



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

**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY**

**Po'ahā, 28 Ianuali 2021, 9:30 a.m.
Thursday, January 28, 2021 at 9:30 a.m.**

**Hālāwai Kikoho'e
VIRTUAL MEETING**

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**Papa Kumumana'o
AGENDA**

1. *Ho'omaka A Pule*
Call to Order and Pule
2. *'Āpono I Ka Mo'o'ōlelo Hālāwai*
Approval of Minutes of the December 17, 2020 Board Meeting
3. *Hō'ike Lālā*
Report of Permitted Interactions at an Informational Meeting or Presentation Not Organized by the Board Under HRS section 92-2.5(c)
4. *Hō'ike A Ka Luna Ho'okele*
Report of the CEO Relating to Staff's Implementation of HTA's Programs During December 2020:
 - Major Market Management including Destination Marketing Management Services, Global Meetings, Conventions and Incentives (MCI) Program Management Services, Responsible Tourism, Support of State COVID-19 Mitigation Efforts



5. *Ho'oholo No Ka Hō'ike I Nā Mana'o Kulekele Aupuni*
Adoption of a Resolution to Grant Authority to Present Policy Positions at the County, State, Federal Level and Other Venues as Deemed Appropriate
6. *Hālāwai Kūmakahiki No Ka Ho'onohonoho Papa Alaka'i*
Annual Meeting of the Board of Directors to Elect Officers, Establish Committees, and Assign Committee Leadership and Members to Committees
7. *Hō'ike, Kūkākūkā a Ho'oholo No Ka Papahana Mālama 'Āina Ho'okipa o Lāna'i*
Presentation, Discussion and Action on the Destination Management Action Plans for Lāna'i
8. *Hō'ike 'Ikepili Noi'i 'Oihana Ho'omāka'ika'i*
Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets, Including the United States, Japan, Canada, Oceania and Cruise
9. *Hō'ike Anamana'o Kūikawā No Ka Ma'i Ahulau*
Presentation of the Hawai'i Tourism Authority's Visitor Satisfaction & Activity Report (VSAT) Special COVID Survey
10. *Hō'ike, Kūkākūkā A Ho'oholo No Nā Mo'okālā*
Presentation, Discussion and Action on HTA's Financial Reports for December 2020
11. *Hō'ike No Ke Kau 'Aha'ōlelo 2021 Me Nā Pila Pili I Ke Ke'ena*
Update Relating to the 2021 Legislative Session and Related Bills Relevant to the Hawai'i Tourism Authority
12. *Hō'ike A Ke Kōmike Hokona Kūmau No Ke Kūkākūkā A Ho'oholo*
Report of the Marketing Standing Committee with the Committee's Recommendations to Support Various Marketing Proposals, for Discussion and Action by the Board
13. *Ho'oku'u*
Adjournment

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



HAWAII TOURISM™

AUTHORITY

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David Y. Ige
Governor

John De Fries
President and Chief Executive Officer

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

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

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

2

Approval of Minutes of the
December 17, 2020 Board Meeting



**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, December 17, 2020
Virtual Meeting**

MINUTES OF REGULAR BOARD MEETING

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

1. Call to Order and Pule:

Chair Richard Fried called the meeting to order at 9:31 a.m. Keith Regan, HTA Chief Administrative Officer, provided instructions to the general public with regard to submitting testimony. Mr. Regan confirmed the attendance of the Board by roll call. He turned the floor over to Chair Fried. Kalani Ka'anā'anā, HTA Director of Hawaiian Cultural Affairs & Natural Resources, opened the meeting with a pule.

2. Approval of Minutes of the November 19, 2020 Board Meeting:

Chair Fried requested a motion to approve the minutes of the November 19, 2020 Board meeting. George Kam made a motion, which was seconded by Ku'uipo Kumukahi. The motion was unanimously approved.

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

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



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

Chair Fried recognized John De Fries, HTA President & CEO, to present his report. Mr. De Fries reported that he continues to be involved in monthly sessions with the county mayors and recurring meetings with Governor David Ige. He said that in recent conversations, there has been eagerness by some in the visitor industry to have a complete focus on branding and marketing and to deprioritize the other three pillars of Hawaiian Culture, Community, and Natural Resources. Mr. De Fries confirmed and restated that the Five Year Strategic Plan is an integrated approach. The Hawai'i brand is recognized worldwide because of its beautiful natural resources and the vitality, uniqueness, and warmth of the Hawaiian culture. He noted that a single fabric constitutes the Hawai'i brand. Mr. De Fries said that a sense of identity and balance is a result of the integrated approach of the HTA Four Pillars.

Mr. De Fries recognized Mr. Regan to continue the presentation of the CEO report. Mr. Regan noted that he has been a part of the HTA team for two years and expressed his thanks to the Board, Mr. De Fries, and the HTA team. Mr. Regan invited the members of the HTA leadership team to provide recaps of their activities in the 2020 calendar year.

Mr. Ka'anā'anā reported that the Aloha 'Āina Program awarded \$2,000,000 to 34 programs statewide. He noted that due to COVID-19, HTA reduced each award by 50% but kept all of the programs, which covered areas like near shore waters, coral reefs, and watershed management.

Mr. Ka'anā'anā reported that the Kūkulu Ola Program awarded \$1,500,000 to 43 programs. He noted that due to COVID-19, the number of programs was reduced to 33 with about \$680,000 awarded. One such program was the Ho'okua'āina Program, which engages at-risk youth to participate in lo'i cultivation.

Mr. Ka'anā'anā reported that many festivals and events were canceled, but HTA was able to support virtual events like May Day and the Prince Lot Hula Festival. He said that HTA has continued to support the Native Hawaiian Hospitality Association. He added that the cultural training that they provide has been moved to a virtual platform and has been able to reach larger audiences.

Mr. Ka'anā'anā reported that HTA continues to support 'Ōlelo Hawai'i, which conserves, rescans, and digitizes Hawaiian language newspapers from 1834 to 1948. He said that HTA also supported the rehabilitation of the 'Iolani Palace coronation pavilion and the removal of bees from the façade. HTA has also supported Pop-Up Mākeke, which promotes small businesses and local artisans.



Caroline Anderson, HTA Director of Community Enrichment, reported that the Community Enrichment Program made awards to 92 projects. Ms. Anderson noted that 78 programs were terminated due to the pandemic. Some of the events that occurred in the beginning of the year included POW WOW Hawai'i, E Kanikapila Kākou, and Waimea Town Celebration. She noted that HTA supported virtual events in the latter part of the calendar year like the Hawaiian Slack Key Guitar Festival, the Ka'u Coffee Festival, and the Okinawan Festival.

Ms. Anderson reported that HTA has supported the Hawai'i Agritourism Initiative that provides educational virtual workshops on market opportunities, compliance and planning, and assistance with grant applications. She reported that HTA supported the 75th Anniversary Commemoration of the end of World War II with education programming and social media content creation.

Ms. Anderson reported that HTA partnered with the University of Hawai'i (UH) at Mānoa and UH West O'ahu to award scholarships to public high school seniors interested in pursuing degrees in hospitality management and the culinary arts. She said that the Destination Management Action Plans (DMAP) were the main focus toward the end of the year.

Marisa Yamane, HTA Director of Communications & Public Relations, reported that their primary focus was on crisis communications. Ms. Yamane said that HTA provided timely and newsworthy updates to lawmakers and industry partners. She noted that HTA sent over 1,400 email updates since January. Ms. Yamane added that HTA continues to send daily briefers that are also posted on the HTA website.

Ms. Yamane reported that the communications team has been working with local, national, and international media. She noted that Mr. De Fries has been interviewed by many media outlets and has attended press conferences with Gov. Ige. Ms. Yamane said that the communications team has responded to emails, phone calls, and social media messages regarding the quarantine and pre-travel testing program. She reported that they constantly update the HTA website and share Gov. Ige's and the four county mayors' press conferences on HTA's Facebook page. Ms. Yamane said that they have issued 188 press releases, which is a significant increase from last year.

Pattie Herman, HTA Vice President of Marketing & Product Development, reported that HTA continues to work through the pre-test programs. Ms. Herman noted that the trusted travel program in Canada has been completed, and they are near the tail end for Korea and Taiwan.

Ms. Herman reported that there was a semi-virtual trade show in Taiwan in which 15 Hawai'i industry partners presented. She said that Mr. De Fries met with JTB and the Japan



Association of Travel Agents to reinforce those relationships. She noted that JTB still cannot sell packages for the destination yet, but is eager. Ms. Herman added that Hawai'i Tourism Japan and Hawai'i Tourism Canada are doing fantastic jobs.

Ms. Herman reported that she participated in the DMAP process and noted that the community wants more information about the resumption of the visitor industry. She added that she is working with the Island Chapters on how to best do that. Ms. Herman reported that she holds weekly meetings with the global marketing teams to discuss new initiatives and how to weave in the mālama concept. She said that she met with executives from Southwest Airlines and remains in touch with HVCB with regard to citywide and single property sales updates.

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

5. Presentation by the Coordinators of the Recently Launched Movers and Shakas Program, a Remote Workers Program that Leverages the Visitor Industry in an Effort to Support Economic Diversification:

Chair Fried deferred Agenda Item No. 5.

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

Chair Fried recognized Jennifer Chun, HTA Director of Tourism Research, to present market insights and conditions. Ms. Chun reported that visitor and hotel statistics will not be published until the end of the month. She added that the Department of Taxation did not publish updated Transient Accommodation Tax (TAT) numbers.

Ms. Chun said that HTA is a member of the U.S. Travel Association, which reports on the impact of COVID-19 on travel spending. She reported that there has been a significant decrease in Hawai'i's estimated visitor spending and tax revenues.

Ms. Chun said that HTA subscribes to Tourism Economics' Global Travel Service, which tracks and forecasts short, medium, and long haul outbound travel by country. She reported that Japan long haul travel will not return to 2019 levels until 2023 Ms. Chun said that Canada shows similar trends and that most outbound travel from Canada is short haul traffic to the continental U.S. She noted that medium haul travel would include Mexico and Central America.

Ms. Chun said that Australia long haul travel will return to 2019 levels in 2023. She noted that the largest growth is in medium haul trips to Southeast Asia. Short haul travel from Australia only includes New Zealand. Ms. Chun said that an increase in short haul travel



from New Zealand is helping travel recovery. She noted that Korea long haul travel is slow to recover. There has been an increase in short haul travel to neighboring countries and medium haul travel to greater Asia. She added that Taiwan demand for short and medium haul flights has increased.

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

7. Presentation by the OmniTrak Group of the Resident Sentiment Survey Results:

Chair Fried recognized Chris Kam of OmniTrack to present the results of the 2020 Resident Sentiment Survey. Mr. C. Kam explained that the resident survey tracks resident attitudes toward tourism and identifies positive and negative impacts of the visitor industry. He said that 1,709 people were surveyed between the primary and general elections. 52% responded by phone and 48% responded by online survey.

Mr. C. Kam said that there was an unparalleled major shock to the visitor industry due to the COVID-19 pandemic. He noted that resident sentiment toward the visitor industry weakened possibly due to the perception that tourism leads to an increased health risk. As a result, survey respondents reflected a hesitancy to reopen Hawai'i and encourage travel to the state. He added that concerns about overtourism linger. Mr. C. Kam said that regenerative growth of resident sentiment will require increasing the economic, social, cultural, and community benefits of tourism for residents, addressing the negative impacts like traffic and high cost of living, reopening the state safely, and enforcing mandatory quarantines.

Mr. C. Kam reported that there was a decline in resident perception of the favorability of tourism. The perceived impacts of tourism on the state and respondents' families significantly declined. Additionally, the perception that tourism generates more benefits than problems has decreased.

Mr. C. Kam reported that there was positive movement in the perception that tourism creates shopping, dining, and entertainment opportunities, as well as jobs with opportunities for advancement.

Mr. C. Kam reported that the perception that tourism causes traffic and higher costs of living increased, which is a byproduct of lingering concerns about overtourism. He said that the perceptions that tourism helps preserve Hawai'i's natural resources and culture and language decreased.

Mr. C. Kam reported that sentiment toward actively promoting tourism and encouraging travel to Hawai'i decreased.

Mr. C. Kam reported that the perception that the economy is too dependent on tourism and that Hawai'i is run for tourists at the expense of residents increased. He said that the



perception that residents have a voice in tourism development decreased.

Mr. C. Kam said that this year's resident survey added four statements to gauge resident sentiment on the impact of COVID-19. 49% disagreed with the statement that Hawai'i should be reopened to bring back jobs and businesses. 43% agreed with the statement that people should not be visiting Hawai'i at this time. 62% disagreed with the statement that state and county governments can safely reopen their islands. 62% disagreed with the statement that state and county governments can effectively enforce the 14 day quarantine. Mr. C. Kam noted that respondent attitudes were the same regardless of whether a household member was in the visitor industry.

Mr. C. Kam discussed the three key tracking statements. He reported that 54% agreed that tourism has brought more benefits than problems, which has been trending downwards. He noted that during economic downturns in 2001 and 2009, sentiment generally increased. He added that it is interesting that despite the economic falloff, agreement with the statement continued to trend downwards. Mr. C. Kam explained that perhaps resident sentiment is that the consequences of the pandemic outweigh the benefits of tourism. As a follow-up question, the survey asks what problems the visitor industry creates. He said that the most common answers were traffic, high cost of living, damage to the environment, overcrowding, and over-dependence on tourism, which have remained the top responses year-over-year. He noted that the response about health concerns increased significantly and is a new problem the industry must address.

Mr. C. Kam said that the next key tracking statement measures the impact of tourism on the respondent and their family. He reported that 34% said that tourism has been mostly positive, which is a decrease from prior years. He noted that it may be a result of job losses and linking tourism to the pandemic. He said that there was an increase in negative ratings.

Mr. C. Kam said that the last tracking statement is that the island is being run for tourists at expense of residents. He reported that despite the decrease in arrivals, there was a 67% agreement with the statement, which continues to trend upwards. He noted that perhaps residents were not in favor of reopening the state and doing so was prioritizing the visitor industry over residents.

Mr. C. Kam said that improving resident sentiment requires communicating and promoting economic, social, cultural, and community benefits and reducing negative impacts. In addition to previous drivers of resident sentiment, the industry needs to take into consideration messaging and programs about responsibly reopening and enforcing quarantines.

Mr. C. Kam said that according to OmniTrak's national survey data, as of December, interest in domestic travel is growing, and there are signs of resiliency of travel demand for Hawai'i. He noted that the DMAP program will help address resident concerns.



Kyoko Kimura asked how many respondents were industry related. Mr. C. Kam responded that 46% were not in the industry.

Mr. Atkins asked how many of the respondents were from Kaua'i. Mr. C. Kam responded 201. Mr. Atkins asked if the sample was broken down by different regions of the island. Mr. C. Kam responded that they did not quota different regions of Kaua'i. Mr. Atkins added that resident sentiment will continue to decrease unless HTA emphasizes the other Pillars besides Branding.

Chair Fried invited the public to provide testimony, and there was a question. Susan Haigh-Bishop asked about the impact of high property costs on local residents. Mr. C. Kam responded that 2 to 3% of respondents cited that as a problem.

Emily Herzog asked if the survey was tracked by different regions of Hawai'i. Mr. C. Kam responded that the survey was tracked by 12 different regions. The only island that was not broken down was Kaua'i.

8. Presentation, Discussion and Action on the Destination Management Action Plans for Kaua'i, Maui Nui and Hawai'i Island:

Chair Fried recognized Ms. Anderson to present on the Destination Management Action Plans (DMAP) for Kaua'i, Maui, and Moloka'i. Ms. Anderson said that the DMAP represents the type of tourism that the community wants. The process allows the community to voice their concerns. Ms. Anderson acknowledged a number of people including external facilitators who supported the process, steering committee participants, DMAP authors, Board members Kimi Yuen, Ms. Kimura, and Mr. Atkins, and the HTA staff.

Ms. Anderson said that the purpose of the DMAP process (1) was to reset, rebuild, and redesign the visitor industry for each island, (2) create opportunities for resident engagement and collaboration between the county, industry, and community, (3) improve new tourism products and offerings, and (4) establish better systems and processes to manage areas of concern. Ms. Anderson discussed an overview of the DMAP process and noted that three plans are being presented to the Board for its approval.

Ms. Anderson presented the Kaua'i DMAP as contained in the Board packet. She acknowledged the members of the steering committee. She said that some of the overarching themes include (1) better management of laws that protect natural resources, (2) managing transportation issues and infrastructure, (3) two-way communication and industry collaboration, and (4) support for local businesses. Some of the anchor actions to achieve the overarching themes include instilling values related to cultural and natural resources, addressing overtourism, increasing communication and outreach efforts, and supporting diversification of other sectors.

Mr. Atkins, who was a member of the steering committee, asked the committee members



to read the HTA Five Year Strategic Plan to ensure that the DMAP is consistent with it. He said that it was a diverse committee with members from the county, hoteliers, and small businesses. He recommended that the Board approve the DMAP.

Ms. Kimura presented the Maui DMAP as contained in the Board packet. She said that there are 19 members on the steering committee from diverse backgrounds and from different parts of the island. She noted that there were four meetings and 153 people from the community participated. Ms. Kimura said that some of the overarching themes include (1) concern with illegal rentals, (2) finding visitors that have similar values as residents, (3) two-way communication and industry collaboration, and (4) addressing transportation issues and infrastructure. She said that some of the anchor actions include responsible tourism marketing, funding cultural and natural resource programs, developing regenerative tourism initiatives, and ensuring more direct benefits of tourism for residents.

Ms. Kimura presented the Moloka'i DMAP as contained in the Board packet. She said that there are ten members. She noted that there were four meetings, 63 attendees, and 139 mail responses. Ms. Kimura said that some of the overarching themes include (1) strengthen tourism and support job stability, (2) keep Moloka'i Moloka'i, and (3) empower residents to control tourism activities. Some of the anchor actions include educating visitors, growing Moloka'i businesses, attracting specific visitor segments and kama'āina, and enhancing visitor-resident relations.

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

Ms. Yuen made a motion to approve the Kaua'i, Maui, and Moloka'i DMAPs, which was seconded by Ms. Kimura. The motion was unanimously approved.

Chair Fried announced a break in the meeting at 11:30 a.m. The meeting resumed at 11:41 a.m.

9. Presentation, Discussion and Action on HTA's Financial Reports for November 2020:

Chair Fried recognized Mr. Regan to present the financial reports as contained in the Board packet. Mr. Regan said that there were no TAT disbursements. He reported that there were \$1,900,000 in new expenditures, \$40,000 in new encumbrances, and \$994,000 in disencumbrances. He said that year-to-date there has been \$10,400,000 in encumbrances. Mr. Regan noted that the Tourism Special Fund (TSF) has \$69,300,000 in cash and investments, which includes \$5,100,000 in emergency funds. He added that the TSF cash balance will continue to decrease without TAT distributions, and they will monitor it closely.

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

Representative Richard Onishi asked about non-operational funds encumbered within the TSF. Mr. Regan responded that \$6,000,000 has been set aside for the Hawaiian Center for



Music and Dance.

Rep. Onishi asked about the status of the emergency funds. Mr. Regan responded that HTA has made a request to Gov. Ige to release the funds, but have not yet received a response.

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

10. Presentation, Discussion and Approval of the Amended Fiscal Year 2021 Budget of the Hawai'i Tourism Authority:

Chair Fried recognized Mr. De Fries to present the Amended Fiscal Year 2021 Budget. Mr. De Fries said that he had a conversation with Representative Sylvia Luke, who said that general funds are being clawed back, and HTA will have until December 30th to encumber funds going into the second half of the fiscal year.

Rep. Onishi said that he also had a conversation with Rep. Luke and emphasized that without those funds HTA and the Hawai'i Convention Center would not be able to operate. He added that he will have further conversations with Rep. Luke and that she is aware that HTA is amending the Fiscal Year 2021 budget.

Mr. Regan said that the budget was originally \$86,000,000, and it was reduced to \$48,700,000 following the suspension of TAT disbursements. The amended budget will further reduce it to \$41,000,000. He explained that it was a systematic process, and all programs were involved in the discussion. He said that they anticipated that Gov. Ige would release the emergency funds, but they removed it from the revenue projection.

Mr. Regan discussed changes to the Hawaiian Culture budget. He said that the Kūkulu Ola Program would be reduced by \$3,000,000, the Hawaiian Culture Initiative would be reduced by \$450,000, the Ma'ema'e Program would be reduced by \$15,000, and Market Support would be reduced by \$20,000. Mr. Regan said that \$250,000 would be added for the Hawaiian Center for Music and Dance. Mr. Ka'anā'anā explained that a physical concept may not be the best option given the struggles of museums in general. He noted that the funds would support developing a virtual center that is interactive, can reach wider audiences, and have lower maintenance costs. Mr. Regan said that \$100,000 would be added to the budget to support the Merrie Monarch Hula Festival. Mr. Ka'anā'anā noted that the festival would be a bubble closed to physical attendees. He added that the Merrie Monarch Festival made the most sense to support because of the international popularity of the festival and the ability to stream it. Mr. Regan said \$250,000 was added to the Hawaiian Culture Opportunity Fund and 'Ōlelo Hawai'i respectively, and \$50,000 was added to support the Festival of Pacific Arts & Culture and the Surfing commission respectively. Mr. Regan said that overall the Hawaiian Culture budget was reduced by 60%.

Mr. Regan discussed changes to the Natural Resources budget. He said that the Aloha 'Āina



Program would be reduced by \$2,300,000, and the Visitor Impact Program would be increased by \$794,000. Mr. Ka'anā'anā added that it would support the study of user fees, a state reservation program, and tour guide certifications. Mr. Regan said that overall the Natural Resources budget would be reduced by 59%.

Mr. Regan discussed changes to the Community budget. He said that the O'ahu DMAP budget would be reduced by \$744,000, the Maui Nui DMAP budget would be reduced by \$475,000, and the Kaua'i DMAP and Hawai'i Island DMAP budgets would be reduced by \$575,000 respectively. Mr. Regan noted that the funds are still allocated to support these initiatives, but it is unlikely that HTA would expend those funds this fiscal year. He said that the Community budget was reduced by 69%.

Ms. Herman discussed changes to the Branding budget. She said that the \$2,300,000 budget for MCI is embedded in the \$17,000,000 U.S. budget. Mr. Atkins recommended separating the two line items. John Monahan of HVCB responded that he has no problem separating the line items because the MCI budget will remain the same. He added that they could always use more money, but the available funds are adequate to carry out HVCB's marketing plan. He noted that hiring a corporate citywide salesperson would be the first thing HVCB would recommend as citywide and single property business returns. Mr. Regan said that the Branding budget was reduced by 4.8%.

Mr. Regan said that the Sports budget was reduced by \$150,000 because of the inability to hold certain events due to COVID-19.

Mr. Regan discussed changes to the Safety and Security budget. He said that the VASH budget would be increased to \$650,000. Mr. Kam asked if that is enough money given some of the challenges and needs for visitor assistance. Chair Fried also expressed his support for providing additional funding to VASH. David Arakawa said that this COVID-19 assistance may not be the responsibility of HTA, but rather the responsibility of another department. He added that if HTA does continue to assist, then HTA needs to document the expenditures well so that HTA can be properly reimbursed.

Marc Togashi, HTA Vice President of Finance, said that the Crisis Management line item needs to be supplemented with \$33,962, which was approved by the Board at last month's meeting.

Mr. Regan said that HTA is looking at ways to reduce the cost of the HTA website by moving some of those responsibilities in-house.

Mr. Togashi said that adjustments to the payroll are a result of the collective bargaining agreement, which dates back to the beginning of Fiscal Year 2020.

Rep. Onishi expressed concern about whether the management of user fees and a reservation system falls within HTA's responsibilities. Mr. Ka'anā'anā responded that the



funds would be to conduct a study not to manage them. Rep. Onishi said that the Legislature has asked DLNR to develop a program for assessing fees for heavily trafficked venues. He added that a lack of action by DLNR should not spur HTA to cover for them. The Legislature wants to hold DLNR accountable. Chair Fried asked if HTA can perform this study and be reimbursed by DLNR. Rep. Onishi recommended getting a commitment from DLNR before conducting the study. Mr. Ka'anā'anā said that the initial issues with the reservation system at Hanauma Bay were bad for the Hawai'i brand. This study would support the counties and DLNR to better manage these resources.

Mr. Atkins said that HTA is mandated by statute to spend \$1,000,000 for natural resources. He added that it would be huge to have this type of instant information and move people around the islands so as not to overburden certain hot spots.

Daniel Chun lent his support to this study based on the concerns and issues raised by the community during the DMAP process. He said that he understands Rep. Onishi's concerns.

Rep. Onishi said that DLNR was asked to participate in the DMAP process but chose not to. DLNR is willing to sit on the sideline and point fingers. He noted that the Legislature has been trying to hold them accountable.

Mr. De Fries said that he hears Rep. Onishi's concerns, will meet with the director of DLNR, and make it an agenda item to address this concern.

Ms. Yuen suggested that perhaps HTA can leverage technology to be a bridge between the counties and state agencies in the interim to assist visitors with real time information because these hot spots often cross jurisdictional lines. Mr. Arakawa agreed with Ms. Yuen.

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

Mr. Kam made a motion to approve the Amended Fiscal Year 2021 budget, which was seconded by Mr. Atkins. The motion was unanimously approved.

11. Presentation of the Report of the Audit Standing Committee on the Financial Audit for Fiscal Year 2020:

Chair Fried recognized Mr. Arakawa to make his report of the Audit Standing Committee. Mr. Arakawa reported that it was a clean audit with no fraud, waste, or abuse. He said that the Audit Standing Committee met on December 11, 2020, and the external auditors presented the audit. Mr. Arakawa noted that the auditors highlighted three variances: (1) the Legislature's cancelation of \$243,000,000 in debt, (2) the decrease of \$15,900,000 in TAT revenues, and (3) the decrease of \$20,000,000 in HTA expenses.

Mr. Arakawa reported that the committee discussed HTA's CRF reimbursement request of \$3,300,000. He said that a note addressing this topic was added to the financial statements.



He added that the committee discussed if other projects could be reimbursed.

Mr. Arakawa reported that Acuity LLP had no difficulties with HTA management and did not identify any fraud, waste or abuse. He thanked Acuity LLP, Mr. Togashi, Mr. Regan, and the other members of the committee.

Mr. Atkins recommended that in the future if HTA ever has to do this type of emergency work, that they require a contract upfront and agreement as to whether it will be reimbursed.

12. Board Discussion and Action on the Presentation of the Report of the Audit Standing Committee on the Financial Audit for Fiscal Year 2020:

Chair Fried recognized Mr. Arakawa, who requested a motion to accept the Acuity LLP audit of the HTA Fiscal Year 2020 financial statements. Mr. Kam made a motion, which was seconded by Ms. Yuen. The motion was unanimously approved.

13. Discussion Related to the Hawai'i Tourism Authority's Request for Reimbursement from the Coronavirus Relief Fund (CRF) for Expenditures Made by the Hawai'i Tourism Authority in Support of COVID-19 Pandemic Response as Directed by the State:

Chair Fried recognized Mr. De Fries to discuss HTA's request for CRF reimbursement. Mr. De Fries reported that Mike McCartney, Director of the Department of Business, Economic Development & Tourism, verbally confirmed that HTA will receive its requested \$3,300,000 CRF reimbursement. Mr. De Fries said that he will memorialize that discussion in a written communication.

Mr. Arakawa thanked the HTA team for their quick action on the concerns raised by the Audit Standing Committee.

Mr. Kam asked if the \$3,300,000 needs to be added to the budget. Mr. Regan responded in the affirmative. Mr. Kam asked if the amended budget has removed the \$5,100,000 in emergency funds. Mr. Regan responded in the affirmative.

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

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

Chair Fried recognized Mr. Kam to make his report of the Marketing Standing Committee meeting. Mr. Kam reported that the committee had a healthy discussion about the amended Branding budget. He added that the committee heard updates from HVCB on the Mālama Hawai'i Program and Japanese market updates from HTJ.

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



15. Adjournment:

The meeting adjourned at 1:11 p.m.

Respectfully submitted,

Reyn S.P. Ono

Reyn S.P. Ono
Recorder

4

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

HTA CEO REPORT

JANUARY 2021



EXECUTIVE SUMMARY

Each month, the Hawai'i Tourism Authority (HTA) provides this report as a resource to the Board and the public to better understand the activities and actions taken by the team in support of the organization's overall mission. HTA's 2025 Tourism Strategic Plan and its four pillars (Natural Resources, Hawaiian Culture, Community, and Brand Marketing), serves as a guide to the team in the various matters worked on during the month of December 2020. Overall, this report provides insight into the actions conducted by the staff to implement the HTA budget previously approved by the Board.

HTA leadership identified two major projects of focus for the remaining half of the fiscal year in the natural resource area – tour guide certification and licensure, as well as indicating best practices and implementation for user fees and reservation systems for the islands' busiest sites. The team continues to manage and wrap up existing contracts that ended at the close of the calendar year.

The Hawaiian culture team continued to manage and monitor contracts that concluded at the close of 2020. In addition, the team continues to manage open projects, including the Merrie Monarch Festival Digitization, 'Iolani Palace Repairs, Hawaiian Language Newspaper Digitization, Festival of Pacific Arts and Culture (FestPAC) and the Center for Hawaiian Music and Dance.

Destination Management Action Plan (DMAP) Steering Committee meetings for Kaua'i, Maui and Moloka'i were held in the beginning of December to finalize their draft actions. These islands' DMAPs were approved by the HTA Board on December 17, 2020. They are currently being formatted for public distribution. Staff has been reviewing the DMAP actions and planned phasing to begin implementation.

The deadline for community input to the Lāna'i DMAP draft actions via an online form was December 31, 2020. Staff has also been preparing for the upcoming Hawai'i Island DMAP Steering Committee meeting to be held in January.

In addition, staff has been working with the remaining Community Enrichment Program (CEP) contractors. The last CEP virtual event of 2020 was the Ka'ū Coffee Festival held in December.

HTA's branding department continued to assist with the Trusted Testing Partners (TTP) process. At this time, only Hawaiian Airlines has started operations from Hawai'i to South Korea's Incheon International Airport. Three hospitals and/or medical entities have signed contracts with the Hawai'i Attorney General's office. However, the team is awaiting information from Korean Air and Asiana Airlines as to when their operations to Hawai'i will begin. The theory is that in order to continue the TTP process with Korea, there needs to be operating flights to bring in passengers. HTA staff is keeping in touch with the airlines on progress and updates. Similarly for Taiwan, there are currently no flights from Taiwan to Hawai'i. Qantas has flights scheduled in July and the team will monitor the situation to determine the right time to start the TTP process for Australia.

Considering the current state of the global pandemic, HTA staff is re-examining further budget cuts for markets impacted by the resurgence of COVID-19 cases; whereby some key markets have closed their borders to travelers and the governments are encouraging their citizens to stay close to home. From a branding standpoint, the global messaging has been adjusted from "It's Time to Travel" to "When It's Time to Travel."

HTA's Tourism Research Division (TRD) published the November 2020 Visitor Statistics

press release and monthly reports, air seat outlook for January – March 2021, November 2020 Hawai'i Hotel Report, and November 2020 Vacation Rental Performance Report. In addition, TRD published the 2020 Resident Sentiment Survey, Third Quarter 2020 Visitor Satisfaction Monitoring Report, 2020 Visitor Plant Inventory, weekly Destination Brand Index reports and Travel Agency Booking Trend reports and provided support for the HTA Daily Tourism Brief.

I. NATURAL RESOURCES PILLAR

1. Aloha ‘Āina (Natural Resources) Program

HTA program staff worked with the 34 programs to prepare their final reporting materials, which were due at the end of 2020 or end of January 2021 depending on the type of contract. At present, all remaining projects are on schedule to be completed by the close of the calendar year.

2. DLNR Partnership

Nā Ala Hele program staff and HTA program specialists conducted partnership contract updates with the Department of Land and Natural Resources (DLNR) to enhance the visitor experience statewide across 128 trails spanning approximately 855 miles. This is a FY 2020 project that is expected to conclude at the end of 2021.

3. Park Reservation and User Fee Program

HTA staff have initiated meetings with the DLNR and others to understand their planning in regards to park user fees as well as reservation systems to be implemented statewide. The team learned that DLNR is planning a roll out but requires funding for implementation. It will most likely be a phased approach. HTA staff will continue to understand DLNR's plans and if HTA can assist with in-kind support or in other ways moving forward.

