	254,956	30,632	-	285,588
Total liabilities	<u>1,234,514</u>	<u>1,475,749</u>	<u>148,148</u>	<u>2,858,411</u>
Fund balances				
Committed	71,715,306	25,461,960	5,000,000	102,177,266
Total liabilities and fund balances	<u>\$ 72,949,820</u>	<u>\$ 26,937,709</u>	<u>\$ 5,148,148</u>	<u>\$ 105,035,677</u>

The accompanying notes are an integral part of these financial statements.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position**
June 30, 2020

Total fund balance – governmental funds	\$ 102,177,266
Amounts reported for governmental activities in the statement of net position are different because	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of	
Land	131,496,508
Construction in progress	3,738,667
Other	229,101,523
Accumulated depreciation and amortization	<u>(169,455,909)</u>
	194,880,789
Vouchers payable for construction in progress for capital assets are not recognized in governmental funds.	(428,063)
Other assets are not available to pay or be used for current-period expenditures and are not recognized in governmental funds.	24,528,378
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of	
Accrued vacation payable	(412,481)
Net other postemployment benefits liability	(5,617,949)
Net pension liability	<u>(6,522,577)</u>
	(12,553,007)
Deferred outflows of resources are for future periods and are not reported in the funds. Those deferred outflows consist of	
Deferred outflows on net pension liability	984,408
Deferred outflows on net other postemployment benefits liability	<u>596,259</u>
	1,580,667
Deferred inflows of resources benefit future periods and are not reported in the funds. Those deferred inflows consist of	
Deferred inflows on net pension liability	(174,668)
Deferred inflows on net other postemployment benefits liability	<u>(73,174)</u>
	(247,842)
Net position of governmental activities	<u>\$ 309,938,188</u>

The accompanying notes are an integral part of these financial statements.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds
Year Ended June 30, 2020

	Tourism Special Fund	Convention Center Enterprise Special Fund	Tourism Emergency Special Fund	Total Governmental Funds
Revenues				
Transient accommodations tax	\$ 65,833,333	\$ 13,750,000	\$ -	\$ 79,583,333
Hawaii Convention Center revenues	-	6,716,382	-	6,716,382
Interest and investment income	1,524,171	636,605	72,462	2,233,238
Net increase in the fair value of investments	-	-	18,500	18,500
Other	418,740	-	-	418,740
Total revenues	<u>67,776,244</u>	<u>21,102,987</u>	<u>90,962</u>	<u>88,970,193</u>
Expenditures				
Contract	61,209,978	18,920,329	-	80,130,307
Personnel	3,448,397	434,642	-	3,883,039
Administrative and general	330,451	-	12,648	343,099
Other	227,950	244,745	-	472,695
Total expenditures	<u>65,216,776</u>	<u>19,599,716</u>	<u>12,648</u>	<u>84,829,140</u>
Excess of revenues over expenditures	<u>2,559,468</u>	<u>1,503,271</u>	<u>78,314</u>	<u>4,141,053</u>
Other financing sources (uses)				
Transfers in	78,314	-	-	78,314
Transfers out	-	-	(78,314)	(78,314)
Total other financing sources (uses)	<u>78,314</u>	<u>-</u>	<u>(78,314)</u>	<u>-</u>
Net change in fund balances	<u>2,637,782</u>	<u>1,503,271</u>	<u>-</u>	<u>4,141,053</u>
Fund balances				
Beginning of year	<u>69,077,524</u>	<u>23,958,689</u>	<u>5,000,000</u>	<u>98,036,213</u>
End of year	<u>\$ 71,715,306</u>	<u>\$ 25,461,960</u>	<u>\$ 5,000,000</u>	<u>\$ 102,177,266</u>

The accompanying notes are an integral part of these financial statements.

Hawaii Tourism Authority
 (A Component Unit of the State of Hawaii)
**Reconciliation of the Governmental Funds Statement of Revenues,
 Expenditures, and Changes in Fund Balances to the Statement of Activities**
Year Ended June 30, 2020

Total net change in fund balances – governmental funds	\$ 4,141,053
Amounts reported for governmental activities in the statement of activities are different because	
Capital outlays are reported as expenditures in governmental funds; however, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are	
Capital asset additions	17,424,733
Capital asset deductions	(11,800,114)
Depreciation expense	<u>(7,525,213)</u>
Excess of capital outlay over depreciation expense	(1,900,594)
Other assets are not available to be used for current period expenditures and are not recognized in governmental funds.	(1,122,585)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	
Change in accrued vacation payable	(85,471)
Net pension activity	(218,759)
Net other postemployment benefits activity	<u>154,726</u>
	<u>(149,504)</u>
Change in net position of governmental activities	<u>\$ 968,370</u>

The accompanying notes are an integral part of these financial statements.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Notes to Financial Statements
June 30, 2020

1. Summary of Significant Accounting Policies

The Financial Reporting Entity

The Hawaii Tourism Authority ("Authority") was established on January 1, 1999 by Act 156, Session Laws of Hawaii 1998, and was placed within the State of Hawaii, Department of Business, Economic Development, and Tourism, for administrative purposes only. The Authority is responsible for developing a strategic tourism marketing plan and developing measures of effectiveness to assess the overall benefits and effectiveness of the marketing plan and progress toward achieving the Authority's strategic plan goals. In addition, effective July 1, 2000, control and management of the Hawaii Convention Center (the "Center") were transferred to the Authority from the Convention Center Authority ("CCA") by Executive Order No. 3817. Effective July 1, 2002, the Center, by statute, became the responsibility of the Authority. The Center, which opened to the general public in June 1998, is used for a variety of events including conventions and trade shows, public shows, and spectator events. The Center offers approximately 350,000 square feet of rentable space including 51 meeting rooms.

The Authority is governed by a board of directors comprising of 12 voting members, including those recommended by the State Legislature. The Governor of the State appoints the 12 voting members.

The accompanying basic financial statements of the Authority, a discretely presented component unit of the State of Hawaii ("State"), have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for governments as prescribed by the Governmental Accounting Standards Board ("GASB").

Government-Wide and Fund Financial Statements

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on the activities of the Authority. For the most part, the effect of interfund activity has been removed from these government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers who purchase, use or directly benefit from goods or services provided by a given function. Resources that are dedicated internally are reported as general revenues rather than program revenues.

