



Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
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David Y. Ige
Governor

Chris Tatum
President and Chief Executive Officer

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

**REGULAR BOARD MEETING
HAWAII' TOURISM AUTHORITY**

**Po'ahā, 26 Kepakemapa 2019, 9:30 a.m.
Thursday, September 26, 2019 at 9:30 a.m.**

***Kikowaena Hālāwai O Hawai'i
Lumi Papa Ho'okō A
1801 Alaākea Kalākaua
Honolulu, Hawai'i 96815***

**Hawai'i Convention Center
Executive Board Room A
1801 Kalākaua Avenue
Honolulu, Hawai'i 96815**

***Papa Kumumana'o
AGENDA***

1. *Ho'omaka A Pule*
Call to Order and Pule
2. *'Āpono I Ka Mo'o'ōlelo Hālāwai*
Approval of Minutes of the August 22, 2019 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 August 2019:
 - Major Market Management including Destination Marketing Management Services, Global Meetings, Conventions and Incentives (MCI) Program Management Services, Japan Summit – Hawai'i Island, Fall Tourism Update, and Responsible Tourism
 - Hawaiian Culture Initiatives including an Update on Activities within the Kūkulu Ola Program, Native Hawai'i Festivals and Events
 - Natural Resources Initiatives including an Update on Activities within the Aloha 'Āina Program, DLNR Partnerships including Na Ala Hele Trails and Access, Mālama Hawai'i, Rapid 'Ōhi'a Death, and the Ambassador Program
 - Communication and Outreach Update from the CEO and the Communications Director on News Releases and Reports Issued During the Month, Media Interviews with Staff that were Conducted, Publicity Support that was Provided to HTA's Various Programs,



Social Media Activity and Posts, the HTA's Communications Strategy, the Tourism Marketing Plan, and International News Media Inquiries

5. *Hō'ike Na Ke Komikina Lula Maika'i O Ka Moku'āina*
Presentation by the Hawai'i State Ethics Commission Regarding an Overview of the State Ethics Code for State Board Members
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, Kūkākūkā a Ho'oholo No Nā Mo'okālā*
Presentation, Discussion and Action on HTA's Financial Reports for August 2019
8. *Hō'ike No Ka Papahana Ho'oponopono*
Update on the Status of the 2018 Audit Action Plan
9. *Hō'ike No Ka Hana A Ke Kōmike Noi'i Papahana Ho'okele*
Report of the Strategic Plan Investigative Committee's Activities
10. *Hō'ike Hanana Kikowaena Hālāwai O Hawai'i*
Presentation by AEG Regarding an Update of the Hawai'i Convention Center Recent Operational Activities and Sales Initiatives
11. *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 § 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; and to discuss information that must be kept confidential to protect Hawai'i's competitive advantage as a visitor destination.**



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Kono 'ia ka lehulehu i ka hālāwai no ka ho'olohe a hāpai mana'o waha paha no nā kumuhana i helu 'ia ma ka papa kumumana'o. Inā hoihoi i ka hāpai mana'o kākau, hiki ke ho'ouna 'ia i ke Ke'ena Kuleana Ho'okipa O Hawai'i ma mua o ka hālāwai ma o ka leka uila iā carole@gohta.net; ma o ka leka i ka helu wahi o luna; a i 'ole ma o ke kelepa'i i ka helu o luna. Inā pono ke kōkua ma muli o kekahi kīnānā, e ho'omaopopo aku iā Carole Hagihara (973-2255 a i 'ole carole@gohta.net), he 'ekolu lā ma mua o ka hālāwai ka lohi loa.

Members of the public are invited to attend the public meeting and provide oral testimony on any agenda item. Written testimony may also be provided by submitting the testimony prior to the meeting to by email to carole@gohta.net; by mail at the above address; or by facsimile transmission. Any person requiring an auxiliary aid/service or other accommodation due to a disability, please contact Carole Hagihara (973-2255) no later than 3 days prior to the meeting so arrangements can be made.

Agenda Item

2

**Approval of Minutes of the
August 22, 2019 Board
Meeting**



REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, August 22, 2019
Hawaii Convention Center
1801 Kalākaua Avenue, Honolulu, Hawaii 96815

MINUTES OF REGULAR BOARD MEETING

MEMBERS PRESENT:

Rick Fried (Chair), Fred Atkins, George Kam, Kyoko Kimura, Sherry Menor-McNamara, Benjamin Rafter, Kimi Yuen, Kelly Sanders, Ku'uipo Kumukahi

MEMBER NOT PRESENT:

Kelly Sanders, David Arakawa, Daniel Chun

HTA STAFF PRESENT:

Chris Tatum, Keith Regan, Karen Hughes, Marc Togashi, Marisa Yamane, Jadie Goo, Kalani Ka'anā'anā, Caroline Anderson, Jennifer Chun, Carole Hagihara, Chris Sadayasu, Anda Garell, Chael Kekona, Deeann Howa, Evita Cabrera, Joseph Patoskie, Laci Goshi, Laurie Tam, Leslie Centeno, Michele Shiwaki, Talon Kishi, Tracey Fermahin, Vengie Talaro, Minh-Chau Chun, Noriko Sloan, Ronald Rodriguez, Minami Aoki, Lawrence Liu, Maile Carvalho, Susan Iverson

GUESTS:

Representative Richard Onishi, Senator Glenn Wakai, Congressman Ed Case, Cheryl Kakazu Park, Jay Talwar, Lee Conching, Nathan Kam, Frank Haas, Mufi Hannemann, Edgar Palifox, Brandon Askew, Mari Tait, Noelle Liew, John Monahan, John Knox, Sara Bolduc, John De Fries

LEGAL COUNSEL:

Gregg Kinkley

1. Call to Order and Pule

HTA Board Chair Richard Fried called the meeting to order at 9:31 a.m. Kalani Ka'anā'anā performed a chant in honor of Vengie Talaro, who was celebrating retirement from more than

30 years of service to the State.

2. Approval of Minutes of the July 25, 2019 Board Meeting

Chair Fried requested a motion to approve the minutes of the July 25, 2019 Board meeting. George Kam made a motion to approve. Benjamin Rafter seconded the motion, which was then unanimously approved by the Board. Chair Fried thanked Representative Richard Onishi and Senator Glenn Wakai for attending the meeting.

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

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

4. Report Relating to Staff's Implementation of HTA's Programs During July 2019

Chair Fried recognized HTA CEO Chris Tatum to provide a report on HTA's activities in July. Mr. Tatum introduced Caroline Anderson and Mr. Ka'anā'anā to discuss the status of those RFPs. Ms. Anderson said that HTA issued an RFP for community enrichment programs in May and the deadline for proposals was July 5. The team began meeting and evaluating the RFPs in August. There were five evaluation committees: one for each of the counties, and one statewide committee. The county evaluation teams consisted of members from the island chapter, that county's office of economic development, HLTA representatives, representatives from the community, and HTA staff. The statewide committee consisted of members from HTA, HLTA and HVCB. The evaluation committees met the first two weeks of August. As a result of the meetings, HTA is funding 22 projects on Kauai for \$536,000, 25 on O'ahu for \$658,000, three on Molokai for \$65,000, 16 on Maui for \$374,500, 18 on Hawai'i for \$396,900, and 9 statewide for \$580,000 for a total of 95 projects for \$2,649,700. The contracts team is currently working on sending letters to the selected programs and plans to announce them in the first week of September.

Mr. Ka'anā'anā next discussed the Kūkulu Ola Program. The program is funding 43 programs for a total of \$1,560,000. He noted that this year there was a lot of new interest and he thanked Communications Director Marisa Yamane for promoting interest. He then discussed the Aloha 'Āina Program. 34 projects will be funded for \$2.08 million. This funding goes towards programs that mitigate visitor impact in places like trails and shore areas. Fred Atkins thanked all the volunteers to the selection committees for their work in evaluating and selecting proposals.

Mr. Tatum recognized Ms. Yamane to provide an update on events HTA is supporting. She highlighted some recent news articles regarding HTA including an article in the Star-Advertiser about HTA's support of the state's hiking trails, and the benefit to the community that comes from the sporting events that HTA supports. Ms. Yamane discussed the media coverage

surrounding the LA Rams game and community engagement on O‘ahu and neighbor islands. KHON ran a story about a former Rams player, Brad Myers, who now lives on O‘ahu. He was able to attend the game at Aloha Stadium thanks to Board member George Kam. Ms. Yamane also reminded the Board about HTA’s social media and encouraged everyone to follow and share posts to help boost engagement.

5. Overview by the Office of Information Practices of the Sunshine Law and Uniform Information Practice Act

Chair Fried introduced Cheryl Park from the Office of Information Practices (OIP) to provide a presentation on Hawai‘i’s Sunshine Laws. She said that there have been many changes over the last year including statute changes, a significant Supreme Court case, and a recent OIP opinion. Ms. Park began with a discussion of Hawai‘i’s Uniform Information Practices Act (UIPA) and Sunshine Law. These laws are in place to ensure the formation and conduct of public policy is conducted as openly as possible. HTA is subject to both of these laws. Ms. Park discussed the issues contained in the relevant materials provided in the Board Packet.

In regards to the Sunshine Law’s effect on open meetings, Ms. Park noted the effect of the Hawai‘i Supreme Court case *Civil Beat Law Center v. City and County of Honolulu*, SCAP-17-000899, which ruled that meetings related to personnel matters are not required to be closed to the public, board members are not subject to criminal prosecution for holding such an open meeting, not all personnel matters affect privacy interest, and before closing its deliberations to the public the board must decide whether the consideration of matters involving privacy will be involved. There is an expectation of privacy for intimate information, but that is not always the case. Another key takeaway is that the attorney-client exception is different from the attorney-client privilege that is recognized by the courts. It is limited to questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities, not every communication with an attorney. Having an attorney in the room is not enough to justify a closed meeting. Ms. Park concluded her presentation by discussing a recent opinion OIP sent to HTA that clarified that attendees of an executive session should be limited in order to protect privilege. Privilege may be deemed waived if non-essential individuals are allowed to attend.

Chair Fried said that the Board has been mindful of its executive sessions and the last one that was held was for the hiring of the CEO, Chris Tatum. Chair Fried called a break at 10:53 a.m. and resumed the meeting at 11:05 a.m.

6. Report and Discussion on Federal Issues and their Effect on Tourism in Hawai‘i by Congressman Ed Case

Chair Fried introduced Congressman Ed Case to present to the Board on federal issues that affect tourism. Congressman Case was appointed to the Appropriations Committee and the Natural Resources Committee, which focuses on public lands and national parks. He is also a member of the Travel and Tourism Caucus. Congressman Case said that federal issues that

affect tourism include national and international economy, so he is focusing on fostering a strong national economy. One of the top issues is Brand U.S.A., a successful federal program which is a tourism marketing effort. The authorization to fund Brand U.S.A. is ending soon so an important initiative is to continue funding it until 2027.

There is also a proposal to change the visa waiver program. This would be critical to key constituencies, but it has been inconsistently administered over the years, and recent efforts are to address the overstay rate. There are also proposals to address online booking scams and to increase the liability of programs that sponsor online booking.

In regards to national parks, Congressman Case discussed issues relating to deferred maintenance. He said there has been a generation of underfunding national parks, but he is pursuing an effort in the Natural Resource Committee to address that. He noted that when the USS Arizona presented issues with its faulty docks, the problems proved to be far deeper and broader than first realized. Repairs are expected to be completed by December 7, 2019.

Congressman Case also discussed illegal vacation rentals, which he believes are harmful to the tourism industry, communities, and workers. He is pursuing an effort to hold rental platforms accountable for posting illegal rental marketing. He also discussed helicopter tours and the emerging community disruption and safety concerns.

Chair Fried noted that HTA's focus has shifted to the quality of tourists and making the tourist experience better. Ms. Kimura also noted that the airport needs improvement, including the immigration process at the airport, the lines for which have been growing longer. Mr. Rafter thanked Congressman Case's efforts regarding illegal vacation rentals.

Micah Alameda noted that Volcanoes National Park is very different than it was before and asked for Congressman Case's thoughts on how the park can remarket itself. Congressman Case responded that the National Park Service is sensitive to the need to diversify the visitor experience. Mr. Alameda asked Congressman Case to appeal to the National Park Service to remarket Kīlauea to focus on the culture and the history of the park. He added that when he was there he saw a helicopter tour and said there are not many regulations for them flying above Halema'ūma'ū crater, which is sacred. Congressman Case said he is about to introduce a bill prohibiting overflights over all national parks. Chair Fried said that he heard from Hawai'i Island hotels that the park website makes it sound like the park is completely closed but it is in fact 80% opened, and he is working with the website operators to ensure it is presented that it is open.

Mr. Atkins noted that some federal money was allocated to Hawai'i Volcanoes National Park. Congressman Case said that funding came from an emergency appropriation that allocated funding to address major disasters that occurred in parks throughout the country. The departments administering the funding have flexibility but he will look into the track of the money to the park when he returns to Washington D.C. Mr. Kam asked for an update on the Native American Tourism and Improving Visitor Experience (NATIVE) Act, to fund native

tourism. Case said there is various funding for education, health, veterans, economic development, and for each of those there is a Native Hawai'ian equivalent. Some of those acts need to be reauthorized and funded. He also added that throughout the country there are minority business opportunities but that he does not believe that they are being fully utilized in Hawai'i. Some organizations are astute in how they utilize those opportunities but not everyone is fully aware of opportunities for federal funding. Congressman Case said that he would also look into NATIVE Act funding, specifically.

Chair Fried thanked Congressman Case for attending the meeting.

7. 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 Jennifer Chun to present the most recent market insights. She began with the insights from June, noting that July hotel statistics had been released that week. The State, as a whole, is ahead for RevPAR, ADR, and occupancy. Through May 2019, the State recovered \$557.8 million in Transient Accommodations Tax, up 3.8% on an adjusted rate. Ms. Chun noted that there have been several recent announcements in regards to air service. Air China is discontinuing Beijing service at the end of August, but there is still service from China Eastern Airlines from Shanghai. Service from the Philippines is being reduced to four weekly flights, but Asiana Airlines is increasing their service from Korea.

Ms. Kimura said that HTA needs to work on addressing the trend of decreasing per visitor spending and should focus micro-marketing to a higher spender. Specifically, she noted partnerships with McDonald's and Kappa Sushi in Japan. Ms. Chun noted that one reason for the downward trend is decreases in inter-island trips due to an increase in direct flights, because the airfare alone brings spending up significantly. Ms. Hughes said that the HTA contributed PR to the McDonald's promotion, but it was not a paid opportunity. She noted that HTA has been marketing to a higher spender over the last ten years. Marketing has a large effect on that, but removing illegal vacation rentals will also have an effect. She noted that technology will also allow HTA to target and refine its reach. Mr. Tatum added that it is not necessarily true that rich people spend more, and HTA needs to do a better job of identifying demographics that spend more when they travel. Mr. Kam said that HTA also needs to look towards the future, including millennials that may not spend much now but will be a big spender in the future.

Ms. Kumukahi said that she has noticed that there is a disconnect between HTA's objectives to attract a higher spender and marketing at the hotels. Mr. Rafter said that all the hotels can appreciate higher ADR, but there are some hotel investors and owners that are much more sensitive to what HTA is trying to do to promote the Hawai'ian culture. Mr. Tatum said that, in his experience in the hotel industry, there was significant focus on RevPAR, not necessarily volume.

Mr. Rafters noted that if neighborhoods are overrun with tourists, it has a major effect on local sentiment towards tourism. However, that sentiment can change quickly in a recession or because of other major events that affect travel. Mr. Atkins asked when and at what rate the TAT was enacted, and asked about the impact of the increase in taxes on TAT, car rentals, and other areas. Ms. Chun said it has been a long time since anyone looked at the tax impact but that HTA's surveys are self-reported, so those surveyed probably include the tax costs in the total amount that they report spending. Ms. Hughes noted that Hawai'i, along with New York, has the highest ADR in the country and there are many factors that make this a complicated issue. Mr. Tatum said that the market drives demand, and prices increase with demand. HTA's role is to brand Hawai'i correctly, but the hotels decide what makes sense to them based on market conditions. HTA needs to continue to communicate with hotels regarding HTA's branding and objectives. Mr. Ka'anā'anā noted that in January 1997, TAT was implemented at 5%. Chair Fried called a break at 12:01 p.m. The meeting resumed at 12:30 p.m.

8. Presentation, Discussion and Action on HTA's Financial Reports for July 2019

Chair Fried recognized Keith Regan to discuss HTA's July Financial Reports. He directed the Board to the financial reports contained in the Board packet. Mr. Regan pointed out the July financials and budget presentation statement found in the Board packet. He noted that the budgets will be adjusted to reflect the Community Enrichment, Kūkulu Ola, and Aloha 'Āina RFPs when they are officially awarded. The budget also recognizes approximately \$6.6 million in TAT revenue. There were no budget reallocations during this period. Mr. Regan thanked Marc Togashi and his team for their efforts to close out FY 2019. Mr. Regan requested approval for the financial reports as presented. Mr. Kam made a motion, which was seconded by Ms. Kumukahi. The motion was unanimously approved.

9. Update on the Status of the 2018 Audit Action Plan

Mr. Regan also discussed the 2018 Audit Action Plan. He said that the policies and procedures component has been reviewed and approved. Policies and procedures will continue to be adjusted when necessary. As the State changes their programs and rules, the procedures will be updated accordingly. The last few outstanding items are moving forward and there are ongoing discussions with the Deputy Attorney General and the Legislature regarding Items 20 and 21. The date for finalization of those items has not been determined yet. Mr. Regan said he is also working on Item 6 regarding RFPs.

10. Report of the Strategic Plan Investigative Committee's Activities

Chair Fried recognized Strategic Plan Investigative Committee chair Kimi Yuen to discuss the committee's recent activities. She said that on August 2, the committee held a workshop with its consultants. The consultants provided an update on their research and data collection. The committee will hold another workshop with their consultants to begin setting overarching goals and targets, and focus on the four pillars of the strategic plan. The target is to finish by the end

of 2019.

11. 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 provide an update on the Marketing Committee. Marketing Committee chair Kelly Sanders was unable to attend the full Board meeting. Mr. Kam said that the RFPs for China, Southeast Asia, and Korea are still pending but there will likely be an update at the next meeting. He said that HTA received one response to the RFI for the Global MCI. Mr. Kam noted that the Rams event is in the evaluation stage. The committee is planning on meeting in September and will likely have more to report at that time.

12. Presentation by AEG Regarding an Update of Hawai'i Convention Center Recent Operational Activities and Sales Initiatives

Chair Fried recognized Noelle Liew and Mari Tait to provide an update on the Hawai'i Convention Center (HCC). For the month ending June 2019, HCC reported gross revenue of \$989,100, and a net loss of \$399,000. June was impacted by the cancellation of Gibraltar, but the sales team was able to recover by securing short-term business including Avid, a volleyball tournament, and the Hawai'i Music and Fashion Festival. The new 2019 reforecast for gross revenue is \$15.29 million. In June, HCC food and beverage posted revenue of \$543,200. Ms. Liew noted that the mix of business for June included a number of sporting events, which generally results in lower flow through.

Ms. Liew stated that the return on investment (ROI) for every dollar spent was \$15.33 back to the State. Chair Fried asked how the ROI was calculated. Ms. Liew said that it is calculated by dividing HCC's revenue, State revenue, and tax revenue by HCC's expenses.

Ms. Tait discussed HCC's capital improvement projects. The boiler replacement project designs have been finalized and the contractor is planning on beginning construction in October. The cooling tower, the Ala Wai waterfall repairs and the facility equipment projects are also moving forward. A winning bidder has been selected, and the parties are finalizing a contract. An RFP for the camera, NVR and access control project has been issued, a site walk has been conducted, and proposals are due at the end of August.

Chair Fried recognized Lee Conching to provide an update on HCC's sales. 12,420 room nights were closed in July 2019, bringing the July YTD total to 58,256. The July YTD tentative pipeline is 123,822 total room nights. HCC participated in the CESSE Education Forum, Cvent Connect, and the Experient E4 trade fair. Mr. Conching noted that he had received questions from planners regarding the recent arsons in Waikiki hotels, and that those types of events can have an effect on HCC. He said that the sales team is now focused on generating business for the end of the year, working with Japanese wholesalers and corporate and sports business. Mr. Conching also pointed out recent advertising and PR efforts including promoting HCC as a

venue for holiday parties, and recent awards and accolades HCC and its staff have received.

Mr. Kam noted that, in the past, there were issues about HCC hosting local events that would compete with hotels. Mr. Conching says that it is still an issue when HCC goes after local banquets and meetings, but HCC believes it should compete with the local market and allow the local market to choose. HCC has also received calls for events that have been held at the Blaisdell Convention Center, looking for a new venue when the Blaisdell closes for construction and renovation.

Mr. Rafter asked whether there was any indication that the Japanese market will travel less next year because of the Olympics being hosted in Tokyo. Ms. Hughes says that there is not a barometer for testing this yet. Mr. Conching said they have not seen cancellations but they have seen shifting of dates for groups to come to Hawai'i after the Olympics. There is also an opportunity for groups to stop in Hawai'i on their way to Japan and HCC is reaching out to groups regarding that opportunity. Ms. Kimura suggested comparing the effect of the World Cup of rugby on visitors. She also asked if it was possible to get the room forecasts for the next five to six years. Mr. Conching responded that he would provide that information.

13. Adjournment

Chair Fried requested a motion to adjourn the meeting. Mr. Kam made a motion and Ms. Kumukahi seconded motion, which was unanimously approved by the Board. The meeting was adjourned at 12:53 p.m.

Respectfully submitted



Janjeera Hail
Recorder

Agenda Item

4

**Report of the CEO Relating
to Staff's Implementation of
HTA's Programs During
August 2019**



MEMORANDUM

TO: HTA Board of Directors

FROM: Chris Tatum, President and CEO

DATE: September 26, 2019

RE: Report of the CEO

The following narrative utilizes the 2019 Brand Management Plan's four core areas (Awareness, Conviction & Access; Unique & Memorable Experiences; Knowledge & Collaboration; and Strategic Oversight & Governance) to outline the various matters the staff is currently working on or has completed since the last CEO Report dated August 22, 2019. The narrative also describes the actions conducted by the staff to implement the Hawai'i Tourism Authority (HTA) budget previously approved by the Board.

I. AWARENESS, CONVICTION AND ACCESS

A. Major Market Management – August Update

Destination Marketing Management Services

HTA continued the request for proposal (RFP) process for inbound destination marketing management services regarding the major market areas of Korea, China, Southeast Asia and Taiwan by working with procurement in holding evaluation committee meetings. Selections for oral presentations were made at these meetings for all 4 markets and letters of invitation were sent out. Presentations will be held the week of September 23, 2019, after which, final selections will be made.

Fall Tourism Update

The Market Management team continued to prepare for the Fall Tourism Update to be held at Hilton Waikoloa Village from November 18-19, 2019. The agenda has been set, speakers and session overviews are confirmed and complete, and registration will be sent out the week of September 16, 2019.

Global Marketing Team Marketing Plans (BMP)

HTA staff is in the process of reviewing all 2020 marketing plans (Brand Marketing Plans) as well as the mid-year 2019 reports. HTA will provide the GMTs with feedback on their 2020 plans by September 20, 2019. Final updated 2020 plans are due to HTA by October 4, 2019. A template is being developed to ensure a consistent 2020 BMP presentation to the Marketing Standing Committee scheduled for November 13, 2019. In addition, HTA provided all GMTs with a template to be used in preparation of their 2019 bi-annual BMP review. This is to ensure that key priorities and measures are reviewed consistently with each GMT.

II. UNIQUE AND MEMORABLE EXPERIENCES

A. Hawaiian Culture Initiative

1. Kūkulu Ola Program

The 2020 Kūkulu Ola program awardees were notified of their awards on August 27, 2019. HTA staff is working to draft the contracts and will have them sent to awardees by the end of September. There were 43 projects awarded statewide totaling \$1,560,000. Below are the awardees selected for the 2020 cycle of the Kūkulu Ola program:

Summary:

Island	No.	Amount
Kaua'i	3	\$70,000
O'ahu	18	\$690,000
Moloka'i	1	\$20,000
Lāna'i	1	\$15,000
Maui	7	\$225,000
Hawai'i	7	\$275,000
Statewide	6	\$265,000
TOTAL:	43	\$1,560,000

Organization Name	Project Title	Location
Ho'okua'āina	Kūkuluhou Internship Program	O'ahu
Kalihi Palama Culture and Arts Society	45th Annual Queen Lili'uokalani Keiki Hula Competition	O'ahu
Hula Preservation Society	Bringing Hula Ki'i To Life	Statewide
Awaiāulu, Inc.	Māhuahua Translation Training Project: Phase IV	O'ahu
Bishop Museum	Living Hawaiian Culture: An Expanded Platform for Cultural Practitioners at Bishop Museum	O'ahu
Ulu A'e Learning Center	Kapu'uola Hula Festival	O'ahu
Hui Aloha 'Āina Momona	Kapu ka Hāloa	O'ahu
City & County of Honolulu, Department of Parks and Recreation	93rd Annual Lei Day Celebration	O'ahu
Pu'uhonua Society	Kīpuka: A Makers' Space	O'ahu
Hika'alani	Pai Puke	O'ahu

Kōkua Kalihi Valley Comprehensive Family Services	Ka Lāhui o Ka Pō (Birthing a Nation)	O'ahu
Volcano Art Center	Hula Arts At Kīlauea	Hawai'i
Maui Nui Botanical Gardens	Increasing Capacity for Visitor and Community Activities with Hawaiian Ethnobotany	Maui
Polynesian Voyaging Society	Preparing for Moananuiākea: Exploring the Pacific	Statewide
Council for Native Hawaiian Advancement	No'eau Series	O'ahu
Friends of Ka Leo Hawai'i Media	Ka Leo: The Voice of Hawai'i (KKNE 940AM)	Statewide
Hui o Laka dba Kōke'e Natural History Museum	Eō e Emalani 2020	Kaua'i
University of Hawai'i	Kūkulu Ola: Nā Lehua o Mokaulele	Statewide
Mu'olaulani	I Le'a Ka Hula 2020: Celebrating Culture, Preserving Traditions	O'ahu
Hui Mālama i ke Ala 'Ūlili (huiMAU)	HoAMa Youth Mentorship Programs	Hawai'i
Ulu A'e Learning Center	Ulu A'e Kaiāulu Project	O'ahu
Ma Ka Hana Ka 'Ike	Nā Mamo O Hāloa - The Children of Hāloa	Maui
Hawaiian Islands Land Trust	Maunawila Heiau Preservation & Education Program	O'ahu
Kauluakalana	Pili Mai 2020	O'ahu
Hāna Arts	Hāna Legends	Maui
Edith K. Kanaka'ole Foundation	Ha'a - Research and management of the health and wellness of Hula dancers	Hawai'i
Hawai'i Forest Institute	Ho'ōla Ka Makana'ā o Ka'ūpūlehu	Hawai'i
Pōhāhā I Ka Lani	Ka Lau o Ke Kāhuli	Hawai'i
PA'I Foundation	PA'I Presents	O'ahu
Hula Hālau O Molokai	Molokai Ka Hula Piko	Moloka'i
Makauila, Inc.	Mele Ma Ka Lihwai	O'ahu
Hilo-Hāmākua Community Development Corporation	Hawaiian Cultural Center of Hāmākua	Hawai'i

Hawai'i Museums Association	Mākau Mo'omeheu: Cultural Competence in Hawai'i's Museums	Statewide
Hui O Wa'a Kaulua	28th Annual Celebration of the Arts	Maui
Unda Kava 808, Inc.	2020 Maui Middle School Makahiki Championships!	Maui
Nā Kahu o Hā'ai, Inc.	Educational and Restoration Internships at Kamalo'ula Cultural Preserve	Kaua'i
Hōlani Hāna, Inc.	Kūkulu Hale Hawai'i	Maui
'Aha Kāne Foundation for the Advancement of Native Hawaiian Males	Hō'ā Hou	Hawai'i
Lāna'i Culture & Heritage Center	Māla No'eau	Lāna'i
Ma'ilikūkahi Aina Momona Academy	Ko'olau 'Āina Momona	O'ahu
Hui Mālama O Kāneiolouma	Uhau Humu Pōhaku Reconstruction	Kaua'i
Hawai'i Institute for Music Enrichment and Learning Experiences, Inc.	Steel Guitar Festivals (Kaua'i, Maui, Hawai'i Island)	Statewide
Hawaiian Kamali'i, Inc. dba Hawaiian Canoe Club	The Pailolo Challenge 2020	Maui

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. Cultural industry resource meetings are held to bring together many of the industry's Hawaiian cultural advisors to discuss items of interest. HTA received great feedback from the participants as to their value of collaboration in moving the needle on culture in the industry.

3. Native Hawaiian Festivals and Events

Duke's Ocean Fest

The 18th Annual Duke's Ocean Fest was held from August 17-25 at various locations in Waikīkī. Emphasis was placed on integrating new partnerships to invigorate long-standing festival traditions. An example of this was the addition of foil surfing, a new event. Also for the first time in 2019, a live performance of the monologue "Duke" as portrayed by Moses Goods was included.

Queen Lili'uokalani Long Distance Canoe Race

Kai 'Ōpua Canoe Club successfully hosted the Queen Lili'uokalani Long Distance Canoe Race in Kona from August 29 through September 2. There were 100 men's crews and 105 women's crews during the main long-distance race on Saturday, August 31 alone.

Aloha Festivals

Final planning has been completed for the 2019 Aloha Festivals, set to be held in September. HTA staff will continue to work with its community partners to implement the events. All contracts have been executed for the current funding year. New for the O'ahu events this year will be a concert at Queen's Beach called "In the Southern Sun."

4. Kāhea Greetings Program

Harbors

Contracts for the various harbor greeting programs have been executed. Implementation has begun at the ports in Nāwiliwili, Honolulu, Lahaina, Hilo and Kona. Work will include, but is not limited to, hula, mele, lei making, maps and other collateral, as well as lei greeting with fresh flower lei. Discussions with DOT Harbors are underway to include more art and other improvements to enhance the harbor and port user experience.

Airports – (August)

HTA staff continue to work closely with DOT Airports to enhance airport greetings statewide. We included an expansion of performances in the most current MOA with DOT Airports to cover the two busiest departure cycles at Daniel K. Inouye International Airport (DKI) in Honolulu. We also worked closely with DOT Airports to encourage the incorporation of community-based hālau hula and Hawaiian cultural practitioners. For reference, performance greetings are held at Līhu'e, Honolulu, Kahului, Hilo and Kona. We continue to encourage DOT Airports to consider additional improvements such as the inclusion of more art and other improvements to enhance the airport user experience.

5. Resort Area Hawaiian Culture Initiative

Contracts are finalized for 2019 events with workplans having been submitted for various programs in Waikīkī, Lahaina, Hilo and Kona. New to the Waikīkī program this year is a seven-month pilot program to bring back Sunset on the Beach, which began on May 11. The Waikīkī Improvement Association is producing the Sunset on the Beach events, which feature Hawaiian music concerts with hula preceding the screenings of films. Residents are the target audience for the new events. HTA has done media outreach to promote the events. The fourth screening took place on August 10 featuring the movie "Coco."

6. Hawai'i Investment Ready 2019 Cohort

HTA staff and Hawai'i Investment Ready (HIR) finalized a new contract, which supports a cohort of social enterprises with a tourism focus, and 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 has completed the cohort recruitment, curriculum development, and pre-program preparation phases. They are presently in the implementation stage of Module 1, and the remaining modules will be completed throughout the year.

7. Center for Hawaiian Music and Dance

HTA staff will conduct internal planning meetings now that the law has been amended to remove the Hawai'i Convention Center as the location of the proposed Center for Hawaiian Music and Dance.

8. HTA Legacy Awards

Planning is underway for a theme and other logistics for the 2019 HTA Legacy Awards to be held in conjunction with the Fall Tourism Update on Hawai'i Island in November. The theme under consideration is 'Ōhi'a Lehua.

9. Ma'ema'e

HTA is working closely with the GMTs to assess their needs for staff training to more accurately incorporate the Hawaiian culture into their efforts. Allocations have remained level year-over-year.

10. Market Support

HTA staff helped to support Hawai'i Tourism Taiwan's Hawai'i Aloha Festival 2019 from July 5-7. Cultural practitioners will next be sent to support Hawai'i Tourism Canada and Hawai'i Tourism Southeast Asia missions.

B. Natural Resources

1. Aloha 'Āina (Natural Resources) Program

The 2020 Aloha 'Āina program awardees were notified of their awards on August 28, 2019. HTA staff is working to draft the contracts and will have them sent to awardees by the end of September. There were 34 projects awarded statewide totaling \$2,081,000. Below are the awardees selected for the 2020 cycle of the Aloha 'Āina program:

Summary:

Island	No.	Amount
Kaua'i	4	\$238,000
O'ahu	9	\$380,000
Moloka'i	2	\$150,000
Lāna'i	0	\$0
Maui	9	\$557,000
Hawai'i	6	\$398,000
Statewide	4	\$358,000
TOTAL:	34	\$2,081,000

Organization Name	Project Title	Island
Coral Reef Alliance	Engaging Community Volunteers in Watershed Restoration to Reduce Land-based Pollution Threats to West Maui Coral Reefs	Maui
Moloka'i Land Trust	Expanding Critical Habitat Restoration for Ground Nesting Seabirds and Endangered Species	Moloka'i
Kupu	Hawai'i Youth Conservation Corps	Statewide
Mālama Nā Honu	Mālama Nā Honu Conservation through Education Project 2020	O'ahu
Friends of Auwahi Forest Restoration Project	Planting Together; Creating a Forum to Facilitate Knowledge Transfer, Social Capitol, and Community-based Protection of Critical Biocultural Resources at Auwahi Forest, Maui.	Maui
Hui o Laka dba Kōke'e Natural History Museum	Kōke'e - Nature Interpreted 2020	Kaua'i
Garden Island Resource Conservation & Development, Inc.	Strengthening Visitor Capacity at Makauwahi Cave Reserve	Kaua'i
Kauluakalana	Kukanono	O'ahu
Ma Ka Hana Ka 'Ike	Wailua Nui Restoration Project	Maui
Hawai'i Forest Institute	Restoration and Education at Pālamanui and La'i 'Ōpua Dry Forest Preserves	Hawai'i
DLNR - Division of Forestry and Wildlife	Mokuhāli'i: Covering the Islands in the Rapid 'Ōhi'a Death Outreach Network	Statewide
Hawai'i Marine Mammal Alliance dba Hawaii Marine Animal Response	Stewardship and Conservation of Hawai'i's Protected Marine Animals	O'ahu
Maunalua Fishpond Heritage Center	Establishing Roots of Community Stewardship and Native Landscapes in Maunalua, O'ahu	O'ahu
The Kohala Center, Inc.	Mālama Kahalu'u: Restoring Our Coral Reef Ecosystem	Hawai'i
Maui Nui Marine Resource Council, Inc.	Fire and Oysters: Improving Ma'alaea Bay's Ocean Water Quality Through Fire Suppression, Stormwater Management and Caged Oysters	Maui
Volcano Art Center	Niaulani Rain Forest Preservation & Education Program	Hawai'i
Pōhāhā I Ka Lani	Liko No Ka Lama	Hawai'i
Maui Nui Botanical Gardens	Seed Banking, Crop Storage, and Public Access to Maui Nui Plants	Maui

North Shore Community Land Trust	Sunset Beach Park Community-Based Dune Restoration	O'ahu
Garden Island Resource Conservation & Development, Inc.	Giving Back: Protecting Native Forest	Kaua'i
Sustainable Coastlines Hawai'i	The Pilina Pledge: From Plastics to Soil	O'ahu
The Nature Conservancy	Expanding Marine Conservation in Maui County to Meet 30x30 Targets	Maui
Coral Reef Alliance	Launching "Hawai'i Wai Ola", a Quality Assured Citizen Science Program to Inform Water Quality Solutions that Benefit Coral Reefs and Communities on Hawai'i Island	Hawai'i
Hui o Ko'olaupoko	Mālama Muliwai o He'eia: Phase 2	O'ahu
Protectors of Paradise	Mākua & Keawa'ula Revitalization and Education Awareness Program	O'ahu
University of Hawai'i	Rapid 'Ōhi'a Death Seed Banking Initiative 2020	Statewide
Hawaiian Islands Land Trust	Cultural & Ecological Restoration Program At Waihe'e Coastal Dunes & Wetlands Refuge and Kahili Beach Preserve	Statewide
Edith K. Kanakaole Foundation	Makawalu a Kanaloa	Hawai'i
Nā Koa Manu Conservation	Pohakuokala Gulch Community Forest Restoration Project	Maui
Friends of the DT Fleming Arboretum at Pu'u Mahoe, Inc.	Pahana Ho'ōla- Seeds of Hope 2020	Maui
Mālama Maunalua	Site Model of Marine Restoration at Maunalua Bay	O'ahu
DLNR - Division of Forestry and Wildlife	Alaka'i Boardwalk Replacement & Trailhead Interpretive Signs	Kaua'i
University of Hawai'i	Into the Darkness: Protecting Nā Manu o Ke Kai and the Night Skies	Maui
'Āina Momona	'Āina Momona 2020 Aloha 'Āina Fellowship Program	Maui

2. DLNR Partnership

HTA staff continues to work in partnership with the Department of Land and Natural Resources (DLNR) to protect natural and cultural resources on state lands. Below are details regarding various initiatives underway or in the planning stages.

Nā Ala Hele Trails and Access

HTA staff and DLNR have finalized an agreement for \$530,000 in FY2020, providing DLNR with funds to conduct a statewide trail assessment and monies for brushing and clearing of trails.

Mālama Hawai'i

Current year funding is supporting placement of Mālama Hawai'i collateral in roughly 24,000 hotel rooms statewide. Funding has also been provided to produce and distribute seven new 30-second public service announcements. Hawaiian Airlines and AirAsia X have already committed to sharing the content with its guests in-flight. HTA is currently negotiating with Japan Airlines and All Nippon Airways to have the content included on its flights as well.

Rapid 'Ōhi'a Death

Funding in 2019 was used for tour operator bio-sanitation trainings across the state. Public service announcements on quarantine rules, as well as airport ad placements, were also part of the funding. In addition, two aerial survey flights with the Carnegie Airborne Observatory were conducted for Hawai'i Island and Kaua'i. Both islands now have confirmed cases of both species of Rapid 'Ōhi'a Death. HTA staff, in partnership with the state, placed visitor-focused tips to help reduce the spread of the disease, as well as hosted a full-length documentary to help others better understand the significance of 'Ōhi'a to Hawaiian culture and native ecosystems.

Carbon Sequestration Certification

DLNR has selected and awarded a contract for carbon sequestration certification. The certification will allow DLNR to quantify and value the carbon offsets from its reforestation work in order to move the department and DOFAW toward self-reliance.

Social Media Specialist

HTA continues its work with the social media specialist, a tourism funded position, to mitigate illegal tours on state lands, as well as develop visitor messaging focused on responsible behavior while exploring Hawai'i. Since the position was funded, DLNR reactivated its previously suspended social media accounts.

Ambassador Program

Funds have been committed to a pilot an ambassador program in FY2020. The statewide program will be implemented in state parks and on trails. A total of \$500,000 has been set aside for this effort. Initial budget estimates allocate \$62,000 per position which would fund nine ambassadors. HTA has not received the workplan by DLNR identifying the areas where those positions would be deployed. No further work will continue until HTA is in receipt of the workplan.

3. Hawai'i State Park Survey

HTA's contracting staff is working to finalize the draft request for proposals (RFPs). The project is expected to survey all state parks over a one-year period. The data and insights collected by the survey will help HTA and DLNR manage resources better to protect natural and cultural assets.

4. Hawai'i Ecotourism Association

The Hawai'i Ecotourism Association and HTA has finalized the scope of work for the 2019-2020 program. The primary focus of this work will continue to focus on the training of certified tour operators statewide and enhancing their training capacity. Further, it will provide for trainings that will be made available online, including YouTube.

5. Hawai'i Green Business Program

HTA has finalized a memorandum of agreement (MOA) with the Hawai'i Green Business Program. The primary focus of this work is to assist and recognize businesses that strive to operate in an environmentally, culturally and socially responsible manner. The program has a proven record of reducing energy consumption, water savings and waste diverted, which are three key metrics in HTA's strategic plan. The Hawai'i Green Business Program Ceremony took place on August 1.

6. Hawai'i Green Growth

Hawai'i's sustainable future is dependent upon our ability to measure and define what sustainable tourism is moving forward. In partnership with Hawai'i Green Growth, HTA staff is in discussions regarding the current year contract to support convening a diverse group of stakeholders toward this goal and others. HTA staff is also considering a comprehensive survey of the visitor industry's efforts to "green" itself.

C. Safety and Security – August Update

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 \$368,000 and a contract expiration date of 4/1/2020.
- **CON 17032** – VASHI – Island of Hawai'i VAP with total funding of \$168,000 and a contract expiration date of 4/1/2020.
- **CON 17034** – MVCB – Maui VAP with total funding of \$46,000 and a contract expiration date of 4/1/2020.
- **CON 17033** – VASK – Kaua'i VAP with total funding of \$53,000 and a contract expiration date of 4/1/2020.

During the month of August:

- Maui County's program handled 18 cases and helped 40 visitors (year-to-date: 157 cases/363 visitors).
- Hawai'i County's program handled 18 cases and provided assistance to 41 visitors (year-to-date: 258 cases/573 visitors).
- City and County of Honolulu's program VASH handled 71 cases and helped 168 visitors (year-to-date: 529 cases/1,173 visitors).
- Kaua'i County's program handled 6 cases and provided assistance to 18 visitors (year-to-date: 44 cases/135 visitors).

Lifeguard Support Program

HTA has agreements in place with the four counties to provide each with funding of \$125,000 based on a one-for-one match for the purpose of purchasing ocean safety equipment. The agreements for all four counties have been fully executed and the program is underway. All counties have communicated that they will be submitting invoices within the next 30 days.

Waikiki Camera Program

MOA 19010, which provides the City and County of Honolulu with \$300,000 in funding to purchase security cameras in Waikiki has been executed and is set to expire on 12/31/2019. HTA received the first invoice during the week of August 5, which was sent to DAGS for processing and payment.

Ocean Safety Advertising Campaign

HTA, through its contracts with SKYHI MEDIA (CON 18176 S1 - \$108,376.92) and Pacific Media Group (CON 18189 S2 - \$143,006.60), is supporting the displaying of ocean safety videos at airports throughout Hawai'i. These videos run primarily in the baggage claim areas during normal airport operating hours. The agreements have been extended to continue showing these videos in FY2020 and both contracts will expire on 6/30/2020.

Snorkel Safety Study

HTA has 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 will 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 already been collecting information on the cases of snorkeling-related accidents. The first of three payments has been issued to the contractor and the second payment request is anticipated to be submitted in September in accordance with the terms of the contract.

Hā'ena Emergency Support

MOAs have been executed with DLNR for \$54,860 and with the Kaua'i Police Department (KPD) for \$41,140 providing officers to support the enforcement of the "no parking" zone along a two-mile stretch of Kūhiō Highway.

D. Community Enrichment Program (CEP) – August Update

2020 Programs

The 2020 Community Enrichment program awardees were notified of their awards. There were 95 projects awarded statewide totaling \$2,649,700. HTA staff is working to draft the contracts and will have them sent to awardees at the end of September. Below is a breakdown of the 2020 CEP projects by island and a listing of the projects being funded:

Island	No.	Amount
Kaua'i	22	\$ 536,300
O'ahu	25	\$ 658,000
Moloka'i	3	\$ 65,000
Lāna'i	2	\$ 39,000
Maui	16	\$ 374,500
Hawai'i	18	\$ 396,900
Statewide	9	\$ 580,000
TOTAL:	95	\$2,649,700

Statewide

- Hawai'i Food & Wine Festival
- 40th Annual Hawai'i International Film Festival
- Moloka'i 2 O'ahu Paddleboard World Championship
- Kanu Hawai'i – Volunteer Week Hawai'i
- Japanese Cultural Center of Hawai'i – Statewide Japanese Cultural Exchange
- Honolulu Theatre for Youth – The Royal School / Ke Kula Keiki Ali'i
- Kumu Kahua Theatre – 49th & 50th Season Contemporary Hawai'i Plays
- Hawaiian Mission Houses – Traveling History Theatre
- Nā'ālehu Theatre – Hawaiian Music Masters Community Reinvestment, including Youth Outreach
- Music Instruction (Waimānalo and Kailua-Kona), Gabby Pahinui Waimānalo Kanikapila, Live from Waimānalo, and He Huakai E Pana Na I Ke Ea (Kailua-Kona), along with the Aloha Shirt Festival

O'ahu

- 26th Annual Honolulu Festival
- Pan-Pacific Festival
- 38th Annual Hawaiian Slack Key Guitar Festival "Waikīkī Style"
- 38th Annual Okinawan Festival
- 50th Annual 'Ukulele Festival Hawai'i
- Mango Jam Honolulu
- Parade of Farms
- 18th Annual Waikīkī SPAM JAM®
- 28th Annual Filipino Fiesta
- POW! WOW! Hawai'i
- Hawai'i Polo Life Summer Invitational
- Hale'iwa Interpretative Signage Project and Walking Tour Map
- Hawai'i Book, Arts, & Music Festival
- Hawai'i Gay Flag Football League – Gay Bowl XX
- Honolulu Rainbow Film Festival
- Pu'uhonua Society – CONTACT 2020
- Hawai'i's Woodshow: Na Lā'au o Hawai'i
- Hawaiian Makahiki Series

- Wai'anae Economic Development Council – 'Āina Momona
- Waikalua Fishpond Cultural & Music Festival
- Hawai'i Scottish Festival and Highland Games
- VegFest O'ahu
- Pearl Harbor Aviation Museum – "You Are Here" Pavilion/Exhibit Project
- Waikīkī Aquarium – Ho'ike'ike Pili Kai
- Hawai'i Symphony Orchestra – Symphony Experience – New Year Celebration

Island of Hawai'i

- 50th Annual Kona Coffee Cultural Festival
- Kahilu Theatre 2020 Season
- Ka'ū Coffee Festival
- Hawai'i Performing Arts Festival 2020 Season
- HawaiiCon
- Hawai'i Kuauli Pacific and Asia Cultural Festival
- 5th Annual Hawai'i Island Festival of Birds
- Hawai'i Institute of Pacific Agriculture – North Kohala Farm Tours & Tastings
- Big Island Chocolate Festival
- Pōhāhā I Ka Lani – Mahina 'Ai
- Volcano's 'Ōhi'a Lehua Half Marathon, 5K and Keiki Dash
- Kona Historical Society – Hanohano 'O Kona: Wahi Pana Lecture Series
- XTERRA Hawai'i Island Off-Road Triathlon
- 100% Pure Kona Coffee Marathon & Half Marathon
- Legacy Reef Foundation – Coral Education Center
- 24th Annual Hawaiian Slack Key Guitar Festival "Kona Style"
- Hāmākua Harvest Farm Festival
- 2nd Annual Experience Volcano Festival

Kaua'i

- Waimea Town Celebration: Heritage of Aloha 2020
- Kōloa Plantation Days Festival
- 28th Annual Hawaiian Slack Key Guitar Festival "Kaua'i Style"
- E Kanikapila Kakou 2020 – "Mele, Hula & Mo'olelo"
- 12th Annual Kaua'i Marathon and Half Marathon
- Lawai International Center – Cultural Awareness Events
- Kaua'i Matsuri Festival
- Heiva I Kaua'i
- Po'ipū Food & Wine Festival
- Kaua'i Chocolate & Coffee Festival
- Kaua'i Okinawan Festival
- Kaua'i Museum Association – 40th Annual Irmalee and Walter Pomroy May Day Lei Contest
- 4th Annual Kaua'i Old Time Gathering
- Po'ipū Beach Foundation – New Year's Eve Celebration at Po'ipū Beach Park
- 2nd Annual Garden Island Boogie Board Classic
- Equine Therapy, Inc.
- 'Ahahui Kīwila Hawai'i O Mo'ikeha – Ka Moku O Manokalanipō Pā'ani Makahiki and May Day by the Bay
- He Ino No Kaumuali'i – Makana Poinaole
- Kaua'i Museum Cultural Exhibit
- Storybook Theatre of Hawaii – Princess Ka'iulani Keiki Hula & Story Fest

Maui

- 20th Anniversary Maui Matsuri – A Japanese Festival

- Maui Film Festival
- Maui Nui Botanical Gardens – Lā ‘Ulu – Breadfruit Day
- 29th Annual Hawaiian Slack Key Guitar Festival "Maui Style"
- Maui Marathon
- Maui Arts & Cultural Center – Visual Arts Exhibition Program and Maui ‘Ukulele Festival
- Hui No‘eau – Hui Holidays
- 40th Annual Maui Whale Festival
- Maui Pops Orchestra 2020 Concerts
- Jazz Maui 5th Annual East Meets West Festival
- Maui Classical Music Festival
- Hāna Arts Presents! – A Workshops & Events Program in East Maui
- Maui Sunday Market
- 12th Annual Paddle for Life – Voyage to Lāna‘i
- Maui Bicycling League – Exploring Maui’s Greenways and Bike Paths

Moloka‘i

- Moloka‘i Canoe Festivals Presents – Kulaia Ho‘olaule‘a
- Moloka‘i Holokai Ho‘olaule‘a
- Moloka‘i Agricultural Festival

Lāna‘i

- Lāna‘i Community Association – Annual Tree Lighting Festival
- Lāna‘i Culture & Heritage Center – Lāna‘i Guide App

Existing Contracts (2019)

HTA staff continues to evaluate final reports from contractors who have finished their events for 2019 and work on the closing of these contract files. The 2019 CEP program includes 71 awardees statewide with total funding of more than \$1.2 million allocated. For a listing of 2019 CEP awardees visit:

<https://www.hawaiitourismauthority.org/what-we-do/hta-programs/community-enrichment-programs/>.

September Events

Event Name	Organization	Island(s)	Start Date	End Date
Lā ‘Ulu: Breadfruit Day	Maui Nui Botanical Gardens	Maui	9/7/2019	9/7/2019
The Pailolo Challenge 2019	Hawaiian Canoe Clue	Maui/Moloka‘i	9/14/2019	9/14/2019
HawaiiCon 2019	HawaiiCon Inc	Hawai‘i	9/26/2019	9/26/2019
Maui ‘Ukulele Festival 2019	Maui Arts & Cultural Center	Maui	9/29/2019	9/29/2019

October Events

Event Name	Organization	Island(s)	Start Date	End Date
‘Emalani Festival - Eo e ‘Emalani I Alaka‘i	Hui o Laka dba Kōke‘e Natural History Museum	Kaua‘i	10/12/2019	10/12/2019
Maui Marathon & Half Marathon	Valley Isle Road Runners, Inc. dba Valley Isle Road Runners	Maui	10/13/2019	10/13/2019
Kaua‘i Chocolate & Coffee Festival 2019	Hanapēpē Economic Alliance	Kaua‘i	10/18/2019	10/19/2019

HONOLULU PRIDE Parade, Festival and LGBT Youth Education	Hawai'i LGBT Legacy Foundation	O'ahu	10/19/2019	10/19/2019
Hawai'i's Woodshow, Na Lā'au o Hawai'i 2019	Hawai'i Forest Industry Association	O'ahu	10/20/2019	10/27/2019

CEP Year-Round Projects

Event Name	Organization	Island(s)
Hāna Arts Presents! - A Workshops & Events Program for East Maui	Hāna Arts	Maui
Visual Arts Exhibition Program 2019	Maui Arts & Cultural Center	Maui
History Theatre	The Hawaiian Mission Children's Society dba Hawaiian Mission Houses Historic Site and Archives	Maui, Kaua'i, Hawai'i
Market of Possibilities	AccesSurf Hawai'i Inc.	O'ahu
Kahilu Theatre 2019 Season	The Kahilu Theatre Foundation dba The Kahilu Theatre	Hawai'i
travel2change	travel2change	All islands
Volcano Art Center's Hula Arts at Niaulani	Volcano Art Center	Hawai'i
Hui No'ēau Art Exhibitions 2019	Hui No'ēau dba Hui No'ēau Visual Arts Center	Maui
Hands on History at the Kona Coffee Living History Farm	Kona Historical Society	Hawai'i
Creating Unforgettable Experiences on Remote Beaches of Hawai'i	Sustainable Coastlines Hawai'i	O'ahu
Ho'ōmau Ka Hana No'ēau o Waipi'o	Pohaha I Ka Lani	Hawai'i
Biki Bike Audio Tours	Bikeshare Hawai'i	O'ahu
Cultural Awareness Events 2019	'Ahā Hui E Kālā dba Lāwa'i International Center	Kaua'i
Hololea Visitor Tour Program	Mālama Loko Ea Foundation	O'ahu
North South East West Festival 2019	Ebb & Flow Arts	Hawai'i, Maui, O'ahu
Exploring Maui's Greenways, Bike and Walking Paths	Hawai'i Bicycling League	Maui
'Ohina Short Film Showcase	'Ohina LLC	O'ahu, Maui, Hawai'i Island
Anaina Hou Community Park Enrichment Programming 2019	Anaina Hou Community Park	Kaua'i
Hawaiian Cultural Events and Kaua'i Mokihana Festival 2019	Malie Foundation	Kaua'i
Maui Pops Orchestra 2019 Concerts	Maui Pops Orchestra, Inc.	Maui

The New Year's 'Ohana Festival / Shichi Go San: Keiki Kimono Dressing	Japanese Cultural Center of Hawai'i	O'ahu
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Major Festivals/Events

October Events

Event Name	Organization	Island(s)	Start Date	End Date
Hawai'i Food & Wine Festival		Hawai'i, Maui, & O'ahu	10/5/2019	10/27/2019

E. Ho'okaulike – August Update

Honolulu Parks Security Cameras

HTA partnered with the City and County of Honolulu's Department of Parks and Recreation to provide funding of \$204,000 for the installation of 192 surveillance cameras in 13 parks. The MOA has been fully executed, and the work is underway. HTA is currently waiting for the first invoice as per the MOA. Once that is received, we will process payment so the City and County of Honolulu's Department of Parks and Recreation will be able to move forward.

Kaua'i Safety Signage

MOA 18196 (Supplemental 1) with Kaua'i County was extended through October 31, 2019, due to the delay in approval of placement locations, regulatory approvals, and signage materials. HTA has communicated regularly with Kaua'i County on this project and they have stated that most of the signs should be installed by the end of October. The first payment was made in the amount of \$72,500. Funding for this project will expire as of December 31, 2019.

Hawai'i Island Safety Signage

MOA 18194 (Supplemental 1) with the County of Hawai'i has been extended through October 31, 2019, to ensure the work is completed on time. The first payment was made in the amount of \$72,500. The second progress report was submitted but HTA is waiting on the second invoice. Funding for this project will expire as of December 31, 2019.

Hawai'i Island Strategic Plan

MOA 19157 with the County of Hawai'i (\$35,000) was executed to assist in the update of the Hawai'i Island Tourism Strategic Plan (2001-2015). HTA has been working closely with County staff to receive updates on the status of this project. A request to extend the MOA to June 30, 2020 was received and is currently in process.

Maui Coral Reef Signage

CON 19169 (Supplemental 1) has been fully executed with the Maui Marine Resource Council for \$47,144 and is set to expire on 12/31/2019. The contractor has been working to replace existing signs and create new signs related to the coral reef on Maui. The sign design is being reviewed by the Maui Visitors and Convention Bureau for final approval. Once reviewed and approved by MVCB, they will send it to HTA for final approval. It is estimated that printing and shipping will take 4-6 weeks once finalized.

Additionally, the contractor is working with the County on acquiring the necessary permits, including an SMA assessment (possibly a minor SMA permit) and obtaining right of entry to the County park sites, which is contingent on approval of the SMA permit. The contractor is hopeful that the permitting process will be expeditious, and that they should be able to install the signs before the end of the grant period (12/31).

