



Hawai'i Convention Center
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David Y. Ige
Governor

Chris Tatum
President and Chief Executive Officer

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

**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY**

**Po'ahā, 30 Mei 2019, 9:30 a.m.
Thursday, May 30, 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 Ho'ololi 'Ia
AMENDED AGENDA**

1. *Ho'omaka A Pule*
Call to Order and Pule
2. *'Āpono I Ka Mo'o'ōlelo Hālāwai*
Approval of Minutes of the April 25, 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 April 2019
5. *Hō'ike 'Ikepili Noi'i 'Oihana Ho'omāka'ika'i*
Presentation and Discussion of Current Market Insights and Conditions in Key Major Hawai'i Tourism Markets
6. *Hāpai, Koho A 'Āpono I Nā Hope Luna Ho'omalua 'Elua O Ka Papa Alaka'i*
Nomination, Selection and Appointment of **George Kam** as First Vice Chair and **Kelly Sanders** as Second Vice Chair of the *Hawai'i Tourism Authority Board of Directors*



7. *Hāpai, Koho A 'Āpono I Nā Lālā Kōmike*
Nomination, Selection and Appointment of Board Members for the Following Committees: **George Kam, David Arakawa, Fred Atkins** for the *Administrative Standing Committee*; **Micah Alameda** for the *Audit Standing Committee*; **Ben Rafter** for the *Marketing Standing Committee*; **Sherry Menor-McNamara, Kimi Yuen, Daniel Chun** for the *Convention Center Planning Investigative Committee*; **Daniel Chun** for the *Legislative and Governmental Affairs Investigative Committee*; **Ku'uipo Kumukahi, Kimi Yuen** for the *Visitor-Related Infrastructure Investigative Committee*
8. *Hāpai, Koho A 'Āpono I Nā Po'ō Kōmike*
Nomination, Selection and Appointment of **David Arakawa** as Chair of the *Audit Standing Committee*; **Kelly Sanders** as Chair of the *Marketing Standing Committee*; and **Daniel Chun** as Chair of the *Convention Center Planning Investigative Committee*
9. *Hāpai, Koho A 'Āpono I Nā Hope Po'ō Kōmike*
Nomination, Selection and Appointment of **George Kam** as First Vice Chair and **Ben Rafter** as Second Vice Chair of the *Marketing Standing Committee*; **David Arakawa** as Vice Chair of the *Legislative and Governmental Affairs Investigative Committee*
10. *Kūkākūkā A Ho'oholo I Ka Ho'okumu Hou I Ke Kōmike Noi'i Papahana Ho'okele*
Discussion and Action to Re-Establish the *Strategic Plan Investigative Committee*
11. *Hāpai, Koho A 'Āpono I Nā Lālā Kōmike Noi'i Papahana Ho'okele*
Nomination, Selection and Appointment of **Kimi Yuen** as Chair; **Kyoko Kimura** as Vice Chair; **Fred Atkins, Micah Alameda, Ku'uipo Kumukahi** as Members of the *Strategic Plan Investigative Committee*
12. *Hō'ike, Kūkākūkā a Ho'oholo No Nā Mo'okālā*
Presentation, Discussion and Action on HTA's Financial Reports for April 2019
13. *Hō'ike No Ka Papahana Ho'oponopono*
Update on the Status of the 2018 Audit Action Plan
14. *Hō'ike No Ke Kau 'Aha'ōlelo 2019*
Update Relating to the 2019 Legislative Session and Related Bills Relevant to HTA
15. *Hō'ike Hanana Kikowaena Hālāwai O Hawai'i*
Presentation by AEG Regarding an Update of Hawai'i Convention Center Recent Operational Activities and Sales Initiatives



16. *No Ka Ho'opiha Kūlana Kāko'o Ho'okele HTA ****

Recommendation to the Board for the Hiring of a Candidate to Fill the Vacant Position of HTA Administrative Assistant ***

17. *Kūkākūkā A 'Āpono I Ka Mo'ohelu HTA Makahiki Kālā 2019*

Discussion and Approval of the FY2020 HTA Budgets

18. *Ho'oku'u*

Adjournment

**** 'Aha Ho'okō: Ua hiki i ka Papa Alaka'i ke mālama i kekahi hālāwai kūhelu i kū i ka Hawaii'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 Hawaii'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 Hawaii'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 Hawaii'i's competitive advantage as a visitor destination.

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 kumuhana'o. Inā hoihoi i ka hāpai mana'o kākau, hiki ke ho'ouna 'ia i ke Ke'ena Kuleana Ho'okipa O Hawaii'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
April 25, 2019 Board Meeting



REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, April 25, 2019
Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815

MINUTES OF REGULAR BOARD MEETING

MEMBERS PRESENT:

Rick Fried (Chair), Micah Alameda, David Arakawa, Fred Atkins, George Kam, Kyoko Kimura, Ku'uipo Kumukahi, Craig Nakamura, Kelly Sanders, Benjamin Rafter

MEMBER NOT PRESENT:

Sherry Menor-McNamara

HTA STAFF PRESENT:

Chris Tatum, Keith Regan, Karen Hughes, Marc Togashi, Jadie Goo, Jennifer Chun, Caroline Anderson, Carole Hagihara, Chris Sadayasu, Deann Howa, Joseph Patoskie, Laci Goshi, Lawrence Liu, Minh-Chau Chun, Noriko Sloan, Ronald Rodriguez, Sara Maimone, Minami Aoki

GUESTS:

Representative Richard Onishi, Lieutenant Governor Josh Green, John Monahan, Randall Tanaka, Roth Puhala, Allison Schaefer, Jennifer Nakayama, Teri Orton, Mari Tiat, Noelle Liew, Darlene Morikawa, Nathan Kam, Eric Takahata, Mitsue Varley, Julian Anderson, Brandon Askew

LEGAL COUNSEL:

Gregg Kinkley

1. Call to Order and Pule

Presiding Officer Rick Fried called the meeting to order at 9:34 a.m. Ms. Kumukahi gave the pule and discussed the importance of the word aloha. She also described a new program between the Hyatt hotel and I'olani Palace, and sang a song that was written by Queen Kapiolani during her imprisonment.

2. Approval of Minutes of the March 28, 2019 Meeting

Chair Fried requested a motion to approve the minutes of the March, 2019 Board meeting. George Kam made a motion to approve. Benjamin Rafter seconded the motion, which was then unanimously approved by the Board.

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.

This meeting was the last meeting for Sean Dee and Craig Nakamura, marking the completion of their terms as Board members. Chair Fried thanked Mr. Dee for his work as the Marketing Committee chair, and Mr. Nakamura as Board vice chair. Mr. Dee and Mr. Nakamura expressed gratitude for being able to serve on the Board.

Mr. Dee said that he has been traveling for work recently, and said that he learned that the number one searched question for people looking for flights on Southwest Airlines was “Is Hawai’i located in the United States?” He said that HTA has a challenge to create awareness about Hawai’i, internationally and even within the United States, and balance sustainability. He thanked the Board members, HTA administration, and HTA staff. Mr. Atkins said that he has learned a lot from Mr. Dee and thanked him for his time, especially on the Marketing Committee.

Chair Fried recognized Representative Richard Onishi, chair of the House Tourism committee, and thanked him for attending.

4. Report Relating to Staff’s Implementation of HTA’s Programs During February 2019

Chair Fried recognized CEO Chris Tatum to provide his report on the staff’s implementation of Hawai’i Tourism Authority (“HTA”)’s Programs during March 2019. Mr. Tatum thanked Mr. Dee for his support and commitment for working on the Board, and noted that being a Board member is an unpaid position.

Mr. Tatum asked Karen Hughes to introduce new staff. Ms. Hughes introduced the new brand manager for Japan and Korea, Minami Aoki. Minami is a graduate from college in Kobe, Japan, and previously worked at ANA Airlines. Mr. Regan introduced Evita Cabrera, who was previously a contractor, as the newest permanent member of the procurement team. Mr. Tatum announced that Marisa Yamane will begin on May 6th, 2019 as the Director of Communications.

Mr. Tatum said that HTA is working on the implementation of the Hawai’i Island efforts through HTJ and HVCB. HTA also recently had a meeting regarding the Polynesian Hall of Fame Game. Mr. Tatum said that, in the past, there was a question whether the event should be characterized as a sporting event or cultural event because the Polynesian Hall of Fame

Game brings a great deal to the table, from a cultural standpoint. He said that this event invites coaches and recruiters from Division II schools, and hosts a skills challenge event for students that are potential Division II players. Mr. Tatum said that every event that HTA talks to now has a requirement to conduct clinics and events on the neighbor islands, and this event will also conduct that type of activity.

Mr. Tatum noted that the Lotte Golf Championship recently took place. He said that, prior to the event, they met with HTA. HTA asked how they were going to engage the community, and they stepped up. A number of high schools were involved in a pro-am event, where students had an opportunity to play with and meet professional golfers. Lotte also put together a grant for those schools. This reflects HTA's ongoing process of requiring a community engagement component. Mr. Tatum added that Hawai'i also recently hosted a cheerleading clinic. He thanked Mufi Hannemann for his efforts.

Mr. Tatum then discussed the LA Rams, who are scheduled to play a preseason game in Hawai'i against the Dallas Cowboys. The Rams and the Cowboys are interested in more community efforts. Mr. Tatum said that John Monahan and Mr. Hannemann are focusing on a community outreach clinic scheduled for June 14 - 15 at I'olani School. The clinic will tie in neighbor island students to participate, with each island having participating teams. Mr. Tatum said that everyone that HTA has engaged with on this community engagement component has expressed enthusiasm about this focus.

Mr. Tatum also met with Dave Matlin from the University of Hawai'i (UH) and HTA is planning on putting money towards implementing a plan to work with UH. Mr. Matlin is putting together a proposal on how best to do that, but HTA is setting aside funding for that effort for the next fiscal year budget. Mr. Tatum emphasized that UH is the state university of Hawai'i, and HTA should do what it can to support UH's efforts. He added that the community should understand the tourism industry is investing into the community, including the University.

Mr. Tatum said that he and Mr. Atkins recently spent time on the North Shore of Kaua'i. he committee there is active and have a plan for addressing the flooding, and HTA's role is support them in what they are trying to accomplish. Their plan is to reduce the number of visitors from 2,000 people per day to 900 visitors per day. HTA supports that position so long as those 900 have a phenomenal experience. They have asked, and HTA has agreed, to set aside \$140,000 in next year's fiscal year budget to support their parking enforcement efforts. This includes staffing a checkpoint to educate visitors about the reality of how long it takes to drive in and out of the park. Mr. Atkins said that the State has to open the road but there are two one-lane bridges which cause great delay. It will officially open on June 4th. Parking fines are also being increased from \$35 to \$200. \$100 will go to the State and \$100 will go to the county to go towards enforcement.

Mr. Tatum said that he and Mr. Regan have been visiting the neighbor islands for stakeholder meetings. He noted that the committee on Kauai was diverse and engaged a range of groups and that he hoped that could be a benchmark as he works through communities. He said that

HTA's role is not to solve problems but to support communities as they address the challenges in front of them. Mr. Tatum stated that real sustainable tourism happens when everyone supports tourism because it is the right thing, feeds families, and supports the future of the islands.

Lastly, Mr. Tatum pointed out that the Board packet includes a preliminary budget for the next fiscal year. He acknowledged that the fiscal year does not begin until July 1st, but said that he wants to get ahead of the game. He explained that there are nine main areas in the budget, and some areas of the budget are more detailed, like marketing. He said that in previous years, the budget was drafted using previous years' numbers, but moving forward for areas like perpetuating culture and community, the numbers are "blocked" and will go up significantly. The marketing area is relatively flat. He stated that the areas that do not have detail will go out for RFP and as they come back HTA will update the Board on the RFPs and the direction HTA is taking. Mr. Tatum added that Ms. Kumukahi should be engaged with Kalani Ka'anā'anā on the culture and community area. He said that more detail will be provided at the next meeting. He encouraged Board members with questions between now and the next meeting to reach out to him and Mr. Regan if there are questions regarding the budget. He added that some of the items in the budget are mandated by statute.

5. Update by Josh Green, Hawai'i's Lieutenant Governor, on the Status of the Homeless Situation and Opioid Problem in Hawai'i

Chair Fried introduced Lt. Gov. Josh Green to provide the Board with a presentation on the status of homeless and opioid issues in Hawai'i. Lt. Gov. Green began by providing information on his background as a physician and legislator. He described the status of homelessness in Hawai'i and its relationship to substance abuse and the healthcare system.

The solution that Lt. Gov. Green proposed is to treat homelessness with housing, and he described the potential health and financial benefits of such a program. He described the Hawai'i Homeless Healthcare Hui (H4) that he founded with Dr. Scott Miscovich. H4 is a private/public partnership to provide a safe, functional environment for those in need to get services and treatment, and alleviate the financial and medical strain on over-taxed emergency rooms. H4 is proposing a facility on Kuwili Street that would have four floors dedicated to humanitarian, housing, healthcare, and hygiene assistance. The hygiene floor is already opened.

Lt. Gov. Green also discussed SB1124 which mandates treatment and involuntary hospitalizations for individuals suffering from severe mental illness, like schizophrenia, by change statutory definitions. He stated that the bill is a tool to help treat people who have been homeless for a long period of time due to mental illness. He stated that Hawai'i's 1115 Waiver has been approved which allows Medicaid funding to be put towards assisting people experience chronic homelessness and mental illness with housing needs. He anticipates that the plans will help put \$300 million back into the budget to go towards helping working-class families.

He asked for the help of the Board to spread the word about his approach, and said that if there are any organizations interested in helping and contributing, to contact him so that they can help accelerate the solutions.

Chair Fried asked whether the thrust of SB1124 was to get help to people who are refusing it. Lt. Gov. Green confirmed and said that he has spoken to the Attorney General and the Director of Health Services about the bill. He said that they will shut down the law if it infringes on civil rights but he believes that this will actually help to restore civil rights, and it is a measure that is being passed across the country.

Mr. Tatum said that when HTA had worked with Lt. Gov. Green on distribution of homelessness funding, one of the people that they had met with was someone regarding human trafficking. He noted that that is an issue very significant for the hotel industry and HTA is working on a proposal for the Board for a training program to help the industry recognize the signs of human trafficking.

Mr. Tatum also asked about the local doctor shortage. Lt. Gov. Green said that the healthcare professional shortage is another initiative he is working on and he can come back on another day to present that to the Board. He said that he is working with JABSOM on a website called "Practice in Paradise" to help facilitate bringing more healthcare professionals to Hawai'i, including providing relocation and loan repayment packages. He said that he is planning on launching it on September 7, 2019. Mr. Tatum said that the visitor industry may be able to help with the relocation and temporary housing component.

6. Presentation and Discussion of Current Market Insights and Conditions in Key Major Hawai'i Tourism Markets

Chair Fried acknowledged Jennifer Chun to provide an update on current market insights. Ms. Chun directed the Board to the March report in the Board Packet. She said that HTA had, that day, released statistics. In March, the State had \$1.5 million in visitor spending (down 2.3% from last March), an increase in arrivals to 939,000, and spending and increased arrivals for Oahu and from the U.S. West market. TAT tax collection since January 2019 was \$341.5 million which is an increase of 14.4%, or a 3.8% increase factoring increased tax rate. In March, hotel RevPAR was \$227, down 4.3%. ADR and occupancy were also decreased, but compared to other U.S. markets, Hawai'i was at the top for RevPAR, ADR and occupancy.

Kyoko Kimura asked Ms. Hughes about Korea and China markets. Ms. Hughes responded that with Korea, there has been a sluggish economy which is affecting outbound travel, but there is anticipated turnaround after May. In regards to China, she said that she recently met with Brand USA, the destination management organization that markets the US inbound travel, who recently conducted research on China. Their assessment of China is that the US has had decline across the board, primarily from bus tours. She said that the area that should be targeted is those with 10-year visas, who are higher end travelers. Chair Fried said that it was surprising

Hawai'i was hit so hard when there was an increase in outbound travel from Korea. Ms. Hughes said that that Korea was hit especially hard due to what happened on Hawai'i Island, which effected the image of the entire state. Mr. Dee said that he was recently in Korea and had heard the same things. Mr. Tatum said that for the China market, their spending tends to be overall high but not for hotels. A market like Hawai'i has high room rates, so there is a balance for hotels to decide how much of that market they want.

Ms. Kimura asked whether lower spending from Japanese visitors was due to moving to different areas or less expensive accommodations. Ms. Chun responded that there was an approximate 9% decrease in lodging spending so they are staying at cheaper accommodations. She added that time shares have been aggressive in targeting the Japanese market. She also said that there is an approximate 40% decrease in neighbor island flights, which are people making day or short trips to neighbor islands.

Chair Fried recognized Randall Tanaka, the DBEDT deputy director, for attending. He also recognized Ross Puahala, visiting on behalf of the office of Rep. Daniel Holt. At 10:46 a.m., Chair Fried recessed the meeting for a short break. The meeting reconvened at 10:59 a.m.

7. Presentation, Discussion and Action on HTA's Financial Reports for March 2019

Chair Fried recognized Marc Togashi and Keith Regan to provide an update on HTA's financial reports. Mr. Regan also thanked Deputy Director Tanaka from DBEDT for attending. He said that the first page of the budget is a budget utilization document that spells out where HTA is for its expenditures for the month, compared to the budget that has been approved by the Board. Mr. Regan noted that HTA has spent about 74% of the budget, so the budget is on track in terms on what has been provided for and approved by the Board. Mr. Regan also pointed out in the board packet the summary of allocations for the fiscal year, which shows how money has been moved into different categories. He said that \$85.4 million in cash and investments is available, including the cash in emergency funds. He said that that represents a \$1 million decrease, which stems from a decrease in TAT. Mr. Regan requested a motion to accept the financial statements. Mr. Kam made a motion and Ms. Kumukahi seconded the motion, which was unanimously approved.

8. Overview of HTA's Preliminary FY2020 Budget

Mr. Fried then recognized Mr. Regan to provide an overview of the proposed FY2020 budget. He noted that HTA has identified additional funds that it would like to allocate towards Hawaiian culture and natural resources. He said that more details will be provided at the next Board meeting. Mr. Tatum added that some items will not be as detailed because they will be dependent on the outcome of RFPs.

Mr. Regan said that there is an increase in allocation for community aspects, a slight decrease

in branding, and an increase in total marketing spending. Funds have been allocated for sports, safety, and tourism research. There is a slight decrease in administration and a slight increase in overall governance costs. He said that this is due, in part, to reducing the number of contractors in favor of permanent employees. Mr. Tatum said that the drop on the US side does not include Hawai'i Island funds. Emergency funding is going into a marketing opportunity fund.

Mr. Rafter noted that at this point only 50% has been expended for culture and community so far, but that the allocation is increasing next year. He asked how those two notes aligned (the lower expenditure but a higher allocation next year). Mr. Tatum said that they will be focusing on language and utilizing it in hotels. Ms. Kumukahi said that the increase will go towards bolstering the 'Ōlelo Hawai'i program. Mr. Tatum said that there are a number of contracts out and the money does not flow out as quickly as in other areas because of the large number of requirements.

Mr. Dee said that the format of the budget is excellent and transparent. He noted that in previous years the opportunity fund had ballooned to \$18 million, but that the new budget has tightened up the opportunity fund to \$2 million. Mr. Atkins noted that some of the programs are not completed but in the past the Board received ROIs on completed projects, and asked if that would similarly be provided this year. Mr. Regan responded that some information is already provided in the packet but that he will provide more information. Mr. Arakawa said that HTA should be able to work with HPD to get metrics on how much HTA funding is helping with the camera program. He added that, for a lot of these grants, HTA should make sure that our partners provide metrics. Chair Fried noted that this weekend is the PowerShares tennis event on Maui at the Royal Lahaina.

9. Update on Status of the 2018 Audit Action Plan

Chair Fried asked Mr. Regan to provide an update on the 2018 Audit Action Plan. Mr. Regan said that there is not a significant change since the last update. He said that the team is working on the audit action plan, namely the procedures. The completion dates have not changed since the last meeting and Mr. Regan said the team still anticipates meeting those deadlines. He added that the team is actively working to solidify the process on items #20 and #21. Chair Fried said that it looks like it could be completed by Labor Day.

10. Update Relating to the 2019 Legislative Session and Related Bills Relevant to HTA

Chair Fried asked Mr. Regan to provide a legislative update. Mr. Regan said that sine die will be on May 2nd. He said that session has been active and exciting, and thanked Rep. Onishi for his advice and guidance to the Board and as an advocate for tourism in general. He also thanked Senator Wakai, who was not present.

Mr. Regan noted that Bill 89, a city council bill, deals with transient vacation rentals. He said

Bill 85 and 89 are being taken up by committees and will be heard on Monday, April 29 and invited any interested Board members to attend. He stated that if they are approved in the committee then will be taken up by the full council and then could be passed, then taken to the mayor. Mr. Arakawa said that Bill 85 is more restrictive, but Bill 89 is the bill the administration proposed, and allows for some new vacation rental areas in areas that are already apartment zoned. The bills are very controversial but once they are passed there will be enforcement and increased real property and TAT revenue, depending on which bill is chosen. Mr. Regan noted the bills would impose steep fines.

Mr. Regan stated that HB420, relating to the Hawaiian Center and Museum of Hawaiian Music and Dance, moved out of conference committee as of April 23rd. The House and the Senate will vote on the bill, and it will hopefully be enrolled to the governor. It will allow HTA to move forward with making it a reality. Mr. Regan stated that HB422, which bifurcates the sales and marketing from the management of the Hawai'i Convention Center, has already been enrolled to the governor. HB558, relating to Kekaha State Park, will be heard in conference committee. HB908, relating to the transient accommodations tax, provides funding for homelessness initiatives through HLTA, and is going to the finance committee for approval of the \$1,000,000 appropriation. A minor modification was made to remove the requirement that the State homeless coordinator be a part of that process. HB1375, relating to the State of Hawai'i Museum of Natural and Cultural History, was passed out and will be put to a floor vote. SB1292, relating to transient accommodations, will be heard that evening to discuss house amendments. HB419 has not had further movement so it will likely die. SB380 was signed into law, and it imposes TAT on mandatory resort fees, requiring that those fees be included in gross rental or gross rental proceeds. Mr. Regan pointed out that the legislative update in the Board packet also included a list of the significant bills with no further movement that have "died". Mr. Regan said that this has been a positive legislative session and the team has made positive inroads with the legislators that contributed to the success of the bills that HTA was pushing for.

Chair Fried expressed disappointment that SB666 relating to the Airports Corporation died. Mr. Arakawa said that he believes that stakeholders will be working through the concerns expressed by the legislative committees when session is over. He recommended that HTA keep legislation on the agenda as a running agenda item to keep track of county legislation, even when the State legislature is not in session. Mr. Atkins thanked Rep. Onishi specifically for HB420 and HB422. He asked, in regards to SB1292, whether the version that the senate sent over was supported by HTA. Mr. Regan said that HTA supported it but had not had an opportunity to submit testimony on HD3. Mr. Atkins said that a provision on creating a registry for transparency had been taken out, and that could affect enforcement and transparency. Rep. Onishi responded that SB1292 was an enabling bill for tax collection for the platforms, but it also required anyone doing any advertising to be held liable and to provide reporting to counties. The house position is that the State of Hawai'i is responsible for collecting TAT and GET. Rep. Onishi said the house feels that enforcement is a county issue and if there are issues that surface that deal with their ability to enforce their ordinances at the county level the legislature can help them, but at this time nobody on the county level is

looking at that kind of legislation. He said the first step is to get enforcement in place and then see where their challenges are. The counties that already have ordinances in place and the counties are negotiating with the platforms.

Mr. Atkins said that he agrees that they need the TAT, but there is a housing crisis, and on Kaua'i there are no rentals below \$2,500 or \$3,000. He said that about 20% of the homeless in the state work but cannot afford to find a place to live. Rep. Onishi said that the approximately 4,000 permitted vacation rentals on Hawai'i are probably not in the affordable rental category. Mr. Atkins responded that in the residential areas, people are speculating, buying property because they think they can rent it out for Airbnb, and driving prices up, which displaces local people.

Rep. Onishi said that Bill 419 was proposing to provide \$1 million to help counties with enforcement, but the senate amended the bill by taking out the funding. He added that the counties say they need help but have not enacted legislation that would help themselves, and at this point none of them have proposed legislation requiring regulation of the internet platforms. He said he has asked Kaua'i for an official letter from their corporation counsel saying they cannot enact legislation, and has not received anything. Mr. Arakawa asked whether any states regulate these platforms. Rep. Onishi said that the only one he knows of is Massachusetts. He said that all states have different laws regarding allowing lower jurisdictions to regulate. He added that the attorney general's opinion is that it would be helpful to have state legislation but Rep. Onishi said that the counties do stuff all the time that is not spelled out in law.

Mr. Regan said that, from a county perspective, they are being held back by the Communications Decency Act. He said that a recent 9th Circuit decision filed in March has taken the wind out of that sail and opens the door for counties to explore and enact ordinances to control the platforms. Mr. Dee said that SB1292 legitimizes a certain platform. He noted that VRBO has been operating as a platform for alternative accommodations for years and audits show that they pay taxes and are not promoting illegal units. He said that this other platform, which prides itself on being disruptive, has disrupted the fabric of life in Hawai'i, and the majority of the units are illegal. He said that SB1292 legitimizes Airbnb and requires counties to trust Airbnb, despite the fact that Airbnb has shown they do not care about illegal units. He said that he anticipates that the number of illegal units will grow if SB1292 becomes law. He said that 419 would be a better approach. Mr. Atkins asked whether any other state has passed that kind of law and Mr. Dee responded that that has passed in Massachusetts but that he does not believe that SB1292 will change anything in Hawai'i. He said the industry believes that SB1292, as written, will not discourage Airbnbs.

Chair Fried called a recess at 11:55 a.m. The meeting was resumed at 12:12 p.m.

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

Chair Fried recognized Teri Orton to provide an update on HCC's recent operational activities

and sales initiatives for March. She said that HCC hosted 15 licensed events, three of which generated \$3.6 million in state tax revenue. The events generated \$1.9 million in gross revenue, and a net income of \$423,900, better than what had been planned. Some of positive variance was due to the Society of Gynecological Oncology program, which came in with strong numbers and spent more on food and beverage than anticipated. The 2019 year-end reforecast is now for a net loss of \$2.8 million, primarily due to a cancellation by a group from Asia which is now undergoing a financial investigation in its home country, and Jehovah's Witness selecting multiple cities instead of hosting its event in Hawai'i. Ms. Orton said that they are in talks with Jehovah's Witness to bring their 2024 program to Hawai'i and bring in a smaller program to fill in HCC's "need" years. She said that overall revenue is about \$104.9 million, with ROI of \$19.28 to the State.

Mr. Tatum said that HCC is budgeted on a calendar year, and the calendar year budget was set last year. He noted that if the governor signs the bill that would separate the contracts for HCC operations and sales, the budget will change because a majority of sales will come off of their budget and go onto another budget. He said that a budget for HCC will likely be presented to the Board in July, for a budget beginning January 2020. Mr. Atkins commented that although the numbers for the year are not great, he commended HCC on the March numbers which reflected how HCC was able to keep costs down and maximize revenue for food.

12. Report of Julian Anderson of Rider Levett Bucknall on their Findings and Recommendations of the Condition of Damage of the Rooftop Terrace Deck of the Hawai'i Convention Center

Mr. Nakamura, on behalf of the convention center committee, said that over the past several months the committee has been reporting to the Board on activity regarding HCC maintenance and roof repair. He introduced Julian Anderson to provide a presentation on the status of the roof repair project, which has also been presented to legislators.

Mr. Anderson, of Rider Levett Bucknall (RLB), said that he was involved with the construction of HCC since the site selection phase. He said it was a design-build construction procurement, an effort to get the best value for the State. The winning design was selected by two panels: a technical panel and a community panel. Both panels unanimously recommended the current design by Nordic PCL. As part of the design the public areas were not air conditioned, which was attractive because it could free up money for other things. As part of the criteria, the design had to include a Hawai'i sense of place and have the ability to expand the center on a landlocked site. The selected design met these criteria through the rooftop terrace.

Mr. Anderson said that HCC is a steel structure and the deck is designed as a seven-layer system. In response to the RFP, Nordic PCL was clear that the decktop roofing system would need to be replaced in 15-20 years. The building was opened in 1998. When the top layer concrete slab of the deck was poured it started cracking. It was initially cosmetic. In 2001, RLB did a report on repair options to HTA and DAGS. In 2003, the State and Nordic PCL reached a settlement to install sports court flooring, which solved the cosmetic issue but the cracking

itself continued. By 2011-12, a report from leak experts was conducted and that report recommended repairs that were not carried out. In October 2018, HCC management approached RLB to get an update on the cost of repair based on the 2013 report from RLB.

RLB conducted a new inspection of the roof, the stairwells, and other facilities, and produced a report in February 2019. The report concluded that there was rust in the metal pan layer of the roof, associated with leaks related to drains and plumbing, and water in the slab assembly. The only solution is to take it all out and replace it, or incur increased cost and increased risk. The current cost estimate is \$47-50 million, but could increase depending on the recommendations coming from the detailed investigation of the structure. The cost does not factor in loss of revenue.

Mr. Kam asked how long the rooftop can still be safely used. Mr. Anderson responded that he did not know but that structural engineers should provide that estimate. Mr. Atkins asked whether there were any other areas of concern other than the rooftop. Mr. Anderson responded that the areas of the planters and the glass roof areas showed some issues. Mr. Rafter asked whether there were plans to expand the rooftop. Ms. Orton said that that is an issue they are exploring and they are trying to determine what the ROI would be if they, for example, turned it into "flex space". She added that the issue boils down to cost.

Mr. Dee, who was a member of the convention center committee, asked what the process would be for an alternative design. Ms. Orton said that is the next step to have a discussion about what can be put up there. Mr. Dee asked what the timeline is for looking at those options. Mr. Tatum said that HVS has been engaged to do an analysis of what the best use of the space. Mr. Regan said that the contract has been signed by HVS and HTA and is currently with the AG's office for review. He said that it will have to be a collaborative decision. Mr. Arakawa said that this work would need to be done by mid-September.

Mr. Arakawa asked who is at fault. Mr. Anderson said that the design was the design presented to the State and then executed, but fault is probably an issue for attorneys to determine. Chair Fried said that it is probably too early to say. Randall Tanaka, from DBEDT, said that the rooftop could be reconfigured because the revenue for HCC really comes from food and beverage. The rooftop is also the egress for the ballroom so it would require putting something else there in consideration of that. He noted that they knew the concrete cracks and the problem with the sports court is that it only covers the concrete, but the concrete continues to crack and leak. He added that there is also a grading problem and the water is pocketing underneath, and on hot days it bubbles up. Mr. Tanaka said that they have tried capping it with sealant.

Mr. Anderson said that, from a technical aspect, the water being trapped is warm, salty, corrosive water. Mr. Tanaka said that the building can still be operated, but with restricted access. Chair Fried asked when they realized damage was being caused by the water. Mr. Tanaka said that during the approximately 45 days of rain in 2006, there was water pouring into the stairwell. He said that another issue is getting rid of plants because root intrusion is also causing damage. He stated that, ultimately, the State got a great value for the land, but it

needs to be maintained. Mr. Dee said that, since this is going to be competitively bid, attendees should be mindful about discussing it.

13. Adjournment

At 1:10pm Chair Fried asked for a motion to adjourn. Mr. Kam made a motion which was seconded by Ms. Kumukahi. The motion passed unanimously.

Respectfully submitted



Janjeera Hail
Recorder

Agenda Item

4

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



MEMORANDUM

TO: HTA Board of Directors

FROM: Chris Tatum, President and CEO

DATE: May 30, 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 April 25, 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. Access

Royal Caribbean Cruise Line's Ovation of the Seas Inaugural Port Call in Hawai'i

Royal Caribbean Cruise Line's Ovation of the Seas made her inaugural call to the Hawaiian Islands with a call to Honolulu on May 1-3 and Lahaina on May 5-6. This 5,000 passenger capacity vessel became the largest cruise ship to port in Hawai'i. On May 3, HTA, together with Department of Transportation administrators, participated in a plaque exchange ceremony and ship tour with the Ovation of the Seas captain and crew.

B. Major Market Management

Major Market RFP

HTA staff is working on rewriting the Major Market RFP to ensure clarity in proposal expectations and measures to enable the best possible responses, especially since this round will be issued in non-English speaking countries. RFPs will be issued for Korea, China, Taiwan and Southeast Asia. In addition, HTA staff is developing evaluation committees for each market.

MCI/MICE RFP

HTA is working on the scope and measures for a Global MCI/MICE RFP also due out in June 2019. The scope will include single property and citywide sales and marketing with global responsibility. Stakeholder meetings have begun to inform scope development. The rewritten Major Market RFP format will be utilized and the evaluation committee selection will begin in the coming weeks.

Global Creative Strategy

HTA marketing staff is constructing framework for centralizing development of creative assets through deployment of an updated style guide and policies and procedures. The goal is to ensure that the

Hawai'i brand is marketed globally in a way that is consistent, working within defined parameters while allowing for appropriate adaptation to unique market needs.

Global Digital

Working with the Global Shared Resources team, HTA marketing staff is transitioning its global digital (website and social channels) strategy, messaging and creative coordination from direct management to oversight. All related contracts and scope of work have been updated.

Taiwan Cathay Life Insurance Incentive Group

During the period of May 7 to May 15, over 4,500 people from Taiwan Cathay Life Insurance arrived Hawai'i in eight different waves, all staying four nights. This is the second largest incentive group ever coming out of Taiwan to Hawai'i. The largest one was in 2010 from Nan Shan Insurance with approximately 5,000 people. HTA, HTT, and Hawai'i industry partners teamed up to secure this high value group and to ensure a memorable Hawai'i experience for all attendees.

II. UNIQUE AND MEMORABLE EXPERIENCES

A. Hawaiian Culture Initiative

1. Kūkulu Ola Program

HTA continues to work with one of its 2017 Kūkulu Ola awardees to close out its work and complete the final evaluation. This program was granted a no-cost contract extension for extenuating circumstances.

HTA staff is in receipt of many final reports for the 2018 Kūkulu Ola programs, a majority of which ended work on December 31, 2018. Five contracts were granted no-cost contract extensions due to extenuating circumstances. An additional five are missing items or have not submitted a final report as of this report. From this funding year 15 of the 31 projects are fully completed and evaluated.

The Kūkulu Ola 2019 program includes 28 awardees across the state at a total of \$1.22 million in funding. One award was rescinded because the contractor could not obtain a valid certificate of vendor compliance in time. HTA has currently paid out initial payments to nine of the 27 projects. An additional 14 projects are still pending and have not turned in their deliverables as of this report. One contract is still pending approval from DAGS.

HTA staff prepared the RFP for the 2020 cycle of programs, and issued the RFP in May 2019 for projects occurring in calendar year 2020.

2. Native Hawaiian Hospitality Association

HTA and the Native Hawaiian Hospitality Association continue to build stronger ties between the Hawaiian community and tourism industry. Quarterly cultural industry resource meetings will be held statewide in the final two weeks of May 2019. These meetings bring together many of the industry's Hawaiian cultural advisors to discuss items of interest to them. HTA has received great feedback from the participants as to their value of collaboration in moving the needle on culture in the industry.

NaHHA and HTA staff are also finalizing entrepreneurial development workshops to occur in May and June 2019 across the state. There will be presentations by the Department of Commerce and Consumer Affairs, the Small Business Administration, and presentations on social media marketing and other topics.

3. Native Hawaiian Festivals and Events

Merrie Monarch

The festival held from April 21-27, 2019 was an incredible success. Of the \$100,000 invested in FY19 monies, half supports the broadcast of the festival and the other half is to archive and preserve the footage from all recorded years available. This ensures the continuity of hula and preserves and protects it for future generations. HTA presented the overall winner awards on Saturday night along with the Island of Hawai'i Visitors Bureau. HTA has scheduled a debriefing meeting with festival organizers. The archiving work will continue through the calendar year assuming all goes well. YouGov also completed the fielding of the email collections for surveys at the craft fair.

Nā Hōkū Hanohano Awards

The 42nd Annual Nā Hōkū Hanohano awards is being held at the Hawai'i Convention Center on May 25, 2019 from 5-10 p.m. It's hosted by the Hawai'i Academy of Recording Arts and presented by Hawai'i Tourism. This year's awards feature a record 33 categories to recognize the accomplishments of Hawai'i's music industry. HTA is presenting four Hawaiian music categories as well as Album of the Year.

May Day

May Day is lei day in Hawai'i. It's the day of the year set aside to celebrate the lei, along with the skill and artistry of Hawai'i's lei makers. This year HTA staff worked to finalize contracts with the below events for 2019:

92nd Annual City & County of Honolulu Lei Day Celebration

This event honors Hawai'i's people and their rich heritage. This event is held on May 1st every year at Kapi'olani Park in Waikīkī from 9:00 a.m.-5:30 p.m. The event features the annual Lei Court, as well as local entertainment and hula hālau. The Hawaiian Steel Guitar Association traditionally plays (10 a.m.-3 p.m.) in the lei exhibit area (between the Kapi'olani Park Bandstand and the Waikiki Shell). The lei exhibit features some of the most exquisite lei in the world. It features entries from the adult, children, and lipine (ribbon/yard) lei contests. Kulana Lei features a village of Hawaiian artisans. There's also Tutu's Hale where children can hear stories, play Hawaiian games, learn a song, a hula, how to make a lei, and learn how to weave with lauhala. The event is free and open to the public.

6th Annual May Day Waikīkī

The 6th Annual May Day Waikīkī will be on Wednesday May 1, 2019 on the beach in Waikīkī in front of the Royal Hawaiian Hotel. Join us as we acknowledge the watermen and waterwomen of Hawai'i who sailed our oceans with Hōkūle'a.

Hawaiian Airlines May Day: "The Tradition Continues"

Keauhou, consisting of Jonah Kahanuola Solatorio, and brothers Nicholas and Zachary Lum, will headline "Hawaiian Airlines May Day 2019: The Tradition Continues." The star-studded program will feature Robert Cazimero and Hālau Nā Kamalei o Lililehua, the big band sounds of Kahulanui, the hula artistry of Hālau Hi'iakainamakalehua under the direction of Kumu Hula Keano Kaupu IV and Lono Padilla, the Kamehameha Schools Concert Glee Club, the vocal artistry of Kaumakaiwa Kānaka'ole, the celebrated reunion of Nā Palapalai, and more. Concert attendees will also be treated to exclusive access to the May Day Makeke, a marketplace featuring favorite Made in Hawai'i crafts from vendors and local artisans. Food and beverage will be available for purchase, with VIP selections from award-winning chef Mark Noguchi, co-founder and executive chef of the Pili Group and a Hawaiian Airlines featured chef.

39th Annual Walter & Irmalee Pomroy May Day Lei Contest

The Kaua'i Museum presents the 39th Annual Walter & Irmalee May Day Lei contest, honoring lei maker extraordinaire Dana Valeriano Kauai iki Olores with the support of Hawai'i Tourism. Nature was always his inspiration and was reflected in his unique haku style lei. Kaua'i iki was a participant in the museum's lei contest for many years and also garnered numerous prizes. Nearly 100 lei were created and entered last year.

King Kamehameha Day

Contracts for all events statewide have been finalized and HTA staff is working with event organizers from each island on specific work plans for this year's events. HTA staff has also coordinated for evaluation of this year's events on Maui and O'ahu.

Prince Lot Hula Festival

HTA staff has finalized an agreement with the Moanalua Gardens foundation to be the title sponsor of the 2019 festival to be held at 'Iolani Palace on July 20th and 21st with hālau from across the state participating.

Duke's Ocean Fest

Preparations for Duke's Ocean Fest 2019 are well underway and HTA staff has finalized the contract terms for this important event. Emphasis is placed on integrating new partnerships to invigorate long-standing festival traditions.

Queen Lili'uokalani Long Distance Canoe Race

Work plans are being finalized with HTA staff for the 2019 event. There have been major shifts in the implementation following the passing of Uncle Bo Campos. Kai 'Opua Canoe Club has implemented a new team and HTA is working to ensure a solid delivery of the events in Kona later this year.

Aloha Festivals

Events for 2019 are still in the planning stages and HTA staff will continue to work with its community partners to finalize workplans. All contracts have been executed for the current

funding year. The O'ahu events will feature a new concert at Queen's Beach in Waikīkī during the festivities and will feature headliners and potentially a movie.

Polynesian Football Hall of Fame 2020

HTA staff met with organizers and agreed to a three-year contract with two one-year extensions. Funding will continue to support the game and other activities. The new contract terms include statewide clinics, and outreach with Polynesian Football Hall of Fame inductees, active NFL players as well as others to mentor and inspire Hawai'i's youth. Appropriate paperwork will be drafted to move the approval process forward.

4. Kāhea Greetings Program

Harbors

Contracts for the various harbor greeting programs are under review by the Office of the Attorney General. Once finalized implementation will roll out to ports in Nāwiliwili, Honolulu, Lahaina, Hilo and Kona. Work will include, but is not limited to, hula, mele, lei making, maps, and greetings with fresh flower lei. Discussions with the DOT's Harbors Division are underway to also include more art and other improvements to the harbors and port user experience.

Airports

HTA's CAO is working closely with the Department of Transportation's Airport Division to develop a proposal that will support enhancing the visitor arrival experience. This proposal includes expanding the number of performances at the Daniel K. Inouye International Airport and the development of an Aloha Ambassador Program. The Aloha Ambassador Program, in concept, would place resources, aka "Aloha Ambassadors", in the major terminals, excluding the interisland terminal, during peak arrival times. It is anticipated that services would be provided through a contractor hired by the HTA and managed by the Visitor Information Program (VIP) at the airport. Performances will continue to be provided at Līhu'e, Kahului, Hilo and Kona airports as outlined in the current agreement. Additionally, we are working with DOT Airports to address concerns regarding artwork and the finalization of a Hawaiian language announcement.

5. Resort Area Hawaiian Culture Initiative

Contracts are finalized for 2019 events and workplans have been submitted for various programs held 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. The Waikīkī Improvement Association is producing the events which will have Hawaiian music concerts with hula that will precede the screenings of the films. The target audience for the new events are residents, and marketing to promote the events will be targeted as such.

6. Pulakaulahui

2019 was deemed the International Year of Indigenous Languages. As such HTA has partnered with Weloaloha, a non-profit group, to support travel expenses for five immersion students and two kumu to the UNPFII in NYC for 10 days. It will also cover costs for three all-day workshops

to build capacity for kumu beyond the traveling cohort to include some of the content in classroom work. This will help extend the reach of the program. The funding will also support a workshop in New York to engage the students and teachers with others who are not credentialed UNPFII partners. In addition, the program will support a portion of the costs to produce a video piece on the program that will speak to the program's intent, content and outcome to potentially continue and sustain the program into the future.

7. Hawai'i Investment Ready 2019 Cohort

HTA staff and Hawai'i Investment Ready are exploring the possible extension of the contract which supports 12 social enterprises that have 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 their programs. Hawai'i Investment Ready has completed the first four modules, which cover individual enterprise assessments, theory of change, and social business model canvas. Modules five through eight are being completed this year.

8. Center for Hawaiian Music and Dance

HTA staff continues to monitor current legislation before the Hawai'i State Legislature which would move the center from the Hawai'i Convention Center to the state's Museum of Natural and Cultural History (Bishop Museum). Pending the outcome of the legislation HTA staff will meet as necessary to move the planning for the center forward.

9. Legacy Awards

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

10. Ma'ema'e

HTA staff continues to work closely with the Global Marketing Teams (GMTs) to assess their needs for training of staff and others to more accurately portray the Hawaiian culture. Allocations have remained level year over year.

11. Market Support

HTA staff has finalized preparations for a group of practitioners to support Hawai'i Tourism China's sales mission in Hong Kong and China from April 15-19, 2019. The group will consist of five practitioners who will share hula, Hawaiian music and lei making demonstrations.

Preparations are underway support the Hawai'i Tourism Korea sales mission and Hana Tour events from June 7-12, 2019.

Preparations are underway support Hawai'i Tourism Taiwan's Hawai'i Aloha Festival 2019 from July 5-7, 2019.

B. Natural Resources

1. Aloha ‘Āina (Natural Resources) Program

HTA continues to work with two of its 2017 Kūkulu Ola awardees to close out their work and complete the final evaluation. These programs were granted no-cost contract extensions for extenuating circumstances.

HTA staff is in receipt of many final reports for the 2018 Aloha ‘Āina projects, a majority of which ended work on December 31, 2018. Five contracts were granted no-cost extensions due to extenuating circumstances. One contract was mutually agreed upon to terminate, lowering the total projects funded to 25 active contracts. An additional six projects are missing items or have not submitted a final report as of this report. From this funding year, 10 of the 25 projects are fully completed and evaluated.

The Aloha ‘Āina 2019 program includes 28 awardees across the state at a total of \$1.24 million in funding. All contracts have been approved by DAGS. We currently have paid out initial payments to six of the 28 projects. Nine payments are in process with DAGS. There are 13 projects that are still missing their deliverables for the initial payment.

HTA staff is preparing the RFP for the 2020 cycle of programs and plans to issue the RFP in May 2019 for projects occurring in calendar year 2020.

2. DLNR Partnership

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

Mālama Hawai‘i

Current year funding is supporting placement of Mālama Hawai‘i information 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 Air Asia X have already committed to sharing the content with their guests in-flight. HTA is currently negotiating with JAL and ANA to have the content included on those flights as well.

Rapid ‘Ōhi‘a Death

Funding in 2019 was targeted at four operator bio-sanitation trainings across the state. Public service announcements on quarantine rules as well as airport ad placement were a part of the funding as well. In addition, two survey flights with the Carnegie Airborne Observatory were conducted over Hawai‘i Island and Kaua‘i. Both islands now have confirmed cases of both species of Rapid ‘Ōhi‘a Death. The tips will hopefully help to reduce the spread of the disease. There is also a full-length documentary to help others better understand the significance of ‘Ōhi‘a to the Hawaiian culture and the 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 their reforestation work to move the department and DOFAW toward self-reliance.

Social Media Specialist

HTA continues its work with the tourism funded position to mitigate illegal tours on state lands as well as develop visitor focused responsible visiting messaging. Thanks to HTA funding DLNR reactivated previously abandoned social media accounts.

Ambassador Program

Funds have been committed to a pilot ambassador program in FY20. The program will be statewide and will be implemented in state parks as well as trails. \$500,000 has been set aside for this purpose. Initial estimates would cost \$62,000 per position and would allow for nine such ambassadors. HTA is not in receipt of the workplan by DLNR as to where those ambassadors would be located. No further work will continue until HTA receives the work plan.

3. Hawai'i State Park Survey

HTA staff is working on finalizing the draft request for proposals. The project is expected to survey all state parks over a one-year period. The data and insight collected by the survey will help HTA and DLNR manage the resources better to protect natural and cultural assets.

4. Hawai'i Ecotourism Association

The Hawai'i Ecotourism Association is negotiating the terms and scope of work for the 2019 - 2020 program. The primary focus of this work will be to continue to focus on the training of certified tour operators statewide and enhancing their training capacity. It will also provide for trainings that will be made available via the web and YouTube.

5. Hawai'i Green Business Program

HTA staff is working to finalize a MOA with the Hawai'i Green Business Program. The primary focus of this work will be 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. Those are three key metrics in HTA's strategic plan.

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. Hawai'i Green Growth and HTA staff are in discussions on the current year contract to support convening a diverse group of stakeholders toward this goal. More details will be shared as soon as they are finalized.

C. Safety and Security

Visitor Assistance Program (VAP)

During the month of April, the Visitor Aloha Society of Hawai'i (VASH) was active and provided support in each of the four counties. In Maui County, VASH handled 23 cases and helped 45 visitors. On the island of Hawai'i, VASH handled 36 cases and provided assistance to 79 visitors. On O'ahu, VASH handled 78 cases and helped 200 visitors. On Kaua'i, VASH handled 1 cases and provided assistance to 4 visitors.

CAO participated in the safety seminars that the Maui Visitors and Convention Bureau and Maui VASH organized on Maui on April 23 and 26. The purpose of the seminar was to provide attendees insight on the various places visitors go and their safety. Presentations and panel discussions were held by the agencies including: Ocean Safety, Haleakalā National Park, Hāna Drive Group, Maui Nui Marine Resource Council, Maui Police Department, and cultural advisors and activity desks.

Lifeguard Support Program

HTA has agreements in place with the four counties to each be awarded \$125,000 with a one-for-one match for the purchase of ocean safety equipment. HTA has been following up with our contacts at Hawai'i County to execute the agreement but has not received a response. As such, CAO reached out to the Managing Director, Wil Okabe, to make one last attempt to execute the contract prior to the close of the fiscal year. The agreements for other counties have been fully executed.

Waikīkī Camera Program

The Memorandum of Agreement (MOA) with the City and County of Honolulu for purchasing security cameras in Waikīkī in the amount of \$300,000 has been executed. HTA staff has been following up with the City and County to receive the first invoice.

Ocean Safety Advertising Campaign

HTA, through contracts with SKYHI MEDIA and Pacific Media Group, displays ocean safety videos at airports throughout Hawai'i. These videos run primarily at each baggage claim throughout the day and night. HTA staff has been working on the renewal of the agreements to run these videos in the next fiscal year.

Snorkel Safety Study

HTA has executed a contract with the Hawaiian Lifeguard Association to conduct a snorkel safety study for \$131,000. The purpose of this two-year study is to formally assess the causes and risk factors in snorkel-related fatal and near fatal drownings. They will collect and analyze data, conduct scientific research, conduct surveys and interviews, and will consult with experts in the appropriate fields. The Department of Health and the City and County of Honolulu lifeguards will be collaborating in the study.

Hā'ena Emergency Support

HTA is in the process of executing MOAs with the Department of Land and Natural Resources for \$54,860 and with the Kaua'i Police Department for \$41,140. The purpose is to mitigate the impact of visitors on the Wainiha-Hā'ena community on Kaua'i in anticipation of the opening of Kūhiō Highway by enforcing a new "no parking" zone along a two-mile stretch along the Kūhiō Highway. Both departments

will partner to undertake the enforcement of the “no parking” zone by providing enforcement officers. The HTA recently received an executed MOA from the DLNR and is moving forward with finalizing the agreement.

D. Community Enrichment Program

Existing Contracts (2018 & 2019)

HTA staff continues to close out the last three remaining 2018 Community Enrichment Program (CEP) contracts, which ended on December 31, 2018. All 2019 CEP awards have been executed. The staff is currently reviewing 2019 deliverables, and is processing first and second payments. 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.hawaiiitourismauthority.org/what-we-do/hta-programs/community-enrichment-programs/>.

2020 Request for Proposals

Staff finalized its request for proposal (RFP) for the 2020 CEP projects, and issued the RFP on May 2. The deadline for the RFP is July 5. HTA seeks to fund projects and events which bring together residents and visitors, and present authentic experiences in the niche markets of agritourism, culinary tourism, cultural tourism, ecotourism, edutourism, health & wellness, sports and voluntourism. HTA staff also conducted CEP RFP informational sessions throughout the state from May 13-23. For more information on the RFP visit: www.hawaiiitourismauthority.org/rfps

E. Hookaulike

Kaua'i Safety Signage

The MOA with the County of Kaua'i was executed in June, 2018 for \$145,000. The purpose of this program is to identify locations with safety concerns and develop safety signages at parks, trails and beaches on Kaua'i to protect attractions and natural resources, support the local community as well as providing visitors educational guidance and awareness. The project has been delayed due to receiving permissions for placement of the signages. Staff is currently working on extending the MOA through October 31, 2019 to have the county complete all the work by then.

Hawai'i Island Safety Signage

The MOA with the County of Hawai'i was executed in June, 2018 for \$145,000. The purpose of this program is to identify locations with safety concerns and develop safety signages at parks, trails and beaches on Hawai'i Island to protect attractions and natural resources, support the local community as well as providing visitors educational guidance and awareness. The project has been delayed due to the internal scope approval process. Staff is currently discussing with the county to extend the MOA, which will be expired on June 30, 2019.

Hawai'i Island Strategic Plan

The MOA is in the process of execution with the County of Hawai'i for \$35,000 to update Hawai'i Island Tourism Strategic Plan that is dated 2001 – 2015. Based on the scope of work approved by HTA, the county will conduct interviews, focus groups, and analysis guided by the local community and industry

experts, and update the plan that will establish overall direction for the county to move on actions in collaboration with stakeholders.

Maui Coral Reef Signage

The contract is in the process of execution with the Maui Marine Resource Council for \$47,144. The contractor will replace existing signs and create new signs related to the coral reef on Maui.

City and County of Honolulu Security Cameras

The CAO had a meeting with the officials from the City and County of Honolulu on May 17 to move forward with this project to install 192 security cameras in 13 parks. Staff is working on executing the MOA for \$204,000.