4. Tour Guide Certification and Licensure

HTA staff continue to develop the work plan for this project. HTA has identified the University of Hawai'i (UH) at Mānoa School of Travel Industry Management (TIM) to study what is currently on the books and what exists, for a better understanding of what other jurisdictions are doing as best practices. HTA staff expect to finalize the contract with UH in the coming month.

II. HAWAIIAN CULTURE PILLAR

1. Kūkulu Ola Program

HTA program staff worked with the 33 programs to prepare their final reporting materials, which were due at the end of 2020 or end of January 2021 depending on the type of contract. At present, all remaining projects are on schedule to be completed by the close of the calendar year.

2. Native Hawaiian Hospitality Association

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

3. Native Hawaiian Festivals and Events

13th Festival of Pacific Arts and Culture (FestPAC)

The commission for the 13th Festival of Pacific Arts and Culture (FestPAC) continues its planning and HTA staff are supporting efforts around marketing, public relations and communications for the festival. The festival has also finalized its mission and vision statements, as well as a theme and new logo, which will be published after communicating with the SPC.

Prince Lot Hula Festival

HTA staff are awaiting final reporting from event organizers, due at the end of January 2021.

Merrie Monarch Festival and Digitization Project

Event organizers are engaged in planning for the 2021 Merrie Monarch Festival to be held in Hilo, Hawai'i. HTA has allocated funding to support the event should it occur in the summer. The County of Hawai'i has conditionally approved the use of the Edith Kanaka'ole Stadium for the month of June 2021.

4. Center for Hawaiian Music and Dance

During the 2020 legislative session, HTA tracked HB 1622 HD1 which amended language that allowed for the development and operations of the Center for Hawaiian Music and Dance. Due to the unanticipated closing of the Legislature due to COVID-19, the bill never made it out of committee and was effectively dead for this session.

5. 'Ōlelo Hawai'i – He Aupuni Palapala: Preserving and Digitizing the Hawaiian Language Newspapers

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

6. 'Iolani Palace Repairs

HTA staff continue to monitor the work for the project that began in August 2020 and is behind schedule for completion as there were some challenges with the timeline due to the pandemic and materials that were damaged in transit needed to be reordered and reshipped. The construction schedule is subject to further changes based on the contractors' assessments.

III. COMMUNITY PILLAR

1. Community

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

The Steering Committees for Kaua'i, Maui and Moloka'i finalized their DMAP actions, which the HTA Board approved on December 17, 2020. These plans are currently being formatted for public distribution and will be made available on HTA's website. Staff has also been reviewing the DMAPs' actions to begin implementation of these three plans.

The Lāna'i Steering Committee felt they did not receive enough community input on their proposed actions. As such, HTA reopened the online input form, and the new deadline for submission was December 31, 2020. This has pushed back the finalization of the Lāna'i DMAP to January.

Staff has been preparing for the next Hawai'i Island Steering Committee meeting to be held in January. The Committee needed a little more time to finalize their actions. Hawai'i Island's DMAP is anticipated to be presented to the HTA Board for approval in February.

Community Enrichment Program (CEP)

HTA staff continues to work with the remaining 2020 CEP contractors to process final invoices and close out 2020 contracts. The last CEP virtual event was the Ka'ū Coffee Festival held in December and can be viewed online at: www.kaucoffeefestival.com

Promotion of Nonprofits/Businesses to Visitors

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

Mālama Program

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

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

2. Communication and Outreach

News Releases/Reports Issued

- Report: HTA Hawai'i Hotel Performance Report for November 2020 (December 21)
- Report: HTA Hawai'i Vacation Rental Performance Report for November 2020 (December 22)
- News Release: Hawai'i Visitor Statistics Released for November 2020 (December 28)

News Bureau

- Interviews and press conferences: **6**
- Local and national media relations: **22**

HTA's Destination Management Action Plans

- Created a social media flyer promoting the Lāna'i DMAP online form
- Assisted with communications efforts – edited documents and web copy
- Paid social media posts on HTA's Facebook page: **2**
 - Community input for Lāna'i Destination Management Action Plan Community Meeting: Flight dates from December 14 – December 21. Total Reach 2,147 | Total Reactions 174
 - Reminder to provide input for Lāna'i Destination Management Action Plan Community Meeting: Flight dates from December 21 – December 28. Total Reach 2,531 | Total Reactions 338

Community Initiatives and Public Outreach

- Community liaison and communications: **23**

Crisis Communications

- Responses regarding travel to Hawai'i: **25**
- International inquiries: **3**
- Daily email updates on the COVID-19 situation: Updates #1365-1450
- Daily updates to HTA's website – COVID-19 alerts page
- Detailed notes on Gov. Ige and Honolulu Mayor Caldwell's press conferences
- HTA's daily briefer
- Participated in the state's Joint Information Center

HTA's Social Media

- Paid Social Media on Facebook and Instagram
 - Governor David Ige's press release announcement on the 14-day mandatory quarantine for travelers to Kaua'i: Flight dates from December 1 – December 9.
 - Facebook: Total Reach 32,104 | Total Reactions 3,957
 - Instagram: Total Reach 1,857 | Total Reactions 117
- Facebook
 - Number of followers: 16,176 (+42.22%)
 - Engagement rate: +377.32%
 - Daily page engaged users: 5,494
 - Posts: **44**
- Instagram
 - Number of followers: 4,058 (+54.24%)
 - Engagement rate: -50.00%
 - Number of engagements: 161
 - Posts: **3**
 - Note: Due to the pandemic and subsequent cuts in funding for the Kūkulu Ola, Aloha 'Āina and Community Enrichment programs, promotional posts were scaled back significantly in 2020. However, the number of followers continued to steadily grow.
- Twitter

- Number of followers: 37,309 (+1.80%)
- Engagement rate: -76.61%
- Number of engagements: 29
- Posts: **2**
- Note: Due to the pandemic and subsequent cuts in funding for the Kūkulu Ola, Aloha 'Āina and Community Enrichment programs, promotional posts were scaled back significantly in 2020. However, the number of followers continued to steadily grow.

Internal Communications

- Communications with state and county departments: **27**
- Edited HTA reports/press releases/documents
- Provided talking points to HTA's staff
- Assisted with HTA's internal COVID-19 timeline
- Assisted with HTA's section in DBEDT's budget testimony
- Communicated important updates to the Hawai'i Visitors and Convention Bureau and Hawai'i Lodging and Tourism Association

Annual Report

- Coordinated, wrote, and edited HTA's 2020 Annual Report to the Hawai'i State Legislature
- Posted on HTA's website: <https://www.hawaiiourismauthority.org/media/6134/2020-hta-annual-report-to-the-legislature.pdf>
- Submitted the report to the Legislature through DBEDT, and delivered printed and e-copies as required by statute
- Wrote HTA's section in DBEDT's 2020 Annual Report to the Hawai'i State Legislature

3. Safety and Security

Visitor Assistance Program (VAP)

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

- **CON 17031 (S6)** – Visitor Aloha Society of Hawai'i (O'ahu) with total funding of \$370,000 and a contract expiration date of 4/1/2021. The first payment of \$333,000 was processed on April 17, 2020. The final invoice of \$37,000 is due on February 15, 2021. Supplemental #5 for the COVID-19 Flight Assistance Program was executed to fund the program \$33,962 for the months of November and December 2020. On December 30, 2020, Supplemental #6 was executed to encumber funds for three-fourths of calendar year 2021 in the amount of \$277,500.
- **CON 17032 (S5)** – VASHI – Island of Hawai'i VAP with total funding of \$170,000 and a contract expiration date of 4/1/2021. The first payment of \$153,000 was processed on April 17, 2020. The final invoice of \$17,000 is due on February 15, 2021. On December 30, 2020, Supplemental #5 was executed to encumber funds for three-fourths of calendar year 2021 in the amount of \$127,500.
- **CON 17033 (S4)** – VASK – Kaua'i VAP with total funding of \$55,000 and a contract expiration date of 4/1/2021. The first payment of \$49,500 was processed on May 6, 2020. The final invoice of \$5,500 is due on February 15, 2021. On December 30, 2020, Supplemental #4 was executed to encumber funds for three-fourths of calendar year 2021 in the amount of \$41,250.
- **CON 17034 (S4)** – MVCB – Maui VAP with total funding of \$55,000 and a contract expiration date of 4/1/2021. The first payment of \$49,500 was processed on May 6, 2020. The final invoice of \$5,500 is due on February 15, 2021. On December 30, 2020,

Supplemental #4 was executed to encumber funds for three-fourths of calendar year 2021 in the amount of \$41,250.

During the month of December:

- Maui County's program handled 5 cases and helped 7 visitors (year-to-date: 110 cases/169 visitors). This included visitors from Utah, Washington, Oregon, Colorado and California. The Maui County program team also attends meetings including at the EOC, Police Commission, Airport, VOAD and car rental committee meetings.
- Hawai'i County's program handled 21 cases and provided assistance to 54 visitors (year-to-date: 226 cases/394 visitors). This included visitors from Connecticut, Minnesota, Alaska, California and Florida.
- City and County of Honolulu's program handled 54 cases and helped 102 visitors (year-to-date: 793 cases/1,377 visitors). This included visitors from California and Texas.
- Kaua'i County's program handled 8 cases and provided assistance to 10 visitors (year-to-date: 33 cases/69 visitors).

Lifeguard Support Program

Suspended until funding becomes available.

Ocean Safety Advertising Campaign

Suspended until funding becomes available.

Snorkel Safety Study

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

Ho'okaulike

Honolulu Parks Security Cameras - MOA 19194

HTA partnered with the City and County of Honolulu's Department of Parks and Recreation (DPR) to provide funding for the installation of surveillance cameras in various city parks. The City went out to bid for cameras and installation proposals. The proposals received by the City were well in excess of the available funds and the project scope was reduced from 13 to 4 major parks. The work was completed in December 2020. Cameras were installed in Ala Moana Regional Park, Foster Botanical Garden, Kapi'olani Regional Park, and Kūhiō Beach Park. A final report from the City was received on December 31, 2020



which described the installation and costs. The final cost to HTA was \$203,890, with an additional cost of \$53,720.74 paid for by the City. The cameras were installed in areas where the City has experienced significant damage to buildings and equipment such as comfort stations throughout the park. As of December 31, 2020, the project is complete.

IV. BRAND MARKETING PILLAR

Major Market Area (MMA) Contracts

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

The Oceania contract remains under a stop work order. As Qantas currently plans to open its operations in July 2021, HTA plans to resume the contract in February 2021 if the schedule stays intact. Australia's borders are still closed with strict safety protocols in place. The bubble travel concept that Australia had been talking about with New Zealand still has not been executed.

Regarding China and Taiwan, there are presently no talks occurring about the starting of operations by China Eastern Airlines from China to Hawai'i, nor China Airlines from Taiwan to Hawai'i. In 2019, while per person, per day spending from these markets was good, their total expenditures were relatively low, \$244,270,000 and \$58,020,000 respectively. Thus, the decision of terminating contracts for these markets.

MMA Marketing Plans

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

Since mid-March 2020, Hawai'i was impacted by the quarantine order for all incoming passengers due to the COVID-19 global pandemic. As a result, HTA instructed its GMT partners to stay dark. All advertising initiatives were halted. As the stay-at-home order increased globally, the GMTs increased the opportunity for educational webinars and other interactive training about each island's treasures and Hawai'i overall.

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

Due to COVID-19, HTA is currently not receiving TAT funding. In July 2020 the FY 2021 budget for Branding was approved by the Board at \$28,590,675 (-44.5% year-over-year). However, in December, due to the intensity of the coronavirus situation and the development of the variant coronavirus, the decision was made to make further cuts to HTA's budget. HTA staff adjusted the Branding budget down to \$27,217,511. The markets impacted by the decreases were the U.S. (-\$685,707), Japan (-\$500,000), Korea (-\$100,000) and Oceania (-\$100,000), as well as Travel (-\$40,000). Canada received an increase of \$26,180 as their TTP process was successfully processed and flight operations have started up for both Air Canada and WestJet Airlines.

Industry Partners Meetings

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

daily and also conducting Zoom meetings.

In December some of the activity centers started to reopen with safety protocols in place. The hotels reported seeing softness in the booking pace for January and February 2021. Currently, June appears to be the peak booking month, so most hotels are hopeful that they will see an uptick in bookings for the summer months. Expedia launched a Hawai'i campaign, resulting in some hotels experiencing bookings within 30 days. Costco Travel reported that bookings are up for Maui and Hawai'i Island, but down for O'ahu. They also mentioned that since the new quarantine laws were implemented for Kaua'i they are receiving no bookings for Kaua'i. In addition, they are starting to experience cancellations for the first quarter of 2021. JTB announced that they will not be selling packages to Hawai'i through March. All other Japanese wholesalers and travel agents are in the same situation. Japan is going through a resurgence of COVID-19 cases and is back up to level 2.5 of their country's safety protocols. This included closing their borders to most other countries from entering Japan.

China Summit

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

GMT Hawai'i Coalition

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

Communication

HTA continues to engage with industry partners. The airlines are assisting with reminding all out-of-state passengers about Hawai'i's 10-day quarantine and the pre-test program. HTA has been providing industry partners with up-to-date information from the Department of Health, press conferences by the Governor and County Mayors, cruise line industry updates, daily arrivals, the Joint Information Center's Daily News Digest and HTA's Daily Briefer.

HTA staff continued to hold bi-weekly meetings with the Global Marketing Team, receiving information on in-country activities, Hawai'i messaging and flight plans into Hawai'i if they had not yet started. In addition, discussions also included marketing campaigns, educational programs, Mālama-centric programs and key measures. Pattie Herman (PH) also set up a monthly Zoom call with John Reyes, senior vice president and chief MCI sales officer of HVCB, to discuss group activities and possible opportunities both in citywide and single-property groups.

In December, HTA held a leadership retreat to discuss further budget cut possibilities, along with several other budget scenarios.

Hawai'i Tourism Taiwan launched a very successful semi-virtual Mission. A total of 200+ B2B one-on-one meetings were conducted between Taiwan travel agents and Hawai'i industry stakeholders where they were able to showcase their products. Hawai'i Tourism Canada also launched a successful webinar with Hawaiian cultural elements. The comments from the travel agents who attended were emotional and engaging.

John De Fries (JDF) and PH had a meeting with Mr. Shibata of All Nippon Airlines (ANA) who reaffirmed ANA's commitment to Hawai'i and that they are eager to see the day when their "HONU" flights return to Hawai'i.

PH continued to participate in the DMAP process. On all islands, residents were interested in learning about the promotions that are being implemented for Hawai'i and specifically their island. HTA staff will ensure clear communication on branding and marketing initiatives with residents. PH also had a phone conversation with Rep. Lisa Marten regarding her interest and involvement

in the DMAP process. She would also like HTA to spearhead an app that can take reservations and explain what the respective park and facilities bylaws are (do's and do not's) in order to help with crowd control.

HTA staff had a Zoom call with Rep. Adrian Tam regarding the importance of the Taiwan market.

The leadership team had a meeting with the leadership team of Southwest Airlines, discussing long-term relationships and helping each other, as well as identifying that communication in all facets but especially pertaining to the coronavirus is critically important.

The leadership team also participated in the Hospitality Industry Update for the City and County of Honolulu, which was the last industry Zoom meeting with Mayor Caldwell. He provided updates on the City's COVID-19 initiatives while tourism industry leaders explained how detailed their safety protocols are and that all measures are taken very seriously.

The December Marketing Standing Committee Meeting was very interactive with discussions surrounding the revised FY 2021 Branding budget which was approved by the marketing committee. HVCB and Hawai'i Tourism Japan (HTJ) also presented program and market updates.

PH did an interview with Catherine Cruz of Hawai'i Public Radio regarding the TTP process for the various countries and the group segment progress.

HTA's leadership team had a Zoom meeting with Senator Wakai and his Energy, Economic Development, and Tourism (EET) Committee members regarding a follow-up on HTA's budget.

V. TOURISM RESEARCH

The Tourism Research Division (TRD) issued the November 2020 monthly visitor statistics on December 28, 2020, including monthly arrivals by country, category expenditures for major markets, and monthly visitor characteristics for each major market area.

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

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

TRD issued the November 2020 Hawai'i Hotel Performance Report on December 21, 2020. The report and related November 2020 data tables were posted to the Infrastructure Research section of the HTA website. The Hawai'i Hotel Performance Report is produced using hotel survey data compiled by STR, Inc., the largest survey of its kind in Hawai'i.

TRD issued the November 2020 Hawai'i Vacation Rental Performance Report on December 22, 2020. The report and related November 2020 data tables were posted to the Infrastructure Research section of the HTA website. This report utilizes data compiled by Transparent Intelligence, Inc.

The results of the 2020 Resident Sentiment Survey were presented to the HTA Board on December 17, 2020 by Chris Kam of OmniTrak Group, the vendor for this project. The presentation was posted on the HTA website.

TRD posted the 3rd Quarter 2020 Visitor Satisfaction Monitoring Report to the Research section of the HTA website on December 22, 2020. The purpose of the report is to monitor visitors' satisfaction with Hawai'i as a vacation destination, their likelihood to recommend Hawai'i to others, their likelihood to return to the state and their participation in various activities while in Hawai'i, and island-specific questions regarding the island(s) they visited. The survey also asks about visitors' trip planning information, the source of information used in trip planning, and demographic profiles (income, education level, gender and age).

TRD issued the 2020 Visitor Plant Inventory Report on December 31, 2020. The VPI report and companion list of properties were posted to the Visitor Plant Inventory section of the HTA website.

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

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

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

TRD is assisting with the mandatory 14-day quarantine (mandatory 10-day quarantine as of December 17, 2020), including attending Hawai'i Emergency Management Agency operational calls, posting of daily trans-Pacific passenger arrival data derived from data provided through the Office of Enterprise Technology Service's Safe Travels Program, and supporting state and county

law enforcement and prosecutors.

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

Jennifer Chun (JC) was the moderator for the Pacific Asia Travel Association Hawai'i Chapter and Travel and Tourism Research Association Hawai'i Chapter's annual industry holiday event. Speakers included Jessica Lani Rich of VASH and Dr. Kaiwipunikauikawēkiu Punihei Lipe and Matthew Kamakani Lynch from the University of Hawai'i.

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

VI. ADMINISTRATIVE

Contracts List: Pursuant to Hawai'i Revised Statutes §201B-7 (9), please find the following contracts executed during the month of December 2020:

December 2020						
Contract No.	Contractor	Description	Contract Amount	Total Contract Value	Start Date	End Date
17029 S16	Hawai'i Visitors and Convention Bureau	Destinations Marketing Management for USA MMA 2021	\$14,500,000.00	\$105,377,271.90	12/21/2020	12/31/2021
14002 S11	AEG Management HCC, LLC dba Hawai'i Convention Center	Hawai'i Convention Center	\$9,999,789.00	\$145,479,653.18	12/30/2020	6/30/2021
17028 S10	a.link LLC	Japan MMA Marketing Management Services	\$4,500,000.00	\$38,467,000.80	12/21/2020	12/31/2021
17002 S7	Hawai'i Visitors and Convention Bureau	Island Chapters Staffing & Administrative Services	\$2,400,000.00	\$13,883,993.00	12/2/2020	12/31/2021
21016•	Hawai'i Visitors and Convention Bureau	Support Services	\$1,467,500.00	\$1,467,500.00	12/2/2020	12/31/2021
19006 S3	OmniTrak Research & Marketing Group Inc. dba OmniTrak Group Inc	Visitor Departure Survey 2019-2022	\$402,900.00	\$476,400.00	12/2/2020	6/30/2023
17017 S9	Vox International Inc.	Destination Marketing Management Services for Canada MMA	\$400,000.00	\$6,165,815.08	12/17/2020	12/31/2021
21019	The Walshe Group Pty Ltd dba Hawai'i Tourism Oceania	Hawai'i Tourism Inbound Destination Marketing Management Services in the Oceania Major Market Area	\$400,000.00	\$400,000.00	12/21/2020	12/31/2023

20007 S2	AVIAREPS Marketing Garden Holdings Ltd.	Destination Marketing Management Services for Korea MMA	\$300,000.00	\$804,000.00	12/28/2020	12/31/2022
19188 S2	YouGov America Inc.	Syndicated Tourism Survey Services 2020	\$293,000.00	\$879,000.00	12/21/2020	8/31/2022
19007 S4	SMS Research & Marketing Services, Inc.	Statewide Domestic In-flight Visitors' Basic Characteristic Survey CY 2019-2022	\$286,468.00	\$924,652.12	11/16/2020	6/30/2023
17031 S6	Visitor Aloha Society of Hawaii	Visitor Assistance Program - Oahu 2021	\$277,500.00	\$1,710,462.00	12/30/2020	12/31/2021
19005 S2	HonBlue, Inc.	Printing, Storage and Delivery of In-Flight forms for Calendar years 2019-2022	\$272,237.76	\$808,939.32	12/16/2020	11/1/2022
21014	OmniTrak Research & Marketing Group Inc. dba OmniTrak Group Inc	Cruise Visitors' Basic Characteristics and Expenditures Survey for Calendar Years 2021-2023	\$230,012.00	\$230,012.00	12/2/2020	6/30/2024
20010 S2	Anthology Marketing Group, Inc	Public Relations, Communications, and Outreach Services	\$145,000.00	\$302,000.00	12/21/2020	12/31/2021
17032 S5	Visitor Assistance Program - Island of HI 2021	VASH - Hawaii Island	\$127,500.00	\$744,200.00	12/30/2020	12/31/2021
19175 S2	Transparent Intelligence, Inc. dba Transparent	Vacation Rental Performance Tracking 2019-2022	\$104,500.00	\$310,000.00	12/17/2020	3/31/2022
18178 S4	Kloninger & Sims Consulting LLC	Visitor Plant Inventory Survey 2020	\$78,946.96	\$350,393.92	12/23/2020	1/31/2022
•18004 S3	Polynesian Football Hall of Fame	Polynesian Football Hall of Fame 2021	\$50,000.00	\$455,000.00	12/23/2020	12/31/2021
17034 S4	Maui County Visitor's Association	Visitor Assistance Program - Maui 2021	\$41,250.00	\$234,250.00	12/30/2020	12/31/2021

17033 S4	Visitor Aloha Society of Kauai	Visitor Assistance Program - Kauai 2021	\$41,250.00	\$255,250.00	12/30/2020	12/31/2021
•21010 S1	Cynthia Y. Derosier dba Pencilhead Productions, LLC	Graphic Meeting Facilitation Services for Destination Management Action Plans	\$41,125.99	\$153,299.99	12/29/2020	8/31/2021
17031 S5	VASH	COVID-19 Flight Assistance Program - Oahu 2021	\$33,962.00	\$1,432,962.00	12/2/2020	4/1/2021
•21018	Kloninger & Sims, LLC	Hawaii Timeshare Quarterly Survey	\$30,000.00	\$30,000.00	12/23/2020	5/31/2022
•20188 S1	The Hula Bowl, LLC	Hula Bowl 2020	\$25,000.00	\$50,000.00	12/24/2020	12/31/2021
17214 S6	Anthology Marketing Group, Inc	Design and Maintenance of HTA Website	\$24,101.04	\$429,550.48	12/21/2020	12/31/2021
21017	Aloha Data Services, Inc.	Board of Directors & Committee Meeting Minutes	\$18,429.44	\$18,429.44	12/16/2020	12/31/2021
20145 S2	Polynesian Voyaging Society	Preparing for Moananuiakea: Exploring the Pacific	\$15,000.00	\$45,000.00	12/29/2020	12/30/2020
19195 S2•	NonProfit Technologies, Inc.	Hosting Service for HTA Financial Operating System	\$10,920.00	\$32,760.00	12/23/2020	6/30/2024
20172 S2	DLNR - Division of Forestry and Wildlife	Alaka'i Boardwalk Replacement & Trailhead Interpretive Signs	\$ -	\$59,000.00	12/29/2020	6/30/2021
21009 S1	SMS Research & Marketing Services, Inc.	Destination Management Action Plan for Maui Nui	\$ -	\$39,659.68	12/21/2020	3/31/2021
†19173 S3	North Star Research Corp. dba HVS Convention, Sports & Entertainment Facilities Consulting	Market/Futures Study of the Hawai'i Convention Center	\$(13,750.00)	\$112,900.00	12/21/2020	12/31/2020
Contract Type: • Sole Source † Procurement Exemption			\$35,499,394.76			

Appendices

Monthly Leisure Marketing Report

December 2020

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

Market Intelligence/Market Conditions

Economy

This past year was extraordinary on many levels considering the global pandemic, lockdowns, recession, nascent recovery and historic market rally; in addition, a presidential election, social unrest and Brexit finally implemented. Thankfully, several vaccines to combat the virus have won FDA approval, and distribution is underway.

- The unemployment rate in October fell to 6.7 percent.
- The Conference Board *Consumer Confidence Index* declined in December, after decreasing in November. The Index now stands at 88.6 (1985=100), down from 92.9 (an upward revision) in November.
- The *Present Situation Index* based on consumers' assessment of current business and labor market conditions decreased sharply from 105.9 to 90.3.
- The *Expectations Index* based on consumers' short-term outlook for income, business, and labor market conditions increased from 84.3 in November to 87.5 this month.

"Consumers' assessment of current conditions deteriorated sharply in December, as the resurgence of COVID-19 remains a drag on confidence," said Lynn Franco, Senior Director of Economic Indicators at The Conference Board. "As a result, consumers' vacation intentions, which had notably improved in October, have retreated. On the flip side, as consumers continue to hunker down at home, intentions to purchase appliances have risen. Overall, it appears that growth has weakened further in Q4, and consumers do not foresee the economy gaining any significant momentum in early 2021."

Outbound Travel Market

- Softness will remain in Q1 with a bit of uptick for summer travel. Most of the major U.S. wholesalers reported that they see an increase in travel for summer and feel that customers believe things will be more stable by then. There is potential for last minute bookings for March and April travel.

Competitive Environment

- The Dominican Republic is extending the country's complimentary health coverage plan for tourists arriving aboard commercial flights and staying in approved hotels and resorts. Coverage had been set to expire on January 1, 2021 but will now run through April 30, 2021. The visitor health plan becomes effective at hotel check-in and covers "all medical emergencies" including infection or exposure to COVID-19 while in the country. The plan also covers "ambulatory visits, hospitalizations, medicines, prolonged visits due to medical emergencies, specialist[s], visits at health centers throughout the country, transportation in case of emergency, hospital expenses and penalty costs for flight changes.
- In order to create new content that educates potential visitors about the Island in an entertaining way, sparking inspiration and trip ideas for future visits, the Destination Marketing Organization (DMO) Discover Puerto Rico launched a new video series, "Sounds like Puerto Rico." The series takes viewers on a journey to understand Puerto Rican sounds and lingo. "We are proud of this

series where consumers can learn more about our beautiful Island through our sounds and language. While we aren't encouraging immediate travel, we still want consumers to feel Puerto Rico in their soul, experience the sounds of our Island and make plans to visit when the time is right," expressed Brad Dean, CEO of Discover Puerto Rico.

Consumer Trends

- *Increased emphasis on Health and Safety.* Consumers are not only purchasing more health-related products, like hand sanitizer and immunity boosters, but 25 percent are also more likely to purchase from a brand that they perceive to be safe and minimize unnecessary risk. This according to a recent Consumer Index Report by Ernst & Young. Fifty-seven percent say they now pay more attention to how healthy the products they buy are for them.
- *Value Based Spending.* COVID-19 and the Black Lives Matter Movement have increased value-based spending in the U.S. Consumers not only want to purchase goods and services locally or from Black-owned businesses, but also want to buy from brands that align with their values. The same Ernst & Young survey shows that 59 percent of surveyed consumers are likely to shop more locally in the long term. In addition, a recent Consumer Index Report by Suzy Consumer Insights shares that 65 percent of consumers are more likely to support a brand that cares about the same social issues they do. Nearly half of those surveyed are researching and purchasing from Black-owned businesses, and more than half of consumers are wanting brands to stand up for social issues.

Media Trends

- *Live-Streams and Increased Influencer Content.* Stay at home orders meant events were canceled, and consumers were unable to attend in-person events. They weren't even able to socialize with their friends and family. This led to a rise in the number of people tuning into live-streams, whether it was a branded live-stream, a live video from their favorite celebrity, or an online workshop. On *Facebook*, live viewings spiked by +50 percent during lockdown periods, while viewings on *Instagram* surged +70 percent. *TikTok* use shot up in 2020 and will continue its upward trajectory to play out in 2021, according to *Social Media Today*.
- *Easy-to-Consume Content.* 2020 also saw people leaning on easy-to-consume content - things like podcasts that can be consumed on-the-go or newsletters that land directly in subscriber's inboxes. Studies show that 55 percent of Americans now listen to podcasts, while newsletter mentions were up +14 percent during lockdown. According to *eMarketer*, advertisers are spending more on podcasts too, which is a hint to their continued success in 2021.

Airlift

- HTA Airline Seat Capacity Outlook for January-March 2021 was released on December 30, 2020. The forecast for domestic scheduled nonstop air seats to Hawai'i during this period will decrease by -9.3 percent as compared to the same time period in 2020. The projection is based on flights appearing in *Diio Mi*. Due to the COVID-19 outbreak, the decrease in scheduled air seats is expected to occur in all major market areas including U.S. West (-7.5%) and U.S. East (-20.7%). The situation is being monitored daily and the forecast adjusted accordingly.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- On December 16, 2020, Gov. David Ige signed a 17th COVID-19 emergency proclamation reducing the mandatory quarantine from 14 to 10 days and requiring all transpacific travelers to have a negative test result from a trusted travel partner before their departure for the State of Hawai'i in order to be exempt from quarantine. Travelers heading to Hawai'i must upload their negative test result to the Safe Travels system prior to boarding their flight. The State of Hawai'i highly recommends that all transpacific travelers departing for Hawai'i carry a hard copy of their negative test result as a backup. This proclamation extends the Safe Travels and Testing Program through February 14, 2021.

Leisure Activity Update

Consumer

- On-line

Digital Campaign December – Estimated Impressions Per Island

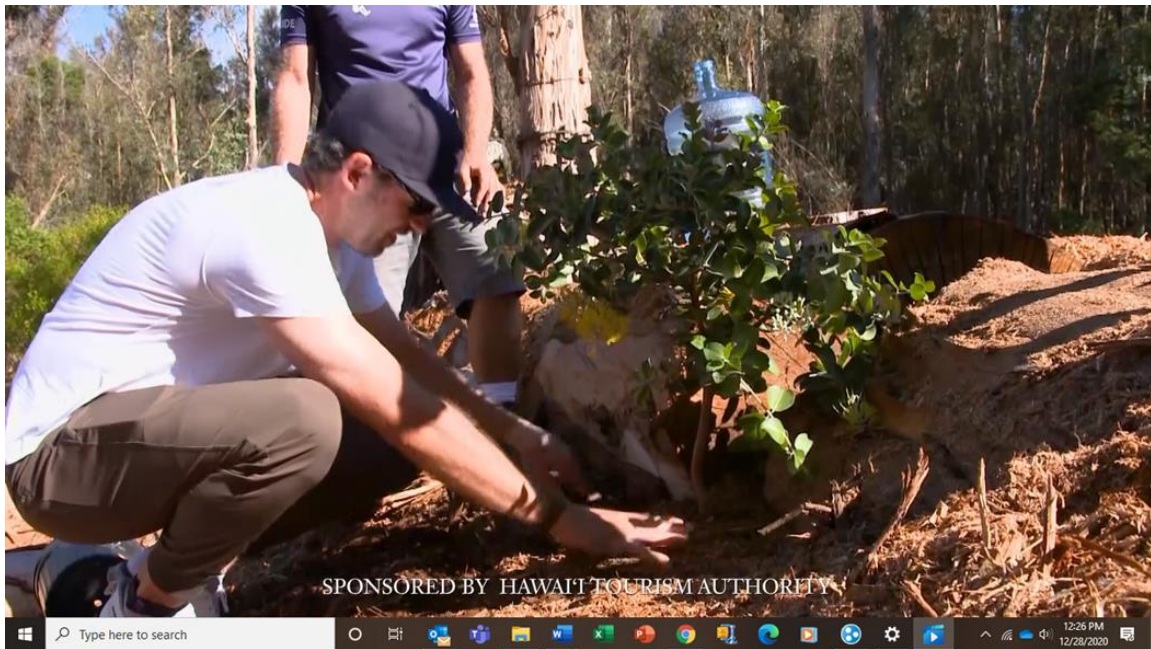
PARTNERS	Central	OVB	MVCB	KVB	IHVB	LVB	DMVB
Programmatic	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Condé Nast</i>	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Matador</i>	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Facebook</i>	16,778,981	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Instagram</i>	13,794,519	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>YouTube</i>	23,733,459	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Pinterest</i>	9,256,266	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
Total	63,563,225	-	-	-	-	-	-

- Fall 2020 COVID Recovery Plan: A West Coast flight of paid media continued to run in key markets (Los Angeles, San Francisco, Portland, Seattle) in December (Nov. 9-Dec. 20) to reach a Hawai'i recovery target audience with “*When It’s Time to Fly*” messaging and drive consumers to hawaiicovid19.com/travel to inform them of the latest travel requirements, pre-testing and health and safety protocols for the destination. Media included advanced TV/streaming OTT, digital video and paid social.