III. KNOWLEDGE AND COLLABORATION

A. Communication and Outreach: August 2019

News Releases/Reports Issued

- News Release in partnership with AVPFirst: HTA and AVPFirst Announce Free Beach Volleyball Clinics (Aug. 13)
- News Release in partnership with the Los Angeles Clippers: L.A. Clippers to Return to Hawai'i for Training Camp Through Partnership with Hawai'i Tourism (Aug. 15)
- Report: July 2019 Hawai'i Hotel Performance Report (Aug. 20)
- News Release: Hawai'i Visitor Statistics Released for July 2019 (Aug. 29)

Media Relations

- **Media Interviews:** Coordinated and/or assisted with the following interviews:
 - Honolulu Business Magazine: Jennifer Chun (JC) interview with reporter Noelle Fujii regarding visitor statistics and HTA's partnership with UberMedia. Also, Kalani Ka'anā'anā interview regarding HTA's partnerships with DLNR and HTA's investment into preserving our natural resources. (Aug. 5)
 - Hawaii News Now: Mufi Hannemann (MH) of HLTA interview with anchor/reporter Steve Uyehara on sports history and the relationship between professional football and Hawai'i for HNN's pregame show. (Aug. 7)
 - KHON: Interview with former Los Angeles Rams player Brad Myers and his wife Nancy at their home in Makaha. Marisa Yamane (MY) presented Brad with two tickets to the Rams game on behalf of HTA. (Aug. 7)
 - Honolulu Star-Advertiser: MH interview with sports reporter Ferd Lewis about the Rams' visit and sports promotion. (Aug. 8)
 - Honolulu Star-Advertiser: MY interview with reporter Dan Nakaso regarding HTA's involvement in Laniakea Beach traffic improvement solutions. (Aug. 12)
 - Los Angeles Times: Chris Tatum (CT) interview with sports columnist Arash Markazi regarding how Hawai'i has become a favorite destination for Los Angeles sports teams. (Aug. 15)
 - ESPN1420: Reached out to host Gary Dickman regarding the Rams game in Hawai'i. Arranged for CT to be a guest on his afternoon show. (Aug. 21)
 - KHON: Connected Wake Up 2day producer Lance Kuraoka with AVPFirst Executive Director Tony Giarla for interview regarding the AVPFirst youth clinics. Pro volleyball

player Eric Beranek and Giarla did the live interview. (Aug. 26)

- **Publicity Support:** Provided the following information and/or assistance:
 - Los Angeles Times: Responded to reporter Heidi Chang who had a question about HTA's budget following her interview with CT. (Aug. 1)
 - The Maui News: Responded to reporter Kehaulani Cerezo regarding the trend of increased visitors and less spending on Maui. Provided her with JC quotes. (Aug. 1)
 - Scripps: Responded to reporter Elizabeth Ruiz regarding the increase in visitor arrivals and its impact on tourism. Provided visitor statistics from JC and referred Elizabeth to DLNR regarding her inquiry about how Hawai'i deals with the number of visitors at Diamond Head. Also referred her to HTA's Knowledge Bank/Barberstock per her request for images. (Aug. 1)
 - Associated Press: Responded to reporter Audrey McAvoy regarding the hotel arson cases. Referred her to the Honolulu Police Department, Honolulu Fire Department, and HLTA. (Aug. 7)
 - Honolulu Star-Advertiser: Responded to reporter Allison Schaefer regarding the hotel arson and burglary cases. Referred her to the Honolulu Police Department, Honolulu Fire Department, and HLTA. (Aug. 7)
 - KHON: Responded to reporters Erika Engle and Sara Mattison regarding hotel security in the wake of the arson and burglary cases. Referred them to the Hawai'i Hotel and Visitor Industry Security Association (HHVISA). (Aug. 8)
 - Honolulu Star-Advertiser: Responded to reporter Allison Schaefer regarding HTA's strategy for tourism growth on the neighbor islands, and clarification on visitor-to-resident ratio data on Maui. (Aug. 9)
 - KVRN AM650: Met with Summit Media Hawai'i's President Andrew Rosen and Patrick Bullard regarding their proposal for Hawai'i's Visitor Radio Network. Referred them to HVCB. (Aug. 9)
 - KHON: Responded to reporter Nikki Schenfeld regarding sandwich boards that were placed overnight to block parking at Laniakea Beach. It was a prank according to police. (Aug. 10)
 - Hawaii News Now: Responded to sports reporter Kainoa Carlson regarding military base access for the Rams cheerleaders' appearance. Gave him Rams PR Chase Isaacs' contact information for the public affairs offices at Marine Corps Base Hawai'i, Schofield Army, Joint Base Pearl Harbor-Hickam and Barking Sands. (Aug. 12)
 - Hawaii News Now: Responded to anchor/reporter Steve Uyehara regarding the economic impact of the Pro Bowl in Hawai'i. (Aug. 13)
 - Resent AVP press release with a personal note to contacts at The Maui News, Maui Now, The Garden Island (Bill Buley and desk), Honolulu Star-Advertiser, Hawaii News Now, KITV, and KHON. (Aug. 13)

- Resent Los Angeles Clippers press release with a personal note to contacts at Honolulu Star-Advertiser, Hawaii News Now, KITV, and KHON. (Aug. 15)
- KHON: Responded to anchor/reporter Lauren Day about the economic impact of the Rams game. Referred her to Aloha Stadium officials. (Aug. 15)
- KITV: Responded to assignment editor Diane Ako about the economic impact of the Rams game. Referred her to Aloha Stadium officials. (Aug. 15)
- KHON: Responded to reporter Nikki Schenfeld regarding Southwest Airlines' expansion. Provided her with passenger statistics from JC. (Aug. 15)
- Hawaii News Now: Responded to request for an interview from reporter Rick Daysog regarding developing the new Aloha Stadium following the successful Rams vs. Cowboys game. Referred him to Sen. Glenn Wakai and Aloha Stadium officials. (Aug. 19)
- Pacific Business News: Responded to web editor Olivia Peterkin regarding tourism's impact on Hawai'i's economy. JC provided responses. In addition, provided her with information about tourism dollars supporting community events and programs that perpetuate the Hawaiian culture and protect our natural resources, with a link to those programs on HTA's website. (Aug. 19)
- Hawaii News Now: Responded to reporter Chelsea Davis about the economic impact of Rams game. Referred her to Aloha Stadium officials. (Aug. 19)
- KITV: Responded to assignment manager Diamond Badajos regarding information on the Los Angeles Clippers preseason games ticket sales. Forwarded her a statement from the Clippers PR team and referred her to the University of Hawai'i ticket office. (Aug. 20)
- KHON: Responded to producer Anna Gomes regarding information on the Los Angeles Clippers preseason games ticket sales. Forwarded her a statement from the Clippers PR team and referred her to the UH ticket office. (Aug. 20)
- Responded to freelance journalist Nadia Bashir regarding the number of tourists that visit Hawai'i every year. Provided information from Minh-Chau Chun (MCC) - preliminary numbers from 2018, plus 2017 and 2016 data. (Aug. 21)
- The Garden Island: Sent a reminder about Saturday's AVP clinic on Kaua'i. (Aug. 21)
- Honolulu Star-Advertiser: Karen Hughes (KH) provided a statement to Allison Schaefer regarding her pending departure from HTA at the end of September. (Aug. 22)
- KHON: Sent a reminder about the AVP clinics on O'ahu. (Aug. 26)
- KITV: Sent a reminder about the AVP clinics on O'ahu. (Aug. 26)
- Hawaii News Now: Sent a reminder about the AVP clinics on O'ahu. (Aug. 26)
- Honolulu Star-Advertiser: Sent a reminder about the AVP clinics on O'ahu. (Aug. 26)
- Tailgater Magazine: Responded to request for an interview by contract reporter Jane Ehrhardt regarding NFL opportunities in Hawai'i. CT said it's too early to tell and too soon after the Rams game. Referred her to Mufi Hannemann and Sen. Wakai. (Aug. 21)

- Hawaii News Now: Responded to producer Jennifer Wong regarding photos of AVPFirst's O'ahu clinics. Connected her with AVPFirst's Tony Giarla to provide images. (Aug. 26)
- U.S. News and World Report: Responded to reporter Nancy Lauer on the effects of agritourism on the islands. Referred her to Caroline Anderson (CA) for response. (Aug. 27)
- Honolulu Civil Beat: Responded to reporter Jim Simon regarding Lāna'i hotels and room prices, and how they compare to the rest of the state. Referred him to HLTA. (Aug. 29)

Community Initiatives and Public Outreach

- Jones Lang LaSalle Hotels and Hospitality Group: Responded to analyst Bryan Lustig about HTA's annual visitor research report and advised him that HTA's research team is working to finalize it. (Aug. 2)
- Sunset on the Beach: Requested recent event photos to promote the upcoming Sunset on the Beach on HTA's social media. (Aug. 5)
- University of Hawai'i and University of Washington Partnership
 - Reached out to the Seattle Children's Hospital to arrange a visit by the UH Cheer team visit leading up to the UH/UW football game in Seattle. HTA is sponsoring the trip to Seattle for the cheerleaders. (Aug. 6)
 - Coordinated a conference call and followed up on details of the visit by the UH Cheer team and Hawaiian Airlines Serenaders. The cheerleaders will make lei with the patients.
 - Provided social media messaging to UH Athletics Director of Media Relations Derek Inouchi to post ahead of the game. (Aug. 19)
- Laniakea Beach
 - Met with Sen. Gil Riviere, Rep. Sean Quinlan and Honolulu City Councilmember Heidi Tsuneyoshi regarding possible solutions to the traffic situation on O'ahu's North Shore. (Aug. 6)
 - Connected Sen. Gil Riviere with O'ahu Visitors Bureau Executive Director Noelani Schilling-Wheeler regarding vans and tour buses stopping unsafely along the road on the North Shore. (Aug. 9)
- Hawai'i Food and Wine Festival: Spoke with CEO Denise Yamaguchi about having Chefs Roy Yamaguchi and Alan Wong do a video on social media mentioning that tourism dollars are helping to support the festival. (Aug. 6)
- Chaney Brooks: Referred Takako to HVCB and Hawai'i Tourism Japan regarding her inquiry about a promotional video of Hawai'i in Japanese. (Aug. 12)
- Maui Marathon: Responded to request for guidance in distributing race information and video to the media. (Aug. 13)
- Hawai'i Five-O: Received request from Ali Lanza in the show's props department for an old agricultural form for visitors to use during a scene on a plane that takes place in the 1980s. JC and MCC provided a scanned copy of a form from 1993. (Aug. 14)

- Queen Lili'uokalani Long Distance Outrigger Canoe Race: Requested images for HTA's social media. (Aug. 15)
- Duke's OceanFest: Requested event images for HTA's social media. (Aug. 16)
- Los Angeles Rams: Coordinated with McKinley High School Principal Ron Okamura and football team quarterback Alexandria Buchanan to do the coin toss at the game. (Aug. 17)
- News-O-Matic: Provided editor Ryan Cramer with a brief message about what makes Hawai'i special. (Aug. 19)
- DBEDT: Drafted HTA's section for DBEDT's FY2019 Annual Report, regarding HTA's mission, past year achievements and current fiscal year plans. (Aug. 26)
- Responded to Cindy McMillan, Governor Ige's Director of Communications, regarding the number of flights to Hawai'i. Provided CT input. (Aug. 26)
- AVP Hawai'i Open
 - Emailed information about the Kauai AVP clinic to Rep. James Tokioka, Rep. Nadine Nakamura, Rep. Dee Morikawa, Sen. Ron Kouchi. (Aug. 26)
 - Emailed information about the Maui AVP clinics to Sen. Rosalyn Baker, Sen. Kalani English, Sen. Gil Keith-Agaran, Rep. Lynn DeCoite, Rep. Troy Hashimoto, Rep. Angus McKelvey, Rep. Tina Wildberger, Rep. Justin Woodson, Rep. Kyle Yamashita. (Aug. 26)
 - Emailed information about the Oahu (Honolulu) AVP clinic to Rep. Della Au Belatti, Rep. Burt Kobayashi, Rep. Scott Nishimoto, Rep. Scott Saiki, Sen. Sharon Moriwaki, and Sen. Brian Taniguchi.
 - Edited AVP media advisory, "AVP Hawai'i Open Presented by Hawai'i Tourism". (Aug. 30)
- Capitol Connection: Responded to Cindy McMillan regarding input/opinion on the newsletter. (Aug. 27)
- XTERRA World Championships: Distributed event invitation to HTA Board members, Sen. Wakai and Rep. Onishi. (Aug. 27)
- JCB World Conference: Drafted CT remarks for the 16th JCB World Conference's farewell party. (Aug. 29)
- Customer Service and Professional Tour Guide Certification Programs: Created e-blast on the upcoming training programs for the Customer Service and Professional Tour Guide Certification Programs at UH Maui College and Kaua'i Community College and sent to the HTA distribution list. (Aug. 29)
- Japan Hawai'i Travel Association: Provided CT talking points as a panel speaker for the annual seminar. (Aug. 29)
- Congressman Ed Case: Forwarded email from staff assistant Asami Kobayashi regarding Congressman Case's tour helicopter legislation to HTA Board members, Sen. Wakai and Rep. Onishi. (Aug. 30)
- Kuleana Campaign

- Reached out to Spectrum Hawai'i to inquire about public service announcements (PSAs) on the Kuleana Campaign videos. (Aug. 30)
- Reached out to KITV to inquire about PSAs on the Kuleana Campaign videos. (Aug. 30)

Social Media Posts on HTA's Facebook Page

- Aug. 1: Post on the Na Pali Challenge. **Total Reach 2,216 | Total Reactions 217**
- Aug. 1: Post on Gov. Ige presenting a green event award to HTA's Global Tourism Summit. **Total Reach 599 | Total Reactions 37**
- Aug. 7: Post on the Hawaiian Slack Key Guitar Festival "Waikiki Style." **Total Reach 764 | Total Reactions 57**
- Aug. 8: Post sharing Maui Nui Botanical Gardens' La 'Ulu 2019 craft vendors. **Total Reach 595 | Total Reactions 21**
- Aug. 9: Post sharing an article about a woman who specializes in ancient trails and how tourism dollars are helping to pay for assessments of Hawai'i's hiking trails. **Total Reach 693 | Total Reactions 20**
- Aug. 9: Post on the Honolulu Rainbow Film Festival. **Total Reach 757 | Total Reactions 42**
- Aug. 10: Post on Sunset on the Beach. **Total Reach 209 | Total Reactions 11**
- Aug. 10: Post on the Korean Festival. **Total Reach 1,194 | Total Reactions 102**
- Aug. 10: Post sharing on the Honolulu Rainbow Film Festival thanking Hawai'i Tourism. **Total Reach 716 | Total Reactions 24**
- Aug. 12: Post sharing the KHON story on Alexandria Buchanan ahead of the Rams vs Cowboys game coin toss. **Total Reach 643 | Total Reactions 20**
- Aug. 13: Post reminding fans attending the Rams vs Cowboys game about mobile ticketing and the NFL's clear bag policy. **Total Reach 1,140 | Total Reactions 114**
- Aug. 14: Post on the Emma Farden Sharpe Hula Festival. **Total Reach 896 | Total Reactions 68**
- Aug. 15: Post on the HTA staff getting into the football spirit ahead of the Rams vs Cowboys game. **Total Reach 719 | Total Reactions 83**
- Aug. 15: Post sharing the Honolulu Police Department and Aloha Stadium's advisory about traffic on Rams game day. **Total Reach 507 | Total Reactions 14**
- Aug. 16: Post sharing the KHON story on Brad Myers, a former Rams player who lives in Makaha. **Total Reach 450 | Total Reactions 8**
- Aug. 17: Post from the Rams vs Cowboys game. **Total Reach 252 | Total Reactions 17**
- Aug. 17: Post sharing the Los Angeles Times article about how L.A. teams heading to Hawai'i to train and play games is the new normal. **Total Reach 547 | Total Reactions 17**
- Aug. 18: Post sharing the AVP Pro Beach Volleyball Tour and a look ahead to the AVP Hawai'i Open. **Total Reach 386 | Total Reactions 7**
- Aug. 19: Post on Duke's OceanFest. **Total Reach 975 | Total Reactions 83**

- Aug. 19: Video post sharing on Duke's OceanFest. **Total Reach** 433 | **Total Reactions** 21
- Aug. 19: Post on the Laysan albatross chicks that have fledged the nest at Kahuku Point. **Total Reach** 1,512 | **Total Reactions** 135
- Aug. 19: Post on Duke's OceanFest. **Total Reach** 975 | **Total Reactions** 83
- Aug. 20: Post sharing Hawaii News Now's story about tourism officials hoping to woo more NFL play to Hawai'i. **Total Reach** 169 | **Total Reactions** 7
- Aug. 20: Post on the Queen Lili'uokalani Long Distance Canoe Race. **Total Reach** 1,560 | **Total Reactions** 174
- Aug. 21: Post sharing on Duke's OceanFest thanking Hawai'i Tourism. **Total Reach** 560 | **Total Reactions** 30
- Aug. 21: Post on AVPFirst's youth clinics on Maui. **Total Reach** 1,562 | **Total Reactions** 119
- Aug. 23: Post sharing Hawaii Business Magazine's Talk Story article about Chris Tatum. **Total Reach** 404 | **Total Reactions** 26
- Aug. 24: Post sharing Hawaii Business News' article on the Hawai'i Ag Foundation launching its Young Entrepreneurs Program. **Total Reach** 524 | **Total Reactions** 9
- Aug. 26: Post sharing AVPFirst's youth clinics on Kaua'i. **Total Reach** 350 | **Total Reactions** 21
- Aug. 26: Post sharing The Garden Island newspaper's article on AVP holding clinics. **Total Reach** 349 | **Total Reactions** 3
- Aug. 26: Post on the Aloha Festivals – Royal Court Investiture. **Total Reach** 310 | **Total Reactions** 36
- Aug. 27: Post promoting ANA Honolulu Music Week. **Total Reach** 537 | **Total Reactions** 22
- Aug. 28: Post on the Okinawan Festival. **Total Reach** 798 | **Total Reactions** 81
- Aug. 28: Post sharing the Honolulu Star-Advertiser's story about the reopening of the USS Arizona Memorial. **Total Reach** 430 | **Total Reactions** 14
- Aug. 28: Post sharing Duke's OceanFest thanking Hawai'i Tourism on the final day of the festival. **Total Reach** 445 | **Total Reactions** 25
- Aug. 28: Post sharing AVPFirst's clinic at Spalding Clubhouse in Honolulu **Total Reach** 418 | **Total Reactions** 24
- Aug. 29: Post on the Japan Hawai'i Travel Association's panel discussion featuring Sen. Glenn Wakai, Rep. Richard Onishi, CT, and Mufi Hannemann. **Total Reach** 503 | **Total Reactions** 18
- Aug. 29: Post sharing AVPFirst's clinic at the Boys and Girls Club in Wai'anae. **Total Reach** 369 | **Total Reactions** 8
- Aug. 30: Post on UH Maui College's training program for the Certificate for Customer Service in Hawai'i. **Total Reach** 277 | **Total Reactions** 8
- Aug. 30: Post on Kaua'i Community College's training program for the Certificate for Customer Service in Hawai'i. **Total Reach** 323 | **Total Reactions** 7

- Aug. 30: Post on UH Maui College's training program for the Certification for Hawai'i Professional Tour Guides. **Total Reach** 475 | **Total Reactions** 15
- Aug. 30: Post sharing AVPFirst's clinic at the Windward Boys and Girls Club. **Total Reach** 492 | **Total Reactions** 19
- Aug. 31: Post on the Kaua'i Marathon and Half Marathon. **Total Reach** 791 | **Total Reactions** 60
- Aug. 31: Post on the Okinawan Festival. **Total Reach** 889 | **Total Reactions** 75
- Aug. 31: Video post on the Okinawan Festival. **Total Reach** 262 | **Total Reactions** 8

Social Media Posts on HTA's Instagram Page

- Aug. 1: Post on the Na Pali Challenge.
- Aug. 7: Post on the Hawaiian Slack Key Guitar Festival "Waikiki Style."
- Aug. 9: Post on the Honolulu Rainbow Film Festival.
- Aug. 10: Post on Sunset on the Beach.
- Aug. 14: Post on the Rams vs Cowboys game reminding fans about mobile ticketing and the NFL's clear bag policy.
- Aug. 17: Post from the Rams vs Cowboys game.
- Aug. 19: Post on Duke's OceanFest.
- Aug. 20: Post on the Queen Lili'uokalani Long Distance Canoe Race.
- Aug. 21: Post on the Emma Farden Sharpe Hula Festival.
- Aug. 26: Post on the Aloha Festivals – Royal Court Investiture.
- Aug. 28: Post on the Okinawan Festival.
- Aug. 31: Post on the Kaua'i Marathon and Half Marathon.

Social Media Posts on HTA's Twitter Page

- Aug. 1: Post on the Na Pali Challenge.
- Aug. 7: Post on the Hawaiian Slack Key Guitar Festival "Waikiki Style."
- Aug. 9: Post on the Honolulu Rainbow Film Festival.
- Aug. 10: Post on Sunset on the Beach.
- Aug. 10: Post on the Korean Festival.
- Aug. 14: Post on the Rams vs Cowboys game reminding fans about mobile ticketing and the NFL's clear bag policy.
- Aug. 14: Post on the Emma Farden Sharpe Hula Festival.
- Aug. 19: Post on Duke's OceanFest.
- Aug. 20: Post on the Queen Lili'uokalani Long Distance Canoe Race.

- Aug. 25: Retweet post on ANA Honolulu Music Week.
- Aug. 26: Post on the Aloha Festivals – Royal Court Investiture.
- Aug. 31: Post on the Okinawan Festival.
- Aug. 31: Post on the Kaua‘i Marathon and Half Marathon.

Communications Strategy

- Evaluated the applications for the request for qualifications (RFQ no. 20-12) for producer/writer services to help create a series of video stories on Community Enrichment, Aloha ‘Āina, and Kūkulu Ola programs that HTA funds. Stories will be placed on HTA’s YouTube page and promoted on social media. (Aug. 8)
- Evaluated the applications for the request for qualifications (RFQ no. 20-11) for videographer/editor services to help create a series of video stories on Community Enrichment, Aloha ‘Āina, and Kūkulu Ola programs that HTA funds. Stories will be placed on HTA’s YouTube page and promoted on social media. (Aug. 8)

HTA Initiatives

- Served on the committee that evaluated RFP applications for HTA’s Community Enrichment Program – O‘ahu. (Aug. 1)
- Served on the committee that evaluated RFP applications for HTA’s Community Enrichment Program – Statewide. (Aug. 1)
- Served on the committee that evaluated RFP applications for HTA’s Community Enrichment Program – Maui. (Aug. 5)
- Fall Tourism Update
 - Responded to Michael Obisami, managing director of Treasure Park International Services Limited, a travel and tourism company in Nigeria, who inquired about the Global Tourism Summit. Advised him about the change to the Fall Tourism Update and provided the save-the-date. (Aug. 16)
 - Edited session descriptions. (Aug. 29)
 - Proposed topic and speakers for a Sustainable Tourism breakout session, and sent invitations to Jerry Dolak of HHVISA, Karen Rose of VASH, and Hawai‘i Island Police Dept. Chief Paul Ferreira (Aug. 29)

Internal Communications

- Storm Watch
 - Updated HTA staff and GMTs about approaching storms Erick and Flossie. (July 28 – Aug. 5)
 - Participated in daily conference calls hosted by the Hawai‘i Emergency Management Agency (HI-EMA). (July 28 – Aug. 5)
 - Created and updated the Alert Page on HTA’s website and distributed e-blast to industry stakeholders. (July 31 – Aug. 5)
 - Updated staff and GMTs about the typhoon in Japan, which led to some flight cancellations and delays to Hawai‘i. (Aug. 14)

Strategic Plan

- Met with John Knox & Associates to provide input on HTA's Strategic Plan. (Aug. 8 & 19)
- Participated in Strategic Plan Investigative Committee meetings. (Aug. 22 & 23)

Tourism Marketing Plan

- Reviewed and provided edits to HTA's 2020 tourism marketing plan. (Aug. 14)

International News Bureau

• Media and Public Assistance

- Japan
 - Responded to Saori Sato of UH on behalf of Ms. Tokuyama from Kansai University. Saori wanted to conduct an interview for their research. Minami Aoki and Jadie Goo (JG) met with them on HTA's behalf. (Aug. 1)
 - Responded to Kaz Kobayashi, a visitor who shared his troubles in booking a vacation rental in Hawai'i. Informed him about the new city law targeting illegal vacation rentals and sent him a link on how to report suspected illegal vacation rentals. (Aug. 25)
- China: Responded to sales pitch from Lilian Tong Li of Agility Research & Strategy. Referred her to KH and JG, who forwarded the request to Hawai'i Tourism China. (Aug. 7)
- French Polynesia: Responded to social influencer and blogger Basil of @Fortlontain. Declined partnership opportunity and provided GoHawaii.com website. (Aug. 12)
- Germany: Responded to request for Hawai'i footage from Theresa Thoma of German travel shopping TV channel Sonnenklar TV. Referred her to HTA's Knowledge Bank/Barberstock. (Aug. 22)
- Italy: Responded to journalist Irene Righetti, a special contributor for Runner's World Italy, who requested complimentary room accommodations. Referred her to Laci Goshi to review with Hawai'i Tourism Europe. (Aug. 29)
- Canada: Responded to a WestJet Vacations product manager about how visitor spending is obtained for visitor statistics. Referred to JC. (Aug. 29)

B. Research and Planning

The Tourism Research Division (TRD) issued the visitor statistics for the first seven months of 2019 and month of July on August 29, 2019, which included monthly arrivals by country, category expenditures for major markets, and monthly visitor characteristics for each major market area.

TRD posted the Air Seat Outlook data tables for September through November 2019 and Airline Seat Capacity forecast for Q3 2019 to the Infrastructure Research section of the HTA website.

State, major market and island fact sheets were updated with the July 2019 data and posted to the HTA Board of Directors site. State and market fact sheets were published on the website.

TRD issued the Hawai'i Hotel Performance Report for the first seven months of 2019 and month of July on August 20, 2019. The report and related June 2019 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 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.

TRD is participating in the redesign process for the HawaiiTourismAuthority.org website.

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
- Island of Hawai'i visitor spending and arrival data 2017-June 2019, for AFAR Magazine.
- 2019 updated cruise estimates, for DBEDT.
- 2016 visitor participation in golf by travel companion by island, for HVCB.

Update of the 2020 Tourism Strategic Plan

The Strategic Planning Investigative Committee (SPICOM) met from August 22-23 to review and provide input to the strategic plan's four pillars (Brand Marketing, Community, Hawaiian Culture, and Natural Resources) and their goals, objectives and measures. Currently, John Knox & Associates are setting up and interviewing 40 stakeholders to review and provide feedback to the draft write up of the pillars. The SPICOM will meet in October to review and discuss the responses from the stakeholder interviews and begin to finalize the draft plan. The 2020-2025 Tourism Strategic Plan is scheduled to be approved by the HTA board at its December 2019 meeting.

C. Career Development

University of Hawai'i – Kapi'olani Community College

University of Hawai'i - Kapi'olani Community College and its sister community colleges on the neighbor islands will offer the Certificate for Customer Service in Hawai'i Training Program and Certification for Hawai'i's Professional Tour Guides for the Fall 2019. HTA is assisting with support of 50% of student class fees (with the employer paying the other 50%). Below is the schedule of courses:

- Sept 5 – Dec. 5: University of Hawai'i – Maui College
- Sept 24 – Nov. 19: University of Hawai'i – Kapi'olani Community College

Dates on Kaua'i have been postponed and dates for Hawai'i Island are pending.

D. Educational Workshops

Growing Success III - 2019 Hawai'i Capacity Building Workshops

HTA, in partnership with the International Festivals and Events Association, is conducting all-day workshops on O'ahu (October 15), Maui (October 16), Kaua'i (October 17) and Hawai'i Island (October 18). These workshops are targeted to festivals and event planners, and are geared toward enhancing the success of their events/projects in the areas of revenue generation, developing successful volunteer programs, succession planning, risk management and event safety. The registration fee is \$35, which includes continental breakfast and lunch. The deadline to register is October 4, 2019.

To register visit: hawaii-tourism-authority.ticketleap.com

Ho'ola Na Pua

HTA has contracted with Ho'ola Na Pua to conduct four workshops across the state of Hawai'i to train and educate the visitor industry, particularly the hotel industry, on the topic of sex trafficking. By participating in the workshop, attendees will be able to know the signs of illegal acts of trafficking so that it can be appropriately identified and reported. The 2019 workshop dates are: November 4 (O'ahu), November 5 (Maui), November 6 (Hawai'i Island), and November 7 (Kaua'i). Exact workshop locations are being finalized.

IV. STRATEGIC OVERSIGHT AND GOVERNANCE

Contracts List

A list of contracts executed in the month of July is attached.

V. SUPPORTING REPORTS AND COMMUNICATIONS

Hawai'i Tourism United States 2019 MONTHLY LEISURE MARKETING REPORT – August

Market Intelligence/Market Conditions

Economy

- According to advanced estimates, the US economy grew by an annualized 2.1 percent in the second quarter of 2019, beating market expectations of 1.8 percent and following a 3.1 percent expansion in the previous three-month period. Household consumption and government spending increased at faster rates, while a slump in exports and a smaller inventory build made a negative contribution to growth.
- After a sharp decline in June, driven by an escalation in trade and tariff tensions, Consumer Confidence rebounded in July to its highest level this year,” said Lynn Franco, Senior Director of Economic Indicators at The Conference Board. “Consumers are once again optimistic about current and prospective business and labor market conditions. In addition, their expectations regarding their financial outlook also improved. These high levels of confidence should continue to support robust spending in the near-term despite slower growth in GDP.”
- The Conference Board *Consumer Confidence Index*® rebounded in July, following a decrease in June. The Index now stands at 135.7 (1985=100), up from 124.3 in June.
- The *Present Situation Index* – based on consumers’ assessment of current business and labor market conditions – increased from 164.3 to 170.9.
- The *Expectations Index* – based on consumers’ short-term outlook for income, business and labor market conditions – increased from 97.6 last month to 112.2 this month, according to *Conference Board Consumer Confidence Index*®.

Outbound Travel Market

- Wholesalers have communicated a softer September, October and November up until Thanksgiving, but are seeing an increase in pace for the holiday and winter season.

Competitive Environment

- The battle for share of visitation as well as share of wallet will continue to intensify, fed by continued growth in the global travel and tourism. As reported by the World Travel and Tourism Council (WTTC), the industry grew from US \$6.03 trillion in 2006 to US \$8.27 trillion by 2017, growing at a compound annual growth rate (CAGR) of 2.9 percent. Contributing to the increase in global travel is the rise in middle class population, the rise in travel by Millennials compared to other generations, increased awareness of travel destinations among youth, growth in social media networks, and a decrease in cost of air travel.

Consumer Trends

- There is growing consumer awareness and concern over the environment and cultural and resource sustainability. Traveling responsibly means leaving the world a better place and, more and more, travelers are looking for experiences that support local cultures and protection of the environment. There is a significant growth in travel providers to this end.

Travel Trends

- Domestic leisure travel extended its growth trend in June (+3.8%), on par with its six-month trend. The business segment faltered, declining -0.2 percent following the appearance of strong growth in May (+3.4%).
- Domestic travel demand increased +2.6 percent in June, solely supported by the leisure segment growth. Business travel demand fell modestly (-0.2%) as it did in April, drawing the 6-month moving average down to +2.2 percent. Looking ahead, leisure travel is anticipated to continue growing, albeit at approximately half its current pace. Vacation intentions are gradually slowing, while forward-looking bookings and searches point to resilient, yet softer growth. Americans are planning to spend more on their summer vacations this year than they have in at least a decade.
- The total spend will cross the \$100 billion mark for the third consecutive year in the index's history, amounting to \$101.7 billion. Although YOY growth in total spending has plateaued, spending per traveler is up. Americans' average anticipated spend on vacations this summer is \$2,037, topping \$2,000 for the first time since 2010 when the survey started tracking spending, and marking a +5.2 percent increase over last year.

Media Trends

- *Facebook* may be removing "Likes" too. *Instagram* is already testing something similar in seven countries. Instead of showing the total number of Likes for a post, it displays the names of just a few mutual friends who have Liked it. *Facebook* has confirmed that it is considering a test to remove Like counts, though this isn't live for any users yet.
- *Instagram* is developing a separate messaging app called Threads. Threads has in some ways become *Instagram's* product development template and will focus on building a stronger, more constant connection between smaller, enclosed groups, like *Snapchat* does. A key element is an automatic sharing option whereby Threads regularly updates user status and provides a real-time view of location, speed, and more.

Airlift

- The U.S. domestic carriers to Hawai'i operate a slightly reduced schedule between Labor Day and Thanksgiving holidays. U.S. non-stop seats for September are 711,805, a +3.6 percent increase over 2018. October and November are 760,879, and 759,747, respectively, with a +8.5 percent and +7.7 percent increase over 2018.
- The grounding of Boeing MAX aircraft has been extended through the end of the year by all U.S. domestic carriers as well as Air Canada and WestJet. This could result in reductions of some additional planned seats during the holiday season. HTUSA continues to monitor this closely.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

HTUSA continues to monitor conditions behind the slowing growth in travel to Hawai'i as well as the impact of O'ahu's new crackdown on illegal vacation rentals which went into effect August 1. The latter may have a dampening effect on overall visitation.

Leisure Activity Update

Consumer

- On-line

Digital Campaign August Estimates – Estimated Impressions Per Island

PARTNERS	Central	OVB	MVB	KVB	IHVB	LVB	DMVB
Zefr	-	678,506	1,038,943	808,802	1,196,541	299,095	299,119
Trip Advisor	-	448,891	340,173	564,507	705,345	103,291	103,291
Programmatic	-	1,989,049	3,730,571	2,252,430	2,705,126	208,130	208,130
Search	-	6,321	14,234	15,689	13,642	6,531	6,531
Reddit	-	9,887	16,817	13,514	13,518	1,258	807
Facebook	5,926,567	1,057,591	689,331	613,716	1,518,602	292,715	290,819
Instagram	4,070,264	-	-	-	-	-	-
Total	9,996,831	4,190,245	5,830,069	4,268,658	6,152,774	911,020	908,697

- In August, HTUSA continued the *Hawai'i Rooted* video series which featured Chef Isaac Bancaco through an adapted *Facebook* mini-story, as well as *Instagram* teaser ads.
- PGA TOUR Golf Marketing. A digital media program continued in August to extend Hawai'i golf messaging beyond the primary Q4-Q1 *Aloha Season* Hawai'i golf tournament window. Animated banners rotated on the leaderboard and scorecard pages of *pgatour.com* throughout the tournament media flight (May 29-Aug 26), reinforcing a connection for Hawai'i with tournament winners who have qualified to play at Sentry Tournament of Champions on Maui in January. The program also included a cooperative marketing element with MVCB and partner golf courses.

Travel Trade

- Paid trade media - August
 - *Travel Agent Academy* (travAlliance), enewsletter (Affiliate Link), Aug. 27

Public Relations

- HTUSA
 - HVCB provided travel assistance to *Forbes* travel writer, Sherrie Nachman, visiting Lāna'i and O'ahu. Her stay is expected to generate luxury upscale pieces on spa and wellness offered in Hawai'i. HVCB PR team connected and coordinated experiences for Sherrie that allowed her to gather a sense of Hawaiian perspective on wellness. In addition, she also received luxury spa experiences at Four Seasons Lāna'i, Four Seasons O'ahu and Halekūlani Waikīkī.
- KVB

- Kaua'i was featured in the following media:
 - *Los Angeles Times* (23,975,350 uvpm; circ. 417,936). Four stories published in the month of August.
 - “A big storm hit Kauai, spawning another issue: Are tourists wrecking the island?”
 - “In danger of being overrun, some places are trying to manage tourism. Here’s how.”
 - “Putting limits on sites. Locales ration access, levy fines to preserve attractions for residents and future generations”
 - “Escapes: Can Kauai be saved from its own success?”
 - Liaised with 25 media in August.
- OVB
 - O’ahu was featured in:
 - *RD* (3,514,052 uvpm). Coverage resulted from Ramsey Qubein’s participation in the Hawai’i Rooted Press Trip in March 2019. His article “15 Most Overrated Tourist Attractions in the United States” highlights Waimea Bay and Turtle Bay Resort.
 - *Thrillist* (11,511,314 uvpm). Coverage was a result of an individual media visit by Mai Pham in October 2018. Her article, “The 28 Best Vietnamese Restaurants in America,” features The Pig & The Lady.
 - *LA Times* (23,904,510 uvpm) Coverage resulted from requested media assistance by Jay Jones in June 2019. His article, “Take a look at Honolulu’s \$5,000-a-night, game-changing hotel: 9 floors, 9 suites,” features ESPACIO, Halepuna Waikīkī, Honolulu Museum of Art, Renew and White Sands Hotel.
- MVCB
 - Maui was featured in the following publications and websites:
 - *Yahoo! Lifestyle* (700,000,000 uvpm), “The Best Beaches in Hawaii”
 - *AFAR* (836,910 uvpm), “Keys to a BMW? Free Museum Tickets? The Best Hidden Hotel Perks”
 - San Francisco “Foodie Call” with ABC7 KGO-TV. MVB collaborated with three Maui chefs representing Donut Dynamite, The Mill House and Westin Maui Resort & Spa to film a 30-minute segment and three digital segments featuring local cuisine and Maui culture. Filming took place in San Francisco. Digital segments will post, and TV program will air in November 2019.
 - Liaised with 13 media in August.
- IHVB
 - The island of Hawai’i was featured in:
 - *West Hawaii Today* (circ. 7976; 185,954 uvpm), “Visitor number recovering: June arrivals up in West Hawaii,” resulted from interview with R. Birch in July 2019.
 - *Departures* (466,379 uvpm), “The Best way to See Stars on the Big Island in Hawaii Without Visiting Maunakea,” after hosting Ross Kenneth Urken in Feb. 2019.
 - *Instinct Magazine* (1,153,596 uvpm), “Travel Thursday: Kona Pride Will Light Up The Island of Hawaii. Will You Be On The Guest List?” as a result of hosting JR Pratts in July 2019.
 - Liaised with 20 media in August.

Sales Activities

Sales Calls, Trade Shows, Training Events

	Airline	Wholesaler/TA/TO/OTA	Other	Total
HTUSA	1	17	0	18
KVB	1	5	0	6

OVB	1	5	0	6
MVCB	0	2	0	2
IHVB	1	1	2	4

Summary of Key Sales Activities

- HTUSA
 - For the month of August, the HTUSA regional team conducted a total of 18 educational/training events, including 6 trade shows, and had the opportunity to meet with or present to more than 1,756 travel advisors.
 - HTUSA provided destination training and showcased the authentic culture of Hawai'i during the leisure sales blitz, Aug. 19-22, in Bloomington, MN; Atlanta, GA; Houston, TX and Dallas, TX. HTUSA certified 160 advisors throughout the week in the Hawai'i Destination Specialist Training. Island Chapter workshops provided an additional 137 advisors with island-specific updates. In addition to education and destination updates, the blitz events focused on the culture of Hawai'i and responsible tourism. Overall, 322 travel advisors attended the series of events. Special guest Kumu Hula Leinā'ala Jardin addressed the travel advisors each evening, sharing the cultural significance of *hula* and featuring her dancers from Hālau Ka Lei Mokihana o Leinā'ala in both *kahiko* and *auana* performances. Suppliers also shared product updates through a trade show and stage presentations. Hawai'i partners included Apple Leisure Group, Castle Resorts & Hotels, Delta Vacations, GOGO Worldwide Vacations, Hawaiian Hotels & Resorts, Koloa Landing Resort at Poipu, Marriott International – Hawai'i, Outrigger Hotels & Resorts, Pleasant Holidays, Polynesian Cultural Center, Sheraton Kaua'i Coconut Beach Resort and UnCruise Adventures.
 - HTUSA participated in Virtuoso Travel Week, Aug.10-16, in Las Vegas, NV, which included a destination presentation to 300 advisors and 306 appointments reaching more than 416 advisors. In addition, meetings were conducted with Virtuoso's marketing, content, professional development and event teams.
 - The Hawaiian Islands were awarded with ASTA's *Destination Partner of the Year* for 2019 at the ASTA Global Convention, Aug. 25-29, in Ft. Lauderdale, FL. HTUSA conducted a one-hour training session for 93 advisors and participated in a panel discussion focused on responsible tourism for 70 advisors. There were 100 advisors at the ASTA trade show.
 - Avoya Travel conducted their first ever Avoya Travel Land Forum, Aug. 27-29, in Ft. Lauderdale, FL, drawing 100 travel advisors from their independent agencies in the Avoya Network. HTUSA was a sponsor and participated in a trade show, conducted a presentation to 100 advisors and a Hawai'i Destination Specialist Program to 75 advisors.
 - An estimated 500 travel advisors are anticipated to have taken one or more of the online educational modules available at agents.gohawaii.com for the month of August. The July monthly metrics report showed a total of 693 online graduates having earned either their Hawai'i Destination Specialist or Island Specialist (Kaua'i, Maui Nui, O'ahu or island of Hawai'i) certification.

Key Performance Indicators - Leisure Market

Consumer

Digital Campaign July Actuals – Estimated Impressions Per Island

PARTNERS	Central	OVB	MVB	KVB	IHVB	LVB	DMVB
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Zefr	-	832,929	1,434,759	1,054,107	1,190,428	58,717	71,352
Trip Advisor	-	564,184	1,441	229,603	436,352	409,653	93,232
Programmatic	-	1,093,818	3,501,958	2,634,825	2,270,817	301,331	321,279
Search	-	8,819	9,558	10,486	9,011	2,115	1,419
Reddit	-	0	763,403	0	771,681	0	63,589
Facebook	1,979,318	275,722	245,489	218,544	540,652	104,326	102,801
Instagram	2,247,596	-	-	-	-	-	-
Total	4,226,914	2,775,472	5,956,608	4,147,565	5,218,941	876,142	653,672

Public Relations

- Month-end impressions and publicity values for articles that included Hawai'i – July Results

Impressions and Publicity Values for July

JULY	Impressions	Publicity Values
Print	15,096,592	\$12,223,880
Online	98,494,764	\$26,660,454
Broadcast	98,494,764	\$3,602,343
Total	38,145,762,944	\$42,486,677

Brand Experience Update

- HTUSA
 - Ten locally sourced fish, and suggested dishes made with them, were featured in the August *Islands of Aloha Express* (IOAX) newsletter (200,000 consumers), along with small features on the Hawai'i Food and Wine Festival and the Okinawan Festival. Duke's OceanFest was featured in the Upcoming Events section in both the August IOAX and *E-xpressly for Travel Professionals* (EXTP) newsletter (120,000 travel professionals). Other events highlighted in the Events section included Po'ipū Food & Wine Festival, Sunset on the Beach, Lā 'Ulu Breadfruit Day and HawaiiCon.
 - In August, the travel trade team participated in trade shows and industry events while sharing overall destination information with 1,756 travel agents. The team highlighted major Hawai'i news, all-island updates including festivals and events, shared the Ma'ema'e Hawaiian Cultural Tool Kit and promoted the *gohawaii.com* app. Many presentations included specific island of Hawai'i updates for the island of Hawai'i recovery initiative.
 - Delivered media assets for HTA-supported events and initiatives.
 - Los Angeles Rams sponsorship. Continued to provide direction and review media/exposure assets on behalf of HTA for the LA Rams sponsorship and game.

- Los Angeles Clippers. Provided marketing assets, including in-arena exposure/TV-visible signage, digital content and social direction on behalf of HTA for the Los Angeles Clippers sponsorship.
 - Ironman. Continued to provide assets and review media/exposure on behalf of HTA for Ironman.
 - LOTTE Championship. Reviewed media/exposure on behalf of HTA for the LOTTE Championship (LPGA golf).
 - Kona Coffee Cultural Festival. Included a print ad for their program guide.
- KVB
 - Continually promoted Signature and Community Enrichment Programs (CEP) by including a slide about key Kaua'i festivals and events in all presentations.
 - Promoted and supported HTA product enrichments during the month.
 - Discussions with agents and walk-in visitors included but was not limited to information about the following local events and festivals on the island, with mention of *kauaifestivals.com*:
 - Heiva I Kaua'i 2019
 - Kaua'i County Farm Bureau Fair
- OVB
 - Featured the following CEP, HTA Heritage Sites and Signature and Hawaiian Culture Events in its consumer, media and/or travel agent newsletters:
 - Aloha Festivals
 - Hawai'i Food & Wine Festival
 - Honolulu Pride Parade and Festival
 - Hawai'i International Film Festival
 - King Kamehameha Celebrations (2020)
 - Prince Lot Hula Festival (2020)
 - Promoted the following HTA Signature and CEP Events in social media channels and *TripAdvisor* tourism pages:
 - Bishop Museum Living Culture Series
 - Diamond Head (Lē'ahi) State Monument
 - Aloha Festivals
 - Hawai'i Food & Wine Festival
 - Honolulu Pride Parade and Festival
 - Hawai'i International Film Festival
 - King Kamehameha Celebrations (2020)
 - Prince Lot Hula Festival (2020)
- MVCB
 - Recommended visits to coincide with upcoming HTA sponsored events.
 - Recommended visits to cultural attractions and activities.
 - Promoted the following HTA Signature and CEP Events in correspondence, social media channels, and media visits to coincide whenever possible:
 - First Friday in Wailuku
 - Second Friday in Lāhainā
 - Third Friday in Makawao
 - Fourth Friday in Kīhei
 - Fifth Friday on Lāna'i
 - Lāna'i Farmers Market
 - Moloka'i Farmers Market, Kaunakakai

- Obon Dance & Festival Season
- IHVB
 - Promoted the following upcoming HTA Signature and CEP events during presentations, to walk-ins, in visitor correspondence and whenever possible:
 - Hilo Hula Tuesday at the Bandstand
 - Kōkua Kailua in Historic Kailua Village
 - Sisters of the Brush: Women Artists of Hawai'i, 1880-2000
 - Queen Lili'uokalani Long Distance Canoe Race
 - Kona Historical Society Hands on History at the Kona Coffee Living History Farm
 - Hula Arts at Kīlauea
 - Hawai'i Island Festival – 30 Days of Aloha
 - Run for Hope – Four Seasons Resort
 - Taste of the Hawaiian Range
 - Frankie Vallie & the Four Seasons
 - Kanikapila Nights
 - HawaiiCon 2019
 - 'Āina Fest
 - O Kā'ū Kakou 6th Annual Kā'ū Coffee Trail Run
 - Kona Coffee Cultural Festival

Island Chapters Engagement Update

- KVB
 - Hawai'i Tourism Europe (HTE)
 - Assisted, coordinated and arranged itinerary for two-day and five-day stays on Kaua'i for media FAMs, Aug. 21-25. Participants included a fixer, an HTE representative, a videographer, an influencer and her manager. KVB provided welcome amenities, airport *lei* greeting and hosted all accommodations, ground transfers and activities.
- OVB
 - Hawai'i Tourism Canada (HTCAN)
 - Conducted a travel agent training webinar on Aug. 8; 43 agents attended.
 - Hawai'i Tourism Europe (HTE)
 - Developed, sponsored and coordinated complete itinerary for the HTE's Influencer Media FAM/content development video project for five participants, social media influencers, Marie Fe and Jake Snow, one HTE escort, and two film crew, Aug. 26-29.
 - Hawai'i Tourism Taiwan (HTT)
 - Assisted with development of itinerary for the *Elle Taiwan* and *VogueMe* Media FAM, July 28-Aug. 2. Attendees included five media and three escorts.
- MVCB
 - Hawai'i Tourism Canada (HTCAN)
 - Hosted lei greeting and confirmed activities for Maui FAM, Aug. 10-13.
 - Hawai'i Tourism Europe (HTE)
 - Coordinated itinerary and hosted accommodations, activities and transportation for Share Aloha Campaign and Influencer FAM, Aug 18-21. Partners included Royal Lahaina Resort, Skyline Eco-Adventures, Maui Tropical Plantation and The Mill House.
 - Hawai'i Tourism Oceania (HTO)
 - Coordinated day trip to Moloka'i for Kalaupapa tour for Michael Gebicki, *Traveller*, Aug 26.

- Hosted Brand USA Maui FAM, Aug. 27-30. Provided airport *lei* greeting, ground transportation, activities, meals, site inspections, and B2B Event and Networking. Attendees included five product managers from Australia and New Zealand, a Brand USA host, a Hawaiian Airlines host, and an HTO manager/escort.
- International PR
 - Hosted snorkel sail for Jiyoung Kim, Digital Director, *Vogue Korea* and *Instagram* Influencer, and her husband/photographer, Aug. 20.
- IHVB
 - Hawai'i Tourism Europe (HTE)
 - Helped build itinerary for and assisted with the Social Influencer Campaign, Aug. 22-26. Participants included two influencers, their content developer, and two HTE representatives. Partners included The Fairmont Orchid Hawai'i, Anelakai Adventures, Epic Lava Tours, and UCC Hawai'i (Japanese coffee company).

“Coming Attractions” for Leisure Market

	What	When	Where
HTUSA	Individual Media Trip: Annie Daly (<i>AFAR, Travel + Leisure, SELF</i>)	Sept. 19-22, 25-28	Island of Hawai‘i, O‘ahu
	Culinary Press Media Trip	Oct. 16-22	Maui, O‘ahu
	Apple Vacations Tradeshow	Sept. 9	Chicago, IL
	E3 Classic Vacations Educational Event	Sept. 10-13	Cabo San Lucas, Mexico
	Signature Travel Network Owners Meeting	Sept. 11-14	Austin, TX
	Affluent Traveler Collection Symposium	Sept. 11-14	Dana Point, CA
	Apple Leisure Group Summit	Sept. 16-18	King of Prussia, PA
	Travel Industry Exchange	Sept. 18-20	New Orleans, LA
	Delta Vacations University	Sept. 21-22	Detroit, MI
	AAA MidAtlantic Hawai‘i Destination Specialist Training	Sept. 25	Baltimore, MD
	ASTA Small Business Network Conference	Sept. 29-Oct. 1	Aurora, CO
	ALG Hawai‘i Dinner Events	Oct. 15-17	Atlanta, GA; Baltimore, MD; Pittsburgh, PA
	NEST FEST	Oct. 15-19	Vancouver, BC, Canada
	Ensemble Travel Group Conference	Oct. 23-27	Seattle, WA
	CruiseWorld	Nov. 13-15	Fort Lauderdale, FL
KVB	Kaua‘i Master Specialist program	Sept. 9-14	Kaua‘i
	ASCEND Conference	Sept.16-18	Philadelphia
	Post ALG Summit Seminar	Sept.19	King of Prussia, PA
	Kaua‘i Master Specialist program	Oct.13-18	Kaua‘i
OVB	Secondary City Media Blitz	Sept. 9-13	Chicago, IL; Atlanta, GA; Washington, DC; Phoenix, AZ
	Mailpound Webinar	Sept. 12	
	Wedding Salon	Sept. 16	Washington D.C.
	Wedding Salon Post Sales Training	Sept. 17-20	Richman, VA; Baltimore, MD; Philadelphia, PA; New York, NY
	Mailpound Webinar	Oct. 7	
	Wedding Salon	Oct. 14	Los Angeles, CA
	Wedding Salon Post Sales Training	Oct. 15-19	SoCal Cities TBD
	Pleasant Holidays/Journese OMS FAM	Oct. 21-26	Honolulu, HI
	Destination Hawai‘i Pre-FAM	Nov. 1-5	Honolulu, HI
	Hawaiian Airlines FAM	Nov. 4-9	Honolulu, HI
	Sports & Outdoor Adventure Press Trip	Nov. 14 - 19	Honolulu, HI
	Mailpound Webinar	Nov. 21	

MVCB	Ho'olauna Maui Nui	Sept. 8-13	Des Moines, IA; Appleton, Green Bay, Middleton, Milwaukee, WI
	Maui Nui Signature Travel Master Specialist Program	Sept. 18-24	Maui, Moloka'i and Lāna'i
	Media Blitz	Oct. 7-11	Boston, MA; Minneapolis, MN, Washington, DC
IHVB	Island of Hawai'i on the Road	Sept. 14-25	Anaheim, San Diego, Costa Mesa, Westlake Village, San Jose, Sacramento, CA; Portland, OR; Seattle, WA
	Pleasant Holidays Travel Agent FAM	Sept. 17	Hawai'i Island
	Seattle Media Calls/Bus Tour	Sept. 23-26	Seattle, WA
	Master Specialist FAM (Ensemble)	Oct. 1-6	Hawai'i Island
	IHVB Media Blitz	Sept. 30-Oct 4	New York, NY
	New York Media Calls	Oct. 7-11	New York, NY
	Classic Vacations Travel Agent FAM	Oct. 9	Hawai'i Island
	Aloha Canada	Oct. 22-24	Toronto, Calgary, Vancouver
	Culture and Cuisine Mini Press Trip	Oct. 23-28	Hawai'i Island
	Master Specialist FAM (millennial)	Nov. 3-8	Hawai'i Island
	Mālama 'Āina Mini Press Trip	Nov. 11-16	Hawai'i Island
	Pleasant Holidays Travel Agent FAM	Nov. 15	Hawai'i Island

Hawai'i Tourism Japan

2019 MONTHLY LEISURE MARKETING REPORT – August

- **Market Intelligence/Market Conditions**

Economy

- Japanese government affirmed goals to raise minimum wage levels to 1,000 yen as soon as possible. To mitigate impacts on mid-small sized firms, sudden rises have been avoided and instead growth has been limited to 3% per year for the past four years. Minimum wages in 2019 were set to 901 yen.
- Japan's real GDP declined by 0.5% in July, after marking two consecutive months of growth despite unfavorable economic conditions. The Japan Center for Economic Research attributed the decline to rising imports leading to a shrinkage in external demand. Private sector demand however showed growth, and while individual consumption declined, it was offset by gains in factors such as capital spending and housing investments.

Outbound Travel Market

- The protests in Hong Kong are gathering global attention, prompting concerns for the destination to be viewed unfavorably. Numerous media reported on the occurrences, disseminating the situation to consumers. Closure of Hong Kong International Airport in August for two days also fueled negative impacts on travels during a Japanese high travel season known as Obon.
- Tensions between Japan and Korea continue as relationships between the two countries decline with impacts reaching the travel industry. Korea has been one of the most popular outbound destinations for Japanese travelers, but the negative perceptions, along with cancellation of flights may cause declines in travel to Korea.
- Studies conducted by Mastercard found that Japan has the 7th most outbound travelers globally. The most popular destinations for Japanese travelers were USA, followed by China and Taiwan.

Competitive Environment

- Tahiti's tourism authority launched a new digital campaign with the catchphrase of finding your own paradise. The campaign utilizes video contents of the various activities on each of the Tahitian islands to appeal to a wide range of audiences. Three overarching categories of adventure, culture and romance were established.
- Taiwan Tourism Bureau launched a passport campaign for millennials as part of millennial market initiatives. This is Taiwan's third phase of such campaigns targeting the millennial market and offers a discount for tour products to applicants.
- As Japan continues focus on inbound tourism, Kyoto Convention Bureau announced that international conferences held in the city reached record numbers for five years in a row. Over half of conventions were organized by foreign entities with the categories of art, culture and education being the most popular. The ICCA announced that Kyoto ranked 49th while Honolulu was at 180th.

Consumer Trends

- Studies are finding that younger consumers prefer experiences and are showing lesser demand for status symbols. For the travel industry, when millennial consumers travel via a specific "brand", a proportional return is expected for experiences. Consumption on travel from this segment is significant and promotions to the segment with experience-based activities will be important.

- JTB Research announced that of Japanese consumers, females in their 20s held the largest proportion of Japanese outbound travel at 35.3%. This is attributed to their frequent contact with foreign influences via SNS and every-day life, instigating desires to travel abroad. The integration of foreign influences is prompting favorable consumer views for travel.
- Dispersion of consumer values towards unique forms of happiness is making workations a viable option for Japanese consumers. It is most widely being adopted by consumers in their 30s, followed by those in their 20s, indicating its acceptance amongst the younger consumers.

Travel Trends

- Studies by Expedia Japan found that the concept of “bleisure” (business + leisure) was known by only 19% of Japanese consumers. Japanese people show tendencies to avoid acquiring paid time off with just 31% responding as wanting to try “bleisure” travels. The main reason for not wanting to try was the guilt that they would feel, indicating the need to change consumer perspectives while promoting “workation” in Hawai’i.
- Studies on family trips found that of families with children, close to half avoided traveling because they had children. The main reason they for avoiding travels were transportation, as 23.5% had a bad experience in the past. It may be necessary to promote a child-friendly environment for airlines to promote to this segment.
- The Japan Tourism Agency compiled information and sample initiatives from other countries to promote and implement sustainable tourism initiatives in Japan. Initiatives taken by foreign DMOs and overseas communities including the resident sentiment studies of HTA were included.

Media Trends

- Consumers are increasing consumption of media via audiobooks. This form of media allowing consumers to engage in other tasks while listening to contents is being viewed as appealing as it allows for efficient multitasking. Users of a popular audiobook distribution service, audiobook.jp have grown rapidly at an annual rate of 5 – 10%, indicating its growth in popularity.
- Studies on internet behavior found that of consumers planning to travel, the most popular travel-related sites were Jalan, followed by Rakuten Travel, Tripadvisor, ANA and JAL. Total number of page views to these sites however declined.

Airlift

- Delta Air Lines has been making significant cuts to flights serving Asian destinations from Narita as they prepare for the full shift of operations from Narita to Haneda Airport. With one slot allocated to Delta for a flight to Honolulu as well, price wars may occur from the market as a great increase in supply from Haneda is expected.
- Hawaiian Airlines received final approval from the US DoT for an additional direct flight service from Haneda to Honolulu. Hawaiian will have a leading 31 weekly nonstop flights between Japan and Hawai’i by implementation of the additional service from Haneda, from five Japanese airports to Honolulu and Kona.
- JAL launched a new AI chatbot program for customers of Hawai’i travels. The chatbot is called “Makana-chan” and offers users a natural conversation environment while offering the best deals to Hawai’i. Lowest rates for airfare, dynamic packages and JALPAK’s tour products can be prepared for terms up to three months in advance to enhance convenience for users.
- JAL and ANA have announced that fuel surcharge rates will be lowered to 12,000 yen from 17,000 yen for tickets issued from October. Other airlines are expected to follow suit as is typical.
- **Summary of Market Intelligence/Market Conditions as it Relates to Leisure Travel**

Millennial consumers have shown a rapid change in the way that they view and engage in travels. As opposed to traditional styles of prioritizing shopping and relaxing on vacations, a shift is being seen towards experiences and what you can gain from them. More consumers are viewing traveling as a part of their lives, with the term, “workation” becoming prevalent. Working from places with no restraints on time and place is leading to an enhancement in motivation while allowing for incorporation of ideas and stimuli from various destinations to be reflected. As the Japanese government continues to encourage citizens to acquire time off through its work reforms, the concept of “workations” is likely to continue spreading.

The overall travel trade market has been moving favorably. Although Delta and Scoot pulled service in May, ANA introduced their second Airbus A380, allowing for continued airlift stability. The implementation of airlines allowing reservations to be made a year in advanced is causing bookings to be made well in advance of trips, allowing for growth in booking paces of wholesalers. The 9-day holidays of the new year seasons are prompting many travel agencies to secure bookings for the season well in advance. For summer season charter flights, China Airlines remains the most popular operator, with flights planned from Tokyo, Sendai, Osaka and Hiroshima, but difficulty has been expressed in attracting customers for these flights as prices are significantly higher than scheduled services.

- **Leisure Activity Update**

Consumer

Hakken Hawaii (Discover Hawaii) Campaign

- The Hakken Hawai'i 15 second movie was broadcasted on Train Channel in a total of 9 lines in Tokyo, including major lines such as JR and the Metro lines. The movie was broadcasted from 8/5 – 8/11, allowing for views to reach 118,818,000.
- 11 exposures were recorded in August from the press tour held in May, with 808,374,576 total impressions. Of the exposures, women's magazine “anan” published a particularly effective 9-page special feature of Hawai'i, resulting in 579,716 impressions alone. “anan” also published the contents to their website with 34,000,000 PV, effectively expanding reach to their reader base, consisting mainly of women in their 20 – 40s. Exposures from the press tour will continue.
- The third series of the Hakken Hawai'i Hunter campaign for consumers started on 8/1, set to run through 11/30. Like the first and second phase, the campaign was arranged to collect consumer CRM data with a prize of a 4-island cruise trip to encourage participation.

Aloha Program

- Popular Japanese TV program focusing on Hawai'i, “Hawai'i ni Koishite” continued showcasing the Island of Hawai'i and promoted the Aloha Program through its weekly airtime to enhance branding initiatives. 159,315 impressions were recorded each week. HTJ aims to effectively promote the unique features of Hawai'i to audiences already displaying an interest in the destination.
- A webinar on the history of Hawai'i was conducted by Aloha Program curator Mr. David Asanuma on 8/17 for a total of 171 Hawai'i specialist attendees. Contents of the webinar covered major occurrences in Hawai'i before becoming a part of the USA.
- An Aloha Program Hawai'i specialist advanced-level seminar and test was held in Tokyo on 8/2, instructed by Mr. David Asanuma. A total of 43 members attended the event and passed the advanced-level test afterward.
- Collaborated with Hokkaido's FM North Wave to promote Hawaiian culture from August. The radio program on the station called “Island Breeze Hawai'i” created an Aloha Program section named “Ka Leo Aloha, Let's Enjoy Aloha Program”, where HTJ shares on Aloha Program

website columns, member benefits and Olelo Hawai'i. The section will be broadcasted twice a month, reaching 314,285 listeners each month.

Millennial Market Campaigns

- HTJ supported millennial ambassador program POOLO for their "Hawai'i Camp" attended by 35 millennials on 8/31 and 9/1 in Oahu to learn and experience sustainable tourism. Programs included presentations and panel discussions by local NPOs, a social gathering, and immersive experiences such as volunteer work at taro farms and fish ponds.
- The Ukulele Paina in Kanazawa event was held with the local Ukulele Hale group with 10 students and 27 junior orchestra members in Kanazawa. All participants worked together for 5 months to compose an original song written in Japanese, English and Hawaiian via Skype before performing together in Kanazawa. The group also visited a local pre-school to familiarize consumers of Kanazawa with Hawaiian culture through a ukulele performance.
- An educational inspection was carried out for 10 students from 5 high schools on the Island of Hawai'i. These students won the preliminary rounds of the HTJ supported Kanko Koshien competition, requiring schools to present on a topic from the viewpoint of a DMO. The theme was set as "An Island full of intellectual adventures; search for the potential of next-generation tourism on the Island of Hawai'i". The students visited the Island of Hawai'i from 8/22 – 8/25 to learn about the history, nature and cultural aspects of the Island. Sites visited included many spots including NELHA, Puukohola National Historic Site, Waipio valley and Hulihee Palace amongst other spots.

Romance Market Initiatives

- Out-of-home (OOH) ads and vertical digital signage stations in Nagoya station displayed new HTJ ads made for the "Romantic Hawai'i" initiative. The ads were displayed from 8/5 – 8/25, reaching approximately 6,736,602 consumers.
- The new Romantic Hawai'i ad videos were displayed via taxi signage in Tokyo from 8/12. Impressions will be reported when the romantic Hawai'i signage campaign finishes.

Travel Trade

Island of Hawai'i Promotion

- Many articles are being published from the Japan Summit on the Island of Hawai'i. Contents include the introduction of the contents of the summit, along with various interviews with HTA and HTJ. The appeals of the Island of Hawai'i, together with responsible tourism initiatives, HTA's strategic plans and information on current market situations were discussed, serving as a beneficial opportunity to promote visits and the recovery of visitors to the Island of Hawai'i.
- A new SNS campaign called "Shiritai Island of Hawai'i" (What do you want to learn about the Island of Hawai'i) was launched in collaboration with JAL, JTB and KNT. The concept of the campaign was to increase images and awareness of the Island of Hawai'i through SNS. 128 images have been posted with campaign page views reaching 4,262.
- Taxi signage advertisements for the Island of Hawai'i were continued on taxis throughout Tokyo, obtaining 703,421 impressions from 8/5 – 8/11.

Public Relations

During the month of August, HTJ received inquiries from 6 media entities. HTJ provided information on the Island of Hawai'i while effectively pitching the destination to ensure effective content creation. Information was also requested on promotions to the affluent market, whereby HTJ shared the various luxurious options offered. Main media types assisted in August were newspapers, magazines and TVs. HTJ will work to share information on surfing as it becomes

an official sport for the 2020 Olympic games, to raise interest in Hawai'i, along with continued sharing of responsible tourism initiatives.

Total media exposures in August was 24 exposures with 1,120,729,277 impressions and \$523,289.71 AVE.

Sales Activities

Airline	Wholesaler/TA/TO/OTA	Other	Total
6 companies 10 representatives	27 companies 45 representatives	42 companies 51 representatives	75 companies 106 representatives

Travel Trade Industry

- JTB continues exhibiting strong performance from their significant investment to Hawai'i through their GDC, allowing growth of 20 – 30%. This is causing difficulties for competitor agencies.
- FAM tours continued for JTB staff who have not experienced Hawai'i at their 400 retail outlets throughout Japan. JTB views this as an investment not only for their GDC but to continue effectively promoting Hawai'i past their 2019 GDC.
- The reduction of airlift from Kansai is causing difficulties relative to JTB. HIS mainly utilizes Air Asia X and JAL for products and is working to increase seats blocked on the carriers.
- ANA Sales made downward revisions to target package pax handled in 2019, reducing initial goals of 40,000 to 36,000. Although load factors have been strong in the summer period, they are beginning to be wary for performance from the Fall shoulder season. Initiatives will be enhanced towards regional city sales, which hold close to 60% of the seats booked on the aircraft.
- While traditional travel agencies dealing with package products struggles, those focusing on online sales such as Tabikobo have exhibited strong growth. Tabikobo has obtained 40% growth.
- HTJ worked with JATA to arrange a seminar and workshop in Hokkaido for 90 travel industry representatives. At the seminar, HTJ shared details on the expanding airlift in Tokyo for travel agencies to utilize, along with the direct flight service by Hawaiian Airlines.

Island of Hawai'i

- Load factors for direct flight services to Kona have been maintaining levels above 80% through October. Travel agencies are also reporting strong recovery in sales to the Island.
- Although the issue with the TMT has not been reported as much on media, inquiries from travel agencies have been growing. Contacts at travel agencies are being increasingly wary of the situation to impact travels should it continue to be prolonged.
- The glamping experiences at Westin Hapuna are currently only offered to customers of JAL, but after the official establishment of joint venture initiatives with Hawaiian Airlines, will be open to customers of both airlines, with potential to be expanded to all visitors.
- JTB Osaka introduced the Island of Hawai'i and Oahu on a popular morning TV show. The tour product sold via the TV program became highly popular, attracting over 500 pax.

Fukuoka

- Travel agencies in Fukuoka are starting to incorporate the direct flight service offered by Hawaiian Airlines. Agencies such as JTB and HIS who have blocked seats on the service are offering benefits such as time-specific discounts to proactively sell seats on the flight.

- Hankyu Travel has also begun newspaper ad campaigns and has attracted over 300 pax. Hankyu will continue to focus on shoulder seasons and offer heavily discounted products as incentives.
- The direct flight service not being daily poses difficulties in efficiently arranging itineraries. The industry remains hopeful for Hawaiian Airlines to increase flight frequency. Although the overall Fukuoka market hopes to leverage on this opportunity to increase market attention towards Hawai'i, relatively high prices make the destination harder to market to millennials.
- **Key Performance Indicators - Leisure Market**

N/A

V. Brand Experience Update

- A column was published on the allhawaii website introducing the points visitors should keep in mind when traveling from the Malama Hawai'i videos. Contents were republished by industry media Travel Vision with 1.32 million PV per month, effectively dispersing contents of the videos.
- Supported JHTA for their annual seminar to discuss the future of tourism in Hawai'i with panel discussions from industry leaders in Hawai'i.
- Shared on 2020 marketing initiatives, and new videos including the Share Aloha, Hawai'i Rooted and other promotional videos such as the Oahu attraction videos to a total of 32 partners at the 3rd quarter Japan Subcommittee, PR & Marketing and Attraction meetings.
- HTJ contributed to an interview segment on Japanese radio FM North Wave. HTJ introduced the Aloha Program's Ahupuaa Project along with Bishop Museum and Battleship Missouri as two places which offer benefits to Aloha Program members.

VI. Island Chapters Engagement Update

None to report for August.

VII. "Coming Attractions" for Leisure Market

What	When	Where
Aloha Program Members event & talk show	September 12	Tokyo
Hawai'i Association Osaka Meeting	September 13	Tokyo
HA x HTJ Kyushu Planning FAM	September 16 – 21	Island of Hawaii & Oahu
Japan Hawai'i Travel Association Meeting	September 19	Honolulu
RKB Fukuoka	September 21 – 24	Fukuoka
Hawaii Specialist Seminar at RKB Fukuoka	September 22	Fukuoka
Aloha Program Mr. Kondo's Tour	September 22	Honolulu
Tourism Expo	October 24 – 27	Osaka
Media Event	October 29	Tokyo

Hawai'i Tourism Canada

2019 Monthly Leisure Marketing Report – August

Market Intelligence/Market Conditions

Economy

The Canadian economy advanced 0.9 percent on quarter in the three months to June 2019, easing from a 0.1 percent expansion in the previous period. It was the strongest growth rate since the second quarter of 2017, as exports rose while domestic demand declined. Expressed at an annualized rate, real GDP expanded 3.7 percent in the second quarter, faster than a 0.5 percent growth in the first three months of the year and beating market forecasts of 3 percent.

Household spending growth slowed to 0.1 percent from 0.7 percent in the first quarter. Outlays on durable goods fell 0.3 percent, largely as a result of a 1.4 percent decline in purchases of vehicles. Outlays on semi-durable goods eased to 0.3 percent; those on non-durable goods edged down 0.1 percent, after a 0.8 percent rise and those on services advanced 0.3 percent, easing from a 0.5 percent gain.

Following five consecutive quarterly contractions, housing investment went up 1.4 percent, as increases in multi-dwelling investments and conversions led the growth in new home construction (+0.9 percent). Higher resale activities boosted growth in ownership transfer costs (+3.8 percent), while renovation activities increased 0.7 percent.

During the period, the average CAD/USD exchange rate was just \$0.75, a decline of -4.2 percent compared to 2018.

Outbound Travel Market

Canadians made 16.66 million overnight trips to the U.S. and other outbound destinations throughout the first half of 2019, an estimated increase of 1.6 per cent compared to the same period in 2018. Of this total, 12.9 million trips were for leisure purposes. During the period, overseas leisure travel increased 1.2 per cent, while trips to the U.S. grew an estimated 1.4 per cent. The first two months of the summer travel season saw Canadians take 4.96 million overnight outbound trips, compared to 4.84 million in 2018.

Canadians made an estimated 9.67 million overnight trips to the U.S. throughout the first half of 2019, compared to 9.47 million in 2018. During the period, overnight trips by automobile declined -2.6 per cent while travel by other modes grew 7.1 per cent² as direct air arrivals experienced increases. Almost all of the tracked destinations in Florida, California, Texas, Nevada and Hawai'i posted increases in direct air arrivals so far this year.

The first seven months of 2019, the State of Hawai'i saw 337 thousand visitors from Canada compared with almost 333 thousand during the same period in 2018. So far in 2019, there has been a 5.5% increase in direct arrivals, while indirect arrivals have declined -10.7%. The share of direct arrivals accounted for 77% of total visits during the period, up from 74% last year. On a monthly basis, year-over-year arrivals declined in three of the past seven months (Jan, May, and July).

Competitive Environment

There were 1.82 million Canadian arrivals in key destinations in the Asia/Pacific region throughout the first half of 2019, a slight increase (0.6%) compared to the previous year. During the period, Japan, Singapore and Australia saw the largest proportional increases in visitors, while arrivals in China, Hong Kong, and Sri Lanka declined. In addition, the first two months of the summer travel season recorded an overall drop in activity to the region, primarily due to fewer visitors to China and Hong Kong.

There were almost 3.5 million Canadian arrivals in destinations in Mexico, the Caribbean, and Central America throughout the first half of 2019, a year-over-year increase of 5.0 per cent. Of the larger volume destinations, arrivals in Mexico have increased 8.5 per cent so far this year, while travel to Cuba grew 1.1 per cent and the Dominican Republic saw a similar level of activity as the previous year (-0.1%). The first two months of the summer season saw activity in the region increase only slightly (0.8%) as both Cuba and the Dominican Republic experienced a decline in arrivals.

Consumer Trends

The national consumer confidence rating was 116.3 points in August, a slight decrease (-1.5 points) compared to last year and a 4.7-point drop compared to the score recorded last month (July 2019). The decline was driven by weaker views regarding job prospects and respondents' financial situation. Views about major purchases also waned over the past few months due to high debt and fears of a global recession. In August, 30.9 per cent of respondents indicated now would be a good time to make a major purchase, compared to 33.1 per cent two months ago.

Travel Trends

- So far in 2019, the proportion of overall visits to O'ahu has increased 1.1%, while the share of visits to Hawai'i has declined -1.4%.
- A reduction in direct service along with an ongoing decline in indirect activity is forecast to result in 148 thousand visitors throughout the summer travel season (-3.4%).
- Direct capacity is expected to decline -1.0% throughout 2019, resulting in an estimated 395 thousand visitors.
- Canadians try to enjoy their home country during the Summer months, travelling to tropical destinations is a thing that most of them leave for the Winter

Media Trends

Facebook has announced a new change to its data policies and practices. Now, with the "Off-Facebook Activity" tool, users can have more control over what data is shared between other, non-Facebook apps and websites and the social giant. Erin Egan, the company's chief privacy officer, and David Baser, director of product management, wrote in a blog post that this is "another way to give people more control and privacy over Facebook."

Airlift

- Throughout the first seven months of 2019, Air Canada and WestJet offered 324 thousand direct seats to Hawai'i.
- During the period, Air Canada offered 5.8% more seats and WestJet increased direct capacity by 6.2%.
- With both Air Canada and WestJet currently reporting route reductions for the final months of the year, direct capacity is expected to see an overall decline of -1.0% in 2019.

Number of Direct Seats by City			
Jan-Jul, 2018	Air Canada	WestJet	Total
Calgary	14,382	25,152	39,534
Edmonton	--	8,646	8,646
Toronto	4,512	--	4,512
Vancouver	101,802	151,092	252,894
Total	120,696	184,890	305,586
Jan-Jul, 2019	Air Canada	WestJet	Total
Calgary	12,121	32,284	44,405
Edmonton	--	8,646	8,646
Toronto	5,161	--	5,161
Vancouver	110,462	155,382	265,844
Total	127,744	196,312	324,056
% change	Air Canada	WestJet	Total
Calgary	-15.7%	28.4%	12.3%
Edmonton	--	0.0%	0.0%
Toronto	14.4%	--	14.4%
Vancouver	8.5%	2.8%	5.1%
Total	5.8%	6.2%	6.0%

Source: OAG, US BTS

Market Intelligence/Market Conditions Impact on Hawai'i Travel

Experts believe that Canada might enter an economic recession due to the slow growth of the economy and the high wages. The consumer confidence in general had a setback and Canadians are being more careful with what they are spending their money in. The Loonie has been declining versus its US counterpart, this makes Canadian consumers to look to spend somewhere else where the Canadian Dollar has more acquisitive power.