The Authority uses funds to report on its financial position and the results of its operations in its fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain functions or activities.

Net position is restricted when determined by a formal action of the State Legislature.

The financial activities of the Authority are recorded in individual funds, each of which is deemed to be a separate accounting entity. The Authority uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Notes to Financial Statements
June 30, 2020

Governmental Funds

Governmental funds are those through which the governmental functions of the Authority are financed. The Authority's major funds are as follows:

- **Tourism Special Fund** –The Tourism Special Fund (“Tourism Fund”) is used to account for functions related to the development and promotion of the tourism industry.
- **Convention Center Enterprise Special Fund** – The Convention Center Enterprise Special Fund (“Convention Center Fund”) is used to account for functions related to the operation and management of the Center.
- **Tourism Emergency Special Fund** – The Tourism Emergency Special Fund (“Emergency Fund”) is used to account for functions related to the maintenance of a tourism emergency fund.

Basis of Accounting

The Governmental Funds financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Transient Accommodations Tax

In accordance with Sections 201B-11 and 237D-6.5, Hawaii Revised Statutes (“HRS”), the primary source of funding for the Authority's Tourism Fund and Convention Center Fund is the transient accommodations tax (“TAT”) collected by the State. The TAT is assessed at a rate of 10.25% on the gross rental proceeds derived from providing transient accommodations.

Effective July 1, 2018, the maximum amount of funding of TAT revenues that may be deposited into the Convention Center Fund and the Tourism Fund was \$16,500,000 and \$79,000,000, respectively.

Of the total TAT revenues deposited into the Tourism Fund, 0.5% is allocated to a subaccount in the Tourism Fund to provide funding for the safety and security budget, pursuant to Section 237D-6.5, and at least \$1,000,000 shall be made available to support efforts to manage, improve and protect Hawaii's natural environment and areas frequented by visitors, pursuant to Section 201B-11. Effective July 1, 2007, funds shall be deposited into the Emergency Fund, established in Section 201B-10, in a manner sufficient to maintain a fund balance of \$5,000,000 in fund.

Effective July 1, 2013, of the total TAT revenues deposited into the Tourism Fund, \$1,000,000 shall be allocated for the operation of a Hawaiian center and the museum of Hawaiian music and dance at the Center.

The governor's Sixth Supplementary (emergency) Proclamation, issued on April 25, 2020, suspended specific provisions of law. Included were Sections 237D-6.5(b), HRS, distribution of the TAT. The Proclamation was extended through December 31, 2020 which resulted in no TAT revenues distributed through November 30, 2020.

Hawaii Tourism Authority
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Notes to Financial Statements
June 30, 2020

At June 30, 2020, the total TAT revenues deposited into the Tourism Fund and Convention Center Fund was \$65,833,000 and \$13,750,000, respectively.

Investments

The Authority's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles.

Fair Value Measurements

The Authority measures the fair value of assets and liabilities as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants at the measurement date. The fair value hierarchy distinguishes between independent observable inputs and unobservable inputs used to measure fair value, as follows:

- **Level 1** – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** – Inputs other than quoted market prices included in Level 1 that are observable for an asset or liability, either directly or indirectly.
- **Level 3** – Unobservable inputs for an asset or liability reflecting the reporting entity's own assumptions. Level 3 inputs are used to measure fair value to the extent that observable Level 1 or 2 inputs are not available.

Capital Assets

Capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the statement of net position. Capital assets acquired by purchase are recorded at cost. Donated capital assets are valued at the estimated fair value on the date received. Maintenance, repairs, minor replacements, and renewals are charged to operations as incurred. Major replacements, renewals and betterments are capitalized. Capital assets are defined as assets with an initial individual cost of \$100,000 or more for buildings and improvements, and \$5,000 or more for furniture, fixtures and equipment, and are depreciated on the straight-line method over the estimated useful lives of the respective assets (buildings and improvements – 30 years and furniture, fixtures and equipment – five to seven years). Depreciation is recorded on capital assets in the government-wide statement of activities.

Accrued Vacation

Employees hired on or before July 1, 2001 earn vacation at the rate of one and three-quarters working days for each month of service. Employees hired after July 1, 2001 earn vacation at rates ranging between one and two working days for each month of service, depending upon the employees' years of service and job classifications. Each employee is allowed to accumulate a maximum of 90 days of vacation as of the end of the calendar year. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or expected to be paid with expendable available financial resources.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Notes to Financial Statements
June 30, 2020

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Employees' Retirement System of the State of Hawaii ("ERS"), and additions to/deductions from the ERS's fiduciary net position have been determined on the same basis as they are reported by the ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at their fair value.

Postemployment Benefits Other Than Pensions

For purposes of measuring the net other postemployment benefits ("OPEB") liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Hawaii Employer-Union Health Benefits Trust Fund ("EUTF"), and additions to/deductions from the EUTF's fiduciary net position have been determined on the same basis as they are reported by the EUTF. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at their fair value.

Net Position and Fund Balance

In the government-wide financial statements, net position is reported in two categories: net investment in capital assets and restricted net position. Restricted net position represents net position restricted by parties outside of the Authority (such as citizens, public interest groups, or the judiciary), or imposed by law through enabling legislation, and includes unspent proceeds of bonds issued to acquire or construct capital assets.

In the Fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

The Authority classifies fund balance based primarily on the extent to which a government is bound to follow constraints on how resources can be spent in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Classifications include:

- **Restricted** – Balances that are restricted for specific purposes by external parties such as creditors, grantors, or other governments. Sources of these externally enforceable legal restrictions include creditors, grantors, or other governments.
- **Committed** – Balances that can only be used for specific purposes pursuant to constraints imposed by formal action (i.e., legislation) of the State's Legislature, the highest level of decision-making authority. Legislation is required to modify or rescind a fund balance commitment.
- **Assigned** – Balances that are constrained by management to be used for specific purposes, as authorized by the HRS, but are not restricted or committed. For general fund only, encumbrance balances at fiscal year-end are classified as assigned.
- **Unassigned** – Residual balances that are not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance.

Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Notes to Financial Statements
June 30, 2020

Marketing Contractors

The Authority contracts with the following seven major marketing contractors to provide tourism, planning, implementation, and other services to assist the Authority in executing its marketing mission:

- Hawaii Visitors and Convention Bureau – United States of America and Global Meetings and Conventions
- a.Link LLC, dba Hawaii Tourism Japan – Japan
- Aviareps Marketing Garden (Holdings) Ltd. – Korea
- The Walshe Group, dba Hawaii Tourism Oceania – Australia and New Zealand
- The Happy Traveller LLC dba Brandstory Inc. PTE Ltd. – Hong Kong
- ITravLocal Ltd. – China
- VoX International Inc. – Canada

Center Contract

The Authority contracts with Anschutz Entertainment Group (“AEG”), a private contractor, to manage and operate the Center. AEG is on a cost-reimbursement contract whereby it is reimbursed by the Authority for costs incurred in operating the Center. Through December 31, 2019, AEG held the responsibility for the Center’s sales and marketing efforts. Starting January 1, 2020, Act 026, Session Laws of Hawaii 2019, authorized contracts entered by the Authority for the marketing of the Center to be issued separately from the management, use, operation or maintenance of the facility. Effective January 1, 2020, the Authority amended AEG’s contract to reflect responsibilities for local sales. The management fees incurred for the year ended June 30, 2020 amounted to \$241,000.

Effective January 1, 2020, the Authority contracted with the Hawaii Visitors and Convention Bureau to be responsible for the Center’s sales and marketing efforts as part of a global meetings and conventions program.

Intrafund and Interfund Transactions

Transfers of financial resources within the same fund are eliminated. Transfers from funds receiving revenues to funds through which the resources are to be expended and funds disbursed to fiduciary funds are recorded as transfers.

Use of Estimates

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

Newly Issued Accounting Pronouncements

GASB Statement No. 84

The GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, postponed by GASB Statement No. 95 for one year. The Authority has not yet determined the effect this Statement will have on its financial statements.

Hawaii Tourism Authority
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Notes to Financial Statements
June 30, 2020

GASB Statement No. 87

The GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, postponed by GASB Statement No. 95 for eighteen months. The Authority has not yet determined the effect this Statement will have on its financial statements.

GASB Statement No. 89

During fiscal year 2020, the Authority early implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement replaces paragraph 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. This Statement did not have any effect on the Authority's financial statements.

GASB Statement No. 90

The GASB issued Statement No. 90, *Majority Equity Interest – an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, postponed by GASB Statement No. 95 for one year. The Authority has not yet determined the effect this Statement will have on its financial statements.

GASB Statement No. 91

During fiscal year 2020, the Authority early implemented GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement did not have a material effect on the Authority's financial statements.

GASB Statement No. 92

The GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective at multiple periods depending on when certain Statements are implemented, postponed by GASB Statement No. 95 for one year. The Authority has not determined the effect this Statement will have on its financial statements.

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GASB Statement No. 93

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The removal of London Interbank Offered Rate as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020, postponed by GASB Statement No. 95 for one year. The Authority has not determined the effect this Statement will have on its financial statements.

GASB Statement No. 94

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Authority has not determined the effect this Statement will have on its financial statements.

GASB Statement No. 95

During fiscal year 2020, the State implemented GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The requirements of this Statement are effective immediately. This Statement did not have any effect on the Authority's financial statements.

GASB Statement No. 96

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements ("SBITAs") for government end users. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022. The Authority has not determined the effect this Statement will have on its financial statements.

GASB Statement No. 97

The GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The main objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution OPEB plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. Certain requirements of this Statement are effective immediately while other requirements, like reporting for Section 457 plans, are effective for fiscal years beginning after June 15, 2021. The Authority has not determined the effect this Statement will have on its financial statements.

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2. Cash

Equity in Cash and Cash Equivalents and Investments in State Treasury

The State Director of Finance is responsible for the safekeeping of cash and investments in the State Treasury in accordance with State laws. The Director of Finance may invest any monies of the State which, in the Director’s judgment, are in excess of the amounts necessary for meeting the immediate requirements of the State. Cash is pooled with funds from other State agencies and departments and deposited into approved financial institutions or in the State Treasury Investment Pool System. Funds in the investment pool accrue interest based on the average weighted cash balances of each account.

The State requires that depository banks pledge, as collateral, government securities held in the name of the State for deposits not covered by federal deposit insurance.

GAAP requires disclosures over common deposit and investment risks related to credit risk, interest rate risk, and foreign currency risk. Investments can be categorized by type, maturity and custodian to determine the level of interest rate, credit and custodial risk assumed by the Authority. However, as these funds are held in the State investment pool, the Authority does not manage these investments and the types of investments, and related interest rate, credit and custodial risks are not determinable at the Authority’s level. The risk disclosures and fair value leveling table of the State’s investment pool are included in the State’s Comprehensive Annual Financial Report (“CAFR”) which may be obtained from the Department of Accounting and General Services’ (“DAGS”) website: <http://ags.hawaii.gov/accounting/annual-financial-reports/>.

Cash and short-term investments held outside of the State Treasury are primarily held in a financial institution in the State of Hawaii. The Authority considers all cash and investments with original maturities of three months or less to be cash equivalents.

At June 30, 2020, the Authority’s deposits with DAGS totaled \$101,810,000 and had a financial institution bank balance of \$5,005,000.

3. Investments

At June 30, 2020, the fair value measurements reportable by the Authority consisted of investments in U.S. Treasury obligations valued at quoted market prices, a Level 1 valuation input. There were no investments for which Level 2 and 3 valuation inputs were required. The following table presents the fair value of the Authority’s investments by level of input at June 30, 2020:

	Reported Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Emergency Funds				
U.S. Treasury obligations	\$ 2,013,660	\$ 2,013,660	\$ -	\$ -

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The following table presents the Authority's investments by maturity period at June 30, 2020:

	Reported Value	Maturity (in years)		
		Less than 1	1-5	>5
Emergency Funds				
U.S. Treasury obligations	\$ 2,013,660	\$ 2,013,660	\$ -	\$ -

Interest Rate Risk

The Authority's investment policy generally limits maturities on investments to not more than five years from the date of investment to limit its exposure to fair value losses arising from rising interest rates.