- Golf Channel - *Aloha Season*: The 2021 Aloha Season program with Golf Channel began with pre-promotion in December and continues with promotional elements throughout the month of January during the following Hawai'i tournaments: Sentry Tournament of Champions, Sony Open in Hawai'i, Mitsubishi Electric Championship at Hualālai. 30-second golf commercials will run featuring three different PGA TOUR players, with each professional engaging in an activity in the destination that conveys a sustainable/Mālama message:
 - Collin Morikawa – Outrigger Canoe Paddle/Fishpond (Maui)
 - Lanto Griffin – Zipline/Tree Planting (Maui)
 - Corey Conners/Max Homa – Whale Watch/Conservation (Maui)





Travel Trade

- Paid trade media – December (3,993,458 estimated impressions)
 - Affiliate Program (*TravAlliance*), 2,181 impressions, Affiliate Program Homepage Marquee
 - Affiliate Program (*TravAlliance*), 32,727 impressions, Enewsletter Inclusion
 - Dedicated Email (*TravAlliance*), 50,000 impressions
 - Banner Coverage on TravelPulse.com (*TravAlliance*), 20,000 impressions
 - Sponsorship Program (*Northstar*), 40,000 impressions, Run of Site Display

- Sponsorship Program (*Northstar*), 48,400 impressions, Dedicated Email
- Affiliate Program (*Questex*), 250 impressions
- Affiliate Program (*Questex*), 2,500 impressions, Registration Emails
- Travel Agent University Dedicated Emails (*Questex*), 75,000 impressions
- Luxury Advisor Dedicated Emails (*Questex*), 22,000 impressions
- Paid Social (*Facebook*), 2,200,400 impressions
- Paid Social (*LinkedIn*), 1,500,000 impressions

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

Public Relations

- HVCB
 - As a result of HVCB’s PR team communication with Christopher Reynolds, writer for *Los Angeles Times*, he produced a story titled “Kauai requires you to quarantine, perhaps in a ‘bubble resort’” in response to Kaua’i’s requirement that all nonessential visitors to the island quarantine for 14 days, unlike the other islands. The story shares how travelers can still experience Kaua’i but only through resorts participating in the “resort bubbles,” which allow visitors to have access to swimming pools, resort restaurants and other amenities, but without access to other island sites or businesses beyond the resort walls.
 - Winston Ross, contributing writer for *The Daily Beast*, visited the island of Hawai’i (Nov. 25-Dec. 3) and O’ahu (Dec. 3-10) on behalf of HVCB to cover nature and soft adventure as an "election decompress" story. His full travel experience, including pre-testing, will be included as well. Winston experienced The Fairmont Orchid, Kona Boys, Kilauea Lodge, met with Jessica Ferracane from Hawai’i Volcanoes National Park, Big Island Bike Tours, Courtyard Marriott North Shore, North Shore Eco Tours, Kualoa Private Nature Reserve, Prince Waikiki, Wild Side Specialty Tour and Mālama Hawai’i material. HVCB assisted with transpacific and interisland flights, accommodations and a few activities on each island.
 - As a result of pitching efforts of the Mālama Hawai’i Program, Tovin Lapan (*Travel Weekly*) produced a story titled “Hawaii reaches out to ‘mindful travelers’” sharing that Hawai’i Tourism Authority and the HVCB are encouraging visitors who want to give back to the community through a new program that offers incentives for volunteer work. HVCB’s PR team helped shape the narrative and provided statements by HTA chief John De Fries and HVCB chief marketing officer, Jay Talwar.

Hawaii reaches out to 'mindful travelers'

By Tovin Lapan | Dec 06, 2020

A+ A-



The new Malama Hawaii campaign offers a free night stay or other incentives for Hawaii visitors who participate in qualifying volunteer activities, like planting a native tree at one of the state's reforestation sites Photo Credit: Credit: HTA/Heather Goodman

f With the reopening of Hawaii tourism underway, the state is rolling out programs and campaigns designed to attract conscientious travelers willing to give back during their tropical vacations.

t

p

- HVCB's PR team drafted and distributed a release titled "HVCB Update - Governor Reduces Quarantine Period from 14 to 10 Days" to local PR industry professionals, leisure publications, editors and freelance journalists on Dec. 16 after Governor Ige signed the 17th Emergency Proclamation, which went into effect Dec. 17. The release shared details on how it reduces the state's mandatory self-quarantine period for travelers entering the state and traveling between counties from 14 to 10 days and will be in effect until Feb. 14, 2021.
- As a result of Shane Nelson's *TravelAge West* story in November titled "An On-the-Ground Look at Hawaii's Restart to Tourism" and his visit to Kaua'i and O'ahu, *TravelAge West*'s vice president, publisher/Editor-in-Chief, Kenneth Shapiro published an editorial titled "Hawaii Travel May Be an Example of What's to Come." From Shane's visit, his story featured Safe Travels pre-travel program information, relevant travel updates, his experiences at Timbers Kaua'i Ocean Club & Residences, Wailua Falls, Outrigger Waikiki Beach Resort, Kīlauea Lighthouse, Duke's Waikiki and the Mālama Hawai'i Program to encourage agents to share how to travel to the destination with clients into 2021.

An On-the-Ground Look at Hawaii's Restart to Tourism

Nov 30, 2020



Like everywhere else, Hawaii is learning to deal with COVID-19.
Credit: 2020 Hawaii Tourism Authority/Tor Johnson

Author's note: During my visit to Kauai four weeks ago, I encountered a tourism destination that appeared largely optimistic about the recent launch of Hawaii's Safe Travels pretest program, and all of the hotel staff and restaurant and attraction workers I met seemed genuinely happy to have visitors back on the Garden Isle.

- As a result of pitching and release efforts, HVCB's PR team was able to secure a visit for *The Points Guy* travel writer Madison Blancaflor to travel to Maui Dec. 2-6 to cover the travel experience to Hawai'i since the launch of the pre-travel testing program. HVCB hosted her accommodations, ground transportation and activities. Madison published a roundup story titled, "I just traveled to Hawaii: Here's what it's like for tourists right now." In addition to important testing procedures and the Safe Travels Program, she also mentioned the Mālama Hawai'i Program and how readers can give back to the community. Her activities were tied to the resort partners Wailea Beach Resort and The Westin Maui which encourages visitors to take part in the unique cultural learning opportunities offered for an enriching experience.
- HVCB's PR team has been in contact with *CNN Travel* writer Brekke Fletcher over the course of Hawai'i welcoming back visitors. She produced a story titled "What it's like to travel to Hawaii right now" from her experience traveling to the island of Hawai'i. Featured in the story was everything from pre-travel information, airlines, resort experience and exploring the island responsibly. Overall, her message shared Hawai'i leading the charge of travel safety, COVID-19 has changed the experience without detracting from the island's charm and it was well worth the effort.

- As a result of HVCB’s PR team’s media assistance to Jen Murphy, she produced a story titled “Hawaii Opens to Tourists Again, but Beware the Covid Hurdles” in *The Wall Street Journal*. Jen detailed the important updates to the islands’ pre-travel testing program including the test results within 72 hours in advance and other safety protocols.
- Media coverage highlights:
 - “An On-the-Ground Look at Hawaii’s Restart to Tourism” – *TravelAge West* – Shane Nelson – Nov. 30
 - “Editorial: Hawaii Travel May Be an Example of What’s to Come” – *TravelAge West* – Kenneth Shapiro – Nov. 30
 - “Kauai requires you to quarantine, perhaps in a ‘bubble resort’” – *Los Angeles Times* – Christopher Reynolds – Dec. 1
 - “Hawaii has updated its travel restrictions. What to know if you’re flying from Phoenix” – *AZ Central* – Melissa Yeager – Dec. 3
 - “Hawaii reaches out to ‘mindful travelers’” – *Travel Weekly* – Tovin Lapan – Dec. 6
 - “I just traveled to Hawaii: Here’s what it’s like for tourists right now ” – *The Points Guy* – Madison Blancaflor – Dec. 12
 - “What it’s like to travel to Hawaii right now” – *CNN Travel* – Brekke Fletcher – Dec. 13
 - “Hawaii reduces quarantine period: Here’s everything visitors to Hawaii need to know” – *The Points Guy* – Summer Hull – Dec. 16
 - “Hawaii Opens to Tourists Again, but Beware the Covid Hurdles” – *The Wall Street Journal* – Jen Murphy – Dec. 18
 - “The Best Hikes in Hawaii Through Rain Forests, Volcanoes, and Secret Beaches” – *Travel + Leisure* – Evie Carrick – Dec. 26
- KVB
 - Kaua’i was featured in the following December media:
 - *ABC Tucson*, “Travel Mom’s picks to have fun, stay safe and feel good” – Dec. 11
 - *CBS San Antonio*, “Travel Mom breaks down top gifts and trips of the season” – Dec. 22
 - *Fox New Mexico*, “The Travel Mom offers tips for stress-free travel.” – Dec. 23
 - The above coverage was a result from Emily Kaufman’s individual media visit to Kaua’i, Nov. 25 – 29. Emily’s visit focused on KVB’s safe health practices and initiatives, the State’s pre-travel testing program and HVCB’s Mālama Hawai’i program.
 - Media Visits:
 - KVB hosted freelance writer Art Stricklin on an individual media visit to Kaua’i, Dec. 19 – 23 for confirmed coverage in *Avid Golfer*. Art’s visit focused on Hōkūala Kaua’i, A Timbers Resort’s Enhance Movement Quarantine (EMQ) or also known as resort bubble program and the Ocean Course at Hōkūala. Coverage is expected to be published in January 2021.
 - Liaised with 9 media:
 - Michele Bigley, *San Francisco Chronicle*
 - Pam Wright, *AAA Hawaii*
 - Allison Belda, *AAA Hawaii*
 - Cheryl Tsutsumi, *AAA Hawaii*
 - Alan Shipnuck, *Golf Magazine*
 - Art Stricklin, *Avid Golfer*
 - Emily Kaufman, *The Travel Mom*
 - Cathy Claesson, *Adventure Sports Journal*
 - David Joyce, Freelance Videographer

- OVB
 - O‘ahu was featured in:
 - *Matador Network* (uvpm: 793,456) Coverage resulted from Elisabeth Sherman’s media assistance in December 2020. Her article, “10 classic Hawaiian foods to try that aren’t poke” features chefs Keoni Chang from Foodland and Jeremy Shigekane from M by Chef Mavro.
 - Liaised 4 media in December.

- MVCB
 - Liaised with and/or provided information or image(s) assistance to the following media:
 - David Dickstein, *OC Register* (uvpm 37mil) Visited Maui December 19 – 26. Coordinated itinerary which included luau, golf and farm tours.
 - David Cole, Editor, *LinkedIn* Pilot e-newsletter. (subscribers: 16K) Visited Maui November 30 – December 7. Article published December 16: “Yes to Maui! Fabulous”.
 - Keyla Vasconcellos, Freelance writer, *Travel + Leisure* (uvpm 8.6mil) Visited Maui December 23 – 27. Coordinated itinerary to include sunset cruise, Haleakala sunrise tour, luau and spa.
 - Sascha Zuger, Freelance writer, *Islands Magazine* (uvpm 388K) Provided TAQ for Maui Visit in 2021.
 - Madison Blancaflor, Freelance writer, *The Points Guy*, (uvpm 8.1mil) Visited Maui December 2 – 5. Coordinated itinerary to include surf lesson. Article published on December 12 “I just traveled to Hawaii: Here’s what it’s like for tourists right now.”
 - Alex Pulaski, Freelance writer, *Washington Post* (uvpm 296mil). Coordinated activities for upcoming Maui visit in January 2021.
 - Amanda Ogle, Freelance writer, *SFGate.com* (uvpm 135.9mil). Provided assistance for article on Mokio Preserve on Moloka‘i to be published in January 2021.

- IHVB
 - Liaised with 10 media in December:
 - Oksana St. John, social media influencer
 - Jennifer O’Brien, social media influencer
 - Mariann Yip, social media influencer
 - Mayra Bazavilvazo, contributor, Recommend magazine and social media influencer
 - Karla Bruning, freelance writer
 - Rulo Luna Ramos, Matador Network
 - David Joyce, social media influencer
 - Natasha Bourlin, *SFGate*
 - Vani Stavro, *AAA Westways*
 - Hanna Ashcroft, blogger and social media influencer
 - Pre-planning for 2021 Q1 Virtual Media Blitz
 - Drafted news release (eco-friendly travel options on Hawai‘i Island), pending 2021 distribution
 - Attended *Food & Wine’s* “Classic at Home” via Zoom
 - Kīlauea Eruption:
 - Drafted verbiage for *gohawaii.com* banner (brief and re-directs to Hawai‘i Volcanoes National Park and USGS Hawaiian Volcano Observatory home pages for more information)
 - Monitored media coverage
 - Provided outlet details at the requested of R. Birch for phone interview with Randy Drummer of *CoStar*

Sales Activities

Sales Calls, Trade Shows, Training Events

	Airline/Wholesaler/TA/TO/OTA	Other	Total
HVCB	-	5	5
KVB	8	-	8
OVB	1	-	1
MVCB	-	-	-
IHVB	7	-	7

Summary of Key Sales Activities

- HVCB
 - For the month of December, travel trade hosted five webinars/virtual training sessions for a total of 545 participants; there were no “one-on-one” virtual travel advisor appointments in the month. HVCB and the Island Chapters are working closely with industry partners to communicate the Safe Travels Program, pre-testing protocols, trusted testing and travel partners list and sharing all the important links via the travel agent website, linking to *gohawaii.com* and the DOH accordingly.
 - The travel trade team assisted with both the GoHawaii hotline and the GoHawaii email inquiries from travelers regarding the Safe Travels program, trusted testing partners and other general inquiries regarding traveling from the U.S. to the Hawaiian Islands.
 - The team fielded all inquiries received from travel advisors across the United States via the *agents.gohawaii.com* site who required assistance to plan their clients’ trips and navigate the Safe Travels program.
 - HVCB conducted a webinar for 22 advisors with Starstuff Travel on Dec. 2. The webinar covered Hawai’i’s travel and safety protocols and general updates for each island.
 - HVCB participated in “Travel Connection Live,” a *Facebook Live* interview conducted by a travel advisor for other advisors and clients on Dec. 2. HVCB discussed Hawai’i’s travel and safety protocols as well as a Hawaiian language lesson during the interview. The interview had 428 views.
 - Signature Travel Network Owners’ Meeting was held virtually on Dec. 3. HVCB conducted a presentation for 250 attendees.
 - The Travel Institute provided HVCB the opportunity to conduct a one-hour webinar at no cost on Dec. 11 for 200 travel advisor attendees.
 - Pleasant Holidays invited HVCB to participate in a Hawai’i Webinar on Dec. 16 for 71 advisors. The webinar covered Hawai’i’s travel and safety protocols.
 - HVCB and KVB participated in a sales call with Globe Getaways on Dec. 16 for two advisors. HVCB covered Hawai’i’s travel and safety protocols and KVB provided an update on Kaua’i’s mandatory quarantine.
 - Travel agent website *agents.gohawaii.com* update: There were 363 online graduates who completed the Hawai’i Destination Specialist and/or Island Specialist educational courses online, and 414 new registrants who signed up for access to our online resources. The travel agent database numbers are now up to 86,299 U.S travel agent email contacts.
 - IHVB conducted 4 online travel advisor webinar training events (total 31 travel advisors).
 - IHVB partnered with ASTA to conduct *Facebook* live travel advisor training session (300 attendees) providing island training and updates.

- IHVB participated in 2 travel partner virtual meetings providing island updates (Midwest Ohana and NorCal Ohana).
- KVB lead a 45-minute webinar with Travel Leaders Network on Dec. 2 in which 53 agents participated.
- KVB lead a 30-minute webinar with TravelSavers on Dec. 3 (25 agents).
- KVB lead a 30-minute webinar with MAST on Dec. 8 (48 agents).
- KVB lead a 30-minute webinar with Mailpound on Dec. 9 (113 agents).
- KVB lead a 30-minute webinar with Signature Travel on Dec. 14 (155 agents).
- KVB lead a 30-minute webinar with Virtuoso on Dec. 15 (35 agents).
- KVB lead a 30-minute webinar with Ensemble on Dec. 17 (45 agents).
- KVB lead a 30-minute webinar with Paul Travel on Dec. 17 (2 host agents for 60 clients).

Key Performance Indicators - Leisure Market

Consumer

Digital Campaign November Actuals – Estimated Impressions Per Island

PARTNERS	Central	OVB	MVCB	KVB	IHVB	LVB	DMVB
Programmatic	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Condé Nast</i>	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Matador</i>	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Facebook</i>	6,499,704	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Instagram</i>	5,343,606	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>YouTube</i>	1,120,424	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Pinterest</i>	1,237,261	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
Total	14,200,995	-	-	-	-	-	-

- Per the previous report, November was paused due to COVID-19 concerns.

Public Relations

- Month-end impressions and publicity values for articles that included Hawai'i – November results

Impressions and Publicity Values for November

NOVEMBER	Impressions	Publicity Values
Print	75,046,412	\$13,665,724.89
Online	74,385,453,660	\$30,433,171.56
Broadcast	466,658,855	\$25,158,739.33
Total	74,927,158,927	\$69,257,635.78

Countermeasures

- Governor Ige announced that beginning December 17, the mandatory 14-day travel quarantine was reduced to 10 days, which was the updated CDC recommendation. These reduced days applied to both trans-pacific and inter-county travel. HVCB drafted and disseminated letters from John Monahan to U.S. airlines that service Hawai'i, OTAs, travel trade professionals, MCI customers and clients, leisure publications, editors, freelance journalists and Hawai'i partners. Ongoing communications occurred with media and consumers who had questions and requested more information.
- HVCB's 1-800-GoHawaii call center fielded over 38,000 calls in December, diverting approximately a third to the Safe Travels service desk, and handling the remaining 26,000 calls. The new info@gohawaii.com email address diverted calls from the 800# and offering a callback option greatly reduced hold times. Inquiries primarily concerned finding acceptable tests and testing partners especially due to unprecedented demand for testing nationwide due to the surge in cases and the Christmas/New Year holiday. There were also many inquiries about the November 24th requirement that negative test results be uploaded prior to departure to Hawai'i in order to avoid quarantine.

Responsible Tourism Update

- Hawaiian Culture
 - HVCB – Due to COVID-19 concerns, no emails promoting travel to the islands were sent.
- Natural Resources
 - HVCB – Mālama Hawai'i Program
- Community
 - HVCB
 - Due to COVID-19 concerns, no emails promoting travel to the islands were sent.
 - KVB
 - In response to the current pandemic, executive director Sue Kanoho continued to work regularly with the Kaua'i Emergency Management Agency Office in cooperation with the County of Kaua'i's Mayor and Mayor's office, Kaua'i Police Department and other state and county officials and organizations.
 - Through CARES ACT grant funding, KVB launched "Aloha for Kaua'i" in a joint effort with Jaxon Communications and Kupa'a Kaua'i. This 12-week campaign will promote local restaurants and retailers through social media and radio until the end of December.
 - KVB continued "Resort Bubble" efforts in coordination with the County utilizing CARES ACT grant funding. One additional resort has completed, submitted and has approved plans to commence the "Resort Bubble" at their properties for a current total of 6 open properties on island.
 - *Kauaikamaaina.com* was refreshed with updated offers from local businesses and a COVID-19 special alerts link to the *gohawaii.com* website.
 - KVB coordinated the installation of a 15-second video in the Līhu'e Airport baggage claims and installation of signage throughout the airport terminal to promote awareness of face mask usage requirements and COVID related guidelines for arrivals on Kaua'i to protect community and visitors.
 - Worked with KONG Radio to promote the Kaua'i Made program and *kauaimade.net* website during this holiday season.

- Through CARES ACT grant funding, worked with Anthology Marketing Group to promote Kaua'i businesses, activities and eateries via television and social media platforms. Televised segments on HI Now and Living 808 which aired on 4 major Hawai'i television stations with addition coverage on their social media.
- o IHVB – Continue to support County cohort team overseeing Pono Communications action plans/steps for the County of Hawai'i's Tourism Strategic Plan, portions of which tie-in to the Hawai'i Tourism Authority's Destination Management Action Plan (DMAP)
- HTA Events and Programs.
 - o Provided media assets on behalf of HTA for event and program sponsorships:
 - Sentry Tournament of Champions: Provided a digital ad for the tournament program guide and reviewed creative assets on behalf of HTA for the golf tournament.
 - Sony Open: Provided a digital ad for the tournament program guide and reviewed creative assets on behalf of HTA for the golf tournament.
 - Mitsubishi Electric Championship at Hualālai: Provided a digital ad for the tournament program guide.

Island Chapters Engagement Update

- KVB
 - o Participated in Hawai'i Tourism Canada's Virtual Aloha Canada Event. Provided 20-minute Kaua'i seminar, chatted with 35 individual travel agents, had 5 media appointments and 319 booth visits on Dec. 3
 - o Participated in Hawai'i Tourism Taiwan's Semi-Virtual Aloha Taiwan event. Provided 20-minute Kaua'i seminar, had 1 media appointment and 13 B2B appointments on Dec. 9.
 - o Participated in Spoiled Agent Webinar. 30-minute presentation on Dec. 16.
- OVB
 - o Hawai'i Tourism Canada
 - Assisted with Aloha Canada Virtual Sales Mission. Overall, there were 600 registered attendees and there were four media interviews, one MCI appointment and one travel advisor training seminar. Dec. 3.
 - Hosted an educational webinar for 120 travel advisors. Dec. 10.
 - o Hawai'i Tourism Taiwan
 - Assisted with Semi Virtual Sales Mission. There were four media interviews, twelve travel trade appointments, and a travel advisor training seminar. Dec. 9.
- MVCB
 - o Participated HTA Canada - Aloha Canada virtual tradeshow
 - o Participated HTA Taiwan – Mission
 - o Hosted 8 travel agents with American Airlines Vacations in December
- IHVB
 - o Watched Hawai'i Tourism Japan/Masashi Nature School's live stream from Kona and Hilo
 - o Reviewed social post draft from Hawai'i Tourism Canada
 - o Participated in Hawai'i Tourism Canada's *Aloha Canada Virtual Mission*
 - o Participated in Hawai'i Tourism Taiwan's *Aloha Taiwan Semi Virtual Mission*

“Coming Attractions” for Leisure Market

	What	When	Where
HVCB	Individual Media Trip: David Dickstein (<i>OC Register</i>)	Dec. 19-26	Maui
	Individual Media Trip: Keyla Vasconcellos (<i>Travel + Leisure</i>)	Dec. 23-27	Maui
	WESTA Educational Events	Jan. 11-14	Virtual
	Hawai'i Webinar with XStream Travel and Pleasant Holidays	Jan. 13	Virtual
	AAA Hawaii Virtual Event with Pleasant Holidays	Jan. 26	Virtual
	Hawai'i Loves Travel Agents Virtual Expo	Jan. 27	Virtual

Hawai'i Tourism Japan

2020 Monthly Leisure Marketing Report – December

Market Intelligence/Market Conditions

Economy

- Fiscal 2020 budget – 3rd Extra budget

The Cabinet approved a ¥21.84 trillion third supplementary budget for fiscal 2020, to finance the government's latest economic package aimed at ensuring the coronavirus-stricken economy stays on a recovery track. The budget boosts Japan's total spending for fiscal 2020 to exceed ¥175 trillion, with three extra budgets compiled in addition to the initial budget of ¥102.66 trillion, fueling fear of a further deterioration in the country's fiscal health — the worst among major developed nations.
- GDP

Japan's economy in the July-September period grew an annualized real 22.9% from the previous quarter, the government said Tuesday, upgrading the preliminary figure of 21.4% on firmer private consumption. Private consumption, which accounts for more than half of Japan's GDP, soared 5.1%, revised upward from the 4.7% drop in the preliminary report released Nov. 16.
- COVID-19 Situation in Japan
 - Global spread of COVID19 affected Japan and the government restricted new entry of foreign nationals to Japan starting from 12/28 until end of January to prevent increasing COVID19 infection. Also, this restriction does not exempt 14 days quarantine for returning Japanese nationals and foreign residents with VISA arranged short outbound business trip.
 - COVID19 case increase is serious problem in Japan, especially rapid increase on hospitalized patients that caused overwhelming hospitals and healthcare workers.
 - Healthcare workers in Japan are prioritized receiving vaccine starting February.
 - Tokyo Shoko Research reported there are nearly 140 travel industry business closures in between January to October, which increase 40% from the previous year at same time. These closures were not bankruptcy and indicated many small to mid-size companies gave up their business due to the COVID19.
- Go To Travel
 - Japanese Government excluded Sapporo, Tokyo, Nagoya and Osaka from Go to Travel campaign until 12/27 to visit because these areas are identified as high infections area. Also, it asked the people from these areas not to travel outside from their home prefecture. During New Year holiday season (12/28 -1/11), the government temporarily stop the Go to Travel campaign as prevention for all prefectures. The cancellation fees are covered by the government funds during the period for existing reservations.
 - Japan Travel Agency is planning to start "Managed Travel" style with COVID-19 period as campaign. It is launching the special website to provide the initiatives, ideas, spread prevention notes to educate travel business owners. Also, it provides platform for Travel Agencies to promote "Managed Travel" service to market.

Outbound Travel Market

- UNWTO announced most update number of international tourists. 2020 January – October, over 900 million travelers cancelled the trip(s) and economic loss expected 10 times more than Lehman shock in 2009 (about \$935 Billion). In the year of 2020, the number of travelers were expected down 70-75% (vs 2019), 1 Billion people down, \$1.1 Trillion loss. To recover travel industry like 2019 level, UNWTO predicted it takes 2.5 to 4 years.
- JNTO announced Japan's November Japanese outbound number as 98.1% down (30,700 pax). Since August, the number of Japanese departures has been 30,000 pax level. Total 2020 departures from Japan (Jan – Nov) expected 82.9% down, 314,000 pax total. By the end of 2020, it is predicted 317,000 pax at most.

Competitive Environment

- Singapore:
 - Singapore Travel Bureau collaborated with Changi Airport Group started on 12/2 to provide Travel Insurance to foreign visitors. This insurance covers the visitor's (who diagnosis COVID19 while they are visiting Singapore) medical expense. With the insurance, minimum 30,000 Singapore dollar cover the medical cost.
 - As economic recovery, Singapore government announced the economic situation move to phase 3 on 12/28. With phase 3 conditions, social gathering allows increasing from 5 pax to 8 pax, capacity of the facility from 50% to 65%. Also, outdoor meeting allows from 50 pax to 250pax. Also, its own contact tracing 「Trace Together」 will be disseminated and target 70% of Singapore residents to participate by the end of year.
- Multiple COVID-19 variants spread: COVID-19 variants were found in globally. To prevent another spread, especially in Europe, Italy and Holland prohibited the entry from England first. Then, France, Germany and Ireland also stopped accepting the entry.
 - Germany: No flight arrival from England from 12/21 to 12/31
 - Switzerland: No entry from South Africa
 - Turkey: No air operation from England, Denmark, Holland and South Africa until further notice
 - Sweden: Border closure between Denmark from 12/22 to 1/21
- Indonesia: Strengthen travel inbound restriction Year-end period and restriction on domestic travel in between 12/19-1/8. To enter the country, foreign nationals are required Negative PCR test proof (3 days prior to arrival) as well as on arrival PCR testing at the airport.
- Germany: Until 1/10, due to the COVID19 spread, the government strengthen the restriction domestic and international travel, forced closure for retail stores and schools.
- France: Ease restriction with curfew was in place. Once the infection less than 5,000 per day, the government considering elimination of restriction on going out.

Consumer Trends

- **Value shift:** Due to the COVID-19, there is value and lifestyle shift toward more on Sustainability. People learned COVID-19 is not the problem for one area. It is affected globally and required cooperation to resolve this situation together. Socialists predict more sustainability initiatives and activities escalate more during/after COVID-19. Hawaii needs to be prepared more SDGs initiatives for next travel trend working with local organization and communities. (Source: <https://dentsu-ho.com/articles/7599>)
- More once a lifetime travel style and extraordinary global trip demand after COVID-19 are predicted by Booking.com. Also, from Booking.com survey, there is only 16% plan single person trip pre-COVID-19; however, the study shows 27% of Japanese who surveyed are interested single person trip after COVID-19.
- 2021 Travel Trend report by Expedia showed high interest on Staycation and more awareness of travel style (7% in 2016 vs 25% in 2020) Also, on the same report, Oahu is selected most search destination for 2021 trip desire. (Source: <https://prtimes.jp/main/html/rd/p/000000217.000003373.html>)

Digital Marketing Trend

- In 2020, lenaka (At home) projects were innovated in various areas, but especially music industry. Due to COVID-19, LIVE concerts & Music Festivals were cancelled in 2020. As replacement, Online Live concerts were provided by event organizers and artists. Since Online events became a trend, the keyword of “Online Live” were searched on Google greater than previous year. The technology evolves and new digital services including 5G created are the reasons of the booting online opportunities. Digital experiences will be escalating in 2021 and create different lifestyles and work styles. (Source: <https://www.hakuhodo.co.jp/magazine/87108/>)
- Digital market research was conducted by Shoeisha Co. Ltd. to identify the trend by utilizing user data from website and smartphone apps. The data was based on January to August 2020 and resulted Google, Amazon and Rakuten (these are ranked as top 3 in previous market research) however, YouTube ranked #4 (112% vs PY). Also, Twitter exceeds unique user of Facebook based on the survey. (Source: <https://markezine.jp/article/detail/34837>)

順位	サイト名	サイト	カテゴリ	2020年 UU数 (推計)	前年比
1	Google	www.google.com	検索	105,813,000	102%
2	Amazon.co.jp	www.amazon.co.jp	ショッピング	103,207,000	100%
3	楽天市場	www.rakuten.co.jp	ショッピング	102,566,000	101%
4	YouTube	youtube.com	コンテンツ共有	86,078,000	112%
5	Yahoo! JAPAN	www.yahoo.co.jp	ポータル	84,349,000	100%
6	Yahoo! ニュース	news.yahoo.co.jp	ニュース	83,331,000	107%
7	Twitter	twitter.com	ブログ	82,489,000	103%
8	Yahoo! JAPAN ログイン	login.yahoo.co.jp	その他	74,690,000	97%
9	Facebook	facebook.com	コミュニティ	72,986,000	98%
10	ウィキペディア (Wikipedia)	ja.wikipedia.org	辞書・辞典	71,814,000	94%

※期間：2020年1月～8月。デバイス：PC・スマートフォン合算

※UU数（推計）：該当サイトを訪問したUnique User数。ヴァリュース保有モニターでの出現率を基に、国内ネット人口に則して推測。

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Travel Trends

- Japan Travel Agency reported October performance from major 47 travel agencies. The report showed total revenues down 65.7% (\$1.51trillion total including Domestic \$1.46 trillion & Outbound \$35 million). Domestic business was showing slow recovery with Go to Travel campaign however, Outbound and Inbound business still struggled and down 97% from previous year.
- Major wholesalers focus on Go to Travel Domestic recovery first under the conditions, they forecast Outbound/Inbound business recovery as earliest as July or September 2021. However, for OTA like Rakuten, Expedia, increasing their bookings during Golden Week period. Once, one of the major hurdles, returning home 14 days Quarantine is released, more consumers are willing to travel.
- Many travel business implements reorganization and reformation of business models in 2021. Like others, HIS announced their business operation models not only 2021, but also 2022 onward. Until recovery period for outbound, it strengthens domestic travel. As their plan, the merger of retail outlets of 259 to 154 by 1st quarter of 2021 will be implemented. Also, sales & promotion will be extended from current model to not website sales, but also utilizing the online technology including web & video chat. This project brings easily access HIS resources with the choice of personal or online service from HIS anytime and anywhere for customers. With this program, HIS is target domestic business grow in 2021 3 times more than 2019 revenue, by 2023, it is planned 4 times more than 2019.