Leisure Activity Update

Consumer

- HTCAN worked closely with Carson Wagonlit Travel for a consumer webinar that already has 80 attendees registered. Queen Kapi'olani Hotel offered a discount of 10% on their best available rate for the people who book with CWT.

Travel Trade

- Preparations for Fall Air Canada Vacations Trade shows are ongoing (Vancouver, BC., Calgary, AB., Halifax, NS., Montreal, QC., and Toronto, ON.)
- Aloha Canada itinerary proposal waiting for authorization by HTA
- Spoiled Agent Webinars are running from July through December, each one of the six islands will have a 30 min webinar

- Plans and communications to arrange the Flight Centre/Flight Centre Holidays O’ahu and other island, tentative Island of Hawai’i
- Weddings and Honeymoons Webinar with Romantic Planet Vacations Agents

Public Relations

- Outreach for individual press trips for 2019.
 - Leslie Yip, interested in Lanai and Molokai – story angle is luxury/honeymoons and undiscovered islands and experiences
 - Jessica Lam, requested for activities and meal assistance – provided support
 - Brandy Yanchyk, producing series known as Seeing the USA. She is traveling in December has requested for assistance on activities, transportation and meal
 - Kim Pemberton - Secured own accommodation, requesting for flight support from HT Canada
 - Neal and Amanda Ross visiting O’ahu, secured their own accommodation, requested support for 1 flight and transportation
- Group press trip confirmed for November 2-8 for Island of Hawai’i.
- Press release distribution: The culinary world of O’ahu
- Begun outreach for 2020 individual press trips. Secured 2 individual media for early 2020.
- Planning for 2020 group press trip in discussion.
- Met with Four Seasons Hotel Public Relations team in Toronto Corporate office. They are interested in working with HT Canada on a few luxury media trips in 2019 and 2020.

Sales Activities

Airline	Wholesaler/TA/TO/OTA	Other	Total
2	31		33

Flight Centre Guildford, Surrey, BC – Shawna Smith, International Travel Consultant

Transat Travel, Surrey, BC – Debbie Seed, Senior Travel Professional

Flight Centre Groups at Guildford, Surrey, BC – Shiela Conwi, Assistant Manager

Travel Best Bets, Delta, BC - Dawn Donahue, Travel Consultant-Connected Agent

Transat Travel, Delta, BC – Trina Dang-Bordes, Manager/Owner

Expedia CruiseShipCenters, Surrey, BC – Andrea Silvestre, Cruise & Vacation Consultant

Uniglobe Vacations, Saskatoon, SK– Amanda Campbell, Certified Travel Consultant

Carlson Wagonlit Travel, Barrie ON, - Helen Cloutier, Senior Travel Consultant

Laurier Du Vallon, Québec QC - Annie Dufresne, Conseillère en voyages / Leisure Travel Advisor

Bon Voyage, Delta, BC – Robert Vanthof, Retail Manager

Marlin Travel, Delta, BC – Havinder Mahey, Groups/Cultural destination Wedding Specialist

Expedia CruiseShipCenters, Surrey, BC – Nicole McIntosh, Manager

The Travel Group, Vancouver, BC – Annie Smiths, Account Manager

Brand Experience Update

HTCAN continues to actively promote events and festivals through e-communications, social media activity and to journalists.

Island Chapters Engagement Update

- 6 webinars were offered to the Island Chapters: O’ahu and Island of Hawai’i are already booked for August. One island a month was proposed for the following months:
 - July 18th – Island of Hawai’i
 - August 29th – O’ahu
 - September 18th – Kaua’i
 - October 15th – Maui
 - November 20th – Moloka’i
 - December 18th – Lana’i
- All Island Chapters have confirmed their participation in Aloha Canada 2019
- O’ahu, and Island of Hawai’i have been working with HTCAN about the Flight Centre fam trip
- Island of Hawai’i has been working with HTCAN on the Media Fam
- IHVB, OVB, and MVB have been working with HTCAN on the individual fams

“Coming Attractions” for Leisure Market.

What	When	Where
CWT consumer webinar	September 11	Across Canada
Spoiled Agent webinars	September 18th – Kaua’i October 15th – Maui November 20th – Moloka’i December 18th – Lana’i	Across Canada
Air Canada Vacation Product Launch	September 10, 11, 13,17,19	Calgary, Vancouver, Halifax, Montreal, Toronto
All dressed in White Bridal show with Maritime Travel	September 29 th 2019	Surrey, British Columbia.
Aloha Canada shows	October 22,23,24,	Toronto, Calgary, Vancouver
Fall Market Update	November 13 to 19	O’ahu and Island of Hawai’i

Hawai'i Tourism Oceania 2019 Monthly Leisure Marketing Report – August

Market Intelligence/Market Conditions

Economy

Australia

While economic growth remains slow, the unemployment rate is holding steady at 5.2% as 41,000 jobs were added to the economy in July. However, credit growth is slow and retail sales remain weak as income growth remains flat. On a positive note, with the federal election over, and recent rate and tax cuts, the real estate market has stabilized. The US-China trade war is impacting the AU\$, which fell to its lowest point in a decade, trading at US\$0.672 at the end of August.

New Zealand

Slowing growth continues to be the main theme of the New Zealand economy. The month of August was not a good month for the value of the New Zealand dollar, declining from close to US\$0.65 in value to US\$0.63. However, there were signs at the end of the month of some recovery.

Outbound Travel Market

Australia

The Australian Bureau of Statistics has released figures showing that over 11.2 million overseas trips were taken in the 2018/19 financial year. This is more than twice the number taken a decade ago, with 57% of travelers reporting their overseas journey was for a holiday, and a further 26% saying they were going to see family or friends.

- New Zealand continues to be the leading destination country for Australians travelling overseas, with over 1.4 million trips
- Indonesia moved from fourth to second over the last decade (1.31 million, an increase of 198%)
- The USA (1.08 million) was the third leading destination
- Nationally the median duration away was 15 days
- Among the top 10 destination countries, the strongest growth over the last decade was for Australians visiting Asian countries

Short-term resident returns, Australia — Top 10 destination countries 2018-19 — year ending

Destination Country	'000	2017-18 to 2018-19	2008-09 to 2018-19
		% change	% change
New Zealand	1 444	1.9	51.2
Indonesia	1 311	8.3	197.8
USA	1 079	-0.4	108.0
UK(b)	668	3.7	43.7
China	611	6.8	138.7
Thailand	565	-2.7	48.5
Japan	484	10.4	226.8
India	416	8.6	206.3
Singapore	405	-0.6	85.5
Fiji	345	1.5	51.2

(a) Top 10 destination countries based on year ending June 2019.

(b) Includes United Kingdom, Channel Islands and Isle of Man.

New Zealand

The number of New Zealand residents taking overseas trips in July 2019 was down 4,900 from July 2018, to 340,200. The biggest changes were: United Kingdom (up 2,100); Australia and Fiji (both down 2,100); United States (down 1,400)

Competitive Environment

Australia

- The state of emergency ruling has been lifted in Sri Lanka following the Easter terrorist bombings. This should see a lift in holiday bookings to the country.
- Tourism Solomons and Solomons Airlines will be targeting Australian travelers in Q3 as part of a TV and online campaign aimed at making the country a must visit destination.
- In Queensland, one of the largest marketing campaigns for the Tropical North region has launched with \$2 million in state funding allocated. The additional funding will go towards a full-scale domestic campaign which will target the Australian high value traveler.

New Zealand

- Very interesting to see the drop in Kiwi visitor outbound numbers in July to almost every destination. The two exceptions were the United Kingdom and Bali/Indonesia.

Consumer Trends

Australia

No news to report.

New Zealand

A recent report reflecting which regions in New Zealand are the most active International travelers revealed Auckland as the most prolific with 80 trips per 100 people. Wellington was the next best with 65. Both these cities will be visited next year as part of HTO's Aloha Down Under roadshow.

Travel Trends

Australia

- The opening of a new tourism-dedicated co-working space in Newcastle highlights a growing industry-wide shift towards flexible and independent employment options, led by the growth of the mobile travel agent segment (MTA, Travel Managers etc.). Once this is established, there could be convenient training opportunities to reach agents from multiple brands in one place.
- This week, Flight Centre will launch a new "Cruise Boutique" through its Travel Associates (TA) network, with the move seeing the return of a dedicated cruise brand to the group following last year's closing down of Cruiseabout.
- Helloworld has highlighted the growth of its retail network across Australia and New Zealand to a total of 2,447 members as at June 30, 2019, including the opening of 30 new Helloworld Travel branded agencies. That was a year-on-year increase of 224, including 207 in New Zealand through the addition of NZ Travel Brokers, Gilpin Travel, Barlow Travel and more.

New Zealand

- Both Helloworld and Flight Centre have achieved record New Zealand profits recently showing the health of the industry.

Media Trends

Australia

No news to report.

New Zealand

No news to report

Airlift

Australia

- Hawaiian Airlines is realigning its regional strategy in Australia to expand its focus on trade and industry partnerships, following the appointment of Andrew Best to the newly-created position of Head of Industry Sales Australia.
- Hawaiian Airlines will reduce the number of flights it operates during low periods in 2020, namely February, March and November. These changes will come into effect in the next month or so with a view to fill other flights during this period.

New Zealand

- Air New Zealand has announced a reduced profit for the year off the back of weaker domestic and inbound demand, plus higher operating costs.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

Australia

Visitor arrivals in July remained the same as the previous month and YTD figures improved slightly, yet remained in the negative (-6.4%). Kaua'i continues to see growth (+24% YOY), although neighbor island visitation generally remains down. The exchange rate is playing a part in this as Australians opt to stay on O'ahu to minimize spend on travel costs. There is also an upward trend (+9%) to staying in condos as opposed to hotels. With rate and tax cuts coming into effect, an increase in discretionary spending is anticipated. HTO continues to promote only in Hawai'i experiences and multi island itineraries to our target traveler groups. In August, an integrated Romance campaign launched with two partners (leisure and trade) and additional trade campaigns are being scheduled for Q4 to stimulate bookings for 2020.

New Zealand

July arrivals from the NZ market to Hawai'i were down 14.6% which matched the airlift decline out of the market. The promising statistic was that Neighbor Island visitation was up 28%. Given the external factors around airlift and exchange rate, the approach has been targeting the right (high value) visitor as well as promoting the depth of experiences across all islands.

Leisure Activity Update

Consumer

- Expedia Romance Campaign (August- September):
 - HTO in conjunction with Expedia and Hawaiian Airlines launched an integrated digital campaign featuring several initiatives through consumer direct, trade and PR activity across Australia and New Zealand.
 - **Trade:** The sales component of the campaign includes an Expedia landing page. This page promotes couples' holiday deals which include hotels and flights, bookable via the Expedia.
 - **Consumer awareness:** HTO worked with Expedia on developing a [microsite/competition](#) giving away a romantic holiday for two. As users explore the microsite, they will be taken on a visual journey and uncover the diverse array of couples' experiences across the Hawaiian Islands. Users will be engaged with a click-through quiz, asking them about their holiday preferences. The quiz showcases the top experiences for couples across Kaua'i, O'ahu, Maui and the Island of Hawai'i. After users have completed the quiz, they will view video content on which island is right for them and will be emailed a custom itinerary for their romantic getaway. This will put

them in the draw to win the getaway on the island of their choice. HTO secured Hawaiian Airlines and Marriott as prize partners for the competition.

- **Public Relations:** HTO also sponsored an Expedia Blogger to go travel to Hawai'i and write stories about couples' getaways on O'ahu, Maui, Kaua'i and the Island of Hawai'i.
 - **Content:** As part of the romance campaign HTO has developed video and photo content for this campaign using a combination of the new b-roll footage available on Barberstock, stock footage and footage arranged by HTO filmed on Maui and O'ahu. This will be used across our digital channels. HTO will share the new videos and photos/b-roll taken on Maui and O'ahu on Barberstock for other GMTs to use.
- Bridal Expo (August 10-11) – HTO attended the Sydney Bridal Expo to promote the Hawaiian Islands as a wedding and honeymoon destination. Exhibitors included bridal retailers, services, fashion designers. Other destinations including Thailand and Fiji also exhibited. The purpose of attending was to raise awareness and keep Hawai'i top of mind for couples planning their wedding/honeymoon.

Travel Trade

- Online Training Program
 - We have produced a catalogue of educational videos with in-depth destination knowledge of the destination. Our intention with these videos is to provide education for regional and home-based agents that we otherwise may not have an opportunity to train in person.
 - In August, HTO partnered with primary trade accounts to develop an online training incentive to encourage agents to learn. By using their existing training platforms, they were able to promote and distribute education to their network of agents. The incentive required agents to watch four videos and complete accompanying quizzes. In the coming months, we will be able to share results from each trade account.
- Aloha Down Under
 - In August, HTO's annual roadshow, Aloha Down Under (ADU), visited six cities across Australia and New Zealand. ADU involves travel agent workshop evenings as well as business-to-business (B2B) and media networking events. It is an opportunity for our Hawai'i partners to visit Oceania to engage with travel agents and develop important business relationships with key contacts in the Oceania market. For travel agents, each event provided the opportunity to meet the partners face-to-face, gain product knowledge and learn more about the destination.
 - HTO worked with primary trade partners to distribute and advertise the roadshow via internal communication channels. We also leveraged key trade media (Travel Weekly, ETB Travel News) to promote and invigorate a wider audience.
 - Results: 1,290 registrations, 840 attendees, 60 key trade and media partners.
- Product Managers Luxury Famil on Maui, August 27 to 30
 - HTO partnered with Brand USA and Hawaiian Airlines on a product manager famil that showcased a stopover itinerary on Maui. Five participants from primary trade accounts in Oceania were able to enjoy the more luxurious side of the island staying three nights in five-star accommodation and experiencing a sunset sail, upcountry farm tour with gourmet lunch and a helicopter rainforest tour.

- Taking the opportunity to get face-to-face with product managers, HTO organized an intimate B2B event at Millhouse Maui with hotel and activity partners representing multiple islands including Marriott, Hyatt and Hawaiian Hotels and Resort as well as Maui specific operators like Fairmont Kea Lani, Kā'anapali Beach Hotel and Maverick Helicopters. Partners engaged in 10-minute appointments with the product managers and stayed for additional networking afterward.
 - HTO worked with MVB on ground support (activities, transfers and meals) and Hawaiian Airlines provided flights. The product managers who attended this Fam represent some of the top-selling tour operators from Australia and New Zealand, so we were very excited that they were able to experience Maui first-hand. These experiences will go a long way in encouraging them to generate future travel to Hawai'i.
- Hawaiian Airlines short breaks stop-over campaign (June) results:
 - HTO supported Hawaiian Airlines and Brand USA's multi-city USA campaign focusing on 5 key cities and promoting Hawai'i stopover on the way home.
 - **Results:**
 - Most of HA's passengers who fly to Mainland USA stopover in Hawai'i on the way home due to our southbound connectivity so this growth in pax would correlate to an incremental growth in stopover passengers for Hawai'i. This is likely to result in a shift in passengers deciding to fly to mainland USA via HNL instead of LAX or other US ports.
 - Total HA pax from AU-Mainland USA in June was 4,165 (up 66.3% YoY)
 - All three trade partners that we ran campaigns with during the month were also up for HA pax flying to Mainland USA
 - Flight Centre (pax up 42.6% YoY)
 - Helloworld (pax up 48.8% YoY)
 - Consolidated travel (pax up 36.5% YoY)
- Aloha Fridays
 - Every second Friday Travel Weekly will include an 'Aloha Friday Wrap' featuring Hawai'i news in their Friday digital newsletter that goes out to 14,200 people in the travel industry. This month the articles featured the following activities:
 - All That's New and a Must Do on the Island of Hawai'i
 - The Hawaiian Islands say G'Day at Aloha Down Under
 - Aloha Friday Wrap: Hawaiian Islands say G'Day, Hawaiian Airlines Fare Sale, Foodie News
 - Note: Aloha Friday features also ran through the month with NZ publication Travel Today
- Air NZ – NFL VIP Fam

HTO partnered Air NZ in bringing 8 key industry partners to Hawai'i to experience the NFL pre-season match at Aloha Stadium. The visit showcased Hawai'i as a sporting host (Duke's Oceanfest was also taking place) as well as updated key industry on the destination.
- HTO also participated in the Air NZ USA Trade education day which provided an opportunity to present to 120 travel agents from around the country.

Public Relations

During August, Hawai'i Tourism Oceania worked with a number of different media on publicity opportunities across print, digital and broadcast.

A number of media travelled to Hawai'i during August.

- Sue Williams is a freelance writer who headed on a famil centered around multi-generational family travel, visiting O'ahu, Maui and the Island of Hawai'i. HTO assisted Sue on her activities and car hire as she travelled with her family. Sue will be publishing up to five articles on her trip.
- Michael Gebicki is an in-house writer for Traveller who ventured on a Maui Nui famil visiting Maui, Lāna'i and Moloka'i. Michael's travels were commissioned by Traveller and will be published at a later date.
- Lisa Perkovic is the in-house writer for Expedia. Lisa travelled on a famil to O'ahu and the Island of Hawai'i to take part in romantic activities to write about. Lisa was commissioned in conjunction to write romance articles in conjunction with a romance marketing campaign run by Expedia and HTO.

Aloha Down Under was a success in 2019, gaining positive media traction throughout Australia and NZ Travel Trade Media.

HTO assisted the following media in August:

- Kerri Elstub on upcoming trip to Hawai'i
- Sue Williams from Traveller on her upcoming trip to Hawai'i
- Jessica Campbell from GQ on her upcoming trip to Hawai'i
- Claire Knight from 9Honey on her upcoming trip to Hawai'i
- Michael McHugh from MindFood about an upcoming Romance famil
- Kristie Kellahan on her commission with MindFood
- Angela Saurine on a feature to be included in Out and About with Kids
- Paige Pellivan regarding an upcoming television shoot in Hawai'i
- National Geographic on their upcoming work in Hawai'i
- Michael Gebicki on his upcoming trip to Hawai'i
- Claire Sutherland on her upcoming trip to Hawai'i
- Carla Grossetti on a commissioned piece on Hawai'i
- Jonathan Thompson on his commissioned piece for Qantas Magazine

HTO had meetings with the following media/clients in August:

- Josh O'Loughlin from Southern Cross Austereo
- Sam Boynton and Tom Abood from National Geographic
- Paige Pellivan from House of Wellness
- Claire Sutherland from Escape
- Tony Sarno from Fitness First Magazine
- Nancy Erger, Fixer from the Island of Hawai'i
- Jonathan Thompson, Freelancer for Qantas Magazine
- Akash Arora from Qantas Magazine
- Donna Parkin from Outrigger

HTO created the following press releases in August:

- Aloha Down Under 2019
- Get Global 2019
- Viva Holidays Famil

PR Value Total: \$368,937.50

- Broadcast Value: N/A
- Print Value: \$245,434.90
- Online Value: \$123,502.60

Reach Total: 10,586,592

- Broadcast Reach: N/A
- Print Reach: 7,581,000
- Online Reach: 3,005,592

Sales Activities

Sales Calls

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

- Trade Sales Calls
 - MTA Travel – discussed opportunity for online training promotion
 - itravel – discussed opportunity for online training promotion
 - Helloworld/Viva Holidays – discussed opportunity for online training promotion
 - American Express – discussed opportunity training sessions and famil early next year
 - Hawaiian Airlines – monthly meeting, recap on current initiatives in market and partnership opportunities
 - House of Travel – included a webinar for staff
 - Air New Zealand – travel agent training day

Brand Experience Update

- Sea Cleaners Initiative
- HTO incorporated HTA's Kuleana videos within our presentations during Aloha Down Under

Island Chapters Engagement Update

- HTO has scheduled bi-monthly conference calls with each of the Island Chapter teams. We are currently working on the below activities with:
 - All Island Chapters – pre-planning for Month of Lei roadshow May 2020
 - KVB – working on upcoming Travel Counsellors famil in December, four nights on Kaua'i
 - OVB – working on upcoming Travel Counsellors famil in December, stopover two night on O'ahu

- MVB – worked on product managers famil in August and tentative Maui wholesaler campaign in Q4
- IHVB – followed up with survey results from recent famil in July and liaising on MCI famil in October
- IHVB – Sea Cleaners and National Geographic filming

“Coming Attractions” for Leisure Market

What	When	Where
Brand USA/Nine media partnership	September 15-31	Australia
International Traveller Magazine Digital and Print feature	September	Australia
National Geographic Eco Traveller filming	September 16-24	Island of Hawai'i
Sea Cleaners initiative	September 18-24	Island of Hawai'i and O'ahu
Helloworld Maui Coop	October	Australia
Ignite families Coop	October	Australia
Luxury Escapes Co-op	November 25 – December 9	Australia
Group Media famil	November 1-7	Maui and Island of Hawai'i

Hawai'i Tourism China

2019 Monthly Leisure Marketing Report – August

Market Intelligence/Market Conditions

A. Economy

China Mainland

The Trump Administration announced on 1 August to impose yet another 10% tariff on USD 300 billion worth of Chinese goods starting from 1 September. Amidst the escalating Sino-U.S. trade war, China's economy saw a stable GDP growth rate at 6.3% YOY in the first half of 2019. The unemployment rate had also decreased to 3.61% in Q2 2019, reaching a record low since 2002. Consumer confidence increased from 123.4 to 125.9 Index Points in June. However, the Chinese Yuan fell to its lowest level at 7.1 CNY per USD in August, which will likely influence Chinese buying power for outbound travel.

Hong Kong

Under the background of the escalating Sino-U.S. trade war and Hong Kong's social unrest, Hong Kong's economy expanded modestly by 0.5% YOY in the Q2 of 2019. The Government's forecast of Hong Kong's economic growth for 2019 had been revised downwards between 0 to 1%. The unemployment rate remained at 2.8% in August. Government is forecasting Hong Kong's consumer prices to increase by 2.7% this year, and the prolonged protest may cause a loss of consumer confidence. Hong Kong dollar and U.S. dollar maintained an exchange rate of 7.84 HKD to 1 USD in August.

B. Outbound Travel Market

China Mainland

- According to Ctrip, 8 million Chinese travelers have booked trips for the upcoming 7-day National Holiday in October, an increase of 10% YOY. Over 40% have taken additional annual leaves to make a 10-day, long-haul vacation. The most popular long-haul destinations for Chinese FITs are Europe, Britain, America and Australia. Europe travel is continuing to rise due to the One Belt One Road policy and the increased direct air routes between China and Europe.
- The July 2019 data from the U.S. National Travel and Tourism Office (NTTO) found that Chinese visitors traveling to the U.S. fell 3.7% to 1.7 million.
- Feedback from Chinese travel agencies states most of them are suspending all large-scale promotions for U.S. destination products pending the development of the Sino-U.S. trade war. Groups that were previously secured for *Hawai'i* were not affected, however HTC is closely monitoring visa approvals and travel bookings for upcoming months.

Hong Kong

- The top 10 features that would impact Hong Kongers' decision-making process for travel are nature/scenery, the safety of the destination, interesting sights, transportation, budget, weather, cultural activities, visa matters, the reputation of the destination and shopping opportunities, most of which are offered by *Hawai'i*. Source: *Hong Kong Outbound Tourism Market Analysis*

- *Hawai'i* has been ranked as the top 3 dream destinations by Trip.com, a major OTA in Hong Kong, and recommended as the must-go islands during holidays; *Hawai'i* is the only mid-long haul destination among the top 3.

C. Competitive Environment

China Mainland

- Tourism New Zealand (TNZ) launched a new marketing campaign - '100% Pure Welcome - 100% Pure New Zealand' in July. The initiative 'Good Morning World' encouraged Kiwi's to greet the world through a daily vlog video, introducing a unique New Zealand to the world. In China Market, TNZ collaborated with popular lifestyle app Little Red Book to localize the campaign and tap on the hashtag #Goodmorningworld, encouraging Chinese travelers to share their experiences of New Zealand, generating a total of 1.6 million with 408 participants by end August.
- Tourism Tahiti collaborated with Tahiti Tours and the Air Tahiti Nui to launch the 2020 Chinese New Year Beijing – Papeete chartered flight operated by Boeing 787-9 with total 290 seats capacity.

Hong Kong

- Starting from 1 October, visitors and transit passengers who are eligible for visa waiver (including holders of HKSAR passport) are required to hold a New Zealand Electronic Travel Authorization (NZeTA) before traveling to New Zealand.

D. Consumer Trends

China Mainland

- 2019's Asian Millionaire Travel Report states that luxury Asian travelers are now seeking immersive experience for local culture aside from shopping and sight-seeing. Chinese luxury travelers believe daily activities offered by hotels and quality immersive programs to experience local culture are essential for a positive travel experience.
- Shanghai became the first city in China to conduct mandatory waste sorting from 1 July 2019. Xinhua.com reported that 46 major cities across China, including Shanghai, will complete the waste sorting and processing system by 2020. Shanghai consumers are now more aware about the treatment of the consumer waste products that they discard.

Hong Kong

- 65% of the Booking.com community, aged 16-24, put travel ahead of savings for a property. Travel and "seeing the world" have emerged as the most important financial outlay for Gen Z when it comes financial planning.

E. Travel Trends

China Mainland

- As reported by *China Daily*, night-time group tours, admission tickets and other excursions in the China market surged by 60% in July MOM. For sightseeing destinations and travel agencies, night-time travel helps to prolong tourists' length of stay, bringing new business opportunities as it stimulates the upgrade of leisure tourism consumption.

Hong Kong

- After travel disruptions caused by protests at the airport, access control has tightened at the terminal buildings of Hong Kong International Airport starting from 14 August until further notice. Hong Kong outbound travelers have to arrive at the airport 3 hours before departure.

F. Media Trends

China Mainland

- Around 88.8% of total Chinese netizens utilize video streaming platforms, which saw a growth of 5% to 759 million as of June 2019. Online streaming is becoming an essential media to promote travel, and they include Youku, iQiyi, Tencent, Miaopai and TikTok. *Source: China Internet Network Information Center.*

Hong Kong

- Google Maps has introduced a new feature utilizing global localization and augmented reality (AR) to point directions to travelers in the real world. It will make exploring a new destination on foot more comfortable.

G. Airlift

China Mainland

- Air China announced and confirmed the withdrawal of the thrice-weekly Beijing-*Honolulu* flights from 27 August, owing to unfavorable business conditions, fluctuating load factors, the grounding of Boeing 737 MAX as well as the need to service new routes aligned to the One Belt Road initiative.

In light of the sudden announcement, HTC took the initiative to speed up collaboration with alternative airlines – China Eastern Airlines, Hawaiian Airlines, All Nippon Airways and Korean Air – to drive arrivals to *Hawai'i* through preferred airfare promotions and educational sessions and roadshows for trade intermediaries. In the long term, HTC will continue to target more sophisticated and high-value visitors to *Hawai'i* by positioning the *Hawaiian* Islands as the 'Diamond of Islands' as part of the 2019 marketing campaign.

Hong Kong

- Key airlines partners, United Airlines and Korean Air, had expressed that the current social unrest in Hong Kong had caused a short term drop on bookings to all outbound destinations, including *Hawai'i*.

Market Intelligence/Market Conditions Impact on *Hawai'i* Travel

China Mainland

- The Chinese government's initiative and drive on mandatory waste sorting served to boost eco-consciousness among Chinese public with Shanghai as the first city for this environmental initiative. HTC will leverage on this opportunity to greatly strengthen our campaigns for *Hawai'i* and to promote responsible tourism. Tapping on public's sentiments, HTC will soon be launching marketing initiatives such as *Hawai'i* Rainbow Routes and *Hawai'i* Rooted. In all trade seminars and our interactions with travel agencies across China, HTC team are on the ground to convey the brand message regarding *Hawai'i's* responsible tourism.
- The popularity of night-time activities presents the perfect opportunity to promote *Hawai'i's* abundant night activities, for instance, Stargazing, Mantaray Night Dive and Snorkel, *Haleakalā* Sunset Tour and Magic of Polynesia Show. HTC will continue to drive the length of stay and the island dispersal for Chinese tourists.

Hong Kong

- Wellness trips to *Hawai'i* would be a perfect getaway option for Hong Kong travelers to release their stress under the current political situation. While nature and scenery have always been the top priority for Hong Kongers to choose their vacation destination, we promoted yoga and meditation tour as hidden gems to travel trade and consumers to relax and rejuvenate from the fast-paced lifestyle in Hong Kong.

Leisure Activity Update

A. Consumer

China Mainland

- **Marketing Initiative – RESPONSIBLE TOURISM - *Hawai'i* Rainbow Routes**

As a pre-launch to Rainbow Routes ~ Hawaii campaign, HTC partnered with MiYu, a leading co-working brand with 16 office spaces across China. HTC organized an offline consumer event, inviting the following ambassadors to promote The *Hawaiian* Islands and responsible travel:

- Aureana Tesusocial, Miss *Hawai'i*
- Sicilia, leading nature and outdoor social media influencer
- Echo Zhao, HTC Travel Trade & MCI Director

The event saw over 50 MiYu members, mostly working professionals, turning up to discuss topics on responsible travel such as “How to experience *Hawai'i* in a sustainable way” and “Hula - the transmission of *Hawaiian* culture”. In addition, it was broadcasted on social media platforms of HTC and MiYu to reach 18,400 potential consumers.

- **Marketing Initiative – 1st Future of Ocean Protection Summit**

The 1st Future of Ocean Protection Summit held in Beijing on World Ocean Day attracted over 200 environmental professionals from organizations such as Pacific Society of China, PADI, Tourism Development Center of Chinese Culture Promotion Society, Guangdong Ocean University, China Ocean Press.

Inspired by The *Hawaiian* Island’s vision for responsible tourism, HTC seized the opportunity to introduce the *Kuleana* Ocean Safety videos at the summit. Travel tips shared include using reef-safe sunscreen, avoid littering or leaving plastics on the beaches and in the ocean.

Hong Kong

- **Aloha Jam Hong Kong Stop - Aloha Festival 2019**

The first-ever large-scale outdoor event, Aloha Festival 2019 took place at the Central Harbourfront on 28 - 29 July. The festival was organized by the Hong Kong International Hula Association and SummerFest and was supported by HTC-HK. For two days, the festival brought the spirit of Aloha – Love and harmony – to Hong Kong and attracted more than 5,000 participants, mostly families.

United Airlines is the official airline partner and 14 sponsors have supported this event, including ‘*Alohilani* Resort *Waikiki* Beach and Aston *Waikiki* Beach Hotel, *Hawaiian* Airlines, *Honolulu* Festival Foundation, *Ka'anapali* Beach Hotel, *Kalihi-Palama* Culture & Arts Society (*Keiki Hula*), Pocari Sweat Hong Kong, KNT (HK) Travel Ltd, Litz USA Student Service, Pololi , Shadow Factory, VFix International Limited, Canson and Health Max Nutrition Centre Ltd,.

B. Travel Trade

- **Series Co-ops with ANA**

In order to deepen the market awareness of *Hawai'i* by targeting Chinese FIT & high-yield travelers, HTC launched a series of co-ops with ANA highlighting *Hawai'i* abundant tourism resources and air routes from China to *Hawai'i* operated by ANA.

- **Joint Promotion via Social Media:** Targeting Chinese high-yield travelers and FITs, HTC worked together with ANA to provide preferred airfares for both business class and economy class for November and the 2020 Chinese New Year. ANA launched a featured WeChat article to spread the word, while HTC sponsored a range of *Aloha* gifts and prizes to encourage readers' interactions. **The story attracted 16,700 views, 600 shares and 292 comments.**

- **Educational Seminar Targeting Southern China Market:** Together with ANA, an offline travel trade seminar was held on 23 August to promote China to *Hawai'i* air routes with ANA's "Flying *Hono*" A380 aircraft. The event invited leading wholesalers Galaxy Travel to share the 4 newly launched mono-*Hawai'i* products (featuring *O'ahu*, *Maui* & the Island of *Hawai'i*). The seminar attracted 25 agents in the Southern China market seeking to sell *Hawai'i* products.
- ***Hawai'i* in China International Tourism Industry Expo (CITIE):** HTC was invited by ANA to participate in one of the biggest travel trade shows in Southern China market, CITIE, under ANA booth to promote their air routes from 14 Chinese cities to Honolulu via Japan. During the 3-day exhibition in Guangzhou, HTC built connections with 43 travel agents from local and nearby cities, as the booth welcomed over 500,000 visitors on-site.

- **HTC & *Hawaiian* Airlines Joint Seminar in Beijing & Shanghai**

To overcome the negative impacts of the suspension of the Air China Beijing-*Honolulu* route, HTC worked together with *Hawaiian* airlines to promote China-*Honolulu* air routes via Japan/Korea and inter-islands flights through offline seminars held in Shanghai and Beijing on 28 August and 30 August respectively. The 2 sessions attracted 50 travel agents from the Northern & Eastern region of China.

- **HTC Co-op with Champion Holiday via Taobao.com & Fliggy**

HTC collaborated with Champion Holiday, the biggest wholesalers in South-western China, for 'Diamond of Islands' online promotion via Taobao.com (biggest e-commerce platform) and Fliggy (leading China OTA) both owned by Alibaba. *Hawai'i* products are featured through homepage banners on Taobao and Fliggy, from 8 - 10 August generating **8,000,000 viewership**.

C. Public Relations

In August, HTC secured a total of 36 media exposures (4 print media and 32 online media), achieving **8,511,000 impressions and a total PR value of USD 897,700**.

- ***Hawai'i*'s Travel *Pono* for Chinese Media**

To share and promote "Travel *Pono*" and the importance of ocean protection, HTC conducted editorial meetings with 5 travel and lifestyle media including Men's Uno, Voyage, Mina, Sina Travel and LifeAdd.com. HTC successfully secured a feature story in Men's Uno, garnering **628,000 circulation and PR Value of USD 79,000**.

- **Top Surfing Spots of *Hawai'i* by So Figaro**

HTC secured an opportunity with leading weekly lifestyle publication *So Figaro* to feature surfing couple Zhang Liang and Yang Xue's trip to *Hawai'i*, various surfing spots (Waikiki Beach, North Shore, Lahaina, Paia) as well as surfing festivals (Vans Triple Crown of Surfing, Duke's OceanFest, Quiksilver in Memory of Eddie Aikau), garnering **650,000 impressions and a PR value of USD 331,800**.

- **Close to Nature, Exploring *Hawai'i* Outdoor Adventures**

HTC crafted and broadcasted a press release to promote outdoor adventures on The *Hawaiian* Islands. The story covers *Hualālai* Crater hiking tour, *Kauaʻi* Helicopter tour, Snorkeling at *Molokini*, and ATV tour and Zipline in *Kualoa* Ranch, achieving **900,000 impressions and PR value of USD 130,000**.

- **Celebrities Vacationing in “The Dreamlike Islands” *Hawaiʻi***

Hong Kong well-known celebrities, film actor and fashion designer Edison Chen, actress and model Karena Ng, and the leading stylist Mayao have visited *Hawaiʻi* for a summer vacation. Major media On.cc and HK01 featured their summer fun adventure and Insta-worthy attractions in *Hawaiʻi*. A total of 22 articles have been generated with **USD 356,879 PR value and 20,902,485 impressions**.

- **Social Media**

China Mainland

Hawaiʻi official Weibo account, run by HTC, achieved an increase of 1,765 to 114,995 followers, 1,252 engagements (likes, comments and shares) and 413,743 impressions in August. Meanwhile, HTC’s official WeChat account achieved an increase of 562 to 28,218 followers, as well as 21,134 page views for 8 articles this month.

- **#DiamondofIslands# for Chinese Valentine's Day**

In light of Chinese Valentine's Day, HTC introduced four romantic stories on Weibo and WeChat. The stories featured romantic *Hawaiʻi* journeys of 4 Chinese couples Zhang Liang and Yang Xue, Zheng Nengliang and Wang Dali, Junna Tang and Luo Kaiyuan, Zhang Qianli and Zuoshou. *Hawaiʻi* attractions like Allerton Garden, *Kualoa* Ranch, popular surfing spots as well as *Aloha* gifts were featured in the articles, successfully generating over **14,000 page views and 230 engagements**.

Hong Kong

A total of 24 travel tips and videos have been shared on Instagram and Facebook, gaining 377,645 impressions in August. Relevant GoHawaii.com links have been included to generate traffic and help visitors on pre-arrival planning.

Sales Activities

China Mainland

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
9	18	3	30

- In Northern China markets, HTC accomplished a total of 12 sales calls. HTC worked with *Hawaiian* Airlines and successfully held the joint seminar in Beijing. Moreover, HTC also launched WeChat promotion with ANA and kicked off preparations for 'Ohana Fun' campaign working with Korean Air.
- In South-western China markets, HTC accomplished a total of 7 sales calls. Among which, HTC strengthened connections with WeWork and discussed HTC's sponsorship for their anniversary party. During the visits, DISTA Sichuan, Champion Holiday, Everbright and Chengdu Comfort Travel showed interest in developing more Mono-*Hawai'i* products.
- In Southern China markets, HTC accomplished a total of 11 sales calls. HTC met with Philippine Airlines & Japan Airlines to get more airline resources and explore more corporation opportunities. In addition, the tour operators visited by HTC such as Nanhu International Travel, Global Fun Travel and DTA U-Best Holiday Guangzhou, expressed interest to create more mono-*Hawai'i* products with different airlines.

Hong Kong

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
3	8	1	12

- HTC-HK explored partnership opportunities with China Airlines, which offers flight to *Hawai'i* from Hong Kong via Taiwan. HTC-HK have connected China Airlines with high-end small group tour agents such as Miramar Travel, Charlotte Travel and Kuoni Travel for *Hawai'i* product development.
- Meanwhile, the secret invite of *Aloha Jam Hawai'i* stop initiative in November has been extended to 2 travel agents (Greenice Tour and Any Tours) and 1 travel planner (Fly with Faye) to attract the high-spending travelers. They have launched 2 new *Hawai'i* products and kicked-off their promotion activities for *Hawai'i*.

Brand Experience Update

China Mainland

HTC promoted *Aloha* Festival, which featured authentic *Hawaiian* experiences and activities through social media platforms Weibo & WeChat.

Hong Kong

***Aloha* Jam Hong Kong - *Aloha* Festival 2019**

Aloha Festival 2019 took place at the Central Harbourfront on 28 - 29 July. The festival was organized by the Hong Kong International Hula Association and SummerFest and was supported by HTC-HK. For two days, the festival brought the spirit of Aloha – Love and harmony – to Hong Kong (amidst the Hong Kong protests) and attracted more than 5,000 participants, mostly families.

2 *Kumu* from Hawai'i officiated the festival with authentic Hawai'i cultural and art experience, as 14 *Hula* teams from Korea, Japan, Shenzhen, Beijing and Hong Kong gathered for the 2nd International *Hula* Performance. In addition, over 4,000 students had participated in the Aloha Festival Arts Competition 2019. Other activities included Arts Performance and Experience, Visual Arts Education sessions, Hawai'i Travel Sharing and a series of Hawai'i Arts and Cultural Workshops.

Island Chapters Engagement Update

HTC worked closely with *Maui* Visitors Bureau (MVB) and *O'ahu* Visitors Bureau(OVB) to successfully create the itinerary for the Sports & Outdoor Adventures Media FAM. Great support and advice were offered by MVB and OVB, including itinerary enrichment, ground transportation and new partner contact details for hotels and experiences.

"Coming Attractions" for Leisure Market

Upcoming Events	Dates	Location
HTC & China Eastern Airlines Joint Roadshow	September 10	Chengdu, China
HTC & China Eastern Airlines Joint Roadshow	September	Beijing, China
HTC & China Eastern Airlines Joint Roadshow	September	Guangzhou, China
HTC & China Eastern Airlines Joint Roadshow	September	Shenzhen, China
HTC Sports & Outdoor Adventures Media FAM	September 23 - 30	<i>O'ahu, Maui, Lāna'i</i>
Korean Air ' <i>Ohana</i> Fun'	September - October	China
Rainbow Routes <i>Hawai'i</i>	October	China
Sounds of <i>Aloha Hawai'i</i>	October - November	China
Aloha Jam <i>Hawai'i</i> Stop	November	<i>Hawai'i</i>

Hawai'i Tourism Korea

2019 Monthly Leisure Marketing Report – August

Market Intelligence/Market Conditions

Economy

- South Korean consumer sentiment dipped to the worst level in 31 months in August on growing concern over the export-reliant economy amid worsening diplomatic and trade disputes between Korea and Japan plus the protracted trade war between the U.S. and China. The composite consumer sentiment index (CCSI) for August lost 3.4 points to 92.5, according to data released by Bank of Korea. The index declined for four consecutive months to hit the lowest level since January 2017 when it touched 92.4. A reading above 100 means there are more optimists than pessimists about the economy and vice versa for below 100. Consumer sentiment was further dented by dimming prospects for the export-reliant Korean economy amid rising uncertainties from the external front. There seems to be no sign of an immediate end to a tit-for-tat row between Korea and Japan over trade and diplomatic issues. Worse yet, the trade war between the world's two biggest economies, the U.S. and China, also Korea's two major trading partners, has re-escalated after they slapped additional steep tariffs on imports from each other. The tourism and aviation sectors also have been negatively affected. South Korean airlines have reduced their flights to Japan, and the Chinese government blocked new flights to China.
- South Korea's exports are likely to extend their slump to an eighth month in July, driven by a decline in outbound shipments of semiconductors and petrochemical goods, data showed in July. The country's exports fell 13.6% in the first 20 days of July from a year earlier to \$28.3 billion, according to Korea Customs Service data. If the trend continues, it would be the eighth month in a row that South Korea's outbound shipments have fallen on a yearly basis.
- The average USD/WON exchange rate in August was 1209.00 won, a slight increase from the previous rate of 1174.40 won in July. Fuel surcharges were imposed in August up to 98,400 won (\$81.29) for a round trip between Korea and the U.S.

Outbound Travel Market

- Korea Tourism Organization (KTO) reported the number of Korean outbound travelers in July 2019 was 2,642,585, a year-on-year slight increase of 6.0%.

Month	Departures	Growth (%)
January	2,912,331	1.5%
February	2,617,946	13.3%
March	2,334,153	3.6%
April	2,246,417	0.7%
May	2,401,204	3.0%
June	2,495,798	7.0%
July	2,642,585	6.0%
Total	17,650,434	5.01%

- Hana Tour and Mode Tour, the nation's top two wholesalers, reported year-on-year decreases of 30.5% (to 206,000 pax) and 29% (to 143,000 pax) respectively in their overall outbound sales in August. The downturn was mainly due to the continuing travel boycott on Japan, and trip cancellations due to protest turmoil in Hong Kong. Hana Tour reported that for destination market share in August, South East Asian countries accounted for 49.9%, followed by China (17.4%), Europe (11.7%), Japan (11.7%; *year-on-year decline of 23.5%), South Pacific region (6.1%), and the U.S. (3.1%). In the meantime, overall sales bookings for U.S. destinations increased by 23.6%, largely attributed to the considerable growth in Hawai'i's sales volume in August.
- HotelsCombined announced Southeast Asia countries and vacation spots in America were the top searched destinations during this year's Chuseok national holiday season (equivalent of Thanksgiving) in South Korea. The leading destination was Vietnam's Danang, which ranked 4th last year; Guam also jumped to 2nd place. Vacation destinations in the top 10 included Bangkok (3rd), Kota Kinabalu (6th), Boracay (8th), and Hawai'i (9th). Destinations that allow travelers to de-stress are becoming more popular among Koreans who increasingly prefer to travel abroad over visiting their families. Some new top rankers were Vladivostok (11th), Phuket (14th), and Shanghai (18th), all of which can now be more easily visited due to LCCs' route expansions. Notably, Indonesia's Bali, which has been resurging as a trendy holiday destination for its diverse local experiences, including marine sports, yoga, and cooking classes, ranked 12th with a drastic increase of 127% in search traffic.
- A widespread anti-Japan campaign, including boycotts on buying goods and visiting, has gained ground in Korea as a result of the Japanese government's decision to tighten its control on exports

to Korea. The Japan National Tourism Organization (JNTO) reported that about 561,700 Koreans visited in July, down 7.6% year-on-year, the lowest figure since September 2018 when an earthquake struck Hokkaido and a typhoon shut down Kansai International Airport. JNTO revealed that worsening bilateral diplomatic ties, Koreans' growing appetite for vacations in Vietnam and China, and the sluggish Korean economy contributed to the tourist decline. As Japan is losing Korean tourists, local airlines have decided to cut their flights to Japanese cities, highlighted by Korean Air's plan to halt operations on three routes between the two countries and temporarily suspend another three.

Competitive Environment

In response to declining demand for flights to Japan, Asiana Airlines decided to increase its flights on long-haul routes to Hawai'i and New York in the second half of the year to improve profitability.

- Asiana Airlines expands Incheon-New York routes: South Korean full-service carrier Asiana Airlines announced on August 16 that it would expand its Incheon-New York route to twice a day starting November 24. The air carrier currently flies Incheon-New York route only once in the morning. The newly added flight will depart from Incheon at 9:50 p.m. and the company plans to assign the new A350 flight, which can sit 311 passengers for user convenience during the long-haul flight. The company said that this new route would benefit those who want to depart to New York after work on weekdays.

Consumer Trends

- South Korean's overseas card spending dropped for the second quarter this year in line with a declining number of outbound travelers. In the second quarter, the number of Koreans traveling abroad was 7.14 million, down 9.2% from 7.86 million in the first quarter. Bank of Korea data shows that overseas card spending by Koreans was \$4.67 billion in the second quarter, down 0.1% from the previous quarter after a 3.3% decline in the January-March period. In the first quarter, overseas card spending dropped while the number of travelers increased as Koreans visited relatively less expensive destinations, such as Japan and Vietnam. However, in the second quarter, the number of overseas travelers also declined as it had fewer holiday breaks than the previous quarter. The average spend per card also shrank from \$274 in the first quarter to \$269 in the second.

Travel Trends

- Experience-oriented travel, which deviates from conventional tourism focusing on hearing and seeing, has recently risen as a new trend in South Korea. Travel agency Online Tour's analysis of summer vacation travel (from July 1 to August 20), shows an increase of 68% in sales of products covering unique local tours and activities compared to last year. At the same time, ticket sales for entertainment, including theme parks, museums, and observatories, notably declined. "Culinary" was the most popular theme for local tours which provide hands-on experiences. Culinary tours are gaining popularity, such as Bangkok Food Tour, Hanoi Walking Food Tour and those involving cooking classes, as many Korean travelers enjoy tasting authentic food and exploring popular local restaurants. "Outdoor & Activity" was another popular theme among FIT travelers. Diverse marine activities such as snorkeling, rafting, and island-hopping tours are continuously attracting more travelers at vacation destinations. So are extreme activities, including skydiving and bungee jumping.
- South Korean travel agencies are increasingly focusing on developing products that involve traveling with influencers, including celebrities, YouTubers, photographers, models, and mountaineers. Hana

Tour, the nation's leading travel agency, has tapped into the trend by launching new "Concept Tour" products. Last year, it introduced a "Club Party with Narae Park" product which included a club party and DJ-ing itinerary with a Korean celebrity, comedian Narae Park, in Boracay, Pattaya, Hong Kong, and Da Nang. In light of this success, Hana Tour has recently introduced new products called "Traveling Mongolia's Ulan Bator with Photographer Yoon Sang Lee," in which participants can learn photography techniques to capture the country's beauty, and "Mountaineering with Mountaineer Young Ho Heo" which includes an itinerary to climb Mount Kinabalu.

Media Trends

- Single-person households now account for 37.3% of the total 22.31 million households in South Korea, the Ministry of Interior and Safety reported. Compared to a mild increase in the number of households over the past decade, the number of single-person households has surged by more than two million to 8.33 million in July 2019. Of them, the number of people living alone in their 20s and 30s is nearing 2 million, and their consumption patterns are now leading industry trends. The demographic trend has also brought about changes in the travel industry. A recent survey of 993 customers by Gmarket, a leading online shopping platform, revealed that 80% of respondents have a plan for solo travel. Also, 60% of respondents preferred to take a solo domestic trip rather than go overseas alone, and 55% in their 20s preferred overseas travel which would provide exotic experiences. Professor Jaehyung Lee from Woosuk University commented that the number of single-person households inhabited by people in their 20s and 30s would increase further. He said the trend would affect a wide range of industries as young generations are now reluctant to get married for reasons including economic and social pressures.

Airlift

- Korean Air will increase flights on the ICN-HNL route as it cuts more flights to Japan in the coming months due to lower demand because of the trade dispute. The carrier will redirect aircraft, such as its A330s which had been deployed on Japan routes. It is highly likely to add regular daily flights from early December to target the winter peak season.
- Asiana Airlines is operating daily services on the ICN-HNL route until March 31, 2020. The flights generated an additional 4,675 seats in 2019 and benefited from high demand during summer travel season and October's golden week.
- Jin Air's ICN-HNL service will resume in late December after a second round of suspension from August 26.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- South Korean travel agencies are increasingly focusing on developing products that involve traveling with influencers, including celebrities, YouTubers, photographers, models, and mountaineers. Following this trend, HTK will be collaboratively developing Hawai'i SIT (special interest theme) products with Mode Tour. It will invite trending influencers to target Millennial-minded travelers and

develop itineraries that can showcase authentic Hawaiian culture and history to expand edu-tour initiatives.

Leisure Activity Update

Consumer

- **K-pop Concert in Honolulu with Si-Kyung Sung:** HTK is leading a co-promotion with K-pop singer Si-Kyung Sung who is visiting the island for a concert in September. In addition to participating as an official concert sponsor, HTK will post social media video content for its owned channels, Facebook, Instagram and YouTube, in partnership with local Korean broadcaster Kbfd and our local correspondent, Jinyoung Lee (writer/TV news host/influencer). Also, to fully leverage the opportunity, HTK has partnered with the management company to do consumer sweepstakes to maximize arrivals during the concert period. This will be done through HTK-owned communication channels and an online consumer promotion.
- **Mom & Daughter Collaboration with YouTuber:** HTK is working with a YouTuber named Seonmin Joeng, who has over 340,000 followers, to generate YouTube video content from her visit to the islands in September. She is traveling with her mother and will focus on creating online video content covering various themes and items. The results will be uploaded on her YouTube and Instagram feeds and will be shared on HTK's owned channel.
- **#AlohaEverywhere Hawaiian Lifestyle Day:** HTK will partner with Men's Health, the leading health magazine in Korea, in a Hawaiian lifestyle day for influencers and general consumers. The aim is to encourage patrons to experience healthy Hawaiian living through indoor activity such as yoga or Pilates and Hawaiian beers and drinks.
- **GoHawaii.com/KR Website Update:** HTK is working on the second phase of GoHawaii.kr website development.

Travel Trade

- **Hawai'i Cruise Travel Promotion:** HTK will again collaborate with Norwegian Cruise Line (NCL) in conjunction with the 2019 Mode Tour Travel Mart (September 6-8) to pitch Hawai'i as an ultimate cruise trip destination. As most Korean cruise travelers are high-end family groups seeking to play golf on the islands, HTK will provide golf-related incentive giveaways (aloha golf bag covers, golf ball sets) to customers who purchase NCL Hawai'i cruise products on site during the travel fair. In addition, HTK will jointly run a promotion to boost cruise sales by providing on-board credits (\$100) to consumers who book NCL Hawai'i cruise product via Mode Tour's booking platform.
- **Second-tier Market Activation with Hana Tour Busan:** HTK jointly developed a Hawai'i poster advertisement with Hana Tour Busan to target the nation's second largest outbound market. Hana

Tour Busan will distribute the 1,000 Hawai'i posters to its local retail travel agencies and provide incentives to boost sales bookings.

- **#LuxuryHawai'i Sales Promotion with Evasion:** HTK partnered with Evasion for a #LuxuryHawai'i campaign (July 15 to 29). It offered special room rates at premium hotels on the islands such as The Kahala Hotel and Resort. As a result, the campaign generated 13 incremental room nights, a year-on-year sales increase of 18% over last year's promotion.
- **Hana Tour Online Hawai'i Expo:** HTK participated in a large-scale 'Destination of the Month' promotion in collaboration with Hana Tour in August. It showcased all types of Hawai'i travel products, including package, airtels, and tours & attractions, also highlighting Sustainability in Hawai'i with pre/post arrival video content on promotional websites and multiple owned/paid media channels. The month-long promotion generated 8,268 pax bookings, a year-on-year growth of 8% in overall Hawai'i products. Package product sales were up 124% to 1,034 pax, while Honeymoon products dropped 24% to 377 pax. In addition, FIT-relative products were strong during the promotion: airtel increased 93% to 216 pax and local tours and attractions rose 74% to 1,556 pax. The promotion was extensively exposed and attracted a great deal of attention via Hana Tour's official websites, the NAVER Tour+ platform, and banner advertisements.
- **2019 Mode Tour Travel Mart (MTTM):** HTK will join the 2019 Mode Tour Travel Mart (September 5 to 8) at COEX, Gangnam, Korea. The Hawai'i pavilion will be set up to share up-to-date travel information and authentic Hawaiian hospitality during the 4-day event. It will also accommodate the following 15 Hawai'i partners: Prince Waikiki, Outrigger Hotels & Resorts, Trump Waikiki, Hilton Hawai'i, Waikiki Resort, Hyatt Regency, Hyatt Centric, Hyatt Place, Marriott Hawai'i, Ritz Carlton Waikiki, PCC, Kualoa Ranch, Battleship Missouri Memorial, Waikiki Trolley, and Dolphin & You.

Public Relations

- **2019 Surfing Festival in Yangyang:** To highlight Hawai'i's outdoors and nature scenes, HTK participated in the 2019 Surfing Festival (August 31 to September 1) in Yangyang, popular as the best surfing spot in Korea. One of the largest surfing events in Korea, it is led by Sports Chosun, the nation's most influential sports-entertainment newspaper. The event featured various programs, including surf lessons, Sunset DJ party on the beach, and surfing competitions. Participating as an official festival sponsor, HTK presented various prizes to competition winners. These included ICN-HNL roundtrip air tickets, accommodation, activities and giveaways such as Hawai'i-branded beach towels. The festival attracted 1,000+ spectators and 200 contestants.

Sales Activities

Airline	Wholesaler/TA/TO/OTA	Other	Total
5	21	11	37

- **Summary of key Sales Activities**

- **Airlines:** HTK made regular sales calls to airline partners to share airlift updates and partnership opportunities in the second half of 2019, as follows: Korean Air for extra chartered flights; Asiana Airlines for airlift updates; Jin Air for airlift updates; Hawaiian Airlines for Neighbor Island promotions and joint Fam; Delta Air Lines, United Airlines, and Japan Airlines Busan for future partnership opportunities.
- **Tour operators:** HTK had sales meetings with Korea’s leading wholesalers, retailers, OTAs and receptive operators to develop various Hawai’i campaigns and sales promotion.
- **Others:** HTK cultivated working relationship with industry partners from hotels, DMOs, transportation, attractions and consumer brands to discuss further co-op promotions and events.

Key Performance Indicators - Leisure Market

- Total Korean visitor arrivals increased 6.8% to 19,108 pax in July 2019 and Visitor Days in July also increased 13.4% to 152,580 days compared to the same period last year (134,576 days). The rise was largely due to the resumption of Jin Air’s ICN-HNL service from July 22 through August 25. Year-to-date Visitor Expenditure declined 12.2% to \$253.0 million (YTD July 2019) compared to the same time last year, while Per Person, Per Day Spending (PPPDS) was \$272.2, slightly down 1.1% (YTD July 2019) from a year ago. However, Korean visitors extended their length of stay on the islands to 7.68 days on average in the year-to-date July 2019, up 3.3% over the same timeframe the previous year (7.43 days).

Brand Experience Update

- HTK distributed 1 press release and secured publication during the month of July in a total of 134 media outlets, with an estimated advertising value of \$1,443,000 and 83,555,000 impressions.
- Press Releases:
 - Hawai’i summer promotion with premium department stores – I’Park Mall & Hyundai Department Store
 - 2019 Surfing Festival in Yangyang

Island Chapter Engagement Update

- No news to report

“Coming Attractions” for Leisure Market

What	When	Where
2019 Mode Tour Travel Mart	Sep 5 – Sep 8	COEX, Seoul, Korea

Hawai'i Tourism Taiwan

2019 MONTHLY LEISURE MARKETING REPORT – August

- **Market Intelligence/Market Conditions**

- A. Economy**

- According to the preliminary estimate, Taiwan's real gross domestic product (GDP) increased by 2.40% in 2019 Q2, compared to the same period of the previous year (yoy), and the growth rate (yoy) of 2019 Q1 has been revised to 1.83%. The real GDP is predicted to grow 2.46% and 2.58% in 2019 and 2020, respectively.
 - The unemployment rate in July was 3.82%, increased by 0.09% compared to the previous month.
 - Taiwan's consumer confidence index (CCI) fell 1.74 points in August from a month earlier to 79.74.
 - The Taiwan currency exchange rate depreciated to 31.413 (average) in August when compared to 31.089 in July.

- B. Outbound Travel Market**

- According to the Taiwan Tourism Bureau, the overall number of outbound visitors from Taiwan was 1,581,016 in July 2019 with a 0.41% increase compared to July 2018. The outbound number to U.S. decreased by 9.36% to 46,465 in July 2019 compared to the same period last year.

- C. Competitive Environment**

- Taiwanese visitors to the Philippines in June rose by more than 50% year-on-year, sustaining the growth that has made the Philippines one of the fastest growing destinations in Asia for local travelers. In the first six months, Taiwanese departures to the Philippines rose 30.6% from the same period a year earlier to 160,117, making it the third fastest growing outbound market in Asia in percentage terms behind Brunei (474.48%) and the United Arab Emirates (97.66%).
 - Long-haul competition from New Zealand continues strong due to favorable currency exchange rate. According to Taiwan Tourism Bureau, the growth rate of outbound visitors from Taiwan to New Zealand was 52.14% (July 2019 YTD), impacting the outbound travel to Hawai'i and North America. Furthermore, Air New Zealand launched its direct flight service between Taipei and Auckland starting November, offering more flexibility and travel deals to Taiwanese consumers. Air New Zealand has also been blasting online advertising of ticket promotions, gaining more traction to the destination.

- D. Consumer Trends**

- According to the statistics taken by Central Bank of Republic of China, the total outbound tourist expenditure of Taiwanese travelers was NTD\$807.7 billion in 2018, which has reached the highest total that has been recorded. The report also found out that the per person per trip spending of Taiwanese tourists was NTD\$48,529, which was the highest level over the past three years. Since 2018, the increase in

the number of new routes served by budget airlines has changed the way people select a destination for their next holiday. As low-cost airlines allow travelers to save the spending on airfare, Taiwanese now are more willing to spend money on increasing their experience and to purchase local products.

E. Travel Trends

- According to Airbnb's report, increasing numbers of Taiwanese are looking to travel like a local. That is, to experience real and unique experience as well as to stay sustainable. With more and more travelers wanting guided holidays that allow them to connect with local people and local experiences, many are turning to curated itineraries that offer unique experiences instead of booking packaged products.

F. Media Trends

- Pingtung County is a county in southern Taiwan known for its agriculture and tourism. Recently, Pingtung county has released a new series of travel brochures featuring eye-catching illustrations and designs. The attractive design caused a sensation and the Pingtung county ran out of the brochures as soon as it was published. According to the Pingtung Media and International Affairs Department, the travel trend has changed significantly since people now can search for a lot of information on the internet. Thus, less people rely on traditional media to gather travel information. To differentiate Pingtung County from other destinations, the county decided to renew their travel brochure by adding unique designs and deeper information to communicate with the new generation. The county successfully creates needs and wants thus make more people want to visit the destination.

G. Airlift

- EVA Air announced that it commenced charter flights to Da Nang, Vietnam and that it will begin offering regular daily flights in December. Da Nang, known as the "Hawaii of the East" is the fourth largest city in Vietnam. National Geographic Magazine has ranked the city as one of the "50 Places of a Lifetime." EVA Air said that the charter flights to Da Nang are being offered once every five days and can be purchased through the following tour agencies: Colatour, Lifetour, Settour, BWT, Lion Travel, Everfun, and Hi Hong.

- **Summary of Market Intelligence/Market Conditions as it Relates to Leisure Travel**

Overall booking pace for Hawai'i has been positive. The Taiwanese arrival number to Hawai'i increased by 77.3% to 2,549 in July 2019 when compared to the same period last year, which was contributed by China Airlines' special airfare promotion after announcing its additional direct flight to HNL since May 2019.

Given the current travel trends, HTT work closely with fashion media such as Marie Claire Taiwan, Vogue Taiwan and Elle Taiwan in 2019 to promote the unique culture of Hawai'i and to target higher spending audiences. Since Hawai'i is a destination that attracts Taiwanese visitors, many of the destination market themselves as the "Hawaii of Asia". For instance, Da Nang, Vietnam is known as the "Hawai'i of the East" and Jeju, Korea is regarded as the "Hawai'i of Korea". To deliver the message that Hawai'i is a destination that no place can replace, HTT will continue to work with these fashion media to create high-quality contents and to introduce

Hawaiian cultural activities as well as the ecological side in the articles of these fashion media platforms.

- **Leisure Activity Update**

- A. Consumer**

- **HTT Worked with Vast Taiwan to Run a Hawai'i Surfing Workshop:** HTT worked with the leading surfing lifestyle shop "VAST" on August 6th in Taipei to promote surfing activities in Hawai'i. Six professional surfers from Hawai'i were invited to speak for the workshop and to share their surfing experience as well as local tips about traveling to Hawai'i. Since ocean conservation and ocean safety are highly relevant to the audience, the Kuleana "Share the Aloha" video clips were played during this event. A total of 47 attendees participated the workshop. The speakers appreciated HTT's efforts in promoting the preservation of the nature in Hawai'i and expressed their excitements sharing aloha with Taiwanese audiences.
 - **2019 Vlogger FAM with Ili How:** Since August, HTT has started working on the next vlogger FAM. The core message of this FAM is to promote Hawai'i as the top destination for ecotourism and outdoor activities. After reviewing several candidates, HTT has finally secured a Taiwanese fitness influencer named "Ili How". Ili is an anchor of FOX Sports Taiwan and is also one of the most popular influencer of the triathlon field in Taiwan. With her healthy and positive public image, Ili would be a great candidate to promote Hawai'i's fun activities and to introduce the 2019 Ironman World Championship in Kona. HTT will finalized the itinerary by the middle of September and the crew will visit O'ahu and the Island of Hawai'i' from October 6th to October 13th.
 - **2019 Fashion Media FAM – ELLE Taiwan and VOGUEme:** HTT is partnering with VOGUEme and ELLE Taiwan to promote Hawai'i as the number one destination for besties/ sisters bonding trip, fine dining options and cultural activities. Since July, HTT has been working with OVB to develop itineraries of this 2019 Fashion FAM trip for the two fashion media outlets. The crew traveled to Hawai'i from July 28 to August 3 and visited attractions such as Kualoa Ranch, SALT at our Kaka'ako as well as participated in activities such as Haku Lei-Making, SUP yoga and hula workshop at Royal Hawaiian Center. Elle Taiwan has published one online article and Vogue Taiwan has published two articles on their websites as well as social media platforms. The rest of the coverage will be released by the end of October.

- B. Travel Trade**

- **2019 Travel Agent FAM:** Since August, HTT has started arranging the 2019 agent FAM. The purpose of this familiarization trip is to strengthen the relationship with travel trade partners and to help these Taiwanese agents understand Hawai'i better. HTT will invite five agents to visit O'ahu and the Island of Hawai'i for the FAM trip in November. The itinerary will be finalized by mid-October.

- C. Public Relations**

- **Media Monitoring (Clippings & Publicity Calendar):** In August 2019, Hawai'i Tourism Taiwan secured 82 PR coverage publications on an unpaid basis. The estimated advertising value is USD\$1,829,749.

D. Sales Activities

Airline	Wholesaler/TA/TO/OTA	Other	Total
3	6	0	9

- China Airlines: HTT continues to work with China Airlines to promote the additional direct flight on Fridays between Taoyuan International Airport (TPE) and Daniel K. Inouye International Airport (HNL).
- Air Asia: HTT partnered with AirAsia and Spice TW for a vlogger FAM in O'ahu to target millennial travelers. The core message is to encourage millennials to spend more on outdoor activities and unique experiences in Hawai'i while leveraging AirAsia's affordable airfare. Two of the video clips of this co-op has been published in August on Spice TW's YouTube Channel and one more video is estimated to be on air by the middle of September.

V. Brand Experience Update

- **HTT Cultural Materials with Ke Kai O Kahiki:** During Kumu La'akea and the cultural practitioners of Ke Kai O Kahiki's visit in Taiwan, HTT arranged a video shooting for collecting HTT cultural materials. The core message of this video is to connect Taiwanese people with Hawai'i by means of hula and to introduce the beauty of Hawaiian culture. The six musician/ dancers visited Taipei 101, Huashan Cultural Park as well as Dr. Sun Yat-Sen Memorial Hall and performed hula dance at these attractions. The shooting went smoothly and the video is expected to be on air by the end of September.
- **Kumu Hula Uluwehi Guerrero Workshop in Taiwan:** To promote the unique culture of Hawai'i , HTT work with [Hālau Hula Kauluokalā Taiwan](#) to run a hula workshop in Taiwan. The hula workshop with Kumu Hula Uluwehi Guerrero will take place on September 25th and 26th at Polynesia Art Place, Taipei.