III. KNOWLEDGE AND COLLABORATION

A. Communication and Outreach: April 2019

News Releases/Reports Issued

- News Release: Hawai'i Tourism Authority Appoints Marisa Yamane as Director of Communications and Public Relations (April 11)
- Report: First Quarter 2019 Hawai'i Hotel Performance Report (April 24)
- News Release: Hawai'i Visitor Statistics Released for First Quarter 2019 (April 25)

Media Relations

- **Media Interviews:** Coordinated and/or assisted with the following interviews:
 - Merrie Monarch Festival Partnership
 - Hawai'i News Now: Kalani Ka'anā'anā (KK) and Caroline Anderson (CA) on *HI Now* about Hawai'i Tourism's role in perpetuating Hawaiian culture and strengthening communities (April 16). Assisted KK and CA with talking points (April 15).
 - Hawai'i News Now: University of Hawai'i at Mānoa Rapid 'Ōhi'a Death (ROD) Statewide Outreach Coordinator Ambyr Mokiao-Lee on *HI Now* about the partnership with Hawai'i Tourism to support ROD outreach efforts. Also assisted with talking points. (April 15).
 - eTurboNews: Chris Tatum (CT) with Juergen Steinmetz about HTA's vision for managing tourism (April 22).
- **Publicity Support:** Provided the following information and/or assistance:
 - KHON: Directed producer Mokihana Aki to the Miss USA organization and advised that HTA stands on its February 15 statement about its decision to not provide the requested support for the event to be held on O'ahu in May (April 2).

- Pacific Business News: Directed reporter Christina O'Connor to Jay Talwar, Hawai'i Visitors and Convention Bureau, for story about Hawai'i golf courses and tourism (April 5).
- Honolulu Star-Advertiser: Provided reporter Kristen Consillio with CT quote about Marisa Yamane's (MY) appointment as HTA's director of communications and public relations (April 8).
- Honolulu Star-Advertiser: Directed reporter Ferd Lewis to Lori Yip of the LPGA LOTTE Championship for information on the tournament's viewership/impact in Korea (April 11).
- Pacific Business News: Provided reporter Christina O'Connor with MY headshot for story on her appointment as HTA's director of communications and public relations (April 11).
- Hawai'i Hospitality: Provided editor Brett Alexander-Estes with MY headshot for story on her appointment as HTA's director of communications and public relations (April 11).
- TravelAge West: Provided editor Marty Wentzel with background information on the history of HTA for a story regarding the organization's focus and direction (April 18).
- Big Island Now: Provided reporter Sierra Hagg with KK quote about Hawai'i Tourism's support of the Merrie Monarch Festival (April 23).
- Honolulu Star-Advertiser: Responded to reporter Sophie Cocke with background information and HTA's perspective on the proposed Center for Hawaiian Music and Dance for a story about HB 420, which would remove the Hawai'i Convention Center as the project's location (April 23).
- KITV: Provided reporter Eliza Larson with island of Hawai'i data on visitor spending and arrivals for a story on the one-year anniversary of the Kīlauea volcano eruption (April 26).
- KITV: Jennifer Chun declined request by assignment editor Diamond Badajos for a comment by HTA on the Hawai'i State Senate's passage of SB 1292, which would require vacation rental platforms to register as tax agents and collect taxes on behalf of their hosts (April 30).

Community Initiatives and Public Outreach

- LEI Program: Assisted HTA with providing edits to the joint ClimbHI news release, "Leadership, Exploration and Inspiration Help Students Take Next Steps Towards Careers" (April 1).
- Merrie Monarch Festival: Assisted HTA with the coordination of HTA's promotional videos/spots to air during the Merrie Monarch Festival live broadcast.
 - Worked with KK to identify the theme and focus of the 30- and 60-second spots (April 1).
 - Coordinated editing with 'Iwalani Kaho'ohanohano, MVNP and the Hawai'i Visitors and Convention Bureau to provide necessary b-roll footage for the creation of the spots (April 9).
- Hawai'i State House of Representatives press conference about the branding campaign being launched to support island of Hawai'i tourism: Assisted HTA with the following:

- Reviewed and provided edits to the media advisory, “Hawai‘i Tourism Boosts Marketing Support for Island of Hawai‘i” (April 2).
- Assisted the House in drafting news release, “New Branding Campaign Being Launched to Support Hawai‘i Island Tourism” (April 2).
- Secured and managed RKT Media to shoot b-roll footage of press conference for statewide distribution with news release (April 3).
- Distributed news release to Hawai‘i media with images and b-roll footage (April 3).
- 13th Festival of Pacific Arts & Culture: Assisted HTA with providing edits to the news release, “Hawai‘i Convention Center Selected as FestPac Venue” (April 10).
- Department of Land and Natural Resources/HTA Mālama Hawai‘i Press Conference: Assisted HTA with the following:
 - Reviewed and provided edits to the press conference advisory (April 16).
 - Reviewed and provided edits to the news release, “Mālama Hawai‘i Campaign: On-the-Air, In-the-Air, In-Your-Room” (April 16).
 - Reviewed and provided edits to the news release, “State’s First Forest Carbon Offset Project Is Underway” (April 16).
 - Assisted KK with preparing talking points for the press conference (April 22).
- Artificial Intelligence Workshop: Assisted CA with Constant Contact e-blast about the May 9 workshop for Hawai‘i’s travel industry on Artificial Intelligence, presented by Oceanit and the Hawai‘i Technology Development Corporation (April 23).
- Communications Workshops: Assisted CA and KK with the following:
 - Distributed invitation to HTA’s 2019 Kūkulu Ola, Aloha ‘Āina and Community Enrichment program recipients (April 26).
- Travel Weekly Hawai‘i Leadership Forum:
 - Assisted Karen Hughes (KH) with updating her bio for the forum (April 16).
 - Drafted message points for Governor Ige’s opening remarks (April 29).
 - Assisted KH with preparing talking points for her opening remarks (April 29).
- Hawai‘i State Department of Health (DOH): Reviewed and provided feedback to the DOH’s news release, “Hawai‘i Department of Health Launches New Air Quality Advisory Website to Enhance the State’s Volcano-Readiness” (April 30).

International News Bureau

- **Media Assistance:** Assisted the Global Marketing Team, as noted:
 - **Hawai‘i Tourism China**

- Reviewed and forwarded an advertising request by Hazo Zou of JCDecaux China Airport Division to Jadie Goo (April 29).

B. Research and Planning

The Tourism Research Division (TRD) issued the March 2019 monthly visitor statistics on April 25, including 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 May through July 2019 to the Infrastructure Research Section of the HTA website.

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

TRD issued the March Hawai'i Hotel Performance Report on April 24. The report and related March 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 posted the 4th Quarter 2018 Visitor Satisfaction and Activity report and infographics to the HTA website on April 26.

TRD continued to work with the Hawaii 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.

Jennifer Chun presented to the TIM 101 class at UH Mānoa on April 2 regarding destinations.

Chun moderated Pacific Asia Travel Association Hawai'i Chapter's event "Hardly Traditional: Hawai'i Hotels Find "Room" for Growth in the Dynamic Marketplace" on April 3, which featured HTA Board Member Kelly Sanders and representatives from Aqua-Aston and Castle Resorts.

At the CEO's direction, Chun is participating in the CHANGE Economy Sector technology initiative led by Paul Yonamine of Central Pacific Bank.

Chun presented to the US State Department's Pacific Islands Tourism Professional Fellows cohort at the East-West Center on April 23 regarding Hawai'i tourism.

Chun emceed and co-chaired the host committee for the North American Skål Congress held at Sheraton Waikīkī on April 25-28. CEO Chris Tatum was the opening keynote speaker on April 26.

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
- Visitor arrivals from New York city for HVCB

- Historical Waikīkī visitor accommodations units for Solid Rock Group
- Visitor spending and arrivals to Hawai'i Island a year after the Kīlauea eruption for KITV.

Update of the 2020 Tourism Strategic Plan

HTA Staff is preparing to update the HTA's 2020 Tourism Strategic Plan. HTA has hired NextFactor Enterprises, Inc. to conduct a destination assessment which includes gathering stakeholder input about each island's tourism products, destination strength, and community support and engagement. HTA is working with NextFactor to finalize the online survey questions and prepping for the stakeholder workshops across the state to take place in the latter part of June. HTA issued an RFP for a contractor to assist with the update of the Tourism Strategic Plan. Staff is currently reviewing the proposals and will make a decision on May 24. Staff seeks to have the 2025 Tourism Strategic Plan approved by the HTA board at its December 2019 meeting.

C. Career Development

Ho'oilina Scholarship. HTA provided \$500,000 for the Ho'oilina Scholarship program which is administered by Hawai'i Hotel & Lodging Association (HLTA). All public high school students and community college students across the state interested in pursuing their Bachelor's degree in tourism and hospitality management were eligible to apply. HLTA received 12 high school applications, of which 10 high school seniors were awarded a four-year scholarships of up to \$12,000/year. Nine of the 10 scholarship recipients will attend the University of Hawai'i at Mānoa's School of Travel Industry Management, and one will enroll at Hawai'i Pacific University. The students were from the following high schools: 'Aiea, Kalani, Kaiser, Moanalua, Pearl City, Roosevelt, and Waipahu.

Workforce Needs Assessment. HTA issued an RFP for a workforce needs assessment on May 7 with a proposal deadline of May 24. The purpose of this assessment is to obtain information and data to determine the type of skills, trainings, workshops, and classes are needed in Hawai'i's visitor industry. This ensures that pertinent projects and training programs are being developed to address the needs both currently and for the future. The evaluation meeting will take place on May 29.

IV. STRATEGIC OVERSIGHT AND GOVERNANCE

Contracts List. A list of contracts executed in the month of April is attached.

Hawai'i Tourism United States Monthly Marketing Report April 2019

Leisure

SUMMARY OF MARKET INTELLIGENCE/MARKET CONDITIONS

Americans are not holding back on their summer vacations. While road trips continue to be popular domestically, the strong dollar and solid U.S. economy are motivating many U.S. citizens to consider traveling abroad.

The latest U.S. Travel Barometer reported that 77 percent of U.S. residents searching for lodging in March searched domestically. Mexico captured three percent of U.S. resident searches, followed by Great Britain, Italy, France and Spain. Interest in the Southeast remains strong, capturing 26 percent of searches followed by the far West, including Hawai'i, at 25 percent.

Domestic travel is expected to grow approximately 1.8 percent YOY through August. Consumer confidence rebounded from a soft start to 2019; however, both the business and leisure segments are projected to cool in response to continued moderation in consumer spending and business investment. Financial markets have recovered but remain more volatile, and persistent trade and manufacturing uncertainty contribute to the potential for business investment growth to cool, but not stall, in 2019.

The U.S. hotel industry continues to grow at a slow and steady pace, but there are several factors that could affect this period of growth. Analysts from STR, CBRE and Tourism Economics gave their takes on the state of the industry at the recent Hunter Hotel Conference during the "Statistically speaking—the data does the talking" session. The main takeaways were:

- According to STR, U.S. hotel occupancy was flat at 68.4 percent in March; average daily rate (ADR) was up +0.6 percent to US \$132.66; RevPAR was up slightly (+0.6%) to US \$90.78.
- "This was probably the industry's worst March since the recession," said Jan Freitag, STR's senior VP of lodging insights. "The 0.6 percent change in ADR was the lowest for any month in the U.S. since May 2010, which indicates that pricing confidence may have not yet reached its floor. On the plus side, we continue to break monthly demand records, which is keeping overall performance in the black."
- The industry has now posted year-over-year RevPAR growth for 108 of the past 109 months. The longest overall expansion cycle in industry history lasted 112 months from December 1991 through March 2001.
- The prolonged "Spring Break" season looks to be diluting the impact normally seen during past years.

Economy

The U.S. economy grew slower at the end of last year than initially thought. Forecasts suggest that slowdown will continue in 2019.

- The economy grew at an annual rate of 2.2 percent in the fourth quarter of last year. This was revised down from the original estimate of 2.6 percent growth. The revised numbers — which include more complete information — suggest somewhat lower spending by consumers and state and local governments, as well as reduced business investment.

- The Federal Reserve and the National Association for Business Economics have both recently lowered their forecasts for growth in 2019 to 2.1 percent. Both cited trade tensions as a possible drag on the economy, along with slowing growth in the rest of the world.
- The Conference Board Consumer Confidence Index® declined in March, after increasing in February. The Index now stands at 124.1, down from 131.4 in February.
- The Present Situation Index – based on consumers’ assessment of current business and labor market conditions – declined from 172.8 to 160.6.
- The Expectations Index – based on consumers’ short-term outlook for income, business and labor market conditions – decreased from 103.8 last month to 99.8 this month. according to Conference Board Consumer Confidence Index®.

Competitor Update

Mexico and the Caribbean continue to have an impact on Hawai‘i. Apple Leisure is seeing a significant decline in Mexico, where it does about half of its business. Apple also reported that Cancun and the Riviera Maya have been down 14-16 percent compared to a year before, with about 70 percent of winter business on the books. Every destination in Mexico is down they reported. Jamaica is up 20 percent; the Dominican Republic is up 12 percent and Costa Rica is up 25 percent compared to the previous year according to the Caribbean Tourism Organization.

Airlift

The U.S. domestic carriers to Hawai‘i are operating full schedules (including seasonal) through spring break. Southwest added Oakland-Maui and interisland Honolulu-Maui. U.S. seats for April are 775,999, a +3.9 percent increase over 2018. May and June are 826,112 and 902,167, respectively, with a +5.7 percent and +8.8 percent increase over 2018. Load factors will not be available until released by the U.S. Department of Transportation. Although the grounding of the 737 MAX aircraft will put pressure on United and Alaska that fly it to Hawai‘i, for the time being, Hawai‘i has seen limited impacts. United will reduce their Honolulu-San Francisco service by one daily flight for the month of May but will add it back to the schedule in June. The carriers have been substituting other aircraft to backfill their schedules.

LEISURE ACTIVITIES

Consumer

On-line

April firmwide digital campaign estimates: Central 10 million impressions; KVB 3.3 million impressions; OVB 3 million impressions; MVCB 5.6 million impressions; LVB 648,000 impressions; DMVB 741,000 impressions; IHVB 5.1 million impressions.

Social Media

In April, HTUSA continued the Hawai‘i Rooted video series which featured taro farmer Lyndsey Haraguchi-Nakayama through an adapted *Facebook* mini-story, as well as *Instagram* teaser ads.

Travel Trade

Apple Leisure Group hosted “Hawai‘i Night” dinners in San Diego, Costa Mesa and Pasadena, CA, from Apr. 3-5. HTUSA presented to 45 travel advisors in each city (total of 135 for three events) on

what's new in the Hawaiian Islands, Hawai'i Rooted marketing campaign and enhancements to agents.gohawaii.com. Hoteliers provided property updates and special promotions.

HTUSA participated in the CLIA (Cruise Lines International Association) Cruise360 Conference in Fort Lauderdale, FL, from Apr. 2-5 which drew nearly 700 travel advisors. Hawai'i suppliers present included Pleasant Holidays, UnCruise Adventures and Norwegian Cruise Line.

HTUSA attended the Pacific Northwest 'Ohana meeting in Seattle, WA, on Apr. 16 and shared the Hawai'i Tourism Authority's vision of kuleana and provided information on island of Hawai'i promotions and the upcoming Hawai'i Leisure Sales Blitz in August. Members also finalized the June CocoNuts and Bolts events in the Pacific Northwest.

Pleasant Holidays and HTUSA teamed up to conduct Aloha Days regional training for Travel Leaders in Lakewood, WA, on Apr. 18. There were ten Hawai'i specialists in attendance.

In partnership with Norwegian Cruise Line and UnCruise Adventures, HTUSA conducted a "Cruising the Hawaiian Islands" luncheon training in Wellesley, MA, on Apr. 4. A total of 42 agents learned about Hawai'i and two unique ways of experiencing the islands through cruising.

HTUSA participated in the Association of Westchester Travel Agent (AWTA) Spring Trade Show in New Rochelle, NY, on Apr. 8. The trade show was attended by 263 agents. Hawai'i suppliers present included Apple Vacations, Classic Vacations and Norwegian Cruise Line.

Training for 55 employees at the Apple Vacations Call Center was conducted by HTUSA in Elk Grove Village, IL, on Apr. 10.

In partnership with the MAST Conference in Chicago, IL from Apr. 11-14, HTUSA conducted eight private appointments and presented to 400 advisors during the supplier track rounds and closing gala.

ASTA Small Business Network South Florida celebrated their 10th anniversary with a Spring Affair Event in Fort Lauderdale, FL, on Apr. 23. This event drew 150 travel advisors. As an event sponsor, HTUSA conducted a general session presentation and participated on a luxury/adventure travel panel.

The Midwest 'Ohana Hui Hawai'i conducted trade shows and evening supplier presentations throughout the week of Apr. 23-25 in Minneapolis, MN; Des Moines, IA; and Davenport, IA, to a total of 125 agents. In addition to providing Hawai'i training during each of the events, HTUSA conducted a Hawai'i Destination Specialist (HDS) training session for 30 agents at the Minneapolis event.

Public Relations

The HTUSA PR team coordinated a multi-island visit to Kaua'i and island of Hawai'i for freelancer Jay Jones. On Kaua'i, the journalist was invited to participate in The Lodge of Kukui'ula's press trip during which he experienced the Chef's Table, a boat tour and helicopter tour by Maverick. HTUSA extended his visit to the island of Hawai'i as part of the island of Hawai'i recovery efforts to explore Kīlauea's new landscape, experience Hawai'i Volcanoes National Park and participate in activity tours.

Because of collaborative pitching efforts with the Island Chapters, the HTUSA team secured a multi-island visit to Kaua'i and Maui with Samantha Saiyavongsa, associate editor of Goop. She had a confirmed story on Goop.com showcasing wellness and experiential travel through a wellness guide.

She will feature restorative and healing experiences on both islands, uncovering unique wellness attractions including spa treatments, exercise and meditation sessions and Hawaiian culture.

Generated from media relations, freelance writer Amanda Castleman produced “Best Hawaiian Islands for Different Kinds of Travelers” in AFAR from the direction and suggestions of HTUSA’s PR team. The story covers an overview of each of the six major Hawaiian Island’s experiences and strengths, showcasing the diversity and spirit of each island.

As a result of hosting Digital Restaurant Editor Elyse Inamine with Bon Appétit, “Two Orders of Turkey Tails, Please!” was published in Bon Appétit’s April 2019 print issue. It highlights one of Maui’s newest dining options, Lineage, run by Top Chef Finalist Sheldon Simeon. Her story is yet another example that illustrates efforts to market Hawai’i as a culinary destination.

Island Chapters – KVB: Kaua’i was featured four times online resulting in an estimated 40.9 million unique visitors per month (uvpm) and once in print, estimated circulation of 431,000; OVB: O’ahu was featured three times online resulting in 34.1 million in estimated uvpm; MVCB: Maui was featured twice online resulting in an estimated 10.7 million uvpm; IHVB: The Island of Hawai’i was featured three times online for an estimated total of 13.3 million uvpm; once in print, estimated circulation 1.3 million; once on radio, estimated listening audience 3,000.

- In March, HTUSA generated:
 - 27.5 million social media impressions (*Facebook, Instagram*)
 - March impressions and publicity values for articles that included Hawai’i:
 - o 13 million print impressions; 17 billion online impressions; 90.6 million broadcast imp.

“COMING ATTRACTIONS” FOR LEISURE MARKET

The Travel Trade team will participate in Ensemble Regionals, San Francisco and Los Angeles, May 7-9; Romance Travel Advisor Forum, Puerto Vallarta, May 5-9; Global Travel Marketplace West, Las Vegas, May 9-12; Travel Impressions Call Center Training, Bethlehem, PA, May 14; Ensemble Regional Event, Chicago, IL, May 14; Largay Travel Webinar, May 17; PATA 40th Anniv. Event, San Diego, CA, May 22; Northeast PATA meeting, Boston, MA, May 22; Avoya Travel Webinar, May 22; Ultra Summit, Kissimmee, FL, May 21-23; TravelAge West/Pleasant Holidays Webinar, May 30; NorCal ‘Ohana Meeting, Marin County, CA, June 6; Pleasant Holidays Open House, Westlake Village, CA, June 7; Travel Leaders EDGE Conf., Washington, D.C., June 7-11; Signature Travel Network Regional Educational Forums, San Francisco, June 14; TravelAge West Wave Awards, Marina Del Rey, CA, June 13; PNW ‘Ohana CocoNuts & Bolts, Seattle, WA, and Portland, OR, June 19-20; HDS Training, Boca Raton, FL, June 20; Signature Travel Network Regional Educational Forums, Ft. Lauderdale, FL, June 21; Signature Travel Network Regional Educational Forum, Scottsdale, AZ, June 28; TravelSavers Bootcamp, Atlanta, GA, June 29-30.

The HTUSA PR team is coordinating upcoming individual media visits for freelance writer Joe Yogerst who will gather story ideas for CNN Travel, National Geographic Travel and other outlets; and Chase McPeak, associate editor of The Manual, who will produce a round-up story of activities, hotels, restaurants about O’ahu and Kaua’i.

Hawai'i Tourism Japan Monthly Marketing Report April 2019

Leisure

SUMMARY OF MARKET INTELLIGENCE/ MARKET CONDITIONS

Economy

- The need for technological and infrastructure improvements are essential in maintaining Japanese productivity as the shrinking population becomes an ever-pressing issue. Should birth rates remain at current levels, a third of the of the Japanese population will be over the age of 65, leading to a smaller workforce supporting the economy.
- The Nikkei Business Index, indicating the level of economic activity found that April values declined by 0.2 points, marking the 5th consecutive month of declines. While the declines in April were small, this indicates potential for the economy to be heading into a recession. While overall demand remained relatively flat, the manufacturing industry showed significant declines.

Outbound Travel Market

- The Japan Tourism Agency is establishing systems utilizing GPS for international travelers to ensure their safety. Outbound travelers will be guided to evacuation locations in the event of natural disasters and/or terrorism. The agency aims to boost outbound travels through the establishment of this system, ensuring the safety of travels.
- ANA and JAL announced that booking rates for the Super Golden Week (extended holiday in 2019), increased by 5.9% for all international travels. Bookings rates specific to Hawai'i maintained similar levels to the 2018 period, indicating the need for continued rebranding initiatives.
- JTB compiled the overall travel outlooks for the 2019 Super Golden Week, concluding that international travelers will grow by 6.9% and travel expenditures to grow by 1.5%. Popular destinations included Hawai'i, Southeast Asia and Europe along with significant growth speculated for Oceania.

Competitive Environment

- Visit California launched new promotions under a theme of "California Road Trip Republic", encouraging visitors to visit the various attractions and gourmet options offered in the vast state, using rental cars and public transportation. Targets established include families and millennials, aiming for 1.5% growth overall.
- The Las Vegas Convention and Visitor Authority approved plans for an automated underground transportation system with The Boring Co. This will link the key destinations within Las Vegas such as their Convention Center and McCarran International Airport. Development of technologies is allowing for various issues in destinations such as congestion to become alleviated. Because such initiatives provide opportunities to raise resident satisfaction, effective methods should be considered for Hawai'i.
- Guam Visitors Bureau launched a new campaign targeting the Japanese romance market as the bureau focuses on recovery efforts for the Japanese market. Japanese visitors grew by 18.4% in March, highlighting their returning popularity. Additionally, 94 charter flights were operated in March alone, indicating their growing demand.

Consumer Trends

- New segments of the traditionally conservative millennial generation are arising called “active millennials”, which proactively spend. This segment has tendencies to work at major corporations and are highly sensitive to global trends. For travels, they prefer non-routine experiences, creating further needs for segmented target marketing within the millennial generation.
- New consumer markets are being realized through subscription services, whereby consumers pay a set recurring rate for services (e.g. Netflix). In Japan, music streaming services has been leading the ever-growing variety of subscription services. This is highly indicative of consumer habits shifting from owning to using.
- Consumption models in the current sharing era are transitioning from the traditional AIDMA model (Attention → Interest → Desire → Memory → Action) to the SAUSE model (Search → Action → Use → Share → Evaluation). Consumption habits are changing, as they become increasingly based on resale values through factors such as demand as sharing of goods spreads.

Travel Trends

- HIS downgraded membership status within the Japan Association of Travel Agents (JATA) after 33 years of maintaining full membership. Main reason was their intent to focus on growth of international travels. As this creates potential for initiatives on Hawai'i to be enhanced, HTJ will look out for opportunities to work with HIS in promoting Hawai'i.
- Hilton Grand Vacations and JAL announced collaborations to develop new programs and services for respective customers to Hawai'i. The comprehensive partnership was formed to fulfill the growing demand of Japanese travelers' needs for an unforgettable vacation experience.
- JTB's study on travel and environmental protection found that over 60% of travelers maintained awareness for environmental concerns at destinations. The most popular initiatives taken by travelers included the use of reusable amenities such as toothbrushes. Many also expressed desires for tours where points and/or discounts could be earned for participating in eco-friendly activities.

Media & Online Trends

- Japanese media are rapidly incorporating technological developments such as 360 degree footage, 4k videos and artificial reality to enhance the experience of their audience while attracting new groups. In addition to attracting the attention of consumers, the new mediums allow for easier access to relevant information which could lead to bookings.
- Media entities are starting new ventures in the travel industry, whereby their subsidiary entities sell products introduced in contents of their magazine. The rapid development of digital media provides an ideal opportunity for the media to boost business as they are able to efficiently promote and sell destinations to their established audiences, while further differentiating themselves from competitors.

Airlift

- JTB and JAL will be operating a total 8 charter flights between June and September from 7 cities (Hanamaki, Fukuoka, Komatsu, Kumamoto, Sendai, Kagoshima and Hiroshima). As part of JTB's Global Destination Campaign, special tours to Hawai'i will be offered from the regional cities with the use of JAL's charter service, bolstering demand for Hawai'i from regional cities.

- Chubu Centrair International Airport (NGO) will be opening their new LCC terminal on 9/20. Costs for use of the terminal will be reduced for both airlines and passengers. Airlines including Air Asia X and Jeju Air have already decided to operate from the terminal. Air Asia X will be serving regular flights to Kuala Lumpur, with possibilities to serve Hawai'i as well.
- ANA voiced opposition for the Antitrust Immunity and Joint Venture opportunities currently being processed between JAL and Hawai'ian Airlines. They stated that because Hawai'ian Airlines (HA) holds a near monopoly for the inter-island market, Asian carriers must form interline contracts with HA, to provide access to the neighbor islands. ANA stated that should the partnership between JAL and HA go through, competing in the market will become difficult.
- ANA will be introducing fees for seat selection in select fare classes from May 29th. Seats affected include window and aisle seats, along with emergency exit rows. ANA stated that the implementation of fees is to better provide services that match each fare class.

LEISURE ACTIVITIES

Affluent Market

- HTJ worked directly with affluent market magazine publisher, PAVONE for a closed event for their readers. Through the collaborative promotion, HTJ was able to expand the consumer database to include affluent consumers while also directly promoting Hawai'i to the target segment through the enhanced media exposure. The article featured on PAVONE made 269,500 impressions with AVE of \$863,926.04.
- Luxury market stakeholders ANA and Four Seasons Resorts supported the event to introduce the high-end experiences that can be had in Hawai'i. Both partners provided benefits for attendees at the "Luxury Hawai'ian Night" event held in Tokyo to a select **100 affluent consumers** to attend. The benefits offered ensured the ability for the stakeholders to receive strong return on investment, by encouraging visits to Hawai'i with their respective companies.
- Informational presentations were provided by HTJ, ANA and the Four Seasons Resorts to share the latest updates and trends in Hawai'i to participants. Hawai'ian music, along with a food tasting of ANA's first-class meal were provided to attendees to provide a condensed experience of their potential visit.

Millennial Market Program

- HTJ worked with TABIPPO to launch an overseas travel ambassador program. TABIPPO is an entity promoting millennial generation consumers to travel overseas to experience the culture, society etc. of various destinations.
- The ambassador program launched is called POOLO, with 200 applicants to be selected to become global citizens. The applicants will learn about becoming global citizens on the community-based platform, whereby the extensive network of travelers which TABIPPO owns will educate the students. Upon completion of the program, the attendees will help share the benefits to traveling amongst millennials.
- HTJ participated in the launch event and provided a talk show for attendees to inspire potential ambassadors. The initial edition of the program with 200 applicants will be visiting Hawai'i for a site inspection to experience traveling abroad. Through this collaborative event, HTJ aims to enhance reach of promotions to the millennial market which traditionally could not be reached.

Hawai'i Island Recovery Initiative

- HTJ continued support of various major media entities with popular TV shows throughout Japan to increase exposure of the island of Hawai'i amongst consumers. In April, HTJ provided support to various national television shows. Shows included "Mezamashi TV", "Mirai Seiki Zipang", and "Sekai Fushigi Hakken". The island of Hawai'i was featured for extended durations on each of the above-mentioned shows, effectively promoting visits to the island to a wide consumer base. HTJ is continuing approach to major TV shows to maintain exposure for the island.
- Engaged in a media tie-up with Japanese Hawai'i related magazine "Aloha Express". The magazine extensively featured the island of Hawai'i across 32 pages, to its reach of 245,000.
- For each media, HTJ ensured the introduction of the numerous attractions on the island other than the Kilauea Volcano, to perpetuate the rebranding initiatives for the island and introduce the numerous other experiences to be had on the island.
- Popular Japanese music group "M-Flo" visited the island of Hawai'i to film an upcoming music video. The band is highly popular amongst Japanese consumers in their 30s and 40s and has been maintaining a strong following. Throughout their filming, the band uploaded photos and videos from the island, assisting in creating SNS buzz. The video is set to launch later this year and will create buzz for the island again upon its release.

Hakken Hawai'i

- Hakken Hawai'i media exposure in April totaled 11 exposures, 472,123,428 impressions, and \$706,818.72 ad value.
- Advertisement videos for the Hakken Hawaii Campaign was launched on online TV platform "TVer" (equivalent to TV Everywhere), reaching 1,278,008 impressions. HTJ also began taxi signage advertisements on taxis throughout the Tokyo area, with 502,437 plays recorded in the first week alone. HTJ ensured the effectiveness of advertisements by ensuring placement of call to action on all ads, such as QR codes and links directing consumers to official websites and SNS.
- The Hakken Hawai'i pictorial index book was distributed at events and to partners throughout April to expand the reach of the promotional campaign to new audience groups. The index book compiles the key facts used to appeal Hawai'i to consumers to help them make new discoveries about the island, creating desires for travel.
- The first series of the Hakken Hawaii Hunter consumer campaign ended in April. Through the campaign, HTJ was able to obtain 8,990 consumer marketing data. Data obtained will be used for future promotions such as the upcoming mail magazine, which will include promotional codes from Air Asia X.

Aloha Program / Responsible Tourism

- Aloha Program delivered 6 email blasts to members with an average click through rate of 50.17%.
- Aloha Program site statistics: Unique users at 25,874; Page Views at 180,230; Average Browse Time at 4:18.
- Aloha Program members totaled 634 youth, 9,528 beginners, 5,047 intermediate and 6,929 advanced members for a total of 22,138 specialists. (Total of 38,999 Aloha Program Members)
- HTJ continued member benefit programs for Aloha Program members to encourage attraction of new members and promote members to obtain advance status. Benefits included a webinar

on the Iolani Palace / the attire of the royal family attended by 122 Hawai'i Specialists, along with an 'Olelo Hawai'i seminar in Tokyo. The Aloha Program will continue to provide participation based benefits for members to create desires to visit through the Aloha Program.

- Other consumer benefits in April included a Lauhala workshop in Yokohama (a major target regional city) and a luncheon event with live Hawai'ian music from Nathan Aweau and Jeff Peterson, where a seminar on trends and HTJ's initiatives for sustainable/responsible tourism were shared. Over 63 consumers were able to enjoy these events.
- Popular national TV show "Hawai'i ni Koi Shite", featuring Japanese celebrities extensively featured the Aloha Program and the island of Hawai'i. This show alone obtained AVE of \$4,487,925.68. Through this exposure, HTJ aimed to effectively promote the unique features of the Hawai'ian islands to attract high value consumers.
- A display contest amongst travel agency satellite offices began in April, under the theme of Hakken Hawai'i and the island of Hawai'i. Over 70 satellite offices are participating, effectively raising awareness for the island of Hawai'i while encouraging the travel agencies to strengthen initiatives for the island throughout Japan.
- The Ahupua'a Project was launched under the Aloha Program on 4/1 to promote sustainable and responsible tourism initiatives to the Japanese market. As the first initiative of the program, the "Legacy Wood Koa Tree" campaign was launched, where goals to plant 1,000 koa trees on the island of Hawai'i were established. These initiatives will be promoted to members, many of which are environmentally conscious.

Travel Trade

Continued collaborative seminars with the Hawai'i Association of Japan, a stakeholder group of entities in Japan which deal with Japan – Hawai'i travel business. Together with the Association, seminars were provided to a total of 210 new employees at travel agencies in Osaka, Nagoya and Fukuoka to assist them in better selling the destination. At each seminar session, HTJ introduced basic information for each island, market data, market specific strategies and responsible/sustainable tourism initiatives while stakeholders from the Association provided more specific information on the offerings of their entity.

Public Relations

- HTJ generated a total of 60 exposures, 1,955,088,498 impressions and \$28,618,172.90 ad value in April.
- The approach of the Super Golden Week prompted many TV shows to feature Hawaii. Numerous inquiries were received, asking about various information such as visitor numbers, as Hawaii seemed to be one of the top destinations to visit.
- For media exposure in April, HTJ heavily encouraged the featuring of the island of Hawai'i, resulting in significant coverage from numerous TV shows and online articles relating to the island.
- The Hakken Hawai'i column on popular Japanese women's magazine "CREA" continued in April, leading to the serialization of 5 articles by HTJ with 316,893,600 impressions each. Contents provided by HTJ focused on appealing the island of Hawai'i and responsible tourism, with the theme of the Hakken Hawai'i.
- HTJ assisted coordination of photoshoots and filming on Oahu and island of Hawai'i, which included topics such as the backgrounds of various food items popular to each island. Other support included introducing producers to Japanese women in Hawai'i with inspirational backgrounds and

the negotiation of special rates for film crews at hotels. Some of the contents from media will be reflected on the HTJ portal site.

- Connected web magazine “Very Mama Tabi” with JALPAK to create an exclusive tour for their audience on the island of Hawai‘i. HTJ aims to raise awareness of island of Hawai‘i as a family friendly destination amongst the mothers reading the magazine. This serves as a good example of media entities expanding business opportunities.

Sales Activities – HTJ conducted 43 sales calls and met with 80 agents to promote Hawai‘i.

Wholesaler Performance

- Golden week performance has been strong with 20 – 50% growth YoY. Charter flights were operated from Tokyo, Osaka, Nagoya and Tohoku, greatly contributing to the growth in pax handled. Although wholesalers were able to make significant growth in both pax handled and profits, because demand was significantly lower for the periods before and after the holiday, overall performance for April and May combined remained relatively flat.
- Package products remain a cause for concern at wholesalers, with all but JTB struggling to maintain levels obtained in 2018. JTB alone was able to observe growth through their strong investment to Hawai‘i.
- Although the FIT division of wholesalers are exhibiting growth between 10 – 30%, because the quantities remain relatively low, it fails to make significant contributions to overall pax handled.
- Agents report a strong start in sales for products utilizing ANA’s Airbus A380. However, products utilizing the premium economy seats alone have exhibited signs of difficulty to sell, with the significant growth in these seats.
- Overall sales exhibited growth, particularly from the FIT market, with the utilization of charter flights and travels via Korea being particularly popular.

Osaka Market

- Although the withdrawal of Scoot and reduction of services from JAL was expected to create a shortage of seats in the market, significant portion of seats remain available, causing price wars amongst airlines. Bottom rates have dropped as low as 39,800 yen.
- Should current conditions continue, potential for further reduction of airlift may occur, which would create a significant negative impact on wholesalers in Kansai.

Fukuoka Market

- Wholesalers on average report reduction in performance by roughly 10 – 20% from the Fukuoka market. Although Delta has pulled service from Fukuoka, wholesalers continue sales to Hawai‘i by suggesting travels via Korea.
- Because ANA waives fees for feeder flights, products utilizing the new Airbus A380 have also shown popularity. JAL is also changing aircrafts for their feeder flights to Tokyo, to enhance accessibility for consumers.
- JALPAK has established a branch in Fukuoka and expressed intents to further strengthen initiatives for Hawai‘i in the Fukuoka market.

Island of Hawai‘i

- The renovations occurring at Mauna Lani Resort and Hilton Waikoloa, combined with the growth of timeshare units is causing accommodation prices on the island to remain high. Concurrently, JAL’s focus on yields are prompting airfare to the island to also remain high. This is resulting in the pricing for products to rise.

- Travel agencies have received requests for creation of products introducing the regions covered by lava from the heightened activity of Kilauea.

Partner Relations

- HTJ met with 15 partners including the Honolulu Museum and Hilton Waikiki Resort to discuss strategies for promoting to the Japanese market.
- The second quarterly Japan Sub-committee meetings with Hotel Partners were held on 4/26. HTJ shared market updates and trends and collected booking pace and other insights specific to the hotel industry.
- HTJ met with the DLNR to utilize their Malama Hawai'i video for the Japanese market. HTJ is currently supporting the translation of contents to be utilized by airlines on Japan – Hawai'i routes by early June.
- HTJ participated in a “Safety and Security” meeting at the Consul General Office, organized by the Japan Hawai'i Travel Association (JHTA). At the meeting, information relating to the safety and security of visitors was shared to attendees.

Island Chapters Engagement Update

- IHVB: Worked with IHVB to perform joint sales calls to **8 local partners** on the island of Hawai'i. HTJ shared information on the current Japanese market, details on the recovery initiatives and plans for the 2019 Japan summit. HTJ will be working together with the IHVB and island of Hawai'i partners for the 2019 Japan summit.
- OVB + MVB: HTJ is working with OVB and MVB for translation of the kuleana video to be utilized for the Japanese market.

“COMING ATTRACTIONS” FOR LEISURE MARKET

#	Event Name	Date	Location
1	Tokyu Department Store Hawai'i Fair	5/9 – 5/12	Hokkaido
2	HPCJ x HIS Seminar	5/10	Tokyo
3	ANA A380 Inaugural Flight Ceremony	5/24	Tokyo
4	Hakken Hawai'i Press Tour	5/24 – 5/31	Island of Hawai'i & Oahu
5	ANA Seminar	5/27	Tokyo
6	KNT Seminar	5/27	Tokyo
7	Tobu Top Tours Seminar	5/27	Tokyo
8	Aloha Tokyo	5/31	Tokyo
9	Aloha Program Week in Hawai'i	6/4 – 6/10	Kauai & Oahu

Hawai'i Tourism Canada Monthly Marketing Report April 2019

Leisure

SUMMARY OF MARKET INTELLIGENCE/MARKET CONDITIONS

Throughout Jan-March 2019, the loonie averaged USD \$0.75 cents, a -4.9% decline compared to 2018 and the lowest average value since Q1-2016. Key Canadian vacation travel partners reported soft Q1 for nightly-room bookings, however, visitor arrivals from Canada in the first quarter are up +0.9% to 209,525. As the strategy for Canada further prioritizes high value travelers, HTCAN will continue to closely monitor the spend metrics.

Economy

- The Canadian economy is projected to grow by just 1.4% in 2019
- Consumer spending slowed sharply at the end of last year, but strong income growth will support a rebound in spending this year
- Business investment outside of the resource and residential sectors is set to improve this year, but oil and gas investment will post its fifth consecutive annual decline
- Given the economic slowdown, the Bank of Canada will remain on the sidelines this year; rate hikes will return in 2020, assuming that the economy improves as expected over the second half of this year
- A turnaround in business investment will be required to push the economy to 2% growth next year

Canada's oil sector remains under considerable stress. Since January, oil prices have firmed, including those prices received by our western producers. But limited access to markets remains a significant source of drag and uncertainty. This has led to another downward revision in investment intentions in the sector. Some of this downgrade is likely more structural in nature, as it represents the continued adjustment of the sector to global oil prices of US\$50–60 per barrel, rather than the much higher prices of five years ago. This adjustment process is also being reflected in wages and other costs, and in housing market developments in Alberta.

Uncertainty about future trade policies has risen again in Canada. Economists have seen subdued business investment in most sectors for the past two years but are hopeful that the combination of the signing of CUSMA and the government's Accelerated Investment Incentive would lead to a pickup in investment. Economists expect more growth in the second half of 2019.

The Bank of Canada has set aside discussion of interest rate hikes, at least until the economy re-emerges from what it predicts will only be a temporary slowdown. The bank is now predicting growth in real gross domestic product of 1.2% for 2019, down from its January forecast of 1.7%. It also projected growth at an annualized rate of just 0.3% in the first three months of 2019.

The Bank of Canada predicts the economy to pick up its pace in the second quarter on expectations of stronger housing activity, consumer spending, exports and business investment. It expects the economy to build momentum through 2019 before returning to above-potential growth of 2.1% in 2020 and 2% in 2021. Looking ahead, the bank projects a gradual expansion of investment outside the oil and gas sector before it turns into solid growth in the second half of 2019. Exports of goods and

services are expected to grow with a lift from foreign demand, though the bank noted there's still uncertainty given global trade tensions.

Consumer Confidence

The national consumer confidence rating was 112.0 points in April, a -6.4-point drop from one year ago, and a -5.9-point decline compared to last month. Consumer confidence recorded month-over-month declines in every province, except for Quebec and British Columbia. At the same time, the overall attitude regarding purchase intentions remained at 31.0 of Canadians indicating now would be a good time to make a major purchase. Following three consecutive monthly declines, national retail sales increased in February, posting a 1.8% increase compared to the same month one year ago. In addition, e-commerce sales rose 23.8% to \$1.4 billion.

Outbound Travel Market & Competitive Environment

Total Canadian Outbound Travel

Canadians made more than 5.2 million overnight trips to the U.S. and other outbound destinations during the first two months of 2019, an estimated increase of 1.8% compared to the same period in 2018. Of this total, approximately 4 million trips were for leisure purposes. During the period, overseas leisure travel increased 1.2%, while trips to the U.S. grew an estimated 2.6%. The first four months of the winter travel season (Nov-Feb) saw 10 million overnight outbound trips, compared to 9.8 million during the same period in 2017-18.

Canadian Travel to the United States

Canadians made an estimated 2.7 million overnight trips to the U.S. in January and February 2019, compared to 2.6 million in 2018. Compared to the previous year, there was a -5.7% decrease in the average monthly value of the loonie vis-à-vis the greenback during the period. January and February 2019 saw overnight trips by automobile decline -6.4% while travel by other modes grew an estimated 9.7% as popular destinations recorded higher volumes of direct air deplanements from Canada. Throughout the first two months of the year, many of the tracked destinations in Florida, California, Texas, Nevada and Hawaii posted increases.

Canadian Travel to the Caribbean, Mexico, and Central America

There were more than 1.6 million Canadian arrivals in destinations in Mexico, the Caribbean, and Central America in January and February, a YOY increase of 5.4%. Of the larger volume destinations, arrivals in Mexico grew 7.6%, the Dominican Republic recorded an increase of 2.1% and Cuba grew 2.6%. Mexico and the Dominican Republic accounted for 59.5% of activity in the region during the period; up from 59.1% last year and 55.5% in 2017. Nov-Feb saw Canadian arrivals in sun destinations surpass 2.56 million, an increase of 4.3%.

Dominican Republic: Canadians made almost 254,000 visits to the Dominican Republic in January and February 2019 a 2.1% increase compared to 2018. During the period, Puerto Plata saw arrivals increase 8.0% and visits to Punta Cana grew 2.2%. Despite a decrease in activity in January, the first four months of the winter travel season recorded 424, 000 Canadian arrivals, an increase of 2.9% compared to winter 2017-18.

Mexico: Throughout January and February, Canadian arrivals in Mexico grew 7.6%. During the period, there were 701,000 visitors, 70% of whom deplaned in Cancún and Puerto Vallarta. Other destinations, including Los Cabos and Mazatlán, recorded more distinct increases in their share of arrivals. Despite safety concerns, the first four months of the winter travel season saw 1.2 million Canadian arrivals in Mexico, an increase of 5.7% YOY.

Canadian Travel to Europe

There were 446,000 Canadian arrivals in European destinations (based on reporting by 26 countries) throughout the first two months of 2019, a year-over-year increase of 1.9%. During the period, Slovenia, Hungary, Croatia and Turkey recorded the largest proportional increases in Canadian visitors. The first four months of the winter travel season (Nov-Feb) saw more than 1.02 million Canadian arrivals in various European destinations, compared to 980, 000 during the same period in 2017-18. The largest recorded change was in Spain, where there were 20, 000 fewer arrivals recorded, primarily during November and December.

Canadian Travel to Asia and the South Pacific

There were 667,000 Canadian arrivals in key destinations in the Asia/Pacific region in January and February 2019, a similar volume as recorded the previous year (0.8%). Throughout the period, Sri Lanka, Japan and Fiji recorded the largest proportional increases in visitors. On the other hand, arrivals in China and Hong Kong declined. South Korea’s year-over-year decline is solely due to the uptick in visitation recorded last year during the winter Olympics. The region saw more than 1.36 million arrivals from Canada throughout the first four months of the 2018-19 winter travel season, an increase of 2.7%. Only China, Hong Kong, and India saw a decline in arrivals during the period.

Consumer Trends

Canadian Visits by Island

- Visits to O’ahu increased 5.0% in the first quarter of 2019 while visits to Hawai’i Island fell -8.1% YOY
- Visits to Maui decreased slightly during the period (-0.4%) but still accounted for about four-in-ten visits, a similar proportion as previous years
- So far in 2019, the proportion of visits to O’ahu (+1.2%) and Kaua’i (+0.5%) increased, while Maui (-0.5%) and Hawai’i (-1.5%) recorded declines in the overall share of visits

Canadian Visits by Island (Jan-Mar each year)			
	2018	2019	% change
O’ahu	76,393	80,230	5.0%
Kaua’i	29,973	31,459	5.0%
Maui	104,337	103,887	-0.4%
Moloka’i	1,377	1,855	34.7%
Lāna’i	1,931	2,355	22.0%
Hawai’i	43,741	40,192	-8.1%
TOTAL	257,752	259,978	0.9%

Note: As visits to more than one island can be made during a single trip, the number of visits by island adds up to more than the overall number of visits made to Hawaii.

Travel Trends

Increase in Proportion of Repeat Visitors

- Sixty-nine percent of Canadians who visited Hawai'i in the first three months of 2019 were repeat visitors. This share is up from 68.5% during the same period in 2018.
- Throughout 2018, 63.9% of Canadians who travelled to Hawai'i were repeat visitors; the smallest annual proportion since 2011.

Independent Travel Volume Sets New Record

- After surpassing 37,000 visitors in the first quarter of 2018, the volume of package travelers fell to 35,000 in Q1-2019
- At the same time, the number of unpackaged (independent) travelers increased 2.6% and accounted for 83% of total visits
- The first three months of 2019 saw the number of independent travelers surpass 174,000; the highest level ever recorded for the period

Airlift

- Air Canada and WestJet offered more than 211 thousand direct seats to Hawai'i throughout the first three months of 2019; an increase of 11.3%.
- During the period, Air Canada offered 15.7% more seats and WestJet increased direct capacity by 8.6%.
- While Air Canada offered fewer direct seats from Calgary and Toronto, the carrier increased service from Vancouver. At the same time, WestJet expanded service from Calgary, Edmonton and Vancouver. Scheduled air seats from Canada rose 12.0 percent in March compared to a year ago, supported by increased service from Toronto (+66.0%), Calgary (+18.1%), Edmonton (+12.5%) and Vancouver (+9.5%).

Number of Direct Seats by City			
Jan-Mar, 2018	Air Canada	WestJet	Total
Calgary	10,716	20,436	31,152
Edmonton		6,550	6,550
Toronto	3,384		3,384
Vancouver	58,092	90,720	148,812
Total	72,192	117,706	189,898
Jan-Mar, 2019	Air Canada	WestJet	Total
Calgary	8,534	26,520	35,054
Edmonton		6,812	6,812
Toronto	2,912		2,912
Vancouver	72,082	94,482	166,564
Total	83,528	127,814	211,342
% change	Air Canada	WestJet	Total
Calgary	-20.4%	29.8%	12.5%
Edmonton		4.0%	4.0%
Toronto	-13.9%		-13.9%
Vancouver	24.1%	4.1%	11.9%
Total	15.7%	8.6%	11.3%

Source: OAG, US BTS

LEISURE ACTIVITIES

Consumer

- Social media activity has been ongoing for Twitter, Instagram, and Facebook
- HTCAN continues to fulfill a significant number of requests for Travel Planners and reply to consumer enquiries received from the GoHawaii website

Travel Trade

TravelBrands Agent Appreciation Events

- HTCAN attended events held in Toronto, Ottawa, Montreal, Calgary and Vancouver - April 1, 2, 4, 9 and 10
- Over 1,700 travel agency owners/managers/consultants
- Supplier trade show participation provided quality engagements with attendees and material distribution

WestJet Vacations Travel Trade Expos

- HTCAN booth was shared with nine hotel partners at the expos in Vancouver and Langley - April 29 and 30
- Over 600 travel agency owners/managers/consultants
- Supplier trade show participation provided quality engagements with attendees and material distribution

TripCentral Top Performer Maui FAM/Incentive Trip

- Executed a successful TripCentral Top Performer Maui FAM/Incentive Trip April 6 to 13
- Susan Webb (HTCAN Country Manager) escorted the TripCentral President, Vice-President, Director of Marketing, 13 top performing consultants, and the Manager of Agency Sales from WestJet
- Julie Yoneyama, Maui Visitors & Convention Bureau, hosted a breakfast training session
- Site inspection of host hotel (Royal Lahaina Resort)
- Various activities including Heavenly Hāna Full Day Tour, Maui Craft Tour, and the Myths of Maui Luau
- Trafalgar's "Be My Guest" experience included O'o Farms and Haleakalā
- Many of the consultants extended their stay to visit the islands of Hawai'i, Kaua'i, and O'ahu

Public Relations

- HTCAN confirmed a key media participant to join the O'ahu Millennial Eco Travel and Discovery Press Trip, May 16 to 21
- HTCAN coordinating individual FAMs with top-tier consumer and trade publications in key markets; this is ongoing, while determining dates, themes, and itinerary with ICs in O'ahu, the island of Hawai'i, and Maui
- Determining 2019 group media FAM and which islands to promote; current outlook is late Summer/early Fall 2019 under the theme of outdoor adventure + culture on the islands of Hawai'i and Kaua'i

Sales Activities

Voyages Gendron Travel, Montreal, Quebec – Jean Michel Gendron, Agency Manager

- Large travel agency based in Montreal, specialize in cruise and golf vacation groups
- They are very successful in sending thousands of golfers to Spain, Portugal, Ireland, Mexico, Caribbean and want to focus on enhancing their Hawaii golf product
- Provided information for DMCs that can assist with golf groups and French-speaking guide for pre/post cruise groups

Transat Distribution Group - Suzanne Watson, Regional Manager, Corporate Stores – Western Region

- Recommend for consultants to complete the Hawaii Destination Specialist Program through to the Expert Level and that Hawaii Destination Experts now have exclusive access to Imi Loa – Explore Hawaii, a new self-guided familiarization tour organizer offering exclusive, year-round special rates on accommodations, transportation and activities for travel advisors visiting the Hawaiian Islands
- Offered additional in-office training or go-to-webinar training

Marlin Travel, Miramichi, New Brunswick - Tracey Joudrey, Travel Consultant

- Encouraged completion of the Hawaii Destination Specialist Program through to the Expert Level and that Hawaii Destination Experts now have exclusive access to Imi Loa – Explore Hawai'i

Flight Centre Premium West, Vancouver, BC – Tyson Harrington, International Travel Consultant

- Tyson reported that the grounding of the MAX 8 did not affect any of his clients visiting Hawai'i. His sales to Hawai'i are slow, but he still gets a healthy number of inquiries

Expedia CruiseShipCenters Aspen Landing, Calgary, AB – Stephen Kennedy, Travel Consultant

- As an alternative to the lack of all-inclusive properties in Hawai'i, Stephen often offers an NCL Cruise. He also recommends a pre or post-stay in Maui. Most of his clients spend one week on the cruise ship and one week on O'ahu or Maui.

Flight Centre West End, Vancouver, BC – Michael Bennett, International Travel Consultant

- Michael is a certified Hawai'i Expert. He recently had a couple of high-value travelers that were affected by the grounding of the MAX 8. All their flights were originally non-stops, but the airline only gave them options with stops in Seattle. They enjoyed their 3 weeks stay on the island of Hawai'i and Maui, and they told Michel they will be back next year to visit different islands

“COMING ATTRACTIONS” FOR LEISURE MARKET

- WestJet Expos (Tradeshows) – May 1 & 2, Edmonton & Calgary
- WestJet Campus Tradeshow – May 2, Calgary
- Pacific Northwest 'Ohana Mixer – June 18, Vancouver

Hawai'i Tourism Oceania Monthly Marketing Report April 2019

Leisure

SUMMARY OF MARKET INTELLIGENCE/ MARKET CONDITIONS

Economy

Australia:

The government presented the Federal Budget in April, which also doubled as a campaign launch for the Federal Election on May 18. The budget is forecast to deliver a surplus in 2020-21 for the first time in 12 years, on the back of higher than expected revenues from commodities, strong corporate profits and low unemployment. Elsewhere, analysts are predicting that Australia's economy will be impacted as the risk of a world economic slowdown increases. Consumer sentiment remains cautious as wage growth remains stagnant, household savings are falling, and debt is rising as a percentage of income. The Australian dollar continues to soften, with exchange rates ranging between US\$0.69 and \$0.71.