Credit Risk

The Authority's investment policy limits its investments to investments in U.S. Treasury obligations, certificates of deposit, U.S. government or agency obligations, commercial paper, federally insured savings accounts, and money market funds.

Custodial Risk

For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Authority or the State will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's and the State's investments are held at broker/dealer firms that are protected by the Securities Investor Protection Corporation ("SIPC") up to a maximum amount. In addition, excess-SIPC coverage is provided by the firms' insurance policies. The Authority and the State require the institutions to set aside, in safekeeping, certain types of securities to collateralize repurchase agreements. The Authority and the State monitor the fair value of these securities and obtain additional collateral when appropriate.

4. Capital Assets

The following is a summary of changes in capital assets during the fiscal year ended June 30, 2020:

	Balance at July 1, 2019	Additions	Deductions	Balance at June 30, 2020
Capital assets not being depreciated				
Land	\$ 131,496,508	\$ -	\$ -	\$ 131,496,508
Construction in progress	9,923,657	5,615,124	(11,800,114)	3,738,667
Total capital assets not being depreciated	141,420,165	5,615,124	(11,800,114)	135,235,175
Capital assets being depreciated				
Buildings and improvements	211,714,522	9,483,734	-	221,198,256
Furnitures, fixtures, and equipment	5,577,392	2,325,875	-	7,903,267
Total capital assets being depreciated	217,291,914	11,809,609	-	229,101,523
Less: Accumulated depreciation and amortization				
Buildings and improvements	(157,288,147)	(7,142,474)	-	(164,430,621)
Furnitures, fixtures, and equipment	(4,642,549)	(382,739)	-	(5,025,288)
Total accumulated depreciation and amortization	(161,930,696)	(7,525,213)	-	(169,455,909)
Total capital assets, net	\$ 196,781,383	\$ 9,899,520	\$ (11,800,114)	\$ 194,880,789

Depreciation expense charged to the Hawaii Convention Center management function amounted to \$7,525,000 for the fiscal year ended June 30, 2020. At June 30, 2020, vouchers payable include \$428,000 in accrued additions to construction in progress.

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5. Other Assets

Other assets represent funds held by AEG and DAGS for emergency capital improvements, repair or maintenance purchases, and various capital improvement projects. At June 30, 2020, funds held amounted to \$24,528,000.

6. Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities during the fiscal year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Accrued vacation payable	\$ 327,010	\$ 203,582	\$ (118,111)	\$ 412,481	\$ 142,636
Net other postemployment benefits liability	5,612,179	386,931	(381,161)	5,617,949	-
Net pension liability	<u>6,277,316</u>	<u>462,236</u>	<u>(216,975)</u>	<u>6,522,577</u>	<u>-</u>
	<u>\$ 12,216,505</u>	<u>\$ 1,052,749</u>	<u>\$ (716,247)</u>	<u>\$ 12,553,007</u>	<u>\$ 142,636</u>

The accrued vacation liability attributable to the governmental activities will be liquidated by the Authority's governmental funds. All of the accrued vacation liability has been paid by the Tourism Fund during the fiscal year ended June 30, 2020.

7. Retirement Benefits

Pension Plan

Plan Description

Generally, all full-time employees of the State and counties are required to be members of the ERS, a cost-sharing multiple-employer defined benefit pension plan that administers the State's pension benefits program. Benefits, eligibility, and contribution requirements are governed by HRS Chapter 88 and can be amended through legislation. The ERS issues publicly available annual financial reports that can be obtained at the ERS website: <http://ers.ehawaii.gov/resources/financials>.

Benefits Provided

The ERS Pension Trust is comprised of three pension classes for membership purposes and considered to be a single plan for accounting purposes since all assets of the ERS may legally be used to pay the benefits of any of the ERS members or beneficiaries. The ERS provides retirement, disability and death benefits with three membership classes known as the noncontributory, contributory and hybrid retirement plans. The three classes provide a monthly retirement allowance equal to the benefit multiplier (generally 1.25% to 2.25%) multiplied by the average final compensation multiplied by years of credited service. Average final compensation for members hired prior to July 1, 2012 is an average of the highest salaries during any three years of credited service, excluding any salary paid in lieu of vacation for members hired January 1, 1971 or later and the average of the highest salaries during any five years of credited service including any salary paid in lieu of vacation for members hired prior to January 1, 1971. For members hired after June 30, 2012, average final compensation is an average of the highest salaries during any five years of credited service excluding any salary paid in lieu of vacation.

Each retiree's original retirement allowance is increased on each July 1 beginning the calendar year after retirement. Retirees first hired as members prior to July 1, 2012 receive a 2.5% increase each year of their original retirement allowance without a ceiling. Retirees first hired

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as members after June 30, 2012 receive a 1.5% increase each year of their original retirement allowance without a ceiling. The annual increase is not compounded.

The following summarizes the provisions relevant to the largest employee groups of the respective membership class. Retirement benefits for certain groups, such as police officers, firefighters, some investigators, sewer workers, judges, and elected officials, vary from general employees.

Noncontributory Class

- Retirement Benefits – General employees' retirement benefits are determined as 1.25% of average final compensation multiplied by the years of credited service. Employees with ten years of credited service are eligible to retire at age 62. Employees with 30 years of credited service are eligible to retire at age 55.
- Disability Benefits – Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 12.5% of average final compensation.
- Death Benefits – For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a monthly benefit of 30% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. Additional benefits are payable to surviving dependent children up to age 18. If there is no spouse/reciprocal beneficiary or surviving dependent children, no benefit is payable.

Ordinary death benefits are available to employees who were active at time of death with at least ten years of credited service. The surviving spouse/reciprocal beneficiary (until remarriage/re-entry into a new reciprocal beneficiary relationship) and surviving dependent children (up to age 18) receive a benefit equal to a percentage of the member's accrued maximum allowance unreduced for age or, if the member was eligible for retirement at the time of death, the surviving spouse/reciprocal beneficiary receives 100% joint and survivor lifetime pension and the surviving dependent children receive a percentage of the member's accrued maximum allowance unreduced for age.