VI. Island Chapters Engagement Update

- Since August, HTT has been working with IHVB and OVB to plan the itineraries for the FAM trip in October 2019 for Ili How. HTT aimed to encourage Taiwanese consumers to spend more on cultural activities and to highlight the diverse activities in Hawai'i. HTT work closely with Mrs. Joyce Bernardo from OVB and Mrs. Donna Kimura from IHVB to come up with the itineraries and to secure the filming requests with industry partners.

VII. "Coming Attractions" for Leisure Market

What	When	Where
2019 Fashion Media FAM with ELLE Taiwan: Online exposure and printed coverage release	September/ October	Hawai'i
2019 Fashion Media FAM with VOGUEme: Online video clips publishing	September/ October	Hawai'i
2019 Vlogger FAM with Ili How	October	Hawai'i

Hawai'i Tourism Europe

2019 MONTHLY LEISURE MARKETING REPORT – August

- **Market Intelligence/Market Conditions**

- **Economy**

- The Pound Sterling is trading at \$1.22, whilst the Euro is trading at \$1.12, and the Swiss Franc is trading at \$1.1.
- UK GDP was down 0.2% for the second quarter of April to June, although a recent review by the Office of National Statistics has added £26 billion pounds to the figure. Whilst Ireland showed a strong rise of 2.4% in its first quarter.
- German GDP contracted in the second quarter to -0.1%. This is primarily due to the external sector as exports shrank this quarter. However, Household consumption rose during this period. Last month Germany's unemployment rate decreased to 3%
- Swiss GDP advanced 0.6% which was stronger than estimated.

- **Outbound Travel Market**

- A report by IATA earlier this month showed that British people travelled more than any other nationality. The international aviation body found that in 2018, 126.2 million passengers were British, equating to 8.6 % of the 4.4 billion fliers globally. This figure also showed an increase of 6.9% after 2017.
- German flight passengers continue to increase. A total of 58.9 million passengers had flown from the 24 German airports last month, an increase of 4.1 percent over the first half of 2018. According to the Federal Statistical Office, the volume of passengers traveling abroad grew by 4.5 percent to 47.3 million passengers
- The USA had 2.5 million airline passengers (business and leisure) from Germany, 6% more than in the same period last year

- **Competitive Environment**

- New Zealand – New Zealand has introduced two new costs for prospective tourists, an eco-levy (named an IVL) of £18, which started on July 1st, as well as a £4.50 minimum charge for British tourists for an 'ESTA-style' visa, which comes in on October 1st. Some concerns have been raised by New Zealand specialists, over the emergence of unofficial sellers of the visa and the IVL, and several agencies have implemented the application process into their agent training.
- Australia – Qantas has announced three ultra-long-haul research flights from London and New York to Brisbane, Sydney and Melbourne, as part of their project, 'Sunrise', which is aiming to increase the range in which they can fly non-stop to destinations.
- G-Adventures – The group travel specialist has expanded its partnership 'Journeys' to include several new destinations, including Singapore, Mexico and Thailand. The partnership now features 91 *National Geographic Journeys*, appealing to travelers looking to explore new destinations.
- Peru – Peru has become a popular destination for Swiss travelers. Last year Peru welcomed 2.7 million visitors. 14,940 of these visitors were Swiss travelers, which is an increase of 15% from last year
- Sri Lanka – the Indian ocean nation is looking forward to the return of tourists. Four months after the Easter attacks, the state of emergency has ended in Sri Lanka and the security situation is improving. The Tourism Minister also announced the abolishment of tourist visa fees. This means that travelers from 40 countries are now granted a free visa, valid for 30 days

- Dominican Republic – The Caribbean Island has seen overall visitor numbers fall down. In the first six months of the year, 17 % fewer passengers from Germany flew to the Dominican Republic. This decline is likely due to fears of security and safety in the region.
- Consumer Trends
 - Demand for customization will revolutionize air travel, according to the Flight of the Future report by British Airways. Alex Cruz, BA's Chief Executive, stated there was a range of forms these changes could take, ranging from VR headsets on flights, to hypersonic travel. The survey revealed 43% of people would pay more for eco-friendlier flights, whilst 45% would opt for a slower flight if it were greener. 73% also liked the idea of an automated service allowing them to complete immigration and visa duties mid-air.
 - The feared impact from the looming Brexit deadline remains yet to hit spending, as British retail sales rose slightly. July saw the strongest growth in online spending in three years, as consumers continued to support the economy. The ONS says the monthly retail sales volumes rose 0.2% after a 0.9% surge in June.
 - European passengers are beginning to take more holidays on a whim, as last-minute bookings are on the rise. Over the course of June, approximately a third of bookings were made for vacations departing in July and August.
- Travel Trends
 - Following the launch of the Make Holidays Greener campaign, ABTA has announced that more than 110 travel companies have pledged their support for the campaign. This year's Make Holidays Greener campaign, 'Reduce, Reuse, Recycle', aims to build on last year's 'say no to plastic' theme. Examples range from efforts to reduce food waste, providing clients with reusable or filter water bottles to reduce reliance on single-use plastic bottles, with the association still recruiting pledges.
 - As sustainability is becoming an increasing trend in the travel industry, InterContinental Hotels Group has become the latest member of the industry to make a significant step to cutting its carbon footprint. The group are set to cut down avoidable single-use plastic by 2021, as it plans to remove all small plastic toiletry bottles from its 843,000 rooms in 5,600 hotels across the UK.
 - Gatwick released a five-year plan highlighting increases in automation and technology as an enabler of sustainable growth. Some of the new initiatives include robotic parking and automated boarding technology, which uses biometrics to process passengers through e-gates straight onto the aircraft, in an attempt to speed up the boarding process. The majority of this expansion will be in the North Terminal.
 - Travel is a high priority for Generation Z (ages 16-24). According to a study by booking.com, 38% want to travel to at least three different continents in the next ten years and 21% want to study or live in another country
 - Gen Z are also adventure seekers. According to the same study, 55% want to experience adventures like paragliding or bungee jumping while traveling, and 52% want to travel or hike to an extraordinary location
- Media Trends
 - The highly anticipated Apple card has been released in the USA, essentially as a physical form of Apple Pay. The card is matte white, and made of titanium, designed to stand out from other cards. Apple have advised that keeping the card in a leather

wallet or denim clothes might cause 'permanent discoloration'. The card will reach the UK in the near future.

- Instagram is set to add a feature that will help facilitate the removal of fake content. User's will have the option to report content they deem as 'false', where content will be removed from areas of the app users use to search new content, such as hashtag search results. Facebook has 54 fact-checking partners, across 42 languages, but the new feature will be a first for Instagram, and is being rolled out in the USA initially.
 - Although there has been no indication that charges will be implemented, the team from McGuffin Group recently surveyed 2,000 app users to gain an insight into what they believe would be a reasonable price to pay for a subscription fee to continue using their favorite apps. It was found that users would pay the most for YouTube at £3.30 a month. Interestingly, Facebook came in fourth place at £2.40.
 - Journalists are the most important influencer. According to a survey executed by the Hamburg based agency Faktenkontor, journalists are still the most important influencer group when it comes to PR work. After that, one's website, Instagram and Facebook are the next important tools to reach the according target group
 - Podcasts have become more popular: around one in four Germans claim they listen to digital radio shows – 26% compared to 22% in 2018. The most listened to topics are news and politics (45%) and film and TV (41%), followed by sports, leisure and comedy (38%)
 - The number of young Facebook users has decreased. In Germany, the forecasted number of Facebook users has stagnated at 26.8 million. Compared to 2018, the number of users younger than 35 looks set to drop by 2.2%, the number of those between 12 and 17 by 9.1%. This trend is likely to continue according to forecasts.
 - The German issue of the consumer travel magazine National Geographic will be published by the Munich based GeraNova Bruckmann (GNB) publishing house from January 2020 on. The same applies to National Geographic Traveler and National Geographic Special.
- Airlift
 - Plans have been submitted to develop Europe's first plant to turn household and commercial solid waste into bio jet fuel, as British Airways move towards more sustainable flying. The proposed state-of-the-art plant, would take over half-a-million tonnes per annum of non-recyclable household and commercial solid waste destined for landfill or incineration and convert it into clean-burning sustainable aviation fuel. British Airways intends to purchase the jet fuel for use in its aircraft, marking an important step in the reduction of the airline's carbon emissions towards the industry targets of carbon-neutral growth from 2020.
 - Virgin Atlantic and Delta Airlines are set to increase their capacity to the USA for next summer by up to 15%, with extra flights going to Los Angeles, Seattle, New York and Boston. Across the partnered airlines, there will be an extra 10,000 seats on flights to the U.S. hubs in 2020. The move sees an increase in flights from Heathrow, whilst Gatwick will finally see a direct connection to New York.
 - British Airways suffered computer malfunctions earlier this month, leaving the airline facing a multimillion pound fine. The IT failure affected check-in systems, meaning 70,000 passengers had their plans disrupted, as 130 flights were cancelled, and a further 300 were delayed. BA's three main airports, Heathrow, Gatwick and City were all affected, as passengers who managed to travel faced waits of up to five hours.

- United Airlines announced a new daily and year-round direct service between Zurich Airport and Chicago O'Hare starting from March 2020 (subject to regulatory approval). Chicago is a connection destination for Hawaii
- Swiss Air has also announced that Washington DC will be added to their route network in March 2020
- Hawaiian Airlines announced new routes between Las Vegas and Kahului, and Seattle and Honolulu. Both stops are good stopover destinations for the European market travelling to Hawai'i.

- **Summary of Market Intelligence/Market Conditions as it Relates to Leisure Travel**

The last quarter has seen the European market continue on relatively strongly, despite economic circumstances like Brexit. Combined with consumers' willingness to carry on spending and taking on holidays, despite economic uncertainty, points to travel between Europe and Hawai'i continuing on well in the long-term, despite a potential short-term slight decline.

Hawai'i looks relatively strong against several competitors. Whilst other developments might signify Hawai'i's competitors strengthening, they might also be perceived positively for the future of Hawai'i. Qantas' movements for further-reaching direct flights and could potentially lead to Hawai'i being more accessible to European travelers in the not-too-distant future.

Travel trends fortunately share the same core target as HTA's own principles – sustainability and conscientiousness of the environment and nature as a whole. Hawai'i represents the destination that travel trends are leaning towards at the moment.

Additionally airlift is growing favorably with seeing growing connections between the UK and key hubs in the USA, as well as Hawaiian Airlines and WestJets' new routes opening up new avenues for travel to Hawai'i.

- **Leisure Activity Update**

- Consumer
 - The influencer campaign achieved great engagement rates across the European market.
 - Travel Trade
 - Trained 40 travel agents at the Flight Centre USA day
 - Finalized training with Destinology and Thomas Cook
 - Organized a webinar educational session with Not Just Travel.
 - Public Relations
 - Liaison and pitching with key media in UK/Ireland
 - Drafted press release "Aloha culture" for approval from Laci and Kalani
 - Pitched upcoming runway of Kanoelani Davis' Pomahina Designs at London Pacific Fashion Week (LPCFW)
 - Organised media meet and greet for Kanoelani Davis during her time in London for LPCFW
 - Ongoing liaison with key media pitching Hawai'i story ideas
 - Working on individual fam trip for ELLE magazine in fall 2019 (O'ahu & Hawai'i Island)
 - Provided Brand USA with information for their Top 10 beer destinations in the US pitch – press release incl. Maui was picked up
 - Connected ZDF public TV station with Four Seasons PR agency in Germany for filming at FS Resort Ko Olina
 - Provided feedback on several media requests which were directly forwarded to IC and partners
 - Sales Activities
 - Met with WestJet airlines

SALES CALLS

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

Summary of key sales activities:

Met with Sean McAfferty from WestJet to discuss upcoming routes via Canada, including Calgary and Vancouver, flying to both O’ahu and Maui.

• **Key Performance Indicators - Leisure Market**

- Due end of Q3 – end of September 2019
- Due end of Q3 – end of September 2019

XII. Brand Experience Update

- No news to report

XIII. Island Chapters Engagement Update

- Put MVB and OVB in touch with Sarah Wilson from Dial-a-Flight regarding an upcoming FAM trip she will be running.
- Contacted the Island Chapters regarding a competition under the Share the Aloha campaign.

XIV. “Coming Attractions” for Leisure Market

What	When	Where
Aloha Germany Roadshow	September 25-27, 2019	Munich, Stuttgart, Frankfurt
Thomas Cook USA Buzz Day	September 25, 2019	Peterborough

Hawai'i Tourism South East Asia 2019 Monthly Leisure Marketing Report – August

Market Intelligence/Market Conditions

Economy

- **Malaysia**
 - The economy is expected to soften in the second half as softer global demand for tech and heightened trade tensions weigh on the external sector. However, a revival of infrastructure spending should support momentum. The U.S.-China trade spat and a faster-than-expected deceleration in China remain key downside risks. FocusEconomics panelists forecast the economy growing 4.4% in 2019, which is unchanged from last month's forecast, and 4.4% again in 2020.
 - Currency Exchange: USD 1 = MYR 4.2 as of August 26, 2019 vs USD 1 = MYR 4.13 as of July 31, 2019.
- **Singapore**
 - Singapore cut its economic growth forecast for year 2019 to between 0 percent and 1 percent from its previous forecast range of 1.5 to 2.5% amid escalations in global trade tensions and economic risks including Hong Kong's political situation, the Japan-Korea trade dispute, the Sino-US tariff war, slowing growth in China and Brexit. The rapid deterioration in Singapore's trade-reliant economic data has fuelled speculation that Monetary Authority of Singapore will ease monetary policy, a move that could weaken the Singapore dollar and help exports.
 - The full year core inflation is now expected to come in within the lower half of the 1% to 2% forecast range, while overall inflation is expected to average 0.5 to 1.5%. Overall unemployment rate remained unchanged at 2.2% in June 2019 as compared to March 2019, and is expected the same for year 2019.
 - Currency Exchange: USD 1 = SGD 1.3875 as of Aug 31, 2019 vs SGD 1.3712 as of Jul 29, 2019.
- **Indonesia**
 - According to Bank Indonesia (BI), the inflation rates in May & June 2019 rose slightly due to the momentum of Ramadhan holiday season resulting a hike in the prices of red chili, various vegetables and gold jewelry. BI has projected the inflation rate in July to ease to 0.12% month-to-month on the back of an end to the high consumption trend due to fasting month and Ramadhan holiday in May & June. If the inflation forecast comes true, the yearly inflation in July 2019 will reach 3.12% year-on-year or lower than the mid-point of the inflation target range of 2.5-4.5%.
 - Batam Customs office is sending 49 containers proven to contain toxic waste and trash back to the countries of origin including the United States as the waste & trash were proven to have violated importation rules and held hazardous.
 - Currency Exchange: USD 1 = IDR 14.007 as of Jul 15, 2019 vs IDR 14.131 as of June 30, 2019
- **Thailand**
 - Thailand is the second largest economy in Southeast Asia and the world's 19th largest manufacturer Overall economic expansion for the Thai economy in 2019 is projected in the range of 3.3 – 3.8%. Expected to grow 3.7 % by 2020
 - Currency Exchange: USD 1 = THB 32.78 as of August 30, 2019 vs THB 30.80 as of July 30, 2019

Outbound Travel Market

- **Malaysia**

- Mastercard's latest "Global Destination Cities Index: Origins" study, which ranks the most international travellers to the world's 200 most popular tourism cities and regional centres, also shows that Malaysia is at the 20th position in the ranking of origin markets. As for the Asia-Pacific market specifically, Malaysia ranks at the 10th position. The top three destinations for Malaysians are mainland China, followed by Thailand and Japan. "In terms of cities, the top three that Malaysians visit are Singapore, Bangkok followed by Chennai," the report reads. The report, which draws on data from third-party sources including the World Travel & Tourism Council, examined the total number of international overnight visitor arrivals in 2018 to find the world's leading outbound travel markets. It comes as part of a wider Mastercard research into the global travel industry, set to be released later this year. Asia-Pacific markets also constitute 40% of the top 20 origins markets in the index, with Australia coming in at 11th, India at 12th, Indonesia at 19th and Malaysia at 20th.
- Malaysia International Travel Mart or **MITM** was held on August 9th -11th at Mid Valley Shopping Mall and was participated by 60 exhibitors that makes up the total of 300 booths. NTO (National Tourism Organization) that participated were Taiwan Tourism Bureau, Tourism Authority of Thailand, and Tourism Indonesia. During the 3 days event, MITM saw about 100,000 visitors to the fair. Popular destinations were South Korea, China, and Europe for long haul market. Hawai'i's presence was captured through the collaboration with one of our trade partners, namely Apple Vacations, Parlo Tours, & Golden Tour World.
- Traveling period for Malaysian would slow down by September would usually pick up again by end of November till December. In addition, due to the triple long weekend (2nd, 9th & 16th September) for national public holiday, many Malaysian would take the opportunity to travel in September.

- **Singapore**

- The NATAS Holidays travel fair held on August 2 – 4, 2019 saw Poland, Maldives, Ukraine, South Africa and Melaka stepped up efforts to woo travellers from Singapore. It is the first time that Poland has come on board as a destination partner, supported by Polish Tourism Organisation and LOT Polish Airlines. EU Holidays is seeing increased demand for destinations in Central and Eastern Europe like Poland. Since Poland is still relatively new, it is commonly paired with Germany to make it attractive. Consumers are also increasingly opting for more exotic destinations and in-depth itineraries on single destinations rather than rushing through eight destinations in 12 days.
- Market Analysis in relations to travel to Hawai'i: The lack of consumer outreach activities and low awareness are seeing trade partners unwilling to invest in selling Hawai'i. However, one trade partner has launched a new product packaging by combining Hawai'i and Fiji, flying on Fiji Airways to test the market, which surprisingly garnered some interest. MCI groups to Hawai'i remain low due to high land cost and challenges in securing airline support.

- **Indonesia**

- South Korea is offering a 3-days visa application process for Indonesia to enter South Korea using electronic system. This will make more convenience for the Indonesians who reside outside Jakarta to visit South Korea.

- **Thailand**

- The 25th Thailand Travel Fair" or TITF # 25, organized by Thai Travel Service Association during 22-25 August 2019 at Impact Muang Thong Thani Challenger 2. A full-scale international fair for both domestic and international travel products has been back again with a full promotional

discount from Leading tour companies, airlines, hotels, cruises, restaurants. Popular destination is Korea, Japan, Taiwan, China, Myanmar, Vietnam, Russia, Turkey, Europe.

Competitive Environment

- Malaysia
 - Korean Tourism Organization Malaysia (KTO): KTO produced a Korean travel show in collaboration with Astro. Astro's songbird, Yoke together with the first Malaysian Winter Olympian and Gangwon Tourism Ambassador, Julian Yee travelled around the new attractions in Seoul and Gangwon. The show is named 'Endless Horizon in Gangwon Korea' showing from August 18 to September 15, every Sunday 3pm on Astro Wah Lai Toi. *[Source: KTO]*
 - Taiwan Tourism Bureau Kuala Lumpur (TTBKL): TTBKL will be hosting a marathon in Tianzhong, Changhua on October 11. Join Taiwan's Rice Heaven Tianzhong Marathon and experience the natural beauty of Taiwan forest trails and the splendour of Taiwan outstretched green and rice golden fields. They have 10 seats specifically for Malaysians and Filipinos. If any Malaysian or Filipino contacts TTB before August 23, they will enjoy free registration fee for the marathon. *[Source: TTBKL]*
 - **TTBKL** office director Abe Chou said that the Taiwan Tourism Bureau develops a unique app - Halal.tw. This app special designed for Muslim tourists convenient while traveling at Taiwan. He noted that Taiwan Muslim population already increase until 300,000 people. Over 217 restaurants and hotels have obtained relevant halal certifications. *[Source: TTBKL]*
 - Macau Government Tourism Office (MGTO): MTB are collaborated with KLOOK to give out discounts to customers purchasing tickets for activities in Macau from KLOOK with the exclusive promo code "MITMMACAO25". The offer lasted from Aug 9 to Aug 18. Activities include Turbo Jet Ferry, Urban Kitchen Buffet, The House of Dancing Water Show and others. *[Source: MGTO]*
 - Collaboration between Parkson's and the **Macao Government Tourism Office (MGTO)** for 3D/2N stay in Macao for the lucky shoppers with a minimum spend of MYR1000. Contest period was from May 1- June 19, won by 5 lucky shoppers and the event was held at one of the most well known shopping complex in Kuala Lumpur (Pavilion KL). *[Source: MGTO]*
 - **Tourism Australia** participated in MITIM Fair, which was held on the 6th & 7th July 2019 at Penang Spice Arena. Approximately 50 exhibitors engaged in the travel fair and it attracted almost 50k visitors. The grand prize is a trip to Australia worth of MYR13, 998 which was sponsored by Tourism Australia in conjunction with their 'Undiscover Australia' campaign. Response of the campaign was positive according to the local travel trade. *[Source: TA]*
 - **Korea Tourism Organization (KTO)** participated in MITM in Kuala Lumpur with 3 booth and offering was more focusing on Muslim friendly products and attraction available for Malaysian visitors to South Korea.
- Singapore
 - **The Los Angeles Tourism & Convention Board** has expanded marketing efforts in Singapore and Southeast Asia through its Sydney Office. Marketing activities and training program will be organized. *[Source: The Los Angeles Tourism & Convention Board]*
 - **Tourism Fiji** continues its consumer outreach campaign in digital platform, radio campaign, and incentive support to trade partners to promote Fiji. *[Source: Tourism Fiji]*

- **Dubai Tourism** and a few trade partners have rolled out aggressive marketing campaign to capture market share. In addition, Dubai's presence have been incorporated in a few booths at the NATAS Travel Fair. [Source: Dubai Tourism]
- **Indonesia**
 - Kunming in the Central Province of China is getting popular due to cater flight from Batik Air with seat-allocation of 60-65 pax and the rate below IDR 10.000.000 / below USD 705 and Kunming is considered as new destination for Indonesia market due to the 'remember your roots' in China and as a shopping destination.. In connection to Hawai'i destination, China remain the top 10 outbound destination due to easy visa application and flight frequency for MCI & Leisure. To ad on, main airlines in Indonesia -Garuda Indonesia (GA) flies to Beijing & Shanghai but currently doesn't have any connectivity to the USA.
- **Thailand**
 - Tohoku Japan Tourism Fair took place from 23-25 Aug 2019 at the Quartier Gallery, The Em Quartier, M floor. This event organized by Japan Tourism to promoted local region one of deep Japanese charm cities to explore. During the event has various activities such as booths by tour operators from Japan and Thailand. Selling Tohoku Travel Products Distribution of tourist guides, Famous artists, actors, talk show on stage at the event Performance activities to promote Japanese culture cover Miyati, Fukushima, Akita,Iwate, Amori, Yamagata.
 - In connection to Hawai'i destination, it means that Japan remains favorable destination for Thai to traveling with supporting none visa requirement can stay up to 15 days and there are often promoted during consumer fair by Japan Tourism compare to USA or Hawai'i.

Consumer Trends

- **Malaysia**
 - Consumer spending in Malaysia increased to RM203,388 million in the second quarter of 2019, from RM198,724 million in the first quarter of 2019. Consumer spending in Malaysia averaged RM118,793 million from 2005 to 2019, reaching an all-time high of RM203,718 million in the third quarter of 2018 and a record low of RM56,768 million in the second quarter of 2005.
 - Starting September 1st,2019, the Malaysian government will be charging a Departure Levy to anyone that is leaving Malaysia. According to the Departure Levy (Rate of Departure Levy) Order 2019, anyone leaving Malaysia for Asean countries will be charged RM8 for flights in economy class and RM50 for other classes. For flights to countries outside Asean, Malaysians travelling in economy class will be charged RM20 while those in other classes will have to fork out RM150. However, according to our trade partners, this will not affect from Malaysian in traveling out.
- **Singapore**
 - The growing FIT segment and preference for free-and-easy tours has resulted in the Kochi Prefectural Government (Japan) joined hands with travel and fitness companies in Singapore to roll out hybrid tours for FIT and interest groups. In collaboration with Singapore's Royal Wings Travel, two 7D6N free-and-easy tours have been developed to encourage in-depth exploration of the east and west regions of Kochi.

Travel Trends

- **Malaysia**
 - People are increasingly opting for shorter and more frequent breaks. This would be easy to achieve for Malaysians, as we have many public holidays and are located in the middle of many destinations in South East Asia. Flightgiftcard reports a rise in bookings for short vacations. With

54% of bookings were for trips that last three days or less. Skyscanner reports that 4 days is the average holiday duration for people from the Asia Pacific in 2018.

- Malaysian still prefer to take tour packages with travel agents as most agencies would have special rate/offer with their supplier. Online booking such as Klook are picking up momentum with the consumer.

- **Singapore**

- The trend is that travellers are moving away from touch-and-go tours and are going for bucket-list destinations. As a result, Chan Brothers Travel is offering a new experience of seeing the Great Wall of China from a birds' eye view in a helicopter. Dynasty Travel is creating new products around "bucket-list" destinations like the Arctic, Cuba, Iran and Mexico.

Media Trends

- - Travelers also seen increasingly turning to videos to get a gist of the experiences before they make buying decision. A study done by Think With Google shares an interesting study that 48% of experiences bookings are happening once travelers arrive at their destination. In fact, mobile searches for "things to do" and "activities near me" have seen a 6 x increase over the last two years. This study shows us that the experiences themselves are the reason people travel. This translates into opportunities for brands/marketers to gain a bigger share of the travel pie.

Airlift

- **Malaysia**

- China Airlines is currently doing a special fare for economy seats to Honolulu. Booking period would be from 10 August 2019 until 30 September 2019 with the traveling period from 11 August 2019 till 15 May 2020. Fare starts at RM2660 (approximately USD\$665) for one pax return travel.
-

- **Thailand**

- Cathay Pacific (CX) give out special and promo Fair to online travel agency by selling tickets to Los Angeles starting from THB 23,000 to USA using Economy Class / USD 750, ticket to Seattle starting from THB 25,000 to USA using Economy Class / USD 816.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- **Malaysia**

- Visa approval remains an issue with the Malaysian traveler to the US and hinders the public to apply for one as Malaysian passport holders enjoy free-visa to 179 countries to destinations such as Europe and New Zealand.

- **Singapore**

- Intense competition and the growing trend of experiencing bucket-list destinations, it will be essential for Hawaii to maintain its content and awareness in the market. There is a lack of PR support to garner coverage for the destination and effort must be increased. Challenges of securing group seats from airlines, high land cost and lack of MCI support continue to pose challenges in materializing MCI groups.

- **Indonesia**

- Indonesian are keen on tour package which covers airlines, hotel accommodation (at least 4-star hotel), full-board meals and local transportation as this will create value-for-money trip. This occurs

due to IDR currency vs USD and the global economy which creates a weaker buying power compare to the previous years. Visa application process will also determine the decision for travelling

- There is no updated tour package from local DMC; and visa application is still a major issue with Indonesian traveler.

- **Thailand**

- The increasing of strong bath currency has increased Thai purchase power and have more chance travel overseas reason because they will pay less compare to previous year. Support this trend we have seen a growing number of long-haul air transportation which contributed significantly to this growth in international outbound travel. Additional increasing of small family and individual travelers to Europe and America has also contributed to this growth.
- In connection to Hawai'i destination, there is the possibility to capture FIT segment instead of travel to America stan alone. Encourage to promote combine package with Honolulu Hawai'i with less expensive cost.

Leisure Activity Update

Consumer

No news to report.

Travel Trade

In-House Training / Product Presentation

- **Indonesia**

- **ASTRINDO Travel:** attended by 12 pax from MCI Division – 10 pax and another 2 pax from Series Division. The product presentation was conducted to have a maximum effort when selling Hawai'i to MCI corporate. The queries from MCI corporate are mostly to Central province of China and USA Mainland, but not to Hawai'i. This is because the set-budget for MCI activities will not fit with the total cost of Hawai'i, even for MONO Hawai'i program. Based on the current global economy situation and presidential situation, MCI corporate set budget per pax for MCI activities is approx IDR 35,000,000 which must include accommodation, meals and airlines which is equals to USD 241. MCI corporate tends to have the lower price but with maximum service so most of the time Hawai'i is out of options due to budget. However, Hawai'i will be offered as a new destination whenever a new group come along with enquiries.
- **Wisata Dewa Tour (WITA Tour) & Rotama Tour:** attended by 3 pax from MCI division, 1 pax from Series Division and 1 travel consultant of WITA Tour and 4 pax from travel consultant and 1 pax from MCI division of Rotama Tour.
- **WITA Tour:** Tour program to USA Mainland and the tour itinerary which has produced a good business to WITA Tour are East Coast + Latin America. They also have the tour program to West Coast include Honolulu for 2 nights from San Francisco; however, this tour program is lacking demand with the public due to very high price and the choice of airlines which is limited to China Airlines and United Airlines which are not popular for Indonesians. They have partnered with Tour America as the local DMC for tour program to USA.
- **Rotama Tour:** Rotama Tour is the sister company of WITA Tour and under management of WITA Tour. Their business is currently focus more on to China compare to USA and Europe and they destination knowledge about Hawai'i was lacking before the training. They will start considering about the tour program to Hawai'i for 2020.

Public Relations

- **Malaysia**

- Gohawaiisea's Facebook followers stand at 13,993 (+53), and Instagram followers stand at 1,193 (-4) in August as compared to last month. On the other hand, Kona was mentioned in a lifestyle digital magazine (Buro247) as one of the seven unique dive sites that will give you some deep thrills. Buro247 is a lifestyle and premium digital magazine which covers from runway reports to the hottest trends and the latest in beauty, culture and lifestyle.
- Digital Media Clippings: Seven Unique dive sites in Asia and beyond that will give you deep thrills | August 2019

Sales Activities

Sales Calls (Malaysia)

Airline	Wholesaler/TA/TO/OTA	Other	Total
2	15	1	18

Summary of key Sales Activities:

- Met with Philippines Airlines and ANA (All Nippon Airlines) to introduce Dan Darby as the new manager for HTSEA also to discuss collaboration for Hawaii SEA Trade Mission and MY Hawaii Fiesta.
- Sales call to trade partners such as
 - GTT (Golden Tourworld Travel),
 - Parlo Tours,
 - Signatour World,
 - Apple Vacations
 - Pearl Holidays
 - Malaysian Harmony
 - Boustead Travel
 - Z.G. Nan Fang Holiday
 - Rida International
 - Enjoy Holiday Tour
 - Tour Rite
 - Sedunia

Sales Calls (Singapore)

Airline	Wholesaler/TA/TO/OTA	Other	Total
0	5	7 (MCI)	12

Summary of key Sales Activities

- Sales call to trade partners such as:
 - ASA Holidays
 - Apple Holidays
 - Chan Brothers Travel / MICE
 - UOB Travel
 - BI Worldwide
 - JTB Pte Ltd
 - CPI Travel

- Dynasty Travel
- CTC MICE
- JSN International Events

Sales Calls (Indonesia)

Airline	Wholesaler/TA/TO/OTA	Other	Total
0	0	4 (MCI)	4

Summary of key Sales Activities

- Sales call to trade partners such as:
 - ASTRINDO Travel Services
 - Antavaya Tour
 - Smailing Tour
 - Carmel Holidays
- Hawai'i remains as a challenge to sell for Series tour program due to high rate and additional flight from Los Angeles to Honolulu.
- Honolulu is only an inclusion as 2 nights in the Series tour program for the tour program to USA Mainland.
- Tour Operator from Mainland USA will be preferred as the agents here don't have connection with operators in Hawai'i.
- FIT passengers who book tickets online to USA + Honolulu from OTA such as Tiket.com is starting to grow.

Sales Calls (Thailand)

Airline	Wholesaler/TA/TO/OTA	Other	Total
0	0	4 (MCI)	4

Summary of key Sales Activities:

- Sales call to trade partners such as:
 - iTravel Center
 - Bond Street Tour
 - Travel Tech 2000
 - Go Holiday Tour
- Trip Budget and safety is a key concern when corporate company select destination
They will consider incentive trip in SEA first for small or medium budget such as trip to Singapore, Malaysia, Korea and Japan.
- Encourage to promote Hawai'i. during the consumer fair/ travel trade fair to raise destination feasibility in the market
- Agent is interested to participate in paid fam trip to learn new destination.
- Most of the travel agents have lack knowledge of selling Hawai'i. Although they are willing to promoted but it is very difficult to materialize each groups and it is risky to secure seat to USA and Hawai'I by wire deposition in advance.

Brand Experience Update

- **Malaysia**
 - The team has reached out to a number of media partners to take part in our upcoming media round table meeting with culture representatives from Hawai'i. It is a good opportunity as the media can learn more about the culture and Aloha spirit from culture representatives during the trade mission.
- **Singapore**
 - Continue to highlight some of the events such as Hawai'i International Film Festival, Hawai'i Food & Wine Festival, Aloha Festival, Kona Coffee Festival etc to some of the leisure and MCI agents.
- **Indonesia**
 - Hawaii Tourism Authority has been promoting to Panorama Tours – MCI Division during the in-house training to give them more idea and insight to sell Hawai'i from different angle. This will be consider by Panorama Tours when the opportunity to sell Hawai'i occurs. The list of Hawaiian events & festivals can be considered in their second edition of destinations catalogue upon approval. This opportunity will need to be follow-up.
- **Thailand**
 - Encourage agent to understand more about major festivals and events and understand cultures, traditions, people and unique characteristic of the Hawaiian by visit website gohawaii.com

Island Chapters Engagement Update

No news to report.

“Coming Attractions” for Leisure Market

What	When	Where
Awe-inspiring Journey to Paradise (digital campaign)	August 31 st - October 31 st	Singapore
Aloha SEA Trade Mission	September 10 th – 13 th	Kuala Lumpur & Jakarta
#MYHawaiiFiesta Consumer Event	October 31 st – November 3 rd	Kuala Lumpur
Aloha SEA Trade Mission	September 10-13 2019	Pavilion Hotel, Kuala Lumpur
MY Hawai'i Fiesta	October 31 – November 4, 2019	Sunway Velocity, Kuala Lumpur.



Group Sales Status Report – August 2019

OVERVIEW

According to U.S. Travel, the economy is still growing, albeit at a slower pace, bolstered by solid wage and employment growth as well as strong consumer spending. The Meetings, Conventions, and Incentives (MCI) industry is starting to see some signs of downward trends. The cooling of business investments amidst the ongoing trade conflicts weigh on domestic business travel, which declined -0.2 percent in June and is expected to be flat through the rest of the year. Despite this drop, the majority of planners (59%) and suppliers (71%) surveyed for The Meeting Professional’s Summer Outlook remain optimistic about projected business conditions. Suppliers are more positive than planners in their projections; suppliers anticipate a year-over-year growth of over three percent whereas planners predict only one percent growth.

At the same time, the MCI industry appears to be shifting to a slightly more balanced marketplace compared to recent quarters, although it is still considered to be a seller’s market. Forty-eight percent of surveyed professionals reported they believe market conditions favor vendors, whereas only 26 percent believe conditions favor buyers. However, live attendance projections are the weakest they have been since 2017, while virtual attendance growth projections are the strongest in five years. This shift will likely continue as businesses seek to cut costs on travel as economic growth slows and uncertainty surrounding the trade conflicts persists.

SALES PRODUCTION (in the month for any year)

Table 1: Total Sales Production – August 2019

Table 1: TOTAL SALES PRODUCTION

	Month			Year-to-Date		
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year
Room Nights						
Definite & Assist-Definite	9,403	22,727	-59%	209,314	241,471	-13%
Tentative & Assist-Tentative	62,439	106,815	-42%	665,811	664,108	0%

Definite and Tentatives generated by HCC and HTUSA plus definites, assist-definites, tentatives and assist-tentatives generated by the international GMTs

Beginning January 2018 production is categorized by MCI and non-MCI group sales. See Definitions at the end of this report for a general description of the new categories. Database cleansing is ongoing and may result in changes to previously reported year-to-date figures.

**Table 2a: Hawai'i Convention Center (HCC) Citywide Sales Production
August 2019**

Table 2a: HAWAI'I CONVENTION CENTER CITYWIDE SALES PRODUCTION

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
Room Nights								
Definite	0	4,785	-100%	59,606	73,597	-19%	195,000	31%
New to Hawai'i	0	4,785	-100%	20,921	14,740	42%		
Tentative	5,900	53,548	-89%	129,722	225,671	-43%		
MCI								
Room Nights								
Definite	0	0	N/A	39,857	58,745	-32%		
New to Hawai'i	0	0	N/A	13,011	8,000	63%		
Tentative	5,200	53,548	-90%	116,309	215,295	-46%		
Non-MCI								
Room Nights								
Definite	0	4,785	-100%	19,749	14,852	33%		
New to Hawai'i	0	4,785	-100%	7,910	6,740	17%		
Tentative	700	0	N/A	13,413	10,376	29%		

HCC database updates with regard to MCI and non-MCI categories are ongoing and may result in changes to previously reported year-to-date figures.

COMMENTS

In addition to the booking numbers as summarized herein, this past August the Hawai'i Convention Center (HCC) sales team participated in two trade shows as outlined below.

- *American Society of Association Executives (ASAE) annual meeting in Columbus, OH included senior and mid-level executives from various types of associations throughout the U.S. mainland. HCC met with 57 association executives and secured nine leads: two for 2020, three for 2021 and four for 2022.*
- *HCC exhibited at the Connect Marketplace held in Louisville, KY, which brings together planners from six meetings and events industry markets, e.g. association, corporate, specialty, expo tour and sports.*

In September, the HCC sales team will be participating at the IMEX America trade show. With clients returning to the office after the summer vacation months, HCC sales directors will be focused on securing License Agreements for select bookings. Also, all sales coordinators and sales directors will under-go training on recent updates made to sales module within the USI system. HCC continues to make significant progress with fine-tuning its reporting processes.

Advertising and Public Relations Efforts

PR efforts for the month of August included coordinating coverage in Pacific Business News featuring HCC’s Executive Chef Hans Lentz. Frolic Hawai’i also featured HCC’s F&B offerings for Comic Con Honolulu, particularly HCC’s Harry Potter inspired cocktails served during the 3-day event. Lastly, HCC also had two segments in KHON 2’s WakeUp2Day last August 26th featuring HCC’s Food and Beverage offerings for Sunset Mele and Night Market.

North America placements in August include a Convention Center supplement with matching advertorial in The Meeting Professional (MPI) magazine. Ongoing North America placements include the digital retargeting campaign with American Society of Association Executives (ASAE), which started March 1st until fulfillment of 400,000 impressions, and a joint full page ad placement with Meet Hawai’i in Meetings & Conventions magazine’s July/August issue (Hawai’i Supplement).

Sports advertising placements include digital ads with SportsEvents and Sports Travel magazines. HCC was also featured in Sports Destination Management’s SDM Blitz E-newsletter as a Featured Destination. Ongoing placements include website retargeting campaign on the National Association of Sports Commissions (NASC) website (until Jan. 31, 2020).

Asia placement for August includes a 728x 90 top leaderboard digital ad for PCMA Asia’s “Communique” newsletter.

Local ad placement to promote HCC’s Holiday Pā’ina (holiday party package) is also ongoing with a 3/8 page, full color placement in Pacific Business News on August 16th.

Table 2b: Hawai’i Tourism USA (HTUSA) Single Property Sales Production August 2019

Table 2b: HTUSA SINGLE PROPERTY SALES PRODUCTION

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
Room Nights								
Definite	5,624	14,268	-61%	99,132	102,124	-3%	187,000	53%
New to Hawai’i	3,443	3,576	-4%	42,944	49,574	-13%	78,750	55%
Tentative	46,122	46,716	-1%	457,120	329,292	39%	500,000	91%
MCI								
Room Nights								
Definite	5,116	14,268	-64%	98,524	98,148	0%		
New to Hawai’i	2,935	3,576	-18%	42,336	45,598	-7%		
Tentative	43,181	46,350	-7%	446,709	324,765	38%		
Non-MCI								
Room Nights								
Definite	508	0	N/A	608	3,976	-85%		
New to Hawai’i	508	0	N/A	608	3,976	-85%		
Tentative	2,941	366	704%	10,411	4,527	130%		

COMMENTS

Market Conditions and Industry Trends

In the recent issue of The Meetings Professional, an article indicated shifts are on the horizon in the meetings industry as business and live attendance projections reveal some weaknesses. The article also indicates that social issues continue to impact destination selection, which as a key trend that emerged in the most recent Meetings Outlook survey.

Another important trend to emerge in the latest survey was a focus on sustainable meetings. Many are embracing the benefits of environmentally friendly meetings. Sixty-two percent of respondents say their organizations have adopted more sustainable purchasing behavior, while 40 percent that cost is preventing organizations from making their gatherings more sustainable.

The growing sentiment regarding overtourism and the impact on the meetings industry is featured in the current issue of Convene Magazine. Local concerns and residents' perspectives are increasingly becoming part of the conversation when CVBs and meeting planners work together. In the opinion of Claire Smith, vice president for sales and marketing at the Vancouver Convention Centre, it is critical that CVBs be clear and direct about the broad positive impact to host cities. CVBs need to get better at becoming part of the solution rather than part of the problem.

Midwest market conditions are fairly robust with an increase in strong potential leads this past month. A slower than normal fourth quarter could be looming, though, as stock market conditions continue to fluctuate. Regardless, insurance and medical market segments appear to be moving forward. Associations are picking up again in the global medical and research areas, which may offset the slowdown from the incentive markets.

West coast activity has centered around three major promotional events and attraction of MCI client participation: the Island of Hawai'i Bus Tour, the Rams 2019 Kickoff for Charity Luncheon in Los Angeles and the upcoming University of Hawai'i alumni event and game in Washington.

Sales Production vs. Goals Analysis

For the first time this year, the team has slipped below last year (-3%) in the year-to-date definite column. Year-over-year (YOY) monthly production dramatically declined -61 percent due to the cyclical and somewhat unpredictable nature of collecting signed definites, but is not a concern and will be monitored closely.

The extremely healthy year-to-date pace for tentatives provides confidence that the definite short fall could be turned around. While the month of August reports a one percent decline YOY, the year-to-date (YTD) pace is a healthy 39 percent ahead of last year.

Highlights of Any Key Definites

- Convention — fraternal association, May 2021 (1,901 room nights)
- Convention — medical association, February 2022 (1,296 room nights)

Highlights of Any Key Cancellations

None to report for August.

Highlights of Any Key Tentatives

- Convention — multi-level marketing corporation, October 2020 (4,135 room nights)
- Incentive — consumer products corporation, April 2022 (3,147 room nights)
- Incentive — high tech corporation, March 2020 (2,432 room nights)
- Convention — medical association, March 2022 (1,200 room nights)
- Convention — confidential group, March 2020 (507 room nights)

Advertising efforts

Meetings, conventions and incentives (MCI) July Paid Media Recap

- Meetings and Conventions July/Aug Hawai'i Supplement – 50,000 impressions
- Northstar Destination Guide banners (728x90) – 1,484 impressions
- Northstar Destination Guide banners (970x250) – 744 impressions
- Northstar Destination Guide online Hawai'i Destination Guide – 2,116 page views

Public Relations efforts on behalf of HTUSA Meet Hawai'i

Activity highlights include:

- Pitched J. Heilman, Meetings Today, regarding new attractions, renovations and wellness. Followed up with meeting invitation for IMEX.
- Fielded request from C. Dial, Corporate & Incentive Travel, regarding Hawai'i as an incentive destination. Coordinated with incentive meeting planner for information and Q&A session; Reached out and provided fact sheets from the following properties: Four Seasons Maui in Wailea, Four Seasons Resort Lāna'i and The Ritz-Carlton Kapalua.
- Fielded request from G. Seli, F&D, regarding feature of the Hawai'i Convention Center. Provided G. Seli with contact information from HCC's CAB group.

Media Coverage Highlights:

- "Convention Centers: Hawai'i Convention Center" – Convene Magazine – July 2019 – PDF Available Upon Request
- "Guide to Meeting & Event Planning in Hawaii" – Northstar Meeting Group – July 22, 2019 – <https://bit.ly/2TmaLOX>

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

July	July
<u>Impressions</u>	<u>Publicity Values</u>
Print: 50,000	Print: \$5,500
Online: 50,000	Online: \$2,500
Broadcast: 0	Broadcast: \$0
Total: 100,000	Total: \$8,000

**Table 2c: Hawai'i Tourism Canada Single Property Sales Production
August 2019**

Table 2c: TOURISM CANADA SINGLE PROPERTY SALES PRODUCTION

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
Room Nights								
Definite & Assist-Definite	0	0	N/A	1,305	2,649	-51%	3,150	41%
New to Hawai'i	0	0	N/A	1,305	1,727	-24%	2,085	63%
Tentative & Assist-Tentative	2,828	240	1078%	6,252	12,241	-49%	19,500	32%
MCI								
Room Nights								
Definite & Assist-Definite	0	0	N/A	1,080	2,607	-59%		
New to Hawai'i	0	0	N/A	1,080	1,685	-36%		
Tentative & Assist-Tentative	2,828	240	1078%	6,027	9,699	-38%		
Non-MCI								
Room Nights								
Definite & Assist-Definite	0	0	N/A	225	42	436%		
New to Hawai'i	0	0	N/A	225	42	436%		
Tentative & Assist-Tentative	0	0	N/A	225	2,542	-91%		

COMMENTS

Market Conditions and Industry Trends

Through conversations with planners this month, planners are mentioning that Hawai'i is cyclical and will come around again for reconsideration. Also, hotel pricing is too high in comparison to the all-inclusive market. Although this comes up frequently, Hawai'i Tourism Canada (HTCAN) has mentioned that the CAD versus Euro situation is quite similar. HTCAN is still in contact with the planners on a regular basis, providing newsletters and updates on the islands. HTCAN also believes that budget and incentive support would help position Hawai'i as a truly competitive destination.

Exchange Rate Impacting Indirect Activity

Direct arrivals from Canadian airports grew +5.5 percent during the first seven months of 2019, while arrivals via U.S. airports decreased -10.7 percent. With year-over-year declines registered in four of seven months, there has been over 9,000 fewer indirect arrivals so far in 2019. Throughout the first seven months of 2019, the loonie averaged USD \$0.752 cents, a -3.6 percent decline compared to the same period in 2018.

Sales Production vs. Goals Analysis

August was a slow month with only two RFPs out of Canada. According to planners, it is still vacation time and they do not expect an increase in activity until September and beyond. HTCAN is working on several tentative bookings that will confirm shortly, pending site inspections in October. This would add

800-1,000 room nights to the definite/assist definite KPI numbers. HTCAN has had an overall decrease in RFP leads thus far in 2019. For the month, HTCAN has only secured 2,828 tentative/assist tentative room nights, which is 60 percent of its Q3 tentative/assist tentative target of 6,000 room nights, which is 32 percent of its annual tentative/assist tentative goal. HTCAN has reached 18 percent of its Q3 definite/assist definite target of 1,000 room nights, which is only 41 percent of its annual definite/assist definite goal. Reduced budgets, activities and time spent on the HT account leads to part of this issue. September is already looking promising with an RFP for 738 room nights to Hawai'i.

HTCAN is working with Strategic Site Selection on a site inspection for a finance corporation interested in Hawai'i for their 2021 incentive program. Site inspection is scheduled for October 2019.

Highlights of any Key Definites

None to report for August.

Highlights of Any Key Cancellations

None to report for August.

Highlights of Any Key Tentatives

- Convention – manufacturing association, March 2022 (2,520 room nights)
- Incentive – confidential group, May 2020 (308 room nights)

Public Relations and Advertising

None to report for August.

**Table 2d: Hawai'i Tourism China Single Property Sales Production
August 2019**

Table 2d: TOURISM CHINA SINGLE PROPERTY SALES PRODUCTION

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
Room Nights								
Definite & Assist-Definite	0	84	-100%	6,681	7,818	-15%	12,480	54%
New to Hawai'i	0	84	-100%	5,046	7,818	-35%	9,984	51%
Tentative & Assist-Tentative	3,654	0	N/A	18,958	15,258	24%	24,960	76%
MCI								
Room Nights								
Definite & Assist-Definite	0	84	-100%	2,954	7,616	-61%	9,360	32%
New to Hawai'i	0	84	-100%	1,319	7,616	-83%	7,488	18%
Tentative & Assist-Tentative	3,654	0	N/A	16,953	15,056	13%	18,720	91%
Non-MCI								
Room Nights								
Definite & Assist-Definite	0	0	N/A	3,727	202	1745%	3,120	119%
New to Hawai'i	0	0	N/A	3,727	202	1745%	2,496	149%
Tentative & Assist-Tentative	0	0	N/A	2,005	202	893%	6,240	32%

COMMENTS

Market Conditions and Industry Trends

China Economy

- ***Economy*** – In the first half of 2019, China's GDP grew +6.3 percent YOY, in line with market expectations.
- ***Currency*** – In August, currency exchange rate depreciated to 7.1 CNY per USD from 6.9 CNY per USD in light of the escalating Sino-U.S. trade war.
- ***Unemployment rate*** – The unemployment rate in China decreased to 3.61 percent in Q2 2019 from 3.67 percent in the Q1 2019, reaching a record low since 2002.
- ***Consumer confidence*** – Consumer confidence in China increased in June 2019, standing at 125.9 Index Points from 123.4 in May 2019.

Outbound Travel Market

- According to NTTO data, China outbound travel to the U.S. dipped -3.7 percent YOY July YTD 2019. As the countries' trade war escalates, China's government has begun requesting state-owned firms to avoid travel to the U.S. Meanwhile, non-governmental exchanges stayed positive, as the Chinese MCI market value other factors such as MCI facilities, enrichment opportunities and natural wonders over trade war concerns.

- *The ongoing summer holiday witnessed over thousands of Chinese students embarking on overseas study trips. Ctrip's Summer Holiday Study Trip Spending Report 2019 showed a +2.1 percent increase in the average cost of study trips to USD 3,200 USD (RMB 22,000) per household. Chinese students expressed interest in immersing in the local culture on their education travel.*

Travel Trends

- *MC China, an online platform focused on meetings and conventions study, states that customizable outbound incentive trips are new favorites for Chinese corporations. In addition to traditional sightseeing, more activity-based experiences, like whale-watching, sailing and helicopter tours, are popular alternatives for incentive trips.*
- *According to a survey conducted by GBTA and HRS, international business travelers are more inclined to choose a business hotel surrounded by shopping centers, restaurants, recreations. 68 percent of MCI buyers consider “the proximity to dining and entertainment” an important purchase factor.*

Impact on Hawai'i:

As a well-facilitated and inspiring MCI destination with many experiential tourism resources and themed packages, Hawai'i has a huge untapped potential to attract Chinese MCI groups.

Strategy & Action:

To enrich the whole business travel experience, Hawai'i Tourism China (HTC) will be following up with MCI intermediaries handling high-quality MCI groups by introducing more tourism resources and unique themed trips for incentive customization. Also, Hawai'i's accommodation options with comprehensive facilities will be updated to MCI intermediaries continuously.

Sales Production vs. Goals Analysis

HTC has secured 6,681 definite/assist definite room nights as of August and achieved 54 percent of the KPI for 2019 definite/assist definite room nights. With a total 18,958 tentative/assist tentative room nights so far, HTC has achieved 76 percent of the KPI for 2019 total tentative/assist tentative room nights.

To overcome visa issues, HTC will focus on developing new channels with potential MCI intermediaries to secure more bookings on smaller, high-yield MCI groups in 2019. Also, HTC will work closely with HCC events to connect China MCI intermediaries, associations, and corporations with Hawai'i and contribute to attendance building.

Highlights of any Key Definites

None to report for August.

Highlights of Any Key Tentatives

- *Convention – finance corporation, October 2019 (2,000 room nights)*

Public Relations and Advertising

To promote the various outdoor activities and showcase the awe-inspiring views to Chinese MCI group, HTC released an article to highlight exciting activities such as Hualālai Crater hiking tour, Kauaʻi Helicopter tour, Snorkeling at Molokini, and ATV tour and Zipline in Kualoa Ranch. This article has reached 500,000 audience with a total PR value of USD 130,000.

**Table 2e: Hawaiʻi Tourism Japan Single Property Sales Production
August 2019**

Table 2e: TOURISM JAPAN SINGLE PROPERTY SALES PRODUCTION

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
Room Nights								
Definite & Assist-Definite	3,132	1,941	61%	29,891	32,458	-8%	54,450	55%
New to Hawaiʻi	1,136	1,941	-41%	18,216	17,708	3%	20,000	91%
Tentative & Assist-Tentative	3,132	2,833	11%	28,970	33,860	-14%	40,000	72%
MCI								
Room Nights								
Definite & Assist-Definite	3,132	1,941	61%	29,219	26,128	12%	40,850	72%
New to Hawaiʻi	1,136	1,941	-41%	17,544	11,598	51%	7,000	251%
Tentative & Assist-Tentative	3,132	2,523	24%	28,298	26,395	7%	30,000	94%
Non-MCI								
Room Nights								
Definite & Assist-Definite	0	0	N/A	672	6,330	-89%	13,600	5%
New to Hawaiʻi	0	0	N/A	672	6,110	-89%	13,000	5%
Tentative & Assist-Tentative	0	310	-100%	672	7,465	-91%	10,000	7%

COMMENTS

Market Conditions and Industry Trends

Political unrest continues with the U.S.-China trade wars, demonstrations in Hong Kong, issues between Japan and Korea and more recently the TMT, prompting concerns for negative impacts on outbound travel. However, despite negative influences, the Japan Summit on island of Hawaiʻi, "Island of Hawaiʻi MICE Incentive Campaign" and sharing information on Travel Agencies' intranet sites led to increased inquiries to the island of Hawaiʻi.

Requests were made to travel agencies to ensure suggestion of Hawaiʻi Tourism Japan's (HTJ) incentive support campaign to leads incorporating responsible tourism initiatives to the island of Hawaiʻi through the campaign period. Since the launch of the island of Hawaiʻi Support Campaign at the Japan Summit in July and the help from five industry media companies, 24 applications were received as potential leads to support the campaign, with two leads for a total of 480 room nights were selected within the

first month. Information on the campaign including applications received, leads supported and attendees to the island will be shared through travel industry media to maintain awareness.

JTB, the largest Japanese MCI market wholesaler, will be hosting MCI agent FAMs to the island of Hawai'i to promote leads to the Island. By December 2019, close to 300 staff from eight branches will be visiting the island of Hawai'i.

5 Target Pillar Condition/Support

- *Incentive: There are fewer anniversary related travels in 2019, but mid-scale incentive leads with roughly 40 attendees have been growing. Market demand for responsible tourism initiatives have been growing with top agents preparing information on groups to participate in at destinations including Hawai'i. HTJ is sharing initiatives including the Aloha+ Challenge and Mālama Hawai'i videos, along with video contents created by HTUSA to share initiatives in Hawai'i, while also sharing information on activities with non-profit organizations (NPO). HTJ participated in JTB's international travel expo to strengthen group sales and share information to 600 sales representatives of JTB.*
- *Edu-Tourism: There has been an increase in requests from educational institutions to incorporate hands-on, sustainable development goal (SDG) related experiences for its students. HTJ has received four inquiries from schools for HTJ's historic guidebooks and youth exams, which resulted with one school with 21 students participating in the exams. HTJ continues to work collaboratively with Hawai'i Tourism Oceania (HTO) for the International Coastal Cleanup event in September, which includes seven Japanese participants.*
- *Sports: HTJ received an inquiry from a high school on student exchange opportunities through sports programs and has shared information, encouraging use of the facilities at the Hawai'i Convention Center (HCC). The trip is scheduled for March 2020, and is considering Hawai'i or Los Angeles. HTJ will leverage the International Coastal Cleanup event to invite professional life savers and Billabong endorsed youth surfers to experience the global scale event, while exchanging information with other participants to facilitate discussions for future events.*
- *Entertainment: HTJ continues to petition for a large-scale concert in 2020, collecting signatures from travel agencies and business leaders in both Japan and Hawai'i to encourage hosting the concert in Hawai'i.*
- *Attendance Building: Despite initially suggesting HCC as a potential venue for the 2020 program of a consumer products corporation, event organizers have decided to keep the program self-contained at their headquarter hotel. Travel agencies supporting organization of the lead will be utilizing and sharing the information gained on HCC internally and continue to work with HCC to for all potential future leads.*

Sales Production vs. Goals Analysis

In August, HTJ successfully obtained four leads as assist definite bookings to Hawai'i with a total 3,132 room nights, with 1,136 assist definite room nights being new to Hawai'i. Three of the assist definite bookings originated from the technology related industry, with one being a new group to Hawai'i. HTJ obtained 3,132 total tentative/assist tentative room nights in August.

Highlights of any Key Definites

- *Convention – high tech corporation, September 2019 (540 room nights)*
- *Incentive – technology corporation, October 2019 (1,136 room nights)*
- *Incentive – high tech corporation, October 2019 (872 room nights)*
- *Convention – educational group, December 2019 (584 room nights)*

Highlights of any Key Definites

- *Convention – high tech corporation, September 2019 (540 room nights)*
- *Incentive – technology corporation, October 2019 (1,136 room nights)*
- *Incentive – high tech corporation, October 2019 (872 room nights)*
- *Convention – educational group, December 2019 (584 room nights)*

Public Relations and Advertising

Wing Travel: Circulation 8,900, 30,000 PV; Travel Watch: 36,000 PV; Travel Voice: 500,000 PV

A report of the Japan Summit on the island of Hawai'i and the new MICE Support Campaign were introduced on the above industry media. The recap of the summit included the various information shared by HTJ at the Japan Summit, including relevant statistics, new facilities, etc. The articles also shared the new campaign, which HTJ will be supporting costs of up to 1,000,000 yen for group business held on the island of Hawai'i.

HTJ Hawai'i MICE Guidebook; AD unit: 20,000

Contents for the introduction of venues on each island was completed in August. After the collection of images is completed, it will be compiled with information previously collected, reaching the final phases of publication.

**Table 2f: Hawai'i Tourism Korea Single Property Sales Production
August 2019**

Table 2f: TOURISM KOREA SINGLE PROPERTY SALES PRODUCTION

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
Room Nights								
Definite & Assist-Definite	230	598	-62%	8,522	16,198	-47%	21,840	39%
New to Hawai'i	80	285	-72%	4,799	7,204	-33%	14,040	34%
Tentative & Assist-Tentative	550	33	1567%	8,452	15,212	-44%	43,680	19%
MCI								
Room Nights								
Definite & Assist-Definite	230	598	-62%	8,447	16,198	-48%	16,380	52%
New to Hawai'i	80	285	-72%	4,724	7,204	-34%	10,530	45%
Tentative & Assist-Tentative	550	33	1567%	8,377	15,212	-45%	32,760	26%
Non-MCI								
Room Nights								
Definite & Assist-Definite	0	0	N/A	75	0	N/A	5,460	1%
New to Hawai'i	0	0	N/A	75	0	N/A	3,510	2%
Tentative & Assist-Tentative	0	0	N/A	75	0	N/A	10,920	1%

COMMENTS

Market Conditions and Industry Trends

South Korean consumer sentiment dipped to the worst level in 31 months in August due to growing concern over the protracted trade war between the U.S. and China. The composite consumer sentiment index (CCSI) for August lost 3.4 points to 92.5, according to data released by Bank of Korea. The index declined for four consecutive months to hit the lowest level since January 2017 when it touched 92.4. A reading above 100 means there are more optimists than pessimists about the economy and vice versa for below 100. Consumer sentiment was further dented by dimming prospects for the export-reliant Korean economy amid rising uncertainties from the external front. There seems to be no sign of an immediate end to a tit-for-tat row between Korea and Japan over trade and diplomatic issues. The tourism and aviation sectors also have been negatively affected. South Korean airlines have reduced their flights to Japan, and the Chinese government blocked new flights to China.

South Korea's exports are likely to extend their slump to an eighth month in July, driven by a decline in outbound shipments of semiconductors and petrochemical goods. The country's exports fell -13.6 percent in the first 20 days of July from a year earlier to \$28.3 billion, according to Korea Customs Service data. If this trend continues, it would be the eighth month in a row that South Korea's outbound shipments have fallen on a yearly basis.

The average USD/WON exchange rate in August was 1,209.00 won, a slight increase from the previous rate of 1,174.40 won in July. Fuel surcharges were imposed in August up to 98,400 won (\$81.29) for a round trip between Korea and the U.S.

Due to a widespread anti-Japan campaign, the Japan National Tourism Organization (JNTO) reported that about 561,700 Koreans visited in July, down -7.6 percent year-over-year, the lowest figure since September 2018 when an earthquake struck Hokkaido and a typhoon shut down Kansai International Airport. Market insider reported that a majority of leisure/MICE group leads to Japan are now considering alternative destinations, including Hawai'i and South East Asia. Hawai'i Tourism Korea's (HTK) MCI team will keep monitoring the market trends and share any tentative or potential MCI leads for Hawai'i that were redirected from Japan.

Sales Production vs. Goals Analysis

HTK's MCI team missed its KPI targets in the following measures in August 2019. The targeted number of total definite/assist definite room nights was 390 definite room nights, but HTK only produced 230 assist definite room nights. Total new to Hawai'i definite/assist definite room nights were 80 room nights versus KPI target of 235 room nights. Also, in terms of total out-of-state attendees, HTK's MCI team attracted 117 attendees, missing its KPI target of 130 attendees.

Highlights of any Key Definites

- Incentive — distribution corporation, August 2019 (60 room nights)
- Incentive — distribution corporation, August 2019 (60 room nights)
- Incentive — manufacturing corporation, August 2019 (80 room nights)
- Incentive — travel corporation, August 2019 (30 room nights)

Highlights of Any Key Tentatives

- Incentive — distribution corporation, August 2019 (60 room nights)
- Incentive — distribution corporation, August 2019 (60 room nights)
- Incentive — manufacturing corporation, August 2019 (80 room nights)
- Incentive — travel corporation, August 2019 (30 room nights)

Public Relations and Advertising

None to report for August.

**Table 2g: Hawai'i Tourism Oceania Single Property Sales Production
August 2019**

Table 2g: TOURISM OCEANIA SINGLE PROPERTY SALES PRODUCTION

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
Room Nights								
Definite & Assist-Definite	417	704	-41%	4,177	6,280	-33%	16,640	25%
New to Hawai'i	417	456	-9%	3,553	4,706	-25%	12,480	28%
Tentative & Assist-Tentative	253	2,847	-91%	12,507	21,607	-42%	34,320	36%
MCI								
Room Nights								
Definite & Assist-Definite	417	248	68%	2,571	4,917	-48%	12,640	20%
New to Hawai'i	417	0	N/A	2,408	3,415	-29%	9,360	26%
Tentative & Assist-Tentative	176	2,348	-93%	10,990	18,817	-42%	25,820	43%
Non-MCI								
Room Nights								
Definite & Assist-Definite	0	456	-100%	1,606	1,363	18%	4,000	40%
New to Hawai'i	0	456	-100%	1,145	1,291	-11%	3,120	37%
Tentative & Assist-Tentative	77	499	-85%	1,517	2,790	-46%	8,500	18%

COMMENTS

Market Conditions and Industry Trends

Both the Australian and the New Zealand dollar dropped in August as a result of worsening global trade tensions. Both currencies recorded their 6th straight week loss with the Australian dollar trading at USD 0.67 and the NZ dollar trading at USD 0.63 at the end of the month.

The Sri Lanka Convention Bureau (SLCB) shared its MCI plans for 2019 and beyond this month, announcing its dual strategy to promote small-medium sized events in the near future and larger events within the next three years when its infrastructure is ready. Australia is Sri Lanka's 3rd largest inbound market for tourism, inclusive of the MCI industry. SLCB is planning an Australian roadshow promotion in September 2019 to visit both Sydney and Melbourne.

Sales Production vs. Goals Analysis

The exchange rates for AUD & NZD continue to be the main challenges for meeting planners who are looking for additional value when booking conference, meeting and incentive groups.

Highlights of any Key Definites

- Meeting – high tech corporation, November 2019 (92 room nights)
- Meeting – trade association, July 2020 (325 room nights)

Highlights of Any Key Cancellations

None to report for August.

Highlights of Any Key Tentatives

- Meeting – travel corporation, November 2019 (84 room nights)
- Special event – travel corporation, April 2021 (77 room nights)

Highlights of Any Key Prospects

- Incentive – high tech corporation, April 2021 (270 room nights)

Public Relations and Advertising

None to report for August.

**Table 2h: Other International Single Property Sales Production
August 2019**

Table 2h: OTHER INTERNATIONAL SINGLE PROPERTY SALES PRODUCTION

COMBINED - TOTAL	Month			Year-to-Date			Annual Goal	YTD as % of Annual Goal
	2019 Actual	Prior Year	Variance to Prior Year	2019 YTD	Prior Year	Variance to Prior Year		
Room Nights								
Definite & Assist-Definite	0	347	-100%	0	347	-100%	N/A	N/A
New to Hawai'i	0	347	-100%	0	347	-100%		
Tentative & Assist-Tentative	0	598	-100%	3,830	10,967	-65%		
MCI								
Room Nights								
Definite & Assist-Definite	0	0	N/A	0	0	N/A		
New to Hawai'i	0	0	N/A	0	0	N/A		
Tentative & Assist-Tentative	0	598	-100%	3,788	10,620	-64%		
Non-MCI								
Room Nights								
Definite & Assist-Definite	0	347	-100%	0	347	-100%		
New to Hawai'i	0	347	-100%	0	347	-100%		
Tentative & Assist-Tentative	0	0	N/A	42	347	-88%		

As of April 2019, Table 2h includes production for Hawai'i Tourism Europe as well as all Other International sales.