Media Trends

- The publishing companies are facing business conditions due to less advertising revenues from apparel industry which affected less sale in current COVID-19. One of the major women/lifestyle magazines “Mrs.” Magazine is under suspension of publishing, DIAMOND, Inc sold “Chikyu no Arukikata” series to Gakken Plus, EI Publishing Co, Ltd sold part of business projects to Dream Incubators. There are many changes occur in publishing industry and these trends continue in 2021.
- Bungeishunju Ltd started collaborative digital service with “note (Media Platform)”, Sekai Bunka Publishing’s 「MEN’S EX」 magazine as more e-commerce & e-learning providing video contents instead of printed media. The publishing companies are converting their traditional business models and innovating new services.

Airlift

- Operation & Suspension: Only 4 airlines (ANA/Hawaiian/JAL/ZIPAIR) operated during the month of December. Total 50 flights with about 12,333 seats serviced. Delta (until 3/28)/Korean (until 12/31)/United (until end of January) are remained suspending their operations.
- ANA: October domestic results indicated small recovery (58.6% down from previous year) unlike outbound travel (down 95.8% vs 2019). International ASK (77.4%) and RPK (94.8%) were down. Due to the entry restrictions globally, this situation will be remained a bit longer the airline expected.
- JAL:

- JAL announced new service to passenger to support their medical fees if they got COVID-19 while they are traveling. This service called “JAL COVID-19 Cover” and offer in limited time. JAL is first Japan carrier to offer this type of insurance service and available for all JAL flight passengers.
- Year-end period (12/25-1/3) booking pace for international flights is down 22.3% compared from previous year. (Seat supply: 76.9% down as total 72,000 seats, reservation: 94% down with total 16,000 pax)
- **United:** Announced operation schedule for January onward. Only 3 routes from Narita to US (San Francisco, New York and Guam) are operated. Honolulu route is still suspended.
- **ZIPAIR:** ZIPAIR inaugural flight was reported with passenger of 26 on 12/19. From 12/1, ZIPAIR provided special service called “With Corona Relief Pack”. This provided before departure/return home PCR test, free parking service to avoid using public transportation from/to airport. This type of service become more normal during COVID-19 conditions. This is an optional service to ZIPAIR passenger upon air ticket purchase.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- Global spread of COVID19 affected Japan and the government restricted new entry of foreign nationals to Japan starting from 12/28 until the end of January to prevent increasing COVID19 infection. Also, this restriction does not exempt 14 days quarantine for returning Japanese nationals and foreign residents with VISA arranged short outbound business trip.
- Prime Minister Yoshihide Suga on declared a second state of emergency in Tokyo, Kanagawa, Saitama and Chiba prefectures to contain the spreading COVID-19. This declaration has enforced from Jan. 8 until at least Feb. 7. Now, due to high infection throughout Japan, now 3 additional prefectures (Osaka, Kyoto and Hyogo) are now considering extension state of emergency. Japan government tries to have stable environment for not only public as well as business so that they can re-shift to recovery.
- Japanese Government excluded Sapporo, Tokyo, Nagoya and Osaka from **Go to Travel campaign** until 12/27 to visit because these areas are identified as high infections area. Also, it asked the people from these areas not to travel outside from their home prefecture. During New Year holiday season (12/28 -1/11), the government temporarily stop the Go to Travel campaign as prevention for all prefectures. The cancellation fees are covered by the government funds during the period for existing reservations.
- Japan Travel Agency is planning to start “Managed Travel” style with COVID-19 period as campaign. It is launching the special website to provide the initiatives, ideas, spread prevention notes to educate travel business owners. Also, it provides platform for Travel Agencies to promote “Managed Travel” service to market.

Leisure Activity Update

Consumer

- COVID19 Initiatives:
 - HTJ coordinated 3rd additional Japan Trusted Testing Partners (27 medical facilities) and announced on 12/22. With these additional medical facilities, total 84 are State of Hawaii TTP as of December 31.
 - HTJ enhanced the COVID19 website working with Hawaii State ETS, Department of Health, Attorney General office. The special chart for Neighbor Island visit was created and shared to industry partners including major airlines, Hawaii COVID19 data were updated daily. It resulted 164,448 page view with 48,930 unique users.
- Marketing:
 - Sent an email magazine to 369,559 consumers on 12/8 to announce the Hawaii Youth Symphony's charity concert, HTJ's "Remote Hawaii" program information, the inaugural flight of ZIPAIR from Dec 19th, and an announcement of a Christmas campaign on HTJ's Twitter.
 - Began preparing for creation of a new ASMR x roll playing promotional movies and storytelling movies to share on Hawai'i's myths in collaboration with famous Japanese voice actors. The movies are targeted towards millennials who have not yet traveled to Hawai'i to increase their interests towards the destination. On December, the final movie and sound check were completed by HTJ and this project is scheduled to be opened to public at the end of January 2021.
 - HTJ conducted a Christmas present campaign on Twitter to increase the followers and impressions of Hawaii. This campaign resulted more than 700 new followers and over 73,000 impressions at the campaign posting. Total 30 followers received made in Hawaii items including local designers' notebooks and coasters, Honolulu cookies, and HTJ and JANALAM collaborated eco bags.
 - HTJ started a fundraising for Polynesian Voyaging Society at the timing of PVS's announcement of new voyage from 2022 crisscrossing the Pacific Ocean to visit 46 countries and archipelagos, nearly 100 indigenous territories and 345 ports. HTJ is preparing to launch an educational website of Hokulea by March 2021, to support PVS's activities to share the importance of "Malama Honua" to all over the world. HTJ also started collected donation to support PVS in Japan market. As of Dec 25th, a total 107,200 yen from 29 people are donated.
 - HTJ is preparing launch "Malama Hawaii" website to promote responsible tourism to Japan market on allhawaii.jp. Contents include the introduction of responsible tourism and Aloha+ Challenge, NPOs and industry commitment for sustainable tourism in Hawaii, HTJ's activities and promotions, and what travelers can do to support Hawaii. The website is scheduled to be launched in March 2021.
- Surfing: To continue promoting Surfing, HTJ worked with Yoko-Nori Japan Movie Festival at Keikyu Aburatsubo on 12/19, HTJ supported TV program with BS Fuji "WORLD SURF JOURNEY ~

ROOTS OF HAWAII~” screened through Drive Theatre and 30 couples enjoyed and were informed about Surfing originated from Hawaii while they were in the cars.

- Digital Marketing:

- Hawaii at Home: In December, HTJ posted 9 columns of Hawaii at Home and totaled 164 columns, earned 1,105,158 impressions with 861,278 unique users in between April to December.
- Mitsue’s room Talk show: With 1 talk show in December, total 7 talk shows were broadcasted via YouTube. (Live participants: 1,911, total number of views: 21, 729)

Date	Title	# of Live Attendees	# of Views	YouTube Reach	PV	UU
12/12/20	Japanese guides, Maui & Kauai	181	2,183	20,000	1,405	1,179

- Remote Hawaii Trip Online Tour:

Press Release of “Support Hawaii” distributed on 12/25
Media Exposure: 42 Impression: 1,675,396,975 AVE \$167,424

- 1/9: Polynesian Voyaging Society
- 1/23: Bishop Museum

3 Remote Hawaii Trip Online tour in the month of December.

Date	Title	# of Live Attendees	# of Views	YouTube Reach	PV	UU
12/5/20	Kualoa Ranch	160	1,669	16,000	1,757	1,424
12/12/20	Masashi Nature School	287	3,297	28,000	4,430	3,723
12/18/20	Downtown & Kakaako	187	1,261	12,000	3,109	2,655
		634	6,227	56,000	9,296	7,802

Travel Trade

- Webinar: In the month of December, HTJ conducted 2 webinars with hotel partners (12/2: Highgate Hawaii & 12/9 Hyatt Resorts Hawaii). Over 150 agents participated and was updated current 2 hotels group COVID19 initiatives.
- JATA JOTC Destination Series Webinars (12/16): HTJ organized JATA JOTC Destination webinar with 24 stakeholders on 12/16. Over 1,205 travel trade representatives (75% Leisure representative) participated Hawaii webinar. During the webinar, HTJ updated COVID19 situations in Hawaii as well as Market initiatives including Travel Trade Education, Digital Marketing projects. After the webinar, the participants’ survey indicated about 28% answered same amounts of business can be delivered before COVID19, 40% answered about 50% of business can be served. Over 50% answered majority of inquiries are Outbound travel conditions and travel destination reopen period. With the survey, HTJ must continue providing information and updates to the market.

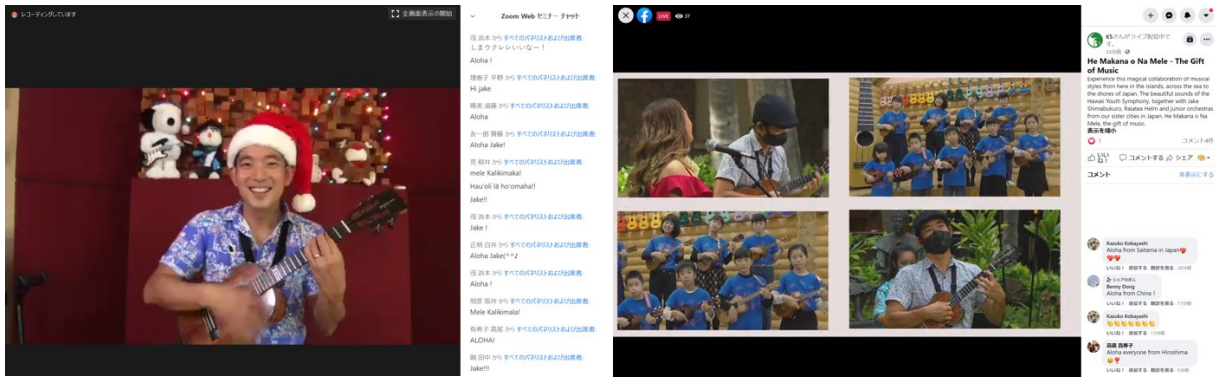
- Hawaii Theme charter flights:
 - ANA: Operated A380 special Early Xmas charter flight departing from Narita with Hawaii theme. This ANA's charter program has been successful and sold out since it started from August. New Year Sunrise charter (1/1) is also sold out as soon as sale started.
 - JAL: Also, JAL/JALPAK conducted Hawaii theme charter flight on 12/28. This is 2nd charter that JAL/JALPAK operated in 11/14.

Public Relation

- Press Release: In December, HTJ created and distributed 2 press releases, resulted 67 media exposures, 1,748,680,634 impressions, \$4,023,032 AVE
- Hawaii Youth Symphony "He Makana O Na Mele: The Gift of Music": HTJ distributed press release on 12/1 showcasing the online music collaboration project between Hawaii and 5 sister cities and Kanazawa.
- Remote Hawai'i Trip "Support Hawaii": Press release of Support Hawaii projects online tour on 12/25 announcing the online tour with Polynesian Voyaging Society, Bishop Museum in January and Iolani Palace in February.
- Major Media Exposures (TV / Radio program):
 - NHK "You are the Leading Actor 50 voices" (Broadcast 12/27) showcased Mitsue's room talk show and Hawaii's COVID-19 initiatives were introduced during the show. (<https://www4.nhk.or.jp/50voice/>) Impression: 6,393,920, AVE: \$3,642,000
 - HBC Hokkaido Radio "After Beat" (Broadcast 12/24): Telephone interviewed about Remote Hawaii. Impression: 110,000
- Media discussion: To prepare 2021 media projects, HTJ conducted media discussion meeting with 4 major Hawaii Media. During the meeting, HTJ informed current Hawaii situations enhancement of Aloha Program plan, enlighten of Responsible Tourism, Introduction of Malama Hawaii projects in 2021.
- Local Hawaii media involvement: Also, in Hawaii, local Hawai'i media (Hawaii Hochi, KZOO, Lighthouse, Hawaii ni Sumu) meetings were held and discussed 2021 collaboration with each media. For local Hawaii Media, the focuses are 1) Enlighten of Malama Mindset, 2) Local target plan for Aloha Program, and 3) COVID19 information distribution.
- Information distribution: Created special column of Hawaii featured TV/Magazine and HTJ interview article on allhawaii.jp site. This initiative continues in 2021 by utilizing Facebook and Twitter to increase the viewership. On the column, Recruit magazine "To-rimakashi" featured Hawaii's Responsible Tourism messages to readers. (Source: <https://www.allhawaii.jp/htjnews/4569/>)

image#1: Aloha Program Mini Concert

image#2: Hawai'i Youth Symphony



Image#3: ZIPAIR Malama Mask



Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
Japan (3)	Japan (28)	Japan (7)	(62) partners
Hawaii (2)	Hawaii (10)	Hawaii (12)	(83) representatives

- **Key Sales Activities:**

- HTJ conducted major wholesalers visit with purpose 1) to inform HTJ sales department transition and 2) market hearing. Based on the hearing, major wholesalers including HIS and Kintetsu are placed tour stop sell until the end of January and JTB just announced their stop sell until the end of February. Due to the current Japan's situation, there is possibility of stop sell period extended later dates.
- In the COVID-19 conditions, JATA is trying to create business opportunities and planning to conduct Hawaii FAM tour involving airlines and hotels to build the example of "Managed-travel".

- Tour companies are shifting their business model from traditional printed pamphlets to online/digital models, including dynamic packages targeting FIT. The promotional periods are waited and see depended on the COVID-19 and increase of consumer travel confidence level.
- **Partner Relations:**
 - **Hawaii Kai (HPCJ):** HTJ presented updates/information of COVID19 situations in Hawai'i and HTJ 2020 activities report as well as 2021 initiatives plan to participate 89 members at HPCJ Annual General Meeting held on 12/18.
 - **Hawaii Youth Symphony (HYS):** HTJ supported HYS through online concerts by connecting Hawai'i's 5 sister cities (Hokkaido, Hiroshima, Ehime, Fukuoka & Okinawa) and Ishikawa Jr. Orchestra held on local TV station, Hawaii News Now on 12/9. HTJ promoted this online event through HTJ's SNS, allhawaii as well as other media relations with HTJ in Japan. This is not only to support HYS project, but also to encourage Japanese Youth to connect with Hawaii though music.
 - **COVID-19:** HTJ assisted AG office, DOH to add 27 Japan TTP on 12/22 and provided the list to DOT for COVID19 Check in desk at Airport. Created inter-island process chart and uploaded to COVID19 site. Translated Governor's announcement in Japanese and posted on COVID19 site soon after press conference. Informed Airlines (including ANA/HA/JAL) for update 10 days Quarantine.
 - **Remote Hawaii Trip:** Collaborated with PoWow Hawaii and Local Artist (Ms. Sarah Caudle) for Feel Hawai'i, Kualoa Ranch for Adventure Hawai'i and Masashi Nature School for Discover Hawai'i. To prepare for January online tour, HTJ has communicated with Bishop Museum, Polynesian Voyaging Society and Iolani Palace.
 - **JHTA Board Member Meeting:** Attended JHTA Board Member Meeting. In the meeting, discussed 2021 initiatives and updated HTJ's initiatives and COVID-19 situation.
 - **Information sharing with Partners:** HTJ distributed the 2 press releases and shared information with stakeholders in both Hawaii and Japan including HPCJ, JHTA, Japan Market stakeholders, JATA, Travel Agencies.

Responsible Tourism Update

- **Aloha Program:**
 - Aloha Program Hawai'i specialist members totaled 27,130 and total of 60,406 Aloha Program Members as of December.

Beginners	Intermediate	Advanced	Youth
9,203	4,688	12,540	699

- **Online Education:** Continued streaming weekly webinars for consumers through the Aloha Program. Topics of the webinars in December included culture, nature, and music, attended by total 764 members. A total 171 Hawai'i specialists (Intermediate/advanced-level) attended Olelo Hawai'i lessons (12/5 & 19) by Ms. Miilani Cooper via live stream.

- Contents enhancement: In December, total 8 new columns on history, culture, and nature were posted.
- Special “MELE KALIKIMAKA” zoom concert with Mr. Jake Shimabukuro to conduct a on live on 12/12, attended by 377 Hawaii specialists. Attendees were truly satisfied with this Hawaii specialist benefit to join his live concert from Japan.
- Aloha Program delivered 5 email blast sent to close to 42,000 members and an open rate of 30%.
- Malama Hawaii Initiatives:
 - With Malama Hawai'i Initiatives, HTJ created donation drive platform of Bishop Museum (Bishop) and Polynesian Voyaging Society (PVS) and promoted these organization through Remote Hawaii Trip in January (PVS: 1/9 & Bishop: 1/23 – Japan time). All participation fees of the program will be donated (1,000 yen per person) to NPO above later dates.
 - NPO Donation Drive Platform
 - Bishop Museum: <https://congrant.com/project/hawaiiitourismjapan/2325>
 - PVS: <https://congrant.com/project/hawaiiitourismjapan/2329>

“Coming Attractions” for Leisure Market

What	When	Where
New year’s greetings with major travel agencies and stakeholders	Through January	Online
Remote Hawaii Trip Support Hawaii (Polynesian Voyaging Society)	1/9	Online (Hawaii)
Remote Hawaii Trip Discover Hawaii Maui	1/16	Online
JHTA bi-monthly meeting	1/21	Online
Hawai’i Kai Monthly Meeting	1/22	Online
Remote Hawaii Trip Support Hawaii Bishop Museum	1/23	Online

Hawai'i Tourism Canada

2020 Monthly Leisure Marketing Report – December

Market Intelligence/Market Conditions

Economy

As 2020 draws to a close, we see some light at the end of the tunnel. Campaigns for COVID-19 vaccination are beginning across Canada and other parts of the globe, signalling a beginning of the end of this tragic pandemic. However, it will take many more months before the vaccines reach enough of the population that our society and economy can begin to truly recover. Until we get there, the country remains in the grips of a deadly second wave of infection. Dealing with the public health crisis has necessitated renewed regional shutdowns and slowed economic growth dramatically from the rebound we witnessed in the third quarter. This is a trend that is, unfortunately, expected to continue in early 2021. The impact COVID-19 has had on our economy is like nothing in recent memory. Real GDP fell by an annualized 7.3 percent in the first quarter of 2020 and by a jaw-dropping 38.1 percent in the second quarter. The speed of the rebound has also been unprecedented, with growth surging by 40.5 percent in the third quarter.

Nevertheless, our baseline forecast is built on the expectation that household spending will remain key to growth. We expect sharp differences in performance within spending categories. With many personal services and entertainment venues shuttered or operating at reduced capacity, consumer spending on services remains 12.4 percent below its pre-pandemic level. At the same time, household outlays on durable goods and investments in residential properties have soared well above their levels before the crisis.

With lockdowns being renewed across the country in response to rising infection rates, our forecast calls for economic growth to slow to just 2.7 percent in the fourth quarter, leaving the economy down 5.7 percent, or \$119 billion, to end the year. The economic soft patch we're in will persist until the second quarter of the new year; when the weather improves and more people are vaccinated, we'll begin to see growth pick up again. Getting enough of the population inoculated to substantially curb the spread of COVID-19 is, however, key to our economic recovery. That means growth next year will be back-end-loaded, given the timing of the national vaccination campaign. As momentum once again begins to build in the second half of the year, we see the economy growing by 4.9 percent in 2021 and 4.2 percent in 2022.

During the period, the average value of the loonie was USD \$0.743.

Outbound Travel Market

There were 136 thousand trips recorded in October, a 94 percent decline compared to the same period in 2019. Total overnight outbound trips are down -69 percent compared to the first ten months of 2019. Canadians have made just 8.6 million overnight trips to the U.S. and other destinations in 2020 versus 28.2 million last year. During the period, overseas activity has fallen 63 per cent while transborder trips have decreased 74 percent.

Canadians made 4.55 million overnight trips to the U.S. throughout the first ten months of 2020, compared to 17.2 million in 2019. During the period, overnight auto trips fell 78 percent and travel by other modes decreased 68 per cent. Since April, just 150 thousand trips by air were recorded, compared to 4.5 million in 2019.

With almost no activity recorded since March, YTD arrivals from Canada are now -67% less than the volume recorded in 2019. The first eleven months of 2020 saw direct arrivals fall -64% and indirect arrivals decline -75%. The decline in activity has resulted in 318 thousand fewer arrivals so far this year.

Competitive Environment

Minimal travel activity since April has led to a -52 percent decline in trips to the Caribbean, Mexico, and Central America throughout the first ten months of 2020. While more than 2.1 million arrivals from Canada were reported during the period, almost all of this activity took place in the first three months of the year.

Arrivals in the Asia-Pacific region have reached just 648 thousand throughout the first ten months of 2020, a 78 percent decline compared to 2019. So far, the pandemic has resulted in 2.3 million fewer arrivals in the region with China (-90%), Hong Kong (-90%), Macao (-90%), and Taiwan (-83%) recording the largest proportional declines. During the period, the average occupancy rate was 28.7 percent in Thailand, 44.1 per cent in Hong Kong, and 56.5 percent in Singapore.

Consumer Trends

Despite the second wave of COVID-19, consumer confidence was 85.8 points in December; the highest level recorded since March. Compared to the previous month, confidence increased quite a bit in Atlantic Canada, Ontario, and BC, while little change was registered in the Prairies and Quebec recorded a decline. Overall, 58 per cent of Canadians expect their household finances to remain the same over the next six months. Moreover, just 21 percent think it is a good time to make a major purchase, compared to 28 percent one year ago.

Travel Trends

Each province and territory have created its own travel rules in response to the pandemic — and those rules are subject to change. To help navigate the varied rules, the Canadian Travel & Tourism Roundtable has created an interactive map. The Federal Government still encourages Canadians not to travel abroad unless it is essential and some of the provinces have a second ongoing lockdown. During the last two days of the year, the Ministry of Transportation imposed a mandatory negative PCR test result before boarding a plane into Canada on top of the 14-day quarantine upon arrival, urging Canadians to come back home or being at risk of being unable to do it.

Throughout the winter 2020-21 travel season, direct capacity from Canada is scheduled to decline -40% to just 174 thousand seats. This follows a loss of 102 thousand seats last winter after the pandemic was announced. Both Air Canada (-36%) and WestJet (-42%) are reporting reductions in service this winter, resulting in 115 thousand fewer direct seats. While the State's Safe Travels Program will help attract visitors, other restrictions and reduced access is currently projected to result in a 61% drop in arrivals compared to 2019-20.

Media Trends

After the announcement of the negative COVID-19 test to enter Canada and the stricter measures, a great deal of shaming notes has been launched, with politicians and government officers travelling abroad for vacation, not respecting the Do Not Travel advisory in place. A great number of them have been fired or removed from their offices.

1. Increased use of video content

"This year, brands have shifted to share content in more strategic ways and places," says Celeste Scott. Both long-form and short-form video are among the most shared content on social media. Your audience wants to hear from your leadership team and consume content in a more entertaining way.

2. Emphasis on brand voice and authenticity

This isn't the first time--and it's not the last time--brands have had to take a look at themselves. "While consumers want change now, there is still time for brands to take action and be true to themselves," notes Scott. Consumers tend to gravitate towards brands whose values align with their own and whose actions pay off the brand promises.

3. Useful content vs. engaging content

Many brands saw a shift in their content pillars. Focusing more on providing useful content vs. engaging content. Kamillah Jones says, "Don't try to be all things to all people but rather stay true to yourself as a brand."

4. The importance of listening

"This was a year where people who weren't familiar with social listening, and ways to become in tune with target audiences, realize that you can go to sleep at night and the conversation will change," says Javid Louis. Listening to how your audience reacts to your content and the happenings in the world is critical to inform your strategy. In 2020 we saw sentiment change overnight, to stay on top of it we need to utilize the right tools.

Airlift

- Compared to 2019, direct capacity fell 60% throughout the first eleven months of the year.
- During the period, Air Canada reduced capacity by 99 thousand seats (-60%).
- At the same time, WestJet reduced service by over 142 thousand seats, a decrease of 55%.
- After months of no service, carriers began offering seats in December to coincide with the launch of the State's Safe Travels program.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- Canada will not agree to lifting a ban on non-essential travel with the United States until the coronavirus outbreak is significantly under control around the world, Prime Minister Justin Trudeau said. Trudeau's comments were a clear indication that the border restrictions will last well into 2021.
- The 14-day mandatory quarantine remains for another month at least, as the federal government announced today that it will extend its Mandatory Isolation Order and temporary travel restrictions, to January 21, 2021.
- Travellers entering Canada must now submit a COVID-19 negative PCR test result, symptom self-assessment and quarantine plan, electronically, before boarding their flight, through the new ArriveCAN app.
- The Ontario government is actively working with the feds at Toronto Pearson airport to reduce the downtime for travellers that must quarantine for 14 days upon their return.

Leisure Activity Update

Consumer

The next posting calendar is in the planning stages, although Kaua'i requested not to have dedicated posts since they are not currently participating on the pre-arrival testing program.

The following consumer campaigns are running and will roll into January, to support the airlines' effort to bring Canadians back to Hawai'i. All the graphics for the campaigns have been reviewed by the HTA.

- *Air Canada Vacations*. Currently on hold after the Canadian Federal Government announcement on December 30th, reinforcing the 'do not travel' advisory. Expected to resume in early February.
- *WestJet Vacations*. Currently on hold after the Canadian Federal Government announcement on December 30th, reinforcing the 'do not travel' advisory. Expected to resume in early February.
- *TravelBrands*. Currently running.
- *Expedia.ca*. Currently running.

The social media campaign has been delayed until the Facebook pixel is uploaded to the Gohawaii.com/ca website.

The Malama campaign has been shared with every partnering tour operator.

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Travel update

Need help with travel plans impacted by COVID-19? Your online itinerary is the best place to cancel your trip. For more information about refund timelines or other help, visit the Customer Support Portal.

[Go to your itinerary](#)

Flights Hotels Flight + Hotel Vacations Cars Things to Do

Going to:

Check-in: Check-out: Rooms: Adults (18+): Children (0-17):

Add a flight Add a car

Due to coronavirus (COVID-19) travel advisories, some destinations may be unavailable for certain dates. [Find out more.](#)

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Travel Trade

Spoiled Agent Webinar Series

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

- Hawaiian Culture – September 10th (538 views to-date)
- Island of Hawai'i – October 1st (358 views to-date)
- Maui – October 22nd (566 views to-date)
- Moloka'i & Lana'i – November 20th (347 views to-date)
- O'ahu – December 10th (383 views to-date)
- Kaua'i – December 16th (389 views to-date)

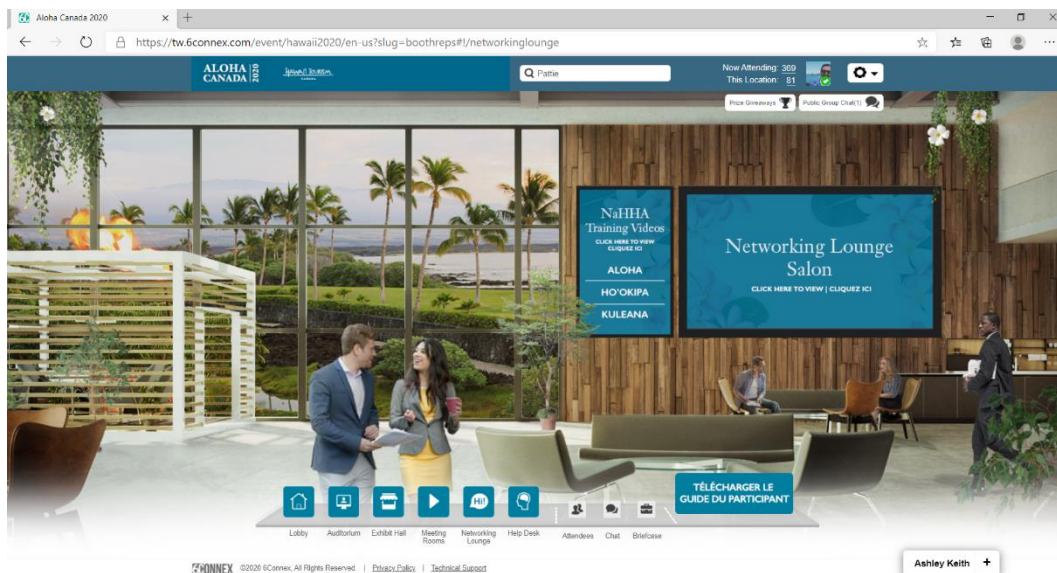
Aloha Canada

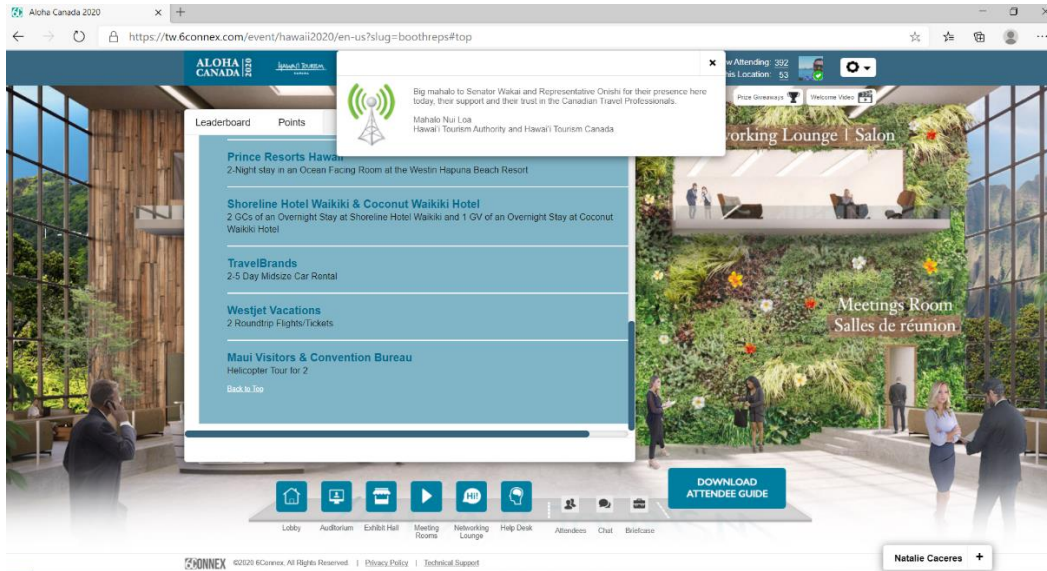
The virtual trade mission took place December 3rd. 588 people attended the live show and/or entered the event during the following 30 days.

23 Hawai'i industry partners participated in the virtual mission. Each one had its booth, in addition to the four Island Chapters. Also, the Island Chapters participated in four appointments with the travel trade media and two meetings with meeting planners.

A wrap-up report will be sent shortly to the HTA with the full attendee database. Each of the partners already received the information of the attendees who "entered" their booths, as well as their conversation histories.

Hawai'i Tourism Canada has received excellent feedback from industry partners and travel advisors who participated in the virtual event. All the participants who submitted their surveys found the cultural webinars interesting and useful and they have said they would like to participate in the Aloha Canada 2021 trade mission. Among the suggestions for next year was to create a destination weddings-specific training and the inclusion of more suppliers.





13 Days After Christmas promotion with Spoiled Agent is live!

HTCAN partnered with Spoiled Agent to collaborate on their latest contest. Travel advisors must visit SpoiledAgent.com, find the image displayed that is hidden within the website, enter their information, and they will enter to win prizes. Hawai'i is offering a gift bag of promotional items. The contest ends January 9th, draw date for all prizes is on January 11th. The response has been overwhelming, many travel advisors have entered to participate in this contest.