Contributory Class for Members Hired Prior to July 1, 2012

- Retirement Benefits – General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 55.
- Disability Benefits – Members are eligible for service-related disability benefits regardless of length of service and receive a one-time payment of the member's contributions and accrued interest plus a lifetime pension of 50% of their average final compensation. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined as 1.75% of average final compensation multiplied by the years of credited service but are payable immediately, without an actuarial reduction, and at a minimum of 30% of average final compensation.

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- **Death Benefits** – For service-connected deaths, the surviving spouse/reciprocal beneficiary receives a lump sum payment of the member's contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or surviving dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least one year of service. Ordinary death benefits consist of a lump sum payment of the member's contributions and accrued interest plus a percentage of the salary earned in the 12 months preceding death, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributory Class for Members Hired After June 30, 2012

- **Retirement Benefits** – General employees' retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 60.
- **Disability and Death Benefits** – Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 50% of their average final compensation plus refund of contributions and accrued interest. Ten years of credited service is required for ordinary disability.

Death benefits for contributory members hired after June 30, 2012 are generally the same as those for contributory members hired June 30, 2012 and prior.

Hybrid Class for Members Hired Prior to July 1, 2012

- **Retirement Benefits** – General employees' retirement benefits are determined as 2% of average final compensation multiplied by the years of credited service. General employees with five years of credited service are eligible to retire at age 62. General employees with 30 years of credited service are eligible to retire at age 55.
- **Disability Benefits** – Members are eligible for service-related disability benefits regardless of length of service and receive a lifetime pension of 35% of their average final compensation plus refund of their contributions and accrued interest. Ten years of credited service is required for ordinary disability. Ordinary disability benefits are determined in the same manner as retirement benefits but are payable immediately, without an actuarial reduction, and at a minimum of 25% of average final compensation.

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- **Death Benefits** – For service-connected deaths, the designated surviving spouse/reciprocal beneficiary receives a lump sum payment of the member’s contributions and accrued interest plus a monthly benefit of 50% of the average final compensation until remarriage or re-entry into a new reciprocal beneficiary relationship. If there is no surviving spouse/reciprocal beneficiary, surviving dependent children (up to age 18) or dependent parents are eligible for the monthly benefit. If there is no spouse/reciprocal beneficiary or surviving dependent children/parents, the ordinary death benefit is payable to the designated beneficiary.

Ordinary death benefits are available to employees who were active at time of death with at least five years of service. Ordinary death benefits consist of a lump sum payment of the member’s contributions and accrued interest plus a percentage multiplied by 150%, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Hybrid Class for Members Hired After June 30, 2012

- **Retirement Benefits** – General employees’ retirement benefits are determined as 1.75% of average final compensation multiplied by the years of credited service. General employees with ten years of credited service are eligible to retire at age 65. Employees with 30 years of credited service are eligible to retire at age 60.
- **Disability and Death Benefits** – Provisions for disability and death benefits generally remain the same except for ordinary death benefits. Ordinary death benefits are available to employees who were active at time of death with at least ten years of service. Ordinary death benefits consist of a lump sum payment of the member’s contributions and accrued interest, or 50% joint and survivor lifetime pension if the member was not eligible for retirement at the time of death but was credited with at least ten years of service and designated one beneficiary, or 100% joint and survivor lifetime pension if the member was eligible for retirement at the time of death and designated one beneficiary.

Contributions

Contributions are governed by HRS Chapter 88 and may be amended through legislation. The employer rate is set by statute based on the recommendations of the ERS actuary resulting from an experience study conducted every five years. Since July 1, 2005, the employer contribution rate is a fixed percentage of compensation, including the normal cost plus amounts required to pay for the unfunded actuarial accrued liabilities. The contribution rates for fiscal year 2020 were 22% for all employees other than police and fire employees. Contributions to the pension plan from the State was approximately \$563,879,000 for the fiscal year ended June 30, 2020.

Pursuant to Act 17, SLH 2017, employer contributions from the State and counties are expected to increase over four years beginning July 1, 2017. The rate for all other employees increased to 22% on July 1, 2019 and increased to 24% on July 1, 2020.

The employer is required to make all contributions for noncontributory members. Contributory members hired prior to July 1, 2012 are required to contribute 7.8% of their salary. Contributory members hired after June 30, 2012 are required to contribute 9.8% of their salary. Hybrid members hired prior to July 1, 2012 are required to contribute 6.0% of their salary. Hybrid members hired after June 30, 2012 are required to contribute 8.0% of their salary.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the Authority reported a net pension liability of approximately \$6,523,000 for its proportionate share of the State's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to projected contributions of all participants, actuarially determined. At June 30, 2019, the Authority's proportion was 0.083% which was a decrease of .001% from its proportion measured as of June 30, 2018.

There were no changes between the measurement date, June 30, 2019, and the reporting date, June 30, 2020, that are expected to have a significant effect on the proportionate share of the net pension liability.

For the year ended June 30, 2020, the Authority recognized pension expense of approximately \$685,000. At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 106,248	\$ (38,805)
Changes in assumptions	396,859	(76)
Net difference between projected and actual earnings on pension plan investments	-	(99,658)
Changes in proportion and differences between contributions and proportionate share of contributions	15,063	(36,129)
Contributions subsequent to the measurement date	466,238	-
	<u>\$ 984,408</u>	<u>\$ (174,668)</u>

At June 30, 2020, the approximate \$466,000 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2021	\$ 205,000
2022	91,000
2023	18,900
2024	25,100
2025	3,500
	<u>\$ 343,500</u>

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Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions adopted by the ERS's Board of Trustees on August 12, 2019, based on the 2018 Experience Study for the five-year period from July 1, 2013 through June 30, 2018:

Inflation	2.50%
Payroll growth rate	3.50%
Investment rate of return	7.00% per year, compounded annual including inflation

There were no changes to ad hoc postemployment benefits including cost of living allowances.

Post-retirement mortality rates are based on the 2016 Public Retirees of Hawaii mortality table with adjustments based on generational projections of the BB projection table for 2016 and full generational projections in future years. Pre-retirement mortality rates are based on multiples of RP-2014 mortality table based on the occupation of the member.