New Zealand:

The NZ Reserve Bank has dropped the official cash rate to record levels in an attempt to stimulate greater growth on the economy. While unemployment is dipping, it seems to be wage growth that the Reserve Bank is looking for. The interest rate reduction and the ongoing tensions between China and the US caused the NZ Dollar to drop lower against the USD to US\$0.66.

Outbound Travel Market & Competitive Environment

Australia:

Overseas travel by Australians during February 2019 increased 3.5% when compared with February 2018. The most significant changes in arrivals were from: China (+13.3%); India (+9.4%); Japan (+8.2%); Vietnam (-8.5%); Thailand (-5.4%); and USA (-1.2%).

Source: ABS

New Zealand:

The number of New Zealand residents returning from an overseas trip in February 2019 was up 13,800 from February 2018, to 190,600. The biggest changes were in arrivals from: China (up 5,300); Australia (up 4,900); United States (down 1,700); and India (up 1,600).

Source: Statistics New Zealand

Travel Trends

Trip.com officially launched in the Australian market after a soft launch in mid-2018. Trip.com is backed by Ctrip, a multi-billion-dollar business which processes one in every four travel transactions in China and makes use of 50 terabytes of data the company analyses per day to help shape learning and product development. Still a young OTA, Trip.com has experienced three-digit year-on-year growth and has been expanding rapidly, having entered 5 new markets and added 6 new languages in the past 12 months.

Helloworld Travel Limited released a trading update, confirming sales and profit growth as well as improved margins for the first three quarters of the current financial year. Total Transaction Value rose

8.8% to \$4.71 billion for the period, with revenues of \$260.5 million at a gross margin of 5.5%. TTV in the Australian segment increased 10.3% for the period, while the New Zealand segment grew 2.4%.

Flight Centre Travel Group has forecast a double-digit drop in profit for the 2019 financial year due to its underperforming local leisure operations. Next month, Flight Centre will expand its online brand stable with the launch of Student Universe, a specialist online travel agency that targets the youth sector and already has a presence in the US and the UK.

Airlift

Hawaiian Airlines has expanded its codeshare agreement with Virgin Australia, connecting passengers in more than a dozen Australian and New Zealand cities to a broader network of flights to Hawai'i. Travelers will now have one-stop check-in and baggage transfers to their final destination and loyalty reward benefits.

Air New Zealand have begun promoting their new service to Seoul which commences in November. Fares are being priced at NZ\$599 each way.

LEISURE ACTIVITIES

Consumer

HTO Blog: Articles published on the blog and promoted on our EDM this month were:

- Maui Five Ways - <https://www.gohawaii.com/blog-down-under/maui-five-ways>
- Health is Wealth - <https://www.gohawaii.com/blog-down-under/health-is-wealth>
- Top Maui Drives - <https://www.gohawaii.com/blog-down-under/top-maui-drives>

Consumer Newsletter April: HTO sent out a consumer EDM aligning with social media content that had a spotlight on the Island of Hawai'i. The results were: 121,736 recipients, 26,288 (15%) opens and 3,464 link clicks.

Travel Trade

Trade Educational Program: In April, we continue to provide face-to-face destination training to our Sydney partners. We also continue to update our video content to ensure that we can reach those teams that we are unable to provide face to face destination training.

Flight Centre Hawai'i Incentive – Kaua'i Specialist Famil March 28 to April 3

HTO partnered with Flight Centre and Hawaiian Airlines on a co-op campaign to further highlight Hawai'i as the destination of choice for consumers. Selected agents were top sellers during the campaign and completed our training video on their online platform, Compass. Thirteen agents were selected for a specialist famil focusing on the island of Kaua'i. The itinerary included activities aligned with our current messaging in market, Discover Kaua'i Five Ways. The agents took part in sailing, a helicopter tour, culinary experiences, ATV driving and mountain tubing.

Aloha Fridays April

Every second Friday, Travel Weekly includes an 'Aloha Friday wrap' featuring Hawai'i news in their Friday newsletter that goes out to 14,200 people in the travel industry. While in New Zealand, the Aloha Friday feature continued weekly through the month via Travel Today magazine.

Visit USA

HTO are part of the organizing committee for the Visit USA NZ Regional events. In April, the following events took place, at which HTO presented on the destination: Nelson on April 10; and Christchurch on April 11. A total of 100 agents attended these Regional events.

Public Relations

During April, Hawai'i Tourism Oceania worked with a number of media on upcoming print, broadcast and digital features. The purpose of these editorial features was to promote multi-island travel through the Hawaiian Islands. Hawai'i Tourism Oceania also worked with media to confirm family opportunities in 2019.

Month of Lei Media Event

On April 30, Hawai'i Tourism Oceania hosted a media event to promote Lei Day on May 1. This event included the four visiting representatives from the Island Chapters visitor bureaus, as well as trade media guests, and guests from Hawaiian Airlines.

Hawai'i Tourism China Monthly Marketing Report April 2019

Leisure

SUMMARY OF MARKET INTELLIGENCE/ MARKET CONDITION

Economy

a) China Mainland

- **GDP:** China's GDP grew 6.4% YOY in Q1 2019, slightly above market expectations of a 6.3% expansion.
- **Currency:** In April, Chinese Yuan to USD remained the same at 6.7 in light of the ongoing trade negotiations between the U.S. and China.
- **Unemployment rate:** The unemployment rate in China decreased to 3.8% in Q4 2018, reaching a record low since 2002.
- **Consumer confidence:** Consumer confidence in China increased in Q1 2019, standing at 124 Index Points from 121.4 in Q4 2018. Confidence index scoring over 100 points showed that Chinese consumers are optimistic about the present and future economic trends.

b) Hong Kong

- **Economy:** The real GDP growth eased to 0.5 % YOY in Q1 2019, contrasting sharply with 4.6% growth in Q1 2018.
- **Currency:** Hong Kong dollar and US dollar maintained an exchange rate of 1 USD = 7.85 HKD as of April 30.
- **Unemployment rate:** The seasonally adjusted unemployment rate in Hong Kong stood at 2.8% in Q1 2019, maintaining the lowest unemployment rate since January 1998.
- **Consumer prices:** The annual inflation rate in Hong Kong remained at 2.1 % in March 2019, unchanged from the previous nine-month low and above market expectations of 1.6%.

Outbound Travel Market

a) China Mainland

- As reported by Tuniu.com, one of China's leading OTAs, Chinese travelers are likely to extend their 3-day Qingming public holidays with applied annual leave to make a long-haul trip. The most popular outbound destinations during the April public holiday includes Japan, Southeast Asia, Europe and Pacific Islands.
- According to Ctrip, over 160 million Chinese are likely to take a vacation during Labor Day 2019 after the government adjustment to turn the holiday into a four-day break. The figure has increased by 13 million YOY, as reservations span 903 destination cities in 90 countries and regions. The most popular overseas destinations for travelers include Thailand, Japan, and the U.S. Numbers headed

to Southeast Asia remained the highest, but there was a significant rise in travelers visiting the U.S. and Europe.

b) Hong Kong

- Reports from Hong Kong's Travel Industry Council (TIC) showed that bookings of package tours to long-haul destinations during the Easter Holiday rose by 8% compared to 2018, while prices increased by 5%. Popular destinations included Europe, the Mediterranean and the Middle East. Package tours to short-haul Asian destinations during the Easter Holidays also saw a price hike of 3% to 5% YOY.

Consumer Trends

a) China Mainland

- China is leading the world in using live streams to engage consumers on e-commerce platforms. Statistics from Alibaba showed that live streaming sessions in 2018 have generated more than RMB 100 billion (USD 15.1 billion) in gross merchandise volume, an increase of almost 400% YOY. On Taobao, customers can shop for over 600,000 products through live streams every day.
- As stated by Sparkle Tour, a Chinese luxury travel agency under CYTS, travel consumption is a major expenditure for high net worth Chinese, and the main decision-makers and consumers of tourism are women. They wield decision-making power in the choice of travel destinations, travel planning and spending, making them the key target audience in promotion strategy for destinations.

b) Hong Kong

- SoftBank Group's massive technology fund has led a \$225 million investment round into Hong Kong-based online travel start-up Klook. Founded in 2014, Klook offers online booking services for local tours and other experiences, a fast-growing segment that has yet to be dominated by the big online travel agents. The global activities market is expected to grow nearly 50% from 2015 and worth \$183 billion in 2020, according to travel research company Phocuswright.

Travel Trends

a) China Mainland

- China's National Bureau of Statistics recently released data on citizens' leisure time over the past decade, and the findings indicate that the increase in free time has directly led to the rise of outbound travel. Museums and cultural institutions have benefited as well, as Chinese citizens recorded over 1 billion visits to museums in 2018 during their travels, proving that Chinese tourists are increasingly interested in cultural experiences.
- Chinese research firm iResearch stated that Chinese tourists have increased the frequency of their travels abroad. A growing demographic of high-end tourists are joining smaller, customized tours in hopes to escape the crowds of other Chinese tourists making international trips over the holidays. The transaction value of China's customized travel market totaled \$1 billion in 2017.

b) Hong Kong

- According to Skyscanner's Travel Trend Report, Hong Kong Deep Dive Travellers are increasingly seeking long-haul travels. From Rome and Prague, to Casablanca and Kiev, these destinations are rising rapidly as top emerging destinations for Hong Kongers.

Media & Online Trends

- Jiguang (NASDAQ: JG), the leading big data platform in China, released a Social Network Industry Research Report 2019. According to the report, the number of Chinese social network users reached 973 million with 88.5% using installed social APPs on mobile phones as of February 2019. Smaller community and content social APPs have also developed rapidly in 2018. The install penetration rates of content social APPs with niche but in-depth topics have increased from 1.6% to 3.7% with 40 million users having installed such apps.

Airlift

a) China Mainland

- E-north.com, a news platform based in Tianjin, reported that Beijing-Daxing International Airport will officially open doors on September 30, 2019. Together with Beijing Capital International Airport and Tianjin Binhai International Airport, the 3 airports will strengthen international airport groups based in the Beijing-Tianjin-Hebei area. The new high-speed rail line at Daxing Airport will shorten the travel time for travelers from North China as traveling from Tianjin to the new airport will only take 36 minutes.

b) Hong Kong

- Cathay Pacific will end its non-stop Cairns-Hong Kong flights from October 2019, leaving Brisbane as the airline's sole Queensland port.
- Qantas is once again scheduling its flagship Airbus A380 between Sydney and Hong Kong over the 2019-2020 summer season, with first class suites also up for sale – making Qantas the only airline offering first class on this busy route. The 'summer superjumbo' has become a tradition for Qantas, with the double-decker jet well suited to handling the extra bookings buoyed by holidays as well as Chinese New Year.

LEISURE ACTIVITIES

Consumer

a) China Mainland

Marketing Initiatives – Diamond of Islands – Olympic Dreams Hawai'i

To position The Hawaiian Islands as the “Diamond of Islands” in the world of surfing, HTC launched the marketing initiative Diamond of Islands – Olympic Dreams Hawai'i. Partnering with Offline Surfing Club and the famous Chinese Surfing Celebrity Couple Zhang Liang and Yang Xue, the Hawai'i Surfing Trip were broadcast on Tencent Video Platform, Wechat and Weibo.

As part of #Birthplace of Surfing Hawai'i# social media campaign, the video followed the trails of the couple to introduce the abundant travel resources in Hawai'i, such as surfing-themed restaurants, hotels, towns, surfing spots and more. Waikīkī Beach, North Shore, Hale'iwa, Queen Kapi'olani Hotel, Duke's Waikīkī, Lahaina, Paia Fish Market, Hoopika Beach Park, Jaws, Honolua Bay and Monkeypod Kitchen were highlighted in the video, which is estimated to reach more than 100,000 active surfing audience.

b) Hong Kong

HTC-HK at Hong Kong Flower Show 2019 – “When Dreams Blossom”

The Hong Kong Flower Show 2019 made its return between March 15 - 24 with the theme “When Dreams Blossom”, featuring the Hibiscus. HTC-HK took the opportunity to promote the Hawai'i's state flower, the Yellow Hibiscus. The show brought in an estimated 500,000 visitors and allowed HTC -HK to explore a new segment with the flower-loving audience. One of the messages of the show is to support conservation efforts and observe natural environments, an excellent fit with Hawai'i mission on eco-tourism.

HTC-HK hosted a booth and invited the "Hong Kong International Hula Association" to perform Hula dance on-site. The strategically placed booth featured beautiful flowers as well as social media signage encouraging visitors to follow GoHawaii.HK Facebook channel for Hawai'i travel information.

Travel Trade

Camp Aloha 2019 China Mission Successfully Held in Beijing, Chengdu, and Shenzhen.

To provide Hawai'i partners with opportunities presented by travel buyers from 17 cities across 6 regions in China, HTC organized a series of educational seminars, one-to-one business appointments, and media networking events taking place between April 15 - 19.

In the 4th edition of Camp Aloha, over 670 meetings were conducted as 370 leisure and MCI trade buyers and media met with 16 Hawai'i Mission partners. Participating Hawai'i partners included Island of Hawai'i Visitors Bureau, All Nippon Airways, Ala Moana Center, Air China, Battleship Missouri Memorial, China Eastern Airlines, Hawaiian Airlines, JTB Global Travel Service, Kualoa Ranch, Marriott Hotels and Resorts Hawai'i, Fairmont Resorts Hawai'i, MC&A Inc., Norwegian Cruise Line, Pan Pacific Enterprises Group Inc., Waikīkī Trolley and Wasabi International Tours Inc.

Beijing Mission - Other than trade seminar and B2B business mart, HTC also arranged a VIP Media Event in Beijing to share the 2019 new marketing campaign 'Diamond of Islands' to promote a high-end island image. The Official Airlines, All Nippon Airlines, also highlighted the upcoming launch of new flights named the 'Flying Honu'. 61 media, US Embassy representative Mr. Michael Middleton and Hawai'i partners attended the luncheon.

Chengdu Mission - Camp Aloha 2019 received a warm welcome from trade professionals in the Chengdu market and successfully held trade seminar and Aloha celebration dinner. As an emerging market, Chengdu buyers showed great enthusiasm during over the 225 B2B meetings and Aloha celebration dinner.

Shenzhen Mission - In Shenzhen, HTC gathered 110 new and existing Southern region buyers from Shenzhen, Hong Kong, Guangdong, Dongguan, Zhuhai and Foshan and conducted over 280 meetings.

During the missions, HTC shared the Aloha spirit and made a lasting impact on marketing the Hawaiian Islands - Diamond of Islands. HTC is positive about the launch of new Hawai'i products from the participating agencies to better promote Hawai'i.

New Hawai'i Cruise Products on Taobao Live Stream

As part of the partnership with Pride of America NCL to drive traveler spending on the islands of Hawai'i, HTC participated in the first-ever promotional campaign on Taobao Live Stream. Over 60 Hawai'i cruise packages (11D9N and 8D7N) were snapped up within 2 hours, successfully generating RMB 1.8 million (USD 270,000). The 2-hour live stream promotion detailing the awe-inspiring landscapes of the 6 Hawaiian Islands achieved a viewership of 670,000 and non-stop likes amounting to 5.4 million.

Both HTC and NCL is targeting 1,200 cruise travelers to Hawai'i in 2019.

New Luxury products featuring Lāna'i with JinJiang

To attract more higher-spending travelers to Hawai'i, HTC collaborated with Jinjiang Travel to create new luxury products featuring Four Seasons Hotel and private jet tours overseeing the scenic Lāna'i. The new products were promoted at the Shanghai World Travel Fair 2019, successfully securing 2 high-end groups with sales worth over RMB 600,000 (USD 90,000) in revenue.

HTC will continue to work with Jinjiang with a goal to bring over 1,000 Chinese travelers to Hawai'i in 2019.

Public Relations

a) China Mainland

HTC Announced New Campaign “Diamond of Islands” at Camp Aloha 2019 China Mission

HTC announced the new campaign “Diamond of Islands” and showcased Hawai'i's ecotourism through the series of Hawai'i Rooted videos at the Beijing VIP Media Event of Camp Aloha 2019 China Mission. Baby Ambassador Molly also made an appearance, taking the stage as she performed a special hula dance to share her bright Aloha spirit to invited guests.

61 travel and lifestyle medias attended the luncheon, which included *Beijing TV, Travel Channel, iQiyi.com, China Daily, TTTG China, M&C China, Global Times, Voyage, Condé Nast Traveler, Golf Magazine and Golf Digest*. As of April, the press release of the event has generated over **9 million impressions and USD 880,000 in PR value** via 50 Chinese mainstream media.

Media Highlight – GQ 6 Pages Article Featured the Island of Hawai'i

GQ, the top man's fashion and lifestyle magazine in China, featured a 6-page article that introduced the attractions on the Island of Hawai'i. Volcano House, Isaac Hale Beach Park and Richardson Ocean Park. Heritage Centre and Kealahou Bay were highlighted. This article is expected to outreach **460,000 readers and generate a PR value of USD 582,000**.

Social Media Highlight – Hawai'i Telescopes Capture the First Image of a Black Hole

Leveraging on the widespread enthusiasm of the first-ever captured image of the black hole, HTC quickly released the postings on Weibo and Wechat. The stories highlighted the Hawaiian name of the black

hole called ‘Powehi’, and how two of the world’s most powerful telescopes at Mauna Kea played an essential role in producing the rare photo. This effectively kicked off our promotional efforts on all other Hawai‘i attractions beyond the volcanoes on the Hawai‘i Island. These postings saw an increase of 280% impressions compared to daily posts.

b) Hong Kong

Media Highlight – Ongoing HTC-HK X TVB “Fun Abroad” Behind the Scenes Stories

TVB “Fun Abroad” introduced eco-travel on the North Shore of O‘ahu, Kona and Hilo of Island of Hawai‘i. Celebrity presenters Katy Hung and Matthew Ho heavily promoted the Hawai‘i episodes on their social media channels (Facebook and Instagram) to a combined following of 600,000. On top of that, Weekend Weekly – the leading travel magazine in Hong Kong – featured a 6-page story on the TV program, leading to 120,000 viewership of the episode and USD 197,430 in PR value.

Social Media Highlight – The Awe-inspiring Wonders of Hawai‘i

The attractions as highlighted in the social media posts include surfing on Hawai‘i’s iconic waves, ziplining over the magnificent Umauma falls and taking a road trip along Maui’s Hana coast, one of Hawai‘i greatest drives. The awe-inspiring content on HTC-HK’s Instagram and Facebook generated more than 66,000 digital gross impressions.

COMING ATTRACTIONS

China & Hong Kong SAR

No	Event Name	Date	Location
1	HTC Nature & Eco-tourism KOL FAM	May 2019	Island of Hawai‘i and Kaua‘i
2	The Awe-inspiring Trade Education FAM	May 22 - 29, 2019	O‘ahu and Island of Hawai‘i
3	Rainbow Eco-Drive Hawai‘i	May - June 2019	China

Hawai'i Tourism Korea Monthly Marketing Report April 2019

Leisure

SUMMARY OF MARKET INTELLIGENCE/ MARKET CONDITIONS

The declining marriage rate in South Korea is affecting the viability of honeymoon travel agencies, many of which are stagnating, and some have been forced into bankruptcy. The number of marriages in 2018 fell by 2.6% compared to the previous year according to the government report 'Statistics of Marriage and Divorce 2018.' It shows the number of marriage registrations was 257,600, a drop of 6,800 from 2017 and continuing a trend which has been unfolding since 2012. The decline has affected demand for honeymoons, impacting the business of honeymoon-focused travel agencies. Some have responded by integrating the once individual category of honeymoon products into the FIT category. New marketing strategies are imminent as the trend continues.

ECONOMY

- South Korea's economy is estimated to have unexpectedly shrunk in the first quarter due to a drop in capital investment and falling exports, Bank of Korea (BOK) said on April 25. Gross domestic product (GDP) is projected to have backtracked 0.3% in the first quarter from the previous quarter, according to central bank estimates. The result is the lowest growth since the fourth quarter of 2008, when Asia's fourth-largest economy contracted by 3.3%.
- South Korea's employment rate hit a record 60.4% in March, with the number of newly-added hires rising by around 250,000 from March, official data showed on April 10. Statistics Korea said the number of employed people was 26.8 million in March, up by 250,000 from the same month last year. This builds on the improvement in February when the employed population grew by 200,000 month-on-month. The 60.4% employment rate – the proportion of employed working-age adults – is the highest for March since the statistics agency began tracking such data in 1983.
- **Korea Won Exchange Rate/Fuel Surcharge:** The average USD/WON exchange rate in April was 1137.12 won, a slight increase from the previous rate of 1095.24 won in March. Fuel surcharges were imposed in April up to 122,400 won (\$105) for a round trip between Korea and the U.S.

OUTBOUND TRAVEL MARKET & COMPETITIVE ENVIRONMENT

- Korea Tourism Organization (KTO) reported the number of Korean outbound travelers in March 2019 was 2,334,153, a year-on-year increase of 3.6%.
- **Outbound Departures by Koreans**

Month	Departures	Growth (%)
January	2,912,331	1.5%
February	2,617,946	13.3%
March	2,334,153	3.6%
Total	7,864,430	6.13%

Source: KTO (Korea Tourism Organization)

- Set to open in the Maldives in 2019, the first multi-island integrated leisure and entertainment attraction, Crossroads by Singha Estate, is expected to transform the destination's tourism experience. It is designed to expand the Maldives' appeal as a multi-faceted tourism destination by catering to a wider range of visitors, including the medium to high-end family market, lifestyle seekers, eco-tourists and the MICE market. With the Maldives reigning as a global destination with recent infrastructure expansion, Singha Estate is experiencing a rapid increase in demand and potential sales in both local and international visitors. "Since commuting to our islands requires no seaplane, visitors will be able to save more time and cost, thus making every minute in the Maldives count," said Mr. Naris Cheyklin, Chief Executive Officer of Singha Estate PLC.

CONSUMER TREND

- More than half of the South Korean population regularly uses mobile easy payment services, reflecting a growing shift to more convenient payment options. Survey results released by Korea Financial Investors Protection Foundation on April 17 showed that 56.8% of Korean adults use simple online payment solutions for purchases and transactions, up from 51.7% the previous year. The study was conducted in December 2018 and based on 2,530 Koreans across the country aged 25 to 64. Easy payment solutions allow for quicker transactions as they store credit card or bank account information on mobile phones to allow instant payment with a simple PIN number or card scan.

TRAVEL TRENDS

- South Korean households spent an average 192,000 won on entertainment and culture activities last year, of which 69,000 won was outlaid on travel, Statistics Korea reported. Data showed that households' average monthly spend on entertainment and culture activities increased by 9.8% compared to the previous year, and demand for overseas travel, sports activities and entertainment services is steadily increasing.
- Leading tour operator Hana Tour has been grappling with falling profits and soaring debt as more South Koreans schedule their own trips rather than purchase tour packages from agencies, according to industry analysts on April 21. Korea's largest travel agency is yet to reveal its 2019 first-quarter earnings, but analysts expect the company will post sales worth 229.1 billion won and an operating profit of 8.8 billion won, down 0.09% and 26.67% respectively from a year earlier. In 2018, the company logged 828.27 billion won (\$728.79 million) in revenue, up 3% from 804.34 billion won in 2017. But operating profit fell by 39.5% to 24.87 billion won from 41.11 billion won. Net profit also fell 18.1% to 10.59 billion won from 12.93 billion won.

MEDIA & ONLINE TREND

- Global streaming giant Netflix is being adopted by South Korean viewers at an unprecedentedly fast rate, raising alarm among local authorities and industries. Netflix had 1.53 million paid subscribers in Korea as of March, up from 1.14 million in February and 900,000 in January, according to app analysis firm WiseApp on April 23. Average spend per month topped 20 billion won (\$17.5 million). The actual numbers are expected to be higher as some Netflix subscribers make payments through mobile carriers like LG Uplus, Wiseapp added. The streaming service was especially popular among young Koreans, with 39% and 28% of all Netflix viewers in their 20s and 30s, respectively. Viewers aged in their 40s and those in their 50s and older each accounted for 17%, data showed.

AIRLIFT

- Non-stop flights started from Incheon International Airport to Minneapolis-Saint Paul International Airport (April 2) and Boston Logan International Airport (April 12). The former are flown daily by Delta Air Lines and the latter, by Korean Air, are available on five days, except for Monday and Thursday. The addition of the two routes takes the number of direct services operated by the two airlines between Incheon and North America to 15. Delta Air Lines and Korean Air established a joint venture in May last year and are cooperating on 80 flight routes in Asia and 290 in America, including non-stop services between the two regions.
- A generous 1.6 trillion won (\$1.4 billion) clean-up package from creditors has yet to persuade potential buyers to express interest in Asiana Airlines, upsetting the government's hopes of finding a new owner for the country's second flag carrier within the year. Investors continued to dump their shares in Asiana Airlines amid skepticism about a speedy M&A as no company has yet come forward in spite of an aggressive government intervention and bailout scheme from lenders. On April 24, shares of South Korea's No. 2 carrier tumbled 13.6% to end at 6,670 won after closing 6% lower a day earlier. A much bigger rescue package worth 1.6 trillion won was announced for the carrier in a cabinet meeting on April 23 after Kumho Group agreed to surrender its 33.5% stake in the conglomerate's crown jewel. Its potential buyer would have to pay nearly 2 trillion won for the 33.5% stake, plus management rights. No company has expressed formal interest in the carrier, although SK, Hanwha and CJ have been mentioned.

LEISURE ACTIVITIES

Consumer

- **#AlohaEverywhere YouTube Channel Launch:** Reflecting the popularity of video and the platform in the market, HTK is launching its own YouTube channel to diversify and share real-time content. The channel will be opened with video filmed during the YouTuber Fam. To celebrate the launch, HTK will run a consumer promotion leveraging two existing channels with YouTube in-app video advertising.
- **Hawai'i Talk Show with Best-selling writer:** HTK is in discussion with The Traveller to hold a talk show with a writer who has published a best-selling book in May. More details will be confirmed within the month about attendance at the event, venue and date, etc.
- **GoHawaii.com/KR Website Update:** HTK is working on the second phase of GoHawaii.kr website development.

Travel Trade

- **Lotte JTB LPGA Promotion:** HTK collaborated with Lotte JTB on an LPGA Golf Promotion to launch a range of golf tour products and promote Hawai'i as a year-round optimal golf destination in the Korean market. As Lotte is one of the largest retail corporations in Korea with multiple sales channels, HTK fully utilized its B2B and B2C channels to generate incremental visitors, supported by massive AD values from large-scale sweepstakes promotions. The multi-faceted Hawai'i golf promotion has generated a total of 237 pax in Leisure/MCI leads, achieving a year-on-year increase of 10%. Newly-launched Hawai'i golf travel products were exposed through Lotte JTB's official websites, mobile apps, and its multiple media channels. They drew attention to the 2019 Lotte LPGA Championship and showcased various golf courses, including Ko Olina Golf Club, in promotion webpages. Also utilizing Lotte Group's extensive membership network, LPGA Hawai'i

products were advertised through E-DMs sent to 76,479 members, E-Newsletters to 13,009 pax, and LMSs (exclusive membership direct message) to 30,000 members.

- **Second Tier Market Activation:** HTK collaborated with various trade partners – Japan Airlines Busan, Hana Tour Busan, and Tour Mart – to promote Hawai'i to generate business in second-tier markets such as Busan, Gwangju and Daegu. First, HTK supported Japan Airlines Busan and Hana Tour Busan to conduct Educational Seminars. Both partners shared up-to-date destination information targeting top tour operators based in Busan. Second, HTK collaborated with Tour Mart, one Hawai'i's leading receptive operators based in Seoul and Busan, on Hawai'i roadshows in Gwangju and Daegu. The aim was to deliver latest travel information and position Hawai'i as a top-of-mind leisure/MCI destination.
- **Aloha Priority Campaign with Tidesqaure:** HTK will be implementing an Aloha Priority Campaign to target high-end market segments for summer peak season in collaboration with Tidesquare, the nation's leading premium OTA. It will develop a Hawai'i-exclusive promotional webpage on the agent's official website to showcase its splurge of Hawai'i products, such as air tickets to Neighbor Islands, luxury hotels and must-experience activities on O'ahu and the island of Hawai'i. During the one-month promotion from May 12, the co-promotion will be extensively advertised through Tidesquare's multiple media channels.
- **Hana Tour International Travel Show (HITS):** HTK is in discussion with Hana Tour for its upcoming international travel show from June 7 to 9. This year's fair will include a more business-focused marketplace with booking booths at each destination's pavilion to boost on-site sales. Thirteen Hawai'i partners from hotels, attractions, and transport have signed up for the show.
- **Mode Tour 'Destination of the Month – Hawai'i':** HTK will collaborate with Mode Tour on its large-scale 'Destination of the Month' promotion for a Hawaii Online Expo. The co-promotion will run during June to maximize sales volume of Hawai'i package products and stimulate potential demand for summer vacation. It will run in conjunction with Jin Air's return from July 22 and Asiana Airlines' daily flights from August 14.

Public Relations

- **K-Pop Promotion with SM Entertainment:** HTK has collaborated with the nation's top entertainment company, SM Entertainment, to do a celebrity photo book. The project involved one of the hottest K-pop boy groups, EXO, to pitch Hawai'i to the FIT market of travelers aged in their 20s to 30s. The photoshoot occurred on O'ahu, and HTK was involved in itinerary development and location recommendation. The photo book comprised 204 pages and was published on April 30. SM Entertainment also held a special exhibition featuring the pictorial collection at SMTOWN & Cafe which is located at SM's head office. The project is expected to generate more than \$1,500,000 in PR value, including press release and online/offline media exposure.

Sales Activities

- The Korea team had 34 meetings in April with industry trade partners for regular sales calls and to discuss co-op opportunities as follows:
 - **Airlines (5):** Korean Air for sales contest follow-up; Asiana Airlines for airlift updates on daily flights; Jin Air for airlift updates; Hawaiian Airlines for Neighbor Island promotions; and Japan Airlines Busan for the Educational Seminar.
 - **Travel Agencies (20):** Hana Tour, Mode Tour, Hanjin Travel, YB Tour, Very Good Tour, Tour Baksa, Lotte JTB, Tidesquare, Interpark Tour, Online Tour, KLOOK, Hotels Combined,

Hana Biz, Hana Tour Busan, Tournet Hawai'i, Koreana Tour Service, Tour Mart, O Tour, ACE America Tour, and PAX Tour.

- **Hotels** (4): Hilton Hawai'i for sales call meeting, Four Seasons Hotel Seoul, Park Hyatt Busan, and Westin Hotel Chosun Busan for the upcoming trade mission.
- **Rent-a-car/Transportation/Attractions** (3): Alamo Rent-a-car, Hertz and Roberts Hawai'i
- **DMOs, U.S. Government/Organizations** (3): U.S. Embassy & Consulate in Korea, Brand USA, and Visit California.
- **Consumer Brands** (0): N/A

"COMING ATTRACTIONS" FOR LEISURE MARKET

- Aloha YouTube Channel Unveiling (May)
- Mode Tour Destination of the Month (June)
- Hana Tour International Travel Show (June 7 - 9)
- 2019 Hawai'i Trade Mission in Korea (June 9 – 11)

Hawai'i Tourism Taiwan Monthly Marketing Report April 2019

Leisure

SUMMARY OF MARKET INTELLIGENCE/ MARKET CONDITIONS

Economy

- Taiwan's GDP rose 1.72 percent from a year earlier in the first quarter, falling short of the 1.82 percent growth projected in February. The unemployment rate in March was 3.68%, increased by 0.04 points compared to February.
- Taiwan's Consumer Confidence Index (CCI) increased 0.97 points to 85.33 in April at a time when domestic investment and consumption showed signs of increasing. Of the six factors that reflect public confidence, the local job market was the only sub-index that fell in April. On the other hand, the factors on consumer prices, the local economic climate, the likelihood of purchasing durable goods, and family finances rose 1.45, 1.30, 1.10 and 1.05, respectively, from a month earlier to 48.20, 85.30, 92.10 and 90.00 in April.
- The Taiwan currency depreciated to 30.861 against US dollars in April, compared to the previous month.

Outbound Travel Market

According to the Taiwan Tourism Bureau, the overall number of outbound visitors from Taiwan was 1,364,627 in March 2019 with a 1.49% decrease compared to March 2018. The outbound number to U.S. decreased by 8.22% to 43,292 in March 2019 compared to the same period last year.

Competitive Environment

Thailand Extends Waiver on Visa-On-Arrival Fees to October

The Thai government approved a plan to extend its waiver on visa-on-arrival fees for visitors from Taiwan for another six months. Under the program, the visa-on-arrival fee of 2,000 baht (US\$60.67) is waived for travelers from 21 countries, for visits of no more than 15 days. The waiver on the visa-on-arrival fee began on November 15th, 2018 and has been twice extended so far. It is expected that the free visa-on-arrival plan will stimulate and promote tourism as well as to enhance the kingdom's attractiveness among Taiwanese visitors.

Consumer Trends

Trends in Global Millennial

Travelport has released a report providing an insight into the key trends and spending behaviors of millennials. According to the research, young people ages from 18 to 34 are most likely to spend more money on vacations than other age groups. In addition, millennial travelers prefer to explore international locations over domestic destinations. They are keen to extend their business trips to spend extra time with friends and family. As for travel behaviors, millennials are more tended to spend more money on authentic and experiential travel experience, which allows them to experience activity-based travel such as cultural/educational, culinary, voluntourism, and adventure tourism, and also to get connected with people around them.

Travel Trends

Booking.com Reveals Key Findings from Its 2019 Sustainable Travel Report

Booking.com has recently released findings from its annual sustainable travel report. According to the statistics, over half (55%) of global travelers reported being more determined to make sustainable travel choices than they were a year ago, but barriers include a lack of knowledge and available or appealing

options when trying to put this into practice. 77% of the Taiwanese travelers think that travel companies should offer consumers more sustainable travel choices. In addition, over 60% of the Taiwanese travelers expressed that they would alter behaviors to be more sustainable while traveling, such as walking, riding a bike or hiking whenever possible. Besides, 66% would like the money they spend on travel to go back into the local community.

Airlift

Tigerair Taiwan to Launch Flights to Palawan in June

Tigerair Taiwan, a subsidiary of China Airlines, announced that it will launch direct flights to Palawan, Philippines on June 7th, which would give it three routes connecting Taiwan and the Philippines. The Taoyuan-Puerto Princesa flights will operate every Tuesday, Friday and Sunday using an Airbus A320. Since Taiwan has seen a surge in demand for low-cost air travel over the past six years, with the number of passengers on budget flights rising to 10.63 million last year, Tigerair Taiwan is hoping to further tap into the travel market by launching this new route to Southeast Asia.

LEISURE ACTIVITIES

Consumer

HTT is Arranging “Hawai’i Month” at Eslite Spectrum

Since April, HTT has been working with Eslite Spectrum to plan the “Hawai’i Month” at Eslite Spectrum Taipei. Eslite Spectrum is an upscale shopping mall that focuses on delivering cultural and sophisticated products as well as experiences. The “Hawai’i Month” is scheduled to take place in July featuring in-store collateral, Hawaiian décor and hula dance performances. Eslite Spectrum will host a “Hawai’i Lucky Draw” for its shoppers and give away flight tickets, tour packages and other Hawai’i-themed gifts. In addition to the “Hawai’i Month” promotion in July, HTT will arrange a flash mob on June 8th. The flash mob will incorporate Hawaiian music and hula performance to allow the Taiwanese to experience the authentic Hawai’i as well as promote the message of China Airlines’ additional flight to Honolulu starting in May.

HTT Partners with Spice TW and AirAsia to Promote Hawai’i to Millennials

HTT is partnering with AirAsia and Spice TW, a travel content creator/travel app startup, to promote Hawai’i as the top location for outdoors, cultural activities, local food and Instagrammable attractions to millennials. The core message is to encourage millennials to spend more on activities and experiences in Hawai’i because AirAsia’s affordable airfare would help them save more on travel budget. Since April, HTT has been working closely with OVB and Spice TW to develop the itinerary they want to feature in the co-op. Meanwhile, HTT is negotiating with Spice TW to discuss coverage distribution across industry partners, activities and restaurants. The crew will travel to Hawai’i in June and the final itinerary will be finalized in May.

Co-op with Vlogger – Danny Beach’s Adventure in Hawai’i

HTT has been doing a collaboration with Taiwanese vlogger - Danny Beach to promote Hawai’i as a perfect girls’ getaway. Danny is a famous Taiwanese vlogger/writer focusing on lifestyle beauty and fashion with 374K followers on her Facebook and 196K on her YouTube channel. Danny has expressed that she had been to Hawai’i in 2018 and would like to explore O’ahu more from April 13th to May 12th. Since April, HTT has been working closely with Danny to draft an itinerary for this co-op. Danny will visit various destinations and experience cultural activities such as entering the Battleship Missouri, participating in lei-making workshop on Lei Day, visiting local shops at SALT at our Kaka’ako and learning hula. Danny has shared 13 posts on her Instagram and six posts on her Facebook in April. More coverage including social media posts and videos will be released in May.

Travel Trade

Co-op with China Airlines on the Additional Flight Starting May 3rd

Starting from May 3rd, China Airlines will launch an additional direct flight on Fridays between Taoyuan International Airport (TPE) and Daniel K. Inouye International Airport (HNL) in addition to the existing two flights every Wednesday and Sunday. Given the seat capacity of the three direct flights, HTT has proposed co-op programs to start promoting the destination with China Airlines to drive ticket sales as well as package tour products. With this cooperation, HTT worked with China Airlines to design a billboard banner showing at Eslite Spectrum Songyan Store to inform consumers about the additional flight on every Friday. The advertisement was presented on April 30th and will run throughout May.

HTT and China Airlines Hosted a Press Event on Promoting the Additional Flight to Honolulu

In April, HTT worked closely with China Airlines on the press luncheon taking place on April 29th. The main purpose of this press event was to encourage the media/journalists to share a press promoting China Airline's additional flights to Honolulu. The event was held at TOWN by Bryan Nagao, a Hawai'i themed restaurant managed by celebrity chef Bryan Nagao. A total of 16 journalists from 13 media outlets attended this event. HTT introduced some must-see spots and new travel trends in Hawai'i. The event went smoothly and served as a great opportunity for HTT to network with the media and trade partners.

Public Relations

Media Monitoring (Clippings & Publicity Calendar): In April 2019, Hawai'i Tourism Taiwan secured 90 PR coverage publications on an unpaid basis. The estimated advertising value was USD\$1,956,220.

Sales Activities

Company	Name	Location
Lion Travel	Manager, Mr. James Huang Hawai'i Line Route Planner, Ms. Jean Wu	Taipei
Phoenix Tour	Vice General Manager, Mr. Stanley Shao	Taipei
Cola Tours	MICE Dept. Vice General Manager, Ms. Julia Hsu	Taipei
Life Tour	MICE Dept. Vice Manager Mr. Ray Ko	Taipei
Dragon Tours	American Line Manager, Ms. May Sun	Taipei
KKDay	Senior Business Developer, Nina Huang	Taipei
China Airlines	Assistant Manager Mr. Sung Tao Ming	Taipei

COMING ATTRACTIONS

- April to June [Planning of Vlogger FAM], Taiwan
- April [Co-op with China Airlines to Promote the Additional Flight Starting on May 3rd]
- May [The Publish of Marie Claire Taiwan magazine]

Hawai'i Tourism Europe Monthly Marketing Report April 2019

Leisure

Summary of Market Intelligence/Market Conditions

A. Economy

United Kingdom and Ireland

- British households reported the strongest growth in at least a decade in their earnings, suggesting that consumers and their spending will keep on supporting the economy during Brexit.
- According to the Office for National Statistics borrowing for the 2018-19 financial year was £17.2bn less than in the previous financial year. Economists believe the reduction should give the government freedom to ease the austerity measures of the last decade.
- Unemployment fell by 27,000 in the three months to February to 1.34 million, official Office for National Statistics figures show. The number of people in work was also virtually unchanged at a record high of 32.7 million, with a jump of 179,000.

Germany and Switzerland

- Overall, the German economy remains stable. FocusEconomics Consensus Forecast panellists expect the German economy to grow to 0.9% in 2019, and 1.4% in 2020.
- According to Trading Economics, the Swiss economy is currently at 0.2%. FocusEconomics panellists expect the Swiss GDP to grow 1.2% this year and to 1.5% in 2020.
- Germany's unemployment rate is currently 3.2%. Employment in Germany continues to grow at a steady rate and the unemployment rate is the lowest rate since April 1980.

B. Outbound Travel Market

United Kingdom and Ireland

- The Office of National Statistics revealed provisional results for overseas travel for November and December of 2018. There were 2.8 million visits abroad made by the UK in December 2018; 9% more than in December 2017. Spending reached £1.7 billion, which was also 9% more than 2017

Germany and Switzerland

- According to CLIA, Germany was the largest market for cruising vacations in Europe in 2018 with 2.3 million cruise passengers.
- The USA reportedly remains the most important long-haul destination for Germans with approximately 2 million visitors each year.

C. Competitive Environment

United Kingdom and Ireland

- The Tourism Authority of Thailand has revealed that tourism revenue earned from international visitor arrivals to Thailand and domestic trips, during the 2019 Songkran holiday all showed year-on-year increases over the same period in 2018. The number of international arrivals reached 543,300 and generated revenue of 10.23 billion Baht.
- A recent report shows Vietnam has already had close to 6 million visits in the first four months of the year. The latest statistics posted by the Vietnam National Administration of Tourism for January to April reached 5,968,880 visits, an increase of 7.6% over the same period last year.

Germany and Switzerland

- According to FWW Destination Rankings, Mauritius, has increased in popularity over the last five years and doubled their number of overnight stays by 14% from last year.
- FWW will be conducting a workshop next month with Barbados Tourism with Condor as a flight partner to increase tourism from Germany. This comes with the news that Eurowings will be operating three flights a week from Frankfurt starting at the end of October for the winter season.

D. Consumer Trends

United Kingdom and Ireland

- New findings from ABTA reveal 28% of people in the UK plan to spend more on their holiday this year, and that outbound travel provides a boost to local economies in the UK. London's strong commitment to taking holidays abroad also provides the biggest boost to the local economy – spending over £12 billion million in 2017 and supporting almost 120,000 jobs.
- Conde Nast Traveller revealed its Top Travel Trends for 2019. The trends included the rise in eco-conscious holidays and more challenging adventures.

Germany and Switzerland

- According to Ralf Freitag, head of market research institute IPK, only 19% of international travellers use Facebook or Twitter for travel information updates.
- According to Gfk Travel Insights, online travel sales are out-performing offline travel sales. Summer 2019 bookings in Germany grew 2% last month. This increase was due to online sales as the offline sales through traditional travel agencies are stagnant.

E. Travel Trends

United Kingdom and Ireland

- First Class Holidays has revealed the first details of its inaugural round the world grand tour, inspired by Phileas Fogg's epic voyage. The journey takes in First Class's four core destinations: Canada and the US, with 5 days on the Hawaiian Islands included before heading to New Zealand and Australia.
- Kuoni's recent Worldwide Travel report has revealed that almost three out of four people agree that holidays are instrumental to lifelong learning, having been on at least one holiday where they had the opportunity to learn something new.
- Luxury hotel company Four Seasons has announced plans for a new customised private jet to begin flights in 2021

- Intrepid Group reported a 12% sales increase in the UK during the first three months of the year – well ahead of last year's overall growth of 7% for its UK business.

Germany and Switzerland

- In a survey by Travelzoo and 'Norstat' 2 out of 3 Germans would postpone their travel due to overcrowding and 59% would choose an alternate destination, this trend follows the recent global focus on over-tourism.

F. Media Trends

United Kingdom and Ireland

- Conde Nast has named former Pandora Radio boss Roger Lynch as its first global chief executive five months after the company merged its US and international arms. Lynch will replace sitting Conde Nast International head Jonathan Newhouse, who is set to become chairman of the board. Former Conde Nast US chief executive Bob Sauerberg will leave the publisher of Vogue, Vanity Fair and the New Yorker on the appointment of Lynch.

Germany and Switzerland

- In Germany, 25 new print magazines were launched between January and April 2019. The magazines' target groups for the new publications include kids' interest, food and culinary, sports and lifestyle.
- German digital travel market – the daily use of internet decreased: According to the latest results of netzvitamine.de, the mobile use of tourist websites increased by 9% within one year. This means that the share of mobile accesses (44%) to tourist websites is now significantly higher than the share of desktop accesses (41%).

G. Airlift

United Kingdom and Ireland

- Virgin Atlantic is searching for Manchester's hottest musical talents to headline a special, one-off gig in Los Angeles to mark the launch of its new Manchester-LA service next month.
- British Airways is planning to roll out biometric boarding to international flights after successful tests on UK domestic routes and US departures. The technology is currently deployed on BA's routes to and from Los Angeles, New York JFK and Orlando, where BA says it can board almost 240 customers in 10 minutes after becoming the first carrier to set up permanent facial recognition gates at the airport.
- Sustainable tourism specialist Responsible Travel has called for a global "Green Flying Duty" on flights to control CO2 emissions from aviation, including placing higher charges on premium airline seats.

Germany and Switzerland

- Condor now offers over 30 long-haul flights including to the USA. These flights are available from Frankfurt, starting in Summer 2020.
- Lufthansa now flies year-round from Frankfurt, Germany to Austin, Texas, five times a week.

Leisure Activity Updates

A. Consumer

• **'Share Aloha' Influencer Campaign**

Continued discussions and began working on a filming schedule for the influencer campaign. Filming will take place in Hawai'i at the end of June. Liaison between the UK and German team will decide on influencers and discuss the logistics ahead of the trip.

• **Experience our Aloha Campaign**

HTE continue to follow up with CTA partners to discuss results following completion of the campaign. They finalised a PCA report to be shared with Head Office highlighting outcome of the campaign. HTE are still awaiting results from CANUSA as their activity has not yet completed. HTE are in contact with the EOA winner for both the UK and Germany to coordinate their trip.

• **Joint Tour Operator Marketing**

Ongoing liaison with NyHavn Rejser and Trailfinders with regards to joint marketing activity. HTE have requested a full campaign report now activity with Trailfinders is complete.

• **Social Media**

Continued efforts to drive organic engagement to social channels. HTE held a call with Wahine Media to discuss any updates, including use of stories on Instagram, and queries the team had. Wahine shared a 'hashtag help document' for the use of THE.

• **Website**

Ongoing review of the website to ensure the information is relevant for the UK market. HTE coordinated the translation project for German, Spanish and French.

• **Consumer enquires**

HTE responded to all consumer enquiries as and when they were received via email and over the phone.

B. Travel Trade

United Kingdom and Ireland

Trade Liaison

- Continued to monitor and liaise with all Tour Operators, face-to-face, via email and over the phone to track performance to the Hawaiian Islands.
- Ongoing updates to Trade Account Management Matrix Segmentation and brochure audit; updates continue to be made from the trade survey shared in January 2019, sales calls, training and other trade events.

Trade Education

- Conducted destination training at Flight Centre, American Road Trip Company, Gold Medal and Trailfinders.
- HTE took part in Flight Centre's USA training day, training over 40 agents during the afternoon.
- Updated the destination training presentation to be more aligned with HTA's focus on sustainable tourism.
- HTE reviewed and revised the current online training programme to ensure further completions and a lower drop-off rate; continued liaison with Equator Learning to discuss best practise for the platform.

Trade FAMs

- HTE began preparations for the Product Manager FAM trip to coincide with the Fall Tourism Conference.

Germany and Switzerland

Trade Liaison

- Ongoing liaison with CANUSA post Experience our Aloha campaign
- Received Experience our Aloha campaign results, as the campaign completed in February:
 - Total Digital Reach: 7,036,230
 - Digital Gross Impressions: 1,059,461
- Ongoing liaison with all major tour operators regarding current Hawai'i marketing support requests

Trade Education

- Shared German quarterly trade newsletter at the beginning of April

C. Public Relations

United Kingdom and Ireland

- Drafted press release for distribution to all European markets
- Held media meetings with key editors from national newspapers and consumer magazines
- Ongoing media liaison and press trip organisation across target European markets

Germany

- Ongoing support of individual media trips, planning of group press trips 2019
- Proactive pitching – general and specific/niche topics
- Regular posting across Facebook and Instagram channels

D. Sales Activities

European Coordination

- Ongoing liaison with trade to support sales and product development
- 11 trade meetings/ sales calls carried out in total

E. Upcoming Activities for Leisure Market

- US Airtours training day in Essex – Date is TBC
- Share Aloha Influencer Filming across all Hawaiian Islands - June
- IPW 2020 in Anaheim - June

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Leisure

SUMMARY OF MARKET INTELLIGENCE/ MARKET CONDITIONS

Economy

Malaysia: The Malaysian Institute of Economic Research (MIER) has projected that all sectors including services, manufacturing, agriculture, construction, mining and quarrying contributing to Malaysia's Gross Domestic Product (GDP) will grow in 2019. For instance, first quarter updates reported service sector is forecast to grow moderately at 5.5% this year, down from 6.8 % in 2018, and would remain the largest contributor to the GDP growth.

Currency Exchange: USD 1 = MYR 4.13 as of April 30, 2019 vs MYR 4.08 as of March 31, 2019.

Singapore: Singapore's economy expanded 1.3% in the first quarter of 2019, slipping further from its weakest quarter of growth in three years due to global uncertainty. The Monetary Authority of Singapore expects full-year growth for Singapore to come in slightly below the mid-point of the 1.5% to 3.5% forecast range in 2019.

Currency Exchange: USD 1 = SGD 1.36 as of April 30, 2019 vs SGD 1.35 as of March 31, 2019.

Indonesia: Jokowi's re-election buoys the economy of Indonesia – the fiscal and monetary management have maintained macroeconomic stability. On the other hand, professional experts are better hired to furthering the areas of agriculture, mining, trade & transportation.

Currency Exchange: USD 1 = IDR 14.19 as of April 30, 2019 vs IDR 14.21 as of March 31, 2019.

Thailand: The World Bank foresees the Thai economy expanding by 3.8% this year and 3.9% next year with growth slowed by the impact of the trade war between China and the United States.

Currency Exchange: USD 1 = THB 31.89 as of April 30, 2019 vs THB 31.75 of March 31, 2019.

Outbound Travel Market

Malaysia: International Air Transport Association (IATA) analysis shows that, the introduction of departure levy would reduce the number of air travelers departing Malaysia by up to 835,000 per year, and decreasing the aviation sector's gross domestic product (GDP) contribution up to USD 419 million. Starting on June 1, 2019, passengers flying to ASEAN destinations will have to pay a departure levy of USD 5 and USD 10 for those who traveling to non-ASEAN countries.

Singapore: Trade partners reported that Japan, South Korea and Taiwan are still popular choices for Singaporean in April due to the cherry blossom period. Bookings to Europe remain strong for the coming months.

Indonesia: Despite of the Presidential election in mid-April 2019, the business of outbound travel remains stable where most of MCI corporate do the traveling to Europe and Asia.

Thailand: Top three popular cities where Thai people visited during Songkran holidays was Tokyo in Japan, Seoul in South Korea and Taipei in Taiwan due to the visa fee waivers for Thai tourists that was the reason why Thai people choose to travel more to those cities.

Competitive Environment

Malaysia:

- **Sharjah Tourism Board** invited 8 travel agencies for familiarization trip on Emirates' business class from April 9-13, 2019. This familiarization trip also included one full day B2B networking session with Sharjah Stakeholders.
- **Korean Tourism Organization** organized a Hanbok design contest on April 25, 2019 until May 5, 2019. Participants are required to share their Handbok design and story on social media channels and hashtag #AkuCintaHanbok.

Singapore:

- **Swan Valley Tourism**, a region of Western Australia has organized a media and trade industry outreach event in Singapore on April 2, 2019 with a contingent of industry stakeholders at Open Farm Community. The B2B event in Singapore, dubbed Swan Valley Unearthed, was also timed to coincide with the release of five new tourist trails in the area, namely, Fresh Seasonal Produce, Fine Wine, Wine and Art off the Beaten Track, Kids in the Valley, and the Bushtucker and Beyond. The event is targeting to draw more repeat visitors as well as more family travelers from Singapore.

Thailand:

- **Malaysia Embassy** in Thailand together with Malaysia Tourism Thailand organized The 17th anniversary of the Winger Camaraderie Ride 2019 or WCR 2019 at the Malaysian Embassy in Thailand.

Consumer Trends

Malaysia:

- Malaysian travel agents are reporting a cut back on travel spend and shift towards domestic holidays, with the Central Bank of Malaysia lowering its projection for the year's GDP growth from 4.9% to between 4.3% to 4.8% due to headwinds from global events such as the US-China trade spat and Brexit deadlock.

Singapore:

- TripAdvisor Experiences report reveals that travelers bookings for photography tours among travelers from Singapore have increased by 51% in 2018 from 2017. Today, on Instagram alone, the hashtag #travelphotography surfaces more than 67 million posts, while #travel yields more than 378 million posts.

Travel Trends

Malaysia:

- Travel agents remain the primary mode of booking for travel packages in Malaysia, but there's a growing trend towards direct online bookings for airfares and ground packages.