Public Relations

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

Sales Activities

Airline	Wholesaler/TA/TO/OTA	Other	Total
10	25	6	41

Agents request list of labs authorized by the state of Hawai'i where clients can get COVID tests

- With the new announcement by the Canadian government regarding pre-arrival testing requirements, many travel advisors have contacted Hawai'i tourism Canada requesting a list of companies and locations where their clients can get a PCR COVID-19 test before their return to Canada. They are being directed to the list of travel partners published on Hawaiiicovid19.com. Most travel agents have been reporting that their clients have been able to set up appointments for the tests.

Responsible Tourism Update

Hawaiian Culture

During the Aloha Canada mission there were three webinars on Hawaiian Culture, presented by the Native Hawaiian Hospitality Association with the following topics:

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

Nature Resources

HTCAN is always trying to minimize its environmental impact with this purpose. A major effort is constantly made to encourage agents to utilize digital materials, rather than the printed versions.

Also, HTCAN has made sure that all the branded promotional items are either recyclable, made of recycled materials and/or are biodegradable.

Community

Nothing new to report.

Island Chapters Engagement Update

HTCAN organized a series of 6 webinars with Spoiled Agent which included the following topics:

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

The HTCAN team has been in communication with the four Island Chapters regarding this Spoiled Agent webinar series, as well as the preparation and planning for the 2020 Aloha Canada virtual trade mission.

"Coming Attractions" for Leisure Market

What	When	Where
Air Canada Vacations Campaign	December-January	Canada-wide
WestJet Vacations Campaign	December-January	Canada-wide
Expedia.com Campaign	December-January	Canada-wide
TravelBrands Campaign	December-January	Canada-wide
Social Network Campaign	December-January	Canada-wide

Hawai'i Tourism Oceania 2020 Monthly Leisure Marketing Report – December

Market Intelligence/Market Conditions

Economy

Australia

New restrictions for the Greater Sydney area have been put in place to contain a cluster of Covid-19 in Sydney prior to Christmas. The government has acted quickly to contain the cluster, restrictions on New Year's eve celebrations were put in place including the fireworks in Sydney and state borders have been closed as a precaution. There were zero community transmissions reported at the start of the week. Australia is ahead of schedule on plans for a coronavirus vaccine rollout with distribution expected to begin in February. The government has maintained an approach of "under-promising and over-delivering" and we are optimistic that rapid implementation of the vaccine will allow us to open our borders to international travel.

Unemployment has dropped from 7% to 6.8%, with 90,000 people starting work in November. 80% of the increase was due to the easing of restrictions in Melbourne allowing many businesses to reopen and take on staff. Unemployment is now at its lowest level since April, having peaked at 7.5% in July. Underemployment fell 1%, to sit at 9.4% compared to a peak of 13.8% in April. The Australian dollar is continuing to hold firm at the higher end of the scale when compared to the last 12 months, sitting around US\$0.75.

New Zealand

New Zealand continues to have no Covid-19 cases in the community with the only positive cases being related to International arrivals being housed at the managed isolation hotels. The economy looks like it might have exited a Covid-19 driven recession with a 14% gain in gross domestic product (GDP) over the September quarter. While there is still wariness about the future, this is a very positive sign that the hard lockdown back in March was the right call.

The New Zealand dollar has strengthened over the month to levels not seen in the last two years. The NZ dollar is currently trading at US\$0.72.

Outbound Travel Market

Australia

During the month there was a very positive announcement that the Trans-Tasman bubble would begin in Q1 of 2021. This would mean travel will begin 2-way without quarantine requirements. Both governments have not provided a date for when travel restrictions will be lifted but we can expect to have a strong indication of dates by Q1. Based on current trends in domestic and interstate travel, the demand to travel is high. Once dates are announced there will be a strong and rapid demand once travel restrictions are lifted, especially from our repeat visitor segment.

New Zealand

The news of the opening of travel bubbles to Australia and the Cook Islands in Quarter 1 has been received very positively and the work being done on the airport systems will create the health systems and protocols for expanding to additional destinations. There is still uncertainty regarding the impact on timing that the recent community cases in Australia may have.

Competitive Environment

Australia & New Zealand

- There has been a large volume of trade activity from competitor destinations. This has included webinars, virtual events and face-to-face training.
- In terms of consumer activity, destinations such as Fiji, Queensland, Thailand, Vanuatu, and Tahiti have remained active via social media throughout COVID-19 consistently posting inspirational content on a regular basis.
- With domestic travel restrictions continuing to ease, Tourism Australia has released the next phase of its Holiday Here This Year campaign. The latest domestic marketing push is urging Australians to give the gift of travel this festive season, by inspiring travellers to help give back to tourism operators and communities across the country.

Consumer Trends

Australia & New Zealand

In the first half of December, Australian consumer sentiment has hit a 10-year high with consumer sentiment improving significantly as Australian state borders opened back up. However, towards the end of the month, the emergence of a COVID-19 cluster in Sydney's Northern beaches affected consumers' otherwise positive sentiment. This sentiment will bounce back as the cluster is contained.

Travel Trends

Australia & New Zealand

NIB Travel Group has announced a new insurance product with coronavirus cover. In addition to new coverage for coronavirus-related medical expenses overseas, travellers who choose a higher level coverage also have access to some cancellation and additional accommodation costs if subject to quarantine as a result of a diagnosis while travelling. The move by NIB Travel comes not long after rival Cover-More introduced its owned COVID-covered travel insurance offering last month.

Media Trends

Australia & New Zealand

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

Airlift (Specific to Hawai'i)

Australia & New Zealand

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

Qantas has brought forward international ticket sales by two months amid expectations global travel will resume sooner than expected. Optimism surrounding the rollout of COVID-19 vaccines has led Qantas to bring forward flights to the US and UK, to July 1. Bookings for international flights with Hawaiian

Airlines remain open from March and HA have indicated that they are prepared to restart flights as soon as restrictions are lifted.

Recently we heard of positive news from Air New Zealand in that they are re routing their current direct flights to Los Angeles and San Francisco to include a stop in Honolulu. The reason for this is that Air NZ want to house their flight crew in a safer environment with less Covid-19 cases. This will create an opportunity for New Zealand passengers to travel to Honolulu from February 2, although this facility has not been set up yet. HTO is liaising with Air NZ regarding the commencement of selling fares. Note NZ still imposes a 2-week mandatory isolation requirement at dedicated isolation hotels on the arrival in Auckland.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

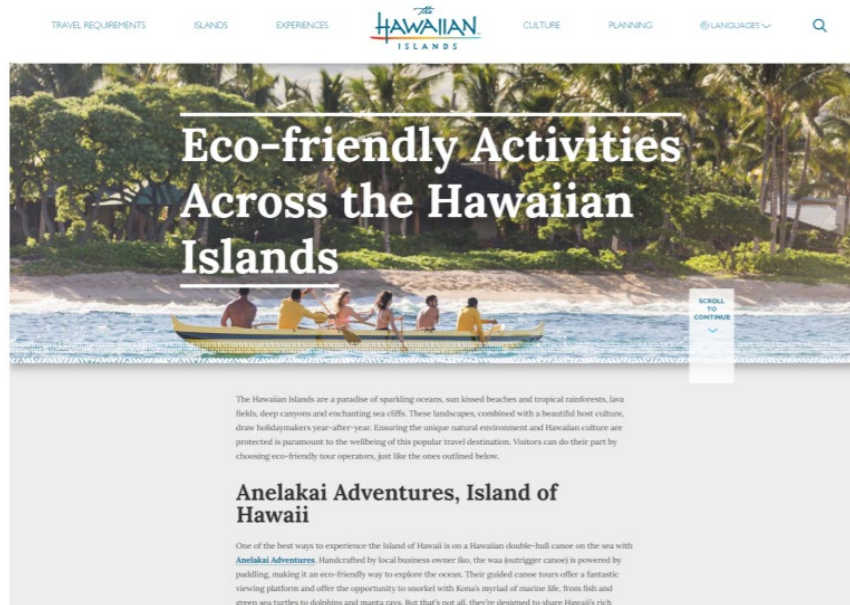
Australia & New Zealand

Both the Australian and New Zealand governments still have regulations that restrict outbound travel. The key element that will change this is the introduction and success of the vaccine. With Hawai'i's success relative to other US States we are seeing a positive sentiment for airlines and consumers to return to Hawai'i as soon as the time is right.

Leisure Activity Update

Consumer

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



Travel Trade

NZ Round Table gathering: Due to a Covid-19 related credit at the Hilton Hotel Auckland, HTO was able to invite key travel trade and diplomatic partners to a round table lunch. Guests included the US

Consul General, Hawaiian Airlines, Air New Zealand, Marriott NZ and the four leading retail chains Flight Centre, Helloworld, House of Travel and First Travel Group. The gathering provided an opportunity for key industry decision makers to bond together and discuss a united approach to the return of travel to Hawai'i. This core group of people will be our key partners and influencers as we lobby for Hawai'i's position as borders start to re-open in 2021.



Public Relations

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

Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
3	6	2	11

Included round table meeting with key travel trade in NZ.

“Coming Attractions” for Leisure Market

HTO will continue to provide market intel and continue liaison with key trade, media and political partners. HTO continues to produce ‘evergreen’ content in preparation for activation of the recovery marketing plan.

Hawai'i Tourism China

2020 Monthly Leisure Marketing Report – December

Market Intelligence/Market Conditions

- **Currency:** In December, the Chinese Yuan continues to strengthen against the USD to 6.52 from 6.57.
- **Unemployment rate:** In November, the unemployment rate was 5.2%, a decrease of 0.1% than October. This is the fourth consecutive month of lower unemployment rates (October dropped 0.1% from September).
- **Consumer Price Index:** In November 2020, the Consumer Price Index was -0.5%, dropped by 0.5% year on year.

Outbound Travel Market

- Millions of Chinese tourists who have shunned overseas travel this year because of the pandemic are now further narrowing the scope of their journeys, visiting nearby cities and avoiding trips out of their provinces. Recent COVID-19 cases in Beijing and northern China have rekindled public concern. Although hotel bookings for the upcoming three-day New Year weekend had reached 1.8 times of bookings a year earlier as of Dec 24, plane tickets were nearly 20% cheaper on average, with many people not traveling far.
- Data from hotel research firm STR showed that, from April to November, China's hotel performance was recovering much better than the rest of the world. The weekly occupancy rate of the hotels in China was 61.7% as of the end of November.
- China's Premier Li Keqiang said the country will step up epidemic prevention and control during the upcoming Spring Festival travel rush and strengthen emergency response, in an effort to ensure safe travel of the public. The country will continue to encourage avoiding mass gatherings and offering more contactless measures.
- China has recently rolled out a comprehensive development plan on the cultural and tourism development for the Guangdong-Hong Kong-Macao Greater Bay Area, according the Ministry of Culture and Tourism.

Competitive Environment

- Australia considers to extend ban international travel till March 17th, 2021.
- Singapore will open business travel bubble to all other countries from January 2021.
- South Korea decided to extend the special warning for global travel till January 16th, 2021.
- Switzerland launched 2020-2021 winter campaign “You need a vacation, you need Switzerland”.

Consumer Trends

- McKinsey issues a study on passenger consumption characteristics under the epidemic. The study presents new consumer buying patterns. First, there is a focus on the entire closed loop of consumption. More companies such as hotels offer food delivery due to higher demand due to the pandemic. Second, companies need to develop strategies for different customer groups and build products and promotional activities for different customer groups in stages. For example, single young people in China will first travel (April to May), followed by parent-child groups (summer), and finally the elderly group (National Day). Generation Z are more prone to impulse consumption, with 47% of them saying they would buy products on the go. Companies will need to review their product strategy. Many new products emerged during the epidemic, such as RV tourism, outdoor adventure sports, and so on. There are many new destinations suitable for these activities, especially the suburbs near first-tier cities. While self-driving trips are more and more popular than group trips. Companies will also need to assess their digital marketing budgets and their effectiveness. The measurement of digital marketing effectiveness is not only to allocate marketing budgets for new channels or new media, but more importantly, how to manage new channels and existing channels, and correlate them with performance indicators such as traffic, membership activation, and sales conversion. The application of digital technology is not limited to marketing, but also as a way to connect with travellers. Health and safety are still consumers' priority.

Travel Trends

- Accenture released "China Tourism Industry Outlook for 2021" report on December 22, 2020. Per report, China domestic travel has almost recovered to pre-pandemic level. In 2020, China domestic travel reached 4.8 million, 98% YOY 2019. The tourism revenue for 2nd half of 2020 reached 2,120 billion Yuan, an increase of 231% compared to first half in 2020. Per report, there are four key future development scenarios for the global tourism market. They are:
 - Strong recovery by 2022, with levels comparable to pre-pandemic
 - Tourism and pandemic coexist
 - Market downturn
 - Large-scale collapse of tourism companies
- New trends of the tourism industry are beginning to appear. They are:
 - Domestic tourism becomes the main engine of the industry
 - From "improvised tours" to "planned tours"
 - Self-guided tours and contact free are extremely popular
 - Leisure business travel is now the new favorite

Media Trends

- Kantar released 2021 Media Trends & Predictions Report. Some of the key points for media trends are as follows:
 - UGC platform and e-commerce platform, after e-commerce is equipped with social content, it begins to erode the time of users on UGC platform. The boundary between the UGC platform and the e-commerce platform is no longer clear, and it is on the road of competition and cooperation. As the boundaries between content platforms and e-commerce platforms are broken, the roles of the two in marketing are no longer limited to the former "planting grass" and the latter "weeding".

- The importance of social media - digital first. As Chinese netizens use various APPs for a relatively similar time period, the challenge that social media brings to marketers is how to maximize the effectiveness of social media in the fierce competition of online media. As an important node between brand and consumer communication, KOLs should be included in the brand's long-term marketing strategy planning in the future, rather than short-term strategies.

Airlift

- Cathay Pacific is reportedly aiming to take over slightly more than half of the routes previously flown by Cathay Dragon, with the rest assigned to low-cost carrier HK Express. However, some key routes may also be opened up to rival Hong Kong Airlines and newly-minted competitor Greater Bay Airlines, which plans to launch in mid-2021 with a fleet of Boeing 737 jets.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- A report issued by Chinese OTA Trip.com revealed that tours for boutique and small groups were gaining popularity in 2020, with middle and high-level products leading the growth. The number of private group offerings went up by 400% to nearly 60,000 this year.

Leisure Activity Update

Consumer

- **Social media posting.** HTC continued to post in social media in December 2020. HTC has posted four articles on WeChat, and four articles on Weibo and Xiaohongshu. The details of views of each platform are as follows:

Date	Article	WeChat views	Weibo views
12/2	Kaua'i's latest travel policy	1,196	11,000
12/12	Eagle Ray	344	11,000
12/19	Make a Hawaiian Christmas gift for your beloved ones	579	12,000
12/24	Mele Kalikimaka	1,179	16,000



- **Official Account on Dianping.** In December, HTC continued posting one article per week for a total of four articles on Dianping. All articles are from previous postings on WeChat.

Travel Trade

- **HTC Attended Mafengwo Press Conference.** On December 4th, 2020, HTC attended the World Explorers Conference organized by Mafengwo to address this year's theme: "Embrace the New Beginning with Heart". Mafengwo shared their new strategy for 2021, "Uncover the Travel Possibilities", and launched their new travel tips product. The travel tips are categorized based on destinations, with content provided by the website's professional team, core users, tourism bureaus and scenic areas. During the conference, featured KOLs shared their travel experiences by different themes. As an example, the German Tourism Bureau gave a speech on "Walk inward, The Future is Possible".



Public Relations

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

Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
	4		4

Responsible Tourism Update

- Recent social media messages of travel inspiration focus on Kuleana and Mālama concepts.

"Coming Attractions" for Leisure Market

N/A.

Hawai'i Tourism Korea

2020 Monthly Leisure Marketing Report – December

Market Intelligence/Market Conditions

Economy

- South Korean economy is expected to grow 3.2% in 2021, following this year's estimated contraction of 1.1%. Korea is expected to rebound next year on improving exports and domestic demands although economic uncertainty remains high due to COVID-19 outbreak.
- South Korean economy is expected to recover much faster than those of many advanced countries in 2021. According to Fitch ratings, coronavirus will pose a threat to Korea's export-reliant economy, but it will rebound to its pre-pandemic level faster due to its fast response to the COVID-19 pandemic and the solid demand for information technology goods as businesses increasingly go contactless.
- The composite consumer sentiment index (CCSI) for December recorded 89.8, with 8.1 points decrease from the previous month, recording the first drop in three months in December due to tougher antivirus measures and worsened economic expectations, according to Bank of Korea.
- Retail sales in South Korea moved up 6.3 percent in November from a year earlier on the back of the nationwide consumption-boosting events aimed at overcoming the economic jitters from the COVID-19 pandemic. The combined sales of 26 major offline and online retailers reached 12.41 trillion won (\$11.2 billion) last month, up from 11.68 trillion won a year earlier, according to the Ministry of Trade, Industry and Energy.
- The average USD/WON exchange rate in December was KRW 1,054.04 won, a slight decrease from the previous rate of 1,068.43 won in November.

Outbound Travel Market

- Data for the number of outbound travelers in October recorded 71,970, 96.7% year-on-year (YOY) decrease.

Month	Departures	Growth (%)
January	2,513,030	-13.7%
February	1,046,779	-60.0%
March	143,366	-93.9%
April	31,425	-98.6%
May	37,801	-98.2%
June	48,338	-98.1
July	65,936	-97.5
August	88,888	-96.3
September	76,798	-96.3

October	71,970	-96.7
Total	4,124,331	

Competitive Environment

- The Singapore Tourism Agency signed a business agreement with Studio Dragon, a famous Korean drama planning and production distributor. Through this agreement, the Singapore Tourism Board will create branded contents and further enhance destination images of Singapore as a must to visit travel destination.
- Maldives tourism re-opened its boarder on mid-July for international travelers who hold COVID-19 negative test results and celebrated its 500,000th tourist arriving at Maldives in December. Also, on the first day of 2021, Maldives Border Miles loyalty program was launched where tourists can register on the program and start earning points by travelling to Maldives based on the duration of stay, visits to celebrate special occasions, visits on local occasions of Maldives, frequency of visits, and other aspects which can be used for future stays in Maldives.

Consumer Trends

- According to the recent survey conducted by Incheon International Airport Corporation, 70.2% of South Koreans have overseas travel plans once the development of COVID-19 vaccines is completed. Of them, 33.4 % were willing to go abroad within three to six months after the vaccination development and 42.2 % preferred long-haul destinations such as Europe or Hawaii. About half of all respondents said their overseas trips will last seven days to one month, while another 40 percent of them plan on traveling for four to six days. Meanwhile, about half of all respondents unwilling to travel abroad even after the vaccine development said they do not want to fly out of the country due to fears of coronavirus infection.

Travel Trends

- According to Seoul Tourism Foundation, 72.9% of Koreans has desires to travel abroad. When asked how to relieve their desires to travel abroad, 49.7% look for travel photos that were taken in the past, followed by YouTube videos (38.2%) and researching travel-inspiring photos on the social media (33.6%). Regarding the type of digital contents that stimulate the desires to travel, most of the respondents said it was landscape-oriented video content.
- Korean Air has begun to take over Asiana Airlines from December 14 ending the acquisition of Asiana Airlines and integrating the two national flag carriers. Korean Air plans to closely inspect the overall situation of Asiana Airlines including its financial, operational, labor and sales part before submitting the acquisition integration plan on March 17, 2021.
- South Korean tourism businesses that are suffering due to the pandemic will be eligible for additional loans from the Ministry of Culture, Sports and Tourism. A total of 594 billion won (\$546.57 million) will be provided in the form of additional loans, while repayment may be deferred for 100 billion won worth of loans that are due next year.

Media Trends

- Instagram marked as the most used social networking service app by Koreans in 2020. According to a recent consumer survey, Instagram's total usage time topped the list with 4.7 billion minutes, followed by Facebook with 3.9 billion minutes, Naver Cafe with 2.4 billion minutes, and Twitter with 2.1 billion minutes. Other channels with less usage time were Daum café, Kakao story and Naver blog. (source: WiseApp, number of respondents 4,568 pax)
- Customized advertising will be first adopted at MBC Broadcast as a nationwide television channel starting from March. Advertisements for MBC broadcast programs will be sent out differently for each household applying Addressable TV. This will enable MBC to expand the client base to smaller businesses reflecting diverse portion of timing and target sizes and maximize the sales in the similar way as YouTube, leaving the question to maintain the public interest and quality of the advertisement product or format.

Airlift

- Korean Air extended its suspension of flight services on ICN-HNL route (KE053) and ICN-NRT-HNL route (KE001) till February 28.
- Asiana Airlines halted flights service of ICN-HNL route (OZ232) until March 31.
- Hawaiian Airlines started to operate its weekly flight from ICN to HNL(HA 460).

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- The foreign ministry extended the special advisory recommending against traveling overseas for another month amid the prolonged coronavirus pandemic. The measure will be effective until January 17, 2021.
- Korean Air has resumed its main routes to U.S. and Canada starting January. Under the circumstances of accelerated vaccine development, Korean Air started to prepare for consumers' leisure and commercial travel demands to major destinations in North America which includes New York, Los Angeles, San Francisco, Washington, Seattle, Boston, Dallas, Chicago, Atlanta and Toronto and Vancouver.
- Following Very Good Tour, other major travel agencies such as Hana Tour, started selling overseas tour products which depart from after spring in May. They covered various domestic tour products and international destinations including Hawai'i which launched or preparing for pre-test program which exempts mandatory quarantine for international travelers in case they have negative PCR test result. The promotion slogan was "Book for the hope to travel" with less than US\$10 reservation fee with free cancellation. Furthermore, smaller sized travel agencies are also joining the trend launching international trip early bird promotions for 2021, one of them even offering free voucher in the same amount of the tour product.

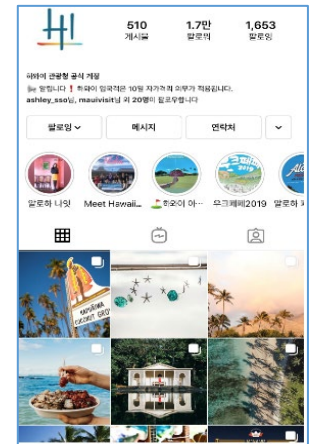
Leisure Activity Update

HTK COVID-19 Crisis Management

- **Trusted Testing Partners Program:** HTK has been in active communication with HTA and DOH to discuss the current process for finalizing the Korea form of PCR test results for Hawaii Pre-Test Program. HTK have contacted a list of key hospitals and received signed official partnership letter from 3 hospitals; Inha University Hospital, Yonsei Severance Hospital and Kangbuk Samsung Hospital. Other 3 hospitals are in reviewing status; COVID-19 Test Center at Incheon National Airport, Korea University Hospital and Seoul Asan Medical Center.
- **Safe Travels Program:** HTK has been continuously providing Korean translation update for Safe Travels Program application for Korean visitors.

Consumer

- **#VirtualTripToHawaii Campaign on HTK Social Media:** In December, HTK uploaded 5 social media posts under the theme of virtual trip to Hawaii along with year-end greeting post. Each weekly post covered (will cover in coming month) 6 main islands of Hawaii including Lanai Island introducing main scenery and attractions with appealing descriptions to evoke the urge to travel to Hawaii in the near future. HTK have submitted its social calendar for January and received approval.
- **General Consumer Inquiry:** HTK has been receiving numerous calls from general Korean consumers inquiring on the current status of 10-day mandatory quarantine in Hawaii and pre-test program



Travel Trade

- **Travel Agencies Webinar:** HTK has successfully hold its 2020 B2B Destination webinar on Dec 9th inviting key travel agencies and airline partners to share most updated destination information. HTK team has provided updates on current status of Hawaii including latest quarantine process and pre testing programs, Islands introduction, opening hotels information and 2021 marketing plans. HTK also delivered seasons greeting and best wishes for coming New Year to the industry partners. About 30 from travel agency, OTA and airlines partners participated to the webinar and approximately 60% of participants rated the webinar and all of them rated excellent which is the best score. After the webinar closed, HTK provided mobile coffee coupons to all the participants in expression of gratitude.
- **Safety & Joy Tours to Hawaii with Hana Tour:** In partnership with Hana Tour, HTK will develop safe and enjoyable trip to Hawaii in February. Hana Tour, will start selling products for "overseas travel you can go right now" and "overseas travel you can prepare in advance." Hana Tour will sell products that will depart from Q1 2021 targeting destinations where travelers do not have quarantine. To position the Hawai'i Islands as a safe travel destination, the promotion page will highlight the safety and cleanliness of the Hawaiian Islands by covering Hawai'i travel guidelines.

Public Relations

- **E-newsletter distribution:** HTK published the monthly e-newsletter to share latest destination updates and travel alerts on COVID-19 with consumers. It covered the seasons greeting for the subscribers including state plan to launch a COVID-19 pre-travel testing program, #VirtualTriptoHawaii Campaign on HTK social media and re-opening of Hanauma Bay.
- **Media handling:** HTK has been in active communication with major media to provide up to date destination information.



Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
3	7	7	17

- **Airlines:** HTK held virtual meetings with three major airline partners, KE, HA and OZ respectively to discuss current market condition and the flight suspension schedule. HTK also shared updates regarding the pre-test program process.
- **Travel Agencies:** HTK held regular virtual meetings with leading South Korean wholesalers, retailers, OTAs and receptive operators to share current market status and travel agency responses to market trends.
- **Others:** As HTK is in active communication with major hospitals in Seoul for TTP program launching process, had meetings by visiting respective hospitals to provide detailed background information on the program partnership and future plans further to the agreement.

Responsible Tourism Update

Hawaiian Culture

- HTK has introduced a Hawaiian term via monthly Aloha E-Newsletter. In December issue, HTK featured the expression 'Kuleana (responsible) to help Korean audiences get more familiar with Hawaiian culture.

Hawai'i Tourism Taiwan

2020 Monthly Leisure Marketing Report – December

Market Intelligence/Market Conditions

Economy

- Despite the COVID-19 pandemic shrinking economies around the world, Taiwanese government still predicts Taiwan's GDP to grow by 2.54% this year. The forecast also sees Taiwan's GDP to grow by 3.83% in 2021.

Outbound Travel Market

- Due to the severe COVID-19 pandemic situation overseas, outbound travel is nearly impossible for Taiwanese travelers. All leisure travel is postponed or canceled. Travelers turn to travel domestically for holidays.

Competitive Environment

- Hawai'i and other island destinations remain the most expected destination to form travel bubble with Taiwan. Many potential travelers hope to visit Hawai'i when most people are injected with the vaccine and the pandemic is under control.

Consumer Trends

- Consumers are aware of personal hygiene and healthcare. Therefore, related products are the best sellers in retail shops. For example, many stores and brands promote colorful facemasks in the theme of winter, cartoon, or Christmas graffiti. These products attracted consumers to purchase for personal use or share it as a gift.

Travel Trends

- Taiwanese people remained interested in domestic tourism and shopping. City governments arranged celebrations for Christmas and the New Year's Eve countdown. The decoration across Taiwan attracted travelers to visit and take pictures.

Media Trends

- Travel and leisure media are having changes internally due to the pandemic. Many journalists are appointed to support other colleagues for different story headlines. Additionally, the publication may have changed according to the market trend and the need of readers. One of the cases is for Xin Media (Travel Trade Media) to focus on social media management instead to align with the rapid changing world of tourism.

Airlift

- Taiwan's start-up airline Starlux Airlines announced it will launch the first route for North American services to Los Angeles starting 2021. The airline will be the 3rd Taiwanese airline to operate the route in addition to China Airlines and EVA Air.
- Due to increasing COVID-19 infection in the UK, many countries have halt flights from United Kingdom. Taiwanese air carriers – China Airlines and EVA Air will both cut down half of the flights from Taiwan to London and monitor the market and pandemic before making further changes.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- Even though international borders are still under lockdown due to the COVID-19 pandemic, Hawai'i remains top of mind for Taiwanese travelers. Hawai'i and other island destinations such as Guam, the Marianas and Palau are usually compared side by side. Low infection rate, strict prevention measures, and sparsely populated are what makes these destinations unique from urban destinations.

Leisure Activity Update

Consumer

- Utilizing GohawaiiTW Facebook and Instagram, HTT hosted 2 online campaigns to interact with the followers. December is all about love and appreciation. HTT introduced the meaning of lei for people in Hawai'i and shared the flowers of each island. The followers were invited to answer a question to win a branded gift and to share a thankful message to their loved one to win a prize of hand-made lei.

Travel Trade

- Invited by the Association of Tour Managers, HTT conducted a trade training for tour managers in Taiwan. More than 30 tour managers attended the 2-hour training about malama Hawai'i, Natural Resources, Community, Hawaiian Culture and the Hawaiian Islands with different experiences.



- Hosted by HTT and all ANTOR (Association of National Tourism Office Representatives in Taiwan) members, Presidents of Taiwan's top tiered Travel Agencies and Travel Associations were invited to join the luncheon and networking with ANTOR members from around the world. It was a warmth gathering with everyone exchanging Christmas gifts and wishes.

- Worked with Taiwan’s Tunghan University, HTT was invited to share about the travel resources in Hawai’i with students from the Department of Tourism. The sharing session was hosted in the aircraft cabin simulator, creating a vibe of traveling to Hawai’i.



Public Relations

- HTT shared a press release on December 1 to announce the social media campaign and upcoming Aloha Taiwan Semi-Virtual Mission. The month of December is created to be a month full of love and appreciation. HTT invites Taiwanese people to share their love and mahalo with friends and family in the holiday season.

Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
6	17	6 Media & 2 governments	31

- On December 9 HST, HTT hosted the 2020 Aloha Taiwan Semi-Virtual Mission with support of 4 Island Chapters, 3 Airlines and 12 Industry Partners from Hawai’i. The Mission was also joined by Senator Wakai & Representative Onishi. 17 top tiered Taiwan travel agencies were invited to be a part of the Mission. During the Breakfast Seminar, HTA and Hawai’i partners joining the Mission were introduced to Taiwan trade partners on site. Island Chapters, including Kaua’i Visitors Bureau, O’ahu Visitors Bureau, Maui Visitors Bureau and Island of Hawai’i Visitors Bureau also shared insights and updates on each of the islands.
- A total of 300 One-on-one B2B Appointments were conducted between the Hawai’i partners and Taiwan trade agents virtually via Zoom Meeting. 16 rounds of appointments were pre-arranged for 8 minutes each. The Hawai’i partners showcased the facility and services of their organization virtually and answer queries from their counterparts in Taiwan.
- Live Media Interviews were arranged for Island Chapters during the Mission. Cindy Tung, Journalist from Mirror Weekly joined the interviews to get first-hand information from each Island. HTT also shared Hawai’i’s statewide updates with Cindy.
- In addition to Taiwan Trade Partners, HTT invited American Institute in Taiwan (AIT), State of Hawai’i Office in Taipei and airline partners to join the Sanctuary of Aloha – Taiwan Mahalo Lunch. A total of 40 guests enjoyed a day of ALOHA over Hawai’i music, lei making, networking and photo taking. Lucky winners of the travel vouchers and gift certificates sponsored by Hawai’i partners were also selected to win a future trip to Hawai’i.

- The overall experience of the Hawai'i partners and Taiwan trade partners on the Mission is positive. From the survey of attendees HTT received, it was a 100% response rate for joining the Mission again next year.



Responsible Tourism Update

HTT continued to share about the Hawaiian Culture and responsible travel with trade, media and also through Gohawaiiw social channels. The Lei giving culture was highlighted in December.

Island Chapters Engagement Update

- Kaua'i, O'ahu, Maui and Island of Hawai'i Visitors Bureaus joined the 2020 Aloha Taiwan Semi-Virtual Mission to present updates and highlights on each island. 12 rounds of B2B Appointments and Media Interviews were arranged for the ICs during the mission.

"Coming Attractions" for Leisure Market

N/A.