**Table 3: Island Distribution of HTUSA Single Property Sales
Year-to-Date August 2019**

**Table 3: ISLAND DISTRIBUTION OF SINGLE PROPERTY ROOM NIGHTS
(HVCB) - Year-to-Date**

Island	Tentative Room Nights	Definite Room Nights				Lead-to-Booking Conversion (Room Nights)	
	YTD Actual*	Annual Goal	Monthly Actual	YTD Actual	Percent of Goal	Goal	Actual
O‘ahu	258,452	54,000	994	19,944	37%	17%	8%
Kaua‘i	99,095	19,000	0	6,512	34%	14%	7%
Maui County	281,098	79,000	2,496	46,130	58%	26%	16%
Hawai‘i	202,179	35,000	2,134	26,546	76%	16%	13%
Total	840,824	187,000	5,624	99,132	53%		

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

‘ELELE PROGRAM

COMMENTS
<p><i>August meetings and updates from Deborah Zimmerman, ‘Elele Program Director from New Millennium Meetings (NMM):</i></p> <p>Tentatives <i>In support of Hawai‘i’s bid on an international trade association program for May 2021, ‘Elele director secured support letters from:</i></p> <ul style="list-style-type: none"> • <i>University of Hawai‘i (UH), Travel Industry Management (TIM) School</i> • <i>UH LGBTQ+ Center (representing the students)</i> • <i>The Rainbow Chamber of Commerce</i> <p><i>‘Elele director continues to collaborate with the Hawai‘i Convention Center sales team on Hawai‘i’s bid for an international medical program in April 2023, with 2,000 attendees. Hawai‘i has made the short list of three final destinations. The chair of the John A. Burns School of Medicine’s (JABSOM) Department of Surgery is the ‘Elele on this account.</i></p> <p>Promising Prospects <i>Hawai‘i is pursuing the annual meeting for a scientific association in 2026, with 4,000 attendees. The ‘Elele director met with the Dean of the UH College of Tropical Agriculture and Human Resources who was a past president of one of the organizations that make up the association, who later went on to become president of the association, developing very close relationships with the association’s executive director and chief financial officer.</i></p> <p><i>The ‘Elele director connected with the new president of the local chapter of a medical association, who is proposing to the board that the chapter invite their national association to convene in Hawai‘i, since it has been over a decade since the association has last convened in the Islands.</i></p>

As a result of a presentation to the UH Cancer Center earlier this year, the 'Elele director was asked to work on a bid for an international medical meeting for June 2021, with 600-1,000 attendees. Unfortunately, the 2021 meeting was lost to Shanghai, but the destination is extremely well positioned for a 2022 bid as Hawai'i was most favorably received.

Other Meetings

The 'Elele director met with the new Dean of the College of Engineering to discuss the school's past engagement in the 'Elele program and the continuity of its momentum.

Additionally, the 'Elele director continued to provide support for a scientific association's local sponsor for their upcoming October 2019 program, which is estimated to bring 3,500 attendees.

LOST BUSINESS

Table 4: Lost Business – August 2019

Table 4: LOST BUSINESS						
HAWAI'I CONVENTION CENTER						
Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
Convention (2090)	Scientific	2,718	1,600	11/10/2023 - 11/17/2023	Anchorage, Portland, Vancouver	Other City Selected
Convention (2122)	Travel	2,400	1,600	9/15/2020 - 9/20/2020	Lost due to 3rd party	Cancel Meeting
Trade Show (2009)	3rd Pty Planner	1,200	1,000	10/18/2019 - 10/21/2019	None Provided	Cancel Meeting
HTUSA SINGLE PROPERTY – HIGH PROFILE						
Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
MCI: Incentive (13763)	Unknown	2,400	800	04/05/2020 - 04/11/2020	Initially, Hawai'i only	Client no longer considering Hawai'i.
MCI: Convention - International (15338)	Unknown	640	300	11/13/2019 - 11/17/2019	Initially, Hawai'i only	Client no longer considering Hawai'i.
MCI: Convention - Domestic (16467)	Unknown	3,200	1,600	09/15/2020 - 09/19/2020	Initially, Hawai'i only	Client no longer considering Hawai'i.
MCI: Incentive (16592)	Multi Level Marketing	3,750	1,500	05/01/2020 - 05/06/2020	Budapest, Hungary	Program lost to Athens.
MCI: Incentive (16593)	Multi Level Marketing	3,750	1,500	04/26/2020 - 05/01/2020	Budapest, Hungary	Program lost to Athens.
MCI: Incentive (16851)	Automotive	620	280	03/20/2021 - 03/25/2021	Initially, Hawai'i only	Another 3rd party planner booked the program.
INTERNATIONAL SINGLE PROPERTY						
Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
NONE FOR AUGUST						

NEW-TO-HAWAI'I DEFINITE BOOKINGS

Table 5: New to Hawai'i Definite Bookings – August 2019

Table 5: NEW TO HAWAI'I DEFINITE BOOKINGS					
HTUSA SINGLE PROPERTY - HIGH PROFILE					
Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
MCI: Convention - Domestic (16577)	Fraternal, Service	1,901	700	05/21/2021 - 05/28/2021	Initially, Hawai'i only
INTERNATIONAL SINGLE PROPERTY					
Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
HT Oceania: MCI: Meeting (16722)	3rd Party	325	150	07/05/2020 - 07/09/2020	Initially, O'ahu and Maui only
HT Korea: MCI: Incentive (16877)	Manufacturing, Distrib.	80	35	08/01/2019 - 08/05/2019	Initially, Hawai'i only
HT Oceania: MCI: Meeting (16911)	High Tech	92	26	11/04/2019 - 11/07/2019	Unknown
HT Japan: MCI: Incentive (17972)	Technology	1,136	322	10/10/2019 - 10/15/2019	Unknown
TOTAL NEW TO HAWAI'I GMT BOOKINGS FOR THE MONTH					17
TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I GMT BOOKINGS					5,076

HAWAI'I CONVENTION CENTER					
Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
NONE FOR AUGUST					
TOTAL NEW TO HAWAI'I CITYWIDE BOOKINGS FOR THE MONTH					0
TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I CITYWIDE BOOKINGS					0

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 August:

- 2 client promotional events
 - HCC
 - International Chemical Congress, San Diego, CA, August 18-23
 - Goldschmidt Conference, Barcelona, Spain, August 24-28

- 4 educational events
 - International GMTs
 - HTO – PCMA – The Future of Meetings and Events, Sydney, Australia, August 22
 - HTC – ANA Educational Seminar, Guangzhou, China, August 23
 - HTC – Hawaiian Airline Educational Seminar, Shanghai, China, August 28
 - HTC – Hawaiian Airline Educational Seminar, Beijing, China, August 30

- 5 trade shows
 - HTUSA
 - Connect Association Marketplace, Louisville, KY, August 26-28
 - HCC
 - American Society of Association Executives (ASAE) Annual Meeting, Columbus, OH, August 10-13
 - Connect Association Marketplace, Louisville, KY, August 26-28
 - International GMTs
 - HTO – Aloha Down Under, Brisbane, Sydney, Melbourne, Australia and Auckland and Christchurch, New Zealand, August 5-13
 - HTC – China International Tourism Industry Expo (CITIE), Guangzhou, China, August 30

- 1 sales blitz
 - International GMTs
 - HTC – GZL 2019 Global Strategic Partners Conference, Guangzhou, China, August 29

- 10 major site visits and familiarization (FAM) tours with clients and potential clients
 - HTUSA
 - 5 site visits, Island of Hawai'i
 - 1 site visit, Maui
 - 1 site visit Kaua'i and Maui
 - 1 site visit, O'ahu and Island of Hawai'i
 - 1 site visit O'ahu, Maui and Island of Hawai'i
 - International GMTs
 - 1 site visit O'ahu

FUTURE SALES AND MARKETING ACTIVITIES

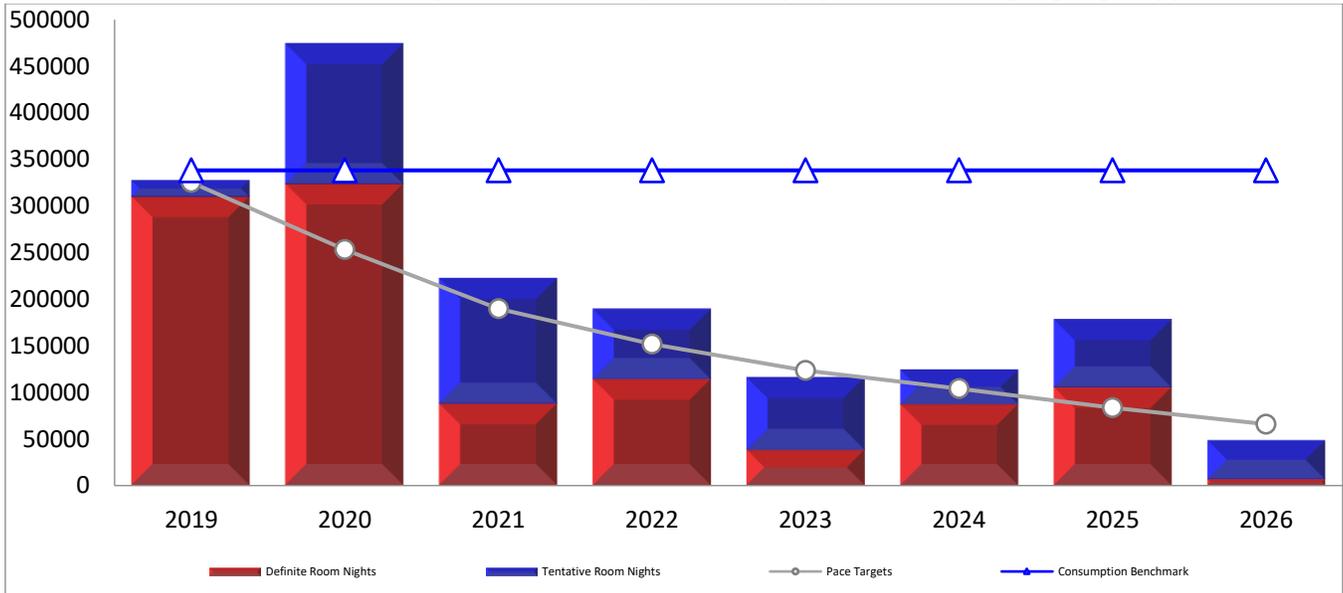
Meet Hawai'i will participate in the following MCI events in the upcoming months:

Sept. 2019			
Sept. 8-12	IMEX America, Las Vegas, NV	Trade Show	HCC & HTUSA
Sept. 13-25	Island of Hawai'i Bus Tour, San Diego, Newport, San Francisco, San Jose, CA; Portland, OR; Seattle, WA	Sales Blitz	HTUSA
Oct. 2019			
Oct. 5-11	HTO MCI FAM, O'ahu and Island of Hawai'i, HI	FAM	HTO
Oct. 20-22	National Franchise Convention, Gold Coast, Australia	Trade Show	HTO
Oct. 24-27	Tourism Expo 2019, Osaka, Japan	Trade Show	HTJ
TBD	IT &CM Asia, Destination TBD	Sales Blitz	HCC
TBD	SITE Education Day, Toronto, Canada	Educational Event	HTCAN
Nov. 2019			
Nov. 2-5	American Academy of Periodontology (AAP) Annual Meeting, Chicago, IL	Client Promo	HCC
Nov. 5-7	Destination Hawai'i, Maui, HI	Trade Show	HTUSA
Nov. 6-7	Prestige, San Jose, San Francisco, CA	Trade Show	HTUSA
Nov. 6-8	PCMA Asia Pacific (APAC) Annual Conference, Macau, China	Trade Show	HCC
Nov. 10-13	Aloha Business Exchange, Maui, HI	FAM	HTUSA
TBD	HTJ Workshop, TBD	Trade Show	HCC
TBD	HTO MCI Incentive FAM, O'ahu, HI	FAM	HTO
TBD	HTO MCI Incentive FAM, O'ahu, HI	FAM	HTO

CONSUMPTION

The TAP Reports on the next page show the number of events and room nights on the books for each year 2019-2026 against a rolling 36-month consumption benchmark.

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



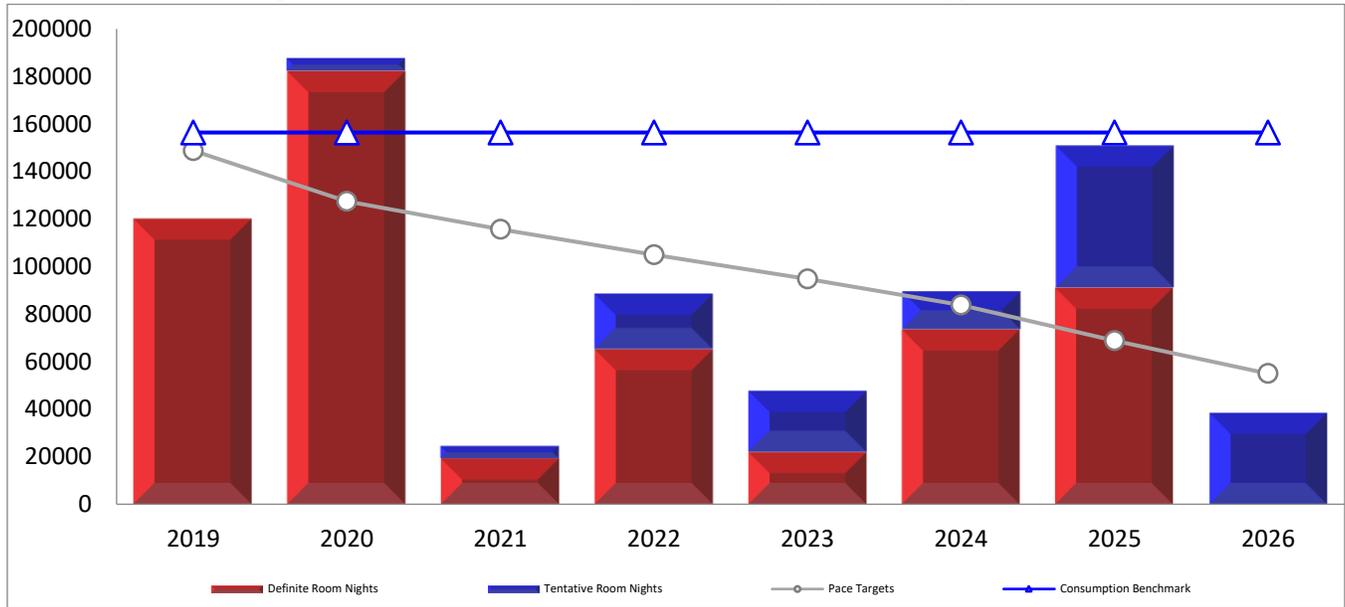
<i>Hawai'i R/N</i>	2019	2020	2021	2022	2023	2024	2025	2026	Total
Definite Room Nights	309,585	323,357	87,882	114,369	38,480	87,233	105,508	7,014	1,073,428
Pace Targets	325,247	253,173	189,732	151,935	123,569	103,948	83,602	65,930	1,297,136
Variance	(15,662)	70,184	(101,850)	(37,566)	(85,089)	(16,715)	21,906	(58,916)	(223,708)
Consumption Benchmark	338,284	338,284	338,284	338,284	338,284	338,284	338,284	338,284	2,706,272
Pace Percentage	95%	128%	46%	75%	31%	84%	126%	11%	83%
Total Demand Room Nights	859,131	664,233	389,279	273,000	104,525	123,428	145,498	71,754	2,630,848
Lost Room Nights	549,546	340,876	301,397	158,631	66,045	36,195	39,990	64,740	1,557,420
Conversion Percentage	36%	49%	23%	42%	37%	71%	73%	10%	41%
Tentative Room Nights	18,181	151,294	135,026	75,702	78,199	37,537	73,419	41,941	611,299

Hawai'i Events

Definite Events	344	178	58	38	13	15	11	4	661
Pace Targets	315	144	61	34	17	11	7	5	594
Variance	29	34	(3)	4	(4)	4	4	(1)	67
Consumption Benchmark	346	346	346	346	346	346	346	346	2,768
Pace Percentage	109%	124%	95%	112%	76%	136%	157%	80%	111%
Total Demand Events	795	413	128	62	29	25	16	7	1,475
Lost Events	451	235	70	24	16	10	5	3	814
Conversion Percentage	43%	43%	45%	61%	45%	60%	69%	57%	45%
Tentative Events	60	291	162	42	24	12	11	6	608

The number of events reported in TAP 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: The TAP Report: Convention Center 8-year Pace (citywide only)



<i>Hawai'i R/N</i>	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Definite Room Nights	120,052	182,128	19,250	65,270	21,939	73,540	91,055	0	573,234
Pace Targets	148,774	127,517	115,719	105,008	94,827	83,869	68,765	54,980	799,459
Variance	(28,722)	54,611	(96,469)	(39,738)	(72,888)	(10,329)	22,290	(54,980)	(226,225)
Consumption Benchmark	156,415	156,415	156,415	156,415	156,415	156,415	156,415	156,415	1,251,320
Pace Percentage	81%	143%	17%	62%	23%	88%	132%	0%	72%
Total Demand Room Nights	397,965	330,863	258,713	210,646	77,708	98,872	131,045	64,740	1,570,552
Lost Room Nights	277,913	148,735	239,463	145,376	55,769	25,332	39,990	64,740	997,318
Conversion Percentage	30%	55%	7%	31%	28%	74%	69%	0%	36%
Tentative Room Nights	0	5,250	5,250	23,250	25,785	15,850	59,742	38,451	173,578

<i>Hawai'i Events</i>	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Definite Events	31	19	5	9	3	7	5	0	79
Pace Targets	25	18	13	11	10	6	4	1	88
Variance	6	1	(8)	(2)	(7)	1	1	(1)	(9)
Consumption Benchmark	28	28	28	28	28	28	28	28	224
Pace Percentage	124%	106%	38%	82%	30%	117%	125%	0%	90%
Total Demand Events	75	61	38	25	14	14	10	3	240
Lost Events	44	42	33	16	11	7	5	3	161
Conversion Percentage	41%	31%	13%	36%	21%	50%	50%	50%	33%
Tentative Events	0	3	2	5	5	5	6	5	31

The number of events reported in TAP 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 TAP Report Terms

Glossary of Terms
Consumption Benchmark – The average number of definite room nights produced by Meet Hawai'i for each month and year for the last three twelve month periods. Each month the “oldest” month is dropped from the calculation and the most recent month is added.
Conversion Index - A measurement for each month and year of the client city's Conversion Percentage compared to the Peer Set's Conversion Percentage. A value greater than 100 indicates that the client city is converting more demand to definite room nights than the Peer Set. A number less than 100 indicates that the client city is converting less demand to definite room nights than the Peer Set.
Conversion Index Rank - The position of the client's Conversion Index compared to the Peer Set.
Conversion Percentage - The percentage of Total Demand Room Nights that Meet Hawai'i converts to Definite Room Nights for each month and year at the time the report is published.
Definite Room Nights – Number of definite room nights, confirmed by Meet Hawai'i for each month and year at the time the report is published.
Definite Room Night Share % – A percentage indicating the client city's portion of the Peer Set's Definite Room Nights.
Lost Room Nights – The number of room nights, both definite and tentative, that have been lost for each month and year at the time the report is published.
Pace Index - A measurement for each month and year of the client city's Pace Percentage compared to the Peer Set's Pace Percentage. A value greater than 100 indicates that the client city's Pace Percentage is higher than that of the Peer Set. A number less than 100 indicates that the client city's Pace Percentage is less than that of the Peer Set.
Pace Index Rank - The position of the client's Pace Index compared to the Peer Set.
Pace Percentage – The percentage of Definite Room Nights compared to the Pace Target. If Meet Hawai'i continues to book at current trends the same percentage can be applied to the Consumption Benchmark when each month and year passes.
Pace Target – Number of definite room nights that should be confirmed for each month and year at the time the report is published (updated every month). Pace targets are determined by analyzing a minimum of the last three years definite room nights and all definite room nights confirmed for the future. The analysis is completed by comparing the date a booking was confirmed to that of the arrival date for each confirmed booking and computing the number of months in advance of arrival that each booking was confirmed.
Room Night Demand Share % – A percentage indicating the client city's portion of the Peer Set's Demand.
Tentative Room Nights – The number of tentative room nights pending for each future month and year at the time the report is published.
Total Demand Room Nights - Number of total lead room nights issued by Meet Hawai'i for each month and year at the time the report is published.
Variance – The difference between the Definite Room Nights and the Pace Target.

CONVENTION CENTER PERFORMANCE

Table 8a: Convention Center Performance – June 30, 2019 Year-to-Date

PERFORMANCE MEASURE	YTD	TARGET	VARIANCE
Occupancy	37%	31%	6%
Total Events	127	104	23
Total Attendance	209,569	177,207	32,362
Visitor Spending	\$146,648,164	\$146,648,164	\$0
Tax Revenue	\$14,224,872	\$14,224,872	\$0
Revenue per Attendee	\$41.33	\$46.11	(\$4.78)

COMMENTS

For the month ending June 30, 2019, the Hawai'i Convention Center (HCC) generated \$989,100 in gross revenues which was shy of budget by \$32,100, and posted a net loss of \$398,800 which was \$111,300 more than planned. Despite the cancellation of an insurance corporation's program, as noted in the summary below, the financial impact was mitigated by other events that included, an educational association, a sports event, and local festival. Year-to-date financial results reflect gross revenues of \$8,716,600, which is \$538,900 more than planned and a net loss of \$198,500, which is \$214,800 better than planned. HCC's 2019 year-end reforecast has improved since last month with the pick-up of a corporate event that will take place in December 2019 and expects to generate \$350,000 in F&B revenue. Currently, year-end projections show \$15.2 million in gross revenue against a budget of \$15.7 million and a net loss of \$2,878,200, which is \$883,200 higher than the budget of \$1,995,000.

For the year-to-date, HCC's performance metrics for occupancy, events, attendance, visitor spending and tax revenue are at and/or exceeding targets, with the exception of revenue per attendee. Revenue per attendee is at \$41.33 which is \$4.78 less than planned. It has been diluted due to the higher than expected attendance to date from sporting and public events.

The summary below highlights why the year-end reforecast is not meeting budget:

- 1) Cancellations resulting in over \$1.57 million in lost revenue.

 - a. An insurance corporation, 1,500 delegates, budgeted \$54,000 in event revenue and \$258,000 in F&B revenue in August 2019. Cancelled due to financial services investigation.*
 - b. A religious association, 24,000 delegates, budgeted \$195,000 in event revenue and \$566,000 in F&B revenue in November 2019. The headquarters in NY chose not to include Hawai'i in its international convention for this year. HCC is working with the local group to see if Hawai'i can be included in one of HCC's upcoming need years in 2021-2023. If successful, HCC will move their 2024 program to a new future year.*
 - c. A tourism industry event, budgeted \$199,000 in event revenue and \$298,000 in F&B revenue in September 2019, cancelled as the program has moved to the Island of Hawai'i.**

- 2) Rental income not meeting budget expectations.
- a. Offshore events, medical society in March 2019, (\$34,000), a national medical association in July 2019, (\$84,000), and a medical society in July 2019, (\$13,000).

Table 8b: Convention Center Performance – July 31, 2019 Year-to-Date

PERFORMANCE MEASURE	YTD	TARGET	VARIANCE
Occupancy	36%	31%	5%
Total Events	141	121	20
Total Attendance	222,246	191,097	31,149
Visitor Spending	\$174,034,531	\$174,034,531	\$0
Tax Revenue	\$16,881,350	\$16,881,350	\$0
Revenue per Attendee	\$44.74	\$49.55	(\$4.81)

COMMENTS

Fourteen licensed events came through the Hawai'i Convention Center (HCC) during the month ending July 31, 2019, three of which were from offshore events, generating over \$2.6 million in State tax revenue. At HCC, these 14 events generated \$1,391,700 in gross revenues which was \$94,300 better than budgeted, and a net loss of \$56,300 which was \$85,600 less than budgeted.

For the year to date, financial results reflect gross revenues of \$10,108,300, which is \$633,200 more than planned and a net loss of \$254,800 which is \$300,300 better than planned. HCC's 2019 year-end reforecast, however, reflects a net loss of \$2,876,600, which is \$881,600 higher than the budget of \$1,995,000.

For the year to date, HCC's performance metrics for occupancy, events, attendance, visitor spending and tax revenue are at and/or exceeding targets, with the exception of revenue per attendee. Revenue per attendee is at \$44.74 which is \$4.81 less than planned. It has been diluted due to the higher than expected attendance to date from sporting and public events.

The summary below highlights why the year-end reforecast is not meeting budget:

- 1) Cancellations resulting in over \$1.57 million in lost revenue.
 - a. An insurance corporation, 1,500 delegates, budgeted \$54,000 in event revenue and \$258,000 in F&B revenue in August 2019. Cancelled due to financial services investigation.
 - b. A religious association, 24,000 delegates, budgeted \$195,000 in event revenue and \$566,000 in F&B revenue in November 2019. The headquarters in NY chose not to include Hawai'i in its international convention for this year. HCC is working with the local group to see if Hawai'i can be included in one of HCC's upcoming need years in 2021-2023. If successful, HCC will move their 2024 program to a new future year.

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.

CONTRACTS EXECUTED BY THE HAWAI'I TOURISM AUTHORITY

THERE WERE NO CONTRACTS ISSUED DURING THE MONTH OF AUGUST

Contract Type:

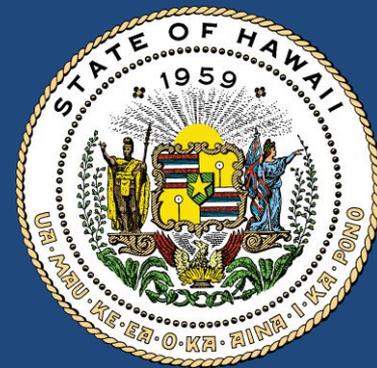
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† Procurement Exemption

Agenda Item

5

Presentation by the Hawai'i
State Ethics Commission
Regarding an Overview of the
State Ethics Code for State
Board Members



Ethics for State Employees

Hawai'i State
Ethics Commission

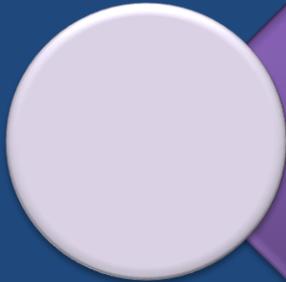
STATE ETHICS CODE

HRS Chapter 84

STATE LOBBYISTS LAW

HRS Chapter 97

Ethics Code Applies To:



State Employees



State Legislators



State Board &
Commission Members

Topics

Confidential Information

Gifts / Gifts Reporting

Fair Treatment

Conflicts of Interests

Contracts

Financial Disclosures

Post-Employment

Confidential Information



Confidential Info

HRS § 84-12

Do Not Disclose Info

Do Not Use Info
for personal benefit



Gifts





Susan, a state biologist, conducts a tour for a 5th grade science class and receives a box of malasadas at the end of the tour.

A photograph of a golf course. In the background, two people are standing on a green, one holding a golf club. In the foreground, two white golf balls are on the grass. The text is overlaid on the lower half of the image.

Laura, a state contracts manager, is invited to play in a charity golf tournament by a company that has a contract with Laura's agency.



Photo by Matthew Smith on Unsplash

Kim, a computer specialist, is invited to attend an IT conference in Seattle. The national trade organization that is sponsoring the conference offers to pay Kim's airfare and conference fees.

Gifts

HRS § 84-11

No employee shall accept or solicit any gift if it is reasonable to infer the gift is offered to influence or reward official action.

Gifts



Food



Gift
Cards



Concert
Shows



Special
Events



Travel

Anything of Value

GIFTS

Factors to consider:

- **VALUE**: How much is the gift worth?
- **RELATIONSHIP**: What is the donor's relationship to the recipient? Does the recipient take official action affecting the donor?
- **STATE PURPOSE**: Does the gift benefit the State?

A state employee is offered the following items:

- A. A box of manapua from a construction company that has several large contracts to perform work for the employee's agency.
- B. A \$100 gift certificate to a restaurant from a member of the public who wishes to thank the employee for her help addressing an issue.
- C. An invitation from a non-profit organization to participate in a charitable golf tournament or to attend its annual banquet.
- D. An offer to waive the registration fee for a conference that the employee was planning to attend.

Are there problems with any of the above?

Gifts

1. Can you accept the gift?
(HRS § 84-11)



2. If you can accept the gift, must you report it?
(HRS § 84-11.5)

HRS § 84-11.5

Gift Disclosures

Due: June 30th

> \$200 in value

Donor has interests
that may be affected

June 1 - May 31

Exemptions

[Search](#)[LOGIN](#)[HOME](#) [ACCESS PUBLIC DISCLOSURES](#)

WELCOME TO THE HAWAII STATE ETHICS COMMISSION'S E-FILING SYSTEM

New Electronic Filing System for Financial, Gift, and Candidate Disclosures

Welcome to the Hawaii State Ethics Commission's new electronic filing system for financial, candidate, and gift disclosures. The E-Filing System allows you to file your disclosure electronically and save your documents in one location, making it easier for you to manage your filings.

Account & Browser Requirements

To get started, click **LOGIN** (top right of page). If you are a new user, please click "**Sign Up**" to create an account. If you already have an account, enter your email and password. We recommend that you use Google Chrome, Mozilla Firefox, or Safari.

How to File a Disclosure

After you log-in, click on **MY FINANCIAL DISCLOSURES** or **MY GIFT DISCLOSURES** or **MY CANDIDATE DISCLOSURES** on the menu bar and then click "**New**" to create a new disclosure. Need further assistance? Please see [Financial Disclosures E-Filing Guide](#) or [Gift Disclosure E-Filing Guide](#) or [Candidate Disclosures E-Filing Guide](#).

Update Contact Information

Please remember to update your contact information under "**My Profile**" and adjust your spam filter to receive automatic email reminders and other notices. **Changed your email? Please call the Commission to update your account.**

Need Help?

If you need any assistance, please call us at (808) 587-0460 (7:45 a.m. to 4:30 p.m.) or e-mail us at ethics@hawaiiethics.org.

2018 Disclosures Filing Deadlines

Thursday, May 31

- Financial Disclosures for State Officials

Monday, July 2

- Gift/Travel Disclosures

Monday, July 23

- Candidate Financial Disclosures

Quick Links

Hawaii State Ethics Commission's website

- <https://ethics.hawaii.gov/>

Financial Disclosures

- [Financial Disclosures E-Filing Guide](#)

Candidate Disclosures

- [Candidate Disclosures E-Filing Guide](#)
- [Campaign Restrictions for State Officials](#)

Gift/Travel Disclosures

- [Gift Disclosures E-Filing Guide](#)
- [Quick Guide on Gifts](#)

Fair Treatment



A member of a state commission is the keynote speaker at a conference held by the Hawaii Chocolate Growers' Association; she spoke about Hawaii's commitment to local agriculture. After the conference, the Association offered the commission member an honorarium of \$250. What should she do?

- A. Decline the money.
- B. Accept the money, but report it as taxable income.
- C. Donate the money to her office's holiday party.

Fair Treatment

HRS § 84-13(a)

- No unwarranted privileges, exemptions, advantages, contracts, or treatment.
- No extra “perks” for doing your state job.

A state official is invited to speak at a national conference.



At the conference, the state official wins a door prize – a trip for two to Vegas!

Can the state official accept the prize?



Fair Treatment

- Additional or “Double” Compensation
- Using state position to seek private work or contracts
- Financial transactions with subordinates

A state employee's son belongs to a little league team that is trying to raise money for uniforms. Can she sell fundraiser tickets for lau lau and sushi to her co-workers?

- A. Yes, because it will benefit a good cause.
- B. No, because private fundraising cannot take place in state offices.
- C. Yes, because the employee's colleagues don't seem to mind.





Fair Treatment

- Using state resources for private business purposes
- Includes for-profit & non-profit businesses
- Fundraising exception: AUW or other State-endorsed activities



Photo by Jomar Thomas on Unsplash

State Resources

- State offices and facilities



State Resources

- State time & personnel



State Resources

- Office equipment (computers, copiers, telephone)
- State email system
- Office supplies



State Resources

- State vehicles & machinery

A close-up photograph of several US dollar bills, showing the portraits of George Washington and Benjamin Franklin. The bills are slightly out of focus, with the top bill being the most prominent. The text 'WASHINGTON' and 'SERIES 2013' are visible on the top bill, and '3N' is visible on the bottom bill.

Review: Fair Treatment

- Additional or “Double” Compensation
- Using state position to seek private work or contracts
- Using state resources for private business purposes
- Financial transactions with subordinates

Conflicts



Conflicts of Interests

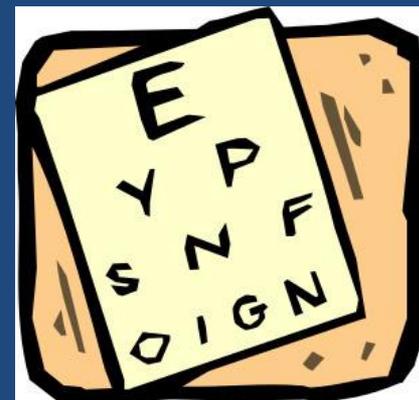
1. Disqualify yourself when there is a financial conflict (*applies to state employees*)
2. Don't create new conflicts (*applies to state employees*)
3. Don't represent (or assist) anyone ...
 - a) on a matter before your agency, or
 - b) on a matter that you worked on*(applies to legislators and employees)*

Carol is an investigator for the State Department of Consumer Complaints.

The Department is investigating a complaint against Volcano Eye Center for false advertising.

Carol's husband is an optometrist with Volcano Eye Center.

Can Carol investigate the complaint against Volcano Eye Center?



Conflicts of Interests

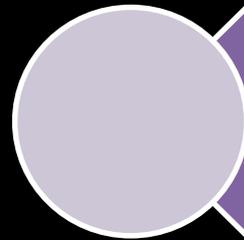
HRS § 84-14(a)

(Disqualification)

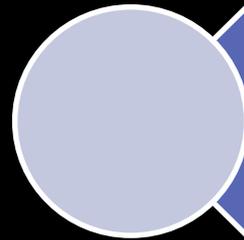
No employee shall take official action directly affecting a business in which the employee has a financial interest.



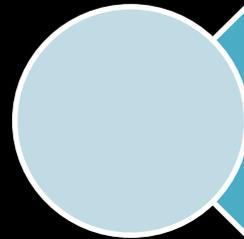
Whose Financial Interests?



Employee



Spouse or Civil
Union Partner



Dependent
Children

Official Action



Keala works for a State Department that is investigating a complaint against Hurricane Roofing for poor workmanship.

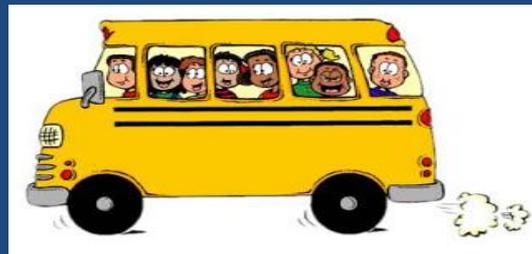
Keala's daughter is the owner of Hurricane Roofing.



Can Keala investigate the complaint against Hurricane Roofing?

Roger works for the State Department of Public Schools. The Department has a school bus contract with Mahalo Transit and Roger oversees the contract.

Can Roger work as a tour guide for Mahalo Transit on the weekends?



Wally is an officer for the State Department of Marine Conservation. He monitors the operations of Wailana Whale Watchers. Last year, Wally cited this tour operator for almost colliding with a whale.

Wally is thinking of applying for a job as a weekend tour guide for Wailana Whale Watchers.

Should Wally apply for the job?



Conflicts of Interests

HRS § 84-14(b)

(New Financial Interest)

No employee shall acquire a financial interest in a business if there is reason to believe the employee will be taking official action involving that business.

Sherry works as a Department office clerk, and as a part-time sales manager for Malama Energy.

The Department plans to install energy efficient lights in all DOT facilities. Sherry offers to meet with the director about Malama Energy's products and services.

Can Sherry do this?



Conflicts of Interests

HRS § 84-14(d)

(Representation)

- No legislator or employee shall assist or represent another person or business for pay
- Before the employee's agency, or
- On a matter in which the employee has participated or will participate

Review: Conflicts of Interests

Disqualify
Yourself

No New
Conflicts

Don't
Represent
or Assist
Others

before own agency
or
on matters you
worked on

OTHER CONSIDERATIONS

- Voluntary Disqualification
- State Ethics Code is a Minimum Standard of Conduct; State Agency May Establish Stricter Policies

Financial Disclosures



Financial Disclosures

HRS § 84-17

- Who must file?
 - state elected officials
 - state board/commission members
 - state employees in certain positions (including “permanent employees of the legislature . . . other than persons employed in clerical, secretarial, or similar positions”)
- Purpose – to identify financial interests that may conflict with your state position

Contracts



Contracts

HRS § 84-15

Public notice required:

- Contract with state employee, legislator, or business controlled by state employee or legislator
- Not awarded by competitive sealed bid or proposal under HRS §103D-302, 303
- Contract is more than \$10,000

Prohibited if assisted or represented by agency employee or former employee who participated in contract matter within past 2 years

Post- Employment



Post Employment

HRS § 84-18



Purpose is to prevent:

- Influence peddling
- Revolving door

Post Employment

HRS § 84-18

- Confidential information – still applies
- 12 month “cooling off period”
- Cannot be paid to “represent” another person or business on:
 - matters in which you participated as a state employee, or
 - matters before your former agency
- “Represent” = direct communication
- Exceptions



Review

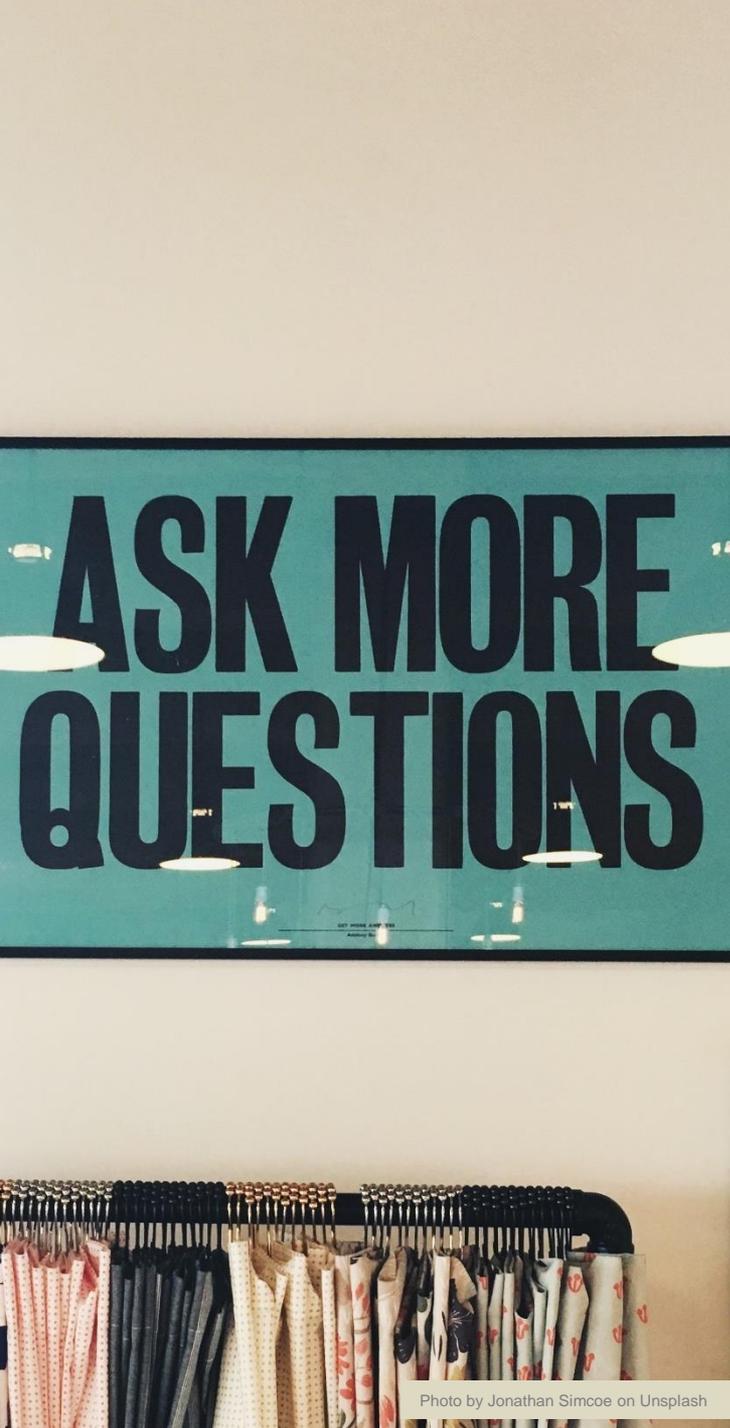
- ✓ Conflicts of Interests
- ✓ Gifts/Gifts Reporting
- ✓ Fair Treatment
- ✓ Confidential Information
- ✓ Contracts
- ✓ Financial Disclosures
- ✓ Post Employment



- Hawai‘i Constitution, Art. XIV
- To preserve public confidence in public servants

Hawai'i State Ethics Commission





Ethics Guidance

- Telephone/Email
- Staff Letter
- Advisory Opinion

All Advice is Confidential



ABOUT THE COMMISSIONERS
[Read More](#)

- [Financial Disclosure Form](#)
- [Gift Disclosure Form](#)
- [Lobbying Forms](#)
- [2019 Financial Disclosures](#)
- [Public Documents System \(New EFileing\)](#)

What's New

[Commission Issues Guidance Letter Regarding Solicitation of Support for Nominee](#)

Posted on May 28, 2019

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[May 16, 2019 Commission Meeting](#)

Posted on May 10, 2019

[State Ethics Commission Resolves Charge against Rowena Akana, Former Trustee, Office of Hawaiian Affairs, for Alleged Violations of Confidential Information Law](#)

Posted on April 30, 2019

Filing Deadlines

May 31, 2019

- Financial Disclosure Statements for State Officials
- Lobbying Expenditures and Contributions Reports for March 1-April 30, 2019

July 1, 2019

- Gifts Disclosure Statements

January 31, 2020

- Financial Disclosure Statements for State Legislators
- Lobbying Expenditures and Contributions Reports for May 1-December 31, 2019

COMMISSION MEETING

- [Agendas](#)
- [Public Materials](#)



"The people of Hawaii believe that public officers and employees must exhibit the highest standards of ethical conduct and that these standards come from the personal integrity of each individual in government."

— Hawaii State
Constitution
Article XIV

**Hawaii State
Ethics Commission**

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The High Road

The High Road is a publication of the Hawaii State Ethics Commission

Issue 2018-1

January 2018

Hawaii State Ethics Commission Celebrates 50th Anniversary!

In January of 1968, Hawaii established the first state ethics commission in the United States. This year, the Hawaii State Ethics Commission celebrates its 50th anniversary.

Hawaii's constitution reflects our state's commitment to government ethics and to the belief "that public officers and employees must exhibit the highest standards of ethical conduct." *State Constitution, Article XIV*. In furtherance of this, the constitution requires the adoption of a code of ethics for state officers and employees. This code of ethics is found in Hawaii Revised Statutes Chapter 84. The State Ethics Commission is responsible for administering the ethics code to promote ethical conduct and public confidence in state government.

Over the past fifty years, the Commission has provided ethics guidance to thousands of state officials, investigated and prosecuted violations of the ethics code, and administered financial disclosure laws that enhance transparency and accountability in state government. The Commission also has established a state-wide program to educate state officials about the ethics laws, and has advocated for the passage of laws to improve and strengthen Hawaii's ethics code.

The citizens of Hawaii established a strong foundation for state government by making the ethics code a constitutional requirement and establishing the first state ethics commission in the country. In our 50th anniversary year, we extend our sincere appreciation to the many individuals and organizations – state legislators and employees, good government organizations, and private citizens and other advocates for ethics – who have supported the Commission and its work to promote ethics and integrity in state government.



Penalties



Penalties

- Fines up to \$1,000 per violation
- Disciplinary action
- Recovery of gifts or profits
- **Contracts or action voidable**

STATE LOBBYISTS LAW

HRS Chapter 97

Basic requirements of Lobbyists Law:

- 1. Register as a lobbyist**
- 2. File expenditure reports**
- 3. No contingency-fee lobbying**

1. Who has to register?

- Individual, not a company, who is
- Paid to
 - communicate with state officials directly or through an agent, or
 - solicit others to communicate with state officials
- For the purpose of attempting to influence legislative or administrative action
- Who spends
 - 5 hours or more per month;
 - 10 hours or more per year; or
 - \$1,000 or more during a reporting period (Jan. 1-Feb. 28; March 1-April 30; May 1-Dec. 31)

Exceptions:

- **Government employees**
- **Representing yourself**
- **Media**
- **Attorneys advising clients on the meaning of the law (or appearing in administrative proceedings)**
- **Grant in Aid (“GIA”) applications:**
 - **Preparation of GIA;**
 - **Lobbying on GIA by employees of non-profit up to 10 hours a month**

2. What is “lobbying”?

“Lobbying” means communicating directly or through an agent, or soliciting others to communicate, with any official in the legislative or executive branch, for the purpose of attempting to influence legislative or administrative action or a ballot issue.

“Lobbying” shall not include the preparation and submission of a grant application pursuant to chapter 42F by a representative of a nonprofit organization.

2. What is “lobbying”? *(continued)*

- Drafting bills**
- Writing testimony**
- Meeting with lawmakers to discuss legislation**
- Testifying**
- Non-administrative time spent on “grassroots” lobbying (communicating with others to encourage them to contact lawmakers)**

2. Who has to file an expenditure report?

- All lobbyists**
- Those who employ (or contract with) lobbyists**
- Those who spend \$1,000 or more on lobbying in a six-month period**



ABOUT THE COMMISSIONERS
[Read More](#)

- Financial Disclosure Forms
- Gifts and Entertainment
- Lobbying
- 2019 Financial Disclosures
- Public Document System (New EFi)



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COMMISSION MEETING

- [Agendas](#)
- [Public Materials](#)

Common questions:

- 1. Yes, non-profit lobbyists have to register and file expenditure reports, too.**
- 2. Yes, “commenting” on a bill is lobbying.**

2018:

- 445 registered lobbyists representing 311 organizations**
- 988 expenditure statements filed**

Contact Info

HAWAI'I STATE ETHICS COMMISSION

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dgluck@hawaiiethics.org

Web: <http://ethics.hawaii.gov>

Twitter: [@HawaiiEthics](https://twitter.com/HawaiiEthics)

Agenda Item

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 – August 2019

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

For the first eight months of 2019, Hawai'i's tourism economy experienced:

- \$12.08 billion in visitor spending, a slight decrease of 0.5 percent compared to the first eight months of 2018. On a statewide level, average daily spending was down (-3.1% to \$194 per person) compared to the same period last year.
- Total arrivals grew 5.2 percent to 7,117,572 visitors, supported by growth in arrivals via air service (+5.1% to 7,041,100) and by cruise ships (+14.6% to 76,472). Total visitor days¹ rose 2.7 percent compared to the first eight months of 2018.
- Hawai'i's tourism economy experienced \$1.41 billion in generated state tax revenue, down 0.5 percent (-\$7.2 million) compared to the first eight months of 2018.
- Through June 2019, the state collected \$600.3 million in TAT, an increase of 8.2 percent compared to FY 2018 through June 2018.
 - The TAT rate increased from 9.25% to 10.25% as of January 2018.
 - Per Board request, FY 2019 TAT collection amounts from July to December 2018 were recalculated using the 9.25% rate for an “apples to apples” comparison to FY 2018 collections.
 - Adjusted FY 2019 collections through June 2019 is \$572.8 million or an increase of 3.2% compared to FY 2018.
- Total air capacity into Hawai'i grew 2.5 percent to 9,217,268 seats.

Table 1: Overall Key Performance Indicators – Total (Air + Cruise) – Year-to-Date August 2019

	% of Forecast	YOY Rate ²	Aug. YTD	Forecast
Visitor Spending (\$mil)*	100.6%	-0.5%	12,081.1	12,005.5
Daily Spend (\$pppd)	99.1%	-3.1%	194.0	195.8
Visitor Days	101.5%	2.7%	62,265,245	61,322,691
Arrivals	100.6%	5.2%	7,117,572	7,077,803
Airlift (scheduled seats)	100.0%	2.6%	9,153,498	9,153,498

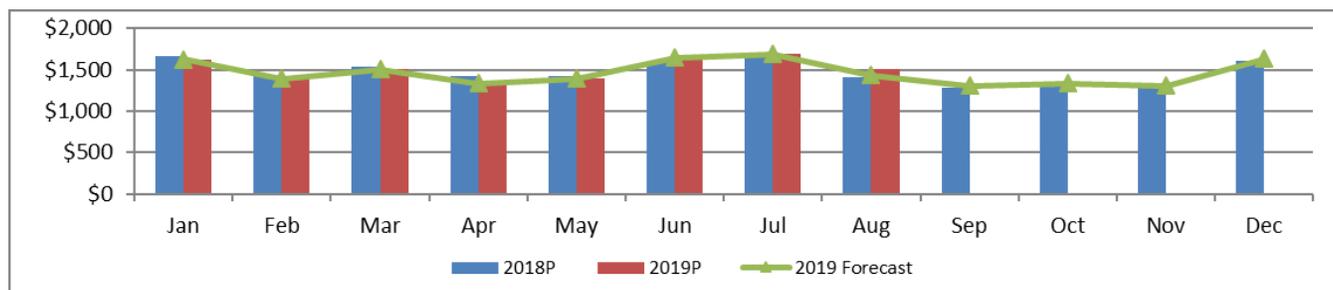
DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

¹ Aggregate number of days stayed by all visitors.

² Technical Notes: The HTA received revised hotel room and package rates for the first quarter of 2018 which warranted revisions to the published preliminary statistics (visitor expenditures, per person per day spending and per person per trip spending) for first quarter 2018. Updated data tables are available on the HTA website. 2018 visitor statistics will be finalized for the 2018 Annual Visitor Research Report.

In August 2019, total visitor spending increased 6.3 percent compared to the previous August to \$1.50 billion. A total of 928,178 visitors came to Hawai'i, up 9.8 percent from August 2018. All visitor arrivals were via air service as no out-of-state cruise ships visited Hawai'i this month. Total visitor days increased 7.6 percent. It should be noted that August 2018's results were partially impacted by concerns related to Hurricane Lane and the Kīlauea eruption.

Figure 1: Monthly Visitor Expenditures (\$mil)



Major Market Areas (MMAs)

USA

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

	% of Forecast	YOY Rate ²	Aug. YTD	Forecast
Visitor Spending (\$mil)*	102.1%	3.8%	7,990.8	7,827.4
Daily Spend (\$pppd)	100.0%	-1.3%	186.5	186.6
Visitor Days	102.1%	5.2%	42,848,030	41,955,766
Arrivals	102.3%	9.0%	4,767,267	4,662,329
Airlift (scheduled seats)	100.0%	4.8%	6,611,400	6,611,400

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Inflation-adjusted gross domestic product (real GDP), will remain positive but is expected to decelerate through the end of 2020. Following an increase of 3.2 percent at a seasonally adjusted annual rate in the fourth quarter of 2018, the median forecast is for real GDP growth to slow to a +2.1 percent rate by Q4 2019 and +1.9 percent by Q4 2020.
- Conference Board Consumer Confidence Index declined marginally in August, following July's rebound. The Index now stands at 135.1 (1985=100), down from 135.8 in July.
- Unemployment is forecast to continue at the current rate of about 3.9 percent.
- The U.S. domestic carriers have extended their grounding of the MAX through 2019, however, they continue to operate a full schedule.
- Effective Nov. 6, Alaska Airlines will discontinue seasonal flights from Bellingham to Maui and Kona and will add a third daily flight from Seattle to Maui. This winter season, the airline will average 32 daily flights to Hawai'i from the West Coast, more than any other carrier.

US WEST

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

	% of Forecast	YOY Rate ²	Aug. YTD	Forecast
Visitor Spending (\$mil)*	101.6%	4.7%	4,697.8	4,622.5
Daily Spend (\$pppd)	99.4%	-1.8%	172.9	173.9
Visitor Days	102.2%	6.6%	27,172,508	26,583,669
Arrivals	102.4%	10.8%	3,151,776	3,079,137
Airlift (scheduled seats)	100.0%	4.8%	5,777,523	5,777,523

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- In August 2019, the U.S. West market reported a 17.1 percent gain in visitor spending to \$578.6 million. Arrivals increased 17.1 percent to 421,229 visitors and daily visitors spending was higher (+2.9% to \$167 per person) compared to August 2018.

US EAST

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

	% of Forecast	YOY Rate ²	Aug. YTD	Forecast
Visitor Spending (\$mil)*	102.7%	2.5%	3,293.0	3,204.9
Daily Spend (\$pppd)	100.8%	-0.3%	210.1	208.5
Visitor Days	102.0%	2.8%	15,675,522	15,372,097
Arrivals	102.0%	5.8%	1,615,491	1,583,192
Airlift (scheduled seats)	100.0%	5.2%	833,877	833,877

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- In August 2019, spending by U.S. East visitors grew 15.8 percent to \$383.5 million. Arrivals were up 16.5 percent to 202,223 visitors and daily spending (+4.1% to \$206 per person) increased compared to a year ago.

CANADA

Table 5: Key Performance Indicators – Canada

	% of Forecast	YOY Rate ²	Aug. YTD	Forecast
Visitor Spending (\$mil)*	99.8%	-1.5%	743.4	745.1
Daily Spend (\$pppd)	100.2%	-0.8%	167.3	166.9
Visitor Days	99.5%	-0.7%	4,444,357	4,464,709
Arrivals	99.8%	1.4%	365,974	366,567
Airlift (scheduled seats)	100.0%	5.0%	341,447	341,447

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- In August 2019, spending by Canadian visitors increased 8.2 percent to \$57.3 million, boosted by growth in arrivals (+2.0% to 28,716 visitors), and higher daily spending (+6.0% to \$178 per person) compared to August 2018.
- Amidst trade wars, political uncertainty, and instability in emerging markets, Canada's economy is expected to grow just 1.4 percent in 2019. Nevertheless, job and wage growth remain strong and household income is on the rise. Furthermore, even though consumer spending has slowed, it is expected to pick up again in the latter half of 2019. The Bank of Canada expects the economy to grow 1.5 percent in 2020 and 2.0 percent in 2021.

- While the exchange rate is currently around 74 U.S. cents, there is some volatility that contributes to traveler's considerations. Economists are predicting the exchange rate to move to 77 U.S. cents by the end of 2020.
- The national consumer confidence rating was 116.3 points in August, a slight decrease of 1.5-points compared to last year, and a 4.7-point drop compared to the score recorded in July. The decline was driven by weaker views regarding job prospects and respondents' financial situation.
- Air Canada and WestJet have extended their grounding of the MAX through 2019. WestJet announced that the 787-9 Dreamliner will be used to operate flights between Calgary and Kahului as well as a weekly flight from Edmonton to Honolulu this fall.

JAPAN

Table 6: Key Performance Indicators – Japan

	% of Forecast	YOY Rate ²	Aug. YTD	Forecast
Visitor Spending (\$mil)*	97.9%	-4.4%	1,447.2	1,478.7
Daily Spend (\$pppd)	99.5%	-2.3%	235.8	237.1
Visitor Days	98.4%	-2.2%	6,137,527	6,237,156
Arrivals	98.0%	-1.0%	1,033,687	1,054,493
Airlift (scheduled seats)	100.0%	-1.4%	1,326,446	1,326,446

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- In August 2019, spending by Japanese visitors dropped 1.2 percent to \$225.4 million as a result of decreased arrivals (-2.3% to 155,779). Daily spending of \$224 per person (-0.3%) was similar to a year ago.
- The exchange rate was at 106.27 JPY to USD in August 2019. Economic outlook is declining as uncertainties from the trade wars occurring between Japan and Korea continue.
- Japan and Korea have announced the removal of preferential trade status, with the removal of Korea from Japan's preferential trade countries taking effect on August 28. Seoul's trade ministry has also begun procedures to remove Japan from its whitelist of trade partners. Seoul filed a complaint with the WTO as the circumstances are resulting in difficulties for Korea's major corporations including Samsung and LG.
- Traditionally popular competitive destinations in Asia, Guam and Europe are exhibiting strong popularity amongst Japanese travelers. Competitive Asian beach destinations such as Danang, Guam, Ko Samui, etc. are rapidly garnering the attention of travelers as increased air routes improve access, together with strong growth to Guam as political concerns decline. Despite trade wars with Korea, it also remains a highly popular destination with 16 consecutive months of significant growth.
- Social unrest in Hong Kong may prompt Japanese visitors to alter travel itineraries to other destinations including Hawai'i from the traditionally popular destination. Japanese consumers show frequent tendencies to be risk averse and avoid potentially dangerous situations.
- Round trip fuel surcharge rates were increased to 17,000 yen for tickets issued from August 1 but will be reduced again to 12,000 yen from October.

- ANA continues operation of their first and second Airbus A380 aircraft in the ANA blue livery and emerald green livery, increasing frequency of the A380 to 10 flights per week.
- Approvals were given to Hawaiian Airlines and Delta Air Lines for additional slots at Haneda Airport. Amongst the approved routes one route for Honolulu was allotted for each of the carriers. Announcements will be made on a later date for domestic carriers.
- Delta Air Lines has announced that all air service from Tokyo including service to Honolulu will be shifted from Narita to Haneda starting in March 2020. This is beneficial for Japanese travelers as Haneda Airport is located much closer to the city center, greatly improving convenience for consumers.

OCEANIA

Table 7: Key Performance Indicators – Oceania

	% of Forecast	YOY Rate ²	Aug. YTD	Forecast
Visitor Spending (\$mil)*	97.2%	-11.3%	602.7	620.1
Daily Spend (\$pppd)	99.1%	-1.1%	261.3	263.6
Visitor Days	98.1%	-10.3%	2,306,701	2,352,544
Arrivals	97.9%	-8.7%	243,469	248,750
Airlift (scheduled seats)	100.0%	-5.9%	331,065	331,065

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Australia declined in August (-8.2% to 24,498) and through the first eight months of 2019 (-6.6% to 195,931) versus a year ago.
- While Australia's economic growth remains slow, the unemployment rate is holding steady at 5.2 percent as 41,000 jobs were added to the economy in July. However, credit growth is slow and retail sales remain weak as income growth remains flat. On a positive note, with the federal election over, and recent rate and tax cuts, the real estate market has stabilized. The US-China trade war is impacting the AU\$, which fell to its lowest point in a decade, trading at US\$0.672 at the end of August.
- There has been an increase in the number of flights available from Australia to U.S. destinations, resulting in very competitive fares and providing travelers with more choice on where to holiday in the USA.
- Visitor arrivals from New Zealand dropped in August (-18.0% to 6,688) and through the first eight months of 2019 (-16.3% to 47,537).
- Slowing growth continues to be the main theme of the New Zealand economy. The month of August was not a good month for the value of the New Zealand dollar, declining from close to US\$0.65 in value to US\$0.63. However, there were signs at the end of the month of some recovery.
- In 2018, outbound travel from New Zealand reached record levels with over 3 million departures.

EUROPE

Table 8: Key Performance Indicators – Europe

	% of Forecast	YOY Rate ²	Aug. YTD	Forecast
Visitor Spending (\$mil)*	91.4%	-11.5%	186.5	204.1
Daily Spend (\$pppd)	93.3%	-4.2%	159.7	171.3
Visitor Days	98.0%	-7.6%	1,167,677	1,191,508
Arrivals	99.5%	-6.1%	90,708	91,160
Airlift (scheduled seats)	NA	NA	NA	NA

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from the United Kingdom, France, Germany, Italy and Switzerland declined in August (-3.1% to 18,285) and through the first eight months of 2019 (-6.1% to 90,708).
- Overall, the German economy remains stable. Focus Economics Consensus Forecast panelists expect the German economy to increase 0.9 percent in 2019, and 1.4 percent in 2020. The unemployment rate remains consistent at 3.2 percent.
- The World Tourism Barometer reports that Germany was the third top spender for international tourism expenditure last year with 94.2 billion USD.
- According to the FVW destination rankings, the USA continues to be the largest single-haul destination for German travelers with about two million German visitors in each of the last three years.
- Despite the ongoing Brexit discussions and a new Prime Minister in place, the British pound to USD exchange rate remains the same at 1.22. The Euro is trading at \$1.11.
- UK GDP was down 0.2% for the second quarter of April to June.
- The US National Travel and Tourism Office predicts UK travel to the USA will grow over the next five years with over five million visitors expected in 2021, up from 4.7 million visitors in 2018 and 4.48 million in 2017.
- The last quarter has seen the European market continue on relatively strongly, despite economic circumstances like Brexit. Combined with consumers' willingness to carry on spending and taking on holidays, despite economic uncertainty, points to travel between Europe and Hawai'i continuing on well in the long-term, despite a short-term decline.

CHINA

Table 9: Key Performance Indicators – China

	% of Forecast	YOY Rate ²	Aug. YTD	Forecast
Visitor Spending (\$mil)*	97.0%	-29.5%	192.8	198.8
Daily Spend (\$pppd)	95.2%	-7.2%	320.3	336.5
Visitor Days	101.9%	-24.0%	602,056	590,861
Arrivals	102.3%	-27.1%	75,336	73,625
Airlift (scheduled seats)	105.5%	-20.4%	90,887	86,171

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from China decreased in August (-26.3% to 7,855) and through the first eight months of 2019 (-27.1% to 75,336).
- The Chinese economy expanded 6.6 percent year-over-year (YOY) in 2018. China sets its 2019 GDP growth at between 6 to 6.5 percent to pursue quality growth amid mounting

uncertainties in the international economic landscape this year. In the first half year of 2019, China's GDP grew 6.3 percent, in line with market expectations. Since August, Chinese Yuan depreciated to 7.1 CNY to 1 USD.

- In early June, multiple travel alerts to the U.S. have been issued by Chinese government to remind Chinese tourists to assess safety risks before traveling to the U.S. According to the industry insiders, safety is the most important factor for Chinese travelers and these travel alerts will impact Chinese in choosing their travel destinations.
- A total of 75 destinations, including countries along China's One Belt Road initiative, are offering visa waiver or visa-upon-arrival to entice the Chinese market. Competition continues to intensify as destinations are investing heavily to gain access to the Chinese travel market.
- In the Shanghai market, air capacity from China Eastern Airlines remain stable in 2019. In the Beijing market, industry players are working closely with HTC to find alternative airline partners for their leisure and MCI groups to Hawai'i. Air China ended thrice-weekly flights to HNL from August 27, stating unfavorable business conditions, Beijing airport repairs and the need to service new routes aligned with the One Belt Road initiative as key reasons.
- With the new A380 "Flying Honu", ANA made a strategic decision to enter the China market for Hawai'i and has been working with HTC to target upscale Chinese travelers transiting via Tokyo.
- Hawai'i ranked 2nd among outbound tourism destinations for Chinese Luxury travelers, according to the latest joint report by Hurun Report and International Luxury Travel Market (ILTM 2019).
- HTC continues to target more sophisticated and high-value visitors to Hawai'i by positioning the Hawaiian Islands as the 'Diamond of Islands' in its 2019 marketing initiatives.

KOREA

Table 10: Key Performance Indicators – Korea

	% of Forecast	YOY Rate ²	Aug. YTD	Forecast
Visitor Spending (\$mil)*	102.1%	-11.0%	295.2	289.1
Daily Spend (\$pppd)	98.0%	-2.0%	267.8	273.2
Visitor Days	104.2%	-9.2%	1,102,329	1,058,228
Arrivals	103.0%	-11.7%	141,468	137,281
Airlift (scheduled seats)	100.0%	-10.9%	218,242	218,242

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Korea rose in August (+5.9% to 20,479) but declined year-to-date (-11.7% to 141,468).
- South Korea's economy will achieve 2.6 percent to 2.7 percent growth in 2019 if the government maintains expansionary fiscal policies to support growth according to International Monetary Fund (IMF).
- The average USD/WON exchange rate in August was 1209.00 won, a slight increase from the previous rate of 1174.40 won in July.

- Fuel surcharges were imposed in August up to 98,400 won (\$81.29) for a round trip between Korea and the U.S.
- Korea's flag carrier Korean Air (KE) is highly likely to add regular flights on ICN-HNL route from December following the chartered flights targeting Korea's golden holiday week in early October. Korean Air decided to redirect aircrafts of A330s to ICN-HNL route which had been deployed on Japan routes.
- Korea's flag carrier Asiana Airlines (OZ) is operating daily services on the ICN-HNL route until March 31, 2020. The daily flights generate additional 4,675 and 7,150 seats in 2019 and 2020 respectively. It also reported that the booking rates for September and October has gone up 20 percent and 60 percent respectively over the same period last year, which is primarily attributed to the year-on-year growth of 30 percent in seat supplies.
- HTA has collaborated with Mode Tour to boost the sales of Hawai'i travel products. During the 2019 Mode Tour Travel Mart, known as one of the largest travel fairs in Korea, it generated 1,336 pax sales bookings (a year-on-year growth of 32%) for Hawai'i package products with the travel window between September and December this year.
- HTK continues to promote the individual Hawaiian Islands in efforts to increase island distribution by collaborating with key airline partners, tour operators, media and celebrities and influencers.