The long-term expected rate of return on pension plan investments was determined using a "top down approach" of the Client-constrained Simulation-based Optimization Model (a statistical technique known as "re-sampling with a replacement" that directly keys in on specific plan-level risk factors as stipulated by the ERS's Board of Trustees) in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future nominal rates of return (real returns and inflation) by the target asset allocation percentage. The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

	Target Allocation	Long-Term Expected Real Rate of Return
Strategic allocation (risk-based classes)		
Broad growth	63.0 %	7.7 %
Principal protection	7.0 %	3.0 %
Real return	10.0 %	4.6 %
Crisis risk offset	20.0 %	5.2 %
Total investments	<u>100.0 %</u>	

Discount Rate

The discount rate used to measure the net pension liability was 7.00%, consistent with the rate used at the prior measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the State will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the State's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net pension liability	\$ 8,464,700	\$ 6,522,577	\$ 5,124,285

Pension Plan Fiduciary Net Position

The pension plan's fiduciary net position is determined on the same basis used by the pension plan. The ERS financial statements are prepared using the accrual basis of accounting under which expenses are recorded when the liability is incurred, and revenues are recorded in the accounting period in which they are earned and become measurable. Employer and member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded as of their trade date. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report. The ERS complete financial statements are available at <http://ers.ehawaii.gov/resources/financials>.

Payables to the Pension Plan

The Authority's employer contributions payable to the ERS by fiscal year end was paid by June 30, 2020. Excess payments of \$11,700 are being applied to amounts due in fiscal year 2021.

Required Supplementary Information and Disclosures

The State's CAFR includes the required disclosures and required supplementary information on the State's pension plan.

Postemployment Healthcare and Life Insurance Benefits

Plan Description

The State provides certain healthcare and life insurance benefits to all qualified employees. Pursuant to Act 88, SLH 2001, the State contributes to the EUTF, an agent multiple-employer defined benefit plan that replaced the Hawaii Public Employees Health Fund effective July 1, 2003. The EUTF was established to provide a single delivery system of health benefits for state and county workers, retirees, and their dependents. The EUTF issues an annual financial report that is available to the public at <https://eutf.hawaii.gov/reports/>. The report may also be obtained by writing to the EUTF at P.O. Box 2121, Honolulu, Hawaii 96805-2121.

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For employees hired before July 1, 1996, the State pays the entire base monthly contribution for employees retiring with ten years or more of credited service, and 50% of the base monthly contribution for employees retiring with fewer than ten years of credited service. A retiree can elect a family plan to cover dependents.

For employees hired after June 30, 1996 but before July 1, 2001, and who retire with less than ten years of service, the State makes no contributions. For those retiring with at least ten years but fewer than 15 years of service, the State pays 50% of the base monthly contribution. For employees retiring with at least 15 years but fewer than 25 years of service, the State pays 75% of the base monthly contribution. For employees retiring with at least 25 years of service, the State pays 100% of the base monthly contribution. Retirees in this category can elect a family plan to cover dependents.

For employees hired on or after July 1, 2001, and who retire with less than ten years of service, the State makes no contributions. For those retiring with at least ten years but fewer than 15 years of service, the State pays 50% of the base monthly contribution. For those retiring with at least 15 years but fewer than 25 years of service, the State pays 75% of the base monthly contribution. For employees retiring with at least 25 years of service, the State pays 100% of the base monthly contribution. Only single plan coverage is provided for retirees in this category. Retirees can elect family coverage but must pay the difference.

Employees Covered by Benefit Terms

At July 1, 2019, the State had the following number of plan members covered:

Inactive plan members or beneficiaries currently receiving benefits	36,993
Inactive plan members entitled to but not yet receiving benefits	7,678
Active plan members	<u>50,591</u>
Total plan members	<u>95,262</u>

Contributions

Contributions are governed by HRS Chapter 87A and may be amended through legislation. Contributions to the OPEB plan from the Authority was approximately \$405,000 for the fiscal year ended June 30, 2020. The employer is required to make all contributions for members.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the Authority reported a net OPEB liability of approximately \$5,618,000. The net OPEB liability was measured as of July 1, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

There were no changes between the measurement date, July 1, 2019, and the reporting date, June 30, 2020, that are expected to have a significant effect on the net OPEB liability.

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For the year ended June 30, 2020, the Authority recognized OPEB expense of approximately \$364,000. At June 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (73,174)
Changes in assumptions	68,395	-
Net differences between projected and actual earnings on OPEB plan investments	9,259	-
Contributions subsequent to the measurement date	518,605	-
	<u>\$ 596,259</u>	<u>\$ (73,174)</u>

At June 30, 2020, the approximate \$519,000 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	
2021	\$ (2,700)
2022	(2,700)
2023	800
2024	1,700
2025	7,100
Thereafter	300
	<u>\$ 4,500</u>

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Actuarial Assumptions

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions adopted by the EUTF's Board of Trustees on January 13, 2020, based on the experience study covering the five-year period ended June 30, 2018 as conducted for the ERS:

Inflation	2.50%
Salary increases	3.50% to 7.00% including inflation
Investment rate of return	7.00%
Healthcare cost trend rates	
PPO*	Initial rate of 8.00% declining to a rate of 4.86% after 12 years
HMO*	Initial rate of 8.00% declining to a rate of 4.86% after 12 years
Contribution	Initial rate of 5.00% declining to a rate of 4.70% after 11 years
Dental	Initial rates of 5.00% for the first two years, followed by 4.00%
Vision	Initial rates of 0.00% for the first two years, followed by 2.50%
Life insurance	0.00%

* Blended rates for medical and prescription drugs.

Mortality rates are based on system-specific mortality tables utilizing scale BB to project generational mortality improvement.

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The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Private equity	10.00 %	8.80 %
U.S. microcap	7.00 %	7.30 %
U.S. equity	15.00 %	5.35 %
Non-U.S. equity	17.00 %	6.90 %
Global options	7.00 %	4.75 %
Core real estate	10.00 %	3.90 %
Private credit	6.00 %	5.60 %
Core bonds	3.00 %	1.50 %
TIPS	5.00 %	1.20 %
Long treasuries	6.00 %	2.00 %
Alternative risk premia	5.00 %	2.75 %
Trend following	9.00 %	3.25 %
Total investments	<u>100.00 %</u>	

Single Discount Rate

The discount rate used to measure the net OPEB liability was 7.00%, based on the expected rate of return on OPEB plan investments of 7.00%. Beginning with the fiscal year 2019 contribution, the State's funding policy is to pay the recommended actuarially determined contribution, which is based on layered, closed amortization periods. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

OPEB Plan Fiduciary Net Position

The OPEB plan's fiduciary net position has been determined on the same basis used by the OPEB plan. The EUTF financial statements are prepared using the accrual basis of accounting under which revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the cash flows. Employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investment purchases and sales are recorded on a trade-date basis. Administrative expenses are financed exclusively with investment income.