5

Adoption of a Resolution to Grant Authority to Present
Policy Positions at the County, State, Federal Level
and Other Venues as Deemed Appropriate



Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
kelepa'i fax 808 973 2253
kahua pa'a web hawaii tourism authority.org

David Y. Ige
Governor

John De Fries
President and Chief Executive Officer

Resolution

No. 2021-1-2

AUTHORITY TO PRESENT POLICY POSITIONS

WHEREAS, Hawai'i Revised Statute §201 B-3 authorizes the Hawai'i Tourism Authority to "Develop, coordinate, and implement state policies and directions for tourism and related activities taking into account the economic, social, and physical impacts of tourism on the State of Hawai'i's natural environment, and areas frequented by visitors"; and,

WHEREAS, Hawai'i Revised Statute §201 B-7 further makes Hawai'i Tourism Authority responsible for "Creating a vision and developing a long-range strategic plan for tourism in Hawai'i"; and,

WHEREAS, in accordance with Chapter 226, the Hawaii State Planning Act, and identified in Hawai'i Revised Statute §226-8, the objective and policies for the economy which involve the visitor industry clearly state that "it shall be the policy of this State to...ensure that visitor industry activities are in keeping with the social, economic, and physical needs and aspirations of Hawai'i's people," and, such policies shall "encourage cooperation and coordination between the government and private sectors in developing and maintaining well-designed, adequately serviced visitor industry and related developments which are sensitive to neighboring communities and activities," and, shall "foster an understanding by visitors of the aloha spirit and of the unique and sensitive character of Hawai'i's cultures and values" among other policies"; and,

WHEREAS, the Hawai'i Tourism Authority Strategic Plan serves as a guide and reaffirms Hawai'i Tourism Authority's kuleana to "address broad tourism issues...lead the visitor industry...protect and market the Hawai'i brand while managing the destination and place residents' interests and benefits first."; and,

WHEREAS, the Hawai'i Tourism Authority Strategic Plan maintains the Hawai'i Tourism Authority's mission 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"; and the Hawai'i Tourism Authority's mission supports the four pillars of: Natural Resources, Hawaiian Culture, Community, and Brand Management and Marketing; and,

WHEREAS, the Hawai'i Tourism Strategic Plan embraces the Hawai'i Tourism Authority's responsibility to focus "on destination management" and establishing a collaborative relationship with "county, state, federal, and private agencies to address specific tourism-related issues"; and,

WHEREAS, the Coronavirus pandemic has significantly impacted virtually every sector of the economy and reinvigorating tourism through a collaborative, safe, respectful, sensitive, sensible, sustainable, and unified strategy will be the best approach; and,

WHEREAS, the ongoing presence and commitment to Hawai'i's key markets will be essential to the recovery of the State's economy; and

WHEREAS, the state brand has been built over decades on the strength of our Aloha spirit and the unique people, place and culture of our Islands; and,

WHEREAS, the Hawai'i Tourism Authority serves as a steward of our destination by perpetuating and promoting the uniqueness and integrity of the Native Hawaiian culture and community, and supporting programs that manage and protect Hawai'i's natural environment and areas frequented by visitors; and,

WHEREAS, the Hawaiian Islands brand and our visitor expenditures are enhanced greatly by a friendly, safe environment where visitors are encouraged to safely and responsibly experience Hawai'i and its authenticity; and,

WHEREAS, the visitor industry has helped to foster the growth of thousands of small and medium sized locally owned businesses across all islands that cater to visitors and residents alike; and,

WHEREAS, maintaining a world-class convention center is critical to the future development of our business travel market; and,

WHEREAS, the Powers and Duties of the Hawai'i Tourism Authority at HRS §201 B-3 (a) (6) provide that the Authority may, "Through its president and chief executive officer, represent the authority in communications with the governor and the legislature"; and,

WHEREAS, the Bylaws of the Hawai'i Tourism Authority, provide for the authority of the President and Chief Executive Officer at Section 5.1 including that "The President & Chief Executive Officer shall serve as the chief executive officer of the Authority and shall be directly responsible for the day-to-day operations of the Authority, including control of and responsibility for the execution of the Board's policies, the administration of the Authority's affairs, and the supervision of its staff. "; and,

WHEREAS, various levels of the state and federal government routinely request testimony or other information on the policy positions of the Hawai'i Tourism Authority, often on short notice.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby authorizes its President and CEO, its Board Chair and/or their designee to present public policy positions on behalf of the Authority during Calendar Year 2021 before all branches of the federal, state and county governments, provided that the positions are aligned and consistent with Hawai'i Revised Statute §201B, the Hawai'i Tourism Authority Strategic Plan, and any other policies, plans or budgets approved by the Authority and this Resolution;

BE IT FURTHER RESOLVED, that the Board of Directors elects, pursuant to Section 5.1 of the Bylaws, that all official positions taken by the Chair, the President and CEO and/or their designee on issues before federal, state and county governments shall be communicated to board members by the next regular board meeting of the Authority; and

FINALLY RESOLVED, that certified copies of this resolution be transmitted to the President & CEO, Board Chair, Board Members and Chief Administrative Officer.

As adopted on this 28th day of January, 2021 by the
Board of Directors,

Gregg Kinkley
Deputy Attorney General

6

Annual Meeting of the Board of Directors to Elect
Officers, Establish Committees, and Assign
Committee Leadership and Members to Committees



Resolution

No. 2021-1-1

ELECTION OF OFFICERS FOR THE BOARD OF DIRECTORS OF THE HAWAII TOURISM AUTHORITY, THE ESTABLISHMENT OF COMMITTEES, AND THE APPOINTMENT OF COMMITTEE CHAIRPERSONS AND COMMITTEE MEMBERS

WHEREAS, Section 3.1 of the Bylaws states that the annual meeting may be held each year at such time and place as the Board of Directors determines for the purposes of electing officers; and,

WHEREAS, Section 2.1 of the Bylaws states that the officers shall be elected by the Board of Directors from among its members and shall serve for one (1) year; and,

WHEREAS, Section 2.1 of the Bylaws states that there shall be a Chairperson and one or more Vice-Chairperson(s); and,

WHEREAS, Section 4.1 of the Bylaws states that the Board may establish any committee to assist the Board of Directors on any matter related to its powers, duties, and responsibilities; and,

WHEREAS, Section 4.1 of the Bylaws states that the Board may appoint a committee chairperson to head any committee and appoint any member to the committee;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors determines, pursuant to Section 3.1 of the Bylaws, that Board meeting of January 28, 2021 shall serve as the Board's annual meeting and that the Board shall elect officers and transact other business during the annual meeting; and,

BE IT FURTHER RESOLVED, that the Board of Directors elects, pursuant to Section 2.1 of the Bylaws,

_____ as Chairperson;

_____ as Vice Chairperson; and

_____ as Second Vice Chairperson

BE IT FURTHER RESOLVED, that the Board of Directors establishes, pursuant to Section 4.1 of the Bylaws, the following committees,

Convention Center Planning Investigative Committee;

Legislative and Governmental Affairs Investigative Committee;

Visitor-Related Infrastructure Investigative Committee; and

Budgetary Review Investigative Committee

BE IT FINALLY RESOLVED, that the following members, pursuant to Section 4.1 of the Bylaws, shall be appointed to serve on committees and in certain capacities as determined by the Board,

Audit Standing Committee:

Chairperson: _____

Vice-Chairperson: _____

Members: _____

Administrative Standing Committee:

Chairperson: _____

Vice-Chairperson: _____

Members: _____

Convention Center Planning Investigative Committee:

Chairperson: _____

Vice-Chairperson: _____

Members: _____

Legislative and Governmental Affairs Investigative Committee:

Chairperson: _____

Vice-Chairperson: _____

Members: _____

Marketing Standing Committee:

Chairperson: _____

Vice-Chairperson: _____

Members: _____

Visitor-Related Infrastructure Investigative Committee:

Chairperson: _____

Vice-Chairperson: _____

Members: _____

Budgetary Review Investigative Committee:

Chairperson: _____

Vice-Chairperson: _____

Members: _____

As adopted on this 28th day of January, 2021 by the
Board of Directors,

Gregg Kinkley
Deputy Attorney General

7

Presentation, Discussion and Action on the Destination Management Action Plans for Lānaʻi



--+--

DRAFT Lānaʻi Destination Management Action Plan

DRAFT

*Hanohano Lānaʻi i ke kaunaʻoa,
Kohu kapa ʻahuʻula, kau poʻohiwi
E ola Lānaʻi a Kaululāʻau*

*Lānaʻi is distinguished by the kaunaʻoa
Which rests like a feather cape upon its shoulders
Let there be life for Lānaʻi of Kaululāʻau*

DRAFT

Contents

I. Introduction	4
Purpose of the Plan.....	4
Formation of the DMAP	5
Implementation Framework.....	5
II. Overview of Tourism in Hawai‘i.....	6
Overall Trends	6
Tourism Forecast.....	7
Resident Sentiment	7
III. Lāna‘i Tourism Situation Analysis.....	8
IV. Vision for Lāna‘i’s Tourism.....	10
V. Goal.....	10
VI. Objectives	10
VII. Actions	11
VIII. Tourism Hotspots.....	15
Acknowledgement.....	16
Glossary.....	18
Appendix A – Online Input Form Results	Error! Bookmark not defined.

I. Introduction

Purpose of the Plan

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

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

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

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

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

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

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

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

Formation of the DMAP

The process of the development of the Maui DMAP started with the HTA, County of Maui's Office of Economic Development and the Maui Visitors Bureau (MVB) developing a list of Maui stakeholder who represented the visitor industry sectors (hotel, attractions, activities), different business sectors (e.g. agriculture, retail), the community (e.g. Hawaiian culture, education), and other nonprofit organizations. They also represented the communities that they live in. Invitations were sent, and 13 members volunteered their time to participate on the Lanai Steering Committee (see Acknowledgement section).

At the first Steering Committee virtual meeting, the members reviewed HTA's Strategic Plan in addition to the Maui County Tourism Strategic Plan, including HTA's key performance indicators and four pillars, as well as the county's tourism strategies. They also reviewed the Lāna'i Community Plan 2016. These plans are the foundation of the Lāna'i DMAP. After the review, they critically examined destination attributes valued only by residents, only by visitors, and by both the residents and visitors. They also discussed the destination attributes that are at-risk or threatened. From there the Steering Committee brainstormed actions – what to protect or mitigate, what to preserve or grow, and where the gap can be closed or bridged. During the Steering Committee's second virtual meeting, the actions were grouped, and overarching anchor actions and sub-actions were identified. These were presented to Lāna'i residents at a virtual community meeting via Zoom on November 19, 2020. The community was encouraged to provide input at the virtual community meetings as well as through an online input form. The results are provided in Appendix A.

After reviewing the community feedback, the Steering Committee selected anchor actions that the DMAP would focus on. Employees of HTA, the county, and the Maui Visitors and Convention Bureau reviewed the proposed actions to verify they could be done under their respective purviews. All of the anchor actions were developed by the Steering Committee with input from the community.

Implementation Framework

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

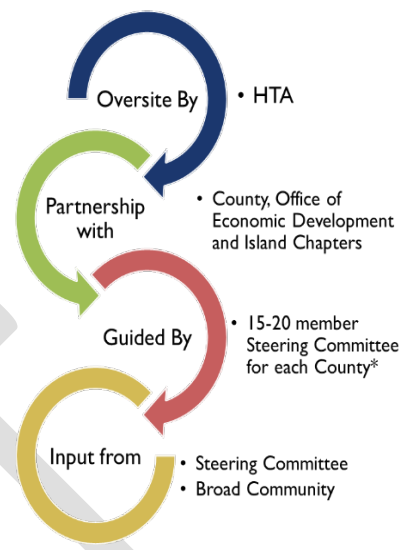


Figure 1: Collaborative

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

- 'Ōlelo No'eau (Hawaiian Proverb)

II. Overview of Tourism in Hawai'i

Overall Trends

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

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

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

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

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

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

Tourism Forecast

According to the Department of Business, Economic Development & Tourism's 3rd quarter Outlook for the Economy, total visitor expenditures is forecasted to end the year at \$5.74 billion (-67.0%) with 2.92 million visitor arrivals (-71.9%). Economists predict that it will take a couple of years before Hawai'i's visitor industry recovers.

Resident Sentiment

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

DRAFT

III. Lānaʻi Tourism Situation Analysis

Spanning only 141 square miles and a relatively small in population of 2,826, Lanai is known for luxurious pampering, gourmet dining and unconventional outdoor activities. The residents cherish their community's sense of ohana, their natural resources and their rural lifestyle, and honor their heritage by preserving archaeological and cultural sites. Forty-eight percent of jobs on Lānaʻi are from the accommodation and food services.

In 2019, visitors spent a total of \$129 million on Lānaʻi with 84,103 visitors. This equated to 738 out-of-state visitors on any given day (21% of the de facto population).

However, as of October 2020, visitor arrivals has dropped by 78 percent down to an average daily census of 223 visitors. Available Hawaii labor statistics showed that the pandemic has resulted in a loss of approximately 200 jobs (down 29%) in the Accommodations and Lodging sector.

Lānaʻi is known for luxurious pampering based on the experience at the resorts. The Lānaʻi experience performs well with 87% of visitors rating their experience as excellent. Though only 65% of visitors were also highly likely to recommend Lānaʻi to their friends and family. However, visitors had some concern for Lānaʻi's attractions and entertainment options.

Lānaʻi has a high number of repeat visitors (69%) who are usually independent travelers (82%) which results in less participation in organized or guided activities. Less than 4 in 10 visitors actually do any sightseeing, with most (61%) spending their time at the beach or sunbathing. Visitors participate very little in the way of specific history, culture or arts activities with only 23% going to historic sites and 10% going to museums or art galleries. Lānaʻi is also very dependent on daytrip visitors from arriving from Maui (41% of all visitors). Lānaʻi lacks a variety of accommodations at various price points with 98 percent of visitors units being hotels and the other 2 percent vacation rentals.

From a community perspective tourism on Lānaʻi is not always as positive. Residents felt that visitors often treat the island as their playground, wanting more activities for themselves, which lead to negative impacts to residents.

Based on a recent DestinationNEXT study¹, Lānaʻi has strength in mobility and access but its weakness is air access and International readiness. Stakeholders felt that the community is strong in Hawaiian culture and hospitality, but the industry doesn't have regional cooperation and effective advocacy.

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

Table 1: Situational Analysis Summary

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Lānaʻi City historic character is intact • Small town lifestyle and ʻohana • Natural beauty and landscapes • Beaches • One owner for most tourism operations • Funding support • Customer service 	<p>PROBLEMS</p> <ul style="list-style-type: none"> • Limited workforce housing • Air access • Dependency on luxury tourism and resort home construction • Food/dining options • Ground transportation and driving • Job security for residents • Loss of kamaʻāina market • Communications and internet infrastructure • Variety of activities • International readiness • Limited water resources • Lack of awareness of Lānaʻi City as a visitor destination
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Residents’ desire for community-based model • Diversify the economy with a new vision • Enhance town’s unique character through restoration, adaptive use, design guidelines for new development • Increase variety of accommodation and activities for broader range of markets to foster small business development • Workforce training to develop pool of well qualified workers • Hunting tourism to control deer population • Lower energy costs through increased use of renewable energy sources and electric vehicles 	<p>THREATS</p> <ul style="list-style-type: none"> • Continued out-migration of residents • Major natural disaster or wildfire • Increased costs from interisland shipping or loss of interisland cargo carrier • Loss of buildings due to demolition and neglect • Boom and bust cycles of home construction • Climate change, sea level rise, storm surge • Ineffective tourism advocacy • Island specific data on resident sentiment is not available to track change over time

IV. Vision for Lānaʻi's Tourism

The Lānaʻi Vision was developed by the Steering Committee at its first meeting.

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

- *Support efforts towards more sustainable travel (that helps Lanai thrive) by encouraging visits to Lānaʻi City to understand the island's history and multiple cultures while supporting local businesses.*
- *Develop shared strategies and actions for a balanced long-term future that contributes to economic sustainability for the community and preserves the quality of life for residents and quality of experience for visitors from other islands and outside the State.*

V. Goal

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

VI. Objectives

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

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

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

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

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

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

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

VII. Actions

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

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

- We want visitor who care about learning our history and values and respect for places
- Our island is a living museum
- Visitors need to understand Hawaiian culture and other cultures of our residents and should be sensitive to the historical traumas
- Visitors have a responsibility to take care of this place
- Visitors should value the environment and sensitive native ecosystem
- There are places where visitors should not go (visitation needs to be managed)

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

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

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

Action A. HTA will engage partners to determine a path forward that will enhance interisland transportation options for both residents and visitors.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Advocate for airlines, County, HDOT and FAA to restore affordable and dependable air and sea transportation to viable levels that meet the needs of the community.	L = HTA S = County	X	X	X

Action B. Develop partnerships and programs with resorts and other tourism businesses to improve and enhance community relationships.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Facilitate discussions with Four Seasons, Sensei, and Hotel Lānaʻi management to explore ways to increase guest interactions and engagements with Lānaʻi City.	L = County S = HTA	X	X	
2	Encourage more resort staff and guests to participate in community workdays and volunteer opportunities.	L = Resort Management S = HTA; County	X	X	X
3	Facilitate the conversation with hotels to coordinate marketing efforts with the community and small businesses based upon HVCB's Mālama Hawai'i program.	L = MVCB S = HTA	X	X	
4	Create opportunities for residents to feel welcome at resort properties. Continue to invite Lānaʻi artists and crafts people to do workshops and fairs at the resort properties.	L = Resort Management S = HTA; County; MVCB	X	X	

Note: Resort management of Four Seasons, Sensei and Hotel Lānaʻi.

Action C. Enhance and encourage the use of the Lānaʻi Culture & Heritage Center's Guide App as a primary part of the travel protocol for traveling to the island.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Identify appropriate places to visit and integrate into the app.	L = Lānaʻi Culture & Heritage Center S = HTA; County	X	X	X
2	Develop functionality of app to indicate potentially dangerous areas/trails that are closed or roads under construction.	L = Lānaʻi Culture & Heritage Center S = HTA; County	X	X	X
3	Involve merchants to promote app and guide activities.	L = Lānaʻi Culture & Heritage Center S = HTA; County	X	X	X
4	Encourage visitors to respect the land, the people and the lifestyle on Lānaʻi.	L = Lānaʻi Culture & Heritage Center S = HTA; County; MVCB	X	X	X

Action D. Encourage sustainable tourism practices on Lānaʻi.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Form a work group to brainstorm and develop solutions that are sustainable and oriented toward protection and preservation of Lānaʻi natural resources.	L = HTA S = County	X		
2	Present solutions for implementation.	L = HTA S = County		X	

Action E. Promote Lānaʻi City to increase spending that goes to residents and small businesses.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Invite members of the community and businesses to be a part of an advisory group to guide messaging and campaigns to develop a unique brand for Lānaʻi City.	L = HVCB/MVC B S = HTA; County	X		
2	Continue to promote day trips and one-day festivals that are popular with Maui residents. Start at mid-day so visitors can come in on the morning ferry. Develop new festivals if needed.	L = MVCB S = HTA; County	X	X	X
3	Make transportation to Lānaʻi City easier for resort guests, and others that arrive via ferry and the airport.	L = County S = HTA	X	X	X

Action F. Encourage and enable visitors to plan a meaningful daytrip or stay on Lānaʻi that is respectful to the land, the people and the lifestyle on Lānaʻi.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Develop consistent messaging, campaign and content to encourage and enable visitors to plan a meaningful daytrip or stay on Lānaʻi and for visitors to begin learning about Lānaʻi's unique history, culture and community. Include where to get information once on Lānaʻi and where not to go. Responsible Lānaʻi visit	L = HVCB/MVC B S = HTA; County; Community Advisory Group	X	X	
2	Create educational videos or audio files to be played on ferry, airlines/airport and hotels. Identify the current video projects.	L = HVCB/ MVCB; S = County	X	X	
3	Create brochures for distribution by Lānaʻi businesses, hotels and kiosks.	L = MVCB S = HTA/County	X	X	
4	Work with the community and businesses to develop online and social media content.	L = HVCB/MVC B S = HTA/County	X	X	X

5	Describe what activities need to be arranged ahead of time such as reserving a 4-wheel drive vehicle.	L = MVCB S = HTA/County	X		
6	Prior to visitors reaching Lānaʻi, provide information on a through multiple means. Communications vehicles could include: an enhanced gohawaii.com Lānaʻi webpage to help visitors plan their trip/day on Lānaʻi ahead of time; have informational iPads available on the ferry; have a person who can assist visitors going to Lānaʻi in Lahaina Harbor ferry line; brochures to distribute; etc.	L = MVCB S = HTA; County; GMTs		X	X
7	Explore setting up a visitors' center/kiosk with a main location in town and potentially branches at the harbor and airport dedicated to providing information for all visitors upon arrival.	L = MVCB S = County; HTA		X	X

Action G. Develop and implement a process whereby visitors to Lānaʻi acknowledge to protect, respect, and learn about Lānaʻi cultural and natural resources, and community during their visit through the Mālama Maui County Pledge.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Support and promote the Mālama Maui County Pledge.	L = MVCB	X	X	
2	Strengthen and foster the connection with Lānaʻi. Some level of sustainable and responsible tourism as an overall theme.	L = HTA S = County; MVCB	X	X	X

Action H. Discourage activity companies from dropping off visitors who use Lānaʻi beaches and facilities without contributing to maintenance of the beaches and facilities.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Identify and implement the best way(s) to discourage this activity.	L = County S = HTA	X	X	X

Action I. Educate visitors on activities and events available on Lānaʻi focused on cultural and natural resources. These activities could include fishpond restoration, koa tree planting, etc.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
1	Support the development of marine science/natural resources seminars and workshops here that can be attended by residents and tourists to tailor a more educational type of vacation.	L = HTA S = County	X	X	X
2	Encourage community service opportunities.	L = HTA S = MVCB; GMTs; County	X	X	X

VIII. Tourism Hotspots

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

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

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

- Awalua – Access
- Awehi Trail – Access
- Kānepu’u Reserve – Limited Access
- Kaunolū – Culturally sensitive
- Keōmoku Village – Culturally sensitive
- Lapaiki – Access
- Lōpā – Kīkoa Beach – Access
- Mānele: Hulopo’e Marine Life Conservation District – Environmental
- Munro Trail – Safety
- Naha Trail Overlook – Safety
- Polihua Beach – Access- Safety

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Glossary

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

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

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

Day Trip: A journey to a place and back again on the same day, usually for pleasure.

Kama'āina traveler: A Hawai'i resident that visits another island that is not their residence.

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

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

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

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

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

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

5

Presentation and Discussion of Current Market Insights and Conditions in Hawaii and Key Major Hawaii Tourism Markets, Including the United States, Japan, Canada, Oceania and Cruise



Market Insights – December 2020

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

Report on Economic Impact

Beginning October 15, passengers arriving from out-of-state and traveling inter-county could bypass the mandatory 14-day self-quarantine with a valid negative COVID-19 NAAT test result from a Trusted Testing and Travel Partner through the state's Safe Travels program. Effective November 24, all trans-Pacific travelers participating in the pre-travel testing program are required to have a negative test result before their departure to Hawai'i, and test results would no longer be accepted once a traveler arrives in Hawai'i. On December 2, Kaua'i County temporarily suspended its participation in the state's Safe Travels program, making it mandatory for all travelers to Kaua'i to quarantine upon arrival. On December 10, the mandatory quarantine was reduced from 14 to 10 days in accordance with U.S. Center for Disease Control and Prevention's (CDC) guidelines. The counties of Hawai'i, Maui, and Kalawao (Moloka'i) also had a partial quarantine in place in December. In addition, the CDC continued to enforce the "No Sail Order" on all cruise ships.

Spending statistics for December 2020 were only for U.S. visitors. Data for visitors from other markets were not available.

For all of 2020, Hawai'i's tourism economy experienced:

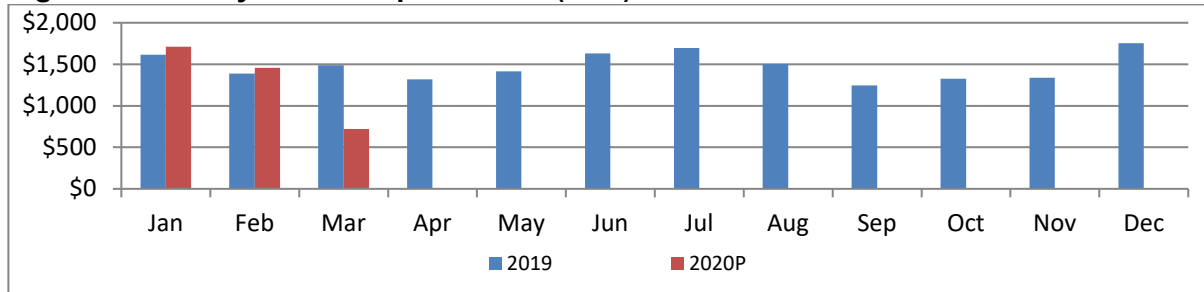
- Total visitor arrivals dropped 73.8 percent to 2,716,195 visitors, with considerably fewer arrivals by air service (-73.8% to 2,686,403) and by cruise ships (-79.2% to 29,792) compared to 2019. Total visitor days fell 68.2 percent.
- Through December 2020, the state collected \$35.1 million in TAT, down 89.0 percent compared to FY 2020 through December 2019 (Preliminary data from Dept of Taxation).
- Total air capacity (scheduled and charter seats) into Hawai'i declined 60.9 percent to 5,318,667 seats.

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

	% of Forecast	YOY Rate	Dec. YTD	Forecast
Visitor Spending (\$mil)	N/A	N/A	N/A	5,073.8
Daily Spend (\$pppd)	N/A	N/A	N/A	167.1
Visitor Days	N/A	-68.2%	28,701,954	30,357,036
Arrivals	N/A	-73.8%	2,716,195	2,730,466
Daily Census	N/A	-68.3%	78,421	90,618
Airlift (scheduled seats)	N/A	-61.1%	5,267,336	N/A

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

Figure 1: Monthly Visitor Expenditures (\$mil)



Major Market Areas (MMAs)

USA

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

	% of Forecast	YOY Rate	Dec. YTD	Forecast
Visitor Spending (\$mil)	N/A	N/A	N/A	3,504.1
Daily Spend (\$pppd)	N/A	N/A	N/A	159
Visitor Days	N/A	-64.5%	21,935,014	22,039,509
Arrivals	N/A	-71.2%	1,982,449	1,881,291
Daily Census	N/A	-64.6%	59,932	65,790
Airlift (scheduled seats)	N/A	-56.3%	4,259,922	N/A

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

- The Conference Board Consumer Confidence Index declined in December 2020. The Index now stands at 88.6 (1985=100), down from 92.9 in November.
- The Present Situation Index based on consumers' assessment of current business and labor market conditions decreased sharply from 105.9 to 90.3.
- The Expectations Index based on consumers' short-term outlook for income, business, and labor market conditions increased from 84.3 in November to 87.5 this month.
- Major U.S. wholesalers continue to be challenged with each change of Hawai'i's Safe Travels program and how to communicate with their customers about the changes. Their focus continues to be Hawai'i's safety and protocol guide, travel insurance/protection, and travel advisor educational messaging.
- Softness will remain in Quarter 1 with a bit of uptick for summer travel. Most of the major U.S. wholesalers reported that they see an increase in travel for summer and feel that customers believe things will be more stable by then. There is potential for last minute bookings for March and April travel.
- The forecast for domestic scheduled nonstop air seats to Hawai'i for January-March 2021 will decrease by 9.3 percent as compared with the same time period of 2020. The projection is based on flights appearing in Diio Mi airline schedules. Due to COVID-19, the decrease in scheduled air seats is expected to occur in all major market areas including U.S. West (-7.5%) and U.S. East (-20.7%). The situation is being monitored and the forecast adjusted accordingly.
- California residents returning from out of state in December 2020 were recommended to quarantine for 14 days. San Francisco also ordered a mandatory, 10-day quarantine for people coming from outside the nine-county Bay Area region. For Oregon, residents returning from other states or countries for non-essential travel were asked to self-quarantine

for 14 days after arrival, but could end their quarantine early if they did not have any symptoms after 10 days, or after 7 days if they had a negative test within the 48 hours before ending quarantine. In Washington, a 14-day quarantine was recommended for returning residents, and residents were asked to stay close to home. In New York, returning residents in December 2020 were allowed to “test out” of the mandatory 10-day quarantine. Returning residents had to obtain a COVID test within three days of departure and quarantine for three days. On day four of their quarantine, the traveler had to obtain another COVID test. If both tests came back negative, the traveler could exit quarantine early upon receipt of the second negative diagnostic test.

US WEST

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

	% of Forecast	YOY Rate	Dec. YTD	Forecast
Visitor Spending (\$mil)	N/A	N/A	N/A	1,985.3
Daily Spend (\$pppd)	N/A	N/A	N/A	146.7
Visitor Days	N/A	-65.1%	13,873,947	13,534,262
Arrivals	N/A	-71.6%	1,306,388	1,209,596
Daily Census	N/A	-65.2%	37,907	40,401
Airlift (scheduled seats)	N/A	-56.0%	3,772,048	N/A

- U.S. West visitors spent \$280.4 million (-59.8%) in December 2020, and their average daily spending was \$157 per person (-12.8%). There were 151,988 visitors from U.S. West compared to 418,520 visitors in December 2019. For all of 2020, arrivals decreased 71.6 percent to 1,306,388 visitors.

US EAST

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

	% of Forecast	YOY Rate	Dec. YTD	Forecast
Visitor Spending (\$mil)	N/A	N/A	N/A	1,518.8
Daily Spend (\$pppd)	N/A	N/A	N/A	178.6
Visitor Days	N/A	-63.4%	8,061,068	8,505,247
Arrivals	N/A	-70.3%	676,061	671,695
Daily Census	N/A	-63.5%	22,025	25,389
Airlift (scheduled seats)	N/A	-58.7%	487,874	N/A

- U.S. East visitors spent \$170.4 million (-65.1%) in December 2020 and \$182 per person (-16.5%) on an average daily basis. There were 71,537 visitors from U.S. East compared to 215,358 visitors in December 2019. For all of 2020, arrivals dropped 70.3 percent to 676,061 visitors.

CANADA

Table 5: Key Performance Indicators – Canada

	% of Forecast	YOY Rate	Dec. YTD	Forecast
Visitor Spending (\$mil)	N/A	N/A	N/A	474.9
Daily Spend (\$pppd)	N/A	N/A	N/A	175.3
Visitor Days	N/A	-66.1%	2,224,548	2,709,495
Arrivals	N/A	-70.2%	161,201	185,672
Daily Census	N/A	-66.2%	6,078	8,088
Airlift (scheduled seats)	N/A	-63.3%	177,913	N/A

- In December 2020, 3,833 visitors arrived from Canada compared to 64,182 visitors a year ago. Direct flights from Canada resumed in December and brought 2,964 visitors. The remaining 869 visitors arrived on domestic flights. For all of 2020, arrivals were down 70.2 percent to 161,201 visitors.
- Travelers returning to Canada must self-isolate for 14 days. On December 30, the Ministry of Transportation imposed a mandatory negative PCR test result before boarding a plane into Canada in addition to the 14-day quarantine upon arrival.
- Campaigns for COVID-19 vaccination were beginning across Canada. However, it will take many more months before the vaccines reach enough of the population that the society and economy can begin to truly recover. Dealing with the public health crisis has necessitated renewed regional shutdowns and slowed economic growth dramatically from the rebound witnessed in the third quarter.
- The Canadian economy is forecast to rebound by 4.9 percent in 2021 and 4.2 percent in 2022.
- Despite the second wave of COVID-19, consumer confidence was 85.8 points in December; the highest level recorded since March. Compared to the previous month, confidence increased quite a bit in Atlantic Canada, Ontario, and BC, while little change was registered in the Prairies and Quebec recorded a decline. Overall, 58 percent of Canadians expect their household finances to remain the same over the next six months.
- The Canadian Dollar has lost value averaging at \$0.74 USD in 2020 (-1.6%).
- Air Canada and WestJet resumed direct flights to Hawai'i in December 2020. Air Canada offered flights from Vancouver to Honolulu and Kahului, and from Calgary to Kahului. WestJet offered flights from Vancouver to Honolulu and Kahului, and from Calgary to Honolulu and Kahului.