Singapore:

- China remains a perennial favorite destination for Singaporean travelers, fueled by a bevy of air links to first and second-tier Chinese cities, and growing access to in-depth and immersive experiences in the vast country. Singaporeans are also drawn to the picturesque outdoors of Zhangjiajie, Yunnan, Harbin and Beijing, the latter two being popular winter destinations for young families.

Media & Online Trends

According to a study conducted by travel industry market research – 41% of the business and 60% of leisure travel arrangements are nowadays made online. Thus, to gain an edge over travel destination competitors, destination brand marketers should adjust the marketing approaches and strategies to fulfill the needs of travelers. Personalization is the key element to capture audiences through online media channel. Users value the unique experience, customized offerings and personalized services/content they can expect from brands.

Brands are widely incorporating robotic technologies in their marketing tools such as Chat Bot to serve as the 24/7 customer care service center or robot to serve its customers. Chat Bot demonstrates the ability to accurately and continuously sort through data and to deliver rapid responses to inquiries. On the other hand, marketers should also focus on developing mobile friendly app, website or social media content. Travel and tourism industry overview for the recent years has shown that half of the online booking operations are mobile. All in all, it is important to develop a progressive digital strategy to make the most in the market.

LEISURE ACTIVITIES

Consumer

HTSEA started Instagram content postings and the current followers stand at 1,136 as of April 30, 2019. It will take some time for the Instagram account to grow.

Travel Trade

Malaysia: Corporate Information Travel created some travel contents of Hawai'i, featured on their website alongside the tour packages as call-to-action.

Singapore: There will be a RFP for Prudential insurance comprising 800 to 1,000 pax. In addition, AIA insurance is considering Hawai'i as the MCI destination in late June/early July 2020 with 3 nights in Honolulu for 850 pax whereby 250 pax will be qualified as high achiever with 4 nights stay in Honolulu. AIA will provide a fixed sum for the staff to purchase their own airfare and arrival transfer.

Public Relation - N/A

Sales Activities

HTSEA conducted **32 sales calls** in Southeast Asia to promote Hawai'i.

[Hawaiian Airlines] To discuss and explore opportunities for joint collaboration for the upcoming influencer FAM. HA agreed to offer 1st checked bag waived for each travelers for inter-island flights.

[All Nippon Airlines] Explore partnership opportunity for possible MCI Fam for HTSEA, in partnership with both O'ahu Visitor Bureau as well as Maui Visitor Bureau. After back and forth discussion with NH and stringent sponsorships policy, they are unable to offer complimentary air-tickets for MCI agents.

[AirAsia X] To discuss and finalize the 3 couples influencer FAM held from May 18-23, 2019 that travel to different islands for different experiences. Currently HTSEA is working with AirAsia X as well as the influencers to have the tripartite working agreement signed.

[Global Travel] Followed up with agent on the potential MCI groups to Hawai'i in 2020. Agent has advised that an official RFP tenders for Hawai'i 2020 have just been received and they would like to seek HTSEA support.

[EU Holidays] Demand for Hawai'i has been slow and agent commented a lack of consumer outreach marketing effort from HTSEA. Agent has managed to sell some FIT packages. HTSEA has proposed to conduct a destination talk at their new office. Agent will advise on appropriate date that will fit into their plan.

[Chan Brothers MICE] HTSEA has provided the list of Hawai'i land operators for agent's reference. Agent would like to seek HTSEA support for Prudential MCI group RFP for Hawai'i in 2020.

Coming Attractions

[May] Influencer Fam - #MYHawaiiLoveStory
[May] Jetset to the Hawaiian Islands
[Jul – Sep] Awe-inspiring Journey to Paradise



Group Sales Status Report – April 2019

OVERVIEW

Concerns about overtourism are increasingly top of mind for tourism stakeholders, coinciding with calls for more sustainable initiatives in the travel industry. A recent report titled “Destinations at Risk: The Invisible Burden of Tourism”, commissioned by United Kingdom-based Travel Foundation, outlines the key challenges to devising a standardized solution to overtourism by examining several case studies in Europe, Africa, Thailand, Mexico, as well as the Maldives. On the one hand, according to the World Travel and Tourism Council, the global tourism industry has honed tools and strategies for tracking and increasing demand from tourists, helping to generate the US\$8.8 trillion that travel and tourism contributed to the global economy in 2018. On the other, the Travel Foundation report points out where methods of tracking and managing supply need to be developed, to effectively monitor and control access to popular tourist sites and natural resources and manage waste systems.

Developing more insights into and planning for sustainable initiatives maybe one solution for helping destinations like Hawai'i, which rely on natural resources as a draw for the tourists that drive the local economy, but also need to take into account the impact on local communities and the cost of living. *Smart Meetings* recently published an event planners' guide to sustainability, with suggestions on how to choose sustainable venues for meetings, options for conserving water and energy during events, and how to implement recycling and composting policies. Interestingly, according to a *Successful Meetings'* survey identifying current meeting activity trends, 46 percent of respondents anticipate planning more virtual meetings in 2019 compared to previous years, signaling a potential uptick in technology's role in the meetings industry as well as in counteracting overtourism.

SALES PRODUCTION (in the month for any year)

Table 1: Total Sales Production – April 2019

	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	32,162	17,552	83%	117,880	110,056	7%
Tentative & Assist-Tentative	41,946	78,079	-46%	357,960	356,243	0%

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
April 2019

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	1,405	230	511%	40,188	41,316	-3%	195,000	21%
New to Hawai'i	710	0	N/A	11,001	6,055	82%		
Tentative	0	27,713	-100%	85,690	139,397	-39%		
MCI								
Room Nights								
Definite	1,195	230	420%	24,539	32,929	-25%		
New to Hawai'i	500	0	N/A	6,591	5,900	12%		
Tentative	0	23,548	-100%	76,701	133,337	-42%		
Non-MCI								
Room Nights								
Definite	210	0	N/A	15,649	8,387	87%		
New to Hawai'i	210	0	N/A	4,410	155	2745%		
Tentative	0	4,165	-100%	8,989	6,060	48%		

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, the Hawai'i Convention Center (HCC) sales team's solicitation efforts garnered the following verbal definite bookings not counted in April's production numbers – a scientific association with 8,000 room nights for June of 2025, a fashion tradeshow with 1,200 room nights for October 2019, and a scientific association with 1,910 room nights for July 2021.

This past March, HCC participated in the following trade shows, one of which has yielded a lead received in April.

- For the first time, HCC participated at the American Society of Association Executives (ASAE) Great Ideas Conference, which focuses on best practices on how to target prospective accounts.*
- At the ConferenceDirect annual partners meeting, HCC garnered a lead received in April for a medical association conference with 6,222 room nights for April 2020.*
- To continue relationship building, HCC attended the Experient EnVision conference that included Executive Leadership and Strategic Account Managers for both Experient and Maritz.*

In its ongoing efforts to minimize any possible future cancellations, HCC will no longer be utilizing a Letter of Commitment (LOC) document in favor of providing a License Agreement (LA) to future clientele. Additionally, HCC has revised the cancellation fee(s) schedule for the LA to commence five years prior to the event date(s) versus two years prior.

Advertising and Public Relations efforts

PR efforts for the month of April included coordinating interview responses with Successful Meetings writer Emily Carrus for a feature on Hawai'i and HCC in their May/June issue. TravelAge West magazine also approached HCC regarding a sports-related article. HCC provided responses to their interview questions and will follow up on when the story will be released. Copy edits and photos were also offered to the Festival of Pacific Arts & Culture (FESTPAC) 2020 news release drafted by Hawai'i Tourism Authority (HTA)/Anthology. O'ahu Concierge also included a mention of HCC's new nursing pod building amenity.

North America advertising efforts in April included the launch of the Hawai'i Convention Center menu bar in Northstar's "Destination Hawai'i Guide". A digital retargeting campaign (75,000 impressions) in the Northstar Destination Guide was also launched on April 1 and will run through May 30. The retargeting link is programmed to take visitors to the MeetHawaii.com request for proposal (RFP) page. Conversion pixels were programmed onto the website to help track clicks for reporting. A dedicated e-blast was also distributed by Northstar on April 18 as part of the HCC advertising package (20,000 subscribers) along with social media posts on their Facebook and Instagram accounts (75,000 impressions).

Other ad placements in April included California Society of Association Executives (CaSAE) newsletter (April to July 15). Ongoing placements include digital ads on MPIWeb.org (from March 11 to May 9) and a digital retargeting campaign with the American Society of Association Executives (ASAE) starting March 1st until fulfillment of 400,000 impressions.

Sports advertising placements in April include National Association of Sports Commissions (NASC) weekly e-newsletter ads (4 product showcase placements), a print ad in SportsEvents magazine's soccer issue, plus an added value digital placement for their e-newsletter leaderboard. A dedicated e-blast was also placed with SportsTravel magazine on April 16 along with digital ad placements on their website from April 1-30.

**Table 2b: Hawai'i Tourism USA (HTUSA) Single Property Sales Production
 April 2019**

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	21,096	8,584	146%	53,804	39,284	37%	187,000	29%
New to Hawai'i	13,351	4,671	186%	29,507	23,896	23%	75,000	39%
Tentative	36,375	38,443	-5%	234,089	155,102	51%	500,000	47%
MCI								
Room Nights								
Definite	21,096	8,484	149%	53,784	36,909	46%		
New to Hawai'i	13,351	4,571	192%	29,487	21,521	37%		
Tentative	35,990	37,520	-4%	228,878	151,746	51%		
Non-MCI								
Room Nights								
Definite	0	100	-100%	20	2,375	-99%		
New to Hawai'i	0	100	-100%	20	2,375	-99%		
Tentative	385	923	-58%	5,211	3,356	55%		

COMMENTS

Market Conditions and Industry Trends

The regional director for the midwest reports that the incentive market continues to pick up with most groups looking at 2020 and 2021. The regional director for central reports that corporate accounts are price sensitive. Room blocks are smaller and clients frequently request support for their program to position Hawai'i in the selection process. Corporate accounts are commonly looking at 60-70 peak room blocks with a four-night, five-day program. Servicing and building relationships with clients play key roles in conversion. To help with the conversion of large programs (2,000-5,000 attendees) that are self-contained on the island of O'ahu, Hawai'i Tourism United States (HTUSA) believes that an option to provide incentive support would help position Hawai'i as a competitive destination.

Society for Incentive Travel Excellence (SITE) recently unveiled The Bangkok Manifesto, which defines and represents the state of the meetings industry for the coming year, especially during a time when the incentive travel industry is thriving. According to SITE's CEO, Didier Scaillet, "[i]ncentive travel is still the fastest-growing segment of the business events industry." As 85 percent of valuations in the corporate world are linked to intangible assets such as patents, technology and people, organizations have realized that their true value lies in their people and that attracting and keeping top talent is essential to their future. The document raised key points including the following:

- Every stakeholder in the incentive travel industry should embrace social responsibility*
- Relationships and team building build business results, not isolated individual effort*
- Luxury in the future will be defined by "authentic, unique and personal experiences," rather than logos and brands*

Additionally, Meetings Today published findings from their 2019 Meetings Trends Survey: How Will the Economy Affect Meetings in 2019? Some highlights indicate that the industry is due for a slight shift downward, prompting a need to be more creative with money as there may be fewer resources. As such, some planners believe that more in-person meetings will be sourced in second- and third-tier cities to keep costs down. Furthermore, hotels and convention centers are utilizing their space in new creative and engaging ways, implementing new design thinking and new technology to better service the meetings industry.

Sales Production vs. Goals Analysis

April proved to be an outstanding month for conversions to definite bookings with a +146 percent increase over the same time last year and achieving 29 percent of annual goal year-to-date (YTD). New business to Hawai'i was just as impressive at +186 percent compared to April 2018 and continues a strong +23 percent YTD advantage. Despite a four percent decline for the month compared to the same time last year, tentative production maintained a +51 percent increase YTD.

Highlights of Any Key Definites

- *Convention — multi-level marketing corporation, January 2021 (3,213 room nights)*
- *Convention — multi-level marketing corporation, January 2022 (3,213 room nights)*
- *Convention — multi-level marketing corporation, January 2023 (3,213 room nights)*
- *Convention — business services corporation, June 2021 (1,572 room nights)*
- *Convention — medical association, April 2021 (874 room nights)*
- *Meeting — medical association, October 2021 (874 room nights)*
- *Convention — medical association, October 2021 (874 room nights)*
- *Meeting — medical association, October 2022 (874 room nights)*

Highlights of Any Key Cancellations

None to report for April.

Highlights of Any Key Tentatives

- *A legal association is considering O'ahu for their annual meeting in March 2024, which would bring in 3,375 room nights. The client is still undecided about selecting Hawai'i due to costs, but they have not ruled out the possibility. HTUSA will be meeting with the client in May.*
- *A veterans association is looking at the Island of Hawai'i for their convention in November 2022, which would bring in 5,112 room nights. The client prefers to have their program self-contained and will be conducting a site visit in May.*

Advertising efforts

1. *Meetings, conventions and incentives (MCI) March Paid Media Recap*
 - *Northstar Destination Guide banners (728x90) – 800 impressions*
 - *Northstar Destination Guide banners (970x250) – 380 impressions*
 - *Northstar Destination Guide online Hawai'i Destination Guide – 453 page views*
 - *Smartmeetings.com ROS banners (300x250) – 11,287 impressions*
 - *Smartmeetings.com ROS banners (728x90) – 11,593 impressions*
 - *Smartmeetings.com Onsite Dynamic Prebuilt Banners (300x250) – 9,864 impressions*

- Meetings-conventions.com *Onsite Dynamic Prebuilt Banners (300x250)* – 11,369 impressions
- Meetings-conventions.com *ROS Banners (728x90)* – 12,500 impressions
- Meetings-conventions.com *ROS Banners (300x250)* – 12,297 impressions
- Northstarmetings.com *ROS Banners (728x90)* – 11,570 impressions
- Northstarmetings.com *Destination Guide Marketing Banners (300x250)* – 4,521 impressions

Public Relations efforts on behalf of HTUSA Meet Hawai'i

1. *Activity highlights include:*

- *Meet Hawai'i team is actively pursuing opportunities to bring media to cover the destination. As a result, PR pitched Michelle Russell, Convene Magazine and Bonnie Schults, The Meeting Magazine for Hawai'i story ideas and editorial opportunity.*
- *As a way to anticipate an influx of news bureau assistance, the team updated 2019 MCI media publications editorial calendar to include an advertising schedule.*
- *Reviewing and revising Meet Hawai'i collateral and talking points to reflect new leadership team and updated messaging focus.*
- *Revised Communications Resource Guide.*
- *Developed Maui Nui, Kaua'i and O'ahu sales graphics.*
- *Developing timeline, theme and content for meeting planners e-newsletter.*

2. *Media Coverage Highlights:*

- *"Destination Guide: Hawai'i" – Northstar Meetings Group – March 1 – <https://bit.ly/2I4yD6B>*
- *"2018 Stella Award Winners: Best Green Initiative" – Northstar Meetings Group – March 8 – <https://bit.ly/2Vxuk6O>*

3. *March Impressions and Publicity Values for Articles that included Hawai'i:*

<u>March Impressions</u>	<u>March Publicity Values</u>
Print: 10,000	Print: \$26,003
Online: 0	Online: \$0
Broadcast: 0	Broadcast: \$0
Total: 10,000	Total: \$26,003

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

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	925	0	N/A	1,080	1,757	-39%	3,150	34%
New to Hawai'i	925	0	N/A	1,080	835	29%	2,085	52%
Tentative & Assist-Tentative	408	0	N/A	1,755	6,945	-75%	19,500	9%
MCI								
Room Nights								
Definite & Assist-Definite	925	0	N/A	1,080	1,757	-39%		
New to Hawai'i	925	0	N/A	1,080	835	29%		
Tentative & Assist-Tentative	408	0	N/A	1,755	4,695	-63%		
Non-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	0	N/A	0	2,250	-100%		

COMMENTS

Market Conditions and Industry Trends

Visiting Friends and Relatives (VFR) visits declined -5.8 percent throughout the first two months of 2019. At the same time, trips for MC&IT purposes increased +10.3 percent. Non-pleasure trips accounted for 9.4 percent of activity during the period—the highest proportion since 2016.

Winter Travel Outlook

Compared to last winter, direct capacity from Canada is expected to increase by 36,000 seats (+10.1%). Between November 2018 and April 2019, Air Canada plans to offer 149,000 direct seats (+12.4%) and WestJet plans to offer 242,000 seats (+8.7%). The additional service will support an increase in direct arrivals, but indirect arrivals are expected to continue to slow in the coming months. Current estimates indicate there will be 384,000 visitors throughout the winter travel season, a similar level as in 2017-18.

Low Dollar Continues to Impact Indirect Activity

Arrivals from Canadian airports grew +8.2 percent during the first two months of 2019, while arrivals via U.S. airports decreased -25.6 percent. This continues the trend observed throughout the latter half of 2018 when year-over-year declines in indirect passenger volumes were recorded every month between August and December. The value of the Canadian dollar recorded year-over-year declines each month from July-December. In January-February 2019, the Canadian dollar averaged US\$0.75 cents, which represents a -5.6 percent decline compared to the same period in 2018.

Total Canadian Outbound Travel

Canadians made more than 5.2 million overnight trips to the U.S. and other outbound destinations during the first two months of 2019, an estimated increase of +1.8 percent compared to the same period in 2018. Of this total, approximately 4.0 million trips were for leisure purposes. During this period, overseas leisure travel increased +1.2 percent, while trips to the U.S. grew an estimated +2.6 percent. The first four months of the winter travel season (November-February) saw 10 million overnight outbound trips, compared to 9.8 million during the same period in 2017-18. Canadians made an estimated 2.7 million overnight trips to the U.S. in January and February 2019, compared to 2.6 million in 2018. Compared to the previous year, there was a -5.7 percent decrease in the average monthly value of the Canadian dollar vis-à-vis the U.S. dollar during the same period. January and February 2019 saw overnight trips by automobile decline -6.4 percent while travel by other modes grew an estimated +9.7 percent. Popular destinations recorded higher volumes of direct air deplanements from Canada. Throughout the first two months of the year, many of the tracked destinations in Florida, California, Texas, Nevada and Hawai'i posted increases.

The national consumer confidence rating was 112.0 points in April, a -6.4-point drop from one year ago, and a -5.9-point decline compared to last month. Consumer confidence recorded month-over-month declines in every province, except for Quebec and British Columbia. At the same time, the overall attitude regarding purchase intentions remained at 31.0, indicating that now would be a good time to make a major purchase. Following three consecutive monthly declines, national retail sales increased in February, posting a +1.8 percent increase compared to the same month one year ago. In addition, ecommerce sales rose 23.8 percent to \$1.4 billion.

Sales Production vs. Goals Analysis

Hawai'i Tourism Canada's (HTCAN) April production was slightly better compared to last month, however much slower than previous years. Total definite room nights this month came in at 925 and total tentative room nights at 408. HTCAN has reached 70 percent of its Q1 tentative target of 2,500 room nights, and 9 percent of its annual tentative goal. Success for these two groups comes from constant contact and offering assistance to the planners. The larger of the two confirmed groups were only looking at Hawai'i for their conference, therefore there was no competition. HTCAN will follow up in May to confirm the tentative bookings on file. Currently, production is trending on the low percentage side of KPI's but HTCAN is confident they will exceed those numbers by year-end.

Highlights of any Key Definites

- Incentive — manufacturing corporation, October 2019 (803 room nights)
- Convention — travel association, April 2019 (102 room nights)

Highlights of any Key Cancellations

None to report for April.

Public Relations and Advertising

None to report for April.

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

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	2,661	0	N/A	4,297	232	1752%	12,480	34%
New to Hawai'i	2,661	0	N/A	4,297	232	1752%	9,984	43%
Tentative & Assist-Tentative	200	0	N/A	5,085	9,121	-44%	24,960	20%
MCI								
Room Nights								
Definite & Assist-Definite	0	0	N/A	690	100	590%	9,360	7%
New to Hawai'i	0	0	N/A	690	100	590%	7,488	9%
Tentative & Assist-Tentative	0	0	N/A	2,920	8,919	-67%	18,720	16%
Non-MCI								
Room Nights								
Definite & Assist-Definite	2,661	0	N/A	3,607	132	2633%	3,120	116%
New to Hawai'i	2,661	0	N/A	3,607	132	2633%	2,496	145%
Tentative & Assist-Tentative	200	0	N/A	2,165	202	972%	6,240	35%

COMMENTS

Market Conditions and Industry Trends

China Economy

- **GDP** – China's GDP grew by +6.4 percent YOY in Q1 2019, slightly above market expectations of a +6.3 percent expansion.
- **Currency** – In April, Chinese Yuan per USD remained the same at 6.7 in light of stable trade negotiations between the U.S. and China.
- **Unemployment rate** – The unemployment rate in China decreased to 3.8 percent in Q4 2018, reaching a record low since 2002.
- **Consumer confidence** – Consumer confidence in China increased in Q1 2019, standing at 124 Index Points from 121.4 in Q4 2018. Confidence index scoring over 100 points showed that Chinese consumers are optimistic about the present and future economic trends.

Outbound Travel Market

- According to the Global Business Travel Association (GBTA) report, China remained the fastest growing business travel market in the world. China nabbed the position as the no.1 largest business travel market in the world since 2015, with annual business travel spending reaching USD 345 billion in 2017. The expenditure is predicted to rise by +8.4 percent YOY to hit USD 378 billion in 2018.
- As reported by International Association of Golf Tour Operators (IAGTO), Chinese outbound golf trips observed a +0.6 percent YOY increase in 2018, showing high potential for the golf market in China. In January 2019, the report showed that a +5.5 percent increase in the golf group bookings of Chinese corporates compared with the same period last year.

Travel Trends

- *As reported by TTG China, Chinese business travelers tend to choose a hotel based on the following three key factors: transportation accessibility, hygiene and word-of-mouth reviews. Business travelers are less price-sensitive, as only 27.1 percent surveyed would factor in accommodation discounts.*
- *As reported by TTG China, 66.8 percent of Chinese business travelers would opt for mid-range to high-end hotels, especially for those aged between 19-23. They pay more attention to the experience of the stay and are willing to pay extra out of their own pockets should they exceed the company claim limit.*

Impact on Hawai'i

As a well-facilitated MCI destination with many luxurious hotel or resort brands, Hawai'i has a huge untapped potential to attract business travelers who have high expectations on hotel stay and meeting experience.

Strategy & Action

To enrich the whole business experience, Hawai'i Tourism China (HTC) will introduce more uniquely local Hawai'i hotels or resorts to the potential MCI intermediaries handling small but high-quality corporate groups, featuring places like Hilton Hotels & Resorts, Marriott International, Four Seasons Hotels, etc.

Sales Production vs. Goals Analysis

HTC has secured 4,297 room nights as of April and achieved 34 percent of the KPI for 2019 definite room nights. A confirmed Chinese basketball group in April which contributed 2,461 room nights and 393 attendees accounts for 20.16 percent of total KPI. HTC worked with the organizer to calculate the accurate room nights and will turn it definite in early May.

With a total of 5,085 tentative room nights so far, HTC has achieved 20% of the KPI for 2019 total tentative room nights.

HTC will put more efforts into developing new channels with potential MCI intermediaries to secure more bookings on smaller, high-yield MCI groups in 2019. Also, HTC is working with Pride of America Norwegian Cruise Line and airline partners to create package products to be promoted to MCI intermediaries and corporate end- users.

Highlights of any Key Definites

- *Sports – sports association, April 2019 O'ahu (2,120 room nights)*
- *Incentive – real estate corporation, April 2019 O'ahu (140 room nights)*
- *Sports – sports association, April 2019 Island of Hawai'i (132 room nights)*
- *Sports – sports association, April 2019 Maui (110 room nights)*

Highlights of any Key Cancellations

None to report for April.

Public Relations and Advertising

HTC shared MCI resources with media at Camp Aloha 2019 China Mission

To promote the "Diamond of Islands" and showcase the various MCI resources to Chinese MCI intermediaries, HTC invited the leading MCI media and high-end golf media, such as

M&C China, MICE Business Tourism, MICE China, China Conference & Exhibition, China BT MICE, Golf Digest and Golf Magazine to attend Camp Aloha 2019 China Mission - Beijing Media Luncheon. All invited media released articles and generated nearly 500,000 impressions with USD 150,000 PR value.

**Table 2e: Hawai'i Tourism Japan Single Property Sales Production
 April 2019**

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	2,967	1,985	49%	9,928	12,988	-24%	54,450	18%
New to Hawai'i	1,867	1,985	-6%	7,472	7,922	-6%	20,000	37%
Tentative & Assist-Tentative	1,467	6,785	-78%	13,095	18,598	-30%	40,000	33%
MCI								
Room Nights								
Definite & Assist-Definite	2,295	1,985	16%	9,256	11,458	-19%	40,850	23%
New to Hawai'i	1,195	1,985	-40%	6,800	6,612	3%	7,000	97%
Tentative & Assist-Tentative	795	1,985	-60%	12,423	11,443	9%	30,000	41%
Non-MCI								
Room Nights								
Definite & Assist-Definite	672	0	N/A	672	1,530	-56%	13,600	5%
New to Hawai'i	672	0	N/A	672	1,310	-49%	13,000	5%
Tentative & Assist-Tentative	672	4,800	-86%	672	7,155	-91%	10,000	7%

COMMENTS

Market Conditions and Industry Trends

After the withdrawal of Japan Airlines' second daily Kansai – Honolulu flight at the end of March, combined with Scoot and Delta (Fukuoka route) exiting the market, pricing of Hawai'i products in the Kansai market has been stabilizing. Less aggressive pricing from Kansai is prompting leads to shift itineraries for Hawai'i to depart from Tokyo and/or Incheon, South Korea. The new Airbus A380 is also becoming a popular option for group business.

The same industries are consistently hosting group business to Hawai'i, with the majority in the automotive and construction sectors. Industry-wide declines are starting to be observed from the insurance industry, as the Japanese government began encouraging the industry to refrain from overseas' incentive trips.

Hawai'i Tourism Japan (HTJ) worked with the Hawai'i Promotional Committee Japan (HPCJ) to host seminars and workshops in Fukuoka and Hiroshima, as these regions are greatly affected by the withdrawal of Delta's service. Valuable market-specific information and strategies for future promotions were discussed as follows.

Tokyo

- *JTB has been developing new services as part of their Global Destination Campaign (GDC) to increase convenience for customers. An app is being developed to improve efficiency together with a site specifically for group business to utilize.*
- *HIS is pushing for the establishment of special measures for VIPs and large-scale groups such as a special lane at immigration facilities for such groups to alleviate congestion. On the island of Hawai'i, high transportation prices continue to prompt difficulties with selling the island.*
- *Hankyu Travel is planning a FAM tour for their group sales department and has established a budget specifically for this. The FAM is set to be held in May.*
- *Kinki Nippon Tourist (KNT) confirmed strategies to continue providing products with add-on values for group business at slightly higher prices. To efficiently carry out this strategy, KNT will be strengthening education of staff.*

Fukuoka

- *Withdrawal of Delta from the Fukuoka market is causing struggles for all wholesalers. Although suggestions are being made to travel via Incheon, most leads favor travel via Tokyo.*
- *All Nippon Airways (ANA) has significantly increased ad campaigns in the region, establishing the image of ANA as the staple carrier for Hawai'i.*
- *Factors such as United Airlines establishing flat rates for all Japan – Guam flights are creating potential risk for alternate destinations to be selected. While Asian destinations such as Taiwan, Singapore and Guam have maintained stable demand, leads requesting beach destinations have been considering Okinawa.*

Hiroshima

- *Leads to Hawai'i are maintaining 2018 levels, with the majority continuing to come from the automotive industry. Rising costs for departing from Kansai are prompting group business to travel via Tokyo.*
- *Groups from Hiroshima tend to favor departure from Fukuoka and have expressed strong desires for other carriers to bring back Hawai'i – Fukuoka service.*
- *Hiroshima City will be celebrating the 60th anniversary of its sister-city relations with Honolulu, prompting the preparation of various events. Examples include representatives from Hiroshima City attending the U.S. Conference of Mayors and talks for a collaborative promotion with Japan Airlines' ad department in June.*

Sales Production vs. Goals Analysis

1,467 total tentative room nights were obtained in April, reaching 13.6 percent of Q2 KPI goals. For definite room nights, 2,967 (20.2% of quarterly goals) were obtained with 1,867 (25.6% of quarterly goals) being new business to Hawai'i. April results fell short of goals as they reflect significantly stronger performance in May with the anticipation of Super Golden Week. The extended holiday will boost booked room nights in May. The holiday season prompted various entities to refrain from trips until this period to mitigate efficiency loss in the operation of entities.

Highlights of any Key Definites

- *Convention — automotive corporation, May 2019 (900 room nights)*
- *Incentive — automotive corporation, November 2019 (795 room nights)*
- *Special event — culture/arts association, April 2019 (672 room nights)*

- Incentive — medical association, November 2019 (400 room nights)
- Incentive — consumer products corporation, January 2020 (200 room nights)

Public Relations and Advertising

The April media recap for HTJ included:

- Travel Voice article, with 500,000 monthly visits from unique users and distribution to over 6,000 subscribers to the HTJ mail magazine. The article covers topics relating to responsible tourism to share opportunities for entities to partake in beneficial activities to society as part of corporate social responsibility (CSR) initiatives. The Aloha Program’s initiative to plant 1,000 koa trees in Hawai’i was introduced as an example for organizers/travel agencies to suggest to clients as volunteer work.
- HTJ Hawai’i MICE Guidebook, with 15,000 - 20,000 tentative ad impressions. HTJ continues to collect information to be featured in the MICE Guidebook and is communicating with hotel and attraction partners to ensure rich content to be featured within the book. HTJ also worked with the island chapter partners and various destination marketing organizations (DMOs) to feature a comprehensive collection of potential MICE-related venues.

Table 2f: Hawai’i Tourism Korea Single Property Sales Production
April 2019

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	2,543	5,844	-56%	6,280	11,859	-47%	21,840	29%
New to Hawai’i	782	2,384	-67%	3,397	5,015	-32%	14,040	24%
Tentative & Assist-Tentative	2,531	2,288	11%	5,890	10,779	-45%	43,680	13%
MCI								
Room Nights								
Definite & Assist-Definite	2,468	5,844	-58%	6,205	11,859	-48%	16,380	38%
New to Hawai’i	707	2,384	-70%	3,322	5,015	-34%	10,530	32%
Tentative & Assist-Tentative	2,531	2,288	11%	5,890	10,779	-45%	32,760	18%
Non-MCI								
Room Nights								
Definite & Assist-Definite	75	0	N/A	75	0	N/A	5,460	1%
New to Hawai’i	75	0	N/A	75	0	N/A	3,510	2%
Tentative & Assist-Tentative	0	0	N/A	0	0	N/A	10,920	0%

COMMENTS

Market Conditions and Industry Trends

Economy Growth

South Korea’s economy is estimated to have unexpectedly shrunk in the first quarter due to a drop in capital investment and falling exports, Bank of Korea (BOK) said on April 25. Gross domestic product (GDP) is projected to have backtracked -0.3 percent in the first quarter from

the previous quarter, according to central bank estimates. The result is the lowest growth since the fourth quarter of 2008, when Asia's fourth-largest economy contracted by -3.3 percent.

FX Rate & Fuel Surcharge

The average USD/WON exchange rate in April was 1137.12 won, a slight increase from the previous rate of 1095.24 won in March. Fuel surcharges of up to 122,400 won (US\$105) were imposed in April for a round trip between Korea and the U.S.

New Leadership for Korean Air

Cho Won-tae, son of late Hanjin Group Chairman Cho Yang-ho who died in Los Angeles in early March, was appointed the new chairman of Hanjin Group on April 24. He is also president of Korean Air. The appointment was made at a board meeting of Hanjin Kal, the holding unit of Hanjin Group. "We hope to shorten the length of the leadership vacuum through the appointment and also to stabilize the group's management," the Hanjin Kal board said, affirming it will not hold a separate inauguration ceremony. Cho is chairman of both Hanjin Kal and Hanjin Group, an honorific title given to a member of the owner family that runs the group (chaebol).

Buyout of Asiana Air

A generous 1.6 trillion won (US\$1.4 billion) clean-up package from creditors has yet to persuade potential buyers to express interest in Asiana Airlines, upsetting the government's hopes of finding a new owner for the country's second flag carrier within the year. Investors continued to dump their shares in Asiana Airlines amid skepticism about a speedy merger and acquisition (M&A) as no company has yet come forward in spite of an aggressive government intervention and bailout scheme from lenders. On April 24, shares of South Korea's number two carrier tumbled -13.6 percent to end at 6,670 won after closing -6 percent lower a day earlier. A much bigger rescue package worth 1.6 trillion won was announced for the carrier in a cabinet meeting on April 23rd after Kumho Group agreed to surrender its 33.5 percent stake in the conglomerate's crown jewel. Its potential buyer would have to pay nearly 2 trillion won for the 33.5 percent stake, plus management rights. No company has yet expressed formal interest in the carrier, although SK, Hanwha and CJ have been mentioned. Despite most meetings, conventions and incentive (MCI) groups use both carriers, Hawai'i Tourism Korea's (HTK) MCI team perceives that the changes will not affect travel to Hawai'i, but will continue keep a close eye on the issues.

Sales Production vs. Goals Analysis

HTK's MCI team missed its April 2019 KPI target of 3,900 definite room nights, securing 2,543 definite room nights. New business came in at 782 room nights versus the KPI target of 2,535 room nights. Also, in terms of total offshore attendees, HTK attracted 1,119 attendees to the islands, falling slightly short of the KPI target 1,300 attendees. Incentive groups largely contributed to this result.

Highlights of any Key Definites

- Incentive — finance corporation, April 2019 (865 nights)*
- Incentive, in conjunction with the Lotte LPGA Championship — advertising corporation, April 2019 (672 nights)*
- Incentive — insurance corporation, April 2019 (172 nights)*
- Incentive — government association, April 2019 (144 nights)*

- Incentive — insurance corporation, April 2019 (128 nights)

Highlights of any Key Cancellations

None to report for April.

Public Relations and Advertising

The HTK MCI team distributed a press release “2019 Meet Hawai‘i Corporate Event” on March 27, with an estimated advertising value of US\$21,000 and 215,000 impressions.

Table 2g: Hawai‘i Tourism Oceania Single Property Sales Production
April 2019

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	565	909	-38%	2,303	2,620	-12%	16,640	14%
New to Hawai‘i	185	774	-76%	1,802	2,485	-27%	12,480	14%
Tentative & Assist-Tentative	965	2,850	-66%	8,526	11,676	-27%	34,320	25%
MCI								
Room Nights								
Definite & Assist-Definite	185	909	-80%	1,751	2,620	-33%	12,640	14%
New to Hawai‘i	185	774	-76%	1,711	2,485	-31%	9,360	18%
Tentative & Assist-Tentative	865	2,540	-66%	8,086	10,615	-24%	25,820	31%
Non-MCI								
Room Nights								
Definite & Assist-Definite	380	0	N/A	552	0	N/A	4,000	14%
New to Hawai‘i	0	0	N/A	91	0	N/A	3,120	3%
Tentative & Assist-Tentative	100	310	-68%	440	1,061	-59%	8,500	5%

COMMENTS

Market Conditions and Industry Trends

The NZ dollar is currently sitting at US\$0.66 while the AU dollar remains at US\$0.70. On April 10, Prime Minister Scott Morrison announced that the federal election will take place on May 18. The outlook of the Australian economy remains conservative due to the uncertain outcome of the upcoming federal election.

The Australian Tourism Exchange (ATE) was held in Perth on April 8-12. ATE is Australia’s largest annual event for building tourism opportunities, attracting more than 2,000 delegates from over 30 countries. Although this event is focused more on wholesalers and retailers, it attracted a lot of attention from the travel industry and the focus was shifted from other markets during that week to this event.

Hong Kong announced an incentive program for event organizers looking for locations to host their next event with the launch of the latest 2019/20 HK Rewards program, initiated by the

Hong Kong Tourism Board (HKTB) in conjunction with destination trade partners, the new HK. The 2019/20 program enhancements HKTB offers to meeting planners are:

- *A complimentary cocktail reception offered by 50 participating hotels;*
- *A complimentary lunch/dinner set at designated restaurants and a 20 percent shopping discount at Hong Kong Disneyland;*
- *A free meal at selected restaurants and group welcome offers at Ocean Park Hong Kong;*
- *Free admission to the Hong Kong Jockey Club and food & beverage at Happy Valley Racecourse on 'Happy Wednesday', and free admission and food & beverage at Sha Tin Racecourse at Roof Deck @2M;*
- *Upgraded cultural privileges as a star offer;*
- *New offerings of rainbow calligraphy, flour doll making and Chinese knotting for groups with 50 PAX or above;*
- *New offerings of Tai Chi, tea appreciation and Wing Chun, or the choice of a Lion dance or Kung Fu Show for groups with 100 PAX or above; and*
- *For groups with 300 PAX or more, choices include face changing, a Chinese drum show or a Chinese quartet.*

Sales Production vs. Goals Analysis

April was a slow month for the market due to School Holidays (April 13-29), which coincided with Easter Holidays and Anzac Day (April 25). Consequently, a number of clients were on annual leave during this period.

Highlights of any Key Definites

- *Sports — sports corporation, September 2019 (140 room nights)*
- *Sports — sports association, June 2019 O'ahu (120 room nights)*
- *Sports — sports association, June 2019 Maui (120 room nights)*
- *Sports — sports association, June 2019 Island of Hawai'i (100 room nights)*
- *Meeting — multi-level marketing corporation, September 2019 (45 room nights)*

Public Relations and Advertising

- *Hawai'i Tourism Oceania (HTO) MCI April Newsletter, which went out to over 1,000 clients on the HTO database*
- *HTO received additional exposures as a result of Asia Pacific Incentives Meetings Event (AIME) on Travel Bulletin & Micenet:*
 - *Travel Bulletin: <https://bit.ly/2vEAHK8>*
 - *Micenet April/May 2019: <https://bit.ly/2H1o40Z>*

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

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	0	0	N/A	N/A	N/A
New to Hawai'i	0	0	N/A	0	0	N/A		
Tentative & Assist-Tentative	0	0	N/A	3,830	4,625	-17%		
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	0	N/A	3,788	4,278	-11%		
Non-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	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 April 2019**

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	128,325	54,000	440	11,642	22%	17%	9%
Kaua'i	56,631	19,000	90	3,493	18%	14%	6%
Maui County	138,260	79,000	18,260	27,542	35%	26%	20%
Hawai'i	97,185	35,000	2,306	11,127	32%	16%	11%
Total	420,401	187,000	21,096	53,804	29%		

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

‘ELELE PROGRAM

COMMENTS

New Verbal Definite

With support from the University of Hawai‘i (UH) College of Engineering, an American scientific association has verbally committed to returning to Hawai‘i with their Annual Meeting in June 2025, which will bring in 3,500 attendees. HCC’s Director of Business Development was the lead on this account.

Promising Prospects for the Hawai‘i Convention Center

The Chairman and Principal of Architects Hawai‘i and the ‘Elele director had lunch to discuss an architectural society. The Chairman will be attending the society’s spring conference and learning more about the bidding process for future open years. Historically, their staff has been unresponsive to the ‘Elele director’s approach. HCC’s East Coast regional director is the lead.

The Dean of UH College of Natural Sciences and the ‘Elele director met to discuss an American educational association’s recently completed and very successful regional meeting in Hawai‘i. HCC’s Director of Business Development and ‘Elele director are now pursuing larger meetings, including their Annual.

The director of a trade association’s local chapter and the ‘Elele director discussed Hawai‘i’s pursuit of a national trade association. In the past, the Executive Director for the association has rejected Hawai‘i’s bid for its International Congress due to a lack of local support. The ‘Elele director believes that this perception is due to the assumption that Hawai‘i could not offer a lot of “drive-in” registration despite the local chapter being nationally recognized for its excellence. With graphic support from HCC’s Marketing Manager, the ‘Elele director produced a marketing piece providing evidence of the drawing power of Hawai‘i in the Pacific Region. The local chapter director will present this piece to the association’s Executive Director at the upcoming national conference. HCC’s East Coast regional director is the lead.

Working in conjunction with HCC’s East Coast regional director for a bid on a scientific association’s program for January 2024 with 3,000 attendees, the ‘Elele director secured support letters from the Department of Business, Economic Development & Tourism (DBEDT) Aerospace Office, as well as the Office for Economic Development at Kaua‘i County.

New Single Property Leads Generated

Through the ‘Elele program, the following new single property leads were generated in April:

- The CEO for a local scientific association has expressed an interest in sourcing their Annual Meeting, which typically takes place in January with 2,000 attendees, for the years 2026-2030. HTUSA’s senior director of accounts is following up on this lead. A decision may not come until January 2021.*
- The director of meetings for a scientific association has provided a lead for a conference in May 2021, which will bring 275 attendees. The group is interested in the Island of Hawai‘i. HTUSA’s East Coast regional director is following up on this lead.*
- The local chapter President of a trade association submitted a bid to host the Regional Meeting in Hawai‘i in 2021 with 500 attendees. HTUSA’s Midwest regional director is following up on this lead.*

- *An 'Elele has secured a lead on a medical association's program for the Fall 2019. HTUSA's East Coast regional director is following up on this lead.*
- *The UH College of Social Sciences provided a lead for a March 2020 program. Waikīkī appears definite. HTCAN is following up on this lead.*

Other Hawai'i Convention Center Support

The 'Elele director participated in a conference call with HCC's Midwest regional director and East Coast regional director to discuss the Fall Educational tour(s) being planned for the medical and scientific markets. Additionally, the 'Elele director continued to provide support for a scientific association's local host committee through physical and virtual meetings for their upcoming October 2019 program, which is estimated to bring 3,500 attendees.

LOST BUSINESS

Table 4: Lost Business – April 2019

HAWAI'I CONVENTION CENTER						
Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
Convention (1911)	Other	350	300	4/28/2019 - 5/5/2019	Unknown	Program cancelled.
Convention (2020)	Other	8,950	1,500	6/25/2021 - 7/2/2021	Unknown	Other City Selected.
Convention (2031)	Scientific	760	2,200	6/5/2021 - 6/11/2021	TBA - West Coast Con Ctrs	Other City Selected.
Convention (2079)	Scientific	1,495	900	4/9/2022 - 4/13/2022	Unknown	Program dates changed.
Convention (2105)	Scientific	2,542	900	1/27/2022 - 2/4/2022	Hilton Hawaiian Village	Hotel Selected Instead of HCC.
Incentive (1956)	Financial	2,207	485	4/25/2019 - 5/4/2019	Unknown	Program cancelled.
Sports (1390)	Sports	1,550	800	6/24/2019 - 7/1/2019	Unknown	Program cancelled.
Sports (2065)	Sports	580	850	8/1/2019 - 8/4/2019	Unknown	Program cancelled.

HTUSA SINGLE PROPERTY – HIGH PROFILE						
Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
MCI: Meeting (13568)	Government	650	200	05/19/2019 - 05/24/2019	Initially, Hawai'i only	Program cancelled due to high rates.
MCI: Incentive (14976)	Unknown	2,180	700	11/01/2019 - 11/06/2019	Initially only Maui, Island of Hawai'i, and Lāna'i but may also look at the U.S. West Coast	Program has been postponed.
MCI: Incentive (14987)	High Tech	1,190	500	05/27/2020 - 05/31/2020	Initially, Hawai'i only	Program lost to Whistler, Canada .
MCI: Convention - Domestic (15054)	Other (add tags)	1,595	280	12/02/2019 - 12/11/2019	Southern Florida, Southern California, and Hawai'i	Due to a large number of international attendees, the client was concerned about airlift to Hawai'i and decided to book San Diego, CA.
MCI: Meeting (15205)	Trade Assns	585	200	01/18/2021 - 02/01/2021	Initially, Kaua'i only	Program lost to an undisclosed destination.

INTERNATIONAL SINGLE PROPERTY						
Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations	Reason for Lost Business
HT Oceania: MCI: Meeting (15110)	Automotive	88	22	10/21/2019 - 10/25/2019	Unknown	Program cancelled due to internal reasons.
HT China: Non-MCI: Other (specify) (16378)	Travel	135	26	05/15/2019 - 05/23/2019	Initially, Hawai'i only	Program cancelled.

NEW-TO-HAWAI'I DEFINITE BOOKINGS

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

HTUSA SINGLE PROPERTY - HIGH PROFILE

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
MCI: Incentive (13178)	Insurance	589	225	03/27/2020 - 04/02/2020	Kaua'i, Maui, Los Angeles, Orange County, San Diego, San Francisco and Santa Barbara, CA
MCI: Convention - International (14854)	Multi Level Marketing	3,213	800	01/08/2022 - 01/17/2022	Initially, Maui only
MCI: Convention - International (14855)	Multi Level Marketing	3,213	800	01/06/2021 - 01/15/2021	Initially, Maui only
MCI: Convention - International (15016)	Multi Level Marketing	3,213	800	01/07/2023 - 01/16/2023	Initially, Maui only
MCI: Convention - Domestic (15109)	Business Services, Consulting	1,572	600	06/18/2021 - 06/24/2021	Initially, Hawai'i only
MCI: Convention - International (16421)	Trade Assns	821	1,000	10/22/2025 - 11/01/2025	U.S. West Coast

INTERNATIONAL SINGLE PROPERTY

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
HT Oceania: MCI: Meeting (13792)	Sports	140	20	08/31/2019 - 09/06/2019	Unknown
HT Canada: MCI: Incentive (14829)	Manufacturing, Distrib.	803	440	10/14/2019 - 10/20/2019	South Africa, Cannes, France, and Monaco
HT Korea: MCI: Incentive (15331)	Manufacturing, Distrib.	44	22	04/10/2019 - 04/13/2019	Initially, Hawai'i only
HT Oceania: MCI: Meeting (16470)	Multi Level Marketing	45	15	09/08/2019 - 09/10/2019	Initially, Hawai'i only
HT China: Non-MCI: Sports (16486)	Real Estate	140	20	04/21/2019 - 04/30/2019	Initially, Hawai'i only
HT China: Non-MCI: Sports (16487)	Real Estate	40	20	04/21/2019 - 04/30/2019	Initially, Hawai'i only
HT China: Non-MCI: Sports (16488)	Real Estate	20	20	04/21/2019 - 04/30/2019	Initially, Hawai'i only
HT Canada: MCI: Convention - Domestic (16499)	MCI, Travel	120	60	04/25/2019 - 04/28/2019	Initially, Hawai'i only

TOTAL NEW TO HAWAI'I GMT BOOKINGS FOR THE MONTH

18

TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I GMT BOOKINGS

14,703

HAWAI'I CONVENTION CENTER

Market	Vertical Market Segment	Total Room Nights	Total Attendees	Meeting Dates	Competing Destinations
Meeting (2117)	Medical	500	250	11/5/2020 - 11/7/2020	Unknown
Meeting (2116)	Travel	600	600	2/24/2020 - 2/24/2020	Unknown

TOTAL NEW TO HAWAI'I CITYWIDE BOOKINGS FOR THE MONTH

2

TOTAL ROOM NIGHTS FOR NEW TO HAWAI'I CITYWIDE BOOKINGS

1,100

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 April:

- 5 client promotional events
 - International GMTs
 - HTK – LPGA Golf Promotion, Korea & Hawai'i, Feb-Apr
 - HTO – Four Seasons Hotels and Resorts, Sydney, Australia, April 4
 - HTC – Camp Aloha 2019 China Mission, Beijing, China, April 15
 - HTC – Camp Aloha 2019 China Mission, Chengdu, China, April 17
 - HTC – Camp Aloha 2019 China Mission, Shenzhen, China, April 19

- 11 educational events
 - HTUSA
 - California Society of Association Executives (CalSAE) Elevate, Palm Springs, CA, April 28-30
 - International GMTs
 - HTC – Pride of America – Norwegian Cruise Line Training, Shanghai, China, April 11
 - HTJ – HIS Nagoya Hawai'i Seminar & Workshop, Nagoya, Japan, April 19
 - HTC – Jinjiang Training at Shanghai World Travel Fair, Shanghai, China, April 19-21
 - HTJ – HIS, JTB, ANA Sales Fukuoka Hawai'i Seminar & Workshop, Fukuoka, Japan, April 22
 - HTJ – JTB Kyushu MICE Seminar & Workshop, Fukuoka, Japan, April 23
 - HTK – Japan Airlines Busan Hawai'i Seminar, Busan, Korea, April 24
 - HTJ – Hiroshima Hawai'i Seminar & Workshop, Hiroshima, Japan, April 24
 - HTJ – Kinki Nippon Tourist MICE Seminar, Tokyo, Japan, April 25
 - HTJ – HIS Osaka Hawai'i Seminar & Workshop, Osaka, Japan, April 26
 - HTJ – Kinki Nippon Tourist MICE Seminar & Workshop, Tokyo, Japan, April 28

- 2 trade shows
 - HTUSA
 - Prestige Global Meetings, Portland, OR, and Seattle, WA, April 2-3
 - International GMTs
 - HTK – Web in Travel, Seoul, South Korea, April 26

- 5 sales blitzes
 - HTUSA
 - Sales Blitz, Utah, April 7-12
 - HCC
 - Sales calls, Northern California, April 8
 - International GMTs
 - HTC – Sales call to Capital Link Sports, Beijing, China, April 8

- HTC – Sales call to Jianfa Travel, Shanghai, China, April 10
- HTC – Sales call to Meiya E-Commerce, Shanghai, China, April 11

- 8 major site visits and familiarization (FAM) tours with clients and potential clients
 - HTUSA
 - 2 site visits, Island of Hawai'i
 - 2 site visits, Maui
 - 1 site visit, O'ahu and Maui
 - 1 site visit, O'ahu, Maui, Island of Hawai'i
 - HCC
 - 1 site visit, O'ahu
 - International GMTs
 - HTO – 1 site visit, O'ahu

FUTURE SALES AND MARKETING ACTIVITIES

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

May 2019			
May 1-9	Asia Pacific Conference on Computer Human Interaction (AP CHI) 2020, Chicago, IL	Client Promo	HCC
May 5-9	National Association of Sports Knoxville, TN	Trade Show	HCC
May 8	Prestige, CA	Trade Show	HTUSA
May 10	HIS Hawai'i Seminar & Workshop, Tokyo, Japan	Educational Event	HTJ
May 12	Sanfo Activity, Beijing, China	Trade Show	HTC
May 12-18	Sales Blitz, TX	Sales Blitz	HTUSA
May 13-17	May Day Lei Day Sales Calls & Cohosted Reception HVCB, Dallas/ Houston, TX	Sales Blitz	HCC
May 17-24	IMEX Frankfurt Trade Fair, Frankfurt, Germany	Trade Show	HCC
May 21-23	Connection Sports Leadership Summit, Honolulu, HI	Educational Event	HCC
May 23	Dista In-House Training, Guangzhou, China	Educational Event	HTC
May 25	Ningbo Feiang Travel Roadshow, Ningbo, China	Educational Event	HTC

May 26-31	AP – PRiME, Dallas, TX	Client Promo	HCC
May 27	Utour In-House Training, Beijing, China	Educational Event	HTC
May 27	Kinki Nippon Tourist Summit in Asakusa, Tokyo, Japan	Educational Event	HTJ
May 27	Tobu Top Tours Seminar & Workshop	Educational Event	HTJ
May 27	ANA Sales New Product Launch, Tokyo, Japan	Education Event	HTJ
May 29-31	HelmsBriscoe Annual Business Conference Partner Fair, Houston, TX	Trade Show	HCC
May 30-June 6	AP – Rotary International, Germany	Client Promo	HCC
TBD	Connect Hawai'i	Trade Show	HTUSA
TBD	Tour Mart MCI Educational Seminar	Educational Event	HTK
June 2019			
June 2-4	Direct Selling Association, Austin, Texas	Sales Blitz	HCC
June 3-4	Sales Calls, Madison, Wisconsin	Sales Blitz	HCC
June 3-7	FAM tour, O'ahu, HI	FAM	HTO
June 7-9	Hana Tour International Travel Show (HITS), Ilsan, South Korea	Trade Show	HTK
June 10-11	2019 Korea Trade Mission, Connect to Aloha, Seoul and Busan, South Korea	Trade Show	HTK
June 15-19	Meeting Professionals International (MPI) World Education Congress (WEC), Toronto, Canada	Trade Show	HCC & HTUSA
June 18-20	Hilton Roadshow, Auckland, New Zealand	Sales Blitz & Roadshow	HTO
June 20-21	Franchise Association Conference, Rotorua, New Zealand	Trade Show	HTO
June 24-28	Hilton Roadshow, Melbourne & Sydney, Australia	Sales Blitz & Roadshow	HTO

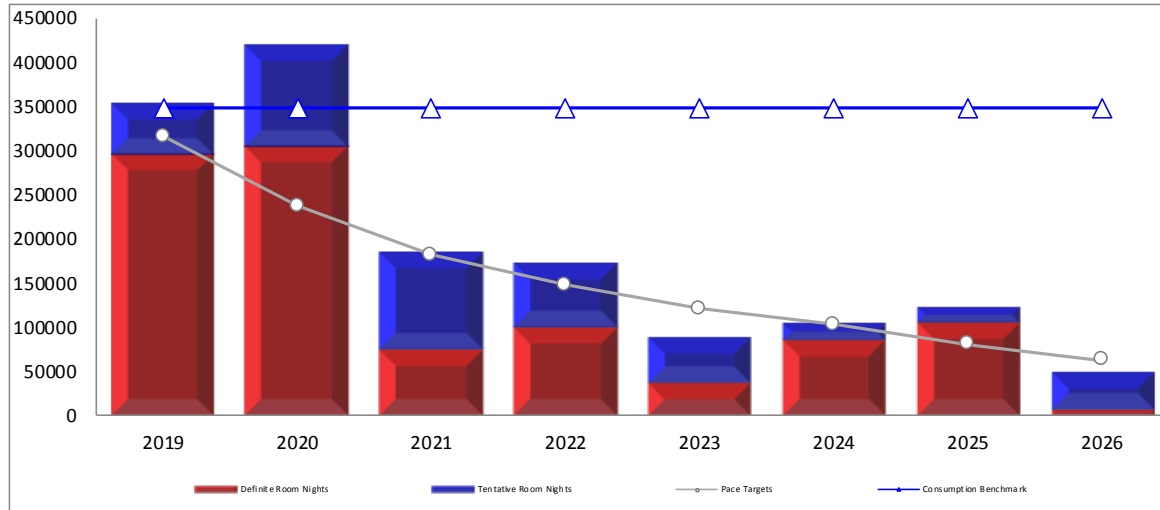
June 25-27	ESports Summit, Atlantic City, New Jersey	Trade Show	HCC
June 25-28	Professional Convention Management Association (PCMA) Education Conference, Los Angeles, CA	Trade Show	HCC
TBD	Northeast Sales Blitz	Sales Blitz	HTUSA
TBD	Southeast Sales Blitz	Sales Blitz	HTUSA
TBD	Incentive Research Foundation (IRF)	Trade Show	HTUSA
TBD	Key Incentive Sales Blitz	Sales Blitz	HTUSA
TBD	Sales Calls, MN, OH	Sales Blitz	HTUSA
TBD	Sales Calls, MI, ID	Sales Blitz	HTUSA
July 2019			
July 8-11	Cvent Connect, Las Vegas, Nevada	Trade Show	HCC
July 15-18	Sales Calls, St. Louis, Missouri	Sales Blitz	HCC
July 22-26	Get Global, Brisbane & Sydney, Australia	Sales Blitz & Trade Show	HTO
July 23-25	Council of Engineering and Scientific Society Executives (CESSE) Educational Forum, Baltimore, MD	Trade Show	HCC
July 27-31	Experient E4 Conference, Baltimore, MD	Trade Show	HCC
TBD	Sales Calls, New York & New Jersey	Sales Blitz	HCC
TBD	All Things Meetings, CA	Trade Show	HTUSA
TBD	Illinois Association Sales Calls	Sales Blitz	HTUSA

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)

THE TAP REPORT **Hawai'i** **Period Ending April 30, 2019**
 Report Date: May 6, 2019



<i>Hawai'i R/N</i>	2019	2020	2021	2022	2023	2024	2025	2026	Total
Definite Room Nights	294,559	304,215	73,759	99,782	37,050	84,486	105,508	7,014	1,006,373
Pace Targets	315,554	236,439	181,468	147,457	120,773	102,938	80,827	62,633	1,248,089
Variance	(20,995)	67,776	(107,709)	(47,675)	(83,723)	(18,452)	24,681	(55,619)	(241,716)
Consumption Benchmark	348,029	348,029	348,029	348,029	348,029	348,029	348,029	348,029	2,784,232
Pace Percentage	93%	129%	41%	68%	31%	82%	131%	11%	81%
Total Demand Room Nights	820,472	600,419	334,391	231,377	100,895	117,306	145,498	71,754	2,422,112
Lost Room Nights	525,913	296,204	260,632	131,595	63,845	32,820	39,990	64,740	1,415,739
Conversion Percentage	36%	51%	22%	43%	37%	72%	73%	10%	42%
Tentative Room Nights	58,680	116,089	112,480	72,888	51,014	20,093	18,016	41,941	491,201

<i>Hawai'i Events</i>	2019	2020	2021	2022	2023	2024	2025	2026	Total
Definite Events	281	140	48	30	12	13	11	4	539
Pace Targets	258	102	48	27	15	10	7	4	471
Variance	23	38	0	3	(3)	3	4	0	68
Consumption Benchmark	334	334	334	334	334	334	334	334	2,672
Pace Percentage	109%	137%	100%	111%	80%	130%	157%	100%	114%
Total Demand Events	664	311	95	46	26	19	15	7	1,183
Lost Events	383	171	47	16	14	6	4	3	644
Conversion Percentage	42%	45%	51%	65%	46%	68%	73%	57%	46%
Tentative Events	149	207	98	37	19	12	8	6	536

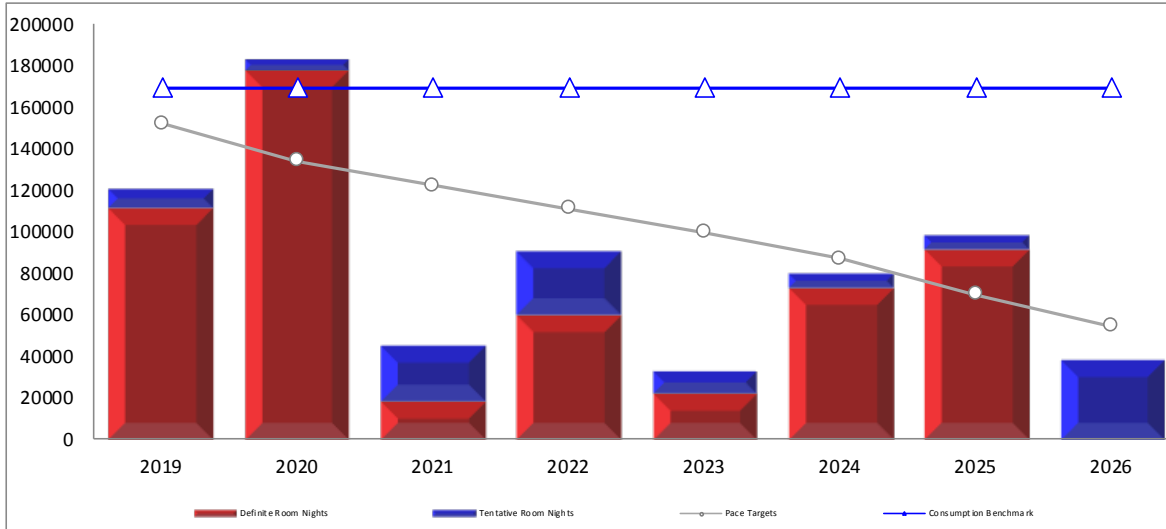
The number of events reported in TAP is slightly higher than the actual number of events due to a number of overflow programs and the splitting of some bookings into two in order to track shared credit.