TAIWAN

Table 11: Key Performance Indicators – Taiwan

	% of Forecast	YOY Rate ²	Aug. YTD	Forecast
Visitor Spending (\$mil)*	113.1%	60.7%	43.4	38.4
Daily Spend (\$pppd)	101.2%	3.8%	251.2	248.3
Visitor Days	111.8%	54.8%	172,860	154,612
Arrivals	114.9%	60.7%	19,028	16,563
Airlift (scheduled seats)	100.0%	26.1%	26,622	26,622

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Taiwan increased in both August (+54.1% to 2,145) and through the first eight months of 2019 (+60.7% to 19,028).
- In the first half of 2019, Taiwan's economy grew 2.1 percent. Taiwan's government lowered its 2019 economic growth forecast to 2.2 percent (2.3% previously) as sluggish global tech demand dragged on the island's export-reliant economy.
- Currency exchange rate fluctuations play an important role in Taiwanese consumers' decision-making in oversea travel destination and spending.
- Short-haul competition from East/Southeast Asian destinations remains strong in July 2019: Philippines (+51.8%), Vietnam (+26.0%), Thailand (+21.6%) and Singapore (+16.0%) have seen greater growths because of their affordable pricing and proximity to Taiwan. Furthermore, Thailand will extend its waiver on visa-on-arrival fees until October 2019, expecting to bring in even more Taiwanese visitors in the second and third quarter.
- Long-haul competition from New Zealand continues to be strong with 52.1 percent visitation growth YOY (YTD July 2019) due to favorable currency exchange rates and the new direct flight between Taipei and Auckland. However, the ongoing measles outbreak is expected to overshadow the tourism outlook for the country.

- According to Expedia’s latest report on the most popular overseas destinations for the Taiwanese in 2018, the top ten destinations are all located in Asia. Expedia indicated that the increasing popularity of low-cost carriers and New Southbound Policy by Taiwan’s government contributed to the visitor traffic to these Asian destinations.

LATIN AMERICA

Table 122: Key Performance Indicators – Latin America

	% of Forecast	YOY Rate ²	Aug. YTD	Forecast
Visitor Spending (\$mil)*	91.5%	-18.0%	38.5	42.0
Daily Spend (\$pppd)	93.0%	-13.0%	208.6	224.4
Visitor Days	98.4%	-5.8%	184,285	187,248
Arrivals	97.9%	-6.6%	17,301	17,669
Airlift (scheduled seats)	NA	NA	NA	NA

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Mexico, Brazil and Argentina grew in August (+17.3% to 1,870) but decreased through the first eight months of 2019 (-6.6% to 17,301).

Island Distribution

- **O’ahu:** Visitor spending increased (+1.0% to \$730.5 million) in August year-over-year. Total visitor days were up (+5.6%), but daily spending declined (-4.4% to \$186 per person). Arrivals rose 7.7 percent to 577,384 visitors.

Through August 2019, both visitor spending (+1.1% to \$5.54 billion) and arrivals (+5.2% to 4,226,750) grew compared to a year ago.

- **Maui:** Visitor spending increased (+14.0% to \$404.8 million) compared to August 2018. Visitor days rose 9.5 percent and daily spending was higher (+4.1% to \$203 per person) than a year ago. Arrivals were up 11.3 percent to 273,786 visitors.

Through August 2019, visitor spending (+0.6% to \$3.51 billion) and visitor arrivals (+5.0% to 2,104,963) increased.

- **Island of Hawai’i:** Visitor spending grew (+16.5 percent to \$193.4 million) in August supported by growth in visitor days (+14.5%) and higher daily spending (+1.8% to \$182 per person). Arrivals increased 18.4 percent to 158,972 visitors.

In the first eight months of 2019, visitor spending declined (-6.3% to \$1.57 billion) while visitor arrivals were flat (-0.1% to 1,217,349) versus last year.

- **Kaua’i:** Visitor spending (+0.4% to \$158.4 million) was comparable to August 2018 with growth in visitor days (+4.1%) offsetting lower daily spending (-3.5% to \$190 per person). Arrivals were up 4.7 percent to 120,679 visitors.

Through August 2019, visitor spending decreased (-3.7% to \$1.32 billion) and visitor arrivals were flat (-0.4% to 947,748) compared to the same period last year.

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Aug-19** *Preliminary*

Visitor Industry Performance Measures

Market: **OVERALL**

Key Performance Indicators

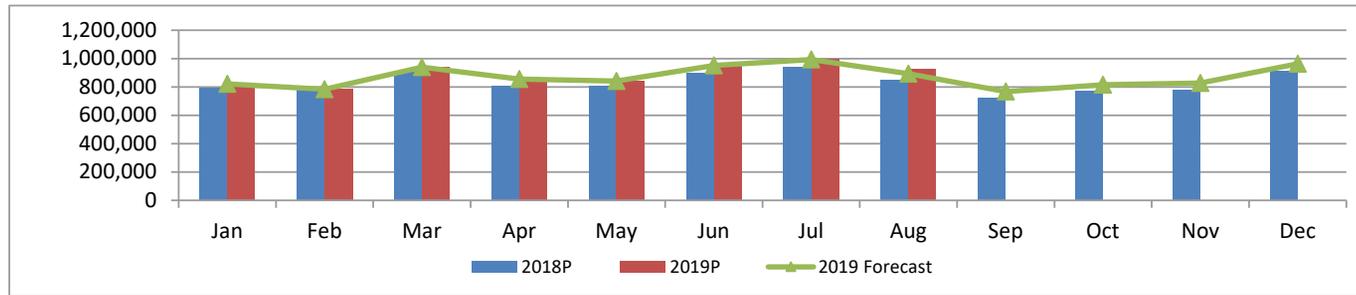
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	➔ 100.6%	-0.5%	12,081.1	12,005.5
Daily Spend (\$pppd)	➔ 99.1%	-3.1%	194.0	195.8
Visitor Days	➔ 101.5%	2.7%	62,265,245	61,322,691
Arrivals	➔ 100.6%	5.2%	7,117,572	7,077,803
Airlift (scheduled seats)	➔ 100.0%	2.6%	9,153,498	9,153,498

Arrivals	YOY Rate	YTD
O'ahu	5.2%	4,226,750
Maui	5.0%	2,104,963
Moloka'i	8.8%	43,647
Lāna'i	18.4%	60,923
Kaua'i	-0.4%	947,748
Hawai'i Island	-0.1%	1,217,349

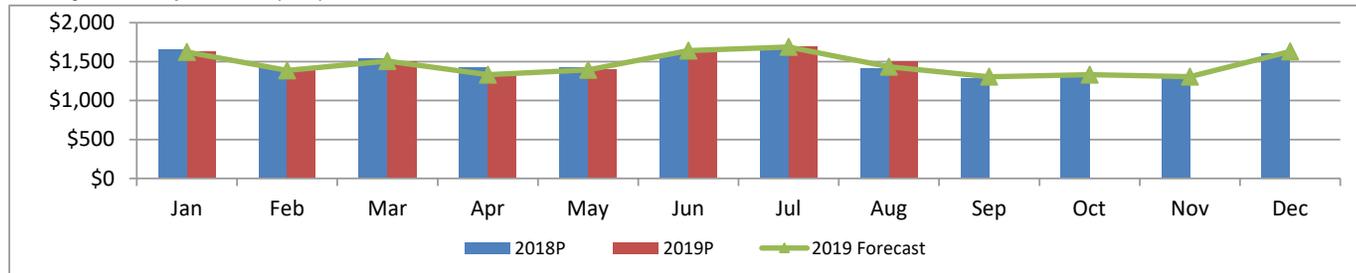
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

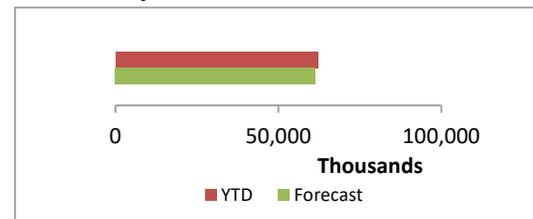


Monthly Visitor Expenditures (\$mil)

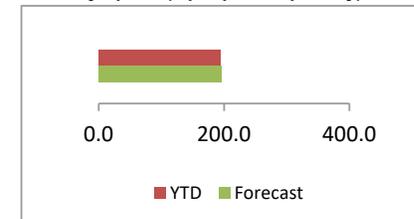


Annual Indicators

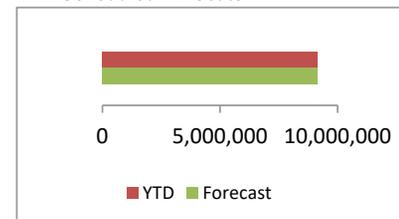
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

Hawai'i Tourism Authority Report Date: **Aug-19** Preliminary

Visitor Industry Performance Measures

Market: **U.S. TOTAL**

Key Performance Indicators

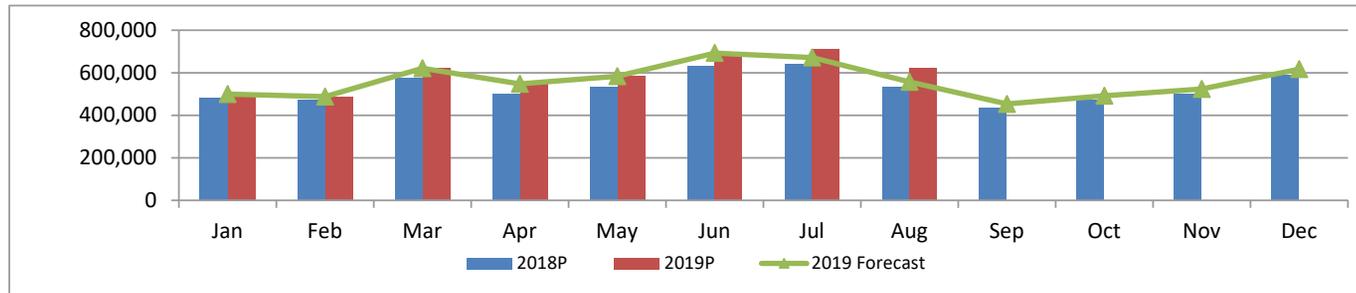
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↑	102.1%	3.8%	7,990.8	7,827.4
Daily Spend (\$pppd)	→	100.0%	-1.3%	186.5	186.6
Visitor Days	↑	102.1%	5.2%	42,848,030	41,955,766
Arrivals	↑	102.3%	9.0%	4,767,267	4,662,329
Airlift (scheduled seats)	→	100.0%	4.8%	6,611,400	6,611,400

	Arrivals	YOY Rate	YTD
O'ahu		11.9%	2,314,443
Maui		6.9%	1,685,431
Moloka'i		6.7%	29,473
Lāna'i		10.9%	41,868
Kaua'i		0.2%	786,883
Hawai'i Island		4.4%	871,852

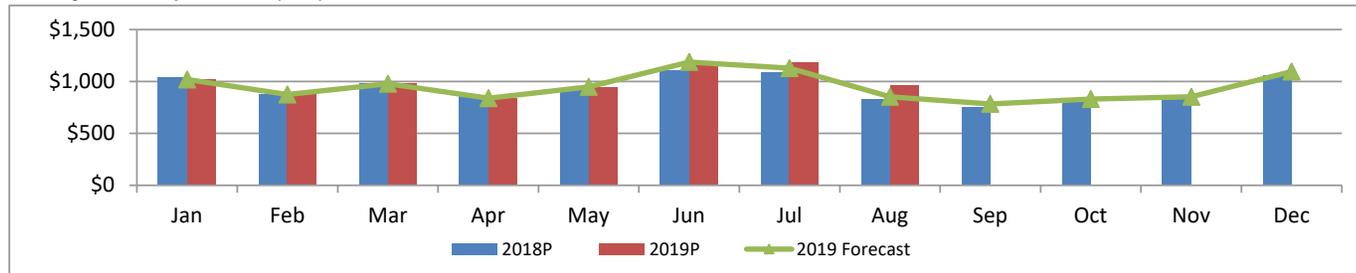
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

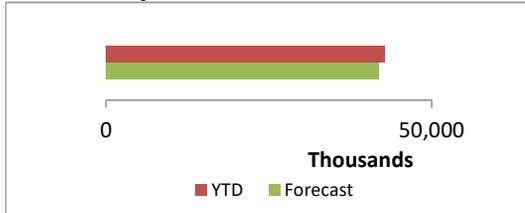


Monthly Visitor Expenditures (\$mil)

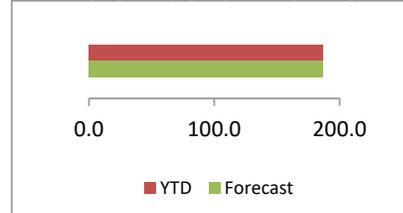


Annual Indicators

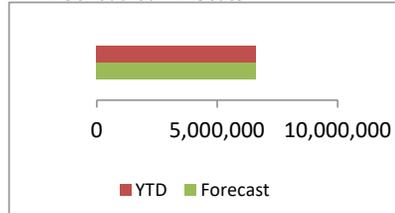
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Aug-19** *Preliminary*

Visitor Industry Performance Measures

Market: **U.S. WEST**

Key Performance Indicators

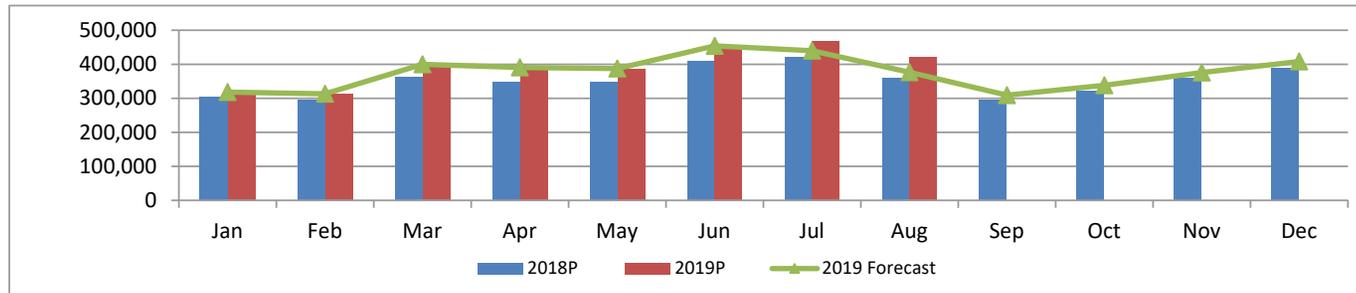
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↘	101.6%	4.7%	4,697.8	4,622.5
Daily Spend (\$pppd)	→	99.4%	-1.8%	172.9	173.9
Visitor Days	↑	102.2%	6.6%	27,172,508	26,583,669
Arrivals	↑	102.4%	10.8%	3,151,776	3,079,137
Airlift (scheduled seats)	→	100.0%	4.8%	5,777,523	5,777,523

Arrivals	YOY Rate	YTD
O'ahu	15.0%	1,384,496
Maui	8.7%	1,093,055
Moloka'i	14.9%	17,675
Lāna'i	15.3%	21,347
Kaua'i	1.9%	498,036
Hawai'i Island	7.4%	539,208

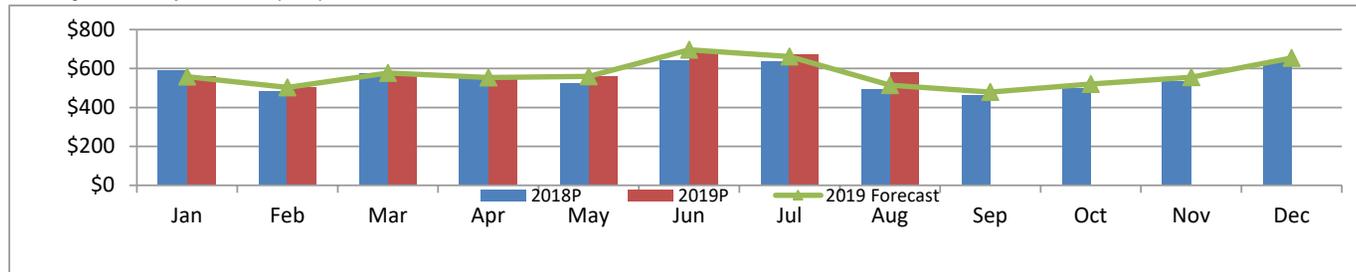
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

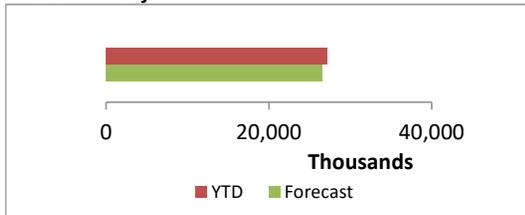


Monthly Visitor Expenditures (\$mil)

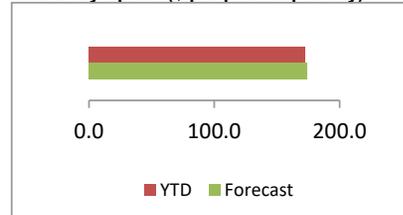


Annual Indicators

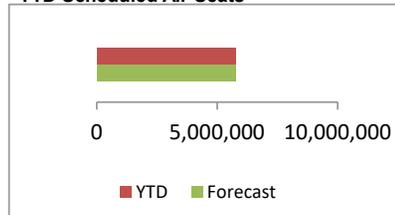
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Aug-19** *Preliminary*

Visitor Industry Performance Measures

Market: **U.S. EAST**

Key Performance Indicators

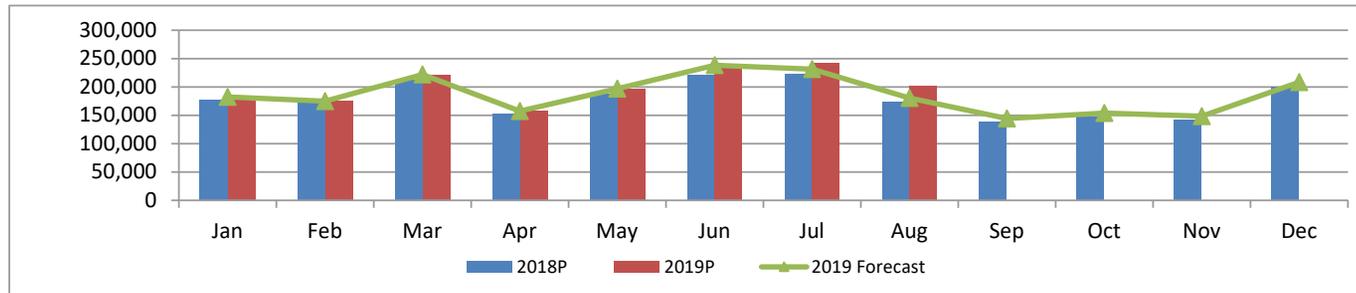
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↑ 102.7%	2.5%	3,293.0	3,204.9
Daily Spend (\$pppd)	→ 100.8%	-0.3%	210.1	208.5
Visitor Days	↗ 102.0%	2.8%	15,675,522	15,372,097
Arrivals	↑ 102.0%	5.8%	1,615,491	1,583,192
Airlift (scheduled seats)	→ 100.0%	5.2%	833,877	833,877

	YOY Rate	YTD
O'ahu	7.5%	929,948
Maui	3.7%	592,376
Moloka'i	-3.7%	11,799
Lāna'i	6.5%	20,522
Kaua'i	-2.5%	288,846
Hawai'i Island	0.0%	332,645

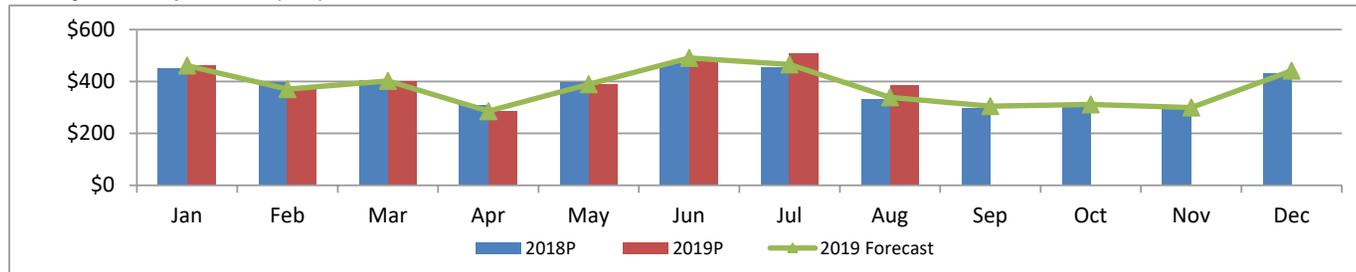
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

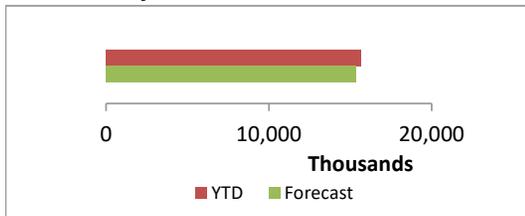


Monthly Visitor Expenditures (\$mil)

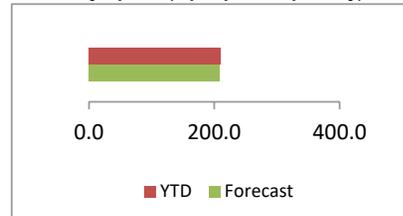


Annual Indicators

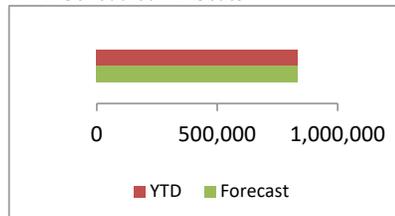
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Aug-19** *Preliminary*

Visitor Industry Performance Measures

Market: **CANADA**

Key Performance Indicators

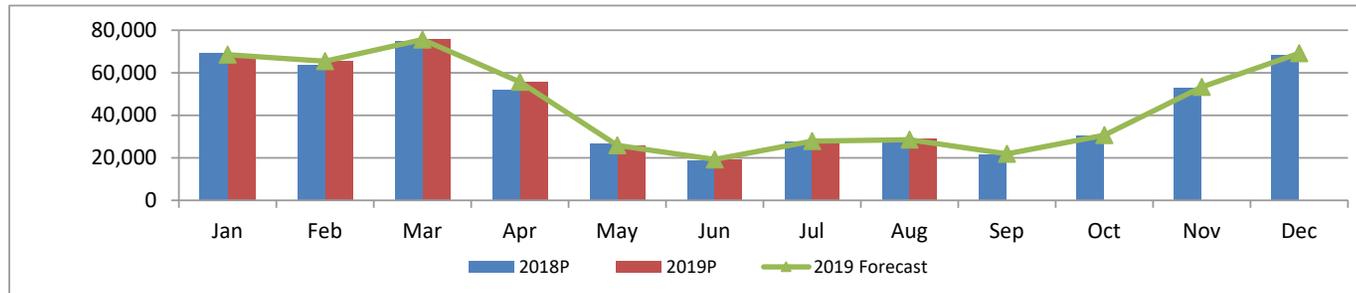
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	99.8%	-1.5%	743.4	745.1
Daily Spend (\$pppd)	100.2%	-0.8%	167.3	166.9
Visitor Days	99.5%	-0.7%	4,444,357	4,464,709
Arrivals	99.8%	1.4%	365,974	366,567
Airlift (scheduled seats)	100.0%	5.0%	341,447	341,447

Arrivals	YOY Rate	YTD
O'ahu	2.8%	155,281
Maui	0.4%	185,496
Moloka'i	35.8%	3,416
Lāna'i	-2.7%	3,923
Kaua'i	-2.6%	52,387
Hawai'i Island	-9.0%	65,245

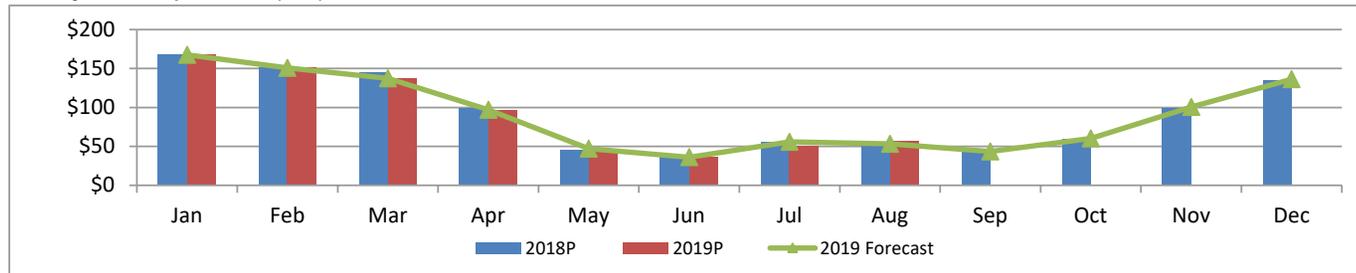
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

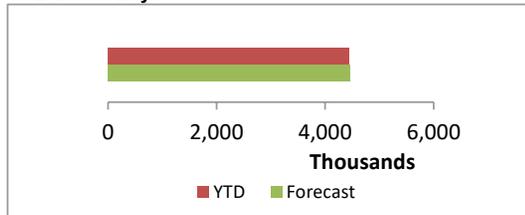


Monthly Visitor Expenditures (\$mil)

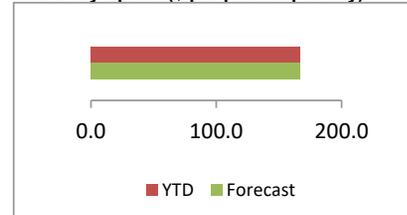


Annual Indicators

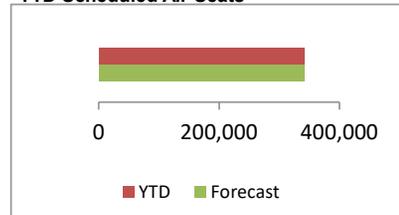
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Aug-19** *Preliminary*

Visitor Industry Performance Measures

Market: **JAPAN**

Key Performance Indicators

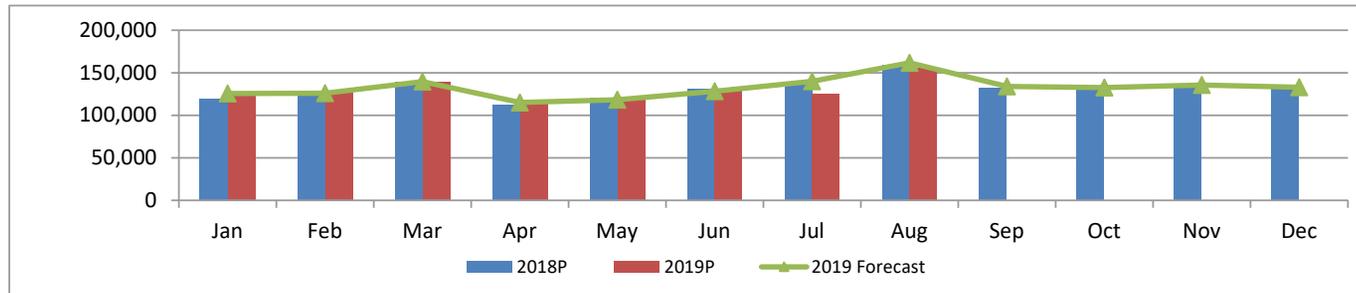
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓ 97.9%	-4.4%	1,447.2	1,478.7
Daily Spend (\$pppd)	→ 99.5%	-2.3%	235.8	237.1
Visitor Days	↘ 98.4%	-2.2%	6,137,527	6,237,156
Arrivals	↘ 98.0%	-1.0%	1,033,687	1,054,493
Airlift (scheduled seats)	→ 100.0%	-1.4%	1,326,446	1,326,446

Arrivals	YOY Rate	YTD
O'ahu	0.0%	980,991
Maui	-2.4%	32,340
Moloka'i	40.7%	1,110
Lāna'i	39.6%	1,557
Kaua'i	-6.9%	15,986
Hawai'i Island	-16.4%	106,006

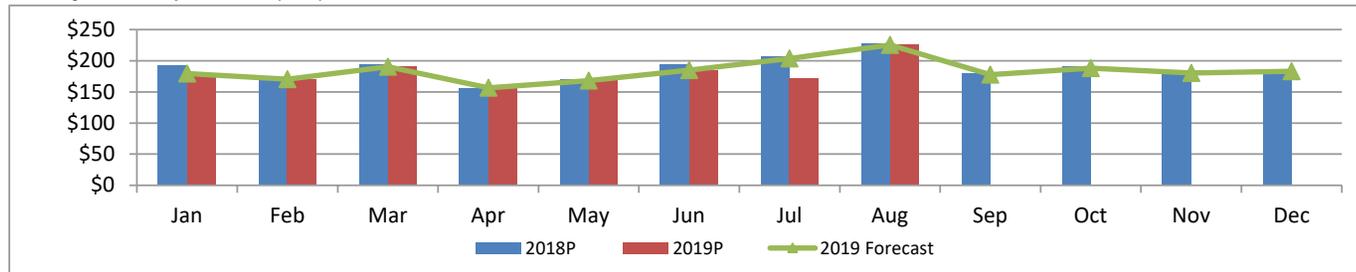
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

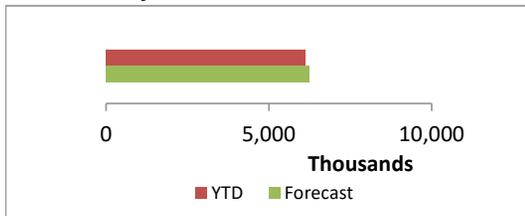


Monthly Visitor Expenditures (\$mil)

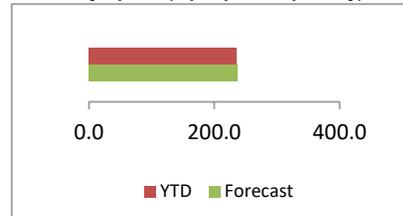


Annual Indicators

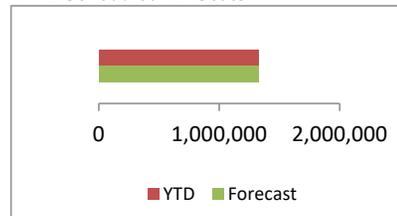
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Aug-19** *Preliminary*

Visitor Industry Performance Measures

Market: **CHINA**

Key Performance Indicators

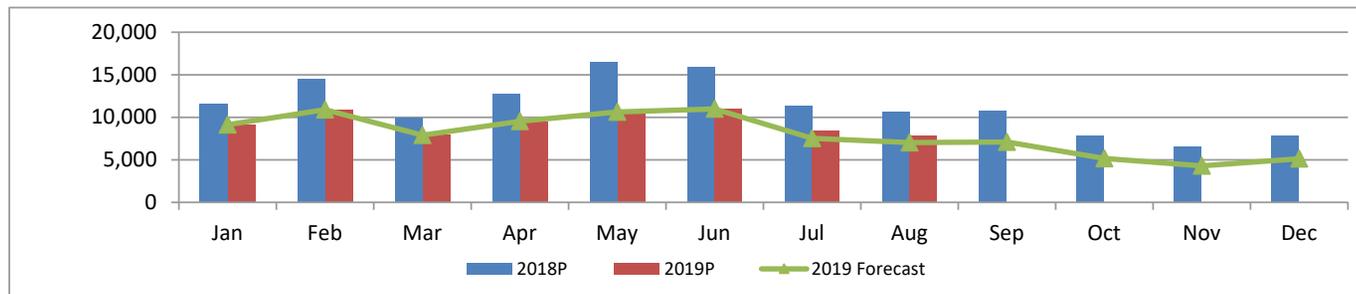
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓	97.0%	-29.5%	192.8	198.8
Daily Spend (\$pppd)	↓	95.2%	-7.2%	320.3	336.5
Visitor Days	↔	101.9%	-24.0%	602,056	590,861
Arrivals	↑	102.3%	-27.1%	75,336	73,625
Airlift (scheduled seats)	↑	105.5%	-20.4%	90,887	86,171

Arrivals	YOY Rate	YTD
O'ahu	-27.9%	72,853
Maui	-25.2%	16,400
Moloka'i	-38.3%	589
Lāna'i	-1.7%	731
Kaua'i	1.5%	3,142
Hawai'i Island	-19.5%	28,719

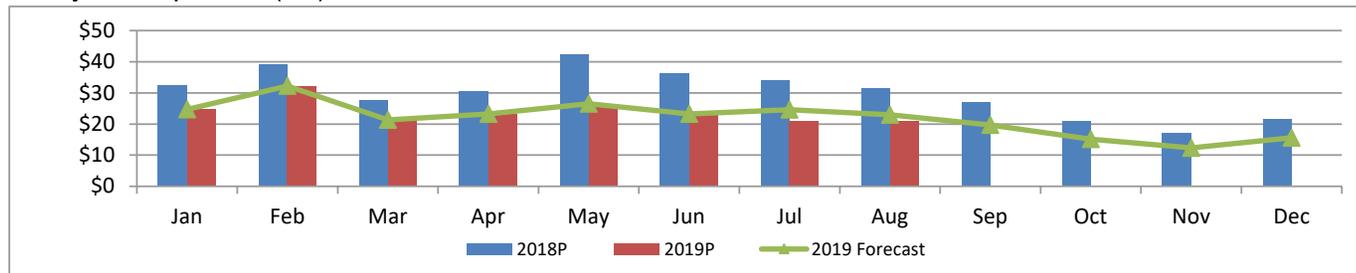
*DBEDT Forecast as of Q3 2019

Monthly Indicators

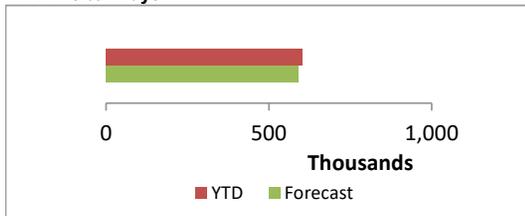
Monthly Arrivals



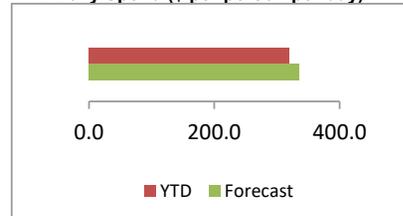
Monthly Visitor Expenditures (\$mil)



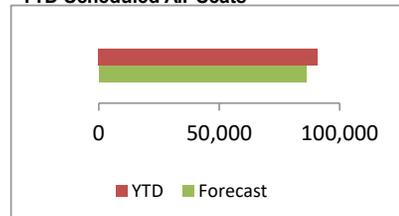
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Aug-19** *Preliminary*

Visitor Industry Performance Measures

Market: **KOREA**

Key Performance Indicators

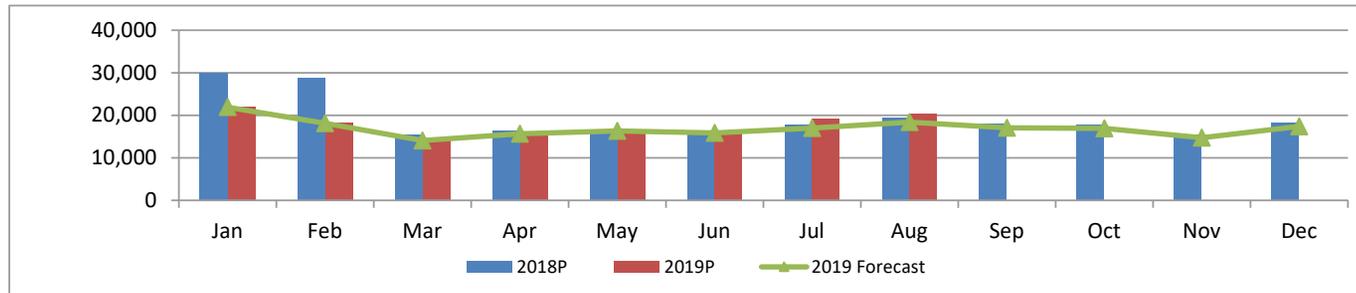
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↑	102.1%	-11.0%	295.2	289.1
Daily Spend (\$pppd)	↔	98.0%	-2.0%	267.8	273.2
Visitor Days	↑	104.2%	-9.2%	1,102,329	1,058,228
Arrivals	↑	103.0%	-11.7%	141,468	137,281
Airlift (scheduled seats)	↔	100.0%	-10.9%	218,242	218,242

	Arrivals	YOY Rate	YTD
O'ahu		-10.8%	139,161
Maui		-17.3%	17,981
Moloka'i		-43.6%	378
Lāna'i		-27.4%	337
Kaua'i		-37.2%	4,444
Hawai'i Island		-11.4%	16,756

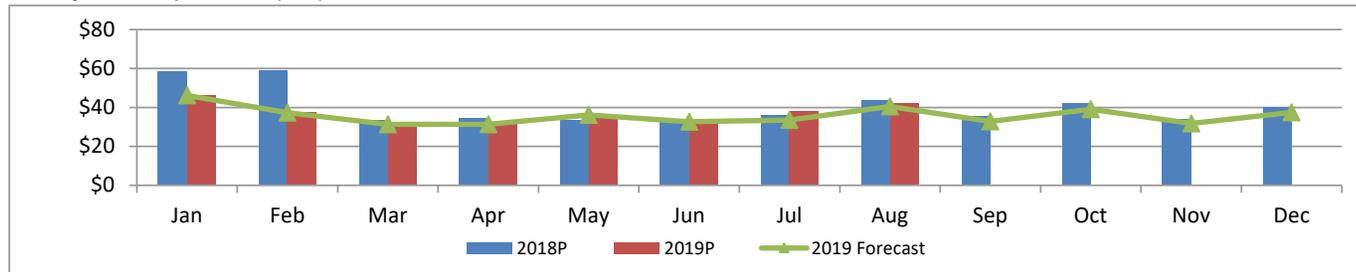
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

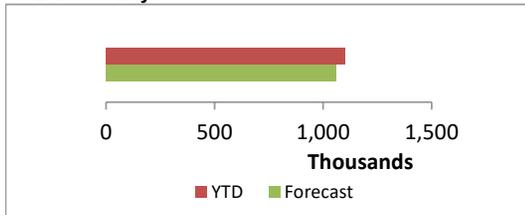


Monthly Visitor Expenditures (\$mil)

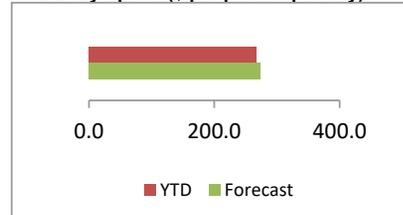


Annual Indicators

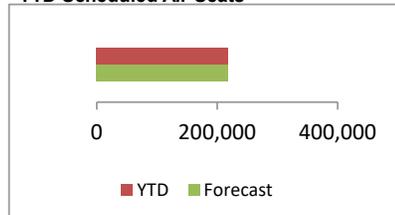
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Aug-19** Preliminary

Visitor Industry Performance Measures

Market: **TAIWAN**

Key Performance Indicators

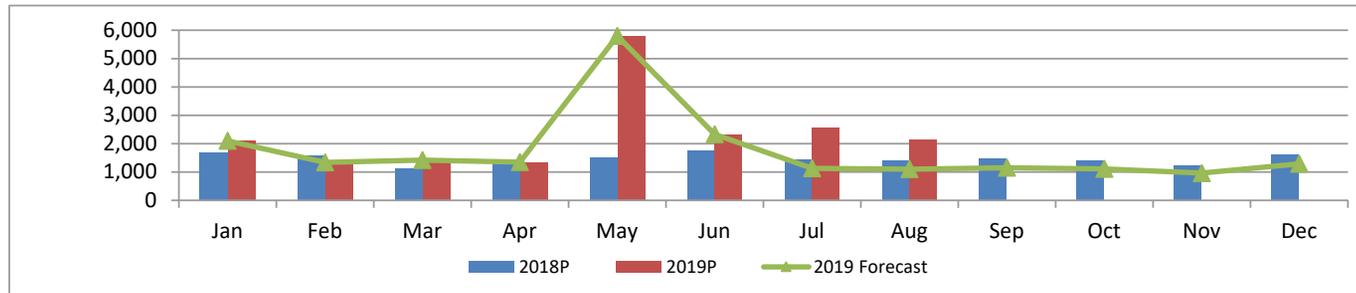
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↑	113.1%	60.7%	43.4	38.4
Daily Spend (\$pppd)	↔	101.2%	3.8%	251.2	248.3
Visitor Days	↑	111.8%	54.8%	172,860	154,612
Arrivals	↑	114.9%	60.7%	19,028	16,563
Airlift (scheduled seats)	↔	100.0%	26.1%	26,622	26,622

	Arrivals	YOY Rate	YTD
O'ahu		62.6%	18,662
Maui		40.2%	3,204
Moloka'i		-82.9%	7
Lāna'i		49.4%	130
Kaua'i		73.5%	676
Hawai'i Island		32.4%	4,653

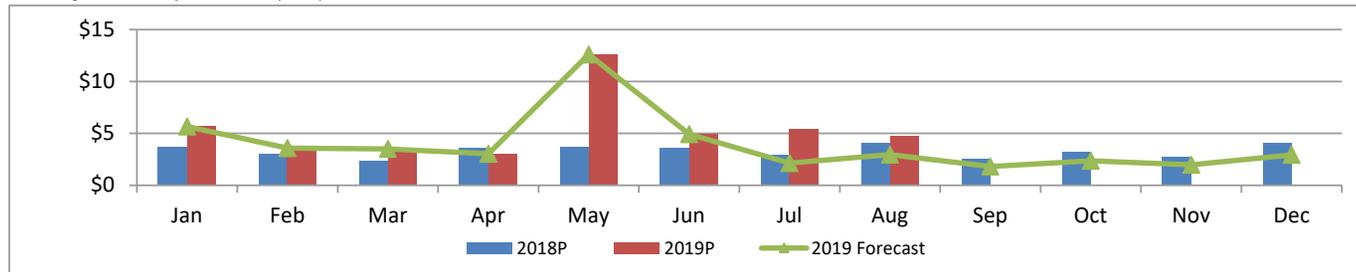
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

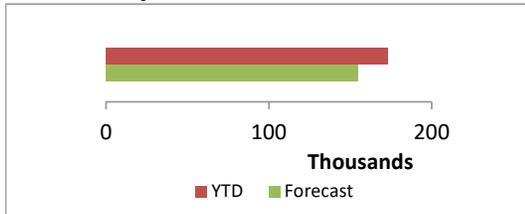


Monthly Visitor Expenditures (\$mil)

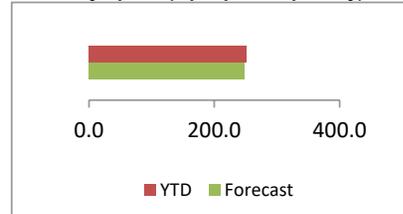


Annual Indicators

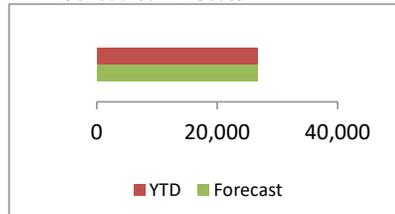
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Aug-19** *Preliminary*

Visitor Industry Performance Measures

Market: **OCEANIA**

Key Performance Indicators

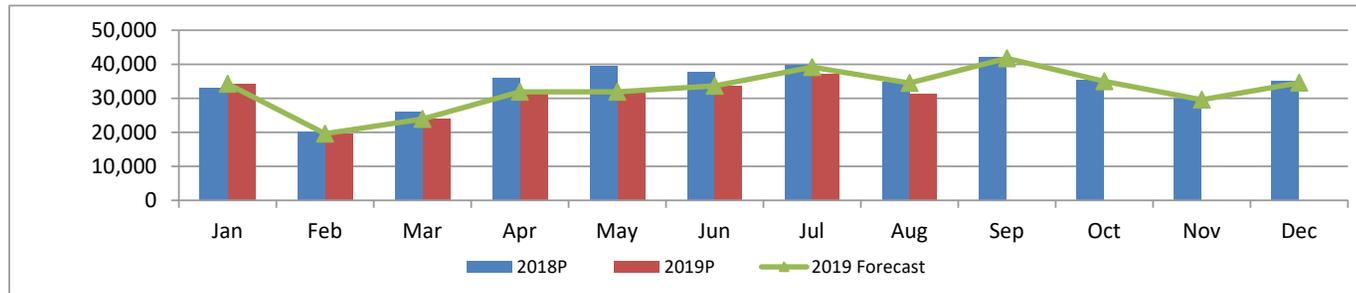
		% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓	97.2%	-11.3%	602.7	620.1
Daily Spend (\$pppd)	→	99.1%	-1.1%	261.3	263.6
Visitor Days	↔	98.1%	-10.3%	2,306,701	2,352,544
Arrivals	↓	97.9%	-8.7%	243,469	248,750
Airlift (scheduled seats)	→	100.0%	-5.9%	331,065	331,065

	Arrivals	YOY Rate	YTD
O'ahu		-8.5%	238,556
Maui		-7.9%	41,527
Moloka'i		46.2%	3,374
Lāna'i		30.9%	4,450
Kaua'i		4.3%	22,085
Hawai'i Island		-11.0%	30,199

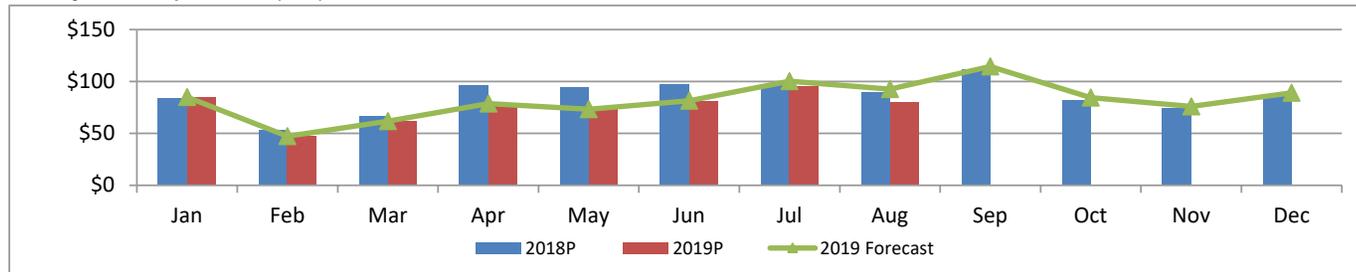
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

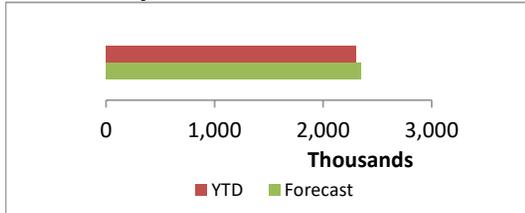


Monthly Visitor Expenditures (\$mil)

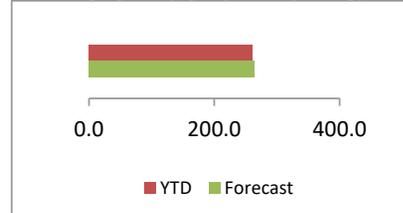


Annual Indicators

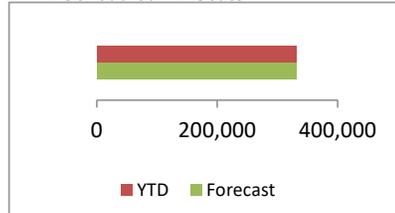
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Aug-19** *Preliminary*

Visitor Industry Performance Measures

Market: **EUROPE**

Key Performance Indicators

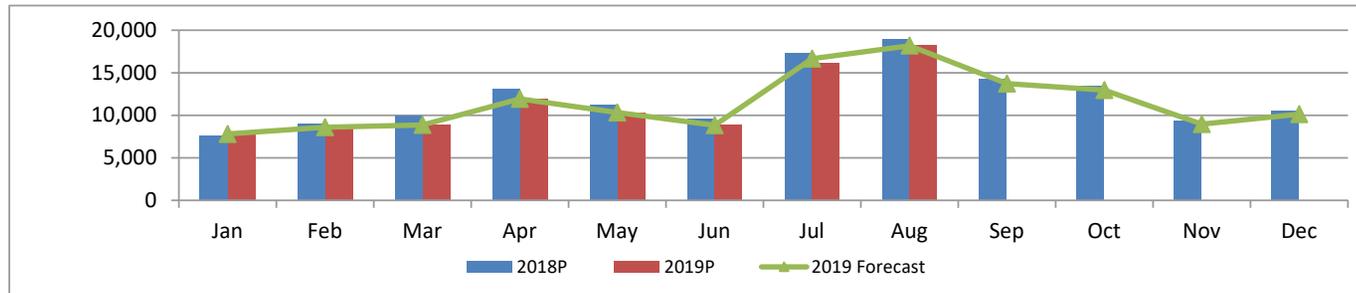
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓ 91.4%	-11.5%	186.5	204.1
Daily Spend (\$pppd)	↓ 93.3%	-4.2%	159.7	171.3
Visitor Days	↓ 98.0%	-7.6%	1,167,677	1,191,508
Arrivals	→ 99.5%	-6.1%	90,708	91,160
Airlift (scheduled seats)	NA	NA	NA	NA

Arrivals	YOY Rate	YTD
O'ahu	-6.0%	67,904
Maui	-2.6%	40,475
Moloka'i	-40.3%	1,189
Lāna'i	22.1%	1,201
Kaua'i	-9.0%	22,709
Hawai'i Island	-16.0%	27,068

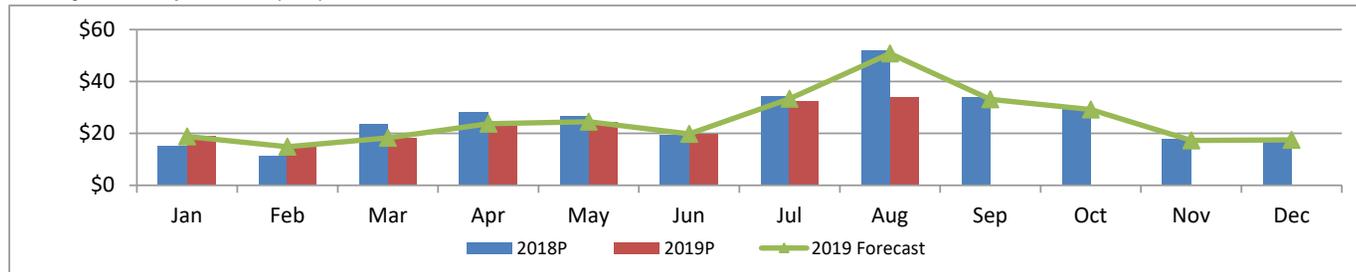
*DBEDT Forecast as of Q3 2019

Monthly Indicators

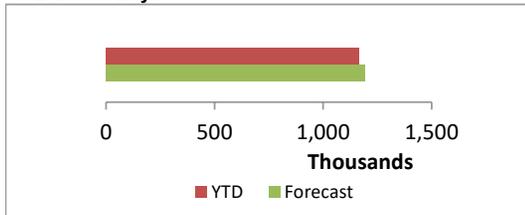
Monthly Arrivals



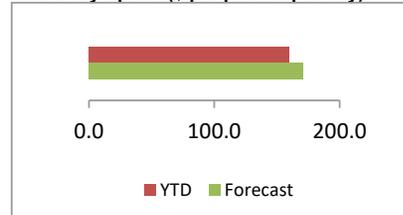
Monthly Visitor Expenditures (\$mil)



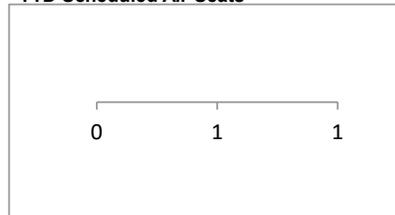
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

Hawai'i Tourism Authority Report Date: **Aug-19** *Preliminary*

Visitor Industry Performance Measures

Market: **LATIN AMERICA**

Key Performance Indicators

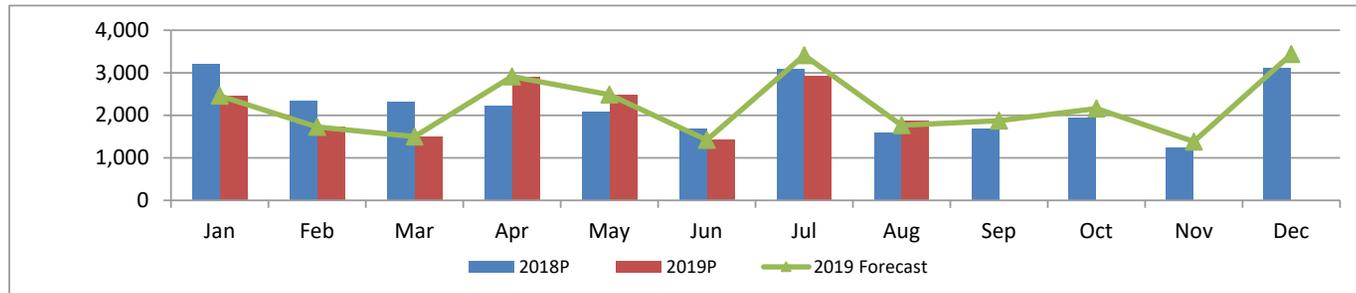
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	↓ 91.5%	-18.0%	38.5	42.0
Daily Spend (\$pppd)	↓ 93.0%	-13.0%	208.6	224.4
Visitor Days	↔ 98.4%	-5.8%	184,285	187,248
Arrivals	↓ 97.9%	-6.6%	17,301	17,669
Airlift (scheduled seats)	NA	NA	NA	NA

Arrivals	YOY Rate	YTD
O'ahu	-7.6%	13,201
Maui	-14.7%	6,008
Moloka'i	-56.5%	137
Lāna'i	-24.1%	260
Kaua'i	0.0%	2,242
Hawai'i Island	-14.7%	3,539

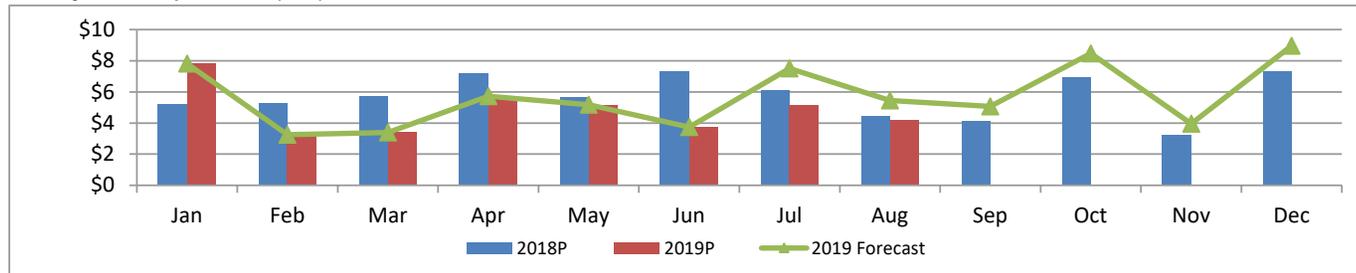
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

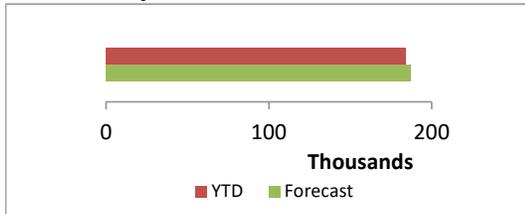


Monthly Visitor Expenditures (\$mil)

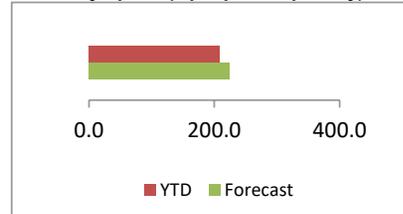


Annual Indicators

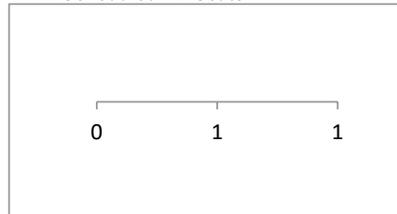
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures



Market Insights – July 2019

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

For the first seven months of 2019, Hawai'i's tourism economy experienced:

- \$10.59 billion in visitor spending, a decrease of 1.3 percent compared to the first seven months of 2018. On a statewide level, average daily spending was down (-3.3% to \$195 per person) compared to the same period last year.
- Total arrivals grew 4.5 percent to visitors, supported by growth in arrivals via air service (+4.4% to 6,112,923) and by cruise ships (+14.6% to 76,472). Total visitor days¹ rose 2 percent compared to the first seven months of 2018.
- Hawai'i's tourism economy experienced \$1.24 billion in generated state tax revenue, down 1.3 percent (-\$16.7 million) compared to the first seven months of 2018.
- Through May 2019, the state collected \$557.8 million in TAT, an increase of 9.2 percent compared to FY 2018 through May 2018.
 - The TAT rate increased from 9.25% to 10.25% as of January 2018.
 - Per Board request, FY 2019 TAT collection amounts from July to December 2018 were recalculated using the 9.25% rate for an “apples to apples” comparison to FY 2018 collections.
 - Adjusted FY 2019 collections through May 2019 is \$530.2 million or an increase of 3.8% compared to FY 2018.
- Total air capacity into Hawai'i grew 2.3 percent to 8,004,342 seats.

Table 1: Overall Key Performance Indicators – Total (Air + Cruise) – Year-to-Date July 2019

	% of Forecast	YOY Rate ²	Jul. YTD	Forecast
Visitor Spending (\$mil)*	100.1%	-1.3%	10,586.9	10,572.2
Daily Spend (\$pppd)	99.4%	-3.3%	194.6	195.8
Visitor Days	100.8%	2.0%	54,395,739	53,981,934
Arrivals	100.1%	4.5%	6,189,395	6,184,523
Airlift (scheduled seats)	100.0%	2.4%	7,949,967	7,949,967

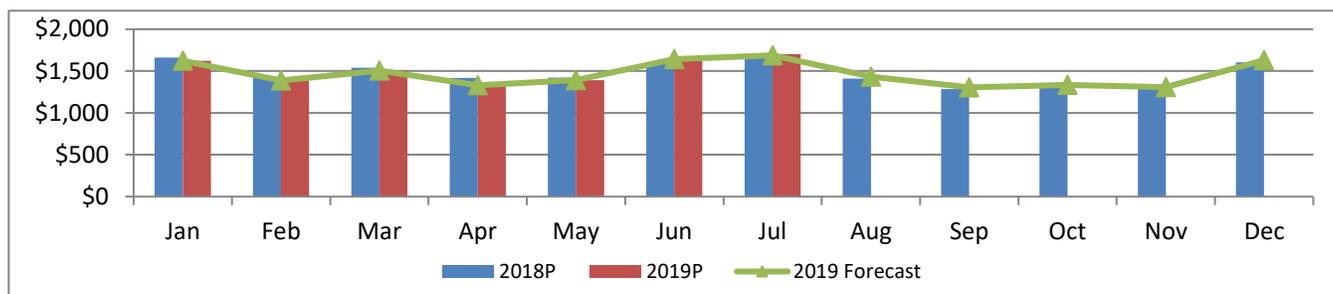
DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

¹ Aggregate number of days stayed by all visitors.

² Technical Notes: The HTA received revised hotel room and package rates for the first quarter of 2018 which warranted revisions to the published preliminary statistics (visitor expenditures, per person per day spending and per person per trip spending) for first quarter 2018. Updated data tables are available on the HTA website. 2018 visitor statistics will be finalized for the 2018 Annual Visitor Research Report.

In July 2019, total visitor spending increased 2.4 percent compared to the previous July to \$1.70 billion. Total arrivals rose 6.2 percent to 997,872 visitors with all arrivals via air travel. No out-of-state cruise ships visited Hawai'i during July. Total visitor days increased 5.2 percent versus July 2018.

Figure 1: Monthly Visitor Expenditures (\$mil)



Major Market Areas (MMAs)

USA

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

	% of Forecast	YOY Rate ²	Jul. YTD	Forecast
Visitor Spending (\$mil)*	100.9%	2.3%	7,036.0	6,974.3
Daily Spend (\$pppd)	99.9%	-1.7%	187.5	187.6
Visitor Days	100.9%	4.1%	37,518,645	37,169,686
Arrivals	100.9%	7.9%	4,143,815	4,105,173
Airlift (scheduled seats)	100.0%	4.3%	5,719,985	5,719,985

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Inflation-adjusted gross domestic product (real GDP), will remain positive but is expected to decelerate through the end of 2020. Following an increase of 3.2 percent at a seasonally adjusted annual rate in the fourth quarter of 2018, the median forecast is for real GDP growth to slow to a +2.1 percent rate by Q4 2019 and +1.9 percent by Q4 2020.
- Unemployment is forecast to continue at the current rate of about 3.9 percent.
- U.S consumer confidence remains at high levels, supported by low unemployment and decent employment growth. Ample availability of jobs and rising wages support the outlook for consumer spending.
- The U.S. domestic carriers have extended their grounding of the MAX through 2019, however, they continue to operate a full schedule.
- Effective Nov. 6, Alaska Airlines will discontinue seasonal flights from Bellingham to Maui and Kona and will add a third daily flight from Seattle to Maui. This winter season, the airline will average 32 daily flights to Hawai'i from the West Coast, more than any other carrier.

US WEST

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

	% of Forecast	YOY Rate ²	Jul. YTD	Forecast
Visitor Spending (\$mil)*	100.4%	3.3%	4,124.6	4,108.4
Daily Spend (\$pppd)	99.5%	-2.2%	174.0	174.9
Visitor Days	100.9%	5.6%	23,707,791	23,488,509
Arrivals	101.0%	9.8%	2,730,547	2,702,513
Airlift (scheduled seats)	100.0%	4.3%	4,998,109	4,998,109

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- In July 2019, the U.S. West market reported a 6.6 percent gain in visitor spending to \$678.1 million. Arrivals increased 11.4 percent to 467,944 visitors. However, daily visitors spending was slightly lower (-0.8% to \$166 per person) compared to July 2018.

US EAST

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

	% of Forecast	YOY Rate ²	Jul. YTD	Forecast
Visitor Spending (\$mil)*	101.6%	1.0%	2,911.4	2,865.8
Daily Spend (\$pppd)	100.6%	-0.7%	210.8	209.5
Visitor Days	100.9%	1.7%	13,810,854	13,681,176
Arrivals	100.8%	4.4%	1,413,268	1,402,660
Airlift (scheduled seats)	100.0%	4.3%	721,876	721,876

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- In July 2019, spending by U.S. East visitors grew 12.4 percent to \$510.8 million. Arrivals were up 8.8 percent to 242,182 visitors and daily spending (+5.3% to \$217 per person) increased compared to a year ago.

CANADA

Table 5: Key Performance Indicators – Canada

	% of Forecast	YOY Rate ²	Jul. YTD	Forecast
Visitor Spending (\$mil)*	99.2%	-2.3%	686.1	691.7
Daily Spend (\$pppd)	99.8%	-1.3%	166.4	166.7
Visitor Days	99.3%	-0.9%	4,122,669	4,149,753
Arrivals	99.8%	1.4%	337,258	338,086
Airlift (scheduled seats)	100.0%	6.0%	324,056	324,056

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- In July 2019, spending by Canadian visitors declined 9.3 percent to \$50.2 million. Arrivals were down 1.9 percent to 27,010 visitors and daily spending decreased (-1.5% to \$158 per person) compared to July 2018.
- Amidst trade wars, political uncertainty, and instability in emerging markets, Canada's economy is expected to grow just 1.4 percent in 2019. Nevertheless, job and wage growth remain strong and household income is on the rise. Furthermore, even though consumer spending has slowed, it is expected to pick up again in the latter half of 2019. The Bank of Canada expects the economy to grow 1.5 percent in 2020 and 2.0 percent in 2021.

- While the exchange rate is currently slightly above 75 U.S. cents, there is some volatility that contributes to traveler’s considerations. Economists are predicting the exchange rate to move to 77 U.S. cents by the end of 2020.
- The national consumer confidence rating was 121.0 points in July, an annual increase of 4.2-points, and a 1.7-point increase compared to the score recorded in June. The improvement in the index is linked to better scores related to finances as almost one-fifth (18.8%) of respondents indicated that their current financial situation had improved over the last six months.
- Air Canada and WestJet have extended their grounding of the MAX through 2019. WestJet announced that the 787-9 Dreamliner will be used to operate flights between Calgary and Kahului as well as a weekly flight from Edmonton to Honolulu this fall.