JAPAN

Table 6: Key Performance Indicators – Japan

	% of Forecast	YOY Rate	Dec. YTD	Forecast
Visitor Spending (\$mil)	N/A	N/A	N/A	546.1
Daily Spend (\$pppd)	N/A	N/A	N/A	241.5
Visitor Days	N/A	-80.8%	1,785,502	2,261,675
Arrivals	N/A	-81.1%	297,243	349,500
Daily Census	N/A	-80.9%	4,878	6,751
Airlift (scheduled seats)	N/A	-75.8%	483,574	N/A

- In December 2020, 1,889 visitors arrived from Japan compared to 136,635 visitors a year ago. Of the 1,889 visitors, 1,799 arrived on international flights from Japan and 90 came on domestic flights. For all of 2020, arrivals dropped 81.1 percent to 297,243 visitors.
- Japanese nationals returning from abroad must quarantine for 14 days. The growing global spread of COVID19 led to increased travel restrictions effective December 28 until end of January 2021. Japanese residents with VISA arranged short outbound business trip were no longer exempted from the 14-day quarantine.
- Japan's economy in the July-September period grew an annualized real 22.9 percent from the previous quarter, upgrading the preliminary figure of 21.4 percent. Private consumption, which accounts for more than half of Japan's GDP, soared 5.1 percent, revised upward from the 4.7 percent drop in the preliminary report released November 16.

- Prime Minister Yoshihide Suga declared a second state of emergency in Tokyo, Kanagawa, Saitama and Chiba prefectures to contain the spreading COVID-19, effective from January 8 until at least February 7. Due to high infection throughout the Japan, 3 additional prefectures (Osaka, Kyoto and Hyogo) are considering extension state of emergency.
- Japanese Government excluded Sapporo, Tokyo, Nagoya and Osaka from Go to Travel campaign until December 27 because these prefectures were identified as high infections area. During New Year holiday season (12/28 -1/11), the government temporarily stop the Go to Travel campaign as prevention for all prefectures. The cancellation fees are covered by the government funds during the period for existing reservations.
- Japan Travel Agency is planning to start “Managed Travel” style with COVID-19 period as campaign. It is launching the special website to provide the initiatives, ideas, spread prevention notes to educate travel business owners. Also, it provides platform for Travel Agencies to promote “Managed Travel” service to market
- Four airlines (All Nippon, Hawaiian, Japan and ZIPAIR) operated during December 2020. Total 50 flights with about 12,333 seats serviced.
- Service from the following airlines remained suspended: Delta (until March 28). Korean (until December 31) and United (until end of January 2021).
- In January 2021 there will be a total of 59 flights with 15,337 seats. In February 2021, there will be 51 flights with 13,554 seats.

OCEANIA

Table 7: Key Performance Indicators – Oceania

	% of Forecast	YOY Rate	Dec. YTD	Forecast
Visitor Spending (\$mil)	N/A	N/A	N/A	188.6
Daily Spend (\$pppd)	N/A	N/A	N/A	253.8
Visitor Days	N/A	-83.0%	580,938	742,970
Arrivals	N/A	-83.2%	61,226	72,511
Daily Census	N/A	-83.1%	1,587	2,218
Airlift (scheduled seats)	N/A	-80.6%	95,737	N/A

- Australia: There were 57 visitors who traveled to Hawai'i in December 2020 compared to 23,206 visitors a year ago. There were no direct flights from Australia, all 57 visitors came on domestic flights. For all of 2020, arrivals decreased 82.5 percent to 50,286 visitors.
- The Government continued to impose a ban on all overseas travel for Australians, unless an exemption was granted. Residents returning to Australia were required to undergo a mandatory 14-day quarantine.
- New restrictions for the Greater Sydney area were implemented to contain a cluster of COVID-19 in Sydney prior to Christmas. The government enforced restrictions on New Year's Eve celebrations. Australia is ahead of schedule on plans for a vaccine rollout with distribution expected to begin in February.
- Unemployment has dropped from 7 percent to 6.8 percent, with 90,000 people starting work in November. 80 percent of the increase was due to the easing of restrictions in Melbourne allowing many businesses to reopen and take on staff. Unemployment was at its lowest level since April, having peaked at 7.5 percent in July.
- The Australian dollar continued to hold firm at the higher end of the scale when compared to the last 12 months, sitting around US\$0.75.

- New Zealand: There were 63 visitors in December versus 5,577 visitors a year ago. There were no direct flights from New Zealand. These 63 visitors arrived on domestic flights. For all of 2020, arrivals dropped 85.5 percent to 10,940 visitors.
- The New Zealand government advised New Zealanders to refrain from travel overseas due to COVID-19 health risks and travel restrictions. Residents returning to New Zealand were required to complete at least 14 days of quarantine and test negative for COVID-19 before entering the community.
- New Zealand continued to have no COVID-19 cases in the community with the only positive cases being related to International arrivals being housed at the managed isolation hotels. The economy looked like it might have exited a COVID-19 driven recession with a 14 percent gain in gross domestic product (GDP) over the September quarter.
- The New Zealand dollar has strengthened over the month to levels not seen in the last two years. The NZ dollar is currently trading at US\$0.72.

EUROPE

Table 8: Key Performance Indicators – Europe

	% of Forecast	YOY Rate	Dec. YTD	Forecast
Visitor Spending (\$mil)	N/A	N/A	N/A	50.4
Daily Spend (\$pppd)	N/A	N/A	N/A	137.6
Visitor Days	N/A	-83.1%	300,040	366,407
Arrivals	N/A	-84.3%	21,609	24,811
Daily Census	N/A	-83.2%	820	1,094
Airlift (scheduled seats)	N/A	N/A	N/A	N/A

- There were 411 visitors from Europe (United Kingdom, France, Germany, Italy and Switzerland) in December versus 10,252 visitors a year ago. These 411 visitors arrived on domestic flights. For all of 2020, arrivals were down 84.3 percent to 21,609 visitors.
- Germany, was in lockdown in December as all non-essential services including schools were closed. Returning German nationals had to undergo a 10-day quarantine, which can be reduced to five days with a negative COVID-19 test result. Everyone must be tested 48 hours prior to entry or immediately thereafter. In the United Kingdom, growing concerns about a new variant of COVID-19 resulted in tougher restrictions include the closure of all non-essential businesses, and the urgent advice to stay at home and do not travel unless it is absolutely essential. Returning residents to the U.K. were required to quarantine for 14 days.

CHINA

Table 9: Key Performance Indicators – China

	% of Forecast	YOY Rate	Dec. YTD	Forecast
Visitor Spending (\$mil)	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-86.1%	102,211	N/A
Arrivals	N/A	-88.3%	10,736	N/A
Daily Census	N/A	-86.2%	279	N/A
Airlift (scheduled seats)	N/A	-93.0%	8,176	N/A

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

- There were 388 visitors in December compared to 6,980 visitors a year ago. There were no direct flights from China. These 388 visitors arrived on domestic flights. For all of 2020, arrivals declined 88.3 percent to 10,736 visitors.

- Returning Chinese nationals were required to demonstrate proof of a negative COVID-19 result issued no more than 72 hours before departure, performed by an approved provider, and were mandated to undergo a 14-day mandatory quarantine.
- In Quarter 3 2020, China GDP increased 4.9 percent overall, compared to a year earlier. The GDP of China was 72,278.6 billion yuan in the first three quarters, a year-on-year growth of 0.7 percent. Specifically, the GDP for the first quarter declined by 6.8 percent, increased by 3.2 percent for the second quarter, and up by 4.9 percent for the third quarter.
- In December, new locally transmitted COVID-19 cases appeared in Beijing, Daliang and Shenyang in Liaoning province; some areas in these cities rose to medium-risk level.

KOREA

Table 10: Key Performance Indicators – Korea

	% of Forecast	YOY Rate	Dec. YTD	Forecast
Visitor Spending (\$mil)	N/A	N/A	N/A	118.0
Daily Spend (\$pppd)	N/A	N/A	N/A	252.8
Visitor Days	N/A	-78.9%	367,516	466,801
Arrivals	N/A	-81.6%	42,179	49,771
Daily Census	N/A	-79.0%	1,004	1,393
Airlift (scheduled seats)	N/A	-77.9%	72,287	N/A

- There were 219 visitors in December versus 22,833 visitors a year ago. Of the 219 visitors, 125 arrived on domestic flights and 94 arrived on an international flight from a major carrier which flies both domestic and international routes. For all of 2020, arrivals fell 81.6 percent to 42,179 visitors.
- All incoming travelers including returning Korean nationals shall be subject to mandatory 14-day quarantine. The Korean foreign ministry extended the special advisory recommending against traveling overseas until February 15, 2021.
- South Korean economy is expected to grow 3.2 percent in 2021, following this year's estimated contraction of 1.1 percent. Korea is expected to rebound next year on improving exports and domestic demands although economic uncertainty remains high due to COVID-19 outbreak.
- South Korean economy is expected to recover much faster than those of many advanced countries in 2021. According to Fitch ratings, coronavirus will pose a threat to Korea's export-reliant economy, but it will rebound to its pre-pandemic level faster due to its fast response to the COVID-19 pandemic and the solid demand for information technology goods as businesses increasingly go contactless.
- The composite consumer sentiment index (CCSI) for December recorded 89.8, with 8.1 points decrease from the previous month, recording the first drop in three months in December due to tougher antivirus measures and worsened economic expectations, according to Bank of Korea.
- The average USD/WON exchange rate in December was KRW 1,054.04won, a slight decrease from the previous rate of 1,068.43 won in November.
- Korean Air has begun to take over Asiana Airlines from December 14 ending the acquisition of Asiana Airlines and integrating the two national flag carriers. Korean Air plans to closely inspect the overall situation of Asiana Airlines including its financial, operational, labor and sales part before submitting the acquisition integration plan on March 17, 2021.

- Korean Air extended its suspension of flight services on ICN-HNL route (KE053) and ICN-NRT-HNL route (KE001) till February 28.
- Hawaiian Airlines began operating weekly flights from ICN to HNL (HA 460) on November 27, with flights departing on Wednesdays.

TAIWAN

Table 11: Key Performance Indicators – Taiwan

	% of Forecast	YOY Rate	Dec. YTD	Forecast
Visitor Spending (\$mil)	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-84.0%	35,021	N/A
Arrivals	N/A	-85.4%	3,537	N/A
Daily Census	N/A	-84.0%	96	N/A
Airlift (scheduled seats)	N/A	-81.5%	7,344	N/A

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

- There were 25 visitors in December compared to 1,434 visitors a year ago. There were no direct flights from Taiwan. These 25 visitors came on domestic flights. For all of 2020, arrivals decreased 85.4 percent to 3,537 visitors.
- Taiwanese citizens were required to quarantine for 14 days upon their return home.
- Despite the COVID-19 pandemic shrinking economies around the world, Taiwanese government still predicts Taiwan's GDP to grow by 2.5 percent this year. The forecast also sees Taiwan's GDP to grow by 3.8 percent in 2021.
- Due to the severe COVID-19 pandemic situation overseas, outbound travel is nearly impossible for Taiwanese travelers. All leisure travel is postponed or canceled. Travelers turn to travel domestically for holidays.
- Hawai'i and other island destinations remain the most expected destination to form travel bubble with Taiwan. Many potential travelers hope to visit Hawai'i when most people are injected with the vaccine and the pandemic is under control.

LATIN AMERICA

Table 122: Key Performance Indicators – Latin America

	% of Forecast	YOY Rate	Dec. YTD	Forecast
Visitor Spending (\$mil)	N/A	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A
Visitor Days	N/A	-67.9%	88,836	N/A
Arrivals	N/A	-75.5%	6,198	N/A
Daily Census	N/A	-68.0%	243	N/A
Airlift (scheduled seats)	N/A	N/A	N/A	N/A

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

- There were 488 visitors from Latin America (Mexico, Brazil and Argentina) in December compared to 2,588 visitors a year ago. These 488 visitors came on domestic flights. For all of 2020, arrivals dropped 75.5 percent to 6,198 visitors.
- In Argentina, all incoming travelers including returning residents must submit a valid negative PCR test completed up to 72 hours before travel or subject to quarantine. In Mexico, the U.S. and Mexican border restrictions was extended until February 24, 2021. The restrictions

applied to non-essential crossings but not commerce. There were no quarantine restrictions for returning Mexican nationals.

ISLAND VISITATION:

- **Oahu:** In December, visitor spending¹ on O‘ahu was \$156.5 million (-79.9%). Total visitor days decreased 68.6 percent from a year ago. There were 112,856 visitors on O‘ahu compared to 558,346 visitors in December 2019. For all of 2020, visitor arrivals dropped 75.4 percent to 1,515,013 visitors.
- **Maui:** In December, visitor spending on Maui was \$185.9 million (-63.8%). Total visitor days declined 58.0 percent from December 2019. There were 90,605 visitors on Maui in December versus 275,419 visitors a year ago. For all of 2020, arrivals decreased 74.1 percent to 791,660 visitors.
- **Hawai‘i Island:** In December, visitor spending on Hawai‘i Island was \$98.0 million (-62.7%). Visitor days decreased 58.4 percent from December 2019. There were 48,134 visitors on Hawai‘i Island in December compared to 177,912 visitors a year ago. For all of 2020, arrivals fell 72.1 percent to 492,325 visitors.
- **Kaua‘i:** In December, visitor spending on Kaua‘i was \$10.4 million (-94.1%). Total visitor days were down 92.3 percent compared to December 2019. There were 3,759 visitors on Kaua‘i in December compared to 124,356 visitors a year ago. For all of 2020, visitor arrivals dropped 75.8 percent to 330,954 visitors.

¹ For December 2020, spending statistics on Oahu, Maui, Kauai and Hawai‘i Island were only for U.S. visitors. Data for visitors from other markets were not available.

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

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

Visitor Industry Performance Measures

Market: **OVERALL**

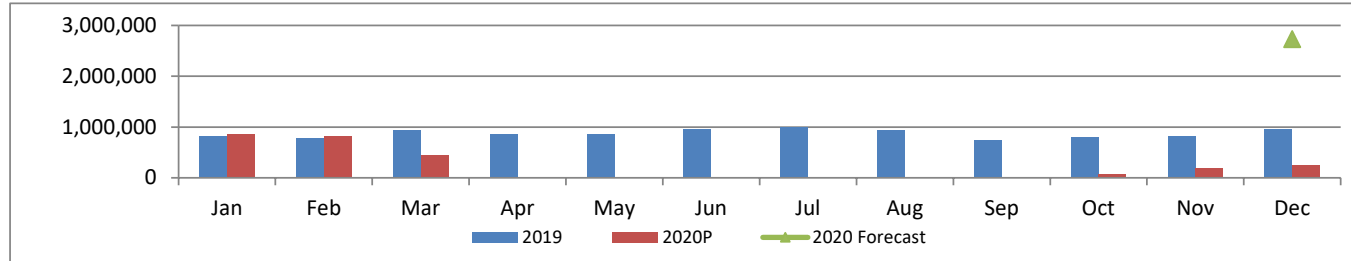
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	5,073.8	O'ahu	-75.4%	1,515,013
Daily Spend (\$pppd)	N/A	N/A	N/A	167.1	Maui	-74.1%	791,660
Visitor Days	↓ 94.5%	-68.2%	28,701,954	30,357,036	Moloka'i	-73.1%	16,964
Arrivals	→ 99.5%	-73.8%	2,716,195	2,730,466	Lāna'i	-78.6%	17,970
Daily Census	↓ 86.5%	-68.3%	78,421	90,618	Kaua'i	-75.8%	330,954
Airlift (scheduled seats)	N/A	-61.1%	5,267,336	N/A	Hawai'i Island	-72.1%	492,325

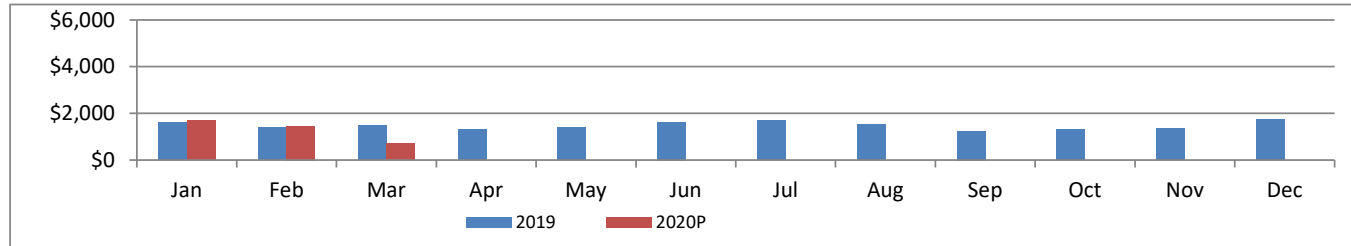
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

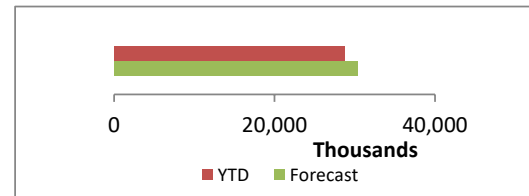


Monthly Visitor Expenditures (\$mil)

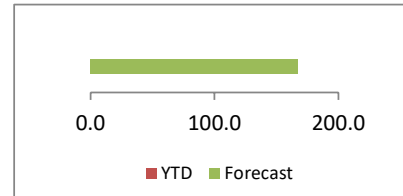


Annual Indicators

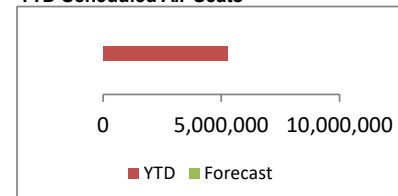
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

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

Visitor Industry Performance Measures

Market: **U.S. TOTAL**

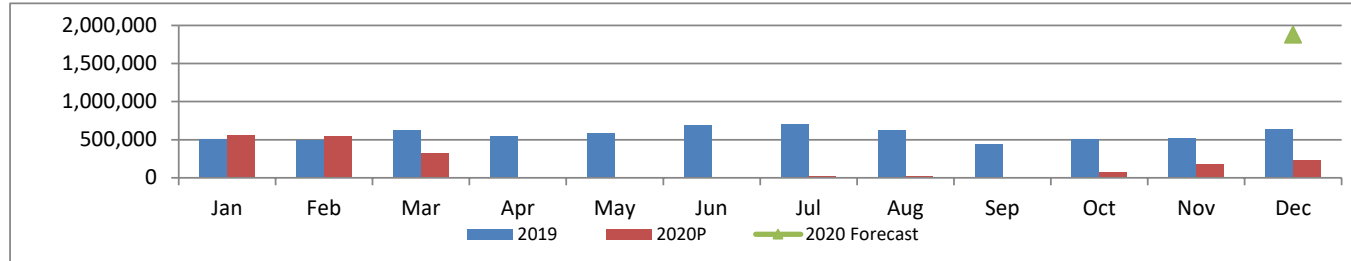
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD	Column 1
Visitor Spending (\$mil)*	N/A	N/A	N/A	3,504.1	O'ahu	-71.1%	963,021	
Daily Spend (\$pppd)	N/A	N/A	N/A	159	Maui	-73.1%	658,972	
Visitor Days	→ 99.5%	-64.5%	21,935,014	22,039,509	Moloka'i	-71.3%	12,210	
Arrivals	↑ 105.4%	-71.2%	1,982,449	1,881,291	Lāna'i	-75.7%	14,517	
Daily Census	↓ 91.1%	-64.6%	59,932	65,790	Kaua'i	-75.3%	280,866	
Airlift (scheduled seats)	N/A	-56.3%	4,259,922	N/A	Hawai'i Island	-69.7%	379,096	

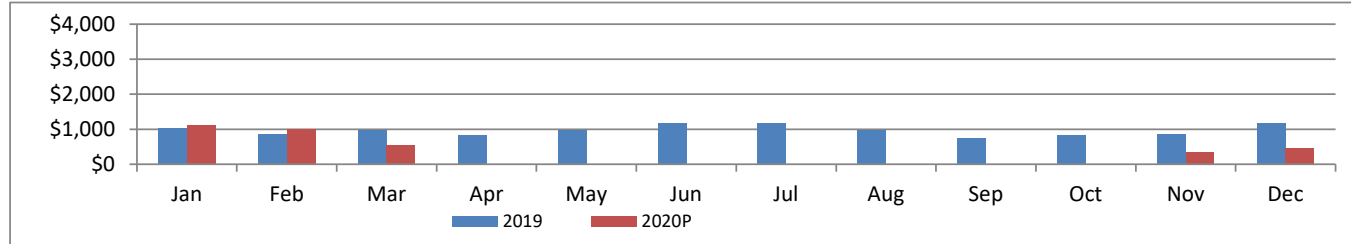
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

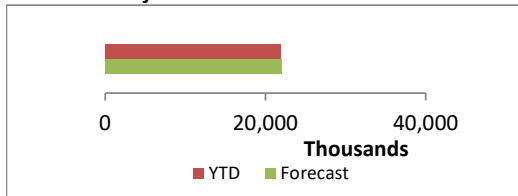


Monthly Visitor Expenditures (\$mil)

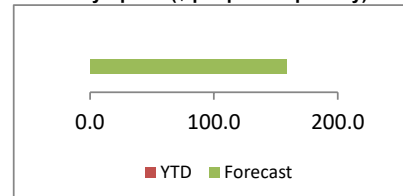


Annual Indicators

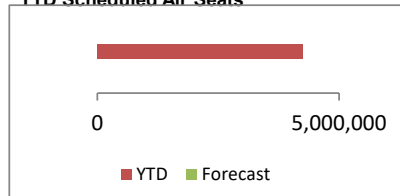
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

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

Visitor Industry Performance Measures

Market: **U.S. WEST**

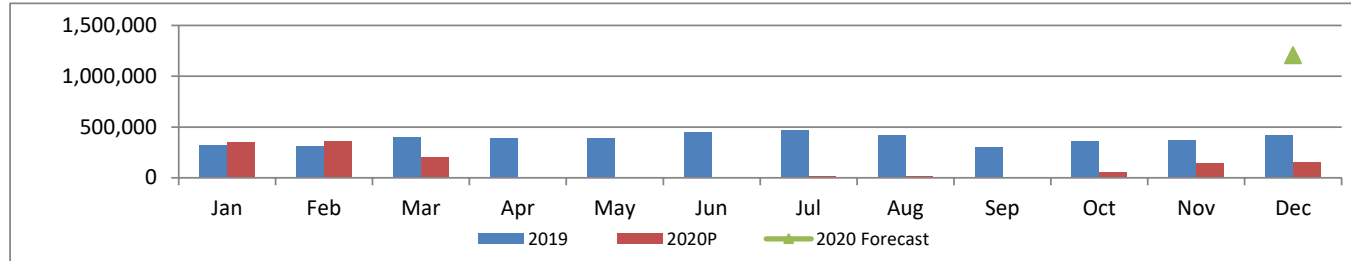
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	1,985.3	O'ahu	-71.2%	578,019
Daily Spend (\$pppd)	N/A	N/A	N/A	146.7	Maui	-73.4%	430,048
Visitor Days ↑	102.5%	-65.1%	13,873,947	13,534,262	Moloka'i	-71.3%	7,408
Arrivals ↑	108.0%	-71.6%	1,306,388	1,209,596	Lāna'i	-74.9%	7,962
Daily Census ↓	93.8%	-65.2%	37,907	40,401	Kaua'i	-75.4%	179,734
Airlift (scheduled seats)	N/A	-56.0%	3,772,048	N/A	Hawai'i Island	-68.9%	244,973

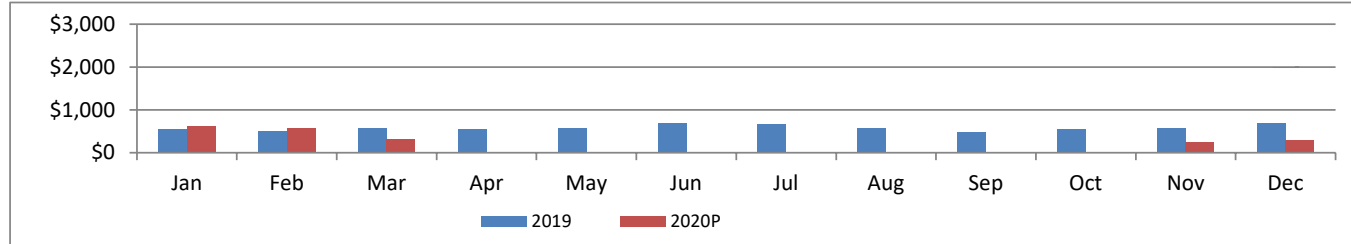
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

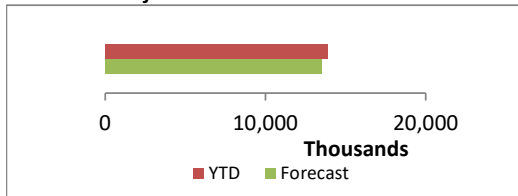


Monthly Visitor Expenditures (\$mil)

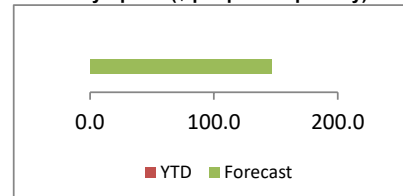


Annual Indicators

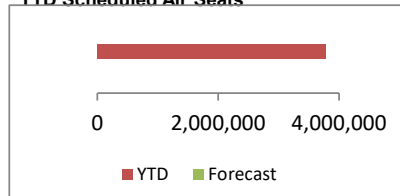
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

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

Visitor Industry Performance Measures

Market: **U.S. EAST**

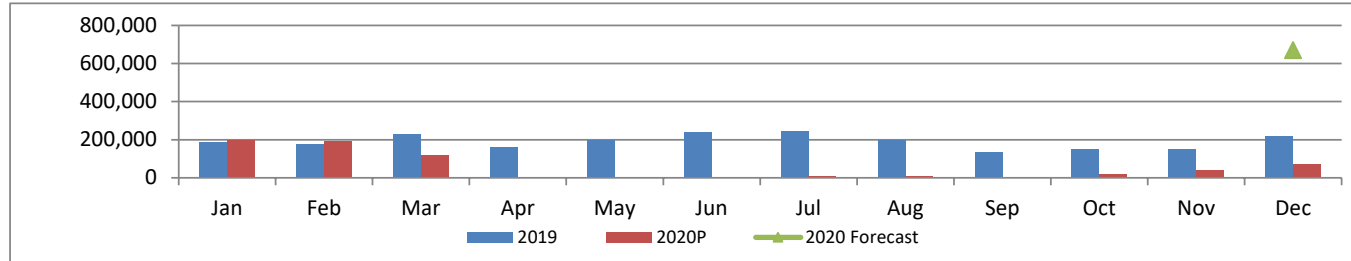
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	1,518.8	O'ahu	-70.9%	385,002
Daily Spend (\$pppd)	N/A	N/A	N/A	178.6	Maui	-72.5%	228,924
Visitor Days	↓ 94.8%	-63.4%	8,061,068	8,505,247	Moloka'i	-71.4%	4,802
Arrivals	→ 100.6%	-70.3%	676,061	671,695	Lāna'i	-76.7%	6,554
Daily Census	↓ 86.7%	-63.5%	22,025	25,389	Kaua'i	-75.0%	101,132
Airlift (scheduled seats)	N/A	-58.7%	487,874	N/A	Hawai'i Island	-71.1%	134,123

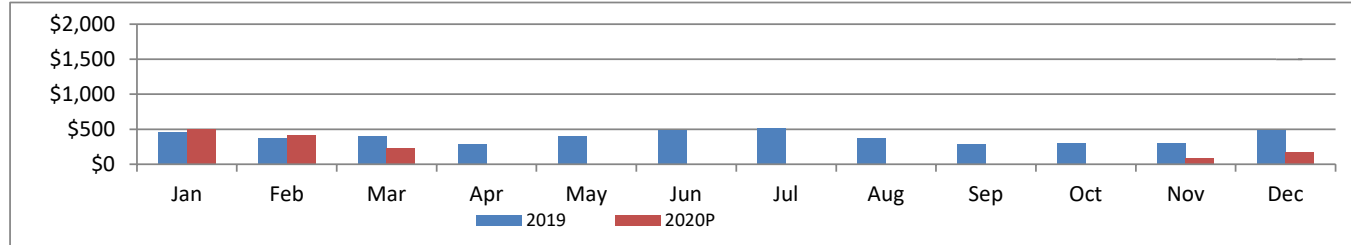
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

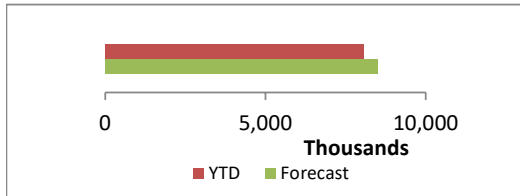


Monthly Visitor Expenditures (\$mil)

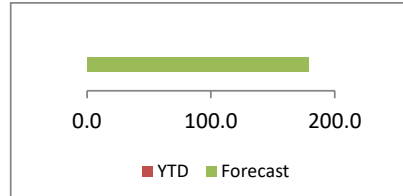


Annual Indicators

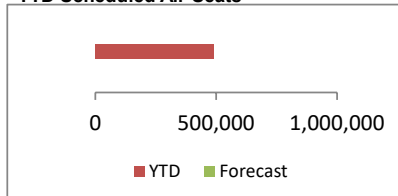
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

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

Visitor Industry Performance Measures

Market: **CANADA**

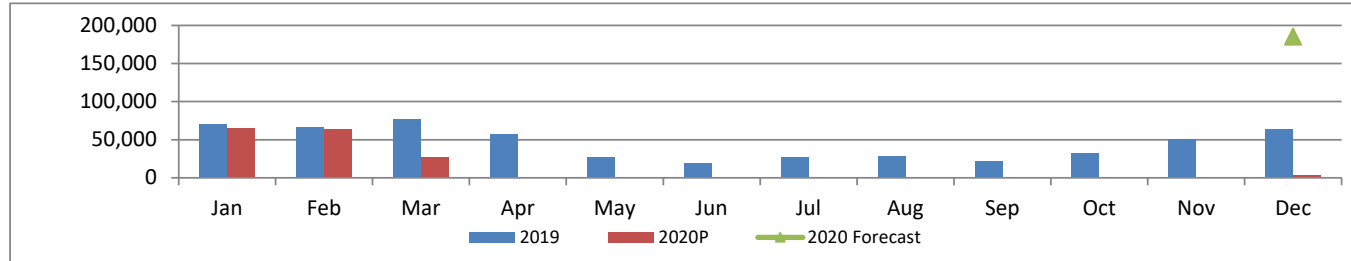
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	474.9	O'ahu	-72.2%	63,338
Daily Spend (\$pppd)	N/A	N/A	N/A	175.3	Maui	-73.2%	74,293
Visitor Days	↓ 82.1%	-66.1%	2,224,548	2,709,495	Moloka'i	-78.7%	1,031
Arrivals	↓ 86.8%	-70.2%	161,201	185,672	Lāna'i	-72.6%	1,559
Daily Census	↓ 75.1%	-66.2%	6,078	8,088	Kaua'i	-70.3%	22,765
Airlift (scheduled seats)	N/A	-63.3%	177,913	N/A	Hawai'i Island	-62.7%	36,445

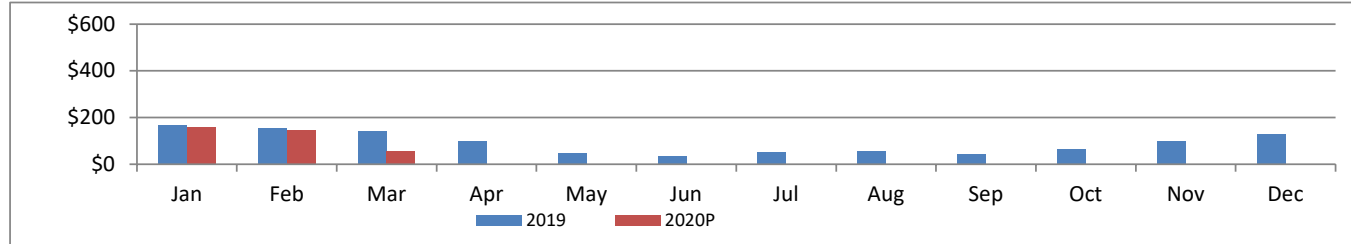
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

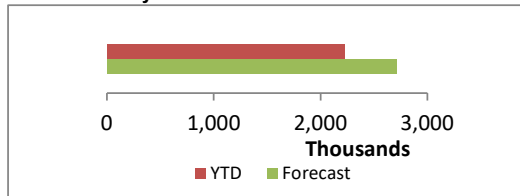


Monthly Visitor Expenditures (\$mil)

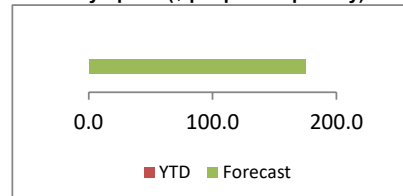


Annual Indicators

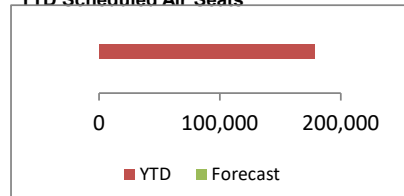
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

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

Visitor Industry Performance Measures

Market: **JAPAN**

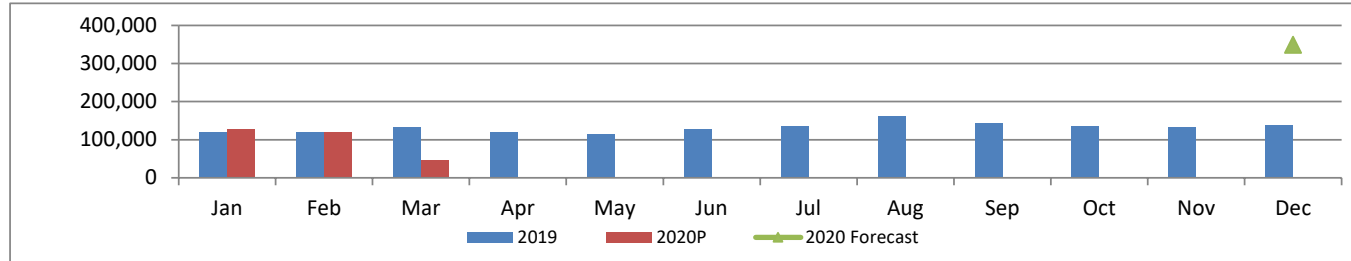
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	546.1	O'ahu	-81.4%	277,354
Daily Spend (\$pppd)	N/A	N/A	N/A	241.5	Maui	-82.4%	8,212
Visitor Days	↓ 78.9%	-80.8%	1,785,502	2,261,675	Moloka'i	-78.3%	421
Arrivals	↓ 85.0%	-81.1%	297,243	349,500	Lāna'i	-94.2%	133
Daily Census	↓ 72.3%	-80.9%	4,878	6,751	Kaua'i	-85.3%	3,723
Airlift (scheduled seats)	N/A	-75.8%	483,574	N/A	Hawai'i Island	-78.9%	36,014

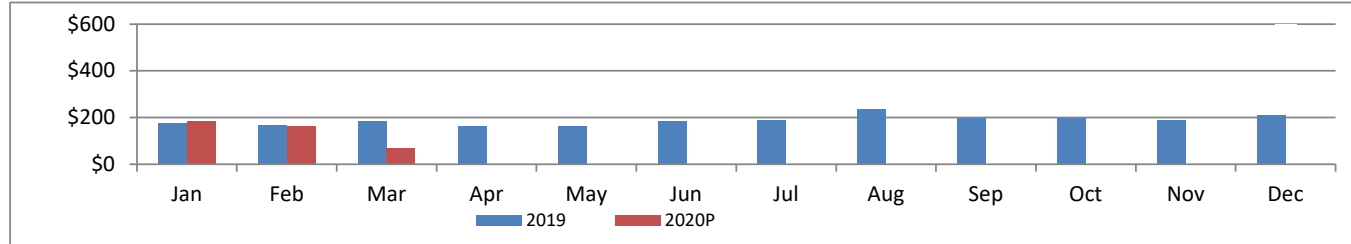
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

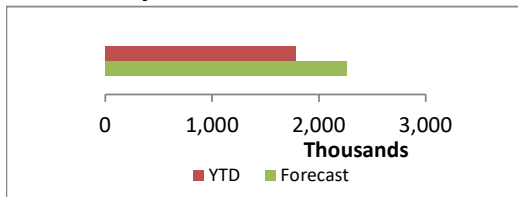


Monthly Visitor Expenditures (\$mil)

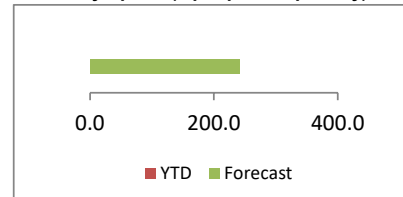


Annual Indicators

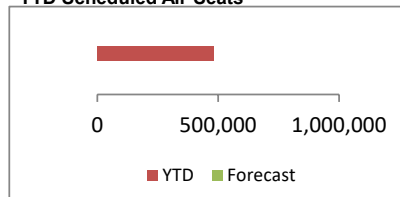
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

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

Visitor Industry Performance Measures

Market: **CHINA**

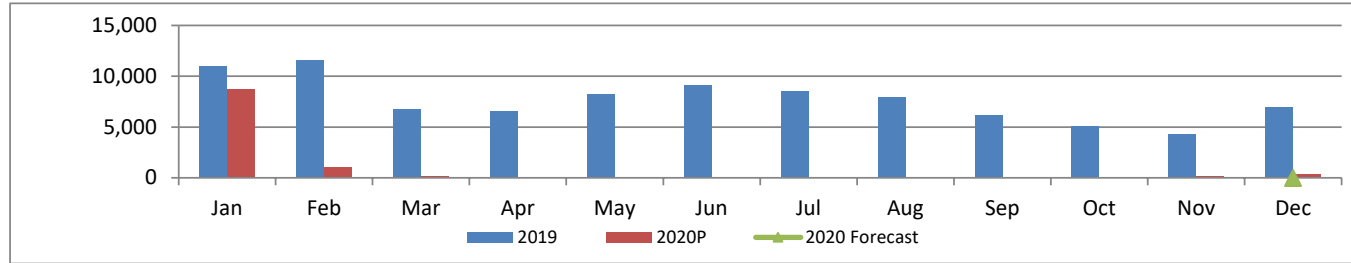
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A	O'ahu	-88.6%	10,117
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A	Maui	-86.8%	2,554
Visitor Days	N/A	-86.1%	102,211	N/A	Moloka'i	-89.6%	75
Arrivals	N/A	-88.3%	10,736	N/A	Lāna'i	-93.1%	58
Daily Census	N/A	-86.2%	279	N/A	Kaua'i	-82.8%	649
Airlift (scheduled seats)	N/A	-93.0%	8,176	N/A	Hawai'i Island	-88.1%	4,114

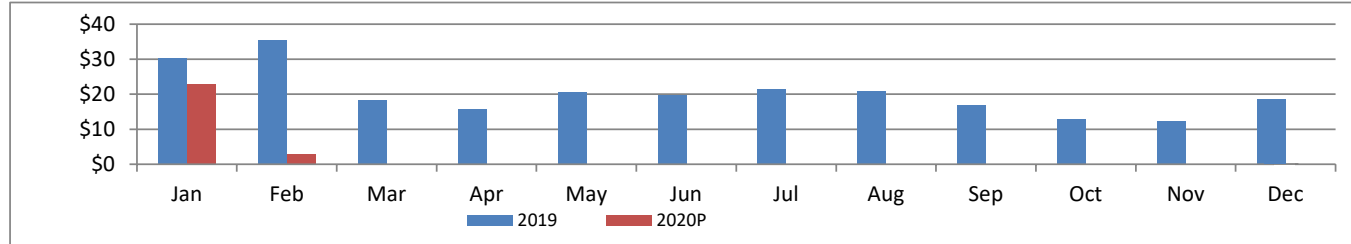
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Monthly Indicators

Monthly Arrivals

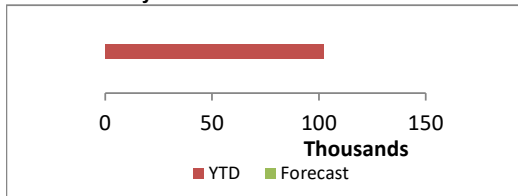


Monthly Visitor Expenditures (\$mil)

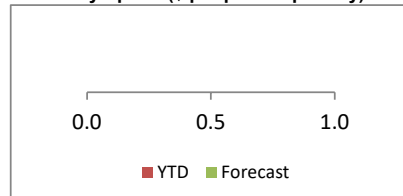


Annual Indicators

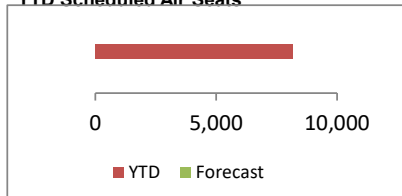
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

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

Visitor Industry Performance Measures

Market: **KOREA**

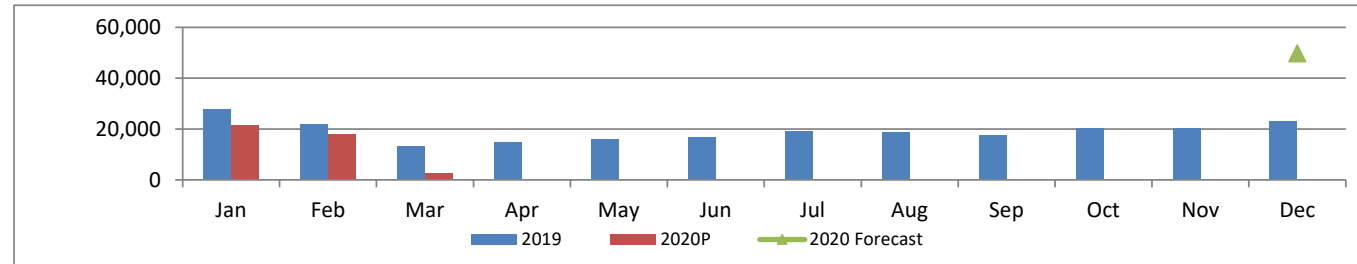
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	118.0	O'ahu	-81.6%	41,470
Daily Spend (\$pppd)	N/A	N/A	N/A	252.8	Maui	-85.6%	4,224
Visitor Days	↓ 78.7%	-78.9%	367,516	466,801	Moloka'i	-93.0%	60
Arrivals	↓ 84.7%	-81.6%	42,179	49,771	Lāna'i	-81.2%	94
Daily Census	↓ 72.1%	-79.0%	1,004	1,393	Kaua'i	-83.0%	1,221
Airlift (scheduled seats)	N/A	-77.9%	72,287	N/A	Hawai'i Island	-75.6%	6,161

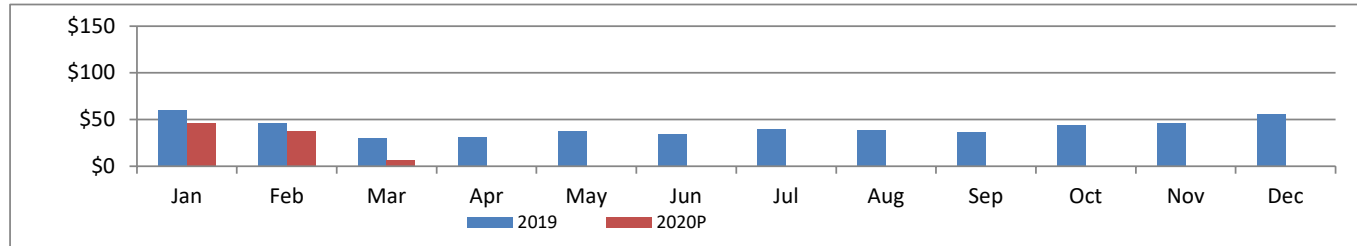
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

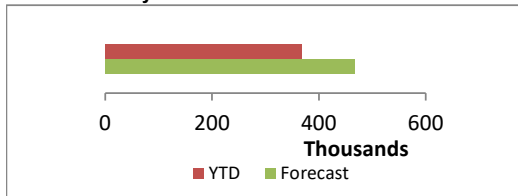


Monthly Visitor Expenditures (\$mil)

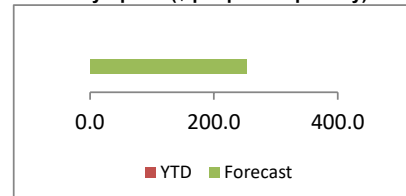


Annual Indicators

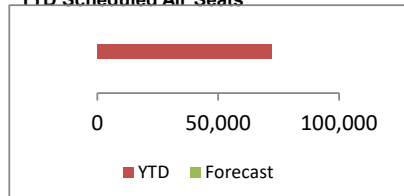
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

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

Visitor Industry Performance Measures

Market: **TAIWAN**

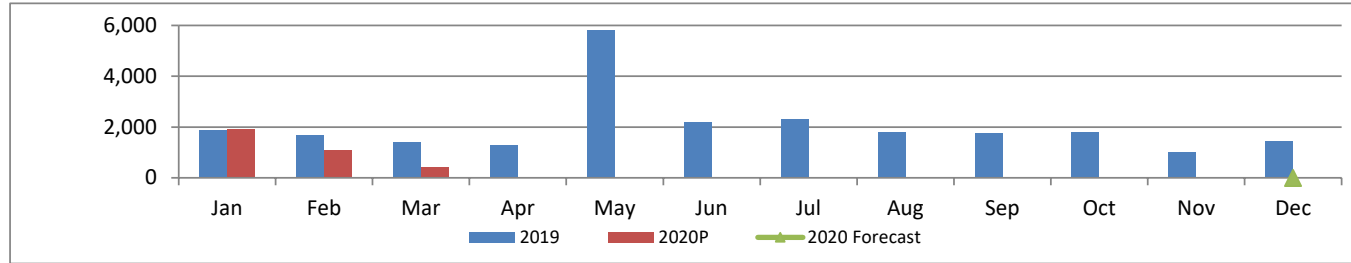
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A	O'ahu	-85.6%	3,417
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A	Maui	-84.1%	624
Visitor Days	N/A	-84.0%	35,021	N/A	Moloka'i	-52.4%	22
Arrivals	N/A	-85.4%	3,537	N/A	Lāna'i	-97.5%	3
Daily Census	N/A	-84.0%	96	N/A	Kaua'i	-85.3%	134
Airlift (scheduled seats)	N/A	-81.5%	7,344	N/A	Hawai'i Island	-79.1%	1,252

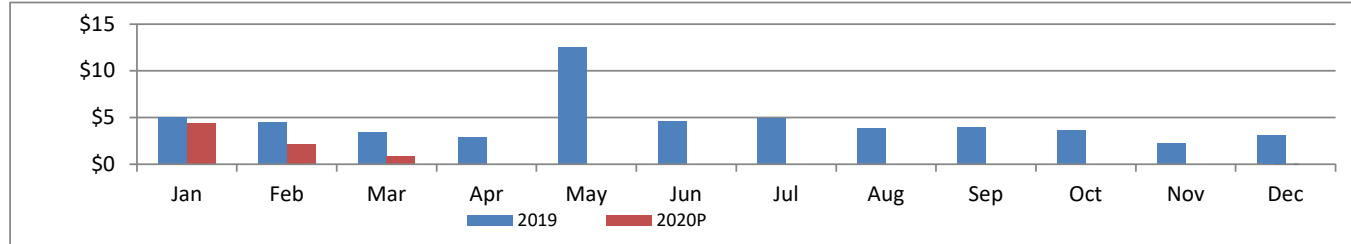
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Monthly Indicators

Monthly Arrivals

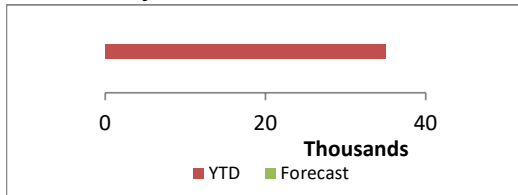


Monthly Visitor Expenditures (\$mil)

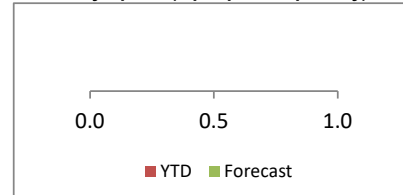


Annual Indicators

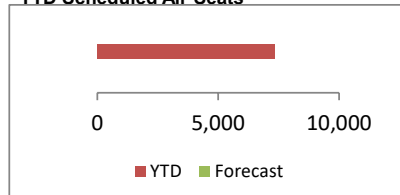
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

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

Visitor Industry Performance Measures

Market: **OCEANIA**

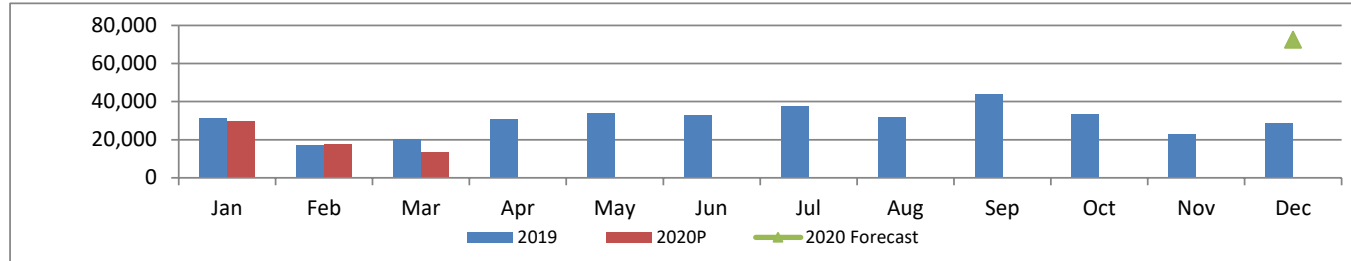
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	188.6	O'ahu	-83.2%	59,789
Daily Spend (\$pppd)	N/A	N/A	N/A	253.8	Maui	-85.5%	8,763
Visitor Days	↓ 78.2%	-83.0%	580,938	742,970	Moloka'i	-82.2%	834
Arrivals	↓ 84.4%	-83.2%	61,226	72,511	Lāna'i	-86.1%	849
Daily Census	↓ 71.6%	-83.1%	1,587	2,218	Kaua'i	-84.2%	5,074
Airlift (scheduled seats)	N/A	-80.6%	95,737	N/A	Hawai'i Island	-83.8%	7,669

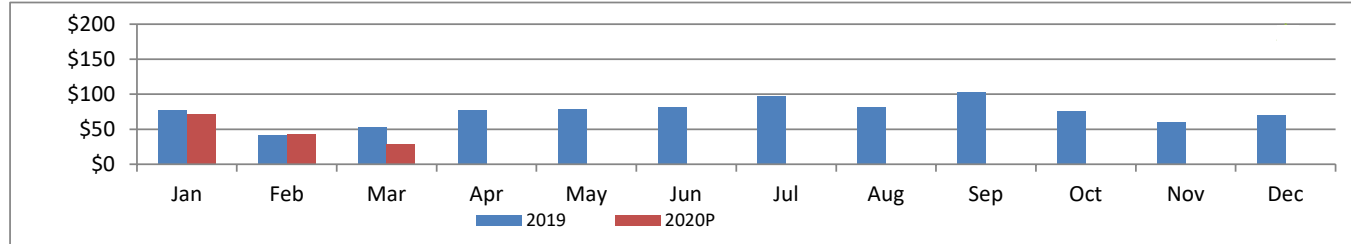
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

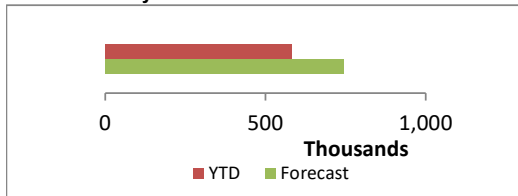


Monthly Visitor Expenditures (\$mil)

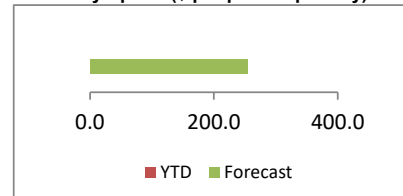


Annual Indicators

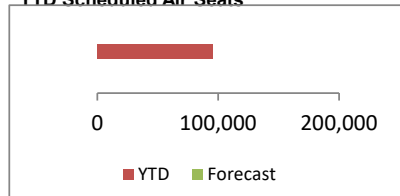
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

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

Visitor Industry Performance Measures

Market: **EUROPE**

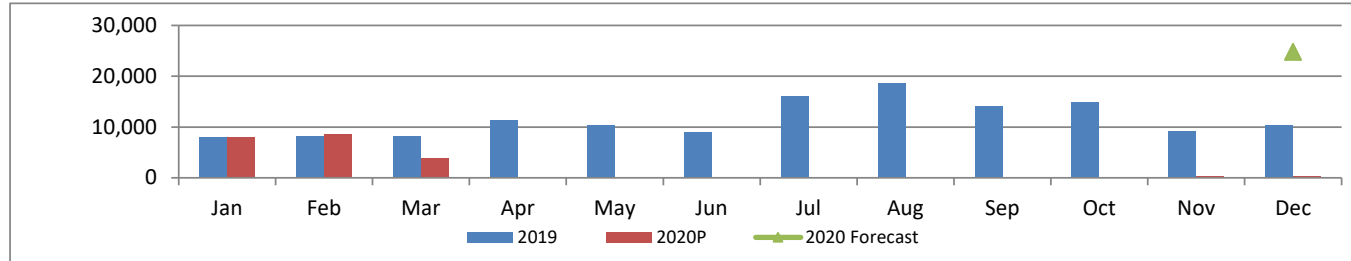
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	50.4	O'ahu	-84.9%	15,461
Daily Spend (\$pppd)	N/A	N/A	N/A	137.6	Maui	-85.8%	8,614
Visitor Days	↓ 81.9%	-83.1%	300,040	366,407	Moloka'i	-79.3%	367
Arrivals	↓ 87.1%	-84.3%	21,609	24,811	Lāna'i	-84.5%	253
Daily Census	↓ 75.0%	-83.2%	820	1,094	Kaua'i	-85.9%	5,015
Airlift (scheduled seats)	N/A	N/A	N/A	N/A	Hawai'i Island	-84.5%	6,742

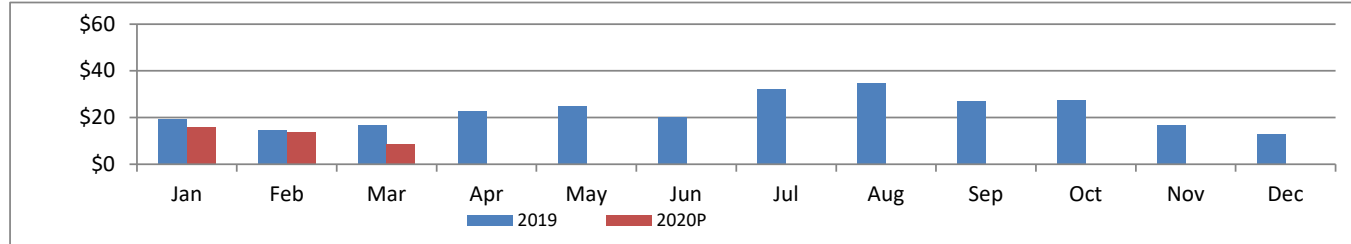
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

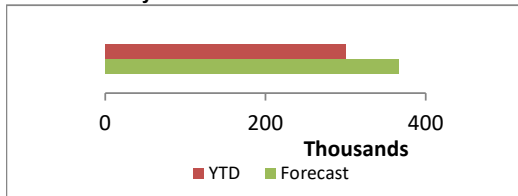


Monthly Visitor Expenditures (\$mil)

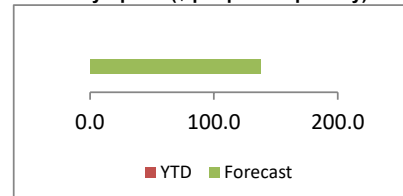


Annual Indicators

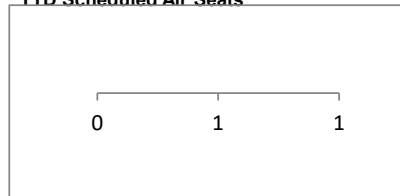
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Airlift (scheduled seats)

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

Visitor Industry Performance Measures

Market: **LATIN AMERICA**

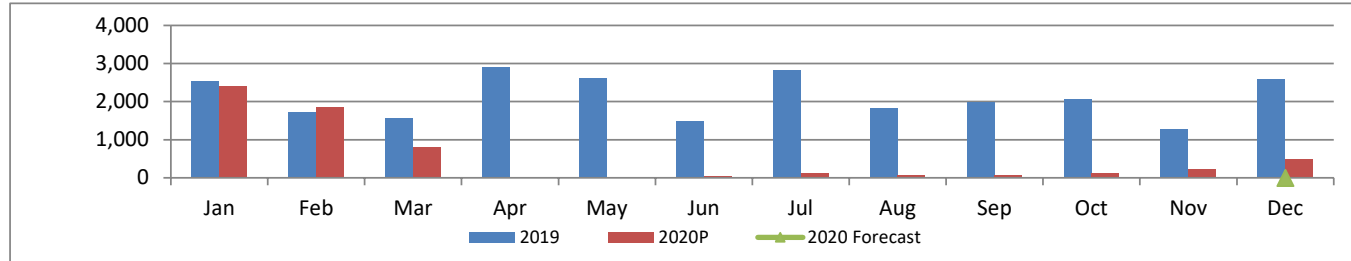
Key Performance Indicators

	% of Forecast*	YOY Rate	YTD	Forecast	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)*	N/A	N/A	N/A	N/A	O'ahu	-76.3%	4,521
Daily Spend (\$pppd)	N/A	N/A	N/A	N/A	Maui	-77.5%	2,029
Visitor Days	N/A	-67.9%	88,836	N/A	Moloka'i	-92.0%	25
Arrivals	N/A	-75.5%	6,198	N/A	Lāna'i	-88.4%	66
Daily Census	N/A	-68.0%	243	N/A	Kaua'i	-80.7%	647
Airlift (scheduled seats)	N/A	N/A	N/A	N/A	Hawai'i Island	-81.2%	1,053

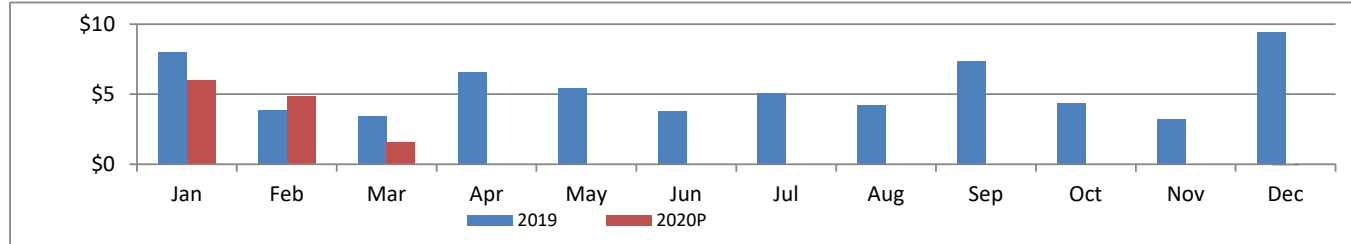
*DBEDT 2020 Forecast not yet available

Monthly Indicators

Monthly Arrivals

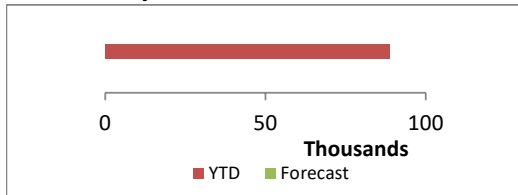


Monthly Visitor Expenditures (\$mil)

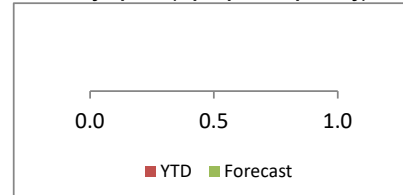


Annual Indicators

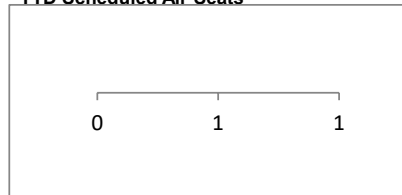
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

9

Presentation of the Hawai'i Tourism Authority's Visitor Satisfaction & Activity Report (VSAT) Special COVID Survey

VISITOR COVID-19 STUDY

January 2021

Prepared for:
Hawai'i Tourism Authority

RESEARCH METHODOLOGY

- Online survey conducted December 21, 2020 – January 4, 2021 among visitors to Hawaii from U.S. Mainland.
 - U.S. West (Alaska, California, Oregon, Washington, Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming)
 - U.S. East (all other states in the Continental U.S.)
- All respondents visited Hawaii during December 2020.

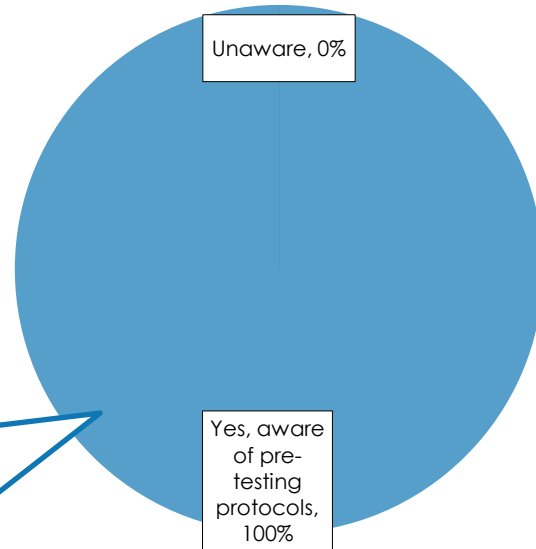
MMA	Completed	Margin of Error \pm	Response Rate
U.S. West	299	5.67	13%
U.S. East	196	7.00	12%
TOTAL	495	4.40	13%

*Margins of error are presented at the 95 percent level of confidence

PRE-ARRIVAL TESTING PROTOCOLS

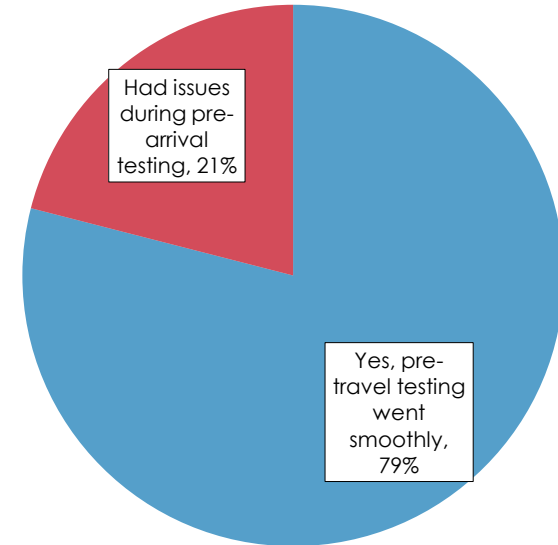
PRE-ARRIVAL COVID-19 TESTING

PRE-ARRIVAL UNDERSTANDING OF TESTING PROTOCOLS

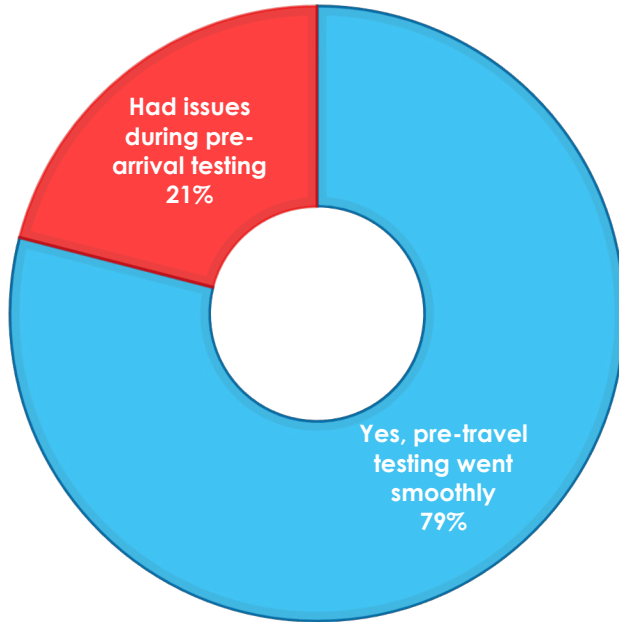


Nearly every visitor who took part in the survey (less than 1% unaware) was aware of the State's pre-testing protocols prior to arrival.

PRE-ARRIVAL TESTING EXPERIENCE



PRE-ARRIVAL COVID-19 TESTING EXPERIENCE