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

THE TAP REPORT

Hawai'i
 Convention Center

Period Ending April 30, 2019
 Report Date: May 6, 2019



<i>Hawai'i R/N</i>	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Definite Room Nights	110,822	176,817	18,448	59,681	21,939	72,330	91,055	0	551,092
Pace Targets	152,195	134,000	122,118	111,018	99,656	86,939	69,859	54,395	830,180
Variance	(41,373)	42,817	(103,670)	(51,337)	(77,717)	(14,609)	21,196	(54,395)	(279,088)
Consumption Benchmark	169,441	169,441	169,441	169,441	169,441	169,441	169,441	169,441	1,355,528
Pace Percentage	73%	132%	15%	54%	22%	83%	130%	0%	66%
Total Demand Room Nights	387,235	319,467	235,231	187,036	77,708	97,662	131,045	64,740	1,500,124
Lost Room Nights	276,413	142,650	216,783	127,355	55,769	25,332	39,990	64,740	949,032
Conversion Percentage	29%	55%	8%	32%	28%	74%	69%	0%	37%
Tentative Room Nights	9,077	5,250	26,761	30,471	10,785	6,850	6,850	38,451	134,495

<i>Hawai'i Events</i>	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Definite Events	29	15	4	7	3	6	5	0	69
Pace Targets	23	18	13	10	10	7	3	1	85
Variance	6	(3)	(9)	(3)	(7)	(1)	2	(1)	(16)
Consumption Benchmark	30	30	30	30	30	30	30	30	240
Pace Percentage	126%	83%	31%	70%	30%	86%	167%	0%	81%
Total Demand Events	70	46	30	20	13	10	9	3	201
Lost Events	41	31	26	13	10	4	4	3	132
Conversion Percentage	41%	33%	13%	35%	23%	60%	56%	56%	34%
Tentative Events	3	3	7	6	4	6	4	5	38

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

<p>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.</p>
<p>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.</p>
<p>Conversion Index Rank - The position of the client's Conversion Index compared to the Peer Set.</p>
<p>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.</p>
<p>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.</p>
<p>Definite Room Night Share % – A percentage indicating the client city's portion of the Peer Set's Definite Room Nights.</p>
<p>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.</p>
<p>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.</p>
<p>Pace Index Rank - The position of the client's Pace Index compared to the Peer Set.</p>
<p>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.</p>
<p>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.</p>
<p>Room Night Demand Share % – A percentage indicating the client city's portion of the Peer Set's Demand.</p>
<p>Tentative Room Nights – The number of tentative room nights pending for each future month and year at the time the report is published.</p>
<p>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.</p>
<p>Variance – The difference between the Definite Room Nights and the Pace Target.</p>

CONVENTION CENTER PERFORMANCE

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

PERFORMANCE MEASURE	YTD	TARGET	VARIANCE
Occupancy	40%	31%	9%
Total Events	49	46	3
Total Attendance	118,487	104,997	13,490
Visitor Spending	\$91,615,731	\$91,615,731	\$0
Tax Revenue	\$8,886,726	\$8,886,726	\$0
Revenue per Attendee	\$37.08	\$38.10	(\$1.02)

COMMENTS

The months of March, April and October are typically strong event activity filled months for the Hawai'i Convention Center (HCC). 15 licensed events came through the facility in the month ending on March 31, of which three generated \$3.6 million in state tax revenue. At HCC, these events generated \$1.9 million in gross revenue, which was \$255,100 more than budgeted, and net income of \$423,900 which was \$234,700 more than planned. The positive variance was due to the strong results of a medical society's program in terms of attendance and food and beverage and operating expense savings due to timing differences.

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 \$37.08, which is \$1.02 less than planned. It has been diluted due to the higher than expected attendance to date.

For the year to date, financial results reflect gross revenues of \$4.4 million, which is \$415,200 more than planned, and net income of \$110,200, which is \$325,300 better than planned. HCC's 2019 year-end reforecast, however, reflects a net loss of \$2.8 million, which is \$860,900 higher than the budget of \$1.9 million.

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

- 1) *Cancellations resulting in over \$1.07 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 June 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.*
- 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)*
- b. *Local events not materializing, (\$92,000)*

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

April 2019					
Contract No.	Contractor	Description	Dollar Amount	Start Date	End Date
.19164	Hawai'i Amateur Surfing Association dba Hawai'i Surfing Association	Buffalo Big Board Classic 2019	\$44,000.00	3/29/2019	5/31/2019
18145 S1	Department of Land and Natural Resources	Mālama Hawai'i - Department of Land and Natural Resources	(+ \$0.00) \$541,390.00	4/22/2019	12/31/2019
17017 S5	VOX International Inc.	Canada MMA Marketing Management Services	(- \$1,400,000.00) \$5,450,000.00	4/8/2019	12/31/2019
17028 S6	a.Link LLC	Japan MMA	(+ \$1,000,000.00) \$27,990,000.00	4/15/2019	12/31/2019
18182 S1	Hawai'i International Film Festival	Hawai'i International Film Festival 2019	(+ \$105,000.00) \$210,000.00	4/8/2019	3/31/2020
18187 S1	YouGov America Inc.	Evaluation of 2019-2020 Festivals and Events	(+ \$383,272.50) \$755,272.50	4/17/2019	7/31/2019
19030	Honolulu Gay and Lesbian Cultural Foundation	Honolulu Rainbow Film Festival	\$10,000.00	4/8/2019	10/31/2019

Contract Type:
 • Sole Source
 † Procurement Exemption

•19160	Wahea Foundation	Hawaiian Airlines May Day 2019: The Tradition Continues	\$50,000.00	4/10/2019	12/31/2019
•19163	141 Hawai'i, LLC dba LOTTE Championship	LOTTE Championship 2019	\$500,000.00	4/8/2019	10/31/2019
16023 S8	Hills Balfour Limited	Europe MMA	(- \$465,000.00) \$3,604,527.00	4/8/2019	12/31/2019
18184 S1	HCR Associates, LLC	Kaua'i Flood Relief Shuttle	(+ \$15,000.00) \$195,000.00	4/17/2019	5/31/2019
•19174	Jason P Pacheco dba BRIC Marketing Group	Destination Marketing Services RFP Rewrite	\$5,000.00	4/17/2019	5/31/2019
17017 S4	VOX International Inc.	Canada MMA Marketing Management Services	(+ \$2,200,000.00) \$6,850,000.00	12/30/2018	12/31/2019
16077 S4	First Daughter Mediaworks, Inc.	Digital Media Strategy and Mobile Campaign	(+ \$0.00) \$355,150.00	4/22/2019	8/31/2019
•19171	Hawaiian Lifeguard Association	Snorkel Safety Study	\$131,000.00	4/22/2019	6/30/2021
•19172	EAS Enterprises, LLC dba AVP	AVP Hawai'i Open 2019	\$500,000.00	4/24/2019	3/31/2020
19165	Hilo Hawaii Visitor Industry Association, Inc. dba Destination Hilo	Hilo Kāhea Harbor Greetings 2019	\$40,000.00	4/24/2019	3/31/2020

Contract Type:
 • Sole Source
 † Procurement Exemption

†19173	North Star Research Corp. dba HVS Convention, Sports & Entertainment Facilities Consulting	Market/Futures Study of the Hawai'i Convention Center	\$79,300.00	4/22/2019	9/30/2019
•19141 S1	City & County of Honolulu	Lifeguard Support Program	(+ \$0.00) \$125,000.00	5/3/2019	12/31/2019

Agenda Item

5

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



Market Insights – April 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 four months of 2019, Hawai'i's tourism economy experienced:

- \$5.85 billion in visitor spending, a decrease of 3.3 percent compared to the first four months of 2018. On a statewide level, average daily visitor spending was down (-4.2% to \$195 per person) compared to the same period last year.
- Total arrivals grew 3.6 percent to 3,398,519 visitors, supported by growth in arrivals via air service (+3.4% to 3,334,082) and by cruise ships (+46.3% to 24,805). Due to a shorter average length of stay by visitors from most markets, total visitor days¹ rose by a marginal 0.9 percent compared to the first four months of 2018
- Hawai'i's tourism economy experienced \$682.6 million in generated state tax revenue, down 3.3 percent (-\$23.3 million) compared to the first four months of 2018.
- Through February 2019, the state collected \$400.5 million in TAT, an increase of 12.8% compared to FY 2018 through February 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 February 2019 is \$372.9 million or an increase of 5.1% compared to FY 2018.
- Total air capacity into Hawai'i grew 1.4 percent to 4,449,480 seats.

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

	% of Forecast	YOY Rate ²	Apr. YTD	Forecast
Arrivals	102.8%	3.6%	3,398,519	3,306,321
Visitor Spending (\$mil) ²	94.9%	-3.3%	5,849.0	6,160.4
Visitor Days	100.2%	0.9%	30,044,144	29,996,983
Daily Spend (\$pppd)	94.8%	-4.2%	194.7	205.4
Airlift (scheduled seats)	99.8%	1.4%	4,417,397	4,424,198

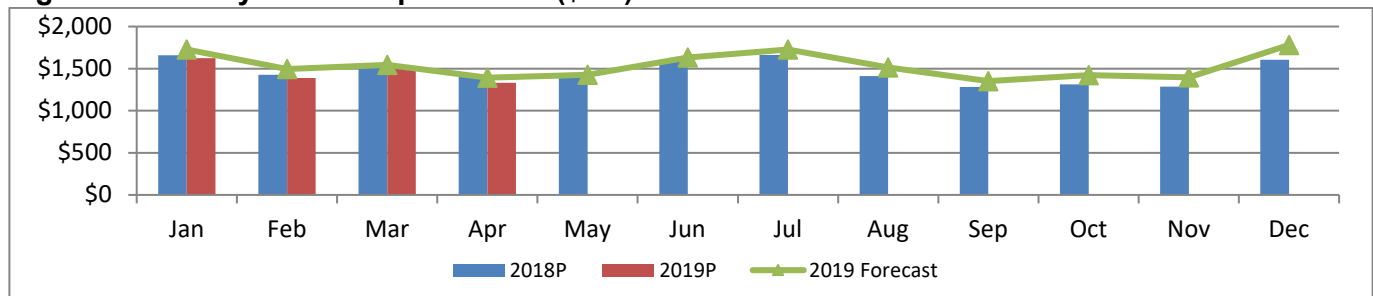
DBEDT Forecasts (Quarter 1 2019), Excludes Supplemental Business Expenditures

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 April 2019, total visitor spending declined 6.2 percent to \$1.33 billion compared to April 2018. A total of 856,250 visitors came to Hawai'i, up 6.6 percent from last April with growth in arrivals by air service (+5.8% to 831,445) and by cruise ships (+46.3% to 24,805). Total visitor days increased 3.4 percent versus April 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	Apr. YTD	Forecast
Arrivals	104.0%	6.2%	2,157,539	2,074,543
Visitor Spending (\$mil) ²	96.6%	-1.1%	3,712.1	3,844.2
Visitor Days	100.6%	2.6%	19,647,180	19,525,915
Daily Spend (\$pppd)	96.0%	-3.6%	188.9	196.9
Airlift (scheduled seats)	100.1%	1.8%	3,057,138	3,055,474

DBEDT Forecasts (Quarter 1 2019), Excludes Supplemental Business Expenditures

- Domestic travel is expected to grow approximately 1.8 percent year-over-year through August 2019.
- The Conference Board Consumer Confidence Index rebounded in April 2019, after declining in March. The Index climbed to 129.2, up from 124.1 in the previous month. U.S. consumer confidence increased as Americans felt more optimistic about current and future economic conditions, suggesting that consumers are poised to keep spending; stimulated by a tight labor market, record stock values and lower mortgage rates.
- Final GDP numbers for 2018 show that real gross domestic product (GDP) increased 2.2 percent in the fourth quarter of 2018, according to the latest estimate released by the Bureau of Economic Analysis in March. The growth rate was revised down 0.4 percentage points from the previous estimate released in February. The increase in real GDP reflected increases in consumer spending, business investment, exports, and inventory investment. These contributions were partly offset by decreases in housing investment and government spending. Imports, which are a subtraction in the calculation of GDP, increased.
- Hawai'i has seen limited impacts due to the grounding of the 737 MAX aircraft. United has reduced their Honolulu-San Francisco service by one daily flight for the month of May but will add it back to the schedule in June. The carriers have been substituting other aircraft to backfill their schedules.

- Southwest is the new entrant to the market and will be adding service on a rolling schedule through June and the remainder of the year. U.S. seats for April and May are 775,999 and 826,112, respectively, with a +3.9 percent and 5.7 percent increase over 2018.

US WEST

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

	% of Forecast	YOY Rate ²	Apr. YTD	Forecast
Arrivals	106.5%	8.5%	1,421,446	1,334,735
Visitor Spending (\$mil) ²	98.2%	0.0%	2,191.3	2,232.5
Visitor Days	102.5%	4.2%	12,347,790	12,044,315
Daily Spend (\$pppd)	95.7%	-4.0%	177.5	185.4
Airlift (scheduled seats)	100.1%	1.8%	2,666,749	2,665,085

DBEDT Forecasts (Quarter 1 2019), Excludes Supplemental Business Expenditures

- In April 2019, the U.S. West market reported a 1.0 percent increase in visitor spending to \$553.3 million. Arrivals were up 12.4 percent to 390,802 visitors but the average length of stay decreased (-4.0% to 8.21 days) and daily visitors spending was lower (-6.4% to \$172 per person) compared to April 2018.

US EAST

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

	% of Forecast	YOY Rate ²	Apr. YTD	Forecast
Arrivals	99.5%	2.1%	736,093	739,808
Visitor Spending (\$mil) ²	94.4%	-2.7%	1,520.8	1,611.7
Visitor Days	97.6%	-0.1%	7,299,389	7,481,600
Daily Spend (\$pppd)	96.7%	-2.7%	208.3	215.4
Airlift (scheduled seats)	100.0%	1.3%	390,389	390,389

DBEDT Forecasts (Quarter 1 2019), Excludes Supplemental Business Expenditures

- In April 2019, spending by U.S. East visitors declined 7.9 percent to \$285.8 million. Arrivals rose 2.4 percent to 157,256 visitors. However, the length of stay (-2.7% to 9.02 days) and daily spending (-7.6% to \$201 per person) decreased compared to a year ago.

CANADA

Table 5: Key Performance Indicators – Canada

	% of Forecast	YOY Rate ²	Apr. YTD	Forecast
Arrivals	101.9%	2.1%	265,215	260,204
Visitor Spending (\$mil) ²	99.0%	-2.0%	552.8	558.4
Visitor Days	100.3%	-0.1%	3,301,043	3,290,327
Daily Spend (\$pppd)	98.7%	-1.9%	167.5	169.7
Airlift (scheduled seats)	97.0%	8.7%	269,770	278,224

DBEDT Forecasts (Quarter 1 2019), Excludes Supplemental Business Expenditures

- Spending by Canadian visitors dropped 2.4 percent to \$97.1 million in April 2019. Arrivals increased (+6.9% to 55,690 visitors), but the average length of stay (-4.9% to 11.36 days) and daily spending (-4.0% to \$153 per person) declined compared to April 2018.
- Currently there is some instability and uncertainty in the Canadian economy. The uncertainty is contributing to reduced consumer confidence which impacts outbound travel.

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 stay around 75 U.S. cents with a move to 77 U.S. cents by the end of 2020.

- Canada's economy is headed for a slower 2019, reflecting weakness in the energy sector plus slower housing and consumer spending activity. Business investment outside energy is forecast to increase modestly reflecting recent policy changes that will help businesses expand amid strained capacity. Economists have downgraded its 2019 Canadian economic growth forecast to 1.2 percent from 1.7 percent.
- The Bank of Canada predicts the economy to pick up its pace in the second quarter on expectations of stronger housing activity, consumer spending, exports and business investment. It expects the economy to build momentum through 2019 before returning to above-potential growth of 2.1 percent in 2020 and 2.0 percent in 2021.
- The national consumer confidence rating was 112.0 points in April, a -6.4-point drop from one year ago, and a -5.9-point decline compared to last month. Consumer confidence recorded month-over-month declines in every province, except for Quebec and British Columbia. At the same time, the overall attitude regarding purchase intentions remained at 31.0 percent of Canadians indicating now would be a good time to make a major purchase, supported by strong income growth.
- Hawai'i Tourism Canada participated in tradeshows/expos with WestJet and TravelBrands in April/May in Toronto, Ottawa, Montreal, Vancouver, Langley, Edmonton, and Calgary.

JAPAN

Table 6: Key Performance Indicators – Japan

	% of Forecast	YOY Rate ²	Apr. YTD	Forecast
Arrivals	101.2%	2.2%	506,306	500,434
Visitor Spending (\$mil) ²	92.9%	-2.4%	696.4	749.8
Visitor Days	99.9%	0.4%	2,954,615	2,958,947
Daily Spend (\$pppd)	93.0%	-2.8%	235.7	253.4
Airlift (scheduled seats)	100.0%	4.4%	664,654	664,654

DBEDT Forecasts (Quarter 1 2019), Excludes Supplemental Business Expenditures

- In April 2019, spending by Japanese visitors rose slightly (+0.4%) to \$156.5 million. Arrivals rose 2.1 percent to 115,078 visitors. Daily visitor spending (-0.1% to \$232 per person) was similar to April 2018.
- The exchange rate remained stable at approximately 111.66 JPY to USD in April. Economic outlook is starting to decline as concerns such as those relating to the declining population and the planned consumption tax hike become more pressing.
- Hawai'i remains the number one outbound travel destination for Japanese weddings. The state captured a 65 percent market share with an average spending amount of under two million yen (\$20,000 USD).
- Steady recovery from 2018's heightened volcanic activity at Kīlauea has been observed as a result of the rebranding campaign for the island of Hawai'i. Current updates on wholesalers' booking paces indicate stronger results to be seen from the second quarter of 2019.

- Legacy carriers operating flights to Hawaii lowered round trip fuel surcharge rates to 8,000 yen in April. These rates will be increased again to 12,000 yen in June, but because growth is less substantial, impacts should be relatively minimal.
- Delta Air Lines' withdrawal from the Fukuoka market after May 8 has resulted in the Fukuoka market no longer having direct flight service to Hawai'i. In response to demand from the market, Hawaiian Airlines announced intents to return direct flight service from the market from as early as November. Hawaiian Airlines plans to operate four weekly flights for the route.
- A shift in the Kansai market is expected for 2019 with the cessation of services by Scoot (May 7), making Air Asia X the sole LCC operator in the market.
- The launch of the first Airbus A380 Aircraft by ANA this coming May 24th (3 days/week) and a second aircraft on July 1st (7 days/week) will greatly increase media exposure for Hawai'i in 2019, while changing the dynamics of the seat distribution for Hawai'i-Japan route.
- 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	Apr. YTD	Forecast
Arrivals	95.2%	-4.7%	109,630	115,144
Visitor Spending (\$mil) ²	88.3%	-9.2%	272.6	308.8
Visitor Days	92.9%	-7.1%	1,029,793	1,108,682
Daily Spend (\$pppd)	95.0%	-2.2%	264.7	278.5
Airlift (scheduled seats)	100.0%	-4.1%	158,779	158,856

DBEDT Forecasts (Quarter 1 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Australia decreased in April (-7.7% to 24,868) and through the first four months of 2019 (-4.3% to 90,552) compared to the same periods last year.
- The Australian dollar continues to soften, with exchange rates in April ranging between US\$0.69 and \$0.71s.
- GDP growth for Australia is forecast at a below average rate of 2.3 percent in 2019 before rising again to average of around 3 percent in following years.
- 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 declined in April (-21.9% to 7,031) and through the first four months of 2019 (-6.2% to 19,078).
- The New Zealand economy is predicted to see GDP growth of between 2.5 percent and 3.5 percent over the next few years.
- After a long period of stability, the New Zealand dollar weakened against the USD during 2018 but rallied towards the latter part of the year. The NZD was at US\$0.68 as of March 2019.

- 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	Apr. YTD	Forecast
Arrivals	94.9%	-6.2%	37,167	39,154
Visitor Spending (\$mil) ²	83.6%	-3.0%	75.6	90.4
Visitor Days	94.6%	-6.2%	484,290	512,004
Daily Spend (\$pppd)	88.4%	3.3%	156.2	176.6
Airlift (scheduled seats)	NA	NA	NA	NA

DBEDT Forecasts (Quarter 1 2019), Excludes Supplemental Business Expenditures

- Combined visitor arrivals from the United Kingdom, France, Germany, Italy and Switzerland decreased in April (-8.7% to 11,913) and through the first four months of 2019 (-6.2% to 37,167).
- The GfK consumer confidence index in the UK held steady for a third month in April 2019, just slightly below market expectations. Consumers are holding firm and remain unshaken despite the uncertainty/concerns surrounding Brexit.
- British households reported the strongest growth in at least a decade in their earnings, suggesting that consumers and their spending will keep on supporting the economy during Brexit.
- Overall, the German economy remains stable. FocusEconomics Consensus Forecast panelists expect the German economy to grow to 1.0 percent in 2019, and 1.5 percent in 2020.
- 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.
- The French economy is forecasted to grow at 1.2 percent, down 0.2 percentage points from last month's forecast.
- According to Trading Economics, the Swiss economy is currently at 0.2 percent. FocusEconomics panelists expect the Swiss GDP to grow 1.2 percent this year and to 1.5 percent in 2020.
- Virgin Atlantic is promoting their new route from Manchester to Los Angeles through blitzes across the region. The seasonal flight connects the UK's north to Hawai'i through one U.S. gateway.

CHINA

Table 9: Key Performance Indicators – China

	% of Forecast	YOY Rate ²	Apr. YTD	Forecast
Arrivals	92.1%	-23.3%	37,465	40,689
Visitor Spending (\$mil) ²	82.3%	-21.6%	101.5	123.2
Visitor Days	92.4%	-19.4%	313,582	339,548
Daily Spend (\$pppd)	89.1%	-2.7%	323.6	363.0
Airlift (scheduled seats)	103.0%	-20.0%	45,205	43,897

DBEDT Forecasts (Quarter 1 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from China decreased in April (-25.0% to 9,543) and through the first four months of 2019 (-23.3% to 37,465) compared to a year ago.
- 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 Quarter 1, China's GDP grew 6.4 percent YOY slightly above market expectation of a 6.3 percent expansion.
- Currency exchange rate remains stable at approximately 6.7 CNY to USD.
- China's outbound travel recorded 140 million trips in 2018 (an increase of 13.5 percent YOY) and is expected to exceed 166 million in 2019.
- In Quarter 1 2019, a total of 294,008 Chinese citizens obtained the Non-Immigrated Visas (NIV) according to the Bureau of Consular Affairs U.S., decreased by 14 percent YOY.
- The number of valid Chinese passports for international travel reached 130 million which is around 10 percent of the total population, illustrating high potential for growth.
- Competition continues to intensify as countries and the continental U.S. destinations invest heavily in gaining access to the Chinese travel market. The overall increase in airlift from Tier 1 and Tier 2 China cities to continental U.S. resulted in affordable airfares, raising competition to the Hawaiian Islands.
- In the Shanghai market, China Eastern Airlines increased their air seats by 11 percent in Quarter 1. During the same period, Beijing market saw a 51 percent decrease in air seats year over year due to the suspension of Hawaiian Airlines' Beijing route.
- The highly anticipated Airbus A380 "Flying Honu" by ANA will be launched in May 24th (3 days/week) and in July 1st (7 days/week) in 2019. With the new aircrafts, 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	Apr. YTD	Forecast
Arrivals	101.2%	-23.0%	69,702	68,858
Visitor Spending (\$mil) ²	90.8%	-21.0%	146.2	161.0
Visitor Days	103.3%	-19.6%	546,274	528,999
Daily Spend (\$pppd)	87.9%	-1.7%	267.6	304.4
Airlift (scheduled seats)	100.0%	-16.8%	111,168	111,145

DBEDT Forecasts (Quarter 1 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Korea declined in both April (-4.4% to 15,645) and year-to-date (-23.0% to 69,702).
- The Organization for Economic Cooperation and Development (OECD) cut its growth outlook for South Korea's economy this year to 2.4 percent, which presents a 0.2 percent drop from its previous forecast of 2.6 percent in March. The OECD said weaker economic growth is in part to many factors including weak domestic demand, a slowdown in global trade, a decline in fixed investment and weak job creation. South Korean government proposed a 6.7 trillion won extra budget to cope with an economic slowdown and fine dust air pollution. The country's gross domestic product (GDP) has backtracked 0.3 percent in the first quarter of the year from the previous quarter.
- The average USD/WON exchange rate in April was 1105.24 won, a slight increase from the previous rate of 1095.24 won in March. Fuel surcharges were imposed in April up to 122,400 won (\$105) for a round trip between Korea and the U.S.
- Korea's flag carrier Asiana Airlines (OZ) will increase the frequency of its ICN-HNL route to daily during the following periods; between April 30 and May 18, 2019, and second daily services from August 16 to October 26, 2019. With its increased airlift, the daily flight services will add about 6,325 seat supplies to the market by the end of this year. OZ also reported that it will be likely to continue its daily flight services from October 27 until March 2020 to primarily serve increasing FIT demands.
- Jin Air has suspended flights from March 3 to mid-July and will resume the flights from Jul 22 through to August 25 with 5 flights weekly schedule targeting increasing demands of the summer peak season.
- HTK partnered with; 1) Korean Air on a premium package promotion; 2) Asiana Airlines on an OTA promotion; 3) Jin Air on a sales promotion; and 4) Hawaiian Airlines for Neighbor island promotions.
- 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.
- HTK executed various sales promotions with; 1) Hana Tour, leading wholesaler on 'Hawaii-Exclusive Online EXPO' in August 2) Mode Tour, second largest wholesaler on 'The choice of the month, Hawaii' in June 3) Tide Square, leading premium OTA on 'Hawaii Exclusive Online Pavilion' on May and 4) Hyundai Department Store, a leading premium department store on 'Hawaii Lifestyle Week' in July.

TAIWAN

Table 11: Key Performance Indicators – Taiwan

	% of Forecast	YOY Rate ²	Apr. YTD	Forecast
Arrivals	107.4%	8.0%	6,203	5,777
Visitor Spending (\$mil) ²	111.7%	24.7%	15.8	14.1
Visitor Days	122.5%	18.6%	60,975	49,776
Daily Spend (\$pppd)	91.2%	5.1%	258.6	283.5
Airlift (scheduled seats)	100.0%	0.0%	10,404	10,404

DBEDT Forecasts (Quarter 1 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Taiwan dropped in April (-1.4% to 1,348) but have increased year-to-date (+8.0% to 6,203).
- Taiwan's government trimmed its GDP growth forecast for 2019 to 2.3 percent due to slowing global expansion and trade tensions between China and the U.S.
- Currency exchange rate fluctuations play a critical role in Taiwanese consumers' decision-making in oversea travel destination and spending.
- Taiwanese government continues to promote domestic tourism by offering spring travel subsidies of up to US\$50 per person from April to June 2019. The program applies to both independent travelers and group tourists age 18 to 40.
- Taiwanese outbound travel to the U.S. decreased by 8.2 percent to 43,292 in March 2019 compared to the same period last year. As China Airlines has cleared up its backlog caused by the recent strike, the outbound statistics is expected to turn positive in the coming months.
- Short-haul competition from Asian destinations remains strong: Thailand, Philippines, Vietnam and Hong Kong have seen double-digit growths because of their more affordable pricing and proximity to Taiwan. Furthermore, Thailand will extend its waiver on visa-on-arrival fees until October 2019, expecting to attract even more Taiwanese visitors in the second and third quarter.
- Long-haul competition from New Zealand continues to be strong with 30.8 percent (YTD March) year-over-year increase in Taiwanese visitation 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.
- According to Skyscanner's APAC Travel Trends 2018 report, social media is the most influential source of travel inspirations (56.4%) in Taiwan where influencers' photos and videos and recommendations allow local consumers to virtually experience destinations.
- China Airlines will add one more direct flight starting May 2019, providing a total of three weekly flights between Taipei and Honolulu. HTT hosted a media event with China Airlines to promote the additional direct flight. A total of 16 journalists from 13 media outlets attended the event, generating 18 news coverages (one newspaper, one trade magazine and 16 online).

LATIN AMERICA

Table 122: Key Performance Indicators – Latin America

	% of Forecast	YOY Rate ²	Apr. YTD	Forecast
Arrivals	93.0%	-14.9%	8,596	9,246
Visitor Spending (\$mil) ²	91.6%	-13.5%	20.2	22.0
Visitor Days	94.1%	-13.9%	92,425	98,197
Daily Spend (\$pppd)	97.4%	0.5%	218.3	224.3
Airlift (scheduled seats)	NA	NA	NA	NA

DBEDT Forecasts (Quarter 1 2019), Excludes Supplemental Business Expenditures

- Visitor arrivals from Mexico, Brazil and Argentina increased in April (+31.1% to 2,908) but have declined year-to-date (-14.9% to 8,596).

Island Distribution

- **O‘ahu:** Visitor spending declined in April (-1.2% to \$626.8 million) year-over-year. Total visitor days increased (+10.4%), however daily spending was lower (-10.5% to \$188 per person) compared to April 2018. Arrivals to O‘ahu increased 8.7 percent to 494,192 visitors. The average daily census grew 10.4 percent to 111,150 visitors in April.

Through the first four months, both visitor spending (+3.2% to \$2.63 billion) and arrivals (+4.9% to 1,975,735) increased compared to a year ago.

- **Maui:** Visitor spending dropped 4.6 percent to \$394.4 million in April compared to April last year. Visitor days (+3.5%) increased, but daily spending (-7.8% to \$208 per person) decreased from April 2018. Arrivals were up 5.2 percent to 249,076 visitors. The average daily census rose 3.5 percent to 63,159 visitors in April.

Through the first four months, visitor spending decreased on Maui (-5.3% to \$1.72 billion) despite growth in visitor arrivals (+3.4% to 977,044).

- **Island of Hawai‘i:** Visitor spending decreased (-20.5% to \$154.8 million) in April year-over-year, as a result of decreases in visitor days (-13.7%) and average daily spending (-7.9% to \$170 per person). Arrivals declined 14.2 percent to 131,499 visitors. The average daily census decreased 13.7 percent to 30,436 visitors in April.

Through the first four months, both visitor spending (-14.8% to \$803.4 million) and visitor arrivals (-10.4% to 581,114) declined versus last year.

- **Kaua‘i:** Visitor spending decreased (-14.8% to \$134.2 million) compared to April 2018, due to declines in both visitor days (-5.9%) and average daily spending (-9.4% to \$177 per person). Arrivals were down 4.8 percent to 106,009 visitors. The average daily census dropped 5.9 percent to 25,290 visitors in April.

Through the first four months, both visitor spending (-6.7% to \$617.7 million) and visitor arrivals (-2.2% to 439,971) declined compared to the same period last year.

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q1 2019

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

Visitor Industry Performance Measures

Market: **OVERALL**

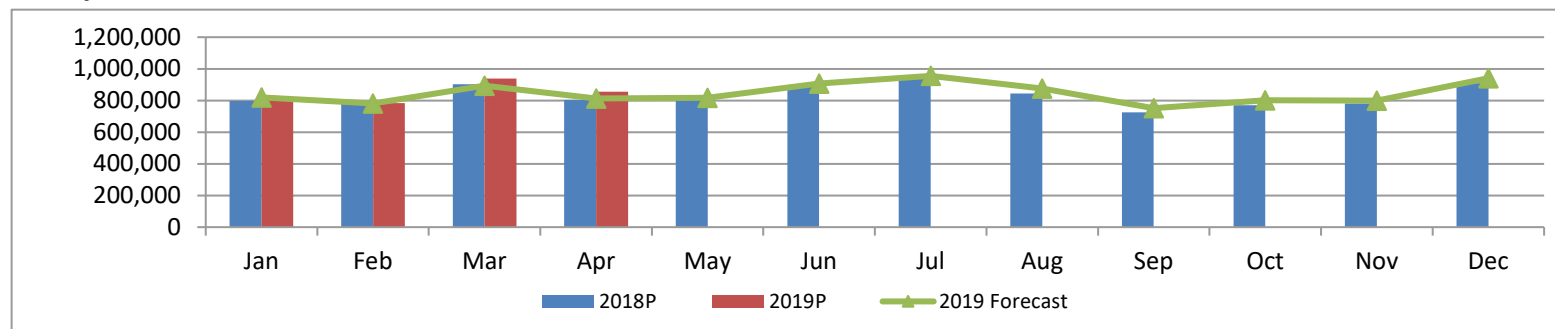
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Arrivals	↑ 102.8%	3.6%	3,398,519	3,306,321	O'ahu	4.9%	1,975,735
Visitor Spending (\$mil)*	↓ 94.9%	-3.3%	5,849.0	6,160.4	Maui	3.4%	977,044
Visitor Days	→ 100.2%	0.9%	30,044,144	29,996,983	Moloka'i	-5.7%	20,462
Daily Spend (\$pppd)	↓ 94.8%	-4.2%	194.7	205.4	Lāna'i	5.0%	27,191
Airlift (scheduled seats)	→ 99.8%	1.4%	4,417,397	4,424,198	Kaua'i	-2.2%	439,971
					Hawai'i Island	-10.4%	581,114

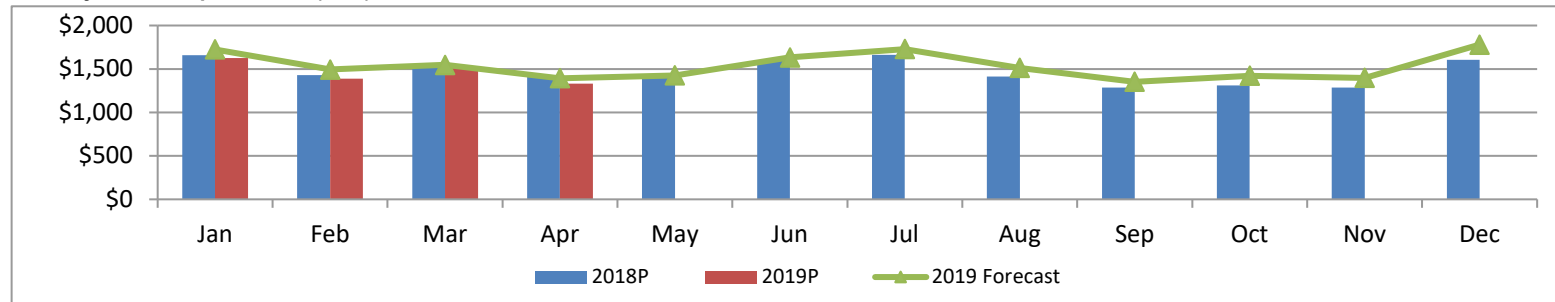
*DBEDT Forecast as of Q1 2019

Monthly Indicators

Monthly Arrivals

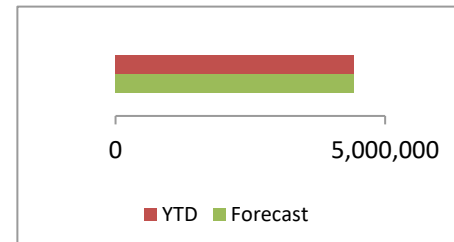
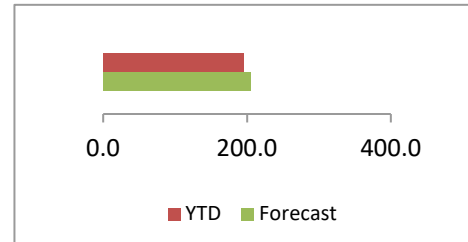
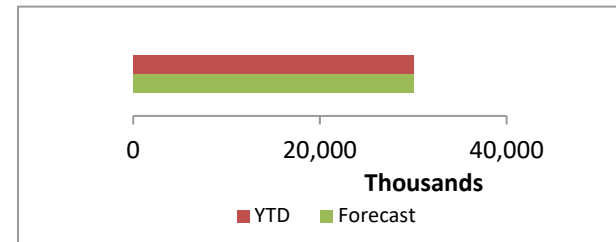


Monthly Visitor Expenditures (\$mil)



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 Q1 2019

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

Visitor Industry Performance Measures

Market: **U.S. TOTAL**

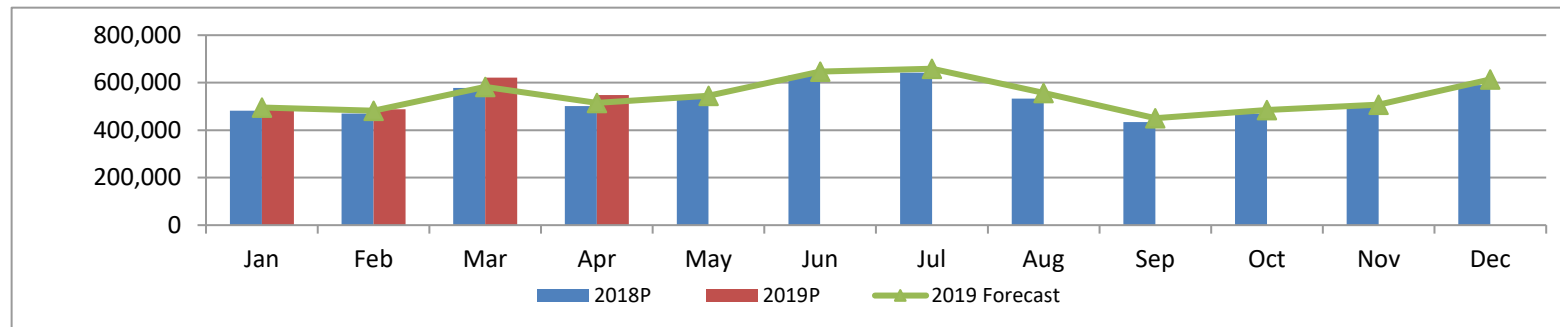
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Arrivals	↑ 104.0%	6.2%	2,157,539	2,074,543	O'ahu	10.6%	1,030,027
Visitor Spending (\$mil)*	↓ 96.6%	-1.1%	3,712.1	3,844.2	Maui	3.9%	740,375
Visitor Days	→ 100.6%	2.6%	19,647,180	19,525,915	Moloka'i	-3.9%	14,489
Daily Spend (\$pppd)	↓ 96.0%	-3.6%	188.9	196.9	Lāna'i	-4.5%	17,880
Airlift (scheduled seats)	→ 100.1%	1.8%	3,057,138	3,055,474	Kaua'i	-2.8%	355,541
					Hawai'i Island	-5.0%	405,305

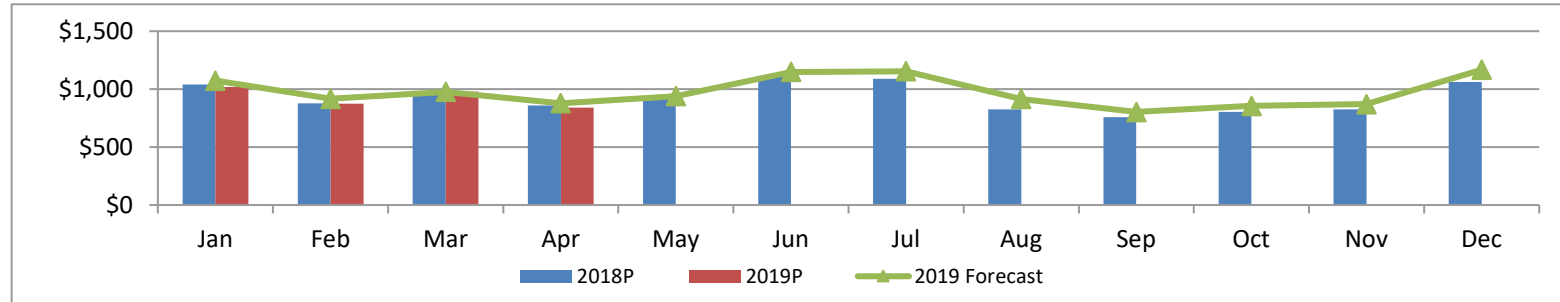
*DBEDT Forecast as of Q1 2019

Monthly Indicators

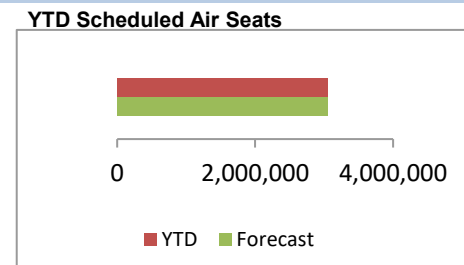
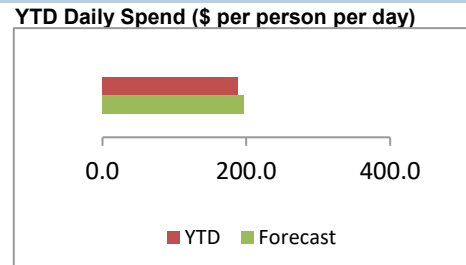
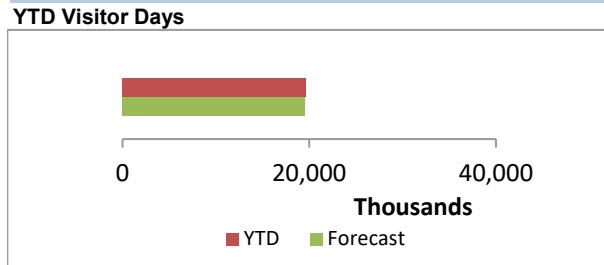
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q1 2019

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

Visitor Industry Performance Measures

Market: **U.S. WEST**

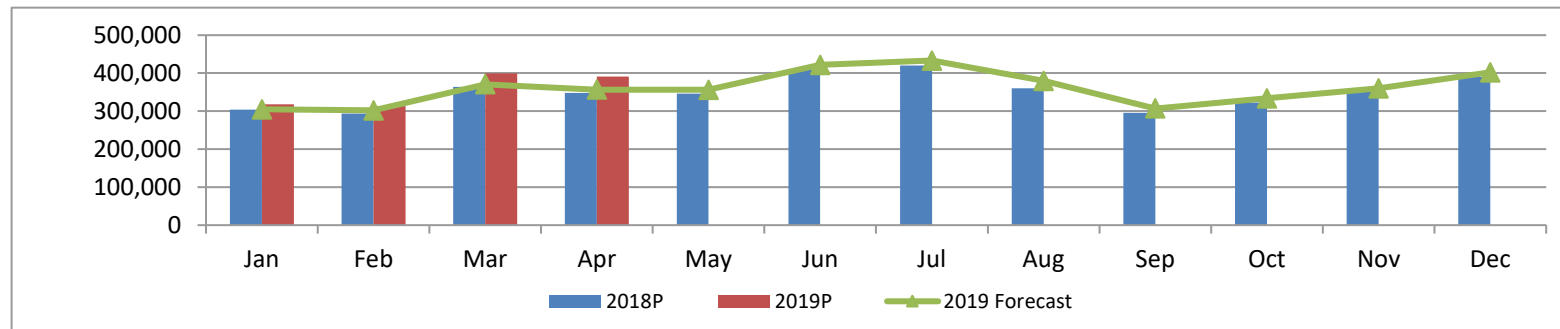
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Arrivals	↑ 106.5%	8.5%	1,421,446	1,334,735	O'ahu	14.6%	619,276
Visitor Spending (\$mil)*	↔ 98.2%	0.0%	2,191.3	2,232.5	Maui	6.7%	474,691
Visitor Days	↑ 102.5%	4.2%	12,347,790	12,044,315	Moloka'i	15.5%	9,073
Daily Spend (\$pppd)	↓ 95.7%	-4.0%	177.5	185.4	Lāna'i	9.2%	9,733
Airlift (scheduled seats)	→ 100.1%	1.8%	2,666,749	2,665,085	Kaua'i	-0.9%	222,951
					Hawai'i Island	-0.1%	257,882

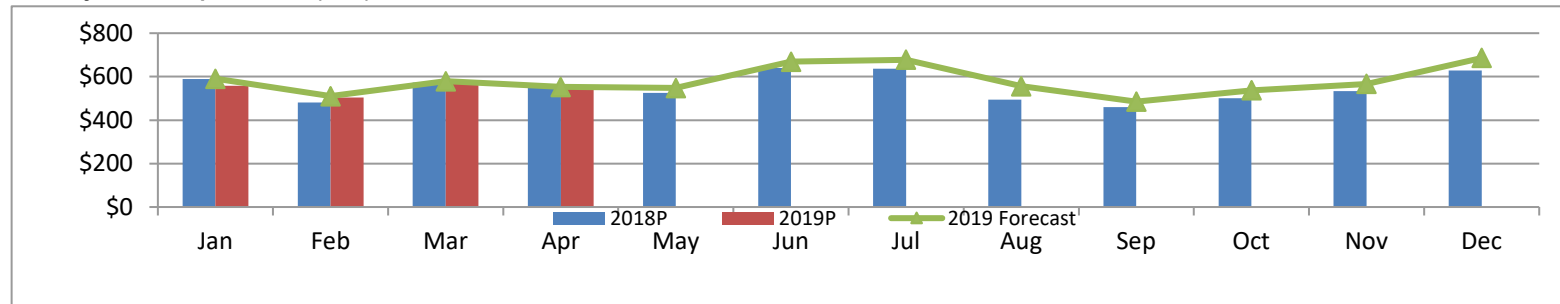
*DBEDT Forecast as of Q1 2019

Monthly Indicators

Monthly Arrivals

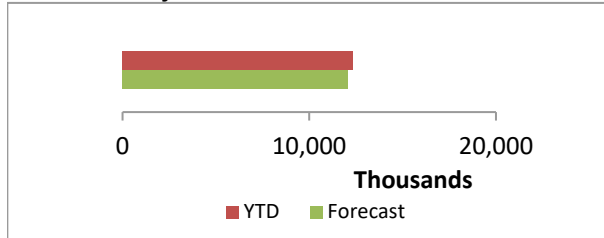


Monthly Visitor Expenditures (\$mil)

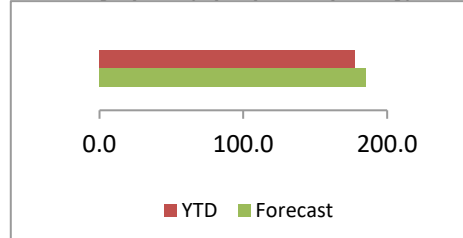


Annual Indicators

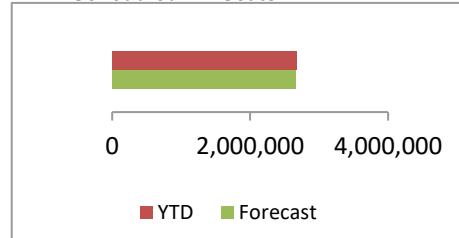
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