JAPAN

Table 6: Key Performance Indicators – Japan

	% of Forecast	YOY Rate ²	Jul. YTD	Forecast
Visitor Spending (\$mil)*	97.5%	-4.9%	1,221.8	1,253.3
Daily Spend (\$pppd)	99.3%	-2.6%	238.1	239.7
Visitor Days	98.2%	-2.4%	5,132,185	5,228,864
Arrivals	98.3%	-0.8%	877,908	892,770
Airlift (scheduled seats)	100.0%	-0.6%	1,146,682	1,146,682

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- In July 2019, spending by Japanese visitors dropped 16.5 percent to \$172.2 million as a result of decreased arrivals (-9.3% to 125,215) and lower daily visitor spending (-5.0% to \$232 per person).
- The exchange rate was at 108.22 JPY to USD in July 2019. Economic outlook is starting to decline with uncertainties arising from the trade wars occurring between Japan and Korea.
- Social unrest in Hong Kong may prompt Japanese visitors to alter travel itineraries to other destinations including Hawai’i from the traditionally popular destination. While growth in Japanese visitors to Hong Kong did continue in June, it was significantly reduced at just 0.6 percent
- Round trip fuel surcharge rates are increased to 17,000 yen for tickets issued from August 1 onwards.
- ANA continues operation of their first Airbus A380 aircraft “Flying Honu” in the ANA blue livery on Sunday, Tuesday and Friday. Starting July 1, the second aircraft in the emerald green livery has been implemented, increasing frequency of the A380 to 10 flights per week.
- Major airlines are strengthening efforts on Loyalty Programs (Mileage Programs) and direct bookings to better accommodate the growing FIT market to Hawai’i

OCEANIA

Table 7: Key Performance Indicators – Oceania

	% of Forecast	YOY Rate ²	Jul. YTD	Forecast
Visitor Spending (\$mil)*	99.1%	-11.3%	522.7	527.3
Daily Spend (\$pppd)	99.9%	-1.2%	261.4	261.6
Visitor Days	99.2%	-10.3%	1,999,510	2,015,960
Arrivals	99.1%	-8.4%	212,282	214,308
Airlift (scheduled seats)	100.0%	-5.4%	290,505	290,505

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Australia decreased in July (-3.1% to 27,797) and through the first seven months of 2019 (-6.4% to 171,433) versus a year ago.
- Australia's economy remains subdued, weighed down by a protracted period of low-income growth and declining housing prices. Increased investment in infrastructure is providing an offset and a pick-up in activity in the resources sector is expected, partly in response to an increase in the prices of Australia's exports. The outlook for the Australian economy remains reasonable, with the main domestic uncertainty around consumption, although a pick-up in growth in household disposable income is expected to support spending. The Australian dollar traded slightly higher in July compared to the previous month, at US \$0.70.
- There has been an increase in the number of flights available from Australia to U.S. destinations, resulting in very competitive fares and providing travelers with more choice on where to holiday in the USA.
- Visitor arrivals from New Zealand dropped in July (-14.6% to 9,349) and through the first seven months of 2019 (-16.0% to 40,849).
- The New Zealand economy is still looking for more growth and recent drops in the Official Cash Rate have been designed to help this. On a positive note, the unemployment rate was 3.9% in the June 2019 quarter, down from 4.2% in the March 2019 quarter. Meanwhile the New Zealand dollar has had a soft month dipping below US\$0.65.
- In 2018, outbound travel from New Zealand reached record levels with over 3 million departures.

EUROPE

Table 8: Key Performance Indicators – Europe

	% of Forecast	YOY Rate ²	Jul. YTD	Forecast
Visitor Spending (\$mil)*	99.5%	-3.8%	152.5	153.3
Daily Spend (\$pppd)	101.8%	4.8%	162.1	159.3
Visitor Days	97.8%	-8.2%	940,453	961,995
Arrivals	99.2%	-6.9%	72,423	72,987
Airlift (scheduled seats)	NA	NA	NA	NA

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from the United Kingdom, France, Germany, Italy and Switzerland decreased in July (-7.0% to 16,084) and through the first seven months of 2019 (-6.9% to 72,423).

- The German GDP growth this quarter is 0.4 percent. Overall, the German economy remains stable. Focus Economics Consensus Forecast panelists expect the German economy to increase 0.9 percent in 2019, and 1.4 percent in 2020. The unemployment rate remains consistent at 3.2 percent.
- The UK GDP growth this quarter is 0.3 percent.
- Despite the ongoing Brexit discussions and a new Prime Minister in place, the British pound to USD exchange rate remains the same at 1.22. The Euro is trading at \$1.12.
- UK consumers continue to remain concerned about personal finance and the wider economy, as reflected in the decreased consumer confidence in June 2019.
- Over the past three months, employment in the UK increased by 32,000, hitting record high of 32.75 million, and keeping the unemployment rate at its lowest level since 1974.

CHINA

Table 9: Key Performance Indicators – China

	% of Forecast	YOY Rate ²	Jul. YTD	Forecast
Visitor Spending (\$mil)*	97.8%	-28.9%	172.1	175.9
Daily Spend (\$pppd)	97.0%	-6.5%	323.5	333.5
Visitor Days	100.9%	-23.9%	531,865	527,301
Arrivals	101.3%	-27.2%	67,481	66,594
Airlift (scheduled seats)	105.2%	-20.4%	79,610	75,680

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from China declined in July (-26.3% to 8,403) and through the first seven months of 2019 (-27.2% to 67,481).
- The Chinese economy expanded 6.6 percent year-over-year (YOY) in 2018. China sets its GDP at between 6 percent and 6.5 percent to pursue quality growth amid mounting uncertainties in the international economic landscape this year. In the first half year of 2019, China's GDP grew 6.3 percent, in line with market expectations. In Q2, Chinese Yuan depreciated to 6.9 CNY to 1 USD.
- In the Shanghai market, air capacity from China Eastern Airlines remain stable in 2019. In the Beijing market, Air China recently announced to withdraw the thrice weekly flights from August 27, owing to unfavorable business conditions and the need to service new routes aligned with one belt road initiative.
- With the new A380 "Flying Honu", ANA made a strategic decision to enter the China market for Hawai'i and has been working with HTC to target upscale Chinese travelers transiting via Tokyo.
- Hawai'i ranked 2nd among outbound tourism destinations for Chinese Luxury travelers, according to the latest joint report by Hurun Report and International Luxury Travel Market (ILTM).
- HTC continues to target more sophisticated and high value visitors to Hawai'i by positioning the Hawaiian Islands as the 'Diamond of Islands' in its 2019 Marketing Initiatives.

KOREA

Table 10: Key Performance Indicators – Korea

	% of Forecast	YOY Rate ²	Jul. YTD	Forecast
Visitor Spending (\$mil)*	101.7%	-12.2%	253.0	248.7
Daily Spend (\$pppd)	98.8%	-1.1%	272.2	275.5
Visitor Days	103.0%	-11.3%	929,344	902,466
Arrivals	101.8%	-14.1%	120,989	118,892
Airlift (scheduled seats)	100.0%	-11.6%	185,663	185,663

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Korea increased in July (+6.8% to 19,108) but declined year-to-date (-14.1% to 120,989).
- South Korea's economy will achieve 2.6 percent to 2.7 percent growth in 2019 if the government maintains expansionary fiscal policies to support growth according to International Monetary Fund (IMF).
- The average USD/WON exchange rate in July was 1174.40 won, a slight decrease from the previous rate of 1177.34 won in June.
- Fuel surcharges were imposed in July, up to 98,400 won (\$83.52) for a round trip between Korea and the U.S. This was a drop of up to 24,000 won (US\$20.10) in July due to lower oil prices and was the first downward adjustment in three months.
- Korea's flag carrier Korean Air (KE) confirmed that it will operate chartered flights for ICN-HNL route targeting Korea's golden holiday week in October between two national holidays – Oct 3rd and 9th. It is scheduled on Sep 29th, Oct 3rd, and Oct 7th with Air Bus 333 aircraft with total 276 seats, which will add a total of 828 seat supplies to the market.
- Korea's flag carrier Asiana Airlines (OZ) will increase the frequency of its ICN-HNL route to daily from August 16 to March 31, 2020, to serve the highest peak season for summer vacation between July and August, as well as Korean Thanksgiving Day 'Chuseok', and winter vacations. Increased airlifts will generate incremental 4,675 seat supplies in 2019. The airline is currently operating 5 flights weekly on Sunday, Monday, Wednesday, Thursday, and Saturday.
- Following Japan's recent economic retaliation to Korea, the relationship between the two countries are at their worst which impacts overall Korean outbound market. The majority of travel demands to Japan is now turning to South East Asia (for short haul) and Hawai'i (for long haul). The booking pace to Hawai'i has been increased since after the No Japan campaign started in earnest. Korean market insiders expect aircrafts once deployed on Japan routes will highly likely be redirected to KE's additional flights on ICN-HNL route to serve demands of the winter peak season.
- HTK continues to promote the individual Hawaiian Islands in efforts to increase island distribution by collaborating with key airline partners, tour operators, media and celebrities and influencers.

TAIWAN

Table 11: Key Performance Indicators – Taiwan

	% of Forecast	YOY Rate ²	Jul. YTD	Forecast
Visitor Spending (\$mil)*	109.1%	68.5%	38.7	35.4
Daily Spend (\$pppd)	100.7%	5.1%	250.1	248.5
Visitor Days	108.4%	60.3%	154,591	142,601
Arrivals	109.2%	61.6%	16,883	15,467
Airlift (scheduled seats)	100.0%	23.3%	22,644	22,644

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals increased in both July (+77.3% to 2,549) and through the first seven months of 2019 (+61.6% to 16,883).
- In the first half of 2019, Taiwan's economy grew 2.1%. Taiwan's government lowered its 2019 economic growth forecast to 2.2 percent (2.3 percent previously) as sluggish global tech demand dragged on the island's export-reliant economy.
- Currency exchange rate fluctuations play an important role in Taiwanese consumers' decision-making in oversea travel destination and spending.
- Short-haul competition from East/Southeast Asian destinations remains strong in June 2019: Philippines (+55.4%), Vietnam (+37.7%), Thailand (+19.6%) and Hong Kong (+13.8%) have seen greater growths because of their affordable pricing and proximity to Taiwan. Furthermore, Thailand will extend its waiver on visa-on-arrival fees until October 2019, expecting to bring in even more Taiwanese visitors in the second and third quarter.
- Long-haul competition from New Zealand continues to be strong with 47.1 percent visitation growth YOY (YTD June 2019) due to favorable currency exchange rates and the new direct flight between Taipei and Auckland.
- According to Expedia's latest report on the most popular overseas destinations for the Taiwanese in 2018, the top ten destinations are all located in Asia. Expedia indicated that the increasing popularity of low-cost carriers and New Southbound Policy by Taiwan's government contributed to the visitor traffic to these Asian destinations.

LATIN AMERICA

Table 122: Key Performance Indicators – Latin America

	% of Forecast	YOY Rate ²	Jul. YTD	Forecast
Visitor Spending (\$mil)*	94.2%	-18.9%	34.4	36.6
Daily Spend (\$pppd)	98.3%	-10.4%	212.7	216.5
Visitor Days	95.8%	-9.4%	161,864	168,938
Arrivals	97.0%	-8.8%	15,432	15,905
Airlift (scheduled seats)	NA	NA	NA	NA

DBEDT Forecasts (Quarter 3 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Mexico, Brazil and Argentina declined in both July (-4.7% to 2,935) and through the first seven months of 2019 (-8.8% to 15,432).

Island Distribution

- **O'ahu:** Visitor spending decreased (-1.2% to \$764.6 million) in July year-over-year. Total visitor days increased (+7.0%), but daily spending declined (-7.6% to \$179 per person). Arrivals grew 6.3 percent to 601,683 visitors.

Through July 2019, both visitor spending (+1.3% to \$4.82 billion) and arrivals (+4.9% to 3,649,367) increased compared to a year ago.

- **Maui:** Visitor spending increased (+4.3% to \$502.4 million) compared to July 2018. Visitor days rose 2.2 percent and daily spending was higher (+2.1% to \$212 per person) than a year ago. Arrivals were up 4.8 percent to 309,134 visitors.

Through July 2019, visitor spending dropped slightly (-0.9% to \$3.11 billion) due to lower daily spending, which offset growth in visitor arrivals (+4.1% to 1,831,177).

- **Island of Hawai'i:** Visitor spending increased 9.1 percent to \$219.4 million in July, supported by growth in visitor days (+7.4%) and higher daily spending (+1.5% to \$179 per person). Arrivals increased 13.7 percent to 175,031 visitors.

In the first seven months of 2019, both visitor spending (-8.8% to \$1.38 billion) and visitor arrivals (-2.4% to 1,058,377) declined versus last year.

- **Kaua'i:** Visitor spending increased (+3.3% to \$201.1 million) compared to July 2018, boosted by growth in visitor days (+2.8%). Daily spending of \$193 per person (+0.5%) was similar to a year ago. Arrivals were up 2.3 percent to 140,834 visitors.

Through July 2019, both visitor spending (-4.3% to \$1.16 billion) and visitor arrivals (-1.1% to 827,070) declined compared to the same period last year.

Hawai'i Tourism Authority Report Date: **Jul-19** *Preliminary*

Visitor Industry Performance Measures

Market: **OVERALL**

Key Performance Indicators

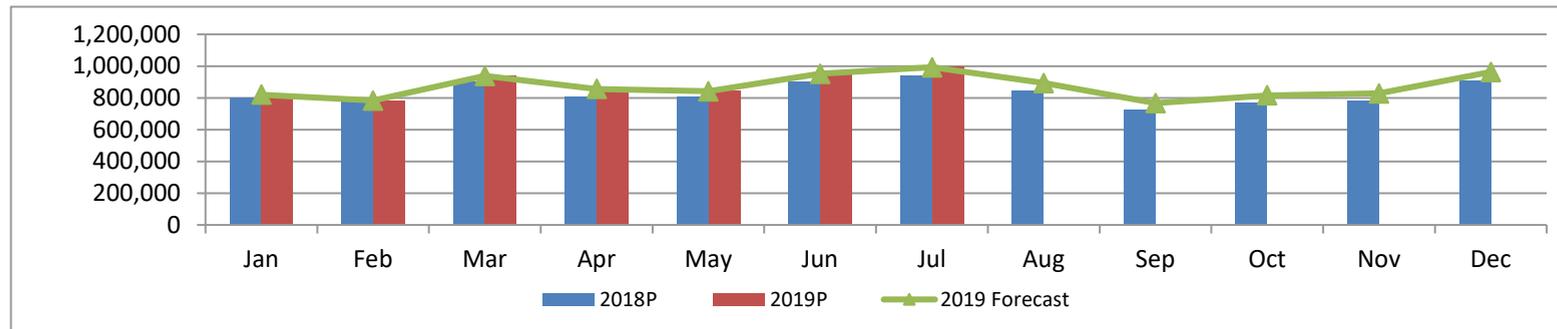
	% of Forecast*	YOY Rate	YTD	Forecast
Visitor Spending (\$mil)*	➔ 100.1%	-1.3%	10,586.9	10,572.2
Daily Spend (\$pppd)	➔ 99.4%	-3.3%	194.6	195.8
Visitor Days	➔ 100.8%	2.0%	54,395,739	53,981,934
Arrivals	➔ 100.1%	4.5%	6,189,395	6,184,523
Airlift (scheduled seats)	➔ 100.0%	2.4%	7,949,967	7,949,967

	Arrivals	YOY Rate	YTD
O'ahu		4.9%	3,649,367
Maui		4.1%	1,831,177
Moloka'i		7.2%	38,757
Lāna'i		16.2%	52,793
Kaua'i		-1.1%	827,070
Hawai'i Island		-2.4%	1,058,377

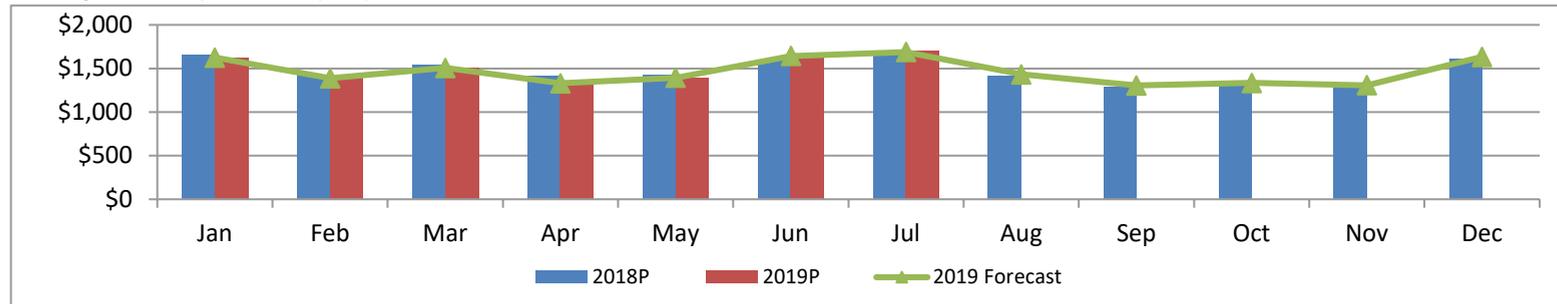
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

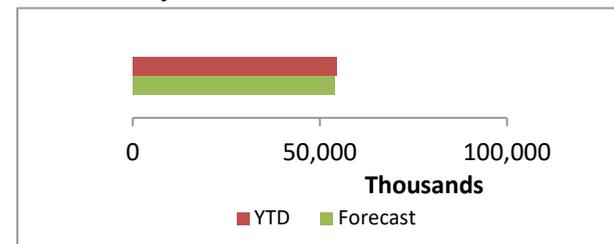


Monthly Visitor Expenditures (\$mil)

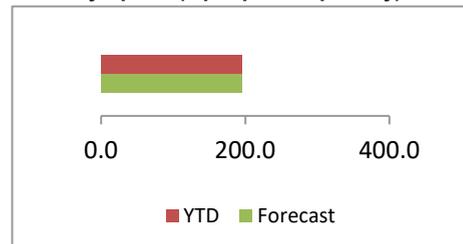


Annual Indicators

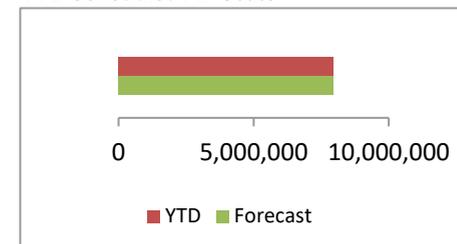
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Jul-19** *Preliminary*

Visitor Industry Performance Measures

Market: **U.S. TOTAL**

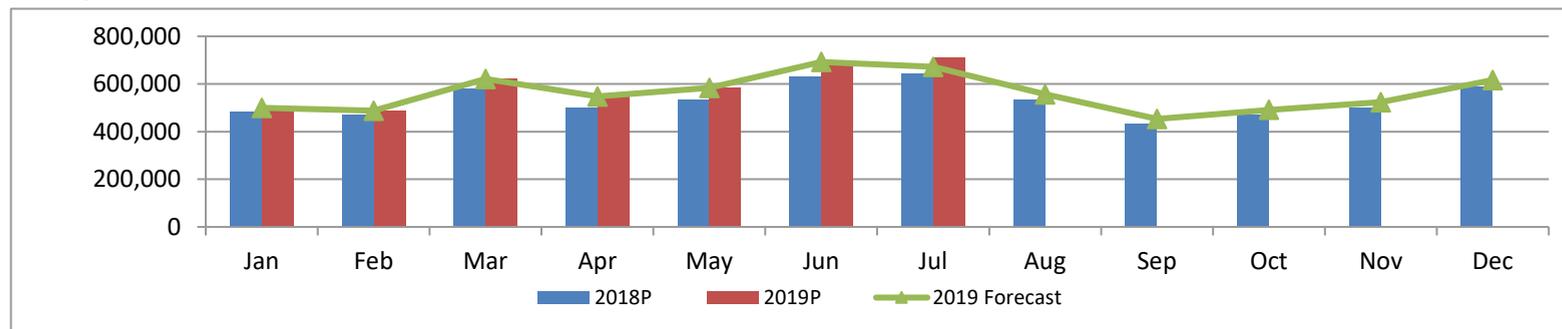
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	➔ 100.9%	2.3%	7,036.0	6,974.3	O'ahu	11.0%	2,005,226
Daily Spend (\$pppd)	➔ 99.9%	-1.7%	187.5	187.6	Maui	5.5%	1,460,207
Visitor Days	➔ 100.9%	4.1%	37,518,645	37,169,686	Moloka'i	5.8%	26,355
Arrivals	➔ 100.9%	7.9%	4,143,815	4,105,173	Lāna'i	7.8%	35,563
Airlift (scheduled seats)	➔ 100.0%	4.3%	5,719,985	5,719,985	Kaua'i	-0.7%	687,657
					Hawai'i Island	2.1%	760,393

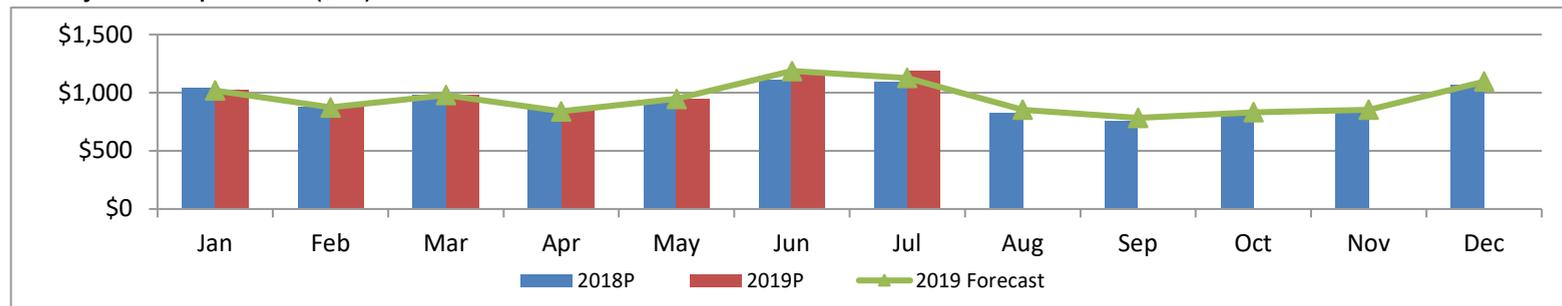
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

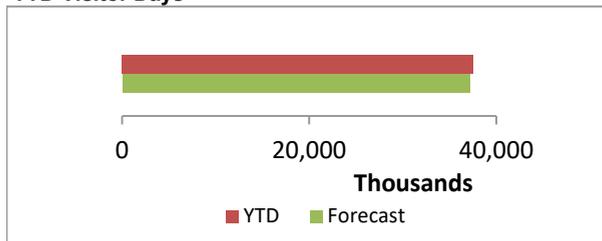


Monthly Visitor Expenditures (\$mil)

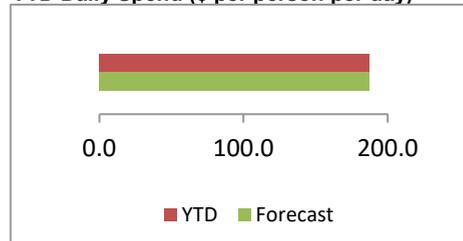


Annual Indicators

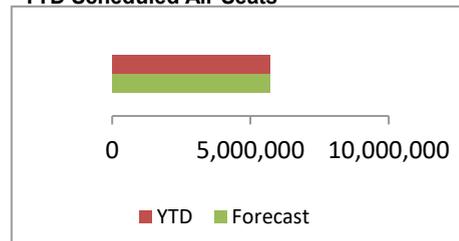
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

Hawai'i Tourism Authority Report Date: **Jul-19** *Preliminary*

Visitor Industry Performance Measures

Market: **U.S. WEST**

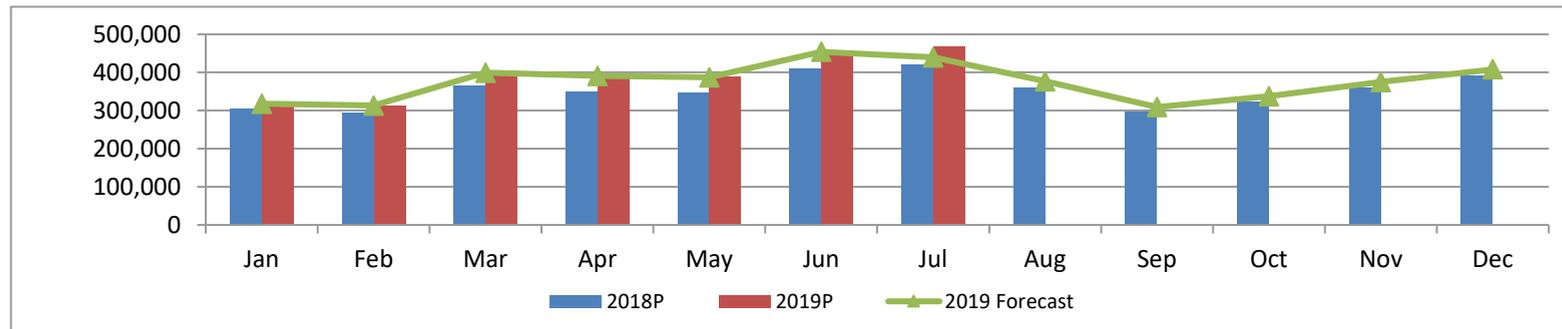
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	➔ 100.4%	3.3%	4,124.6	4,108.4	O'ahu	14.3%	1,193,563
Daily Spend (\$pppd)	➔ 99.5%	-2.2%	174.0	174.9	Maui	7.3%	941,225
Visitor Days	➔ 100.9%	5.6%	23,707,791	23,488,509	Moloka'i	14.6%	15,808
Arrivals	➔ 101.0%	9.8%	2,730,547	2,702,513	Lāna'i	14.1%	18,714
Airlift (scheduled seats)	➔ 100.0%	4.3%	4,998,109	4,998,109	Kaua'i	1.0%	434,799
					Hawai'i Island	6.1%	474,310

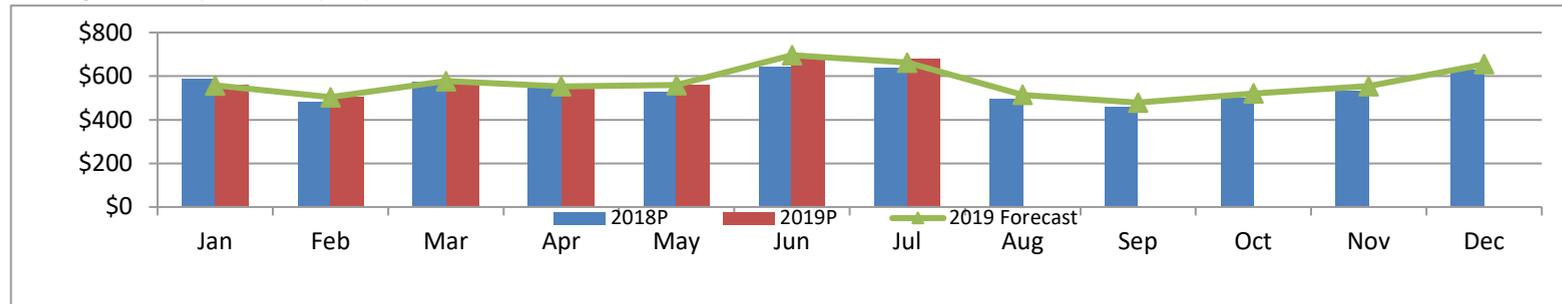
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

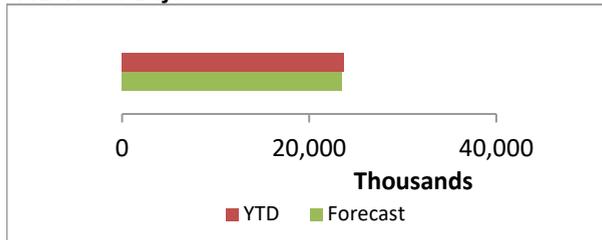


Monthly Visitor Expenditures (\$mil)

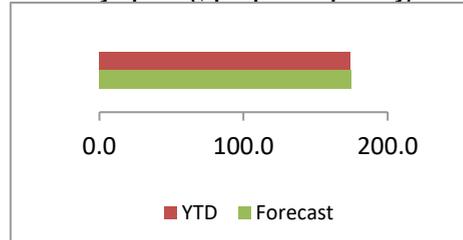


Annual Indicators

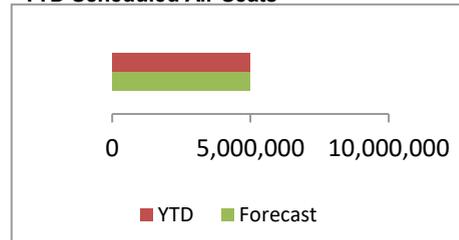
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q3 2019

Hawai'i Tourism Authority Report Date: **Jul-19** *Preliminary*

Visitor Industry Performance Measures

Market: **U.S. EAST**

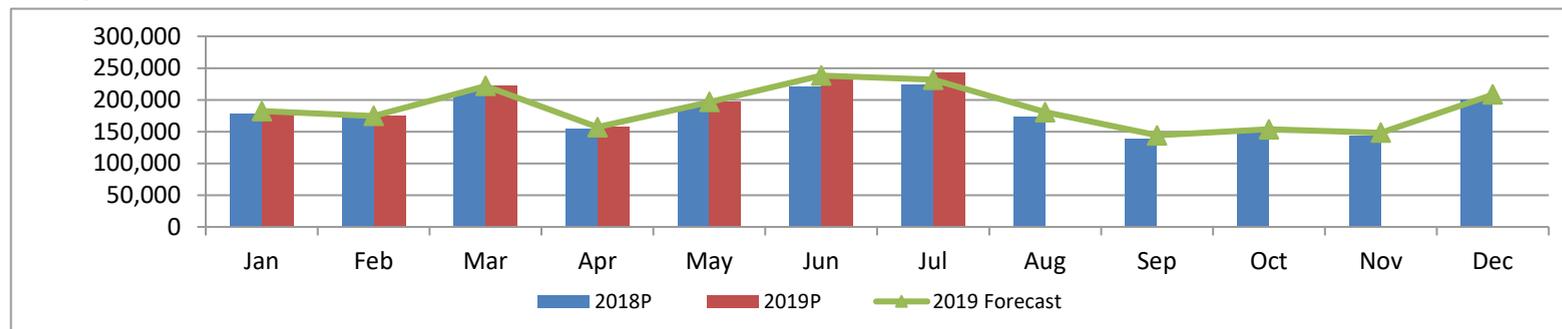
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	↗ 101.6%	1.0%	2,911.4	2,865.8	O'ahu	6.5%	811,663
Daily Spend (\$pppd)	⇒ 100.6%	-0.7%	210.8	209.5	Maui	2.4%	518,982
Visitor Days	⇒ 100.9%	1.7%	13,810,854	13,681,176	Moloka'i	-5.1%	10,547
Arrivals	⇒ 100.8%	4.4%	1,413,268	1,402,660	Lāna'i	1.5%	16,848
Airlift (scheduled seats)	⇒ 100.0%	4.3%	721,876	721,876	Kaua'i	-3.6%	252,858
					Hawai'i Island	-4.0%	286,083

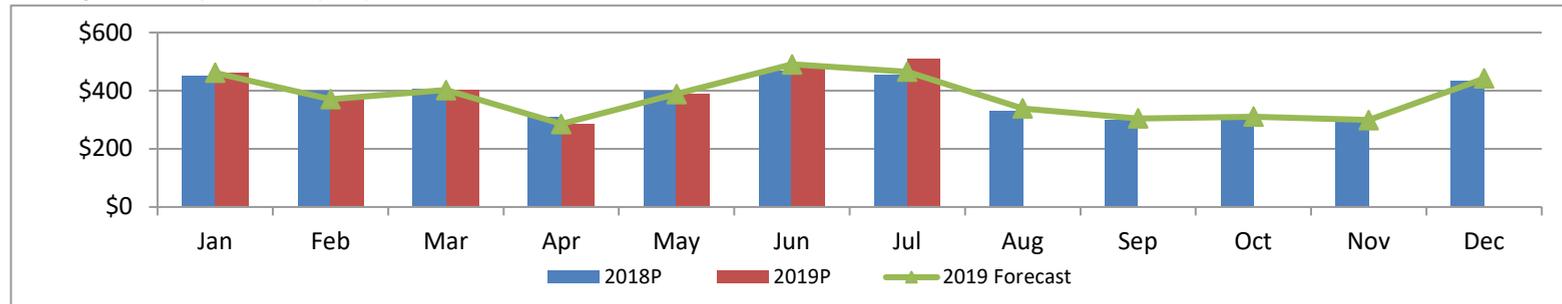
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

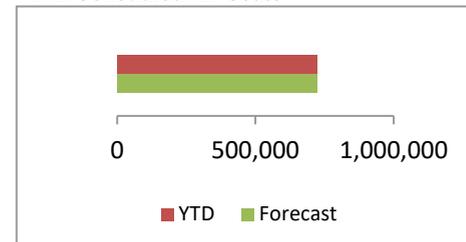
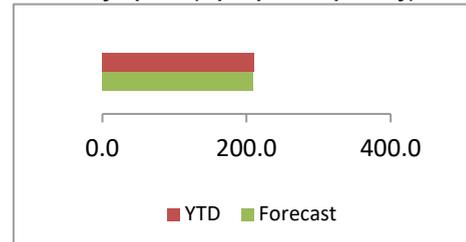
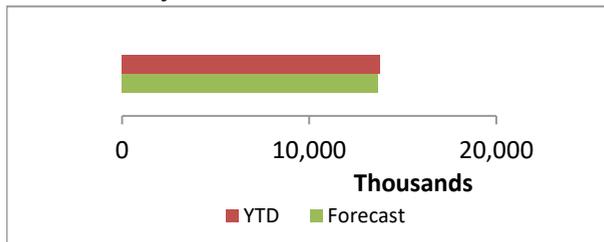


Monthly Visitor Expenditures (\$mil)



Annual Indicators

YTD Visitor Days, YTD Daily Spend (\$ per person per day), YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

Hawai'i Tourism Authority Report Date: **Jul-19** *Preliminary*

Visitor Industry Performance Measures

Market: **CANADA**

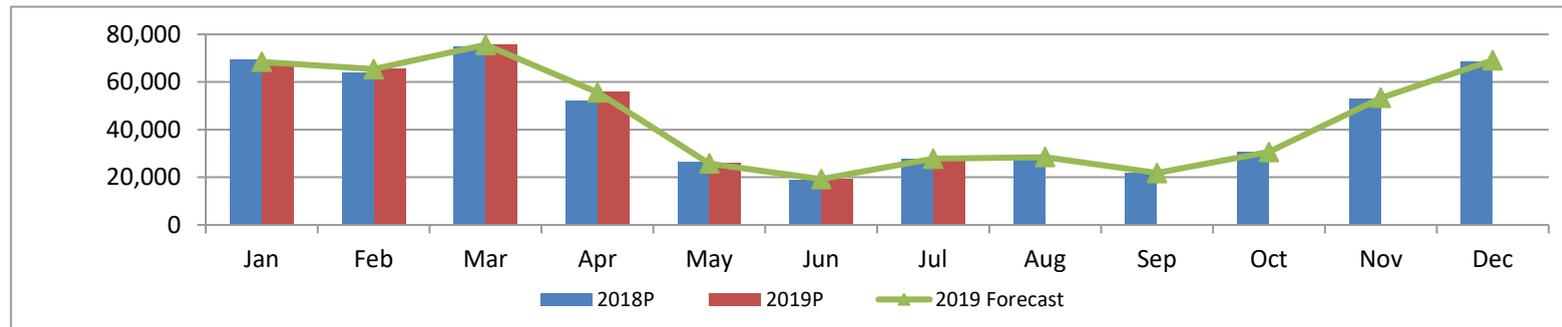
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	➔ 99.2%	-2.3%	686.1	691.7	O'ahu	3.1%	140,326
Daily Spend (\$pppd)	➔ 99.8%	-1.3%	166.4	166.7	Maui	0.6%	170,174
Visitor Days	➔ 99.3%	-0.9%	4,122,669	4,149,753	Moloka'i	30.7%	3,155
Arrivals	➔ 99.8%	1.4%	337,258	338,086	Lāna'i	-0.5%	3,602
Airlift (scheduled seats)	➔ 100.0%	6.0%	324,056	324,056	Kaua'i	-1.9%	48,262
					Hawai'i Island	-9.4%	60,634

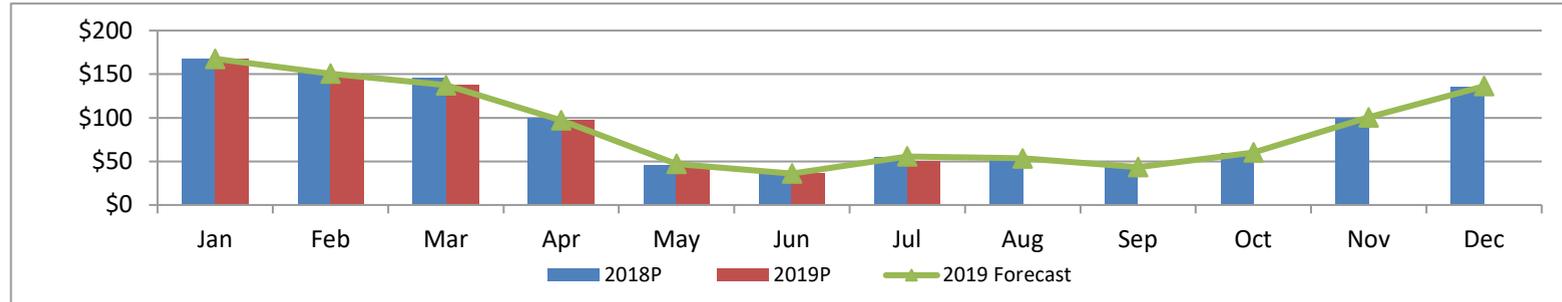
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

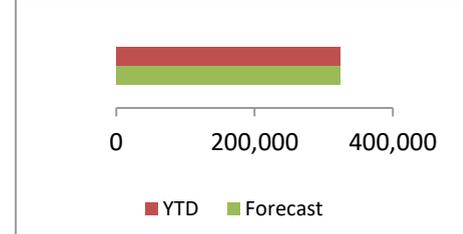
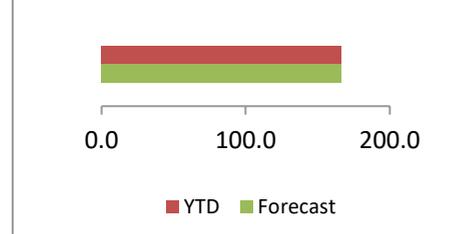
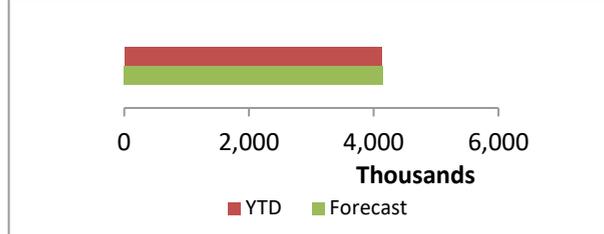


Monthly Visitor Expenditures (\$mil)



Annual Indicators

YTD Visitor Days, YTD Daily Spend (\$ per person per day), YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

Hawai'i Tourism Authority Report Date: **Jul-19** *Preliminary*

Visitor Industry Performance Measures

Market: **JAPAN**

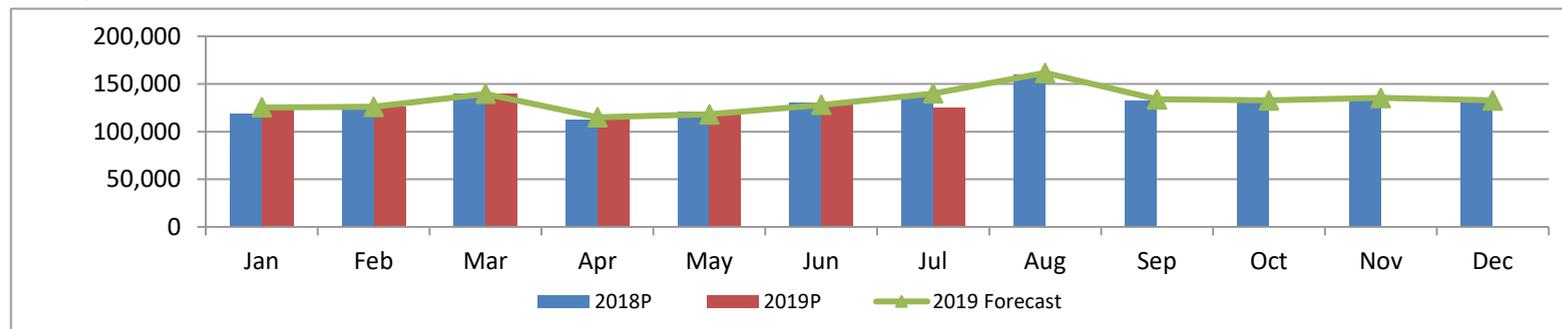
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	↓ 97.5%	-4.9%	1,221.8	1,253.3	O'ahu	0.2%	833,001
Daily Spend (\$pppd)	→ 99.3%	-2.6%	238.1	239.7	Maui	-4.1%	27,558
Visitor Days	↘ 98.2%	-2.4%	5,132,185	5,228,864	Moloka'i	22.3%	923
Arrivals	↘ 98.3%	-0.8%	877,908	892,770	Lāna'i	47.8%	1,398
Airlift (scheduled seats)	→ 100.0%	-0.6%	1,146,682	1,146,682	Kaua'i	-11.4%	13,612
					Hawai'i Island	-18.2%	90,312

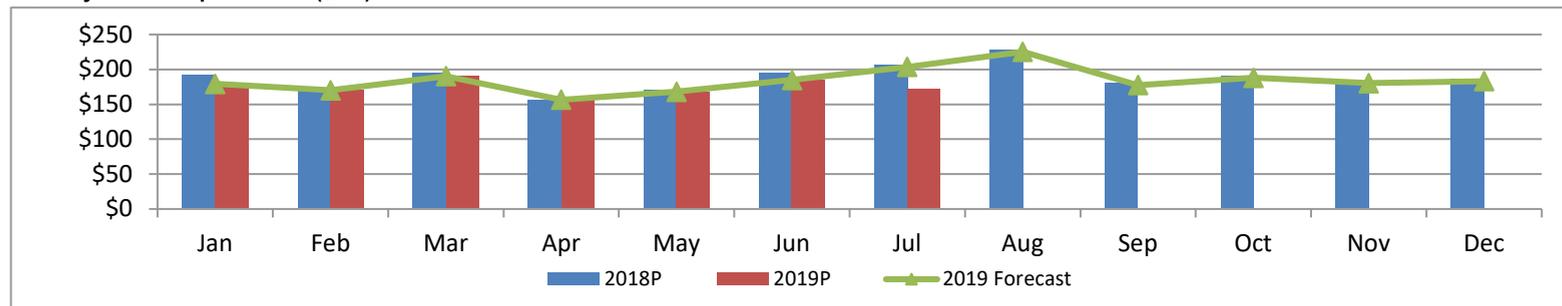
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

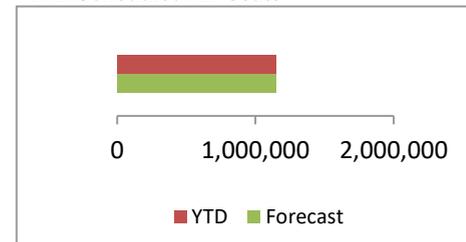
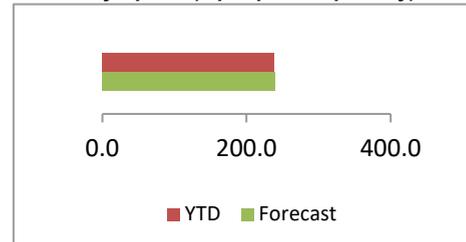
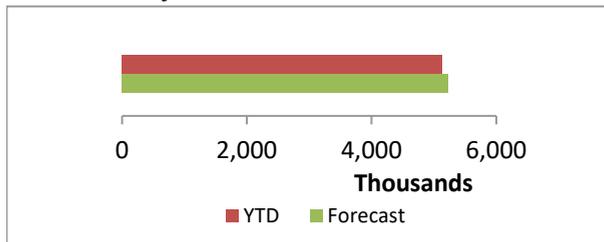


Monthly Visitor Expenditures (\$mil)



Annual Indicators

YTD Visitor Days, YTD Daily Spend (\$ per person per day), YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

Hawai'i Tourism Authority Report Date: **Jul-19** *Preliminary*

Visitor Industry Performance Measures

Market: **CHINA**

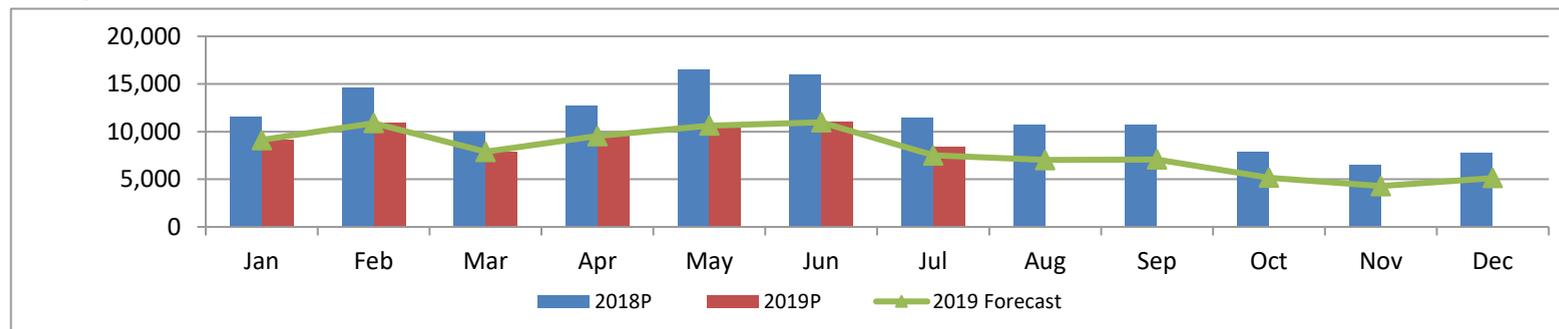
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	↓ 97.8%	-28.9%	172.1	175.9	O'ahu	-28.0%	65,319
Daily Spend (\$pppd)	↓ 97.0%	-6.5%	323.5	333.5	Maui	-24.3%	14,437
Visitor Days	→ 100.9%	-23.9%	531,865	527,301	Moloka'i	-35.3%	583
Arrivals	↔ 101.3%	-27.2%	67,481	66,594	Lāna'i	4.3%	715
Airlift (scheduled seats)	↑ 105.2%	-20.4%	79,610	75,680	Kaua'i	4.3%	2,927
					Hawai'i Island	-20.1%	25,247

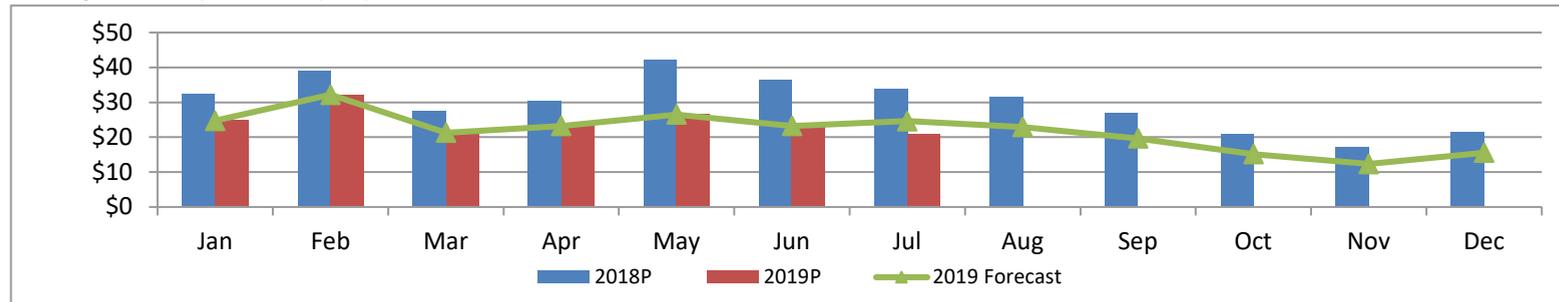
*DBEDT Forecast as of Q3 2019

Monthly Indicators

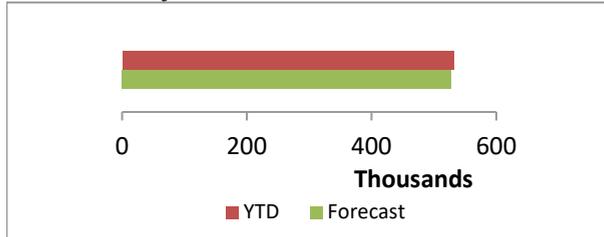
Monthly Arrivals



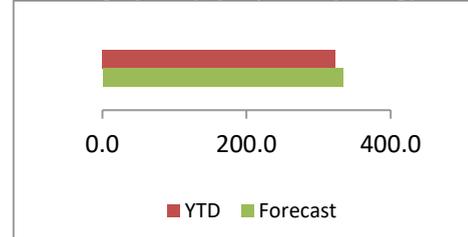
Monthly Visitor Expenditures (\$mil)



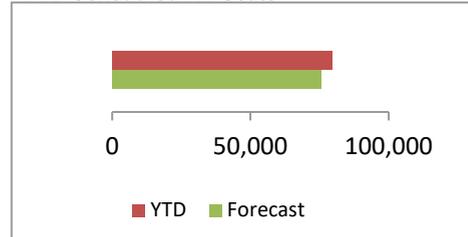
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

Hawai'i Tourism Authority Report Date: **Jul-19** *Preliminary*

Visitor Industry Performance Measures

Market: **KOREA**

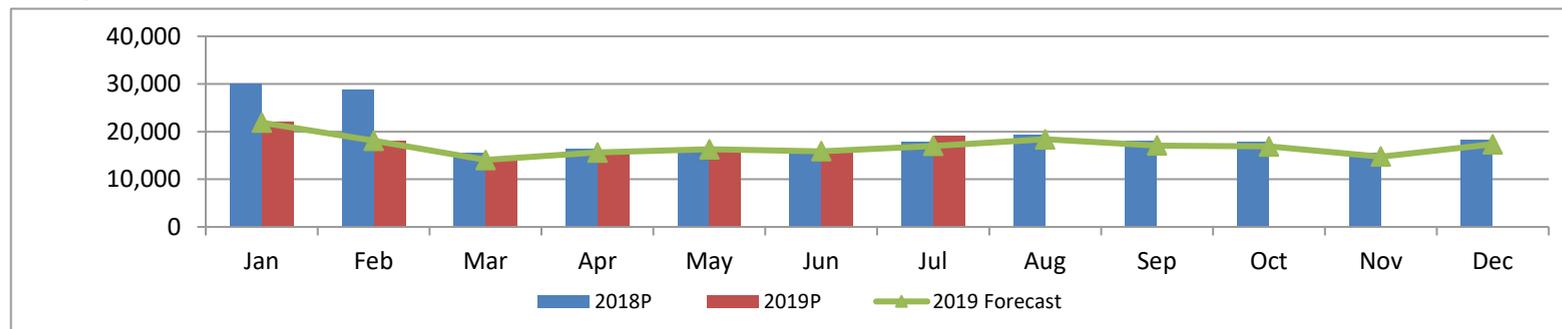
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	🔼 101.7%	-12.2%	253.0	248.7	O'ahu	-13.2%	119,027
Daily Spend (\$pppd)	🔽 98.8%	-1.1%	272.2	275.5	Maui	-13.7%	16,218
Visitor Days	🔼 103.0%	-11.3%	929,344	902,466	Moloka'i	-46.4%	344
Arrivals	🔼 101.8%	-14.1%	120,989	118,892	Lāna'i	-8.7%	301
Airlift (scheduled seats)	➡️ 100.0%	-11.6%	185,663	185,663	Kaua'i	-33.2%	4,030
					Hawai'i Island	-19.2%	13,748

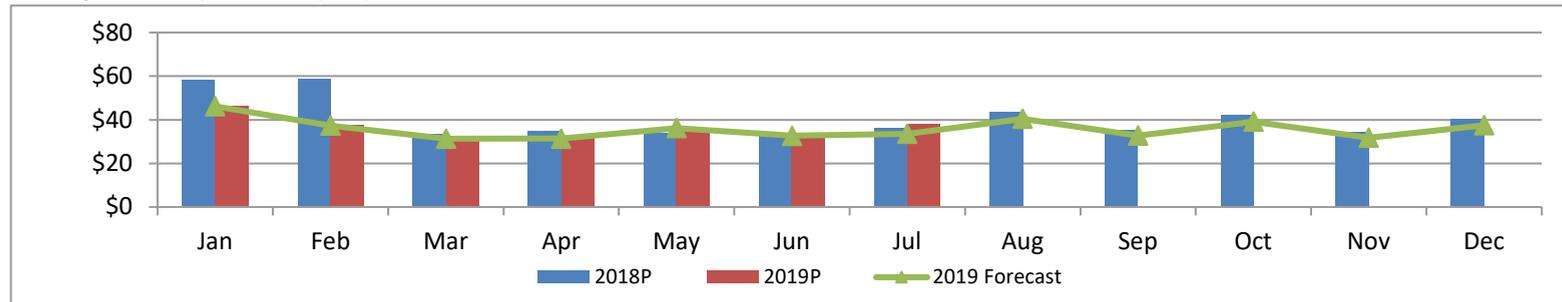
*DBEDT Forecast as of Q3 2019

Monthly Indicators

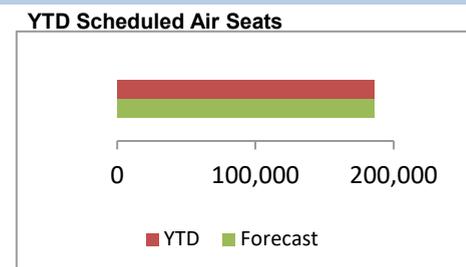
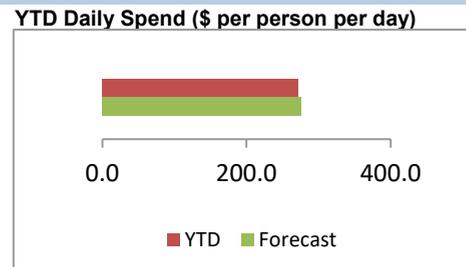
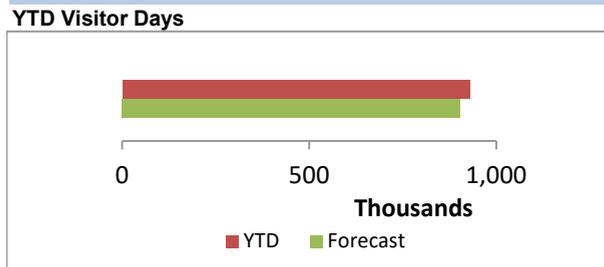
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



* Excludes Supplemental Business Expenditures

Hawai'i Tourism Authority Report Date: **Jul-19** *Preliminary*

Visitor Industry Performance Measures

Market: **TAIWAN**

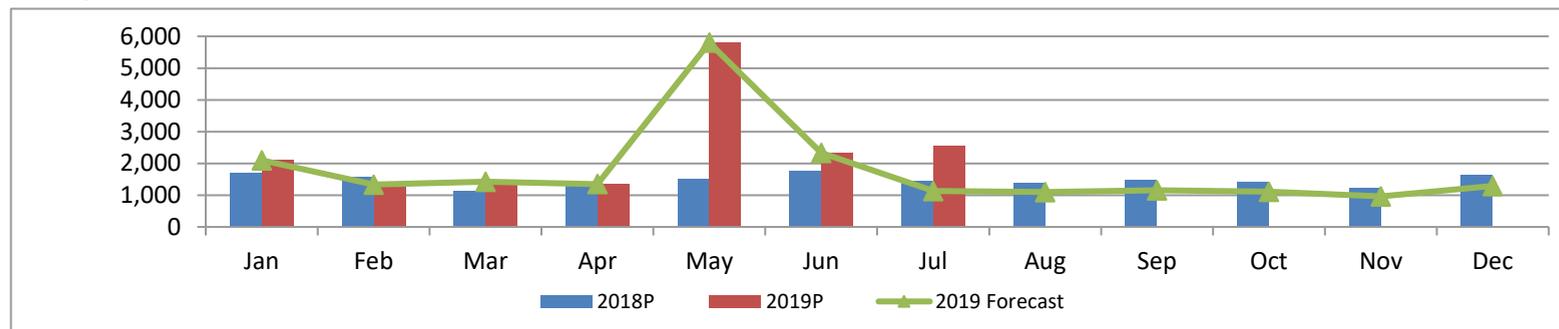
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	↑ 109.1%	68.5%	38.7	35.4	O'ahu	62.7%	16,559
Daily Spend (\$pppd)	→ 100.7%	5.1%	250.1	248.5	Maui	46.5%	2,996
Visitor Days	↑ 108.4%	60.3%	154,591	142,601	Moloka'i	-100.0%	-
Arrivals	↑ 109.2%	61.6%	16,883	15,467	Lāna'i	49.4%	130
Airlift (scheduled seats)	→ 100.0%	23.3%	22,644	22,644	Kaua'i	101.5%	665
					Hawai'i Island	33.3%	4,105

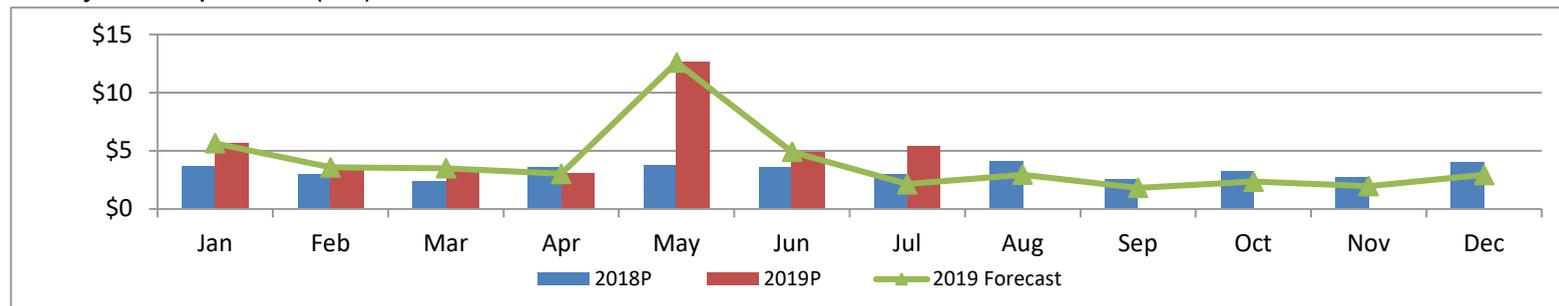
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

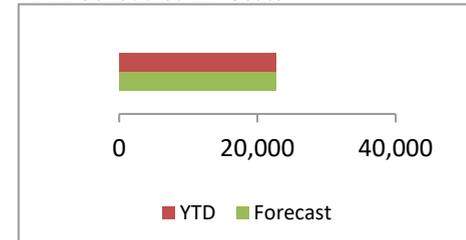
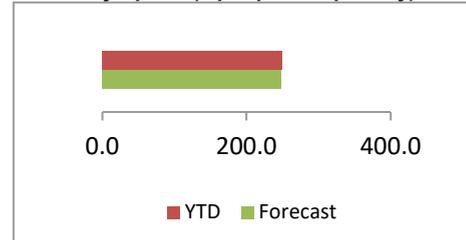
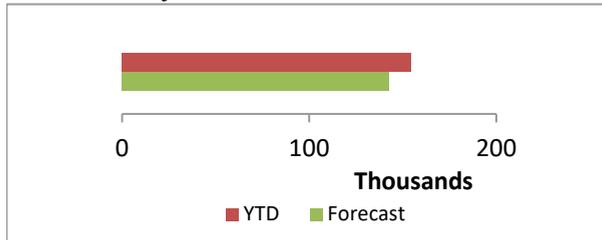


Monthly Visitor Expenditures (\$mil)



Annual Indicators

YTD Visitor Days, YTD Daily Spend (\$ per person per day), YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

Hawai'i Tourism Authority Report Date: **Jul-19** *Preliminary*

Visitor Industry Performance Measures

Market: **OCEANIA**

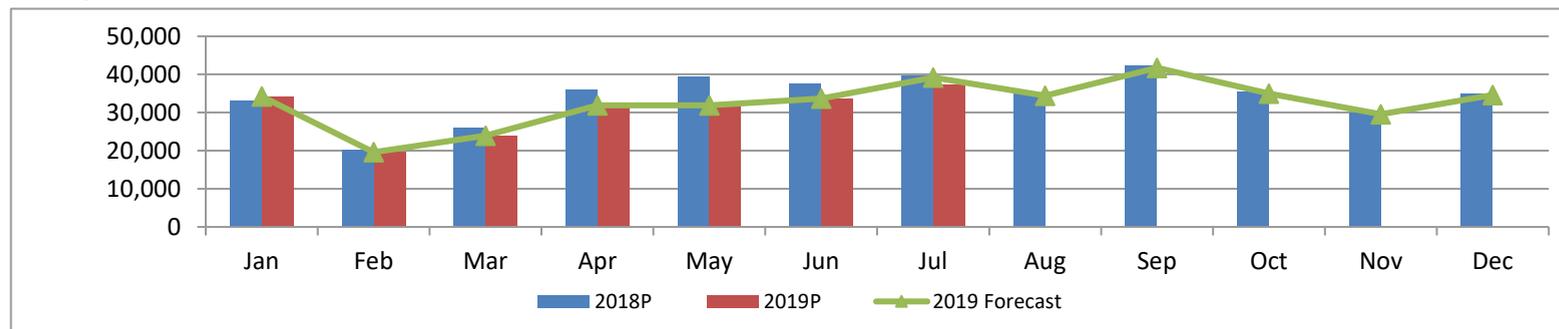
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	⇒ 99.1%	-11.3%	522.7	527.3	O'ahu	-8.3%	207,868
Daily Spend (\$pppd)	⇒ 99.9%	-1.2%	261.4	261.6	Maui	-8.8%	35,848
Visitor Days	⇒ 99.2%	-10.3%	1,999,510	2,015,960	Moloka'i	28.9%	2,676
Arrivals	⇒ 99.1%	-8.4%	212,282	214,308	Lāna'i	21.7%	3,854
Airlift (scheduled seats)	⇒ 100.0%	-5.4%	290,505	290,505	Kaua'i	8.7%	19,270
					Hawai'i Island	-15.8%	25,220

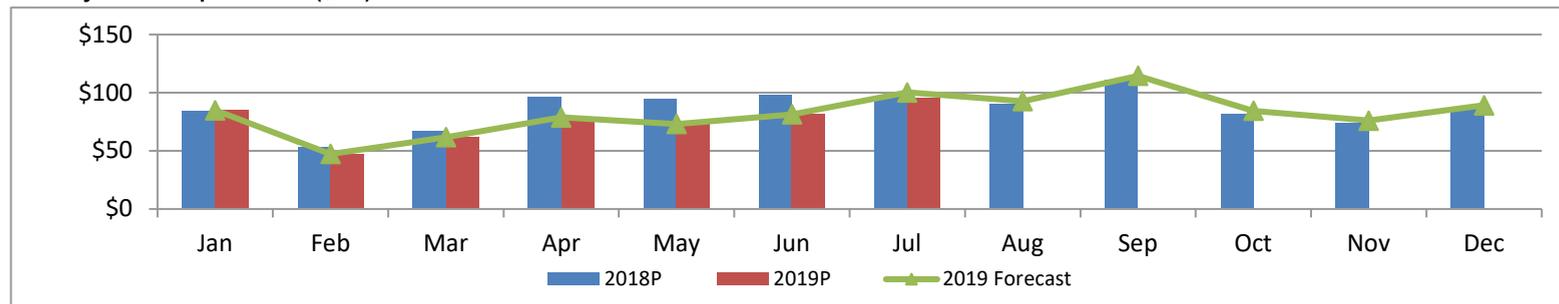
*DBEDT Forecast as of Q3 2019

Monthly Indicators

Monthly Arrivals

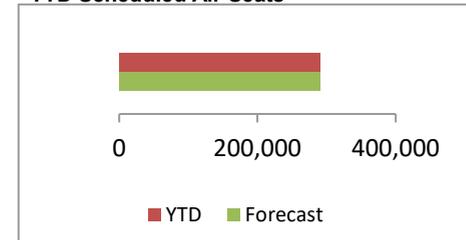
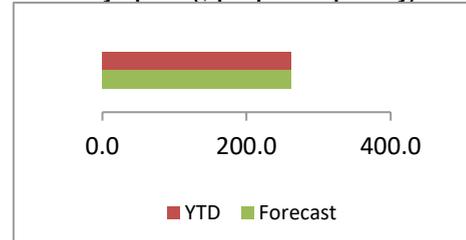
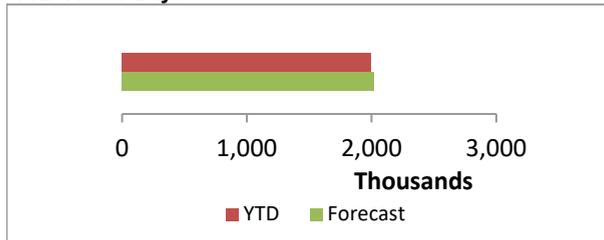


Monthly Visitor Expenditures (\$mil)



Annual Indicators

YTD Visitor Days, YTD Daily Spend (\$ per person per day), YTD Scheduled Air Seats