There were no significant changes after the report measurement date. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued EUTF financial report. The EUTF complete financial statements are available at <https://eutf.hawaii.gov/reports/>.

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Changes in Net OPEB Liability

The following table represents a schedule of changes in the net OPEB liability. The ending balances are as of the measurement date, July 1, 2019.

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning balance	\$ 6,288,921	\$ 676,742	\$ 5,612,179
Service cost	121,612	-	121,612
Interest on the total OPEB liability	383,333	-	383,333
Difference between expected and actual experience	(3,192)	-	(3,192)
Changes of assumptions	30,809	-	30,809
Employer contributions	-	404,944	(404,944)
Net investment income	-	36,817	(36,817)
Benefit payments	(183,577)	(183,577)	-
Administrative expense	-	(253)	253
Other	-	85,284	(85,284)
Net changes	<u>348,985</u>	<u>343,215</u>	<u>5,770</u>
Ending balance	<u>\$ 6,637,906</u>	<u>\$ 1,019,957</u>	<u>\$ 5,617,949</u>

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate
and Healthcare Cost Trend Rates**

The following table presents the Authority's net OPEB liability calculated using the discount rate of 7.00%, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Authority's proportionate share of the net OPEB liability	<u>\$ 6,693,687</u>	<u>\$ 5,617,949</u>	<u>\$ 4,769,142</u>

The following table presents the Authority's net OPEB liability calculated using the assumed healthcare cost trend rate, as well as what the State's net OPEB liability would be if it were calculated using the trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Authority's proportionate share of the net OPEB liability	<u>\$ 4,730,474</u>	<u>\$ 5,617,949</u>	<u>\$ 6,764,557</u>

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Payables to the OPEB Plan

The State's employer contributions payable to the EUTF by fiscal year end was paid by June 30, 2020.

Required Supplementary Information and Disclosures

The State's CAFR includes the required disclosures and required supplementary information on the State's OPEB plan.

8. Commitments and Contingencies

Accumulated Sick Leave

Sick leave accumulates at the rate of one and three-quarters working days for each month of service without limit, but may be taken only in the event of illness and is not convertible to pay upon termination of employment. However, an employee who retires or leaves government service in good standing with 60 days or more of unused sick leave is entitled to additional service credit in the ERS. At June 30, 2020, accumulated sick leave was approximately \$1,013,000.

Deferred Compensation Plan

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all state employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All plan assets are held in a trust fund to protect them from claims of general creditors. The State has no responsibility for loss due to the investment or failure of investment of funds and assets in the plan but does have the duty of due care that would be required of an ordinary prudent investor. Accordingly, the assets and liabilities of the State's deferred compensation plan are not reported in the accompanying basic financial statements.

Contingencies

The Authority may be subject to legal proceedings, claims and litigation arising in the normal course of operations for which it may seek the advice of legal counsel. Management estimates that the cost to resolve such matters, if any, would not be material to the financial statements. However, it is reasonably possible that such estimates may change within the near term.

Insurance

The State maintains certain insurance coverage to satisfy the bond indenture agreements as well as for other purposes, but is substantially self-insured for all other perils including workers' compensation. The State records a liability for risk financing and insurance related losses, including incurred but not reported, if it is determined that a loss has been incurred and the amount can be reasonably estimated. The State retains various risks and insures certain excess layers with commercial insurance companies. At June 30, 2020, the State recorded an estimated loss for workers' compensation, automobile, and general liability claims as long-term liabilities as the losses will not be liquidated with currently expendable available financial resources. The estimated losses will be paid from legislative appropriations of the State's general fund. The Authority's portion of the State's workers' compensation liability was not material at June 30, 2020.

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9. Subsequent Events

COVID-19 Pandemic

In March 2020, the World Health Organization declared an outbreak of the novel coronavirus (“COVID-19”) to be a global pandemic. The financial impact of COVID-19 on the travel and tourism industry is anticipated to be significant. The Authority’s contractors are working with clients to assess their ability to reschedule cancelled events for subsequent years. The ability to reschedule will be based on numerous factors. As of October 31, 2020, management has estimated approximately \$10,772,000 in cancelled Center events due to COVID-19.

The governor’s Tenth Supplementary (emergency) Proclamation, issued on July 17, 2020, suspended specific provisions of law. Included were Sections 87A-42(b) – (f), HRS, other postemployment benefits trust, 87A-43, HRS, payment of public employer contributions to the other postemployment benefits trust, and 237-31(3), HRS, remittances, related to the requirement for public employers to pay the annual required contribution to EUTF in the fiscal year 2020-2021.

Pursuant to Section 201B-3, the Authority provided emergency services for the benefit of various departments, the community and travel industry in response to the COVID-19 pandemic. In June 2020, the Authority requested reimbursement of \$3,300,000 in estimated expenses from the State for such costs. As the Authority was uncertain of the amount the State will reimburse, the requested reimbursement was not accrued as of June 30, 2020. Through November 30, 2020 approximately \$3,000,000 in costs have been incurred.

Collective Bargaining Agreements

The Hawaii State Constitution under Article XIII, Section 2, grants public employees in the State the right to organize for the purpose of collective bargaining as provided by law. HRS Chapter 89, provides for the recognized bargaining units for public employees throughout the State. Each bargaining unit is represented by an employee organization otherwise known as the exclusive representative or “union” of all employees in the unit, which negotiates wages, hours, and terms and conditions of employment with the public employers.

As the Authority is part of the State, its employees are generally included in bargaining units (“Unit”) 3 or 13 as provided by HRS Chapter 89 and depending on the nature of their positions. Effective September 15, 2020, the current collective bargaining unit salary increases for Units 3 and 13 for the period of July 1, 2019 through June 30, 2021 are as follows:

Unit 3 (nonsupervisory employees in white collar positions):

Effective July 1, 2019:

- \$2,800 lump sum payment for all employees; employees less than full time receive prorated amount.
- Replace the step movement plan with negotiated step movements.