DBEDT Forecast as of Q1 2019

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

Visitor Industry Performance Measures

Market: **U.S. EAST**

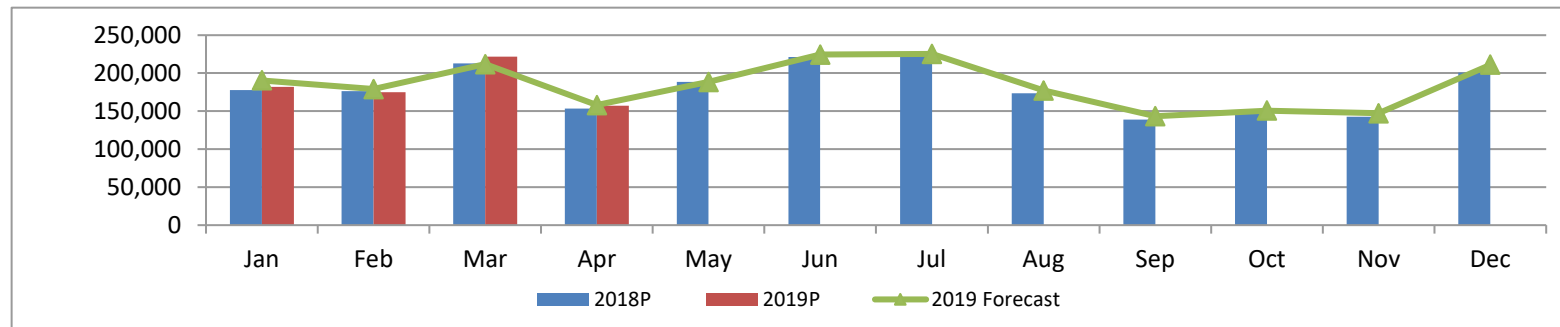
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Arrivals	➔ 99.5%	2.1%	736,093	739,808	O'ahu	5.1%	410,750
Visitor Spending (\$mil)*	⬇ 94.4%	-2.7%	1,520.8	1,611.7	Maui	-0.7%	265,684
Visitor Days	⬇ 97.6%	-0.1%	7,299,389	7,481,600	Moloka'i	-24.9%	5,415
Daily Spend (\$pppd)	⬇ 96.7%	-2.7%	208.3	215.4	Lāna'i	-16.9%	8,147
Airlift (scheduled seats)	➔ 100.0%	1.3%	390,389	390,389	Kaua'i	-5.8%	132,590
					Hawai'i Island	-12.5%	147,423

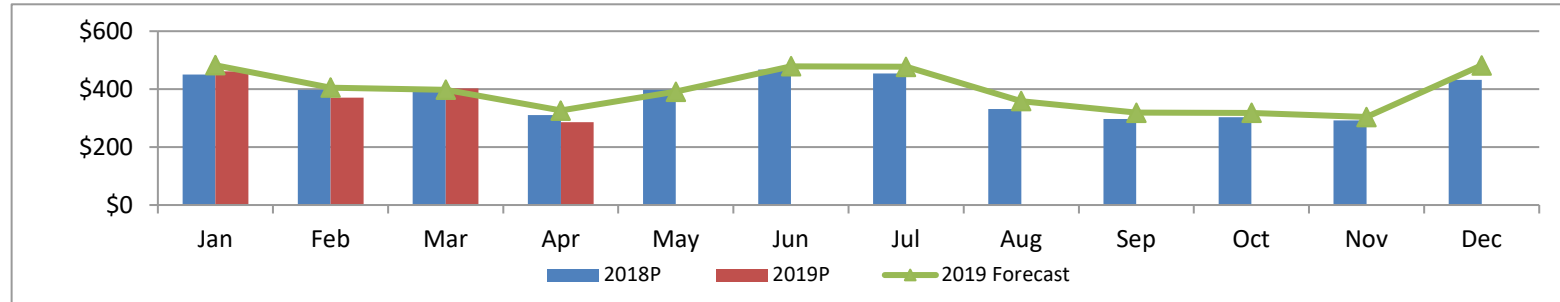
*DBEDT Forecast as of Q1 2019

Monthly Indicators

Monthly Arrivals

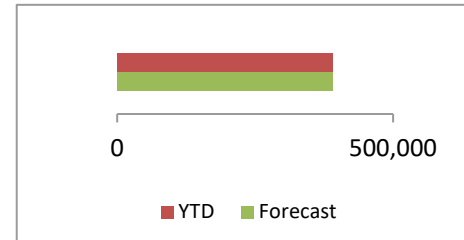
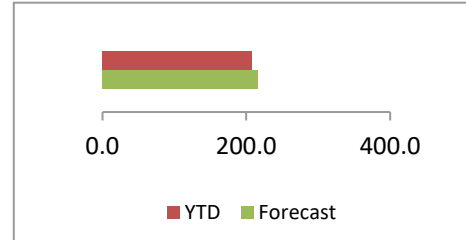
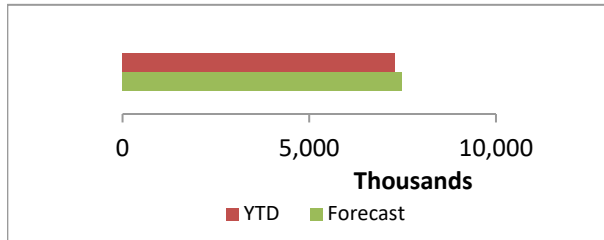


Monthly Visitor Expenditures (\$mil)



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: **Apr-19** *Preliminary*

Visitor Industry Performance Measures

Market: **CANADA**

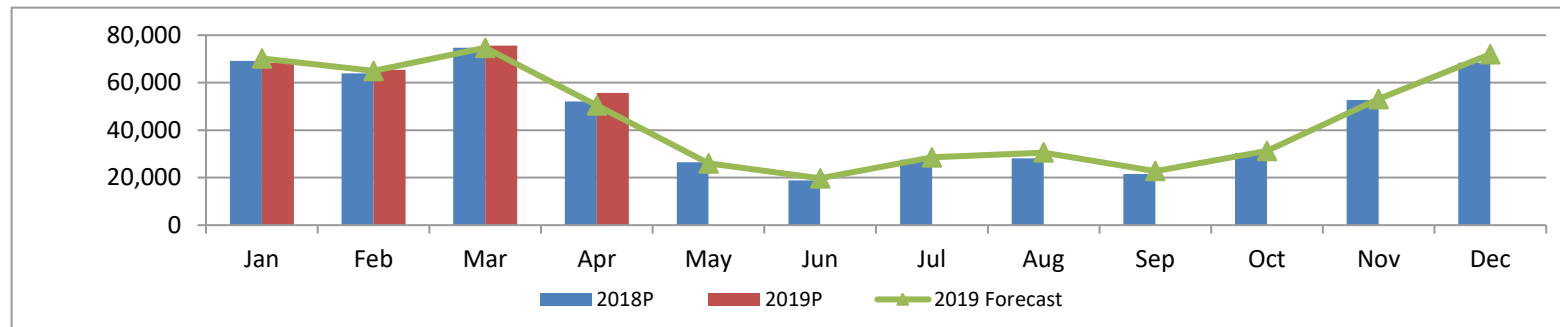
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Arrivals	↗ 101.9%	2.1%	265,215	260,204	O'ahu	6.1%	103,248
Visitor Spending (\$mil)*	→ 99.0%	-2.0%	552.8	558.4	Maui	0.6%	131,043
Visitor Days	→ 100.3%	-0.1%	3,301,043	3,290,327	Moloka'i	20.9%	2,235
Daily Spend (\$pppd)	↘ 98.7%	-1.9%	167.5	169.7	Lāna'i	-2.8%	2,629
Airlift (scheduled seats)	↘ 97.0%	8.7%	269,770	278,224	Kaua'i	2.9%	38,973
					Hawai'i Island	-8.5%	49,107

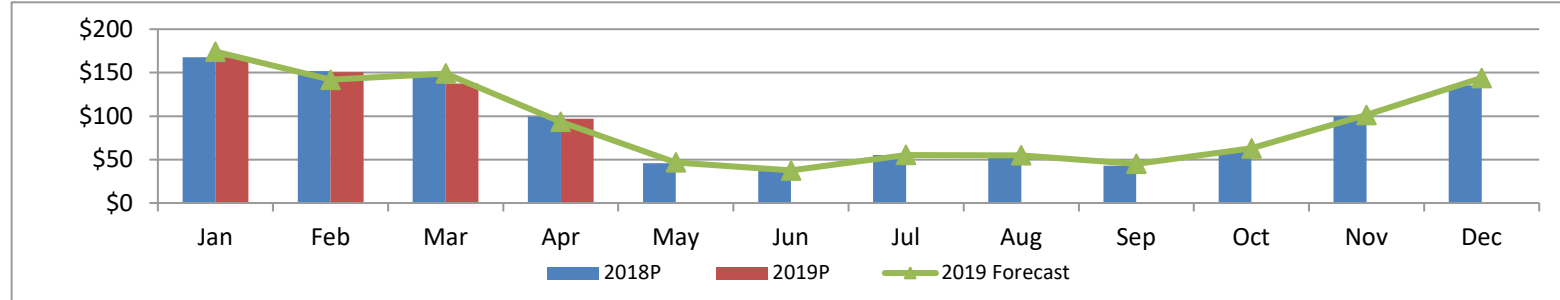
*DBEDT Forecast as of Q1 2019

Monthly Indicators

Monthly Arrivals

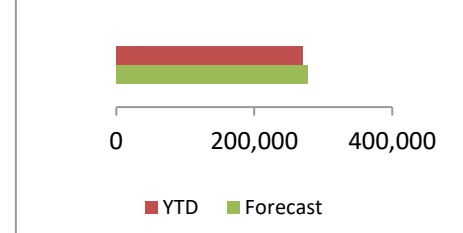
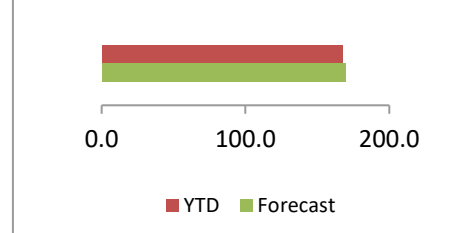
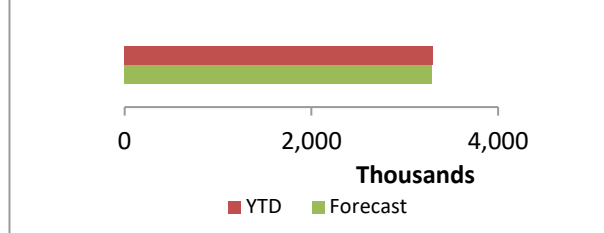


Monthly Visitor Expenditures (\$mil)



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 Q1 2019

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

Visitor Industry Performance Measures

Market: **JAPAN**

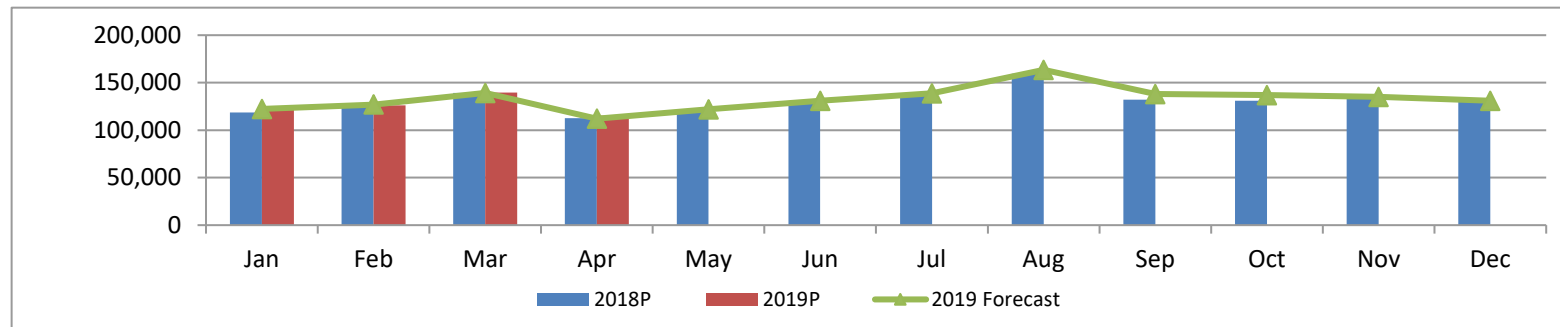
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Arrivals	↗ 101.2%	2.2%	506,306	500,434	O'ahu	3.7%	481,373
Visitor Spending (\$mil)*	↓ 92.9%	-2.4%	696.4	749.8	Maui	8.7%	16,696
Visitor Days	↔ 99.9%	0.4%	2,954,615	2,958,947	Moloka'i	-13.3%	398
Daily Spend (\$pppd)	↓ 93.0%	-2.8%	235.7	253.4	Lāna'i	81.9%	649
Airlift (scheduled seats)	↔ 100.0%	4.4%	664,654	664,654	Kaua'i	9.8%	8,768
					Hawai'i Island	-32.7%	47,276

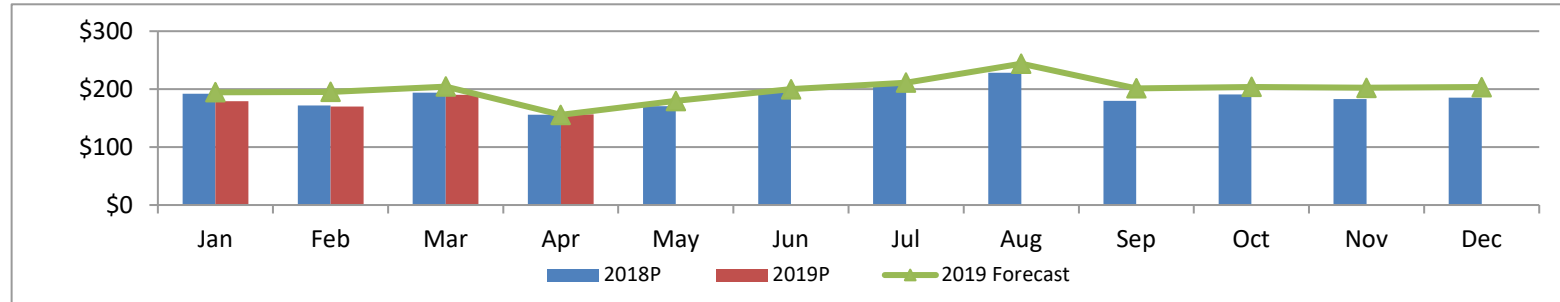
*DBEDT Forecast as of Q1 2019

Monthly Indicators

Monthly Arrivals

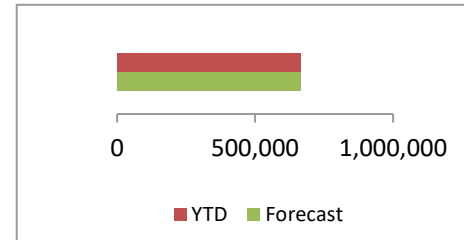
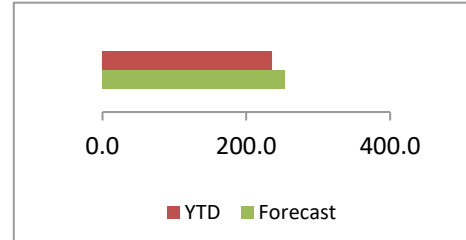
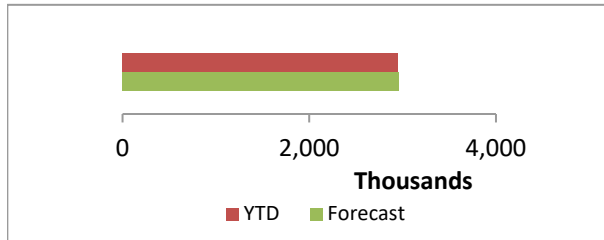


Monthly Visitor Expenditures (\$mil)



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: **Apr-19** *Preliminary*

Visitor Industry Performance Measures

Market: **CHINA**

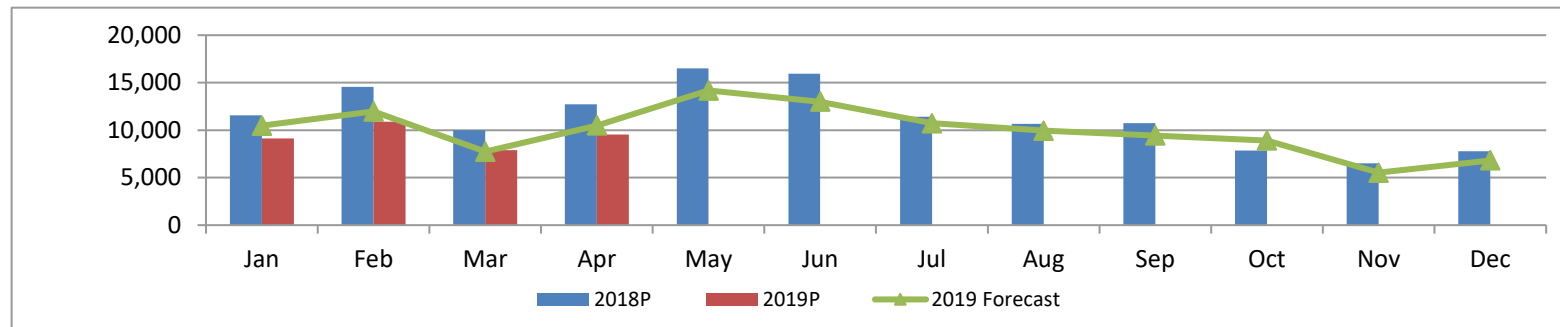
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Arrivals	↓ 92.1%	-23.3%	37,465	40,689	O'ahu	-23.7%	36,322
Visitor Spending (\$mil)*	↓ 82.3%	-21.6%	101.5	123.2	Maui	-17.2%	8,904
Visitor Days	↓ 92.4%	-19.4%	313,582	339,548	Moloka'i	-41.3%	286
Daily Spend (\$pppd)	↓ 89.1%	-2.7%	323.6	363.0	Lāna'i	41.2%	479
Airlift (scheduled seats)	↑ 103.0%	-20.0%	45,205	43,897	Kaua'i	12.6%	1,616
					Hawai'i Island	-24.9%	14,729

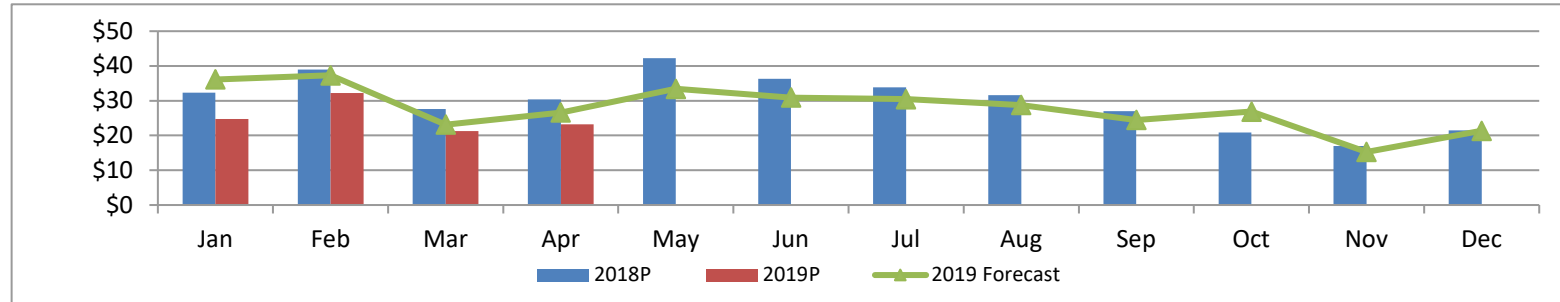
*DBEDT Forecast as of Q1 2019

Monthly Indicators

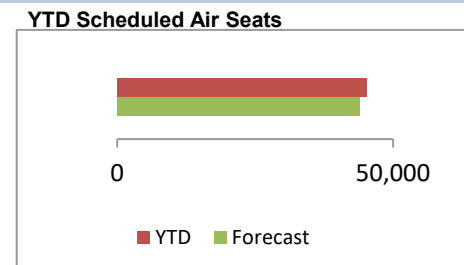
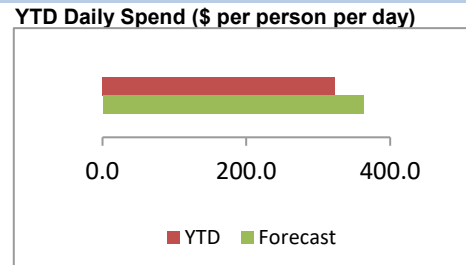
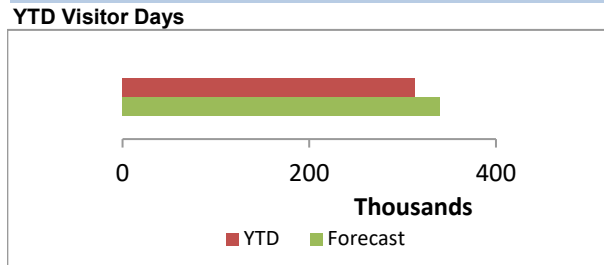
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



* Excludes Supplemental Business Expenditures

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

Visitor Industry Performance Measures

Market: **KOREA**

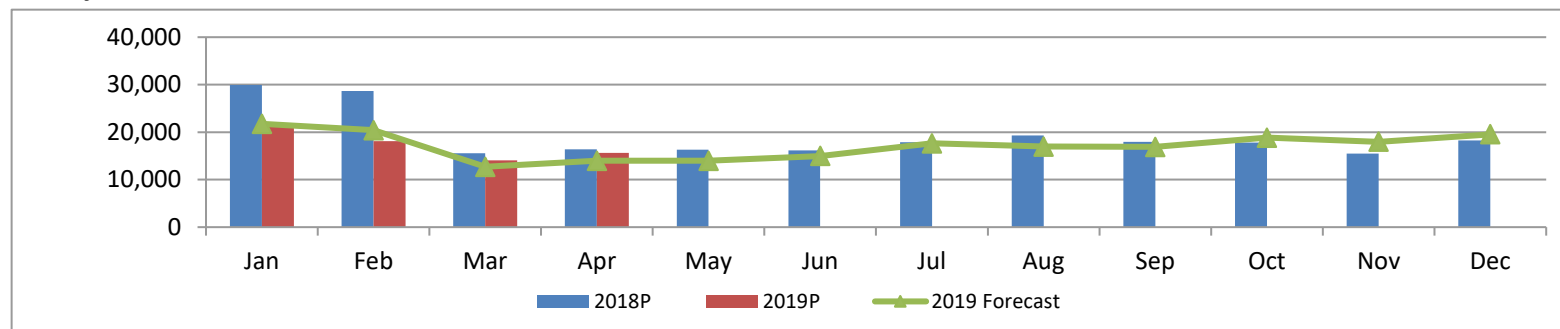
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Arrivals	↗ 101.2%	-23.0%	69,702	68,858	O'ahu	-22.3%	68,658
Visitor Spending (\$mil)*	↓ 90.8%	-21.0%	146.2	161.0	Maui	-7.8%	9,556
Visitor Days	↑ 103.3%	-19.6%	546,274	528,999	Moloka'i	-30.0%	275
Daily Spend (\$pppd)	↓ 87.9%	-1.7%	267.6	304.4	Lāna'i	57.4%	259
Airlift (scheduled seats)	→ 100.0%	-16.8%	111,168	111,145	Kaua'i	-29.5%	2,687
					Hawai'i Island	-27.0%	8,880

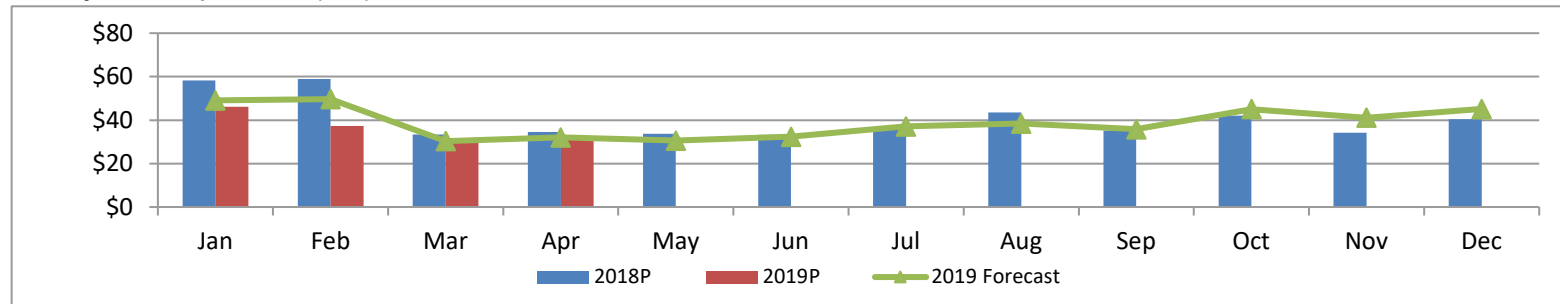
*DBEDT Forecast as of Q1 2019

Monthly Indicators

Monthly Arrivals

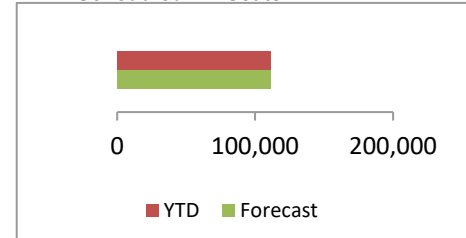
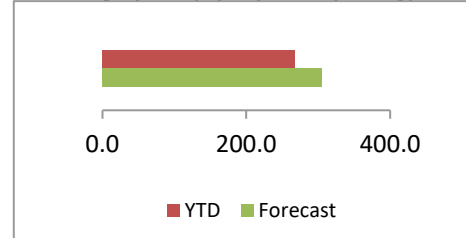
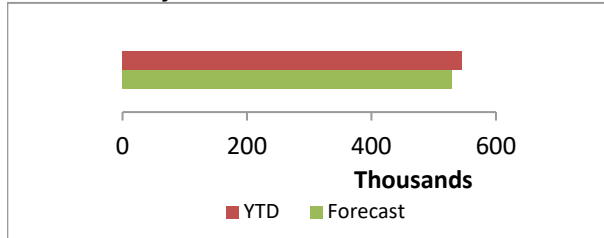


Monthly Visitor Expenditures (\$mil)



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: **Apr-19** *Preliminary*

Visitor Industry Performance Measures

Market: **TAIWAN**

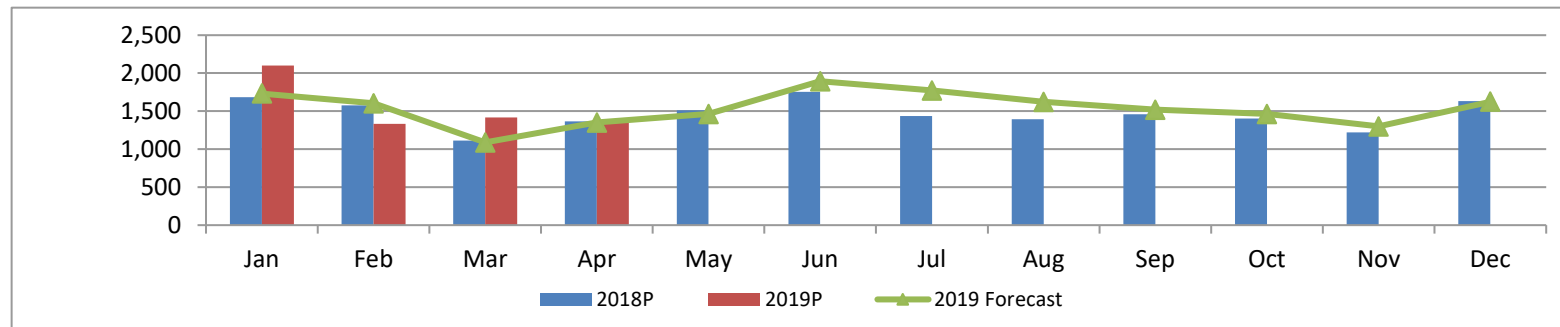
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Arrivals	↑ 107.4%	8.0%	6,203	5,777	O'ahu	7.7%	6,037
Visitor Spending (\$mil)*	↑ 111.7%	24.7%	15.8	14.1	Maui	33.7%	1,490
Visitor Days	↑ 122.5%	18.6%	60,975	49,776	Moloka'i	-100.0%	-
Daily Spend (\$pppd)	↓ 91.2%	5.1%	258.6	283.5	Lāna'i	-30.6%	46
Airlift (scheduled seats)	→ 100.0%	0.0%	10,404	10,404	Kaua'i	183.1%	486
					Hawai'i Island	-25.5%	1,439

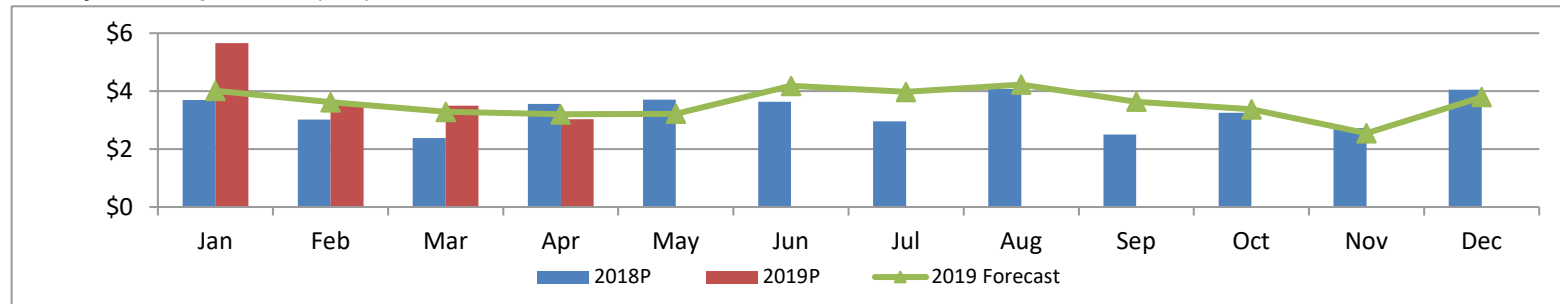
*DBEDT Forecast as of Q1 2019

Monthly Indicators

Monthly Arrivals

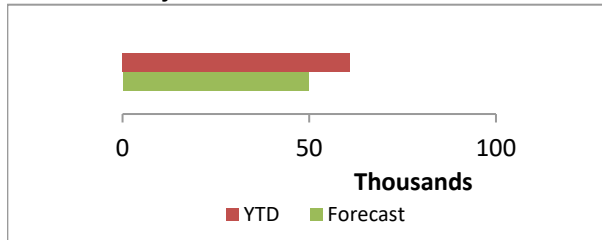


Monthly Visitor Expenditures (\$mil)

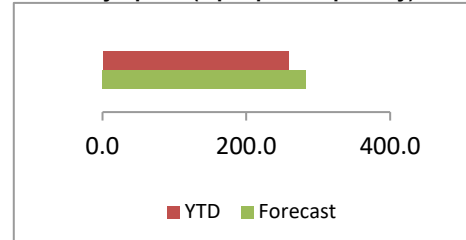


Annual Indicators

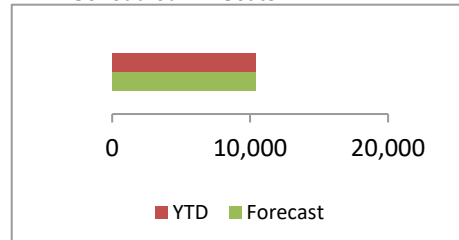
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

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

Visitor Industry Performance Measures

Market: **OCEANIA**

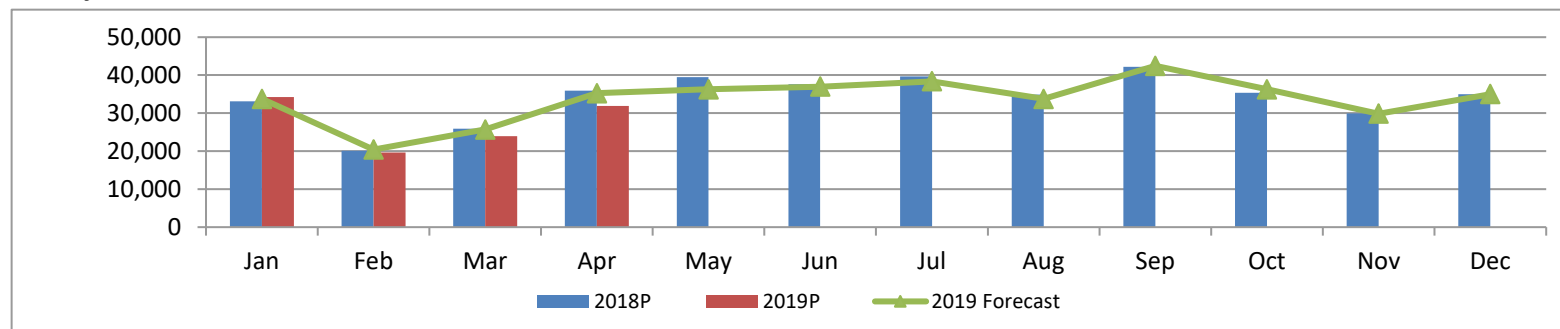
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Arrivals	↓ 95.2%	-4.7%	109,630	115,144	O'ahu	-4.8%	107,284
Visitor Spending (\$mil)*	↓ 88.3%	-9.2%	272.6	308.8	Maui	-5.7%	17,415
Visitor Days	↓ 92.9%	-7.1%	1,029,793	1,108,682	Moloka'i	14.7%	1,251
Daily Spend (\$pppd)	↓ 95.0%	-2.2%	264.7	278.5	Lāna'i	8.9%	1,827
Airlift (scheduled seats)	→ 100.0%	-4.1%	158,779	158,856	Kaua'i	20.0%	9,791
					Hawai'i Island	-20.5%	12,314

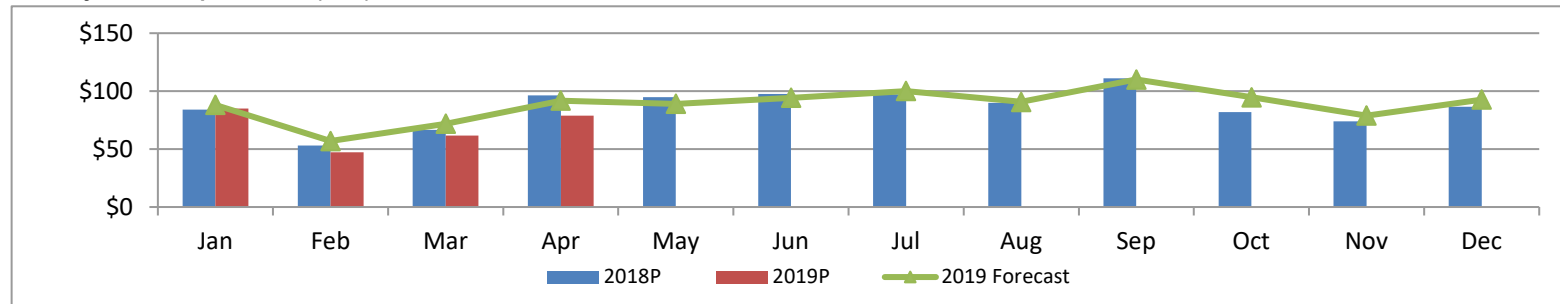
*DBEDT Forecast as of Q1 2019

Monthly Indicators

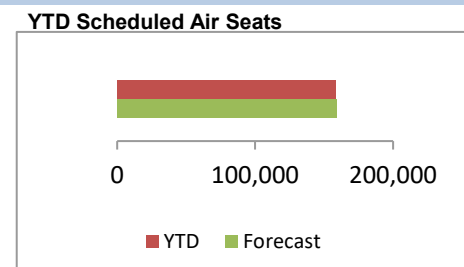
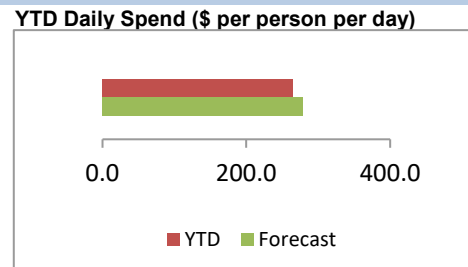
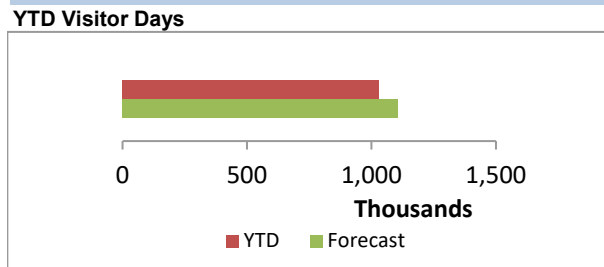
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



* Excludes Supplemental Business Expenditures

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

Visitor Industry Performance Measures

Market: **EUROPE**

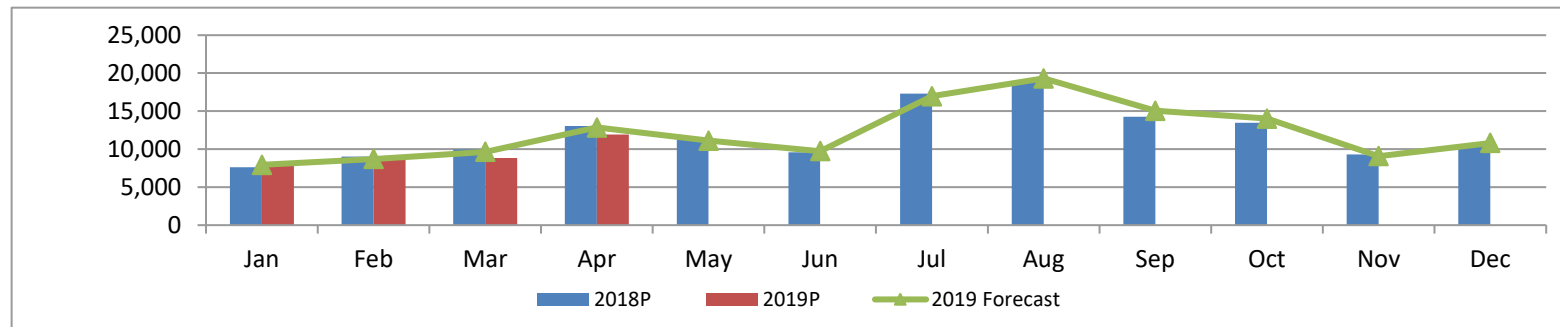
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Arrivals	↓ 94.9%	-6.2%	37,167	39,154	O'ahu	-6.9%	27,800
Visitor Spending (\$mil)*	↓ 83.6%	-3.0%	75.6	90.4	Maui	6.4%	15,176
Visitor Days	↓ 94.6%	-6.2%	484,290	512,004	Moloka'i	23.8%	609
Daily Spend (\$pppd)	↓ 88.4%	3.3%	156.2	176.6	Lāna'i	29.5%	559
Airlift (scheduled seats)	NA	NA	NA	NA	Kaua'i	1.1%	8,243
					Hawai'i Island	-21.9%	10,226

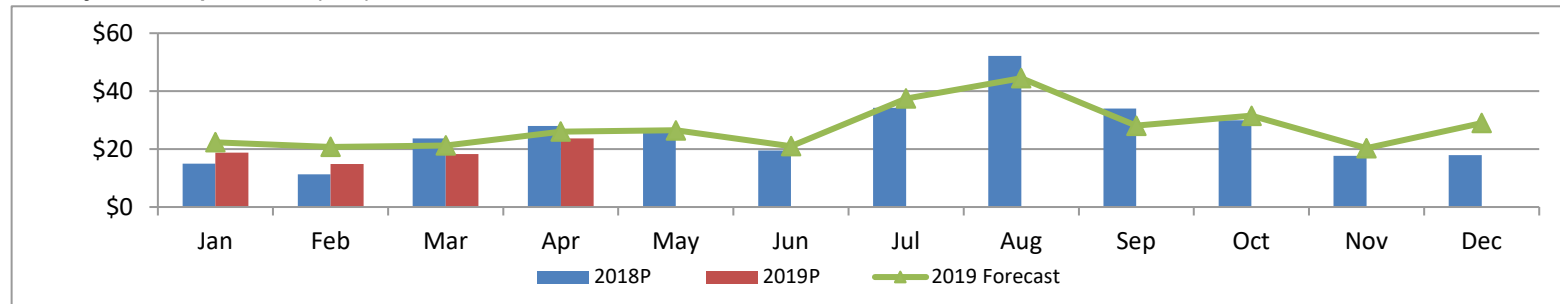
*DBEDT Forecast as of Q1 2019

Monthly Indicators

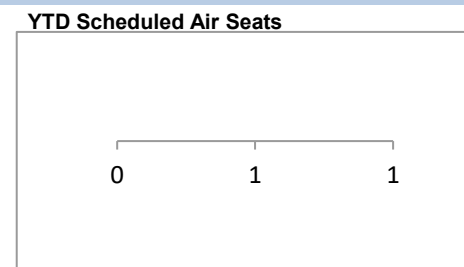
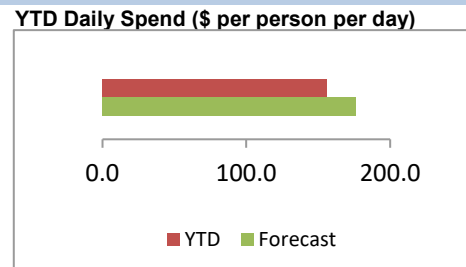
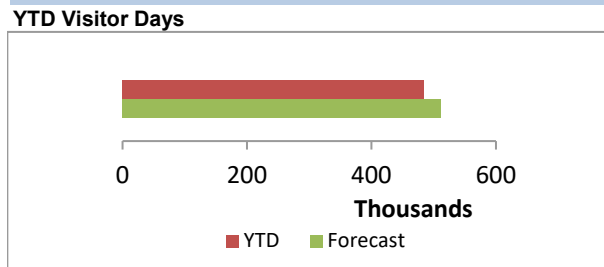
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



* Excludes Supplemental Business Expenditures

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

Visitor Industry Performance Measures

Market: **LATIN AMERICA**

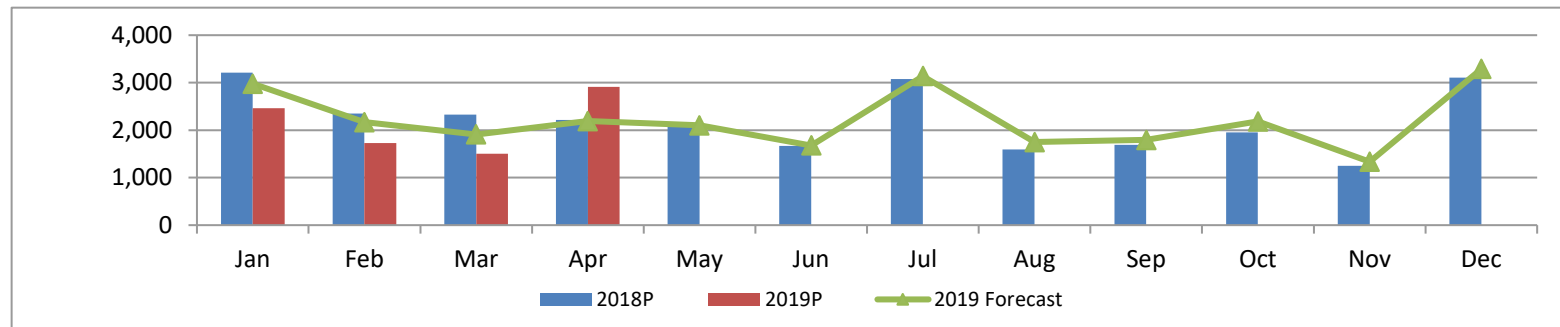
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Arrivals	↓ 93.0%	-14.9%	8,596	9,246	O'ahu	-16.5%	6,650
Visitor Spending (\$mil)*	↓ 91.6%	-13.5%	20.2	22.0	Maui	-19.1%	2,994
Visitor Days	↓ 94.1%	-13.9%	92,425	98,197	Moloka'i	-76.9%	50
Daily Spend (\$pppd)	↓ 97.4%	0.5%	218.3	224.3	Lāna'i	-72.3%	67
Airlift (scheduled seats)	NA	NA	NA	NA	Kaua'i	-19.1%	973
					Hawai'i Island	-33.4%	1,574

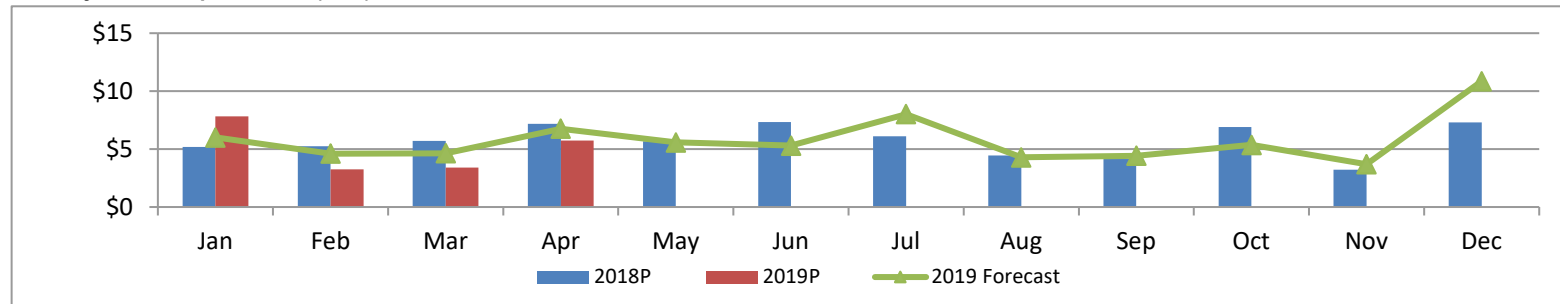
*DBEDT Forecast as of Q1 2019

Monthly Indicators

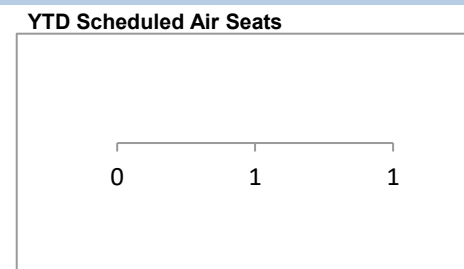
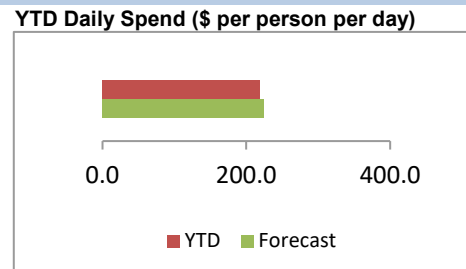
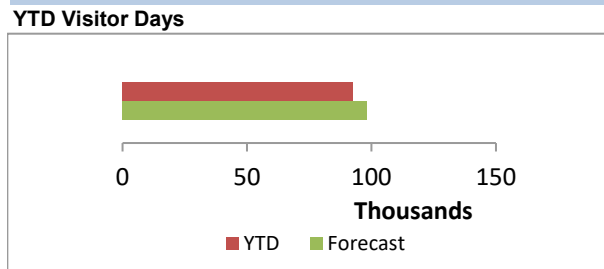
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



* Excludes Supplemental Business Expenditures

Agenda Item

12

Presentation, Discussion and Action
on HTA's Financial Reports for
April 2019

Hawaii Tourism Authority
Budget Statement - Summary
FY 2019
As of April 30, 2019

Category	Tourism Special Fund				Convention Center Enterprise Special Fund			
	Fiscal Year 2019				Fiscal Year 2019			
	Budget	YTD Amount of Budget Used	Balance	Activity for February 2019	Budget	YTD Amount of Budget Used	Balance	Activity for February 2019
Revenues								
TAT Revenue Allocation	79,000,000	65,833,333	13,166,667	6,583,333	16,500,000	13,750,000	2,750,000	1,375,000
Prior Year Carryover	8,459,108	8,459,108	-	-	-	-	-	-
Other	-	203,908	-	29,313	-	-	-	-
	<u>87,459,108</u>	<u>74,496,349</u>	<u>13,166,667</u>	<u>6,612,646</u>	<u>16,500,000</u>	<u>13,750,000</u>	<u>2,750,000</u>	<u>1,375,000</u>
Expenditures								
Sales and Marketing								
Salaries & Wages	713,872	691,673	22,199 *	-	70,000	56,438	13,562 *	-
Major Market Management	46,302,563	43,827,408	2,475,155	805,045				
Communications	636,000	216,718	419,282	-				
Sports	7,910,000	7,155,089	754,911	1,650,530				
Brand Development Projects	275,000	3,640	271,360	-				
Business Destination Management	898,437	593,290	305,147	87,500				
Access	2,713,000	762,630	1,950,370	-				
Industry Collaboration & Coordination	55,000	14,543	40,457	2,100				
Digital Marketing Projects	1,400,000	368,232	1,031,768	-				
Industry Relations	1,032,000	507,526	524,474	66,835				
Subtotal	<u>61,935,872</u>	<u>54,140,749</u>	<u>7,795,123</u>	<u>2,612,010</u>	<u>70,000</u>	<u>56,438</u>	<u>13,562</u>	<u>-</u>
Culture, Community & Natural Resources								
Salaries & Wages	371,226	277,404	93,822 *	-	-	-	-	-
Hawaiian Culture Initiatives	3,735,000	1,448,218	2,286,782	30,600				
Community	4,046,000	2,434,721	1,611,279	190,000				
Greetings	1,200,000	133,179	1,066,821	130,000				
Other Product Development	779,000	626,135	152,865	380,354				
Festivals & Events	1,917,920	1,803,000	114,920	558,500				
Safety & Security	2,031,080	1,930,080	101,000	443,500				
Career Development	1,124,000	580,191	543,809	500,191				
Natural Resources	2,180,000	1,129,846	1,050,154	-				
Subtotal	<u>17,384,226</u>	<u>10,362,774</u>	<u>7,021,452</u>	<u>2,233,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Research								
Salaries & Wages	384,180	380,880	3,300 *	-	-	-	-	-
Tourism Research	4,231,214	2,790,349	1,440,865	449,722				
Subtotal	<u>4,615,394</u>	<u>3,171,229</u>	<u>1,444,165</u>	<u>449,722</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Hawai'i Convention Center								
Sales & Marketing	-	-	-	-	6,967,896	6,967,896	-	-
Operations	-	-	-	-	2,240,280	5,320,919	(3,080,639)	(1,284,518)
Major Repair & Maintenance	-	-	-	-	5,414,443	5,414,443	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,622,619</u>	<u>17,703,258</u>	<u>(3,080,639)</u>	<u>(1,284,518)</u>
Administration								
Salaries & Wages	825,625	944,946	(119,321) *	-	297,491	311,054	(13,563) *	-
Operations	660,700	534,182	126,518	157,920				
Subtotal	<u>1,486,325</u>	<u>1,479,128</u>	<u>7,197</u>	<u>157,920</u>	<u>297,491</u>	<u>311,054</u>	<u>(13,563)</u>	<u>-</u>
Organizationwide Costs								
Fringe Costs	1,315,992	1,315,992	-	-	187,676	187,676	-	-
Governance - Board	266,300	189,261	77,039	32,372	230,000	113,458	116,542	25,078
Contract Services	120,000	-	120,000	-	89,833	-	89,833	-
Travel	334,999	75,861	259,138	9,158	-	-	-	-
Subtotal	<u>2,037,291</u>	<u>1,581,114</u>	<u>456,177</u>	<u>41,530</u>	<u>507,509</u>	<u>301,134</u>	<u>206,375</u>	<u>25,078</u>
Total Expenditures	<u>87,459,108</u>	<u>70,734,994</u>	<u>16,724,113</u>	<u>5,494,327</u>	<u>15,497,619</u>	<u>18,371,884</u>	<u>(2,874,265)</u>	<u>(1,259,440)</u>
Budgeted Revenues vs Expenditures	<u>0</u>				<u>1,002,381</u>			
Administrative Cap (3.5%)	2,765,000	2,765,000						
Administrative Costs (AG Definition)	<u>1,486,325</u>	<u>1,479,128</u>	1.9%					
	1,278,675	1,285,872						

* Nets to \$0 when summed all together.