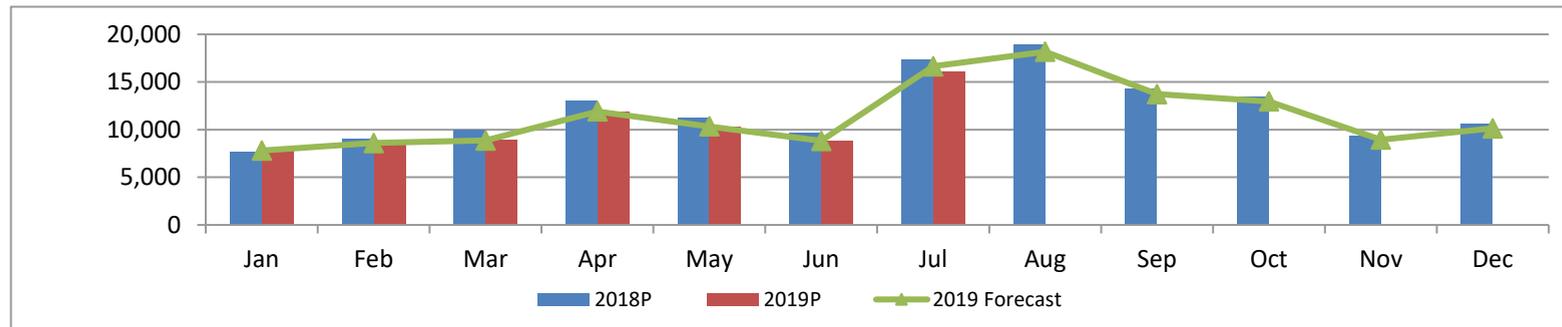
* Excludes Supplemental Business Expenditures

Hawai'i Tourism Authority		Report Date: Jul-19		Preliminary	
Visitor Industry Performance Measures					
Market: EUROPE					
Key Performance Indicators					
	% of Forecast*	YOY Rate	YTD	Forecast	
Visitor Spending (\$mil)*	➔ 99.5%	-3.8%	152.5	153.3	
Daily Spend (\$pppd)	↗ 101.8%	4.8%	162.1	159.3	
Visitor Days	⬇ 97.8%	-8.2%	940,453	961,995	
Arrivals	➔ 99.2%	-6.9%	72,423	72,987	
Airlift (scheduled seats)	NA	NA	NA	NA	
					Arrivals
					O'ahu
					Maui
					Moloka'i
					Lāna'i
					Kaua'i
					Hawai'i Island

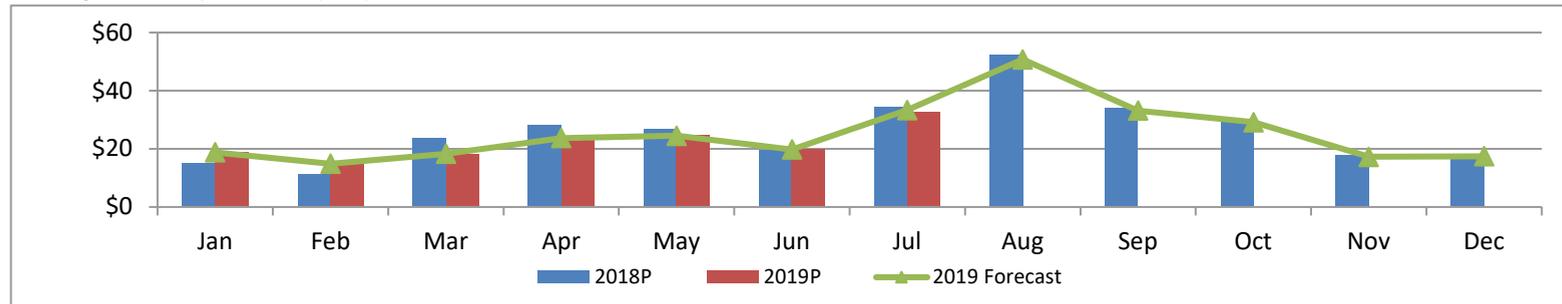
*DBEDT Forecast as of Q3 2019

Monthly Indicators

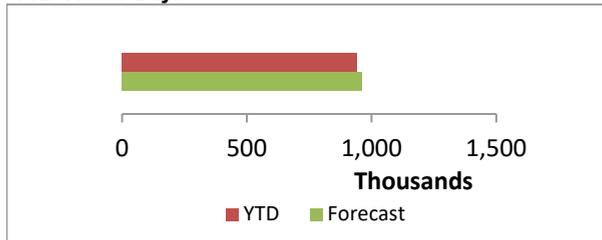
Monthly Arrivals



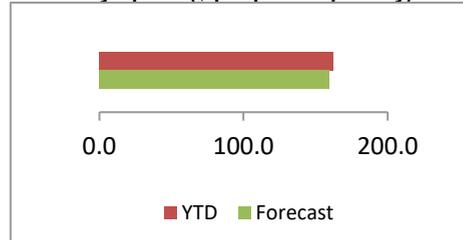
Monthly Visitor Expenditures (\$mil)



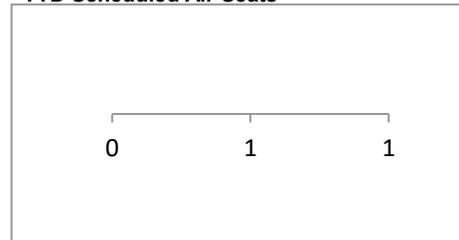
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

Hawai'i Tourism Authority Report Date: **Jul-19** *Preliminary*

Visitor Industry Performance Measures

Market: **LATIN AMERICA**

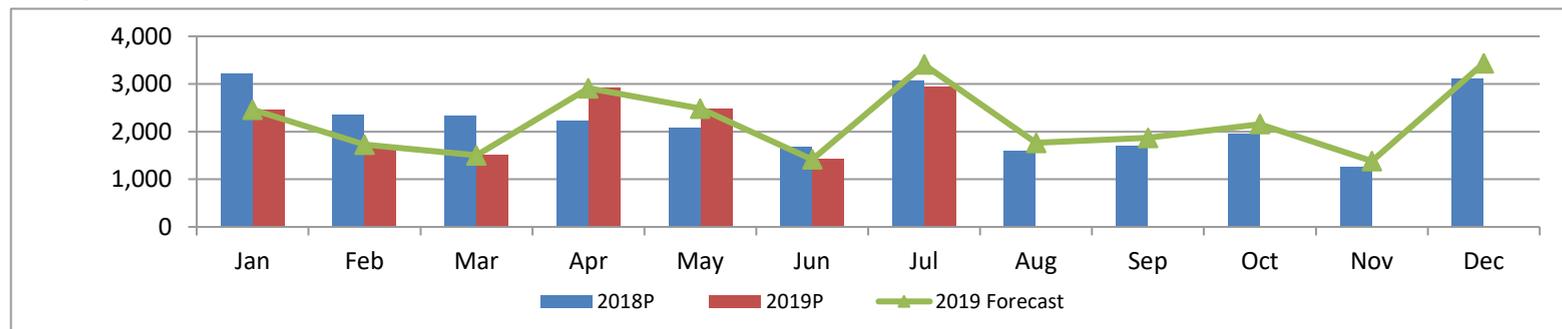
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	↓ 94.2%	-18.9%	34.4	36.6	O'ahu	-9.2%	11,860
Daily Spend (\$pppd)	↔ 98.3%	-10.4%	212.7	216.5	Maui	-15.8%	5,394
Visitor Days	↓ 95.8%	-9.4%	161,864	168,938	Moloka'i	-58.0%	126
Arrivals	↓ 97.0%	-8.8%	15,432	15,905	Lāna'i	-41.3%	194
Airlift (scheduled seats)	NA	NA	NA	NA	Kaua'i	-6.5%	1,949
					Hawai'i Island	-19.0%	3,111

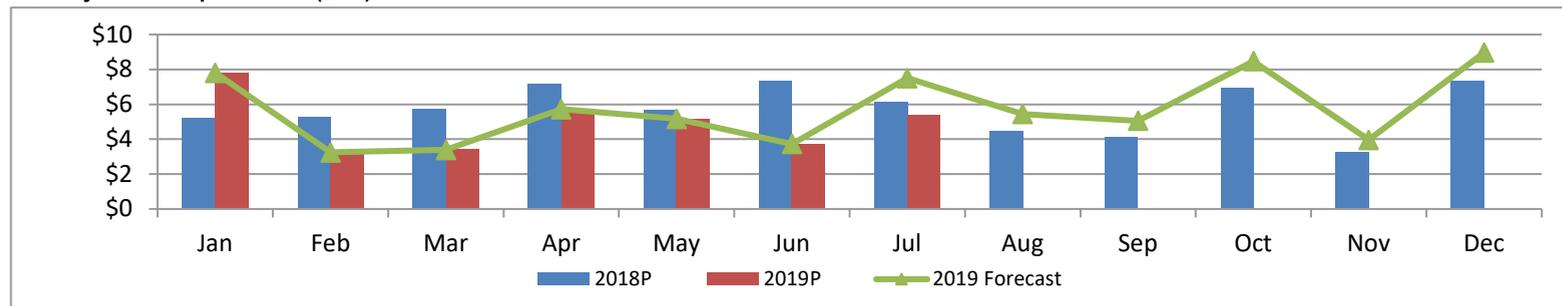
*DBEDT Forecast as of Q3 2019

Monthly Indicators

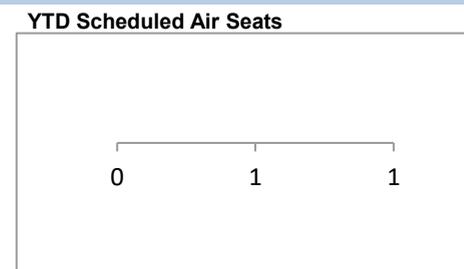
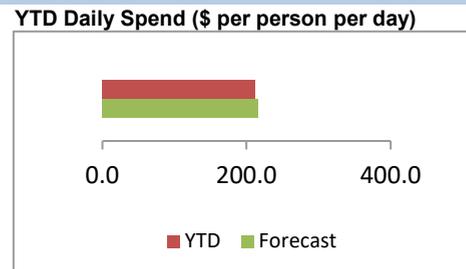
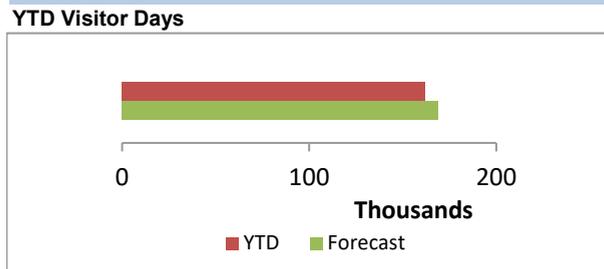
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



* Excludes Supplemental Business Expenditures

Agenda Item

7

**Presentation, Discussion and
Action on HTA's Financial
Reports for August 2019**

Hawaii Tourism Authority
 Budget Statement - Summary
 FY 2020
 As of August 31, 2019

Category	Tourism Special Fund				Convention Center Enterprise Special Fund			
	Fiscal Year 2020				Fiscal Year 2020			
	Budget	YTD Amount of Budget Used	Balance	Activity for August 2019	Budget	YTD Amount of Budget Used	Balance	Activity for August 2019
Revenues								
TAT Revenue Allocation	79,000,000	13,166,666	65,833,334	6,583,333	16,500,000	2,750,000	13,750,000	1,375,000
Prior Year Carryover	7,790,788	-	7,790,788	-	-	-	-	-
Other	-	16,046	(16,046)	16,046	-	-	-	-
	<u>86,790,788</u>	<u>13,182,712</u>	<u>73,608,076</u>	<u>6,599,379</u>	<u>16,500,000</u>	<u>2,750,000</u>	<u>13,750,000</u>	<u>1,375,000</u>
Expenditures								
Perpetuating Hawaiian Culture								
Hawaiian Culture Programs	7,795,500	251	7,795,249	251	-	-	-	-
In-House Contracted Staff - Hawaiian Culture	-	-	-	-	-	-	-	-
State Employee Salaries - Hawaiian Culture	285,000	262,353	22,647	-	-	-	-	-
Subtotal	<u>8,080,500</u>	<u>262,604</u>	<u>7,817,896</u>	<u>251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Natural Resources (Statute: \$1M minimum)								
Natural Resources Programs	3,980,000	-	3,980,000	-	-	-	-	-
In-House Contracted Staff - Natural Resources	-	-	-	-	-	-	-	-
State Employee Salaries - Natural Resources	66,950	66,950	-	-	-	-	-	-
Subtotal	<u>4,046,950</u>	<u>66,950</u>	<u>3,980,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community								
Community Programs	5,804,752	839	5,803,913	839	-	-	-	-
In-House Contracted Staff - Community	-	-	-	-	-	-	-	-
State Employee Salaries - Community	210,000	198,472	11,528	-	-	-	-	-
Subtotal	<u>6,014,752</u>	<u>199,311</u>	<u>5,815,441</u>	<u>839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Branding								
Branding Programs	51,022,000	4,457,120	46,564,880	57,120	-	-	-	-
In-House Contracted Staff - Branding	-	-	-	-	-	-	-	-
State Employee Salaries - Branding	539,050	526,589	12,461	-	-	-	-	-
Subtotal	<u>51,561,050</u>	<u>4,983,709</u>	<u>46,577,341</u>	<u>57,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sports								
Sports Programs	7,200,000	2,156,364	5,043,636	-	-	-	-	-
Subtotal	<u>7,200,000</u>	<u>2,156,364</u>	<u>5,043,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Safety and Security (Statute: 0.5% minimum = \$395,000)								
Safety and Security Programs	2,150,000	404,400	1,745,600	118,391	-	-	-	-
Subtotal	<u>2,150,000</u>	<u>404,400</u>	<u>1,745,600</u>	<u>118,391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tourism Research								
Tourism Research Programs	3,600,394	1,307,728	2,292,666	36,229	-	-	-	-
In-House Contracted Staff - Tourism Research	-	-	-	-	-	-	-	-
State Employee Salaries - Tourism Research	393,000	392,322	678	-	-	-	-	-
Subtotal	<u>3,993,394</u>	<u>1,700,050</u>	<u>2,293,344</u>	<u>36,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Hawai'i Convention Center								
Sales & Marketing	-	-	-	-	-	-	-	-
Operations	-	-	-	-	-	-	-	-
Major Repair & Maintenance	-	-	-	-	-	-	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Administrative (Statute: Cannot exceed 3.5% = \$2,765,000)								
Operations	801,700	100,866	700,834	89,946	-	-	-	-
In-House Contracted Staff - Admin	-	-	-	-	-	-	-	-
State Employee Salaries - Admin	1,075,000	1,047,630	27,370	-	-	-	-	-
Subtotal	<u>1,876,700</u>	<u>1,148,496</u>	<u>728,204</u>	<u>89,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Organizationwide Costs								
State Employee Fringe	1,481,142	1,481,141	1	-	-	-	-	-
Organization-Wide	240,000	-	240,000	-	-	-	-	-
Governance - Board/Others	146,300	225	146,075	225	-	-	-	-
Subtotal	<u>1,867,442</u>	<u>1,481,366</u>	<u>386,076</u>	<u>225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>86,790,788</u>	<u>12,403,250</u>	<u>74,387,538</u>	<u>303,001</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues vs Expenditures	<u>-</u>	<u>779,462</u>			<u>16,500,000</u>	<u>2,750,000</u>		
Administrative Cap (3.5%)	2,765,000	2,765,000						
Administrative Costs (AG Definition)	1,876,700	1,148,496	1.5%					
	888,300	1,616,504						

Hawaii Tourism Authority
Budget Statement
FY 2020
As of August 31, 2019

Program Number	Program Name	Budget - FY 2020	YTD Encumbered (Budget Used)	Budget Remaining - FY 2020	Activity for August 2019
200	Hawaiian Culture Programs - Unallocated	6,105,000.00	0.00	6,105,000.00	0.00
201	Kukulu Ola: Living Hawaiian Cultural Prog	1,585,000.00	0.00	1,585,000.00	0.00
297	Memberships and Dues - Hawaiian Culture	500.00	0.00	500.00	0.00
298	Travel - Hawaiian Culture	15,000.00	251.47	14,748.53	251.47
715	Canoe Regatta	90,000.00	0.00	90,000.00	0.00
932	State Employee Salaries - Hawaiian Culture	<u>285,000.00</u>	<u>262,353.00</u>	<u>22,647.00</u>	<u>0.00</u>
1	Perpetuating Hawaiian Culture	8,080,500.00	262,604.47	7,817,895.53	251.47
400	Natural Resources Programs - Unallocated	3,980,000.00	0.00	3,980,000.00	0.00
936	State Employee Salaries - Natural Resources	<u>66,950.00</u>	<u>66,950.00</u>	<u>0.00</u>	<u>0.00</u>
2	Natural Resources	4,046,950.00	66,950.00	3,980,000.00	0.00
701	Community Enrichment Program	3,464,200.00	0.00	3,464,200.00	0.00
702	Community Training Workshops	4,000.00	0.00	4,000.00	0.00
705	Community Programs - Unallocated	1,571,052.00	0.00	1,571,052.00	0.00
797	Community Memberships and Dues	500.00	0.00	500.00	0.00
798	Travel - Community	15,000.00	839.47	14,160.53	839.47
802	Current Workforce Development	75,000.00	0.00	75,000.00	0.00
803	Future Workforce Development	175,000.00	0.00	175,000.00	0.00
805	Scholarship Program	500,000.00	0.00	500,000.00	0.00
933	State Employee Salaries - Community	<u>210,000.00</u>	<u>198,472.00</u>	<u>11,528.00</u>	<u>0.00</u>
3	Community	6,014,752.00	199,311.47	5,815,440.53	839.47
4	Cruise	250,000.00	0.00	250,000.00	0.00
102	Hawai'i Tourism Summit	300,000.00	0.00	300,000.00	0.00
306	Island-Based International Marketing	800,000.00	0.00	800,000.00	0.00
316	MICE Asia	350,000.00	0.00	350,000.00	0.00
318	gohawaii.com (formerly Online Website Coordination)	350,000.00	0.00	350,000.00	0.00
320	Island Chapters Staffing and Admin	3,170,000.00	0.00	3,170,000.00	0.00
321	US (formerly North America)	22,525,000.00	0.00	22,525,000.00	0.00
322	Canada	800,000.00	0.00	800,000.00	0.00
323	Japan	10,000,000.00	0.00	10,000,000.00	0.00
324	Korea	1,400,000.00	1,400,000.00	0.00	0.00
325	Oceania	1,900,000.00	0.00	1,900,000.00	0.00
326	Europe	400,000.00	0.00	400,000.00	0.00
329	China	2,000,000.00	2,000,000.00	0.00	0.00
330	Taiwan	500,000.00	500,000.00	0.00	0.00
331	Global Meetings, Convention & Incentives	2,300,000.00	0.00	2,300,000.00	0.00
336	Southeast Asia	500,000.00	500,000.00	0.00	0.00
339	Global Digital Marketing Strategy (former Intl Online Strat)	500,000.00	0.00	500,000.00	0.00
350	Global Mkt Shared Resces (formerly Intellect Prop Data Bank)	797,000.00	0.00	797,000.00	0.00
380	Marketing Opportunity Fund	2,000,000.00	0.00	2,000,000.00	0.00
397	Branding Memberships and Dues	100,000.00	57,120.00	42,880.00	57,120.00
398	Travel - Branding	50,000.00	0.00	50,000.00	0.00
723	Hawaii Film Office Partnership	30,000.00	0.00	30,000.00	0.00
934	State Employee Salaries - Branding	<u>539,050.00</u>	<u>526,589.00</u>	<u>12,461.00</u>	<u>0.00</u>
4	Branding	51,561,050.00	4,983,709.00	46,577,341.00	57,120.00
312	PGA Tour Contracts	2,156,364.00	2,156,364.00	0.00	0.00
347	Soccer	50,000.00	0.00	50,000.00	0.00
370	Tennis	225,000.00	0.00	225,000.00	0.00
377	Polynesian Football HoF	155,000.00	0.00	155,000.00	0.00
378	UH Athletics Branding Partnership	50,000.00	0.00	50,000.00	0.00
379	Sports Programs - Unallocated	4,533,636.00	0.00	4,533,636.00	0.00
382	Sports Community Outreach	<u>30,000.00</u>	<u>0.00</u>	<u>30,000.00</u>	<u>0.00</u>
5	Sports	7,200,000.00	2,156,364.00	5,043,636.00	0.00
601	Visitor Assistance Programs	650,000.00	0.00	650,000.00	0.00
602	Crisis Management	100,000.00	4,014.05	95,985.95	4,014.05
603	Lifeguard Program	700,000.00	0.00	700,000.00	0.00
604	Preventative Programs	400,000.00	394,386.12	5,613.88	108,376.92
606	Safety and Security Opportunity	<u>300,000.00</u>	<u>6,000.00</u>	<u>294,000.00</u>	<u>6,000.00</u>
6	Safety and Security	2,150,000.00	404,400.17	1,745,599.83	118,390.97
501	Data Dissemination	54,000.00	0.00	54,000.00	0.00
505	Est of Visitor Arrivals by Country by Month	6,000.00	0.00	6,000.00	0.00
506	Infrastructure Research	556,330.00	204,500.00	351,830.00	0.00
512	Visitor Arrival and Departure Surveys	1,314,540.00	699,204.12	615,335.88	65.00
513	Evaluation and Performance Studies	1,148,405.00	367,860.00	780,545.00	0.00
514	Marketing Research	498,797.00	35,976.20	462,820.80	35,976.20
597	Research Memberships and Dues	7,322.00	55.00	7,267.00	55.00
598	Travel - Research	15,000.00	132.90	14,867.10	132.90
935	State Employee Salaries - Research	<u>393,000.00</u>	<u>392,322.00</u>	<u>678.00</u>	<u>0.00</u>
7	Tourism Research	3,993,394.00	1,700,050.22	2,293,343.78	36,229.10
101	Community-Industry Outreach & Public Relations Svcs	250,000.00	0.00	250,000.00	0.00
103	hawaiiauthority.org (formerly HTA web/Global Social)	100,000.00	0.00	100,000.00	0.00
901	General and Administrative	386,700.00	100,115.87	286,584.13	89,195.87
909	Protocol Fund	0.00	0.00	0.00	0.00
930	State Employee Salaries - Admin	1,075,000.00	1,047,630.00	27,370.00	0.00
998	Travel - Admin	<u>50,000.00</u>	<u>206.47</u>	<u>49,793.53</u>	<u>206.47</u>
8	Administrative	1,861,700.00	1,147,952.34	713,747.66	89,402.34
915	Organization-Wide	240,000.00	0.00	240,000.00	0.00
919	Governance - Gen Board/Others	146,300.00	224.94	146,075.06	224.94
931	State Employees Fringe	<u>1,481,142.00</u>	<u>1,481,141.00</u>	<u>1.00</u>	<u>0.00</u>
9	Governance and Organization-Wide	1,867,442.00	1,481,365.94	386,076.06	224.94
Subtotal	Tourism Special Fund	86,775,788.00	12,402,707.61	74,373,080.39	302,458.29
909	Protocol Fund	<u>15,000.00</u>	<u>544.05</u>	<u>14,455.95</u>	<u>544.05</u>
8	Administrative	15,000.00	544.05	14,455.95	544.05
Subtotal	Protocol Fund	<u>15,000.00</u>	<u>544.05</u>	<u>14,455.95</u>	<u>544.05</u>
Total	Tourism Special Fund and Protocol Fund	<u>86,790,788.00</u>	<u>12,403,251.66</u>	<u>74,387,536.34</u>	<u>303,002.34</u>

Budget Reallocation Summary
Through August 31, 2019

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations
			-	-
			-	
To:				-
				-
				-
			-	
Administration and Organizationwide Costs				
From:				
None				-
				-
				-
			-	
To:				-
				-
				-
			-	
Governance and Organization-Wide				
From:				
None				-
				-
				-
			-	
To:				-
				-
				-
			-	
Board Allocations				
From:				
None				-
			-	
			-	

HAWAII TOURISM

AUTHORITY

Financial Statements – Executive Summary August 1, 2019 – August 31, 2019

Tourism Special Fund:

1. \$85.0M in cash and investments
 - a. Includes \$5M in Emergency Fund held as investments.
 - b. Increase from July of \$2.4 due to:
 - i. Recording \$6.6M in TAT revenues. This was offset by \$4.2M in expenditures.
2. \$38.1M of prior year encumbrances being spent down.
3. \$25.7M in Board allocations projected for June 30, 2020. A supporting schedule is embedded in these financial statements to provide greater detail. This number includes:
 - a. \$5M in Emergency Fund established under statute;
 - b. \$3M allocated by the Board for use during a significant economic downturn;
 - c. \$5.2M in funds held for the Center for Hawaiian Music & Dance;
 - d. \$9M earmarked for specific obligations, such as EUTF, ERS, and accrued vacation.
 - e. \$3.4M of carryover funds for the FY 2021 Budget or available for other emergency purposes.
4. \$12.4M of the \$86.8M FY 2020 budget utilized; contract paperwork currently being submitted for this year's expenditures.
 - a. A summary of year-to-date budget reallocations is included in these financial statements.
5. Operating Income:
 - a. Recorded \$6.6M in TAT for August 2019, and \$13.2M in TAT YTD.
 - b. Incurred \$4.3M of program and other expenditures for August 2019.

Convention Center Enterprise Special Fund:

- 6. \$26.3M in cash
 - a. Increase of \$1.3M from July due to the following:
 - i. Recording \$1.4M in TAT. This was offset by \$34K in expenditures.
- 7. \$25.5M in cash with contractor or with DAGS, for R&M projects (as of June 2019).
 - a. Includes \$2M Emergency
 - b. These funds are encumbered or budgeted toward specific projects such as cooling tower replacement, furnishings and enhancements, wall rehabilitation, boiler replacement, and various equipment purchases and upgrades.
 - c. Reflects \$11.1M spent on current and future projects (in-progress costs or preliminary work); this includes recent costs expended on meeting room roof repairs.
- 8. \$22.4M in Board allocations projected for June 30, 2020. This includes funds targeted to fund future repair and maintenance projects, large equipment purchases, convention center operating contingencies, operating capital, and convention center incentives. The HTA Board instituted a budgeting practice of allocating approximately 4% of each year's budgeted gross expenditures toward increasing HCC's Repairs and Maintenance reserve.
- 9. \$1.1M of prior year encumbrances being spent down.
- 10. Operating Income:
 - a. Recorded \$1.4M in TAT for August 2019 and \$2.8M in TAT YTD.
 - b. Convention Center operations:
 - i. \$584K operating loss YTD.

Hawaii Tourism Authority

Balance Sheet

Tourism Special Fund

As of 8/31/19

	<u>Current Year</u>
Assets	
Current Assets	
Checking 348	79,998,982.14
Petty Cash	<u>5,000.00</u>
Total Current Assets	80,003,982.14
Total Assets	<u><u>80,003,982.14</u></u>
Fund Balance	
Current year payables	
Accounts Payable	135,174.29
Credit Card Payable	<u>636.24</u>
Total Current year payables	135,810.53
Encumbered Funds	
FY 2013 Funds	15,212.64
FY 2014 Funds	6,101.00
FY 2015 Funds	225,679.42
FY 2016 Funds	384,013.51
FY 2017 Funds	1,142,678.05
FY 2018 Funds	2,923,808.64
FY 2019 Funds	33,431,002.66
FY 2020 Funds	<u>12,396,664.61</u>
Total Encumbered Funds	50,525,160.53
Unencumbered Funds	
Total Unencumbered Funds	29,343,011.08
Total Fund Balance	<u><u>80,003,982.14</u></u>

Hawaii Tourism Authority
 Balance Sheet
 Convention Center Enterprise- Special Fund
 As of 8/31/19

	Current Year
Assets	
Current Assets	
Checking 361	26,285,664.40
Total Current Assets	26,285,664.40
Total Assets	26,285,664.40
Fund Balance	
Encumbered Funds	
FY 2018 Funds	295,003.00
FY 2019 Funds	780,599.23
Total Encumbered Funds	1,075,602.23
Unencumbered Funds	
Total Unencumbered Funds	25,210,062.17
Total Fund Balance	26,285,664.40

Hawaii Tourism Authority

Balance Sheet

Emergency Trust Fund

As of 8/31/19

	<u>Current Year</u>
Assets	
Current Assets	
Investments	5,040,884.09
Total Current Assets	<u>5,040,884.09</u>
Total Assets	<u><u>5,040,884.09</u></u>
Fund Balance	
Current year net assets	
Total Current year net assets	<u>40,631.25</u>
Prior years	
Total Prior years	5,000,252.84
Total Fund Balance	<u><u>5,040,884.09</u></u>

HTA Allocations
FY 2019 and FY 2020 (Projected)

<p>Annual Budgets: -\$86.8M FY 2020 HTA Tourism Special Fund (\$79M TAT + \$7.8M carryover)</p> <p>-FY 2020 Convention Center Fund TBD</p>

\$8M Emergency Funds	
<p>\$5M Emergency Fund Reserve (Established by Statute as a separate fund, to be used upon declaration of a tourism emergency by the Governor)</p>	<p>\$3.0M Mandated by Board (to be used in the event of a significant economic downturn upon Board approval)</p>

	Tourism Special Fund Long-Term Obligations, Commitments and Allocations:		Convention Center Fund Long-Term Obligations, Commitments and Obligations:	
	6/30/2019	Projected 6/30/2020	6/30/2019	Projected 6/30/2020
Carryover of FY 2019 to FY 2020 Budget (Use in FY 20)	7,790,788	-	1,512,988	1,512,988
Carryover for FY 2021 Budget	3,424,735	3,424,735	20,117,074	20,117,074
Center for Hawaiian Music & Dance	5,198,568	5,198,568	750,000	750,000
Accrued Health Liability (Based on liability at FY17)	2,430,000	2,430,000		
Accrued Retirement Liability (FY 17)	6,300,000	6,300,000		
Accrued Vacation Liability	383,849	383,849	80,000	80,000
Total Long-Term Obligations and Commitments	<u>25,527,940</u>	<u>17,737,152</u>	<u>22,460,062</u>	<u>22,460,062</u>
<p>* In an effort to build available funds for future significant HCC R&M projects, staff recommends a practice of allocating approximately 4% of each year's budgeted gross expenditures toward increasing HCC's R&M reserves.</p>				

Hawaii Tourism Authority
Statement of Revenues and Expenditures
348 - Tourism Special Fund
20 - FY 2020 Funds
From 8/1/2019 Through 8/31/2019

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Transient Accomodations Tax	79,000,000.00	6,583,333.33	13,166,666.66	(65,833,333.34)
Refunds	0.00	16,046.38	16,046.38	16,046.38
Total Revenue	<u>79,000,000.00</u>	<u>6,599,379.71</u>	<u>13,182,713.04</u>	<u>(65,817,286.96)</u>
Expense				
Perpetuating Hawaiian Culture	8,080,500.00	0.00	0.00	8,080,500.00
Natural Resources	4,046,950.00	0.00	0.00	4,046,950.00
Community	6,014,752.00	0.00	0.00	6,014,752.00
Branding	51,561,050.00	0.00	0.00	51,561,050.00
Sports	7,200,000.00	0.00	0.00	7,200,000.00
Safety and Security	2,150,000.00	6,000.00	6,000.00	2,144,000.00
Tourism Research	3,993,394.00	0.00	0.00	3,993,394.00
Administrative	1,861,700.00	43.00	43.00	1,861,657.00
Governance and Organization-Wide	1,867,442.00	0.00	0.00	1,867,442.00
Total Expense	<u>86,775,788.00</u>	<u>6,043.00</u>	<u>6,043.00</u>	<u>86,769,745.00</u>
Net Income	<u>(7,775,788.00)</u>	<u>6,593,336.71</u>	<u>13,176,670.04</u>	<u>20,952,458.04</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
361 - Tourism Special Fund
20 - FY 2020 Funds
From 8/1/2019 Through 8/31/2019

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Transient Accomodations Tax	16,500,000.00	1,375,000.00	2,750,000.00	(13,750,000.00)
Total Revenue	<u>16,500,000.00</u>	<u>1,375,000.00</u>	<u>2,750,000.00</u>	<u>(13,750,000.00)</u>
Net Income	<u>16,500,000.00</u>	<u>1,375,000.00</u>	<u>2,750,000.00</u>	<u>(13,750,000.00)</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
348 - Prior Year Funds
From 8/1/2019 Through 8/31/2019

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Transient Accomodations Tax	0.00	0.00	0.00	0.00
Total Revenue	0.00	0.00	0.00	0.00
Expense				
Perpetuating Hawaiian Culture	3,546,744.58	436,937.16	436,937.16	3,109,807.42
Natural Resources	1,196,578.00	24,300.00	24,300.00	1,172,278.00
Community	2,604,719.50	472,280.74	472,280.74	2,132,438.76
Branding	26,084,684.49	2,183,578.40	2,183,578.40	23,901,106.09
Sports	2,790,463.45	607,600.00	607,600.00	2,182,863.45
Safety and Security	1,341,713.01	136,773.84	136,773.84	1,204,939.17
Tourism Research	3,804,989.32	440,492.24	440,492.24	3,364,497.08
Administrative	1,058,266.82	1,353.13	1,353.13	1,056,913.69
Governance and Organization-Wide	35,144.49	0.00	0.00	35,144.49
Total Expense	42,463,303.66	4,303,315.51	4,303,315.51	38,159,988.15
Net Income	(42,463,303.66)	(4,303,315.51)	(4,303,315.51)	38,159,988.15

Hawaii Tourism Authority
Statement of Revenues and Expenditures
361 - Prior Year Funds
From 8/1/2019 Through 8/31/2019

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Transient Accomodations Tax	0.00	0.00	0.00	0.00
Total Revenue	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Expense				
HCC Operating Expense	954,383.40	0.00	0.00	954,383.40
HCC Sales and Marketing / MFF	75,918.83	0.00	0.00	75,918.83
Governance and Organization-Wide	79,300.00	34,000.00	34,000.00	45,300.00
Total Expense	<u>1,109,602.23</u>	<u>34,000.00</u>	<u>34,000.00</u>	<u>1,075,602.23</u>
Net Income	<u>(1,109,602.23)</u>	<u>(34,000.00)</u>	<u>(34,000.00)</u>	<u>(1,075,602.23)</u>

Hawaii Convention Center
 Facility
 Reforecast
 From 9/01/2019 Through 12/31/2019
 (In Whole Numbers)

	YTD Actual	Projected Next Month to 12/31/19	Reforecast	Budget	Variance	Prior Year Actual
Direct Event Income						
Rental Income (Net)	1,999,204	623,786	2,622,990	2,994,300	(371,310)	2,689,423
Service Revenue	796,031	573,088	1,369,119	776,800	592,319	819,497
Total Direct Event Income	2,795,235	1,196,874	3,992,109	3,771,100	221,009	3,508,920
Direct Service Expenses	1,455,361	685,645	2,141,006	1,952,004	(189,002)	1,787,798
Net Direct Event Income	1,339,874	511,229	1,851,103	1,819,096	32,007	1,721,122
Ancillary Income						
Food & Beverage (Net)	3,944,426	1,846,395	5,790,821	6,700,100	(909,279)	4,805,771
Event Parking (Net)	605,767	221,500	827,267	782,100	45,167	758,199
Electrical Services	107,030	37,100	144,130	159,400	(15,270)	195,243
Audio Visual	179,564	63,317	242,881	282,600	(39,719)	357,626
Internet Services	9,813	22,819	32,632	0	32,632	22,742
Rigging Services	53,872	10,508	64,380	85,400	(21,020)	77,983
First Aid Commissions	0	0	0	4,200	(4,200)	3,363
Total Ancillary Income	4,900,472	2,201,639	7,102,111	8,013,800	(911,690)	6,220,927
Total Event Income	6,240,346	2,712,868	8,953,214	9,832,896	(879,683)	7,942,049
Other Operating Income						
Non-Event Parking	35,931	19,500	55,431	58,500	(3,069)	56,763
Other Income	114,405	52,664	167,069	38,000	129,069	104,403
Total Other Operating Income	150,336	72,164	222,500	96,500	126,000	161,166
Total Gross Income	6,390,682	2,785,032	9,175,714	9,929,396	(753,683)	8,103,215
Net Salaries & Benefits						
Salaries & Wages	3,258,283	1,790,221	5,048,504	5,297,300	248,796	4,509,295
Payroll Taxes & Benefits	891,042	463,288	1,354,330	1,262,400	(91,930)	1,206,224
Labor Allocations to Events	(451,693)	(163,913)	(615,606)	(461,401)	154,205	(501,122)
Total Net Salaries & Benefits	3,697,632	2,089,596	5,787,228	6,098,299	311,071	5,214,397
Other Indirect Expenses						
Net Contracted Services	200,557	178,240	378,797	401,996	23,199	315,234
Operations	92,293	119,072	211,365	208,800	(2,565)	157,769
Repair & Maintenance	465,732	433,743	899,475	899,000	(475)	651,788
Operational Supplies	389,105	316,403	705,508	705,202	(306)	537,106
Insurance	93,457	52,802	146,259	157,900	11,641	169,614
Utilities	1,626,381	1,126,400	2,752,781	2,368,799	(383,982)	2,379,218
Meetings & Conventions	26,421	18,856	45,277	34,900	(10,377)	22,215
Promotions & Communications	34,190	14,136	48,326	42,400	(5,926)	38,831
General & Administrative	198,792	119,602	318,394	359,500	41,106	271,716
Management Fees	88,000	169,400	257,400	290,400	33,000	252,720
Other	35,707	8,864	44,571	57,200	12,629	214,097
Total Other Indirect Expenses	3,250,635	2,557,518	5,808,153	5,526,097	(282,056)	5,010,308
Net Income (Loss) before CIP Funded	(557,585)	(1,862,083)	(2,419,668)	(1,695,000)	(724,668)	(2,121,490)
CIP Funded Expenses	2,268	0	2,268	0	2,268	76,411
Net Income (Loss) from Operations	(555,317)	(1,862,083)	(2,417,400)	(1,695,000)	(722,400)	(2,045,079)
Fixed Asset Purchases	28,692	271,308	300,000	300,000	0	124,122
Net Income (Loss) after Fixed Asset Purchases	(584,009)	(2,133,391)	(2,717,400)	(1,995,000)	(722,400)	(2,169,201)

Hawaii Convention Center
Facility
Income Statement
From 8/1/2019 Through 8/31/2019
(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)	121,167	195,278	(74,111)	100,034	1,999,204	2,081,118	(81,914)	1,750,929
Service Revenue	57,949	40,725	17,224	63,709	796,031	523,620	272,411	506,146
Total Direct Event Income	179,116	236,003	(56,887)	163,743	2,795,234	2,604,738	190,496	2,257,076
Direct Service Expenses	96,701	123,193	26,492	102,031	1,455,361	1,306,642	(148,719)	1,172,128
Net Direct Event Income	82,415	112,810	(30,395)	61,712	1,339,874	1,298,096	41,778	1,084,947
Ancillary Income								
Food and Beverage (Net)	407,094	536,998	(129,904)	410,524	3,944,426	4,554,872	(610,446)	3,338,226
Event Parking (Net)	40,050	69,600	(29,550)	41,250	605,767	561,600	44,167	528,081
Electrical Services	666	2,000	(1,334)	323	107,030	114,100	(7,070)	115,101
Audio Visual	2,841	7,760	(4,919)	5,323	179,564	162,220	17,344	226,271
Internet Services	187	0	187	615	9,813	0	9,813	1,309
Rigging Services	4,910	3,500	1,410	2,921	53,872	64,200	(10,328)	60,408
First Aid Commissions	0	285	(285)	180	0	2,985	(2,985)	2,452
Total Ancillary Income	455,747	620,143	(164,396)	461,136	4,900,471	5,459,977	(559,506)	4,271,848
Total Event Income	538,163	732,953	(194,790)	522,848	6,240,345	6,758,073	(517,728)	5,356,795
Other Operating Income								
Non-Event Parking	2,646	4,875	(2,230)	6,130	35,931	39,000	(3,070)	41,936
Other Income	18,570	3,167	15,403	5,630	114,405	25,336	89,069	32,812
Total Other Operating Income	21,215	8,042	13,173	11,760	150,335	64,336	85,999	74,747
Total Gross Income	559,378	740,995	(181,617)	534,608	6,390,680	6,822,409	(431,729)	5,431,543
Net Salaries & Benefits								
Salaries & Wages	399,039	431,316	32,277	369,880	3,258,283	3,450,528	192,245	2,961,071
Payroll Taxes & Benefits	103,496	99,889	(3,607)	93,716	891,042	799,112	(91,930)	764,188
Labor Allocations to Events	(29,798)	(30,635)	(837)	(29,185)	(451,693)	(297,488)	154,205	(327,979)
Total Net Salaries & Benefits	472,737	500,570	27,833	434,411	3,697,633	3,952,152	254,519	3,397,280
Other Indirect Expenses								
Net Contracted Services	39,404	32,032	(7,372)	39,374	200,557	253,756	53,199	197,728
Operations	14,157	14,641	484	11,671	92,293	122,728	30,435	78,771
Repair & Maintenance	54,654	74,916	20,262	57,806	465,732	599,328	133,597	399,332
Operational Supplies	21,641	56,369	34,728	42,458	389,105	464,797	75,692	366,825
Insurance	10,802	12,765	1,963	10,350	93,457	105,098	11,641	85,458
Utilities	229,895	215,249	(14,646)	202,806	1,626,381	1,516,502	(109,879)	1,457,163
Meetings & Conventions	6,049	1,608	(4,441)	2,178	26,421	16,044	(10,377)	13,222
Promotions & Communications	674	3,533	2,859	5,943	34,190	28,264	(5,926)	37,136
General & Administrative	26,713	24,094	(2,619)	14,517	198,792	227,999	29,207	158,727
Management Fees	11,000	11,000	0	10,800	88,000	88,000	0	86,400
Other	600	4,717	4,117	(129)	35,707	38,336	2,629	85,187
Total Other Indirect	415,588	450,923	35,335	397,774	3,250,634	3,460,852	210,218	2,965,949
Net Income (Loss) before CIP Funded Expenses	(328,947)	(210,498)	(118,449)	(297,577)	(557,587)	(590,595)	33,008	(931,687)
CIP Funded Expenses	0	0	0	0	2,268	0	2,268	19,259
Net Income (Loss) from Operations	(328,947)	(210,498)	(118,449)	(297,577)	(555,318)	(590,595)	35,277	(912,428)
Fixed Asset Purchases	0	25,000	25,000	15,545	28,692	200,000	171,308	74,094
Net Income (Loss) After Fixed Asset Purchases	(328,947)	(235,498)	(93,449)	(313,122)	(584,010)	(790,595)	206,585	(986,522)

Hawaii Convention Center
 Facility
 Income Statement
 From 8/1/2019 Through 8/31/2019
 (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	754,687	824,400	(69,713)	753,881	7,133,912	6,998,242	135,670	6,047,389
Facility	254,364	334,890	(80,526)	230,062	3,983,398	3,636,079	347,319	3,326,182
Total Revenues	<u>1,009,050</u>	<u>1,159,290</u>	<u>(150,240)</u>	<u>983,943</u>	<u>11,117,311</u>	<u>10,634,321</u>	<u>482,990</u>	<u>9,373,571</u>
Expenses								
Food & Beverage	504,530	466,679	(37,851)	486,928	4,448,390	3,908,064	(540,326)	3,957,104
Facility	833,468	903,109	69,641	794,592	7,226,507	7,316,852	90,345	6,348,154
Total Expenses	<u>1,337,998</u>	<u>1,369,788</u>	<u>31,791</u>	<u>1,281,520</u>	<u>11,674,897</u>	<u>11,224,916</u>	<u>(449,981)</u>	<u>10,305,258</u>
Net Income (Loss) before CIP Funded Expenses	<u>(328,947)</u>	<u>(210,498)</u>	<u>(118,449)</u>	<u>(297,577)</u>	<u>(557,587)</u>	<u>(590,595)</u>	<u>33,008</u>	<u>(931,687)</u>
CIP Funded Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,268</u>	<u>0</u>	<u>2,268</u>	<u>16,388</u>
Net Income (Loss) from Operations	<u>(328,947)</u>	<u>(210,498)</u>	<u>(118,449)</u>	<u>(297,577)</u>	<u>(555,319)</u>	<u>(590,595)</u>	<u>35,276</u>	<u>(915,299)</u>
Fixed Asset Purchases	<u>0</u>	<u>25,000</u>	<u>25,000</u>	<u>15,545</u>	<u>28,692</u>	<u>200,000</u>	<u>171,308</u>	<u>74,094</u>
Net Income (Loss) after Fixed Asset Purchases	<u>(328,947)</u>	<u>(235,498)</u>	<u>(93,449)</u>	<u>(313,122)</u>	<u>(584,011)</u>	<u>(790,595)</u>	<u>206,584</u>	<u>(989,393)</u>

Hawaii Convention Center
Sales and Marketing
Reforecast
From 9/1/2019 Through 12/31/2019
(In Whole Numbers)

	YTD Actual	Projected Next Month to 12/31/19	Reforecast	Budget	Variance	Prior Year Actual
Other Operating Income						
Other Income	938	0	938	0	938	50
Total Other Operating Income	938	0	938	0	938	50
Total Gross Income	938	0	938	0	938	50
Net Salaries & Benefits						
Salaries & Wages	953,707	531,677	1,485,384	1,851,900	366,516	1,469,457
Payroll Taxes & Benefits	208,423	126,248	334,671	372,100	37,429	296,085
Total Net Salaries & Benefits	1,162,130	657,925	1,820,055	2,224,000	403,945	1,765,542
Other Indirect Expenses						
Net Contracted Services	132,829	87,248	220,077	250,200	30,123	138,779
Repair & Maintenance	47,294	19,270	66,564	101,700	35,136	97,227
Utilities	5,584	2,800	8,384	12,000	3,616	7,146
Meetings & Conventions	487,363	142,081	629,444	1,074,400	444,956	840,231
Promotions & Communications	416,414	657,279	1,073,693	857,800	(215,893)	1,343,225
Marketing Flexibility Fund	851,892	467,500	1,319,392	1,175,000	(144,392)	1,167,907
General & Administrative	34,355	14,599	48,954	59,300	10,346	84,331
Management Fees	88,000	50,600	138,600	237,600	99,000	165,360
Other	33,822	18,253	52,075	103,000	50,925	697
Total Other Indirect Expenses	2,097,553	1,459,630	3,557,183	3,871,000	313,817	3,844,903
Net Income (Loss) from Operations	(3,258,745)	(2,117,555)	(5,376,300)	(6,095,000)	718,700	(5,610,395)
Fixed Asset Purchases	0	0	0	0	0	13,054
Net Income (Loss) After Fixed Asset Purchases	(3,258,745)	(2,117,555)	(5,376,300)	(6,095,000)	718,700	(5,623,449)

Hawaii Convention Center
Sales and Marketing
Income Statement
From 8/1/2019 Through 8/31/2019
(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	288	0	288	51	938	0	938	165
Total Other Operating Income	288	0	288	51	938	0	938	165
Total Gross Income	288	0	288	51	938	0	938	165
Net Salaries & Benefits								
Salaries & Wages	116,041	138,700	22,659	116,024	953,707	1,109,600	155,893	847,400
Payroll Taxes & Benefits	25,021	27,100	2,079	27,465	208,423	216,800	8,377	168,969
Total Net Salaries & Benefits	141,062	165,800	24,738	143,489	1,162,130	1,326,400	164,270	1,016,369
Other Indirect Expenses								
Net Contracted Services	14,112	17,934	3,822	8,438	132,829	142,472	9,643	66,500
Repair & Maintenance	4,930	5,800	870	6,397	47,294	74,200	26,906	61,191
Utilities	532	1,000	468	517	5,584	8,000	2,416	4,377
Meetings & Conventions								
Mileage	27	200	173	0	739	1,600	861	167
Meals & Entertainment	1,063	1,000	(63)	591	4,536	8,000	3,464	5,636
Meetings & Conventions	105,841	92,450	(13,391)	159,541	471,415	512,550	41,135	435,038
Dues & Subscriptions	0	0	0	640	10,673	26,680	16,007	13,409
Total Meetings & Conventions	106,931	93,650	(13,281)	160,772	487,363	548,830	61,467	454,250
Promotions & Communications								
Site Visit	0	11,250	11,250	66	17,464	38,500	21,036	49,313
Photography	239	2,500	2,261	9,548	7,735	13,500	5,765	15,689
Advertising	18,404	29,000	10,596	25,237	182,356	232,000	49,644	185,289
Web Development & Maint	2,635	3,162	527	2,706	42,443	40,816	(1,627)	25,132
Market Research	226	0	(226)	0	14,626	14,400	(226)	14,400
Promotional	6,307	49,950	43,643	19,176	97,191	198,350	101,159	171,108
Attendance Promotion	13,288	0	(13,288)	8,099	54,599	50,000	(4,599)	43,603
Global Outreach	0	0	0	0	0	10,000	10,000	0
Total Promotions & Comm	41,099	95,862	54,763	64,832	416,414	597,566	181,152	504,534
Marketing Flexibility Fund	10	25,000	24,990	10	851,892	336,500	(515,392)	327,161
General & Administrative	3,213	2,375	(838)	2,722	34,355	33,800	(555)	27,309
Management Fees	11,000	11,000	0	10,800	88,000	88,000	0	86,400
Other	4,188	8,333	4,145	4,188	33,822	68,164	34,342	26,178
Total Other Indirect Expenses	186,015	260,954	74,939	258,676	2,097,553	1,897,532	(200,021)	1,557,900
Net Income (Loss) from Operations	(326,789)	(426,754)	99,965	(402,114)	(3,258,745)	(3,223,932)	(34,813)	(2,574,104)
Fixed Asset Purchases	0	0	0	0	0	0	0	0
Net Income (Loss) After Fixed Asset Purchases	(326,789)	(426,754)	99,965	(402,114)	(3,258,745)	(3,223,932)	(34,813)	(2,574,104)

Agenda Item

8

Update on the Status of the
2018 Audit Action Plan



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David Y. Ige
 Governor

Chris Tatum
 President and Chief Executive Officer

Audit Action Plan Update

As of

August 31, 2019

The State of Hawai'i Auditor, in his February 2018 audit, provided 21 recommendations to the Hawai'i Tourism Authority. Since the issuance of the report, the Hawai'i Tourism Authority's staff has been actively working to implement these recommendations. We provide the following update to the Board on the status of these 21 recommendations:

#	Recommendation	Comments	Status	Completion Date
1	Update internal policies and procedures related to training, compliance reviews, and other quality assurance functions, to ensure they align with HTA's current organizational structure and personnel	Policies updated and approved by board on 2/28/19. Procedures have been reviewed, updated, and approved.	100%	Complete
2	Assign a senior manager to oversee HTA's quality assurance function and ensure it is a priority for the Authority. Such oversight should include ensuring HTA's quality assurance plan is updated and properly implemented.	CAO has been assigned to oversee this responsibility. HTA Quality Assurance policy was approved by board on 2/28/19. HTA's procedures incorporate quality controls to ensure processes are regularly reviewed and updated, unnecessary rework reduced to the greatest extent possible, and resources are utilized efficiently.	100%	Complete
3	Update internal policies and procedures to clearly identify the HTA management and staff who are responsible for procurement, administration, and oversight of all contracts, and clearly delineate the responsibilities assigned to each.	Policies updated and approved by board on 2/28/19. Procedures have been reviewed, updated, and approved.	100%	Complete
4	Enforce policies and procedures that ensure HTA's actual procurement and contracting practices align with the best interests of the State and foster appropriate use of public funds, including:	a) Procedure 400-01.01 (Procurement Planning Worksheet Procedure) has been updated to include language that addresses this recommendation in the audit.	100%	Complete

	<ul style="list-style-type: none"> a) Requiring pre-solicitation market research to assess, among other things, market competition and estimated cost. b) Requiring proposals for each contract, contract amendment, and extension. c) Enforcing requirement that contractors provide evidence of a valid Certificate of Vendor Compliance (CVC) prior to contract execution. d) Requiring contracts to include specific performance criteria, performance benchmarks, and deliverables that are aligned with the contract objectives. e) Requiring contractors to provide regular progress reports. f) Evaluating contractor performance against performance criteria. g) Requiring written evaluation of contractor performance before amending, modifying, or extending any contract. 	<ul style="list-style-type: none"> b) This item is complete. We require proposals for all contracts, contract amendments, and extensions. c) This item is complete. We require contractors to provide proof of a valid CVC prior to contract execution. d) This item is complete. We require our contracts to include specific performance criteria, performance benchmarks, and deliverable that are aligned with the contract’s objectives. e) This item is complete. We require our contractors to provide us with regular progress reports. f) This item is complete. We are now evaluating contractor performance against performance criteria included in the contract. g) This item is complete. We require written evaluations of contractor performance prior to amending, modifying, or extending contracts. 		
5	Retain exclusive ownership of intellectual property created, developed, prepared, or assembled using State funds, absent extraordinary and unique circumstances. Require requests for waiver of the State’s ownership of intellectual property to be thoroughly documented and approved by the Department of the Attorney General.	Recommendation implemented. Procurement implemented process to require waivers to be thoroughly documented, reviewed, and approved prior to execution.	100%	Complete
6	Regularly review and evaluate HTA management and staff performance of their respective procurement and contract-related duties and responsibilities.	The CAO has developed a procedure to address the recommendation to regularly review and evaluate HTA management and staff in the performance of their respective procurement and contract-related duties and responsibilities. Procedure 500-05.01 –	75%	September 2019

		Specialized Functions Awareness Evaluations Procedure is currently going through internal reviews prior to finalization.		
7	Require HTA management and staff who have procurement and contract-related responsibilities to receive regular training on the State Procurement Code, Chapter 103D, HRS, and the State Ethics Code, specifically, Section 84-15, HRS.	All HTA staff with procurement/contract related responsibilities receive regular training on state procurement code and state ethics.	100%	Complete
8	Limit sole source procurement to where a good or service is deemed available from only one source.	Process in place to review all requests for sole source procurement prior to contract execution.	100%	Complete
9	Require completed documentation to support use of sole source procurement.	Process in place to require requesting staff to provide in-depth information to justify sole source procurement. Sole Source Procurement Planning Worksheet (PPW).	100%	Complete
10	Require written confirmation and justification of sole source contract pricing.	Process in place to require requesting staff to provide in-depth information to justify sole source procurement. Sole Source Procurement Planning Worksheet (PPW).	100%	Complete
11	Develop a publicly accessible list of sole source procurement contracts.	Sole source procurements included in monthly board packets which are publicly available on website. In addition, we are developing a page on our HTA website to list all HTA sole source procurement contracts.	100%	Complete
12	Enforce existing contract provisions requiring AEG, and any other contractors who are reimbursed by HTA for costs they incur, to submit receipts and other supporting documentation for each cost invoiced to HTA for reimbursement or other payment.	Completed.	100%	Complete
13	Develop and implement procedures to review and evaluate receipts and supporting documentation submitted for each cost that AEG, and any other contractors who are reimbursed by HTA for costs they incur, invoices HTA for reimbursement or other payment.	Completed. VP of Finance implemented the procedures to audit receipts from AEG as well as other contractors.	100%	Complete

14	Develop and implement procedures to include additional monitoring and more frequent evaluation of contractors' performance.	Procedures that address monitoring and evaluation of contract deliverables have been reviewed and updated. Procedures have been forwarded to program leads	100%	Complete
15	Require compliance with all material contract terms, including but not limited to HTA's prior written approval of all subcontracts.	Completed. Update: Final evaluations are required to be completed prior to final payment being issued to ensure compliance with material contract terms. Subcontractor pre-approval is required per all contracts.	100%	Complete
16	Require requests for written approval to subcontract to include, at a minimum: (1) an explanation of the need for the goods or services to be subcontracted; (2) a statement regarding subcontractor's qualifications to provide the goods or services; (3) a summary of process used to procure the goods or services, including the material terms of bids or other responses to provide the goods or services; and (4) the reason(s) for the selection of the subcontractor, including information used to determine the reasonableness of the subcontract amount.	Completed. A subcontractor approval form has been created and is being used with AEG and the MMA contractors.	100%	Complete
17	For current subcontracts without HTA's prior written approval, require justification for the subcontracts, including but not limited to the information required for approval to subcontract. For current subcontracts deemed unnecessary, unreasonable, or otherwise contrary to the State's best interest, consider requiring the goods or services to be re-procured.	Completed. A subcontractor approval form has been created and is being used with AEG and the MMA contractors.	100%	Complete
18	Determine whether "agreements" and "arrangements" for goods or services relating AEG's performance of the contract, including with AEG affiliates or related organizations, are subcontracts, requiring prior written consent.	Completed. Received written confirmation of AEG's relationship with Levy (June 26, 2018). Consulted with AG's office, and apprised HCC Investigative Committee (September 19, 2018). Confirmed that no further action required.	100%	Complete

19	Consult with the Department of the Attorney General regarding the concession services agreement between AEG and Levy, specifically, about action required to remedy AEG's failure to competitively procurement the concession services as required by law.	Consultation with Attorney General's office regarding has been completed.	100%	Complete
20	Seek clarification from the Legislature regarding the term "administrative expenses," as used in section 201B-11(c) (1), HRS, through legislation to define the term, including the specific types of expenses that are included within that term.	HTA received a guidance memo from the Attorney General's office. Will work with legislators as recommended.	50%	TBD
21	Until the Legislature provides clarification of the term, request a formal legal opinion from the Attorney General as to the meaning of the term "administrative expenses," as used in section 201B-11(c)(1), HRS, that HTA can apply in developing its budget and to monitor its use of the Tourism Special Fund.	Guidance letter received from Attorney General's office. Pending request for formal opinion.	50%	TBD

Agenda Item

10

**Presentation by AEG
Regarding an Update of
Hawai'i Convention Center
Recent Operational Activities
and Sales Initiatives**

August 2019

HTA Board of Directors Update
September 2019 Report



Agenda

- **Financial Update**
- **CIP Update**
- **Sales & Marketing Update**

2019 Financial Update

	2019 August Actual	2019 Reforecast	2019 Budget	Variance	2018 Actual
Facility Occupancy	22%	31%	31%	-	29%
Facility Number of Events	13	225	200	25	206
Facility Gross Revenue	\$1,009,100	\$15,832,300	\$15,672,300	\$160,000	\$13,991,600
Facility Gross Expenses	\$1,338,000	\$18,545,000	\$17,667,300	(\$877,700)	\$16,160,800
Facility Net Loss	(\$328,900)	(\$2,712,700)	(\$1,995,000)	(\$717,700)	(\$2,169,200)
S&M Net Expenses	(\$326,800)	(\$5,376,300)	(\$6,095,000)	\$718,700	(\$6,221,100)
HCC Net Loss	(\$655,700)	(\$8,089,000)	(\$8,090,000)	\$1,000	(\$8,390,300)

2019 Food & Beverage Update

Food & Beverage	2019 August Actual	2019 Reforecast	2019 Budget	Variance	2018 Actual
F&B Revenue	\$754,700	\$10,224,700	\$10,406,100	(\$181,400)	\$8,817,300
F&B Expenses	\$504,500	\$6,451,200	\$5,910,300	(\$540,900)	\$5,825,400
Net Income	\$250,200	\$3,773,500	\$4,495,800	(\$722,300)	\$2,991,900
% of flow through	33%	37%	43%	(6%)	34%

2019 ROI

HCC Revenue + State Revenue + Tax Revenue
= \$218.1M

HCC Expense \$11.1M

***ROI = For every dollar spent by HCC we returned
\$14.58 to the State***

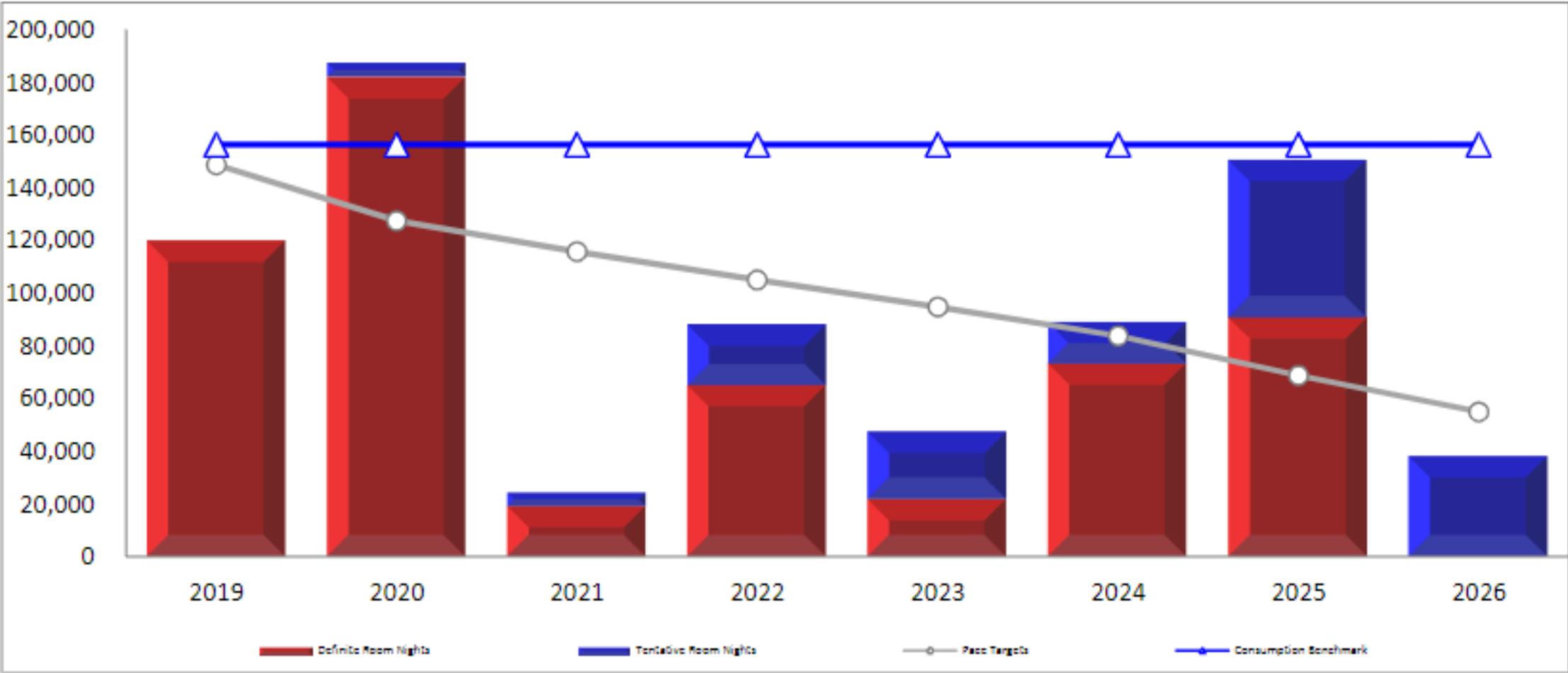
CIP Update

- Boiler Replacement - in permitting, target installation Dec 2019
- Cooling Tower Replacement - issued addendum
- Ala Wai Waterfall Repair - awarded, issued Notice to Proceed
- Facility Equipment - awarded contract, target delivery Feb 2020
- Camera, NVR and Access Control – RFP issued, proposals due end September.
- Trellis Renovation – RFP issued, proposals due mid-October
- ADA Lift Replacement - To issue RFP October

HCC Sales Update

- No room nights closed in August 2019
- August YTD total = 58,256 room nights closed
- Tentative pipeline August YTD total = 129,722 room nights

Hawai'i Convention Center Pace Report



Sales Initiatives

- Exhibited at The ASAE (American Society of Association Executives) annual meeting in Columbus, OH. Participants include senior and mid-level executives from various associations throughout the US. The HCC sales team secured 9 leads broken down as follows: 4 for 2022, 3 for 2021 and 2 for 2020. The HCC sales team also met with an additional 57 executives who plan meetings for their association. These 57 additional associations will be further qualified for future HCC city wide potential.

Sales Initiatives

- HCC Sales also participated/exhibited at the Connect Market Place held in Louisville, KY. This trade fair brings together planners from six meetings and events industry markets, e.g. association, corporate, specialty, expo tour and sports. As this trade fair our representative had thirty-seven (37) appointments which yielded three (3) leads broken down as follows: one (1) for 2023 (7,000 rns), one (1) for 2024 (4,500 rns) and one (1) for 2028 (6,000 rns). We will endeavor to secure these business opportunities as soon as possible.
- HCC sales participated at the IMEX Americas trade fair in Las Vegas, NV. Details will be provided in the September report.
- HCC Sales to continue focusing on closing business by year end.

Advertising and PR

PR Coverage for August:

- Pacific Business News featuring HCC Executive Chef Hans Lentz
- KHON 2 WakeUp2Day morning show promoting F&B offerings and Sunset Mele & Night Market

Advertising (North America)

- Full page ads:
 - The Meeting Professional (MPI) magazine full page ad + advertorial and website feature
 - Hawai'i Supplement in Meetings and Conventions Magazine (Meet Hawai'i joint ad – July/August issue)

Food & Lifestyle

Four questions with Hans Lentz, executive chef at Convention Center

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Hans Lentz, executive chef at the Hawaii Convention Center
EUGENE TANNER / PBN

Advertising and PR

Other Advertising

- Digital ads: Sports Travel and SportsEvents websites
- Featured Destination feature in Sports Destination Management SDM Blitz E-newsletter
- NASC (National Association of Sports Commission) website retargeting
- Local: Holiday Pā'ina ad placement in Pacific Business News (PBN)



Mahalo!