Effective July 1, 2020:

- Employees on Steps B to L move one step, and Step B is deleted.
- Increase SR-4 through SR-8 by 2.0% to 10.1%.

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- 2% one-time lump sum payment for SR-8 on Step M as of June 30, 2020.
- 4% one-time lump sum payment for SR-9 and above on Step M as of June 30, 2020, and SRNA.

Effective January 1, 2021:

- Increase salary schedule by 3.46%.
- Employees not administratively assigned (SRNA, exempt included employees) receive 3.46% pay increase.

Unit 13 (professional and scientific positions):

Effective July 1, 2019:

- Continuation of existing step movements.
- Increase salary schedule by 2.15%.
- Employees not administratively assigned (SRNA, exempt included employees) receive 2.15% pay increase.
- \$750 lump sum payment for all employees not eligible for step movement for the duration of the contract period (including SRNA, exempt included EEs).

Effective July 1, 2020:

- Continuation of existing step movements.
- Increase salary schedule by 2.03%.
- Employees not administratively assigned (SRNA, exempt included employees) receive 2.03% pay increase.
- \$750 lump sum payment for all employees not eligible for step movement for the duration of the contract period (including SRNA, exempt included EEs).

**Required Supplementary Information
Other than Management's Discussion
and Analysis (Unaudited)**

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Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Budgetary Comparison Schedules – Tourism Special Fund and
Convention Center Enterprise Special Fund
June 30, 2020

	Tourism Special Fund				Convention Center Enterprise Special Fund			
	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance – Favorable (Unfavorable)	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance – Favorable (Unfavorable)
Revenues								
Transient accommodations tax	\$ 87,438,031	\$ 87,438,031	\$ 65,833,333	\$ (21,604,698)	\$ 16,500,000	\$ 16,500,000	\$ 13,750,000	\$ (2,750,000)
Hawaii Convention Center Operations	-	-	-	-	37,545,378	37,545,378	6,670,220	(30,875,158)
Interest	-	-	1,421,118	1,421,118	-	-	526,177	526,177
Other	-	-	204,558	204,558	-	-	-	-
Total revenues	<u>87,438,031</u>	<u>87,438,031</u>	<u>67,459,009</u>	<u>(19,979,022)</u>	<u>54,045,378</u>	<u>54,045,378</u>	<u>20,946,397</u>	<u>(33,098,981)</u>
Expenditures	<u>87,438,031</u>	<u>87,438,031</u>	<u>61,643,067</u>	<u>(25,794,964)</u>	<u>54,045,378</u>	<u>54,045,378</u>	<u>20,671,709</u>	<u>(33,373,669)</u>
Excess of revenues over expenditures	-	-	5,815,942	5,815,942	-	-	274,688	274,688
Other financing sources – Transfers in	-	-	49,107	49,107	-	-	-	-
Excess of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,865,049</u>	<u>\$ 5,865,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 274,688</u>	<u>\$ 274,688</u>

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Hawaii Tourism Authority
(A Component Unit of the State of Hawaii)
Notes to Required Supplementary Information
June 30, 2020

1. Budgeting and Budgetary Control

The budget of the Authority is a detailed operating plan identifying estimated costs and results in relation to estimated revenues. The budget includes (1) the programs, services and activities to be provided during the fiscal year, (2) the estimated revenues available to finance the operating plan, and (3) the estimated spending requirements of the operating plan. The budget represents a process through which policy decisions are made, implemented and controlled. Revenue estimates are provided to the State Legislature at the time of budget consideration and are revised and updated throughout the fiscal year. Amounts reflected as budgeted revenues in the statement of revenues and expenditures – budget and actual (budgetary basis) – Tourism Fund and Convention Center Fund are those estimates as compiled and reviewed by the Authority.

The final legally adopted budget in the accompanying statement of revenues and expenditures – budget and actual (budgetary basis) – Tourism Fund and Convention Center Fund represents the original appropriations, transfers, and other legally authorized legislative and executive changes. The Emergency Fund does not operate under a legally adopted budget.

Budgetary control is maintained at the appropriation line item level as established in the appropriations act. The governor is authorized to transfer appropriations within a state agency; however, transfers of appropriations between state agencies generally require legislative authorization. Records and reports reflecting the detail level of control are maintained by and are available at the Authority. During the fiscal year ended June 30, 2020, there were no expenditures in excess of appropriations at the legal level of budgetary control.

To the extent not expended or encumbered, Tourism Fund appropriations generally lapse at the end of the fiscal year for which the appropriations were made. The State Legislature specifies the lapse dates and any other contingencies, which may terminate the authorizations for other appropriations.

Budgets adopted by the State Legislature for the Tourism Fund and Convention Center Fund are presented in the accompanying budgetary comparison statement – Tourism Special Fund and Convention Center Enterprise Special Fund. The Authority's annual budget is prepared on the budgetary basis of accounting with several differences from the preparation of the statement of revenues, expenditures, and changes in fund balances, principally related to (1) encumbrance of purchase orders and contract obligations and (2) accrued revenues and expenditures.

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A reconciliation of the budgetary to GAAP basis operating results of the Tourism Fund and Convention Center Fund for the fiscal year ended June 30, 2020 is as follows:

	Tourism Special Fund	Convention Center Enterprise Special Fund
Excess of revenues and other sources over expenditures – actual (budgetary basis)	\$ 5,865,049	\$ 274,688
Reserve for encumbrances at fiscal year end	31,763,503	3,034,743
Expenditures for liquidation of prior fiscal year encumbrances	(40,697,990)	(2,747,723)
Revenues and expenditures for unbudgeted programs and capital projects accounts, net	<u>5,707,220</u>	<u>941,563</u>
Net change in fund balance – GAAP basis	<u>\$ 2,637,782</u>	<u>\$ 1,503,271</u>

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**Report of Independent Auditors on Internal Control
Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Auditor
State of Hawaii

The Board of Directors
Hawaii Tourism Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hawaii Tourism Authority (the "Authority"), a component unit of the State of Hawaii, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated December 11, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Honolulu, Hawaii
December 11, 2020

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