

Travel Insights Report



At PacRim Marketing Group our customers, associates and the community are important to us. We are closely monitoring news from Asia and its effects on Hawaii's visitor industry.

MARKET UPDATES

As of February 27, 2023

HAWAII

Total Visitor Industry Arrivals

Hawaii's December 2022 total visitor arrivals recovered 91.5 percent from December 2019, according to preliminary visitor statistics released by the Department of Business, Economic Development and Tourism (DBEDT).

- A total of 871,870 visitors came to the Hawaiian Islands in December 2022. Visitors spent \$1.90 billion in the state in December 2022, an increase of 8.2 percent compared to the \$1.77 billion reported for December 2019, the last full year before the pandemic.
- The majority (858,112) arrived by air service, mainly from the U.S. mainland.
- The statewide average daily census was 266,967 visitors in December 2022, compared to 284,924 visitors (-6.3%) in December 2019.

Annual figures for the full year 2022 will be released soon. Preliminary figures indicate 9.25 million arrivals in 2022. Although this is less than 2019 arrivals of 10.3 million, annual visitor expenditures increased to an estimated 19.4 billion in 2022, up from 17.8 billion in 2019. Some of this is due to inflation and escalating hotel rates.

Although total visitor arrivals were nearly back to 2019 levels, the lack of Japanese visitor traffic greatly affected many businesses.

Japan Visitor Arrivals – 2022 vs 2019

- There were **199,760 visitors from Japan in 2022** compared to **1,576,205** visitors (-87.3%) in 2019.
- The average length of stay by Japanese visitors in 2022 was 8.07 days, much longer compared to 5.90 days (+36.7%) in 2019.
- Visitors from Japan spent **\$376.3 million in 2022** compared to **\$2.25 billion** (-83.3%) in 2019. Daily visitor spending in 2022 decreased to \$233 per person from \$242 per person (-3.4%) in 2019.

Japan Visitor Arrivals – December 2022

- There were 36,988 visitors from Japan in December 2022 compared to 136,635 visitors (-72.9%) in December 2019. This is a 27.1% recovery from 2019.
- Visitors from Japan spent \$62.8 million in December 2022 compared to \$210.9 million (-70.2%) in December 2019.
- Daily spending by Japanese visitors in December 2022 (\$239 per person) was lower compared to December 2019 (\$260 per person, -8.0%).
- Most of the Japanese visitors in December 2022 were repeat visitors (77.7%) while 22.3 percent were first-time visitors to the islands.

Korea Visitor Arrivals – December 2022

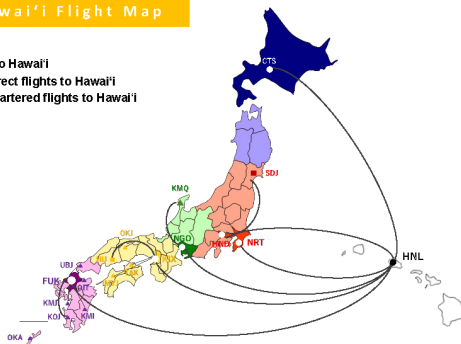
- There were 15,038 visitors from Korea in December 2022, **recovering 65.9%** from December 2019.
- Visitors from Korea spent \$38.9 million in December 2022
- Daily spending by Korean visitors in December 2022 averaged \$318 per person, compared to \$337 in 2019.
- 75.8% were first-time visitors to the islands.

Airlines

There will be increased flights from Asia beginning in late March 2023. This chart shows scheduled monthly flights and air seats.

JAPAN-Hawai'i Flight Map

- Direct flights to Hawai'i
- Suspended direct flights to Hawai'i
- ▲ Suspended chartered flights to Hawai'i



AIR SEAT SYNOPSIS

Top 5 % Share by Area (2019)

Kanto/Narita/Haneda	50.9%
Kinki/Kansai	16.1%
Chubu/Nagoya	16.0%
Kyushu/Fukuoka	5.3%
Tohoku	4.2%

	Flights			Seats		
	2023	2019	%Change	2023	2019	%Change
23-Feb	240	632	-62.00%	65,110	158,160	-58.80%
23-Mar	297	694	-57.20%	76,439	173,638	-56.00%
23-Apr	319	634	-49.70%	84,430	158,756	-46.80%
Total	856	1960	-56.30%	225,979	490,554	-53.90%

- JAL has announced its summer schedules through October 28, which include the continuation of daily flight schedules from Honolulu to Haneda and Narita.
- JAL's once-per-week operations from Honolulu to Kansai and Nagoya will increase from the end of March.

- In addition, JAL will once again operate its Kona to Narita service on a limited schedule.
- Hawaiian Airlines is slowly awaiting the return of cautious Japanese travelers, a key demographic for the airline. In the meantime, the company is hoping to revamp with new aircrafts, partnerships and pilots. <https://skift.com/2023/02/01/hawaiian-airlines-braces-for-slow-return-of-japanese-travelers/>
- Hawaiian Airlines has seen a robust return in travel to Hawaii from North America and international markets excluding Japan. Compared to pre-pandemic levels, U.S. mainland to Hawaii total passenger revenue was up 29 percent on 9 percent more capacity.
- The Korea market continues to recover. There were 78 scheduled flights with 25,060 seats from Seoul in December 2022 compared to 97 flights (-19.6%) with 29,692 seats (-15.6%) in December 2019.

Following are monthly flights for selected Japan-Hawaii carriers.

Carrier	Dep. City	Arr. City	Feb	Mar	Apr
All Nippon Airways	Tokyo HND	HONOLULU	28	31	30
	Tokyo NRT	HONOLULU	20	31	30
Delta Airlines	Tokyo HND	HONOLULU	0	0	29
Hawaiian Airlines	Fukuoka	HONOLULU	0	0	1
	Osaka	HONOLULU	28	30	26
	Tokyo HND	HONOLULU	28	35	51
Japan Airlines	Tokyo NRT	HONOLULU	28	30	25
	Nagoya	HONOLULU	4	7	4
	Osaka	HONOLULU	4	9	13
	Tokyo HND	HONOLULU	56	62	60
ZIPAIR	Tokyo NRT	HONOLULU	32	37	31
	Tokyo NRT	KONA	0	7	2
	Tokyo NRT	HONOLULU	12	18	17

Travel Sentiment

Demand for International Travel among Japanese residents is slowly recovering.

- Japanese travelers have been slow to return to the islands and re-embrace international travel.
- The Japanese government has been promoting domestic tourism with incentive programs as an economic stimulus.
- Depreciation of the yen against the dollar is also impacting the spending power of these travelers when they consider U.S. destinations.

DBEDT released the results of its **Q4 2022 Visitor Satisfaction and Activity Survey (VSAT)** which surveyed visitors from the U.S. West, U.S. East, Canada, **Japan**, Oceania, **Korea**, and

China who visited Hawai'i from October to December 2022.

- The survey found that a majority of visitors from all markets surveyed indicated a high likelihood to return to the Hawaiian Islands in the next five years. High overall satisfaction with visitors' most recent stay in Hawai'i appeared to overshadow effects of inflation.
- More than 60 percent of visitors from all markets indicated they were "very likely" to return to Hawai'i in the next five years
- The biggest barrier to returning to Hawai'i in the next five years for all markets surveyed continued to be the high cost of a vacation in the state.
- Visitors rating their most recent trip to Hawai'i as "excellent" included U.S. West (87.5 percent), U.S. East (88.7 percent), Canada (79.5 percent), **Japan (79.5 percent)**, Oceania (75.2 percent) and **Korea (85.5 percent)**.



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