(May 23 2019)

Budget Reallocation Summary
Through April 30, 2019

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations
Sales and Marketing				
<i>From:</i>				
Canada	322	2,200,000	(1,400,000)	800,000
Europe	326	850,000	(448,437)	401,563
Hawai'i Tourism Summit	102	800,000	(325,000)	475,000
Meetings, Conventions & Incentives	331	505,000	(251,563)	253,437
MCI Global Management	316	500,000	(5,000)	495,000
Marketing Opportunity Fund	380	250,000	(245,000)	5,000
Emergency Marketing	381	1,250,000	(50,000)	1,200,000
Sports Agency Consultant	375	300,000	(225,000)	75,000
			(2,950,000)	
<i>To:</i>				
Southeast Asia	336	-	200,000	200,000
US	321	22,480,000	1,500,000	23,980,000
Japan	323	8,000,000	1,000,000	9,000,000
			2,700,000	
Culture, Community & Natural Resources				
<i>From:</i>				
Hookaulike Fund	724	1,256,000	(126,000)	1,130,000
Signature Events Opportunity	700	450,000	(400,080)	49,920
Community-Based Tourism Programs	701	1,700,000	(25,000)	1,675,000
Current Workforce	802	500,000	(96,000)	404,000
			(647,080)	
<i>To:</i>				
Emergency - Community Support (Arizona Memorial, Kaua'i Shuttle)	726	-	141,000	141,000
Scholarship Program	805	-	500,000	500,000
Preventative Programs (Safety and Security)	604	275,000	121,080	396,080
May Day	716	75,000	10,000	85,000
Resort Area Hawaiian Cultural Initiative	718	200,000	125,000	325,000
			897,080	
Research				
<i>From:</i>				
Infrastructure Research	506	712,500	(45,000)	667,500
				-
				-
			(45,000)	

Budget Reallocation Summary
Through April 30, 2019

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations
To:				
Calc of Visitor Characteristics and Exp	512	1,193,700	45,000	1,238,700
				-
				-
				-
			45,000	
<hr/>				
Administration and Organizationwide Costs				
From:				
				-
				-
				-
			-	
<hr/>				
To:				
				-
				-
				-
				-
			-	
<hr/>				
Board Allocations				
From:				
Board Emergency Fund*	N/A			-
				-
			-	
<hr/>				

* The \$1,250,000 drawdown from the Board Emergency Fund during FY 2019 was approved by the Board during the same Board meeting in which the FY 2019 budget was approved, and therefore is deemed as included in the original budget.



Financial Statements – Executive Summary
April 1, 2019 – April 30, 2019

Tourism Special Fund:

1. \$85.0M in cash and investments
 - a. Includes \$5M in Emergency Fund held as investments
 - b. Decrease from March of \$436K due primarily to the following:
 - i. Recording \$6.6M in TAT revenues
 - ii. Offset by \$7.0M in expenditures
2. \$11.4M of prior year encumbrances being spent down
3. \$26.7M in Board allocations projected for June 30, 2019. 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. \$5.15M in funds held for the Center for Hawaiian Music & Dance;
 - d. \$9M earmarked for specific obligations, such as EUTF, ERS, and accrued vacation.
 - e. \$3.3M of projected carryover from the FY 2019 budget (as of April 2019).
4. \$70.7M of the \$87.4M FY 2019 budget utilized; contract paperwork currently being submitted for this year's expenditures. Further detail on the budget is included in these financial statements. Staff projects a carryover balance from the FY 2019 budget of approximately \$3.3M (as of April 2019).
 - a. A summary of year-to-date budget reallocations is included in these financial statements. No significant budget reallocations during April to note.
5. Operating Income:
 - a. Recorded \$6.6M in TAT for April 2019, and \$65.8M in TAT YTD.
 - b. Incurred \$7.0M in program and other expenditures for April 2019.

Convention Center Enterprise Special Fund:

6. \$34.0M in cash
 - a. Increase of \$2.5M from March due to the following:
 - i. Recording \$1.4M in TAT and \$1.3M in HCC operating revenue
 - ii. Offset by \$113K in expenditures
7. \$20.4M in cash with contractor or with DAGS, for R&M projects (as of February 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 \$10.8M spent on current and future projects (in-progress costs or preliminary work); this includes recent costs expended on meeting room roof repairs.
8. \$20.5M in Board allocations projected for June 30, 2019. 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. \$860K of prior year encumbrances being spent down.
10. Operating Income:
 - a. Recorded \$1.4M in TAT for April 2019, and \$13.8M in TAT YTD.
 - b. Convention Center operations:
 - i. \$1.3M operating loss year-to-date.
11. Spending according to Budget.

Hawaii Tourism Authority

Balance Sheet

Tourism Special Fund

As of 4/30/19

Current Year

Assets

Current Assets

Checking 79,966,889.44

Petty Cash 5,000.00

Total Current Assets 79,971,889.44

Total Assets 79,971,889.44

Fund Balance

Current year payables

Accounts Payable 18,520.99

Credit Card Payable 1,205.90

Total Current year payables 19,726.89

Current year net assets

7,826,877.65

Total Current year net assets 7,826,877.65

Prior years

Total Prior years 72,125,284.90

Total Fund Balance 79,971,889.44

Hawaii Tourism Authority
Balance Sheet
Convention Center Enterprise- Special Fund
As of 4/30/19

	<u>Current Year</u>
Assets	
Current Assets	
Checking	34,036,869.52
Total Current Assets	<u>34,036,869.52</u>
Total Assets	<u><u>34,036,869.52</u></u>
Fund Balance	
Current year net assets	
	13,217,829.64
Total Current year net assets	<u>13,217,829.64</u>
Prior years	
Total Prior years	<u>20,819,039.88</u>
Total Fund Balance	<u><u>34,036,869.52</u></u>

Hawaii Tourism Authority
Balance Sheet
Homelessness Initiative in Tourism and Resort Areas
As of 4/30/19

	<u>Current Year</u>
Assets	
Current Assets	
Checking	0.00
Total Current Assets	<u>0.00</u>
Total Assets	<u><u>0.00</u></u>
 Fund Balance	
Current year net assets	
	0.00
Total Current year net assets	<u>0.00</u>
Total Fund Balance	<u><u>0.00</u></u>

HTA Allocations
FY 2019

HTA Allocations:

<p>Annual Budgets: -\$87.5M HTA Tourism Special Fund (\$79M TAT + \$4.9M prior year carryover + \$3.6M Funds set aside last year by HTA Board for FY19)</p> <p>-Convention Center Fund (\$16.5M Revenues, \$15.5M Expenses, \$1M to R&M Reserve)</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>\$2.98M Mandated by Board (to be used in the event of a significant economic downturn upon Board approval) [\$4.3M at June 30 2018; In FY 19, the Board allocated an additional \$1.25M out of this fund for Hawaii'i Island.]</p>

	Projected			Projected	
	6/30/2018	6/30/2019		6/30/2018	6/30/2019
Tourism Special Fund Long-Term Obligations and Commitments:			Convention Center Fund Long-Term Obligations and Commitments:		
Carryover of FY 2018 to FY 2019 Budget (Use in FY 19)	4,269,476	-	Reserve for Operations	1,512,988	1,512,988
Use of Funds Held Last Year for FY 2019 Budget	939,632	-	Funds for R&M - (Of which, \$6,797,393 is designated by law) **	16,090,071	18,254,948
Carryover for FY 2020 Budget	2,002,969	3,309,284	HCC MFF Commitments	750,000	750,000
International Access Funding (incl Kona)	1,125,233	1,125,233			
Center for Hawaiian Music & Dance	4,153,000	5,153,000			
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	442,245	395,672			
HCC MFF Commitments *	-	-			
Total Long-Term Obligations and Commitments	21,662,556	18,713,189		18,353,059	20,517,936
*Used to replenish Emergency Funds.			** 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.		

Hawaii Tourism Authority
Statement of Revenues and Expenditures
348 - Tourism Special Fund
19 - FY 2019 Funds
From 4/1/2019 Through 4/30/2019

	Total Budget	Current Period Actual	Current Year Actual	Total Budget Variance
Revenue				
Transient Accomodations Tax	79,000,000.00	6,583,333.33	65,833,333.30	(13,166,666.70)
Interest and Dividends	0.00	0.00	9,848.88	9,848.88
Miscellaneous	0.00	0.00	12,852.25	12,852.25
Refunds	0.00	29,312.75	179,897.41	179,897.41
HCC Revenue	0.00	0.00	1,309.51	1,309.51
Industry Collaboration and Coordination	0.00	0.00	0.00	0.00
Total Revenue	<u>79,000,000.00</u>	<u>6,612,646.08</u>	<u>66,037,241.35</u>	<u>(12,962,758.65)</u>
Expense				
Hawaiian Culture	3,735,000.00	158,475.00	334,166.33	3,400,833.67
Natural Resources	2,180,000.00	244,500.00	318,071.68	1,861,928.32
Community	4,046,000.00	290,250.00	1,119,558.27	2,926,441.73
Communications	636,000.00	62,036.17	64,712.59	571,287.41
Career Development	1,124,000.00	90.52	70,090.52	1,053,909.48
Major Market Management	46,302,563.00	3,283,995.00	13,772,179.54	32,530,383.46
Business Destination Management	898,437.00	163,789.65	163,789.65	734,647.35
Access	2,713,000.00	12,500.00	225,475.43	2,487,524.57
Industry Collaboration and Coordination	55,000.00	0.00	12,442.78	42,557.22
Digital Marketing Projects	1,400,000.00	19,133.00	125,504.88	1,274,495.12
HTA Product Development	779,000.00	14,232.98	48,762.53	730,237.47
Sports Marketing	7,910,000.00	688,395.09	4,817,343.70	3,092,656.30
Festivals and Events	1,917,920.00	72,000.00	258,400.00	1,659,520.00
Brand Development Projects	275,000.00	0.00	3,640.06	271,359.94
Greetings	1,200,000.00	0.00	3,178.78	1,196,821.22
Safety and Security	2,031,080.00	143,037.50	360,537.50	1,670,542.50
Tourism Research	4,231,214.00	29,545.00	381,366.35	3,849,847.65
Governance	4,977,894.00	43,580.34	1,241,890.86	3,736,003.14
Industry Relations	1,032,000.00	29,697.54	298,546.39	733,453.61
Total Expense	<u>87,444,108.00</u>	<u>5,255,257.79</u>	<u>23,619,657.84</u>	<u>63,824,450.16</u>
Net Income	<u>(8,444,108.00)</u>	<u>1,357,388.29</u>	<u>42,417,583.51</u>	<u>50,861,691.51</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
348- Prior Year Funds
From 4/1/2019 Through 4/30/2019

	Total Budget - Revised	Current Period Actual	Current Year Actual	Total Budget Variance - Revised
Revenue				
Transient Accomodations Tax	0.00	0.00	0.00	0.00
Interest and Dividends	0.00	0.00	0.00	0.00
Miscellaneous	0.00	0.00	0.00	0.00
Refunds	0.00	0.00	0.00	0.00
Transfers - In	0.00	0.00	0.00	0.00
Business Destination Management	0.00	0.00	0.00	0.00
Industry Collaboration and Coordination	0.00	0.00	0.00	0.00
Governance	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				
Miscellaneous	0.00	0.00	0.00	0.00
Refunds	0.00	0.00	0.00	0.00
Transfers - In	0.00	0.00	0.00	0.00
Hawaiian Culture	1,703,716.94	245,719.91	945,925.74	757,791.20
Natural Resources	1,266,954.83	95,409.09	998,942.74	268,012.09
Community	1,465,470.95	176,160.72	934,496.82	530,974.13
Communications	434,050.58	52,916.50	322,740.42	111,310.16
Career Development	280,750.00	64,926.03	114,926.03	165,823.97
Major Market Management	24,998,960.33	499,911.06	21,563,737.59	3,435,222.74
Business Destination Management	623,119.53	43,000.00	489,146.33	133,973.20
Access	3,530,331.50	45,480.00	1,407,860.00	2,122,471.50
Industry Collaboration and Coordination	24,101.97	0.00	2,578.31	21,523.66
Digital Marketing Projects	2,465,107.02	0.00	919,497.01	1,545,610.01
HTA Product Development	120,794.30	0.00	83,034.19	37,760.11
Sports Marketing	2,775,102.26	380,559.00	2,405,468.27	369,633.99
Festivals and Events	958,381.11	21,000.00	779,395.00	178,986.11
Brand Development Projects	234,896.80	0.00	165,482.00	69,414.80
Greetings	905,595.44	55,000.00	527,420.00	378,175.44
Safety and Security	558,213.31	58,000.00	521,192.03	37,021.28
Tourism Research	2,152,865.34	30,500.00	1,530,928.97	621,936.37
Governance	946,904.96	8,649.06	273,958.09	672,946.87
Industry Relations	837,458.99	8,333.33	603,976.32	233,482.67
Total Expense	<u>46,282,776.16</u>	<u>1,785,564.70</u>	<u>34,590,705.86</u>	<u>11,692,070.30</u>
Net Income	<u>(46,282,776.16)</u>	<u>(1,785,564.70)</u>	<u>(34,590,705.86)</u>	<u>11,692,070.30</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
361 - Convention Center Enterprise Special Fund
19 - FY 2019 Funds
From 4/1/2019 Through 4/30/2019

	<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	13,750,000.00	(2,750,000.00)
Interest and Dividends	0.00	0.00	0.00	0.00
HCC Revenue	<u>9,725,250.00</u>	<u>1,285,517.96</u>	<u>6,144,610.83</u>	<u>(3,580,639.17)</u>
Total Revenue	<u>26,225,250.00</u>	<u>2,660,517.96</u>	<u>19,894,610.83</u>	<u>(6,330,639.17)</u>
Expense				
Governance	875,000.00	113,458.80	177,541.71	697,458.29
HCC Operating Expense	11,965,530.00	0.00	4,333,167.61	7,632,362.39
HCC Repair and Maintenance	5,414,443.00	0.00	0.00	5,414,443.00
HCC Sales and Marketing / MFF	<u>6,967,896.00</u>	<u>0.00</u>	<u>1,696,276.99</u>	<u>5,271,619.01</u>
Total Expense	<u>25,222,869.00</u>	<u>113,458.80</u>	<u>6,206,986.31</u>	<u>19,015,882.69</u>
Net Income	<u>1,002,381.00</u>	<u>2,547,059.16</u>	<u>13,687,624.52</u>	<u>12,685,243.52</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
361- Prior Year Funds
From 4/1/2019 Through 4/30/2019

	Total Budget - Revised	Current Period Actual	Current Year Actual	Total Budget Variance - Revised
Revenue				
Transient Accomodations Tax	0.00	0.00	0.00	0.00
Interest and Dividends	0.00	0.00	0.00	0.00
Miscellaneous	0.00	0.00	0.00	0.00
Refunds	0.00	0.00	0.00	0.00
Transfers - In	0.00	0.00	0.00	0.00
HCC Revenue	0.00	0.00	0.00	0.00
HCC Operating Expense	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 Revenue	0.00	0.00	0.00	0.00
Governance	21,309.74	0.00	0.00	21,309.74
HCC Operating Expense	2,089,065.81	0.00	469,794.88	1,619,270.93
HCC Repair and Maintenance	0.00	0.00	0.00	0.00
HCC Sales and Marketing / MFF	354,962.93	0.00	0.00	354,962.93
Bond Debt Service	0.00	0.00	0.00	0.00
HCC Hawaiian Music and Dance Center	0.00	0.00	0.00	0.00
HCC Turtle Bay Conservation Due Diligence	27,356.00	0.00	0.00	27,356.00
Total Expense	<u>2,492,694.48</u>	<u>0.00</u>	<u>469,794.88</u>	<u>2,022,899.60</u>
Net Income	<u>(2,492,694.48)</u>	<u>0.00</u>	<u>(469,794.88)</u>	<u>2,022,899.60</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
369 - Homelessness in Tourism and Resort Areas
19 - FY 2019 Funds
From 4/1/2019 Through 4/30/2019

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Miscellaneous	0.00	0.00	364,312.09	364,312.09
Community	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Revenue	<u>0.00</u>	<u>0.00</u>	<u>364,312.09</u>	<u>364,312.09</u>
Expense				
Community	<u>1,000,000.00</u>	<u>0.00</u>	<u>364,312.09</u>	<u>635,687.91</u>
Total Expense	<u>1,000,000.00</u>	<u>0.00</u>	<u>364,312.09</u>	<u>635,687.91</u>
Net Income	<u>(1,000,000.00)</u>	<u>0.00</u>	<u>0.00</u>	<u>1,000,000.00</u>

Hawaii Convention Center
Facility
Reforecast
From 5/01/2019 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)	1,173,276	1,436,088	2,609,364	2,994,300	(384,936)	2,689,423
Service Revenue	474,353	517,918	992,271	776,800	215,471	819,497
Total Direct Event Income	1,647,629	1,954,006	3,601,635	3,771,100	(169,465)	3,508,920
Direct Service Expenses	802,744	1,314,584	2,117,328	1,952,004	(165,324)	1,787,798
Net Direct Event Income	844,885	639,422	1,484,307	1,819,096	(334,789)	1,721,122
Ancillary Income						
Food & Beverage (Net)	2,189,161	3,212,534	5,401,695	6,700,100	(1,298,405)	4,805,771
Event Parking (Net)	367,283	425,400	792,683	782,100	10,583	758,199
Electrical Services	91,262	79,100	170,362	159,400	10,962	195,243
Audio Visual	92,360	149,831	242,191	282,600	(40,409)	357,626
Internet Services	0	38,329	38,329	0	38,329	22,742
Rigging Services	39,804	34,879	74,683	85,400	(10,717)	77,983
First Aid Commissions	0	0	0	4,200	(4,200)	3,363
Total Ancillary Income	2,779,870	3,940,073	6,719,943	8,013,800	(1,293,857)	6,220,927
Total Event Income	3,624,755	4,579,495	8,204,250	9,832,896	(1,628,646)	7,942,049
Other Operating Income						
Non-Event Parking	20,255	39,000	59,255	58,500	755	56,763
Other Income	51,518	136,332	187,850	38,000	149,850	104,403
Total Other Operating Income	71,773	175,332	247,105	96,500	150,605	161,166
Total Gross Income	3,696,528	4,754,827	8,451,355	9,929,396	(1,478,041)	8,103,215
Net Salaries & Benefits						
Salaries & Wages	1,586,334	3,468,501	5,054,835	5,297,300	242,465	4,509,295
Payroll Taxes & Benefits	438,627	862,844	1,301,471	1,262,400	(39,071)	1,206,224
Labor Allocations to Events	(234,111)	(302,936)	(537,047)	(461,400)	75,647	(501,122)
Total Net Salaries & Benefits	1,790,850	4,028,409	5,819,259	6,098,300	279,041	5,214,397
Other Indirect Expenses						
Net Contracted Services	89,059	312,772	401,831	402,000	169	315,234
Operations	49,271	159,436	208,707	208,800	93	157,769
Repair & Maintenance	228,038	670,336	898,374	899,000	626	651,788
Operational Supplies	216,217	487,429	703,646	705,202	1,556	537,106
Insurance	48,837	108,860	157,697	157,900	203	169,614
Utilities	744,107	1,626,751	2,370,858	2,368,800	(2,058)	2,379,218
Meetings & Conventions	6,244	29,468	35,712	34,900	(812)	22,215
Promotions & Communications	18,963	28,268	47,231	42,400	(4,831)	38,831
General & Administrative	100,923	263,624	364,547	359,501	(5,046)	271,716
Management Fees	44,000	213,400	257,400	290,400	33,000	252,720
Other	20,836	38,332	59,168	57,200	(1,968)	214,097
Total Other Indirect Expenses	1,566,495	3,938,676	5,505,171	5,526,103	20,932	5,010,308
Net Income (Loss) before CIP Funded	339,183	(3,212,258)	(2,873,075)	(1,695,007)	(1,178,068)	(2,121,490)
CIP Funded Expenses	2,268	0	2,268	0	2,268	76,411
Net Income (Loss) from Operations	341,451	(3,212,258)	(2,870,807)	(1,695,007)	(1,175,800)	(2,045,079)
Fixed Asset Purchases	27,163	272,837	300,000	300,000	0	124,122
Net Income (Loss) after Fixed Asset Purchases	314,288	(3,485,095)	(3,170,807)	(1,995,007)	(1,175,800)	(2,169,201)

Hawaii Convention Center
Facility
Income Statement
From 4/1/2019 Through 4/30/2019
(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)	299,166	274,490	24,676	245,191	1,173,276	1,175,530	(2,254)	957,344
Service Revenue	112,962	61,475	51,487	57,888	474,353	278,395	195,958	217,183
Total Direct Event Income	412,128	335,965	76,163	303,079	1,647,629	1,453,925	193,704	1,174,526
Direct Service Expenses	211,816	186,496	(25,320)	134,313	802,744	703,111	(99,633)	516,123
Net Direct Event Income	200,312	149,469	50,843	168,766	844,885	750,814	94,071	658,403
Ancillary Income								
Food and Beverage (Net)	750,667	795,189	(44,522)	564,624	2,189,161	2,355,148	(165,987)	1,673,568
Event Parking (Net)	96,968	106,000	(9,032)	118,794	367,283	366,900	383	297,588
Electrical Services	5,553	14,800	(9,247)	31,038	91,262	80,900	10,362	51,631
Audio Visual	44,223	37,300	6,923	21,407	92,360	97,840	(5,480)	62,093
Internet Services	0	0	0	0	0	0	0	0
Rigging Services	494	5,200	(4,706)	4,657	39,804	43,000	(3,196)	37,520
Business Center	0	0	0	0	0	0	0	0
Total Ancillary Income	897,905	959,129	(61,224)	740,972	2,779,871	2,945,578	(165,707)	2,123,668
Total Event Income	1,098,216	1,108,598	(10,382)	909,737	3,624,755	3,696,392	(71,637)	2,782,071
Other Operating Income								
Non-Event Parking	6,753	4,875	1,878	8,895	20,255	19,500	755	23,430
Other Income	15,184	3,167	12,017	3,826	51,518	12,668	38,850	19,403
Total Other Operating Income	21,937	8,042	13,895	12,721	71,773	32,168	39,605	42,833
Total Gross Income	1,120,153	1,116,640	3,513	922,458	3,696,529	3,728,560	(32,031)	2,824,905
Net Salaries & Benefits								
Salaries & Wages	424,527	431,316	6,789	384,839	1,586,334	1,725,264	138,930	1,469,960
Payroll Taxes & Benefits	106,835	99,889	(6,946)	99,524	438,627	399,556	(39,071)	371,999
Labor Allocations to Events	(77,950)	(43,838)	34,112	(43,711)	(234,111)	(158,464)	75,647	(148,792)
Total Net Salaries & Benefits	453,412	487,367	33,955	440,651	1,790,851	1,966,356	175,505	1,693,167
Other Indirect Expenses								
Net Contracted Services	14,683	33,232	18,549	34,054	89,059	124,228	35,169	93,345
Operations	18,207	14,641	(3,566)	(630)	49,271	61,364	12,093	42,124
Repair & Maintenance	58,306	74,916	16,610	49,805	228,038	299,664	71,626	190,751
Operational Supplies	63,830	65,202	1,372	50,514	217,013	237,773	20,760	152,806
Insurance	15,312	16,172	860	11,300	48,837	54,040	5,203	38,523
Utilities	224,233	180,448	(43,785)	180,548	744,107	742,049	(2,058)	657,466
Meetings & Conventions	836	1,608	772	545	6,244	5,432	(812)	3,058
Promotions & Communications	1,868	3,533	1,665	2,618	18,963	14,132	(4,831)	29,018
General & Administrative	40,122	32,994	(7,128)	16,968	100,128	109,877	9,749	78,606
Management Fees	11,000	11,000	0	10,800	44,000	44,000	0	43,200
Other	14,376	4,717	(9,659)	2,257	20,836	18,868	(1,968)	33,994
Total Other Indirect	462,772	438,463	(24,309)	358,781	1,566,495	1,711,427	144,932	1,362,890
Net Income (Loss) before CIP Funded Expenses	203,969	190,810	13,159	123,026	339,183	50,777	288,406	(231,153)
CIP Funded Expenses	68	0	68	0	2,268	0	2,268	5,114
Net Income (Loss) from Operations	204,037	190,810	13,227	123,026	341,452	50,777	290,675	(226,039)
Fixed Asset Purchases	0	25,000	25,000	15,545	27,163	100,000	72,837	24,430
Net Income (Loss) After Fixed Asset Purchases	204,037	165,810	38,227	107,481	314,288	(49,223)	363,511	(250,469)

Hawaii Convention Center
Facility
Income Statement
From 4/1/2019 Through 4/30/2019
(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	1,311,539	1,222,264	89,275	956,708	3,973,092	3,630,791	342,301	3,026,995
Facility	594,840	519,947	74,893	500,114	2,351,830	2,114,723	237,107	1,696,482
Total Revenues	1,906,379	1,742,211	164,168	1,456,822	6,324,922	5,745,514	579,408	4,723,477
Expenses								
Food & Beverage	733,885	622,543	(111,342)	553,910	2,403,752	2,012,783	(390,969)	1,988,511
Facility	968,525	928,858	(39,667)	779,886	3,581,986	3,681,954	99,968	2,966,119
Total Expenses	1,702,410	1,551,401	(151,009)	1,333,796	5,985,739	5,694,737	(291,002)	4,954,630
Net Income (Loss) before CIP Funded Expenses	203,969	190,810	13,159	123,026	339,183	50,777	288,406	(231,153)
CIP Funded Expenses	68	0	68	0	2,268	0	2,268	5,114
Net Income (Loss) from Operations	204,037	190,810	13,227	123,026	341,451	50,777	290,674	(226,039)
Fixed Asset Purchases	0	25,000	25,000	15,545	27,163	100,000	72,837	24,430
Net Income (Loss) after Fixed Asset Purchases	204,037	165,810	38,227	107,481	314,288	(49,223)	363,511	(250,469)

Hawaii Convention Center
Sales and Marketing
Reforecast
From 5/1/2019 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	108	0	108	0	108	50
Total Other Operating Income	<u>108</u>	<u>0</u>	<u>108</u>	<u>0</u>	<u>108</u>	<u>50</u>
Total Gross Income	<u>108</u>	<u>0</u>	<u>108</u>	<u>0</u>	<u>108</u>	<u>50</u>
Net Salaries & Benefits						
Salaries & Wages	475,799	1,180,040	1,655,839	1,851,900	196,061	1,469,457
Payroll Taxes & Benefits	108,101	269,346	377,447	372,100	(5,347)	296,085
Total Net Salaries & Benefits	<u>583,900</u>	<u>1,449,386</u>	<u>2,033,286</u>	<u>2,224,000</u>	<u>190,714</u>	<u>1,765,542</u>
Other Indirect Expenses						
Net Contracted Services	68,081	164,496	232,577	250,200	17,623	138,779
Repair & Maintenance	35,128	44,440	79,568	101,700	22,132	97,227
Utilities	2,127	5,600	7,727	12,000	4,273	7,146
Meetings & Conventions	256,440	539,957	796,397	1,074,400	278,003	840,231
Promotions & Communications	199,076	1,017,327	1,216,403	857,800	(358,603)	1,343,225
Marketing Flexibility Fund	260,135	1,166,288	1,426,423	1,175,000	(251,423)	1,167,907
General & Administrative	18,034	26,518	44,552	59,300	14,748	84,331
Management Fees	44,000	160,600	204,600	237,600	33,000	165,360
Other	17,068	36,507	53,575	103,000	49,425	697
Total Other Indirect Expenses	<u>900,089</u>	<u>3,161,733</u>	<u>4,061,822</u>	<u>3,871,000</u>	<u>(190,822)</u>	<u>3,844,903</u>
Net Income (Loss) from Operations	<u>(1,483,881)</u>	<u>(4,611,119)</u>	<u>(6,095,000)</u>	<u>(6,095,000)</u>	<u>0</u>	<u>(5,610,395)</u>
Fixed Asset Purchases	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,054</u>
Net Income (Loss) After Fixed Asset Purchases	<u>(1,483,881)</u>	<u>(4,611,119)</u>	<u>(6,095,000)</u>	<u>(6,095,000)</u>	<u>0</u>	<u>(5,623,449)</u>

Hawaii Convention Center
Sales and Marketing
Income Statement
From 4/1/2019 Through 4/30/2019
(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	12	0	12	5	108	0	108	54
Total Other Operating Income	12	0	12	5	108	0	108	54
Total Gross Income	12	0	12	5	108	0	108	54
Net Salaries & Benefits								
Salaries & Wages	109,044	138,700	29,656	100,093	475,799	554,800	79,001	404,436
Payroll Taxes & Benefits	26,750	27,100	350	21,695	108,101	108,400	299	74,463
Total Net Salaries & Benefits	135,794	165,800	30,006	121,788	583,900	663,200	79,300	478,899
Other Indirect Expenses								
Net Contracted Services	18,824	17,934	(890)	8,438	68,081	70,736	2,655	32,750
Repair & Maintenance	14,129	5,800	(8,329)	3,647	35,128	51,000	15,872	27,858
Utilities	342	1,000	658	428	2,127	4,000	1,873	2,416
Meetings & Conventions								
Mileage	187	200	13	0	347	800	453	0
Meals & Entertainment	605	1,000	395	764	1,732	4,000	2,268	2,474
Meetings & Conventions	13,400	69,800	56,400	5,806	250,943	296,200	45,257	155,951
Dues & Subscriptions	725	0	(725)	498	3,417	8,600	5,183	6,873
Total Meetings & Conventions	14,917	71,000	56,083	7,068	256,439	309,600	53,161	165,298
Promotions & Communications								
Site Visit	4,526	4,750	224	798	15,745	16,000	255	40,388
Photography	2,452	2,500	48	0	3,577	7,000	3,423	2,792
Advertising	17,562	29,000	11,438	46,807	83,835	116,000	32,165	60,890
Web Development & Maint	12,076	2,662	(9,414)	2,720	22,025	12,118	(9,907)	16,831
Market Research	4,800	4,800	0	4,800	9,600	9,600	0	9,600
Promotional	23,509	52,700	29,191	17,265	53,157	64,050	10,893	51,519
Attendance Promotion	(4,309)	0	4,309	4,307	11,136	10,000	(1,136)	29,460
Global Outreach	0	0	0	0	0	0	0	0
Total Promotions & Comm	60,616	96,412	35,796	76,697	199,075	234,768	35,693	211,480
Marketing Flexibility Fund	90,110	10,000	(80,110)	12,890	260,135	156,500	(103,635)	62,635
General & Administrative	594	6,575	5,981	6,578	18,034	13,000	(5,034)	15,020
Management Fees	11,000	11,000	0	10,800	44,000	44,000	0	43,200
Other	4,503	8,333	3,830	4,188	17,068	33,332	16,264	4,188
Total Other Indirect Expenses	215,035	228,054	13,019	130,734	900,087	916,936	16,849	564,845
Net Income (Loss) from Operations	(350,817)	(393,854)	43,037	(252,517)	(1,483,879)	(1,580,136)	96,257	(1,043,690)
Fixed Asset Purchases	0	0	0	0	0	0	0	5,071
Net Income (Loss) After Fixed Asset Purchases	(350,817)	(393,854)	43,037	(252,517)	(1,483,879)	(1,580,136)	96,257	(1,038,619)

Agenda Item

13

**Update Relating to the 2019
Legislative Session and
Related Bills Relevant to
HTA**



Hawai'i Convention Center
 1801 Kalākaua Avenue, Honolulu, Hawai'i 96815
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David Y. Ige
 Governor

Chris Tatum
 President and Chief Executive Officer

Audit Action Plan Update

As of

May 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. Review of 46 existing procedures is ongoing. Finance (30) and procurement (10) have been tasked with reviewing and completing updates to their procedures by July 3rd. Budgeting (3) procedures have been reviewed and updated by the CAO and are being circulated for comments. Administration (3) procedures have been reviewed and updated by the CAO and are being circulated for comments.	65%	July 2019
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.	CEO assigned CAO with this responsibility. Update: It was discovered that the HTA does not currently have a Quality Assurance Plan or clear quality control processes identified in the QAP. CAO is developing the QAP and gathering existing QCPS.	50%	July 2019

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. Review of 46 existing procedures is ongoing. Finance (30) and procurement (10) have been tasked with reviewing and completing updates to their procedures by July 3rd. Budgeting (3) procedures have been reviewed and updated by the CAO and are being circulated for comments. Administration (3) procedures have been reviewed and updated by the CAO and are being circulated for comments.	65%	July 2019
4	<p>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:</p> <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"> a) Procedure 400-01.01 (Procurement Planning Worksheet Procedure) has been updated to include language that addresses this recommendation in the audit. 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 	100%	Complete

		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 is developing a process to conduct regular reviews and evaluations of HTA management and staff in the performance of their respective procurement and contract-related duties and responsibilities. Ongoing.	25%	September 2019
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%	May 2018
14	Develop and implement procedures to include additional monitoring and more frequent evaluation of contractors' performance.	Procedures are being developed to address this recommendation.	50%	August 2019
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	Completed. A subcontractor approval form has been created and is being used with AEG and the MMA contractors.	100%	Complete

	information used to determine the reasonableness of the subcontract amount.			
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 procure 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%	August 2019
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

14

**Update Relating to the 2019
Legislative Session and
Related Bills Relevant to
HTA**



Summary of 2019 Legislative Session Bill Tracking Efforts Updated: May 24, 2019

This legislative session we are actively tracking priority bills to ensure that the Hawaii Tourism Authority (HTA) is informed of important developments in the tourism industry and can continue meaningful discussions with the Legislature. Throughout this session, we have been actively monitoring numerous measures that would impact the HTA and the industry.

HTA Submitted Testimony in Support of the Following Bills:

- **BILL 89 CD1 (Relating to Transient Vacation Rentals)**: This bill would allow the City and County of Honolulu to enforce against illegal vacation rentals. It also creates additional tax classifications specifically for bed and breakfast homes and transient vacation units. HTA submitted testimony in support of this measure which was scheduled for hearing on Wednesday, April 17, 2019.
 - 5/8 – City Council referred the measure back to the Committee on Zoning, Planning, and Housing as CD2.
 - 5/23 – Committee on Zoning, Planning and Housing reported measure out of committee. Deadline for Council action is June 6th.
 - 5/8 – City Council referred Bill 85 back to the Committee on Zoning, Planning and Housing as CD2.

- **HB420 HD1 SD1 CD1 (Relating to Hawaiian Culture)**: Removes a provision designating the Hawaii Convention Center as the location for operation of a Hawaiian Center and the Museum of Hawaiian Music and Dance.
 - 5/1: Enrolled to Governor Ige – waiting for him to sign
 - 4/30: Passes both House and Senate
 - 4/23: Passes both House and Senate conference committees
 - 4/17: Measure scheduled for conference committee meeting on 4/18/19.
 - 4/15: House and Senate conferees appointed.
 - 4/11: House disagreed with Senate's version.
 - 4/9: Senate voted to support the measure and returned to the House.
 - 4/3: WAM recommended that the measure be passed unamended.
 - 3/19: Hawaiian Affairs and Energy, Economic Development and Tourism heard the measure and both committees passed it with amendments.
 - 3/7: Passed first reading in Senate and referred to joint Hawaiian Affairs and Energy, Economic Development and Tourism committees, as well as to WAM.
 - 3/5: Passed 3rd reading in House and sent to Senate.
 - 2/20: House Finance committee recommended the measure be passed with amendments.

- 2/15: House Tourism & International Affairs and House Water, Land & Hawaiian Affairs passed on second reading.
- 2/12: House Tourism & International Affairs and House Water, Land & Hawaiian Affairs recommended the measure be passed unamended.
- **HB422 (Relating to the Hawai'i Tourism Authority)**: Authorizes contracts entered by the Hawaii Tourism Authority for the marketing of all uses of the Hawaii Convention Center to be issued separately from the management, use, operation, or maintenance of the facility.
 - 4/26: Governor Ige signed into law as Act 26 (effective on his signature).
 - 4/9: Measure was transmitted to the Governor for signature.
 - 4/9: Senate voted to pass the measure.
 - 4/3: WAM recommended that the measure be passed unamended.
 - 3/20: The measure was referred to WAM.
 - 3/11: EET recommended the measure be passed without amendment.
 - 3/5: Referred to Energy, Economic Development and Tourism and WAM.
 - 2/28: The House passed this measure on third reading and transmitted to Senate.
 - 2/28: Reported from House Finance Committee with recommendation of passage on third reading.
 - 2/20: The House Committee on Finance recommended that the measure be passed, unamended. The Senate Committee on Ways and Means recommended on 2/15 that the companion for this bill, SB992 (Relating to Tourism), be passed, with amendments.
- **HB1375 HD2 SD2 (Relating to the State of Hawai'i Museum of Natural and Cultural History)**: Beginning with the 2021-2023 fiscal biennium and each fiscal biennium thereafter, requires the governor to include in the executive budget a minimum amount per fiscal year as a recurring cost to be allocated to the State of Hawaii Museum of Natural and Cultural History. Appropriates funds to support the work of the State of Hawaii Museum of Natural and Cultural History.
 - 5/1: Measure is enrolled to Governor Ige, waiting for signature.
 - 4/30: Measure passes both chambers
 - 4/23: House and Senate conference committees vote to support changes
 - 4/15: House conferees appointed.
 - 4/11: House disagreed with Senate's version.
 - 4/9: Senate voted to support the measure and returned to the House.
 - 3/28: WAM recommended passage of measure with amendments.
 - 3/21: Referred to WAM.
 - 3/12: LCA heard and passed the measure with amendments.
 - 3/7: Referred to Labor, Culture, and the Arts (LCA) and WAM.
 - 3/5: Passed third reading and transmitted to Senate.
 - 2/20: The House Committee on Finance recommended that the measure be passed, with amendments, by blanking out the appropriation amount while noting the Attorney General's comments that the appropriation exceeds the Legislature's constitutional authority.

- **SB1292 SD2 HD3 (Relating to Transient Accommodations):** Requires hosting platforms that collect fees for booking services to register as tax collection agents and collect GET and TAT for transient accommodation bookings from operators and plan managers. Converts penalties for violation of TAT requirements from misdemeanor to civil fines. Specifies that "transient accommodations" includes accommodations subject to county regulations as such.
 - 5/8: Measure enrolled to Governor Ige.
 - 4/30: Measure passes Senate.
 - 4/16: Senate appoints conferees.
 - 4/11; Senate disagrees with House version.
 - 4/9: Passed third reading in the House and transmitted to Senate.
 - 4/4: Finance recommended to pass with amendments.
 - 3/20: CPC/JUD heard the measure and both committees passed the measure with amendments. Referred to Finance.
 - 3/12: TIA heard the measure and passed it with amendments. Referred to CPC/JUD.
 - 3/7: Referred to TIA, CPC/JUD, and FIN
 - 3/5: Passed third reading and transmitted to the House.
 - 2/26: The Senate Committees on Judiciary and Ways and Means recommended that the measure be passed with amendments.
 - 2/21: The Senate Committees on Judiciary and Ways and Means will hold a public decision-making on this bill on 2/26.

HTA Continues to Monitor the Following Bills:

- **HB419 HD2 SD2 (Relating to Transient Accommodations):** Authorizes transient accommodations in the State, subject to certain conditions. Requires all operators and plan managers and their respective properties to be listed on a registry created, published, and updated by each county, except in any county that does not regulate the number or location of transient accommodations within that county. Requires hosting platforms to collect and remit to the State all applicable TAT and GET, as agents of operators and plan managers, and to regularly disclose to the State information on transient accommodations listings in the State. Prohibits hosting platforms from collecting fees or completing any booking transactions for properties not listed on the registry, if applicable in that county. Authorizes DOTAX to establish fees, charges, and other requirements by rule. Establishes civil and administrative penalties for violations. Authorizes the State to issue administrative subpoenas to obtain certain information regarding transient accommodations listings in the State.
 - 4/16: Senate appoints conferees.
 - 4/11: House disagrees with Senate version.
 - 4/9: Senate passed measure on third reading and returned to House.
 - 4/3: WAM held meeting on measure and passed with amendments.
 - 3/20: Passed EET and PSM committees with amendments. Referred to WAM.
 - 3/7: Referred to EET/PSM, and to WAM.
 - 3/5: Passed third reading and transmitted to the Senate.
 - 2/20: The House Committee on Finance recommended that the measure be passed, with amendments, by blanking out the appropriation amounts.

- **SB380 SD1 (Relating to the Transient Accommodations Tax):** Imposes TAT on mandatory resort fees and requires that those fees be included in gross rental or gross rental proceeds.
 - 4/4: Enrolled to Governor Ige.
 - 4/3: House passes measure on third reading.
 - 3/28: Finance passes with no amendments.
 - 3/12: TIA heard the measure and passed it unamended. Referred to Finance.
 - 3/7: Referred to TIA and Finance.
 - 3/5: Passed third reading and transmitted to the House.
 - 2/19: The Senate Committee on Ways and Means recommended that the measure be passed, unamended.

BILLS WITH NO FUTURE ACTION/MOVEMENT:

- **HB1072 HD1 (Relating to Festival of Pacific Arts):** Appropriates \$5M in funds from the State's general revenue to the Commission on the 13th Festival of Pacific Arts to plan for the 13th Festival of Pacific Arts.
 - No further action at this time.
 - 2/14: Passed Second Reading in the House.

- **HB983 (Relating to Transient Accommodations Tax):** Increases the appropriation to the Special Land and Development Fund, administered by DLNR, from \$3M to \$10M; changes the distribution of TAT revenues to the counties from a fixed sum, \$103M, to 23.1% of the net TAT revenue after all other appropriations of TAT revenue are made.
 - No further action.
 - 2/5: The House Committee on Tourism and International Affairs recommended deferral.

- **SB836 (Relating to Transient Accommodations Tax):** Increases the appropriation to the Special Land and Development Fund, administered by DLNR, from \$3M to \$5M; expands purpose of fund to include beaches, trails and state parks.
 - No further action.
 - 2/8: The Senate Committees on Energy, Economic Development and Tourism and Water and Land deferred the measure.

- **SB1386 SD1 (Relating to the Department of Land and Natural Resources):** Requires DLNR to develop a State 2030 natural resources conservation goal action plan to be submitted to the Legislature no later than December 31, 2020; allocates one percent of TAT revenues to the Special Land and Development Fund for the development of the plan.
 - No further action.
 - 2/15: SB1386 SD1 passed second reading and was referred to the Senate Committee on Ways and Means.

- **SB717 (Relating to Transient Accommodations):** Requires members in planned community associations subject to HRS 421J and unit owners in condominiums subject to HRS 514B to register units leased as transient accommodations.
 - No further action.
 - 2/1: The Senate Committee on Energy, Economic Development and Tourism deferred the measure.

- **SB803 (Relating to Hawaiian Culture):** Removes a provision designating the Hawai'i Convention Center as the location for operation of a Hawaiian Center and the Museum of Hawaiian Music and Dance.
 - No further action.
 - 2/8: Passed Second Reading in the Senate referred to WAM. The House Committee on Finance on 2/20 recommended that the companion to this bill,

HB420, be passed, with amendments. (This measure has not been heard by WAM)

- **SB1007 (Relating to Hawaiian Music and Dance):** Redirects Tourism Special Funds allocated for the operation of the Hawaiian Center and Museum of Hawaiian Music and Dance at the Hawai'i Convention Center to the planning, design and construction of the same Hawaiian Center at the State of Hawai'i Museum of Natural and Cultural History.
 - No further action.
 - 2/12: Passed Second Reading in the Senate. The measure was referred to WAM and has not been scheduled for hearing.

- **SB364 SD2 (Relating to Tourism):** Establishes a professional tour guide certification task force to determine whether it is appropriate to require persons who use various state resources for commercial purposes or apply for various commercial use permits to hold and maintain certification or meet certain minimum requirements, recommend existing certificates or certification programs that may be appropriate, and make recommendations and plans regarding any necessary certifications and certification renewals.
 - No further action.
 - 3/7: Referred to House joint committee of Tourism & International Affairs (TIA) and Water, Land, & Hawaiian Affairs (WLH), as well as Finance.
 - 3/5: Passed third reading and transmitted to the House.
 - 2/25: The Senate Committees on Ways and Means and Commerce, Consumer Protection and Health recommended the measure be passed with amendments.
 - 2/22: The Senate Committees on Ways and Means and Commerce, Consumer Protection and Health will hold a public decision making on this bill on 2/25 at 11:00AM.

- **SB666 SD2 HD2 (Relating to Airports Corporation):** Authorizes establishment of the Hawaii Airports Corporation (HAC) within the Department of Transportation for administrative purposes. Sets out appointment of members to the board of directors and powers and duties of HAC. Transfers aeronautics functions of the Department of Transportation to HAC. Makes HAC subject to Hawaii procurement code. Requires HAC to set rates and determine costs based on the residual method. Subjects HAC board and CEO to financial disclosure requirements. Appropriates funds.
 - 3/22: Measure referred to Finance but no further action.
 - 3/19: Measure was heard by Labor and passed with amendments.
 - 3/14: Re-referred to Transportation, Labor, and Finance.
 - 3/13: Transportation committee passed the measure with amendments.
 - 3/7: Referred to Transportation, Joint Labor and Judiciary, and Finance committees in the House (triple referral).
 - 3/5: Passed third reading and transmitted to House.
 - 2/15: The Senate Committee on Ways and Means recommended that the measure be passed, with amendments.

- **HB911 HD2 SD1 (Relating to Tourism):** Establishes the Convention Center Repair and Maintenance Special Fund and the Convention Center Emergency Special Fund. Allocates a portion of the transient accommodations tax to those funds. Removes repair and maintenance as permissible uses of the Convention Center Enterprise Special Fund. Requires annual reports to the Legislature.
 - 3/22: Referred to WAM – No further action taken
 - 3/20: EET heard the measure and passed it with amendments.
 - 3/7: Referred to EET and WAM.
 - 3/5: Passed third reading and transmitted to Senate.
 - 2/20: The House Committee on Finance recommend that HB911 be passed, with amendments, by blanking out the appropriation amounts.

- **HB739 HD1 (Relating to the Hawai'i Tourism Authority):** Appropriates \$141,483,409 to “BED113 - Tourism” for fiscal years 2019-20 and 2020-21.
 - No further action on this measure. HB2 was signed into law by Governor Ige.
 - 3/20: The measure was referred to WAM.
 - 3/11: EET committee heard the measure and passed it unamended.
 - 3/5: Referred to Senate’s Energy, Economic Development, and Tourism committee and WAM.
 - 3/1: Passed third reading and transmitted to Senate.
 - 2/25: House Finance recommended passage.
 - 2/20: This bill is scheduled to be heard by the House Committee on Finance on Monday, February 25.

- **HB548 HD2 SD1 (Relating to the Transient Accommodations Tax):** Allocates funds from TAT revenue to the Hawaii Tourism Authority, rather than the Special Land and Development Fund, to improve certain state resources and services. Requires DLNR to submit to HTA, an annual list of proposed projects in relation to the HTA Strategic Plan.
 - 3/22: Referred to WAM – Not scheduled
 - 3/18: joint Senate EET and Water and Land committees heard the measure and passed it with amendments.
 - 3/7: Referred to joint committee of EET and Water and Land, as well as WAM
 - 3/5: Passed third reading and transmitted to Senate.
 - 2/20: House Finance recommended the measure be passed with amendments.
 - 2/15: Measure passed second reading as amended and referred to House Finance.
 - 2/12: The House Committees on Tourism & International Affairs and Water, Land & Hawaiian Affairs recommended the measure be passed with amendments.

- **SB198 SD2 (Relating to the Transient Accommodations Tax):** Authorizes counties to levy a county surcharge on transient accommodations tax in their respective counties pursuant to certain conditions. Sunsets on 12/31/2036.
 - No further action.
 - 3/7: Referred to TIA and FIN.
 - 3/5: Passed third reading and transmitted to the House.

- 2/21: The Senate Committee on Ways and Means recommended that the measure be passed, with amendments.
- **SB382 SD2 (Relating to Taxation):** Amends the formula for the amount of transient accommodations tax to be collected from time shares by increasing the base on which time share occupancy is taxed from one-half of the gross daily maintenance fees paid by the owner and attributable to the time share unit to an amount equal to all of those fees. Effective 1/1/2020.
 - No further action.
 - 3/7: Referred to TIA and Finance.
 - 3/5: Passed third reading and transmitted to the House.
 - 2/19: The Senate Committee on Ways and Means recommended that the measure be passed, with amendments.
- **SB714 SD2 (Relating to the Transient Accommodations Tax):** Imposes the transient accommodations tax on resort fees that are calculated separately from the advertised transient accommodation's rate. Clarifies the calculation of the transient accommodations tax. Amends the formula for the amount of transient accommodations tax to be collected from time shares by increasing the base on which time share occupancy is taxed from one-half of the gross daily maintenance fees paid by the owner and are attributable to the time share unit to one hundred per cent of the gross daily maintenance fees. Requires transient accommodations intermediaries to register with the director of taxation before arranging to furnish transient accommodations at noncommissioned negotiated contract rates. Specifies that the transient accommodations tax is to be collected from transient accommodations intermediaries who arrange transient accommodations at noncommissioned negotiated contract rates in the same manner as transient accommodations operators. Applies to taxable years beginning after 12/31/2019.
 - No further action.
 - 3/7: Referred to TIA and Finance.
 - 3/5: Passed third reading and transmitted to the House.
 - 2/19: The Senate Committee on Ways and Means recommended that the measure be passed, with amendments.
- **HB558 HD1 SD1 (Relating to Kekaha Kai State Park):** Appropriates funds from the State's general revenues for the employment of lifeguards and purchase of life-saving equipment at Kua Bay.
 - No Further Action
 - 4/15: House conferees appointed.
 - 4/11: House disagreed with Senate's version.
 - 4/9: Senate voted to support the measure and returned to the House.
 - 4/3: WAM recommended that the measure be passed with amendments.
 - 3/15: The measure was referred to WAM.
 - 3/11: Senate's Water and Land Committee passed the measure unamended.
 - 3/5: Referred to Water and Land and to WAM.

- 3/1: Passed third reading and transmitted to Senate.
 - 2/26: House Finance recommended passage.
 - 2/15: Reported from House Committee on Labor and Public Employment, recommending referral, unamended, to House Committee on Finance.
 - 2/12: The companion for this bill, SB654 SD1 (Relating to Kekaha Kai State Park), passed second reading in the Senate on 2/12.
- **HB908 HD2 SD1 (Relating to the Transient Accommodations Tax)**: Allocates and appropriates funds from transient accommodations tax revenues to the Hawaii Tourism Authority to implement initiatives, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas. Requires the Hawaii Tourism Authority to report to the Legislature.
 - No Further Action
 - 4/15: House conferees appointed.
 - 4/11: House disagreed with Senate's version.
 - 4/9: Senate voted to support the measure and returned to the House.
 - 4/5: WAM recommended that the measure be passed unamended.
 - 3/20: EET passed the measure with amendments.
 - 3/7: Referred to EET and WAM.
 - 3/5: Passed third reading and transmitted to the Senate.
 - 2/20: The House Committee on Finance recommended that HB908 be passed with amendments, by blanking out the appropriation amount.

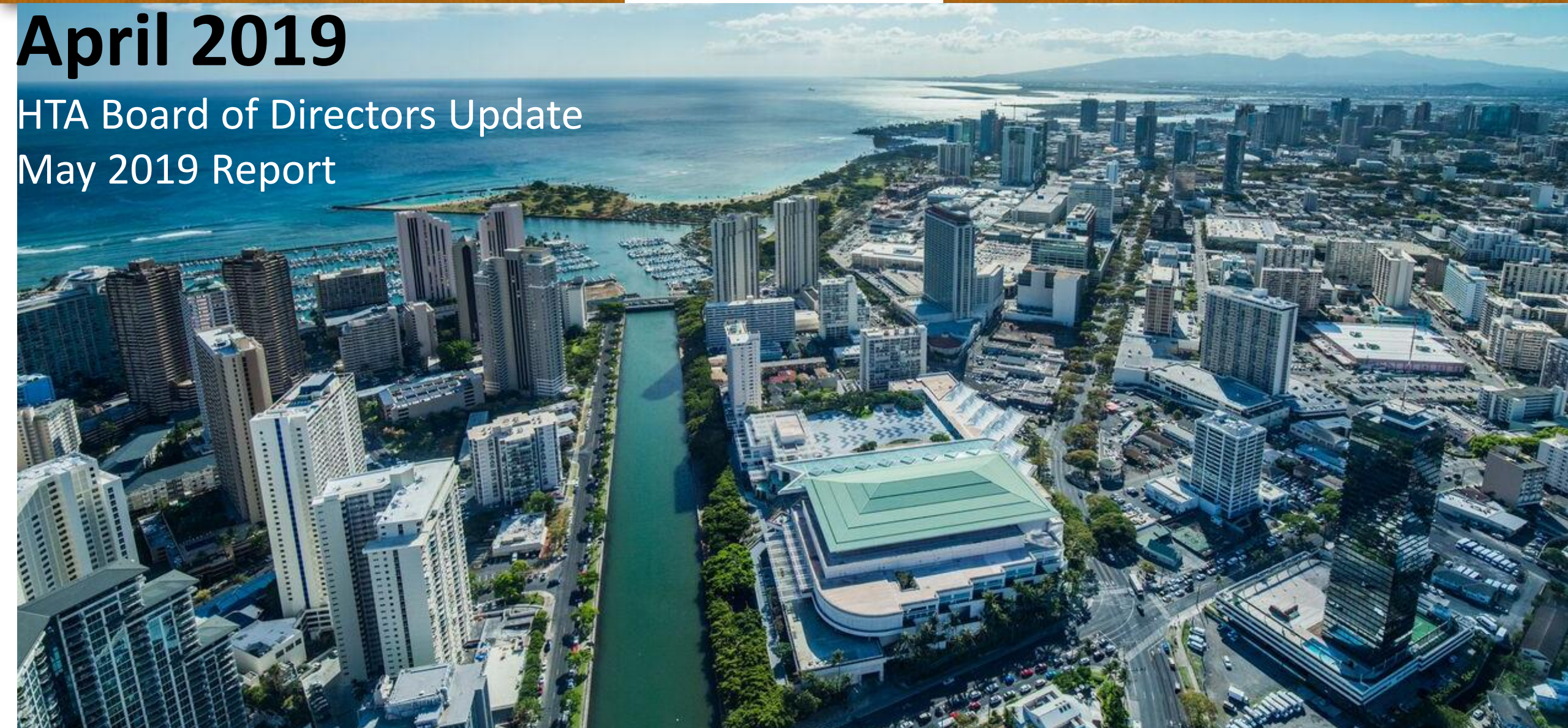
Agenda Item

15

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

April 2019

HTA Board of Directors Update
May 2019 Report



Agenda

- **Financials – April 2019**
- **HCC ROI**
- **Sales & Marketing Update**

2019 Financial Update

	2019 April Actual	2019 Reforecast	2019 Budget	Variance	2018 Actual
Facility Occupancy	45%	30%	31%	(1%)	29%
Facility Number of Events	30	207	200	7	206
Facility Gross Revenue	\$1,906,400	\$14,596,700	\$15,672,300	(\$1,075,600)	\$13,991,600
Facility Gross Expenses	\$1,702,400	\$17,767,500	\$17,667,300	(\$100,200)	\$16,160,800
Facility Net Income(Loss)	\$204,000	(\$3,170,800)	(\$1,995,000)	(\$1,175,800)	(\$2,169,200)
S&M Net Expenses	(\$350,800)	(\$6,095,000)	(\$6,095,000)	\$0	(\$6,221,100)
HCC Net Income/(Loss)	(\$146,800)	(\$9,265,800)	(\$8,090,000)	(\$1,175,800)	(\$8,390,300)

2019 Food & Beverage Update

Food & Beverage	2019 April Actual	2019 Reforecast	2019 Budget	Variance	2018 Actual
F&B Revenue	\$1,311,500	\$9,387,900	\$10,406,100	(\$1,018,200)	\$8,817,300
F&B Expenses	\$733,900	\$5,953,800	\$5,910,300	(\$43,500)	\$5,825,400
Net Income	\$577,600	\$3,434,100	\$4,495,800	(\$1,061,700)	\$2,991,900
% of flow through	44%	37%	43%	(6%)	34%

Other initiatives for the center....

- Looking at reducing expenses for the remaining of the year to help our bottom line
- Prospecting for more local banquet business in the next 7 mos.
- Creating a local event during the holidays to generate revenue
- Vetting though some ideas to generate additional short term revenue

2019 ROI

HCC Revenue + State Revenue + Tax Revenue
= \$119.3M

HCC Expense \$7.5M

***ROI = For every dollar spent by HCC we returned
\$15.92 to the State***

HCC Sales Updates

- 1,405 room nights closed in April 2019 bringing April YTD to 40,188 room nights closed.
- Tentative pipeline Year To Date total 86,485 room nights.

Sales Initiatives

- Preparation for Lei Day Events in key cities of Washington DC and Chicago for beginning of May
- Major sites with International Foundation of Employee Benefit Plans and American Academy of Periodontology both for 2020

Advertising and PR

PR:

- Coordinated with Successful Meetings and TravelAge West magazines on feature articles on Hawai'i/HCC for future issues.

Advertising (North America)

- Launched HCC tab in Northstar's "[Destination Hawai'i Guide](#)" website
- CALSAE (California Society of Association Executives) e-Newsletter
- Digital ads on MPIWeb.org and ASAE Digital retargeting



Advertising and PR

Advertising (Sports)

- NASC (National Association of Sports Commissions) weekly e-newsletter ads
- Print ad in SportsEvents Magazine
- A dedicated eblast in SportsTravel magazine + digital ad placements on website



MEET A SPORTING VENUE WHERE THERE ARE *NO* LOSERS.

HAWAII
CONVENTION CENTER
Where Business and Aloha Meet

ABS

 204k SQ. FT. Of Modular Competition Space	 98% Visitor Satisfaction Rate	 100+ Ways to Celebrate Victory
---	---	--

TO LEARN MORE, VISIT cdavidson@hccaeq.com OR CALL (808) 943-3500.

The advertisement features a collage of sports images: a basketball player in a red jersey (number 21) jumping for a shot, a volleyball player in a red jersey jumping to hit the ball, and a shirtless male athlete in a red jersey jumping to hit a ball. Below the images is a dark green banner with white text and icons. At the bottom of the advertisement is an aerial view of the Hawaii Convention Center building, a large modern structure with a green roof, situated in a cityscape with mountains in the background.

MAHALO



Agenda Item

17

**Discussion and Approval of
the FY2020 HTA Budgets**



BOARD OF DIRECTORS
FISCAL YEAR 2020
BUDGET PRESENTATION

May 2019

HTA VISION OF TOURISM MANAGEMENT

- Improve resident sentiment towards visitor industry
- Improve visitor experience
- Focus on:
 - branding efforts on higher spend markets
 - expanding community programs
 - expanding Hawaiian culture programs
 - expanding natural resources programs
- Engage with our communities across the state to share new vision
- Improve understanding of the value and benefits of tourism
- Transparency, integrity, and open



MEASURES OF SUCCESS

KEY PERFORMANCE INDICATORS

- Visitor Satisfaction
- Resident Sentiment
- Per Person Per Day Spend
- Total Visitor Expenditures



MISSION STATEMENT

To strategically manage Hawai'i tourism in a sustainable manner consistent with economic goals, cultural values, preservation of natural resources, community desires and visitor industry needs.



KEY TOURISM STATISTICS

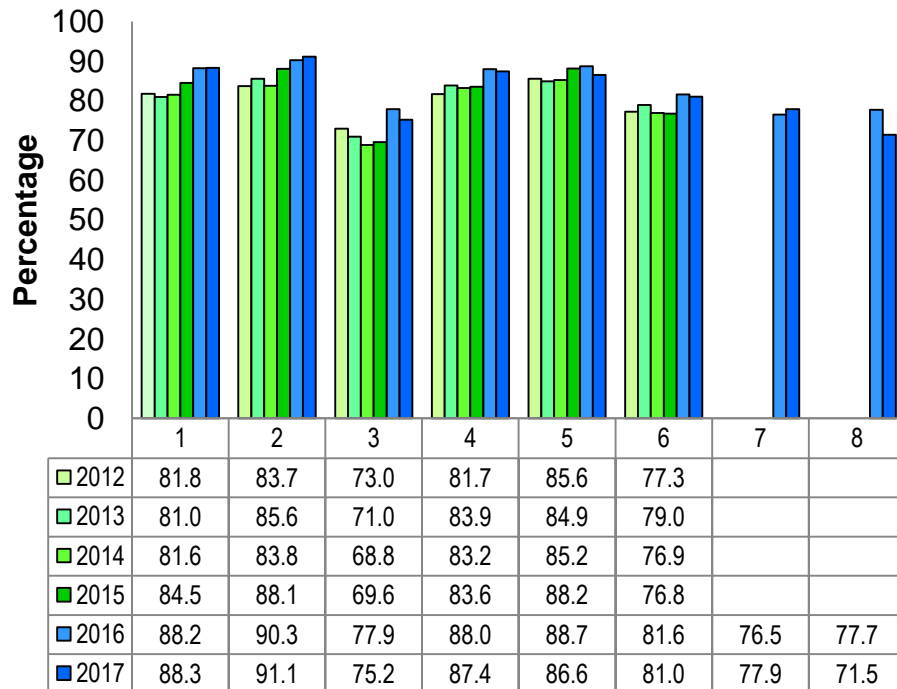
Presented by
Jennifer Chun
Director of Tourism Research



VISITOR SATISFACTION & ACTIVITY SURVEY

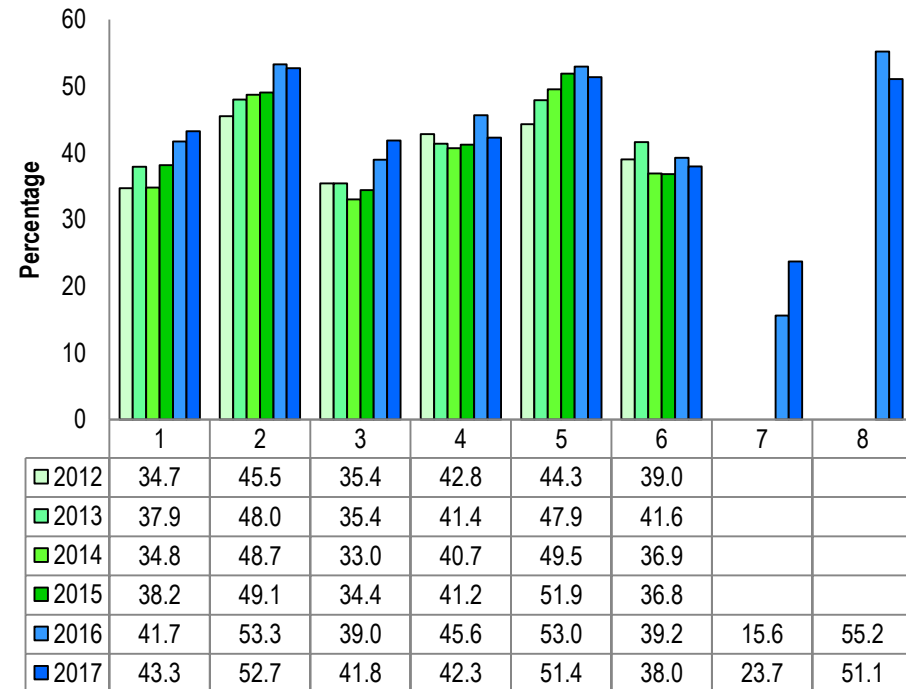
Overall Rating of Trip

(Percentage of Visitors Who Rated their Most Recent Trip "Excellent" by MMA)



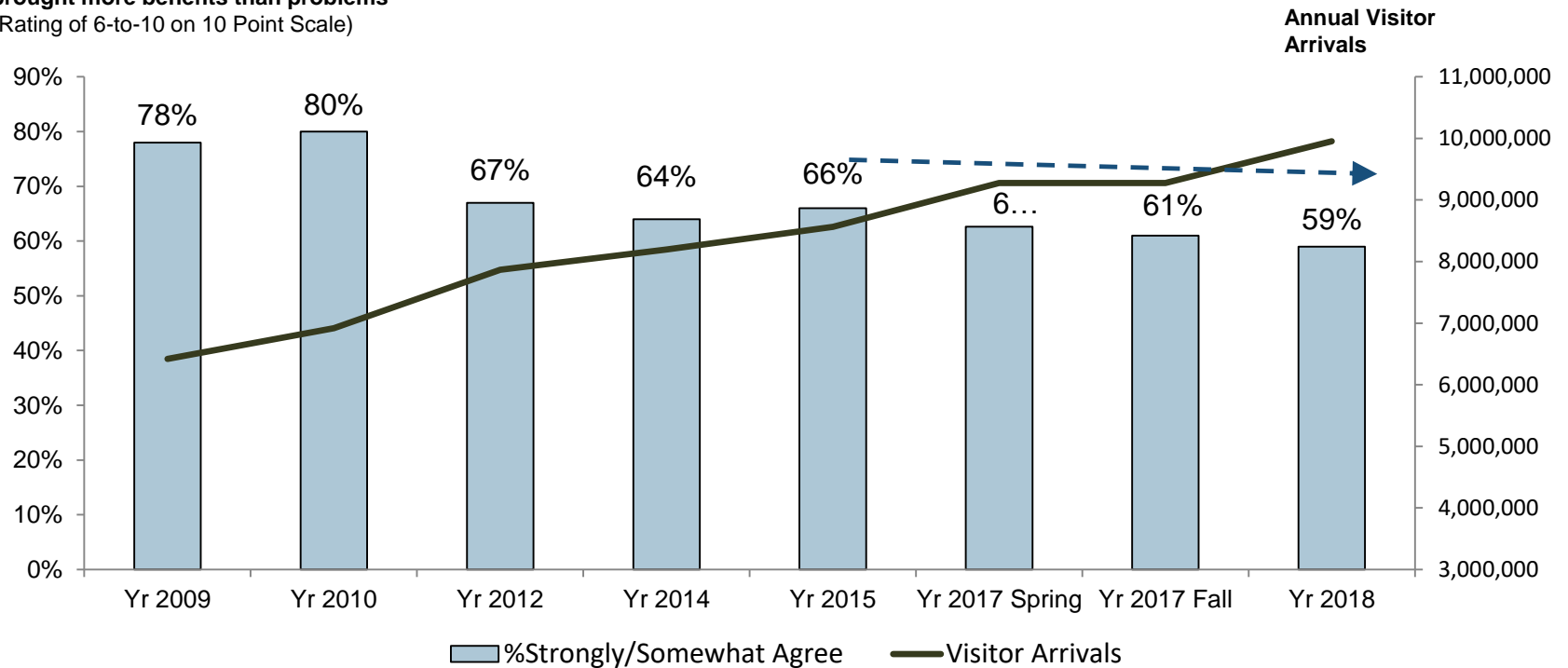
Trip Exceeded Expectations

(Percentage of Visitors Who Said this Trip "Exceeded" Expectations by MMA)



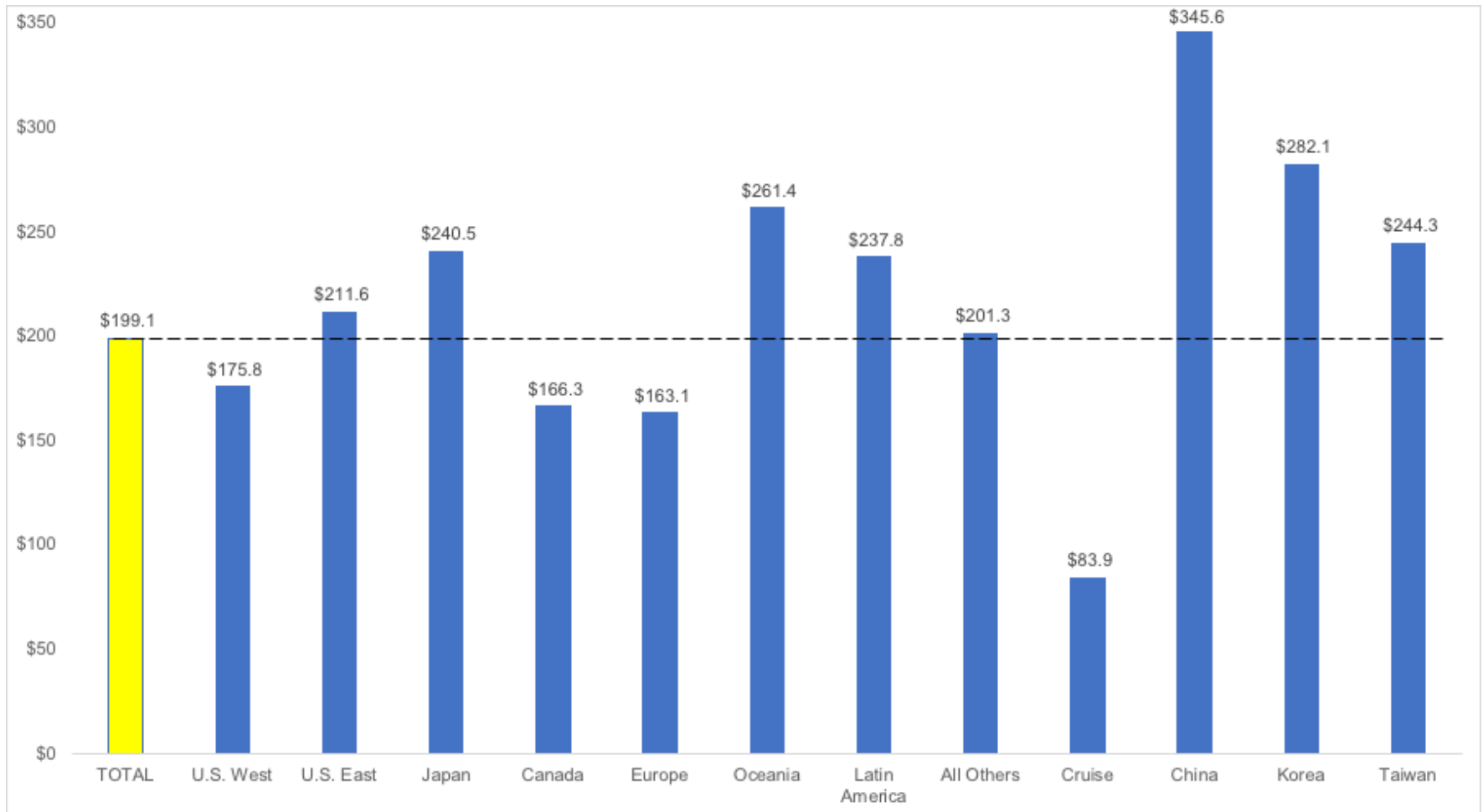
RESIDENT SENTIMENT SURVEY

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

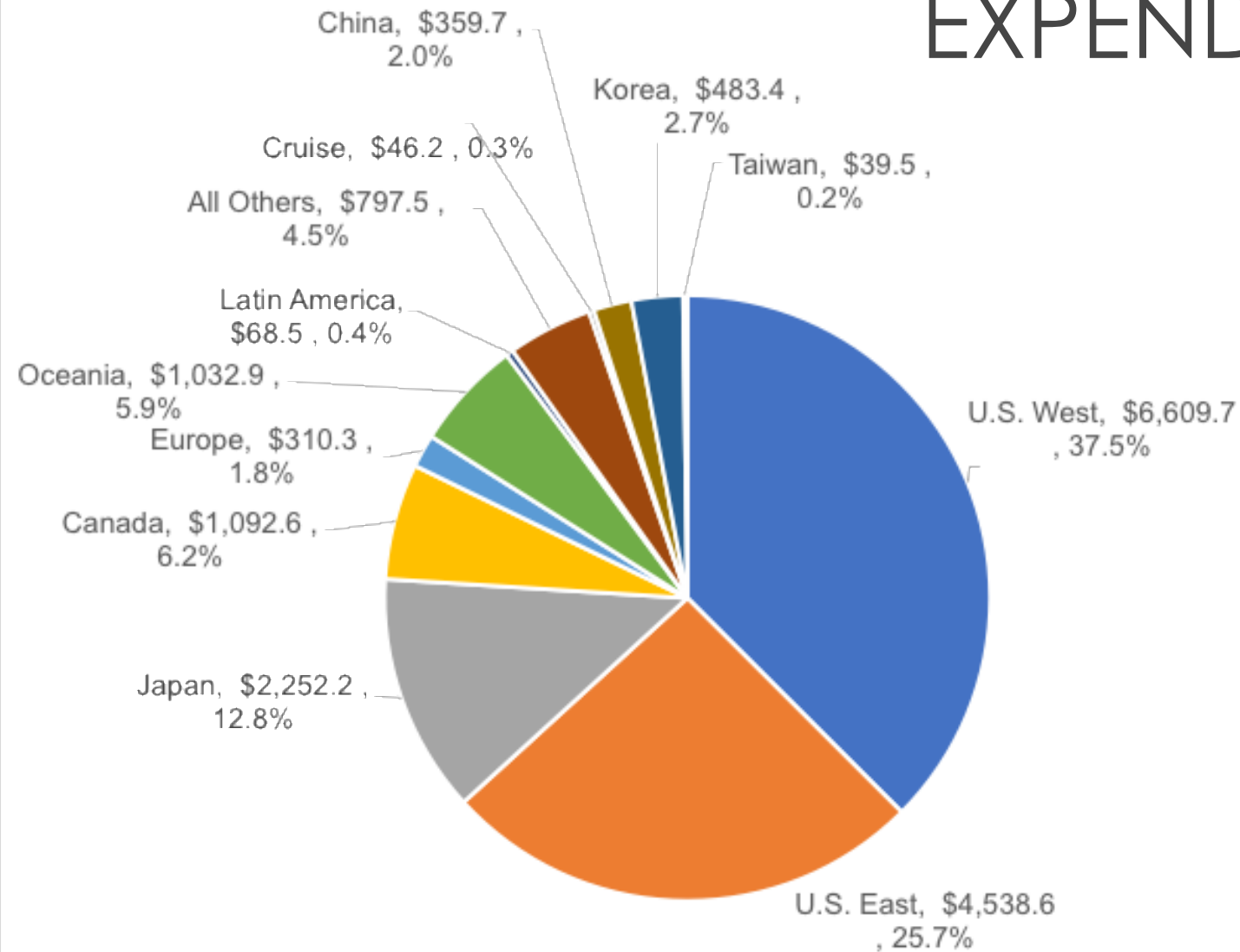


Q4.1. Using a 10-point scale where 10 means Completely Agree and 1 means Do Not Agree at All, how much do you agree or disagree that...?

\$PER PERSON PER DAY

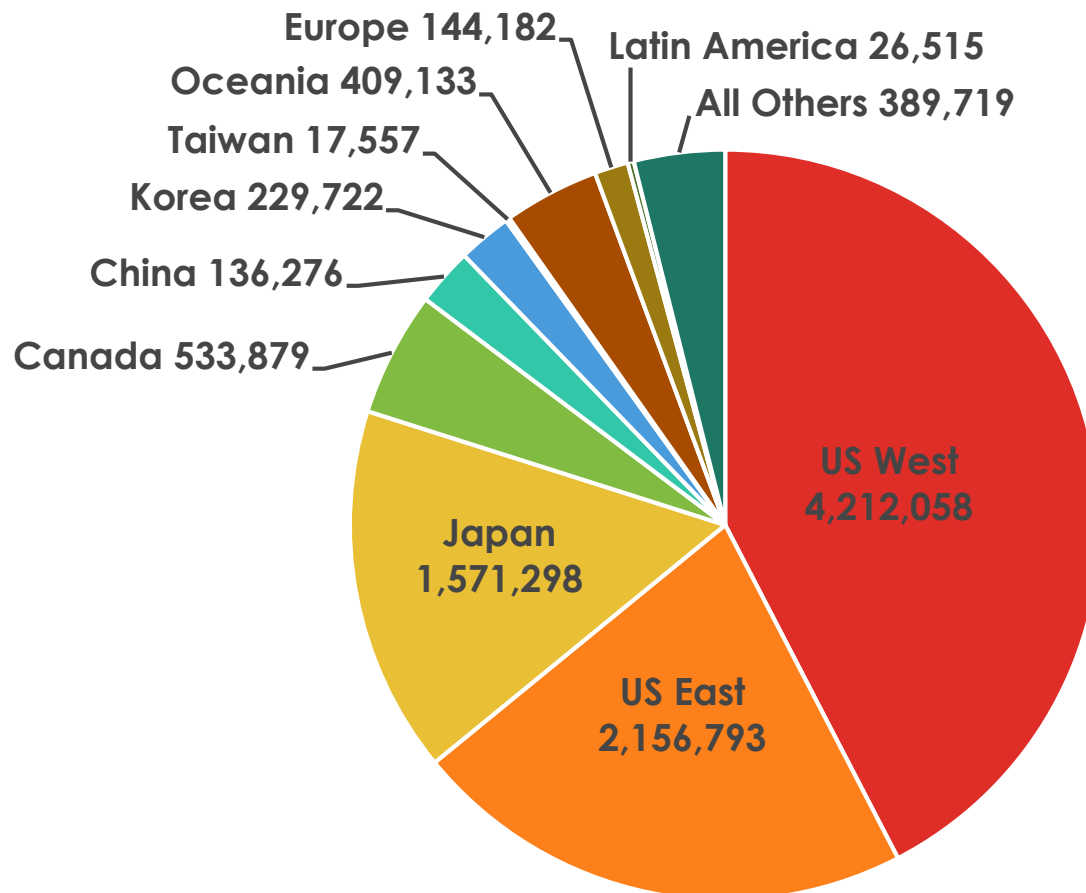


VISITOR EXPENDITURES



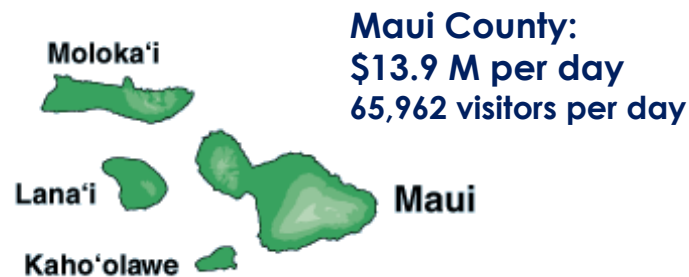
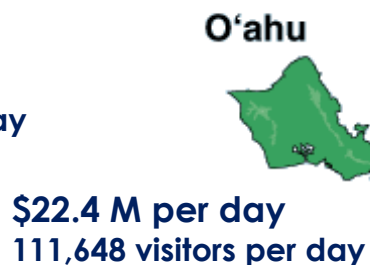
VISITOR ARRIVALS

Arrivals to Hawai'i by Market in 2018P

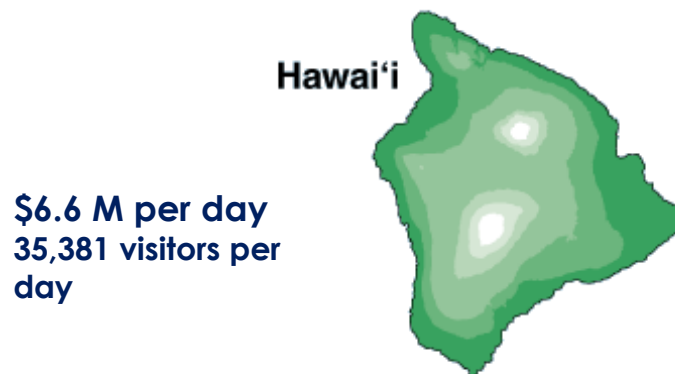


Tourism Impacts by County – 2018P

Direct Visitor Spending (\$ millions) and Average Daily Census



State of Hawai'i:
\$48.8 M per day
241,121 visitors per day





BUDGET MAIN CATEGORIES

- Hawaiian Culture
- Natural Resources
- Community
- Branding
- Sports
- Safety and Security
- Tourism Research
- Administrative
- Governance and Organization-wide



HAWAIIAN CULTURE & NATURAL RESOURCE PROGRAMS

Kalani L. H. Ka'anā'anā

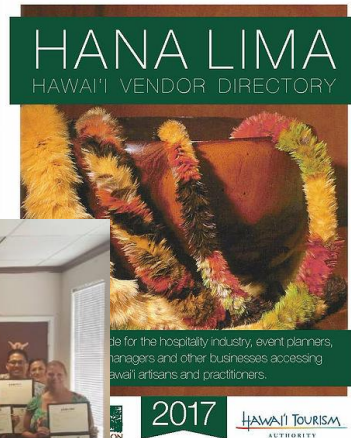
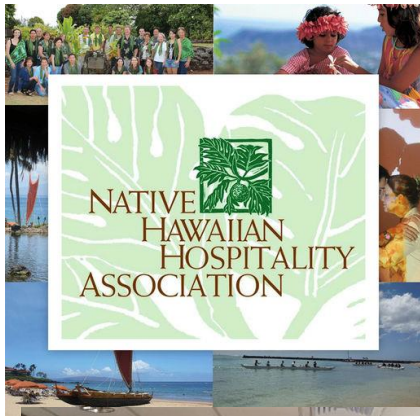
Luna Ho'okele Mo'omeheu Hawai'i
Director of Hawaiian Cultural Affairs

HAWAIIAN CULTURE

To honor and perpetuate the Hawaiian culture and community.



NATIVE HAWAIIAN HOSPITALITY ASSOCIATION



- Lead organization for the Hawaiian Culture Initiative
- In Market support for training and cultural practitioners
- No cost Hawaiian culture training for industry partners.

For More info:

Malia Sanders

808- 628-6374

malia@nahha.com

KŪKULU OLA PROGRAM

- Provides funding through requests for proposals (RFP) to community based non profits that enhance, strengthen and perpetuate the Hawaiian culture.
- FY2019 - Awarded 28 projects
- Examples of projects funded:
 - Edith Kanaka'ole Foundation
 - Polynesian Voyaging Society
 - Ma Ka Hana Ka 'ike
 - Ka Leo o Nā Kupa- Ni'ihau Language Preservation Program



NATIVE HAWAIIAN FESTIVALS & EVENTS

Aloha Festivals

Prince Kūhiō Festival

Prince Lot Hula Festival

Merrie Monarch

Queen Lili'uokalani Keiki Hula Competition

King Kamehameha Day Celebration

Mele Mei & Nā Hōkū Hanohano

Maoli Arts Movement (MAMo)

Duke's Oceanfest

Queen Lili'uokalani Long Distance Canoe Race



KĀHEA GREETINGS PROGRAM



Airports:

- Līhu'e, Kaua'i (LIH)
- Honolulu, O'ahu (HNL)
- Kahului, Maui (OGG)
- Hilo, Hawai'i (ITO)
- Kona, Hawai'i (KOA)

Harbors:

- Nāwiliwili, Kaua'i
- Honolulu, O'ahu
- Lahaina, Maui
- Hilo, Hawai'i
- Kona, Hawai'i

RESORT AREA HAWAIIAN CULTURE INITIATIVE

- To provide regularly scheduled entertainment and cultural awareness incorporated within a resort area.
- Waikīkī, O‘ahu
- Lahaina, Maui
- Hilo, Hawai‘i
- Kona, Hawai‘i



'ŌLELO HAWAI'I



- Includes audio recordings with basic vocabulary, short phrases.
- Encourages our malihini to engage in the revitalization of our 'ōlelo makuahine

HAWAIIAN CULTURE PROGRAMS FY2020

- Budget request of \$8,080,500 for FY2020
 - FY2019 \$6,514,254
- \$1,566,246 increase over FY2019 (24% increase)
- Expanded support for programs
- Currently seeking proposals through statewide RFP
 - RFP was issued on May 2nd
 - RFP closes on July 5th
 - Community meetings complete – all islands
- Encouraging applicants to consider larger projects
- Funding for 'ōlelo-focused projects

NATURAL RESOURCES

To respect, enhance and perpetuate Hawai'i's natural resources to ensure a high level of satisfaction for residents and visitors.



ALOHA 'ĀINA PROGRAM

- Provides funding through requests for proposals (RFP) to community based non profits that manage, preserve and protect our natural resources.
- FY2019 - Awarded 28 projects
- Examples of projects funded:
 - Mālama Nā Honu
 - Hawai'i Marine Mammal Alliance
 - Friends of Auwahi Forest Restoration Project
 - Coral Reef Alliance
 - Pōhāhā I Ka Lani

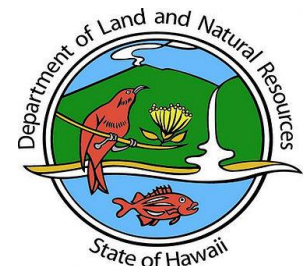


MĀLAMA HAWAI'I- DLNR

An interdepartmental collaboration to support natural resource conservation in the following areas:

Communications:

- Two TV Documentaries
- 7 In-room messaging videos on responsible visiting in approximately 24,000 hotel rooms statewide
- In-Flight messaging in partnership with Hawaiian Airlines & Air AsiaX
- Funded an FTE for a social media specialist to work with DLNR in combating illegal activities via social media and to create a social media campaign on responsible visiting.



MĀLAMA HAWAI'I- DLNR

An interdepartmental collaboration to support natural resource conservation in the following areas:

DOFAW:

- Rapid 'Ōhi'a Death Outreach and Aerial Survey
- Carbon Sequestration Certification

DSP/Na Ala Hele:

- Inspection and audit of state parks



HAWAI'I GREEN GROWTH UNITED NATIONS LOCAL 2030 HUB

Hawai'i Green Growth is a public-private partnership committed to advancing economic, social and environmental goals. We accelerate and scale local solutions to global sustainability challenges.

Provided funding to support efforts that address Sustainable Tourism and in achieving three of the Sustainable Development Goals (SDG 8, 12 & 14)



HAWAI'I GREEN GROWTH
LOCAL 2030



NATURAL RESOURCE PROGRAMS FY2020

- Budget request of \$4,046,950 for FY2020
 - FY2019 \$2,194,412
- \$1,852,538 increase over FY2019 (84.4% increase)
- Expanded support for broader, large-scale programs
- Currently seeking proposals through statewide RFP
 - RFP was issued on May 2nd
 - RFP closes on July 5th
 - Community meetings complete – all islands



AUTHORITY

COMMUNITY PROGRAMS

Caroline Anderson

Director of Community Enrichment



Community
Enrichment



Education
Workshops

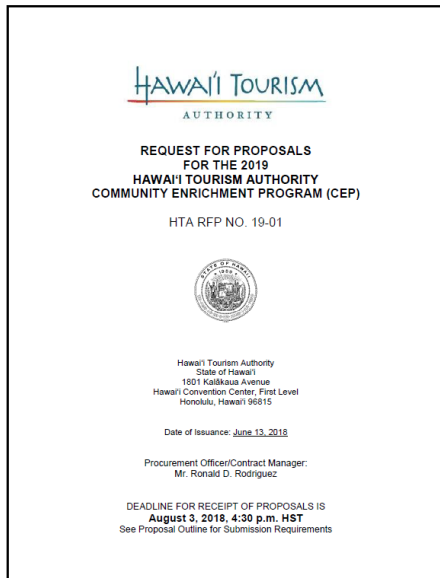


Career
Develop-
ment



Community
Event
Awareness

COMMUNITY ENRICHMENT PROGRAM (FY2019)



EDUCATIONAL WORKSHOPS

- Festivals & Events Management
- Potential future workshops:
 - Social Media
 - Succession Planning
 - Developing sustainable tourism projects



Online Registration Now Available!

GROWING SUCCESS II

The Hawai'i Tourism Authority in partnership with the International Festivals & Events Association is conducting an all-day workshop on the islands of Maui, Kaua'i, Hawai'i, and O'ahu from October 30 – November 2, 2018. This workshop is geared to enhance the success of your events/projects in the areas of sponsorship proposals and follow-up reports, keeping your event fresh, marketing your event, and social media.

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

SPONSORSHIP PROPOSALS & FOLLOW-UP REPORTS

KEEPING YOUR EVENT FRESH

MARKETING YOUR EVENT

HANDS-ON SOCIAL MEDIA TRAINING

DATES & LOCATIONS

10/30: Maui Arts & Cultural Center

10/31: Kaua'i Beach Resort

11/1: Waikoloa Beach Marriott Resort & Spa

11/2: Hawai'i Convention Center

TIME

8:00 a.m. to 4:00 p.m.



International Festivals & Events Association
IFEIA World

CAREER DEVELOPMENT

Future Workforce

- L.E.I. Program
- Ho‘oilina Scholarship
- Supporting DOE teacher training

Current Workforce

- Certification for Hawai‘i’s Professional Tour Guides
- Certificate for Customer Service in Hawai‘i
- Workforce Needs Assessment



UNIVERSITY of HAWAII*
KAPI‘OLANI
COMMUNITY COLLEGE



UNIVERSITY of HAWAII*
MAUI COLLEGE



UNIVERSITY of HAWAII*
HAWAII
COMMUNITY COLLEGE



UNIVERSITY of HAWAII*
KAUAI
COMMUNITY COLLEGE

COMMUNITY EVENT AWARENESS

- Promotion of HTA-funded events and projects to residents
 - Increase awareness
 - Build attendance
 - Showcase tourism dollars being reinvested into communities



COMMUNITY PROGRAMS FY2020

- Budget request of \$6,014,752 for FY2020
- \$1,651,441 increase over FY2019 (37.8% increase)
 - Expanded support for community enrichment program, community training workshops and career development areas
 - Continued support for Ho‘oilina Scholarship and community event awareness programs
- Currently seeking proposals through statewide RFP for Community Enrichment Program
 - RFP issued on May 2nd
 - RFP closes on July 5th
 - Community RFP info meetings complete – all islands



HTA MARKETING = BRANDING

Karen Hughes

Vice President of Marketing & Product Development

BRANDING PROGRAMS FY2020

- **Budget request of \$51,560,050 for FY2020**
- **Increasing Japan by \$1,000,000**
- **Increasing SE Asia by \$300,000**
- **Increasing Taiwan by \$166,000**
- **Decrease US by \$1,000,000 (Hawai'i Island Recovery)**

BRANDING

Nine Major Markets

- Globally coordinated
 - MMA nuances
- Sustain and/or expand the Hawaii brand
 - Inspire high value visitors



MAJOR MARKETS



MAJOR MARKETS 2020 RFP'S

- **RFP's for China, Korea, Taiwan, SE Asia**
 - New revised format
 - a) Concise
 - b) Built for new ideas
 - Best practices gathered
 - Appraisal committees made of experts
 - Success =
 - a) Efficient use of State dollars
 - b) Vision
 - c) Creativity
 - d) Proven expertise
 - a) MMA
 - b) Hawaii

2020 BRAND MANAGEMENT PLAN

- **Streamline**
 - increase clarity
 - review quarterly
- **Digital focus**
- **Research driven**
- **Aligned globally** – adapted locally



MAJOR MARKETS BMP PRIORITIES

- **Focus on prime consumer target**
- **Address changing trends in consumer behavior**
 - Researching
 - Shopping
 - Distribution
- **Industry collaboration**
- **Responsible tourism**



MARKETING OPPORTUNITY FUND



Unforeseen market changes



New Opportunities

2020 MCI RFP OBJECTIVES

- **Central point of contract for customers in all MMA's**
 - Single property – citywide
 - Single island – multiple islands
 - Single MMA – multiple MMA's
- **Global Strategy**
 - Sales and marketing tools
 - Selling strategy
 - Technology
 - Reporting
- **East/West Focus**



ISLAND CHAPTERS

- **Bridge to the globe**
 - Leisure
 - MCI
 - Media



CRUISE INFRASTRUCTURE & ARRIVAL EXPERIENCE

- **Coordination**

- a) Cruise lines
- b) Local authorities
- c) State authorities



GLOBAL DIGITAL STRATEGY

- **Align & leverage entire digital ecosystem**
- **Significant shift in consumer consumption**
 - Customization is critical
 - Tap influencers with built-in audience
 - Tell the brand story in video
 - Identify framework & freedom within it
 - Gohawaii.com
 - a) Inspiration
 - b) Planning



HAWAII TOURISM SPRING & FALL UPDATE

- **Collaboration for Hawaii stakeholders**
- **Information sharing**
- **Productive**
- **Actionable**





HAWAII TOURISM™

AUTHORITY

SPORTS PROGRAMS

Chris Tatum

Chief Executive Officer



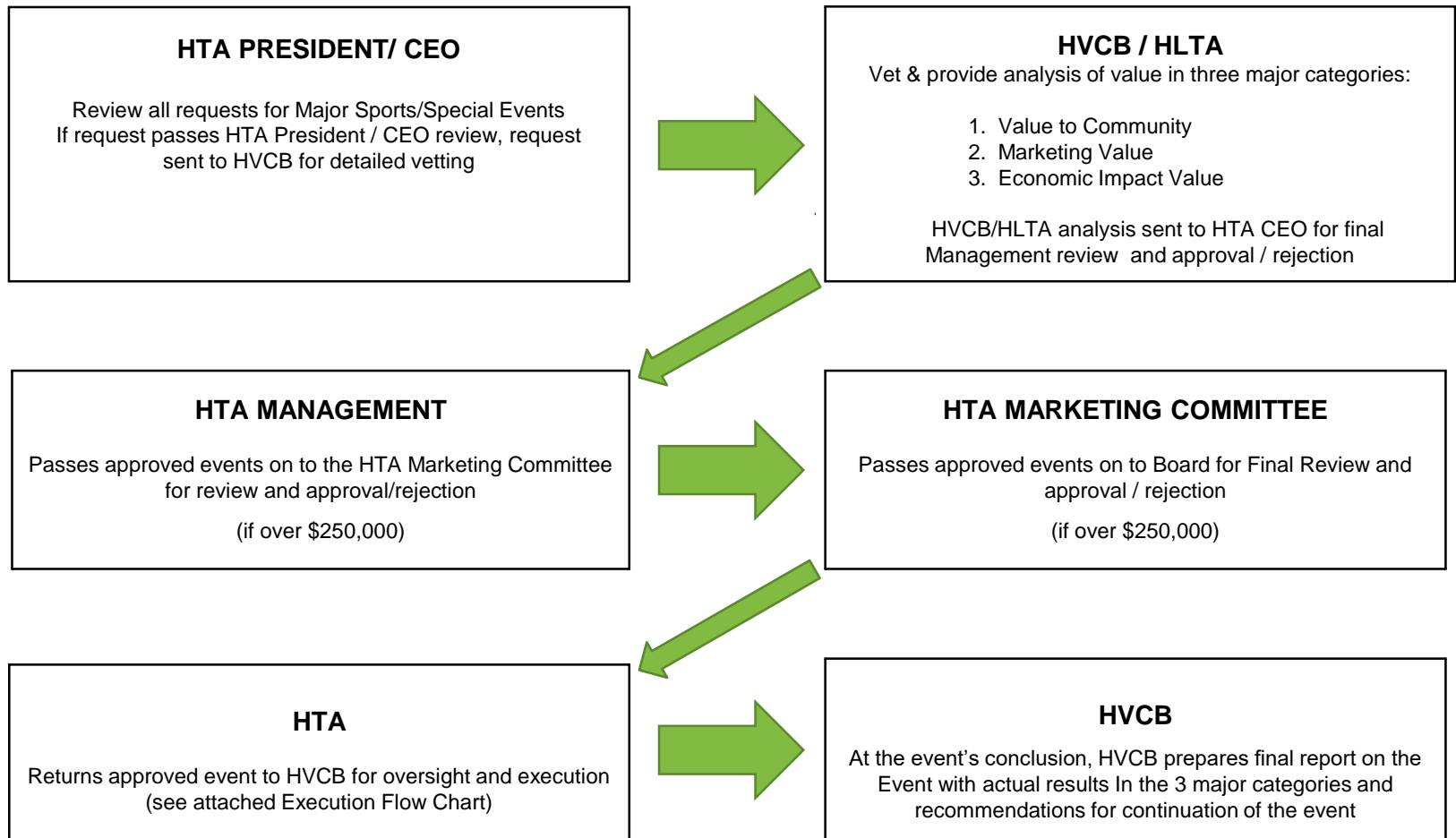
SPORTS PROGRAM

- FY2019 \$7,692,088
 - Los Angeles RAMS
 - LA Clippers
 - Volleyball
 - Tennis
 - Soccer
 - Golf



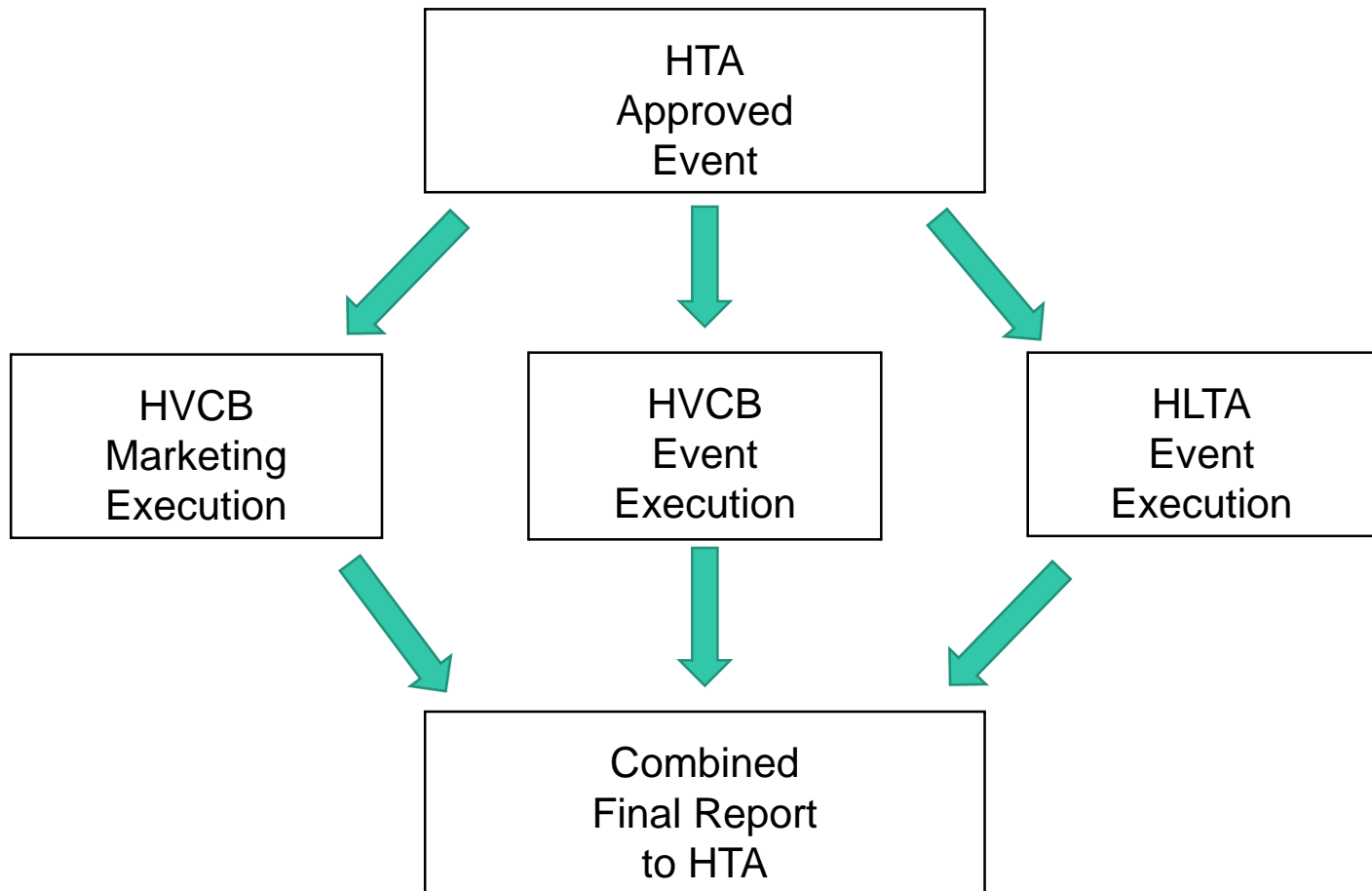
SPORTS PROGRAM

HTA NON-RFP FUNDING REQUESTS FLOWCHART - HVCB



SPORTS PROGRAM

HVCB / HLTA EVENT EXECUTION



SPORTS PROGRAM FY 2020

- Budget request of \$7,200,000 for FY2020
- Decrease of \$492,088 (-6.4%)
- Continued support for successful programs
- Support programs that analysis justifies
- Partner with UH Athletics





AUTHORITY

SAFETY AND SECURITY PROGRAM

Keith Regan

Chief Administrative Officer

SAFETY AND SECURITY PROGRAM



- Visitor Assistance Programs
 - Visitor Aloha Society of Hawai'i (All Counties)
- County Lifeguard Support
 - Providing matching funds to support equipment purchases
- Preventative Programs
 - Ocean Safety
- Waikīkī Security Program
 - Additional surveillance

SAFETY AND SECURITY PROGRAMS FY2020

- Budget request of \$2,150,000 for FY2020
- \$93,920 increase over FY2019 (4.57% increase)
- Additional \$15,000 to expand support for Visitor Assistance Programs
- \$100,000 allocated for unanticipated emergency support situations





AUTHORITY

TOURISM RESEARCH PROGRAM


Jennifer Chun

Director of Research


RESEARCH RESOURCES

Reports by Categories


Monthly Visitor Statistics




Annual Visitor Research Reports




Infrastructure Research




Visitor Plant Inventory




Evaluation & Performance Measures




Visitor Satisfaction and Activity




Historical Visitor Statistics




Other Research




Glossary




Tourism Forecast (DBEDT)



Daily Passenger Counts (DBEDT)



Tourism Dashboard (DBEDT)



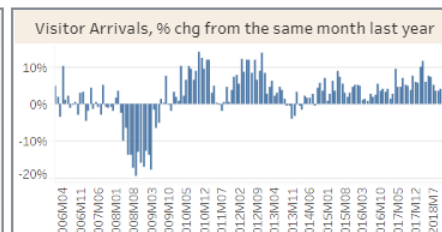
TOURISM DASHBOARD BY MARKET-MONTHLY

Air Total | US West | US East | Japan | Canada | Europe | Oceania | China | Korea

Air Total, March 2019

Indicator	Unit	This Month	% chg M*	YTD	% chg YTD*
Arrivals	persons (1,000)	927.2	4.1%	2,502.6	2.6%
Days	days (1,000)	7,809.6	0.8%	22,818.0	0.2%
Expenditure	\$ million	1,502.7	-2.3%	4,506.3	-2.4%
Length of Stay	days	8.4	-3.2%	9.1	-2.3%
PPPD	\$	192.4	-3.0%	197.5	-2.6%

Visitor Arrivals, % chg from the same month last year



Length of Stay

March

2019	8.4
2018	8.7
2017	8.8
2016	8.8
2015	8.9
2014	9.0

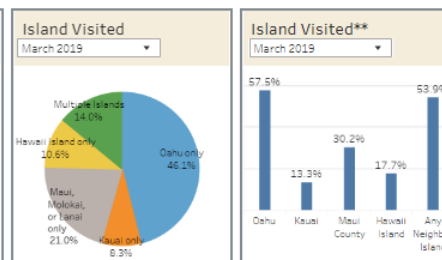
PPPD (\$)

March

2019	192.4
2018	198.5
2017	194.2
2016	182.7
2015	182.1
2014	189.8

Island Visited

March 2019



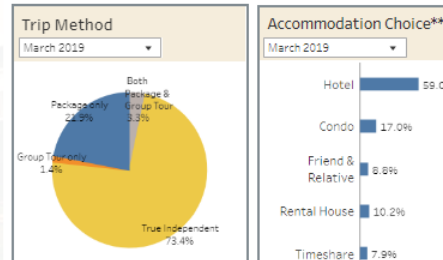
Island Visited**

March 2019

Oahu	57.5%
Kauai	13.3%
Maui County	30.2%
Hawaii Island	17.7%
Any Neighbor Island	53.9%

Trip Method

March 2019



Accommodation Choice**

March 2019

Hotel	59.0%
Condo	17.0%
Friend & Relative	8.8%
Rental House	10.2%
Timeshare	7.9%

Purpose of Trip**

March 2019

Vacation	81.9%
Honeymoon or Get Married	4.2%
Meeting or Convention	4.6%

Trip Characteristics

Indicator	Value
% of first-time visitors	30.6
Avg. number of trips	5.3
Avg. number of Islands visited	1.2
Avg. size of party	2.2

RESEARCH PROGRAM

- Program received \$4,280,065 in FY2019
- FY2019, we enhanced current projects and launched significant new projects. Highlights include:
 - Monthly Visitor Statistics – added reporting of US Total
 - Visitor Satisfaction & Activity Survey – focus on island-specific questions
 - Visitor Plant Inventory – methodology change for Individually Advertised Unit for greater accuracy
 - Festivals & Events Evaluations – more events
 - Vacation Rental Performance Monitoring
 - Visitor and Resident Visitation Tracking
 - Hawaii Housing Study and Vacation Rental Impact
 - Syndicated Tourism Survey

RESEARCH PROGRAMS FY2020

- Budget request of \$3,993,394 for FY2020
- \$286,671 decrease over FY2019 (6.71% decrease)
 - Tourism Strategic Plan funding
 - Infrastructure Research
 - Increase in costs for surveys
 - Continuation of projects awarded in FY2019
- FY2020 Highlights:
 - 2020-2025 Strategic Plan
 - Vacation Rental Performance Reports
 - Area Visitation Reports



ADMINISTRATIVE PROGRAM

Keith Regan

Chief Administrative Officer

ADMINISTRATIVE PROGRAM

- Consists of President/CEO, CAO, Communications Director, Finance, Procurement, and other related support functions of the HTA
- Provided \$2,049,344 in FY2019
- In FY2020, requesting \$1,876,700
 - Decrease of 8.42%
- Goal is to eliminate all contracted positions in FY2020 and have only permanent staff
- Elimination of legislative support funding
- Reduction in public relations support funding

FY 2020 BUDGET RECAP

- More funding and focus on programs that have a direct impact on the quality of life of our residents
 - Hawaiian culture
 - Natural resources
 - Community enrichment
- Continued support and efforts targeting markets that are in alignment with vision
- Recognizing important role of sports and the connecting with residents through engagement opportunities
- Investing in safety and security for both visitors and residents

FY 2020 BUDGET RECAP

- Continued funding to support research efforts to assist the industry and focus efforts
- Controlling and reducing administrative expenses by taking on more responsibilities within the organization
 - Legislative support
 - Public Relations
- Eliminating the use of outside contract staff through hiring into vacant positions
- Support for unanticipated emergency situations
 - Hā'ena
 - Hawai'i Island
 - Government closure(s)

FY 2020 BUDGET RECAP

- Main Categories
 - Hawaiian Culture: \$8,080,500
 - Natural Resources: \$4,046,950
 - Community: \$6,014,752
 - Branding: \$51,561,050
 - Sports: \$7,200,000
 - Safety and Security: \$2,150,000
 - Tourism Research: \$3,993,394
 - Administrative: \$1,876,700
 - Governance: \$1,867,442
- Total Funding Request: \$86,790,788



MAHALO PIHA!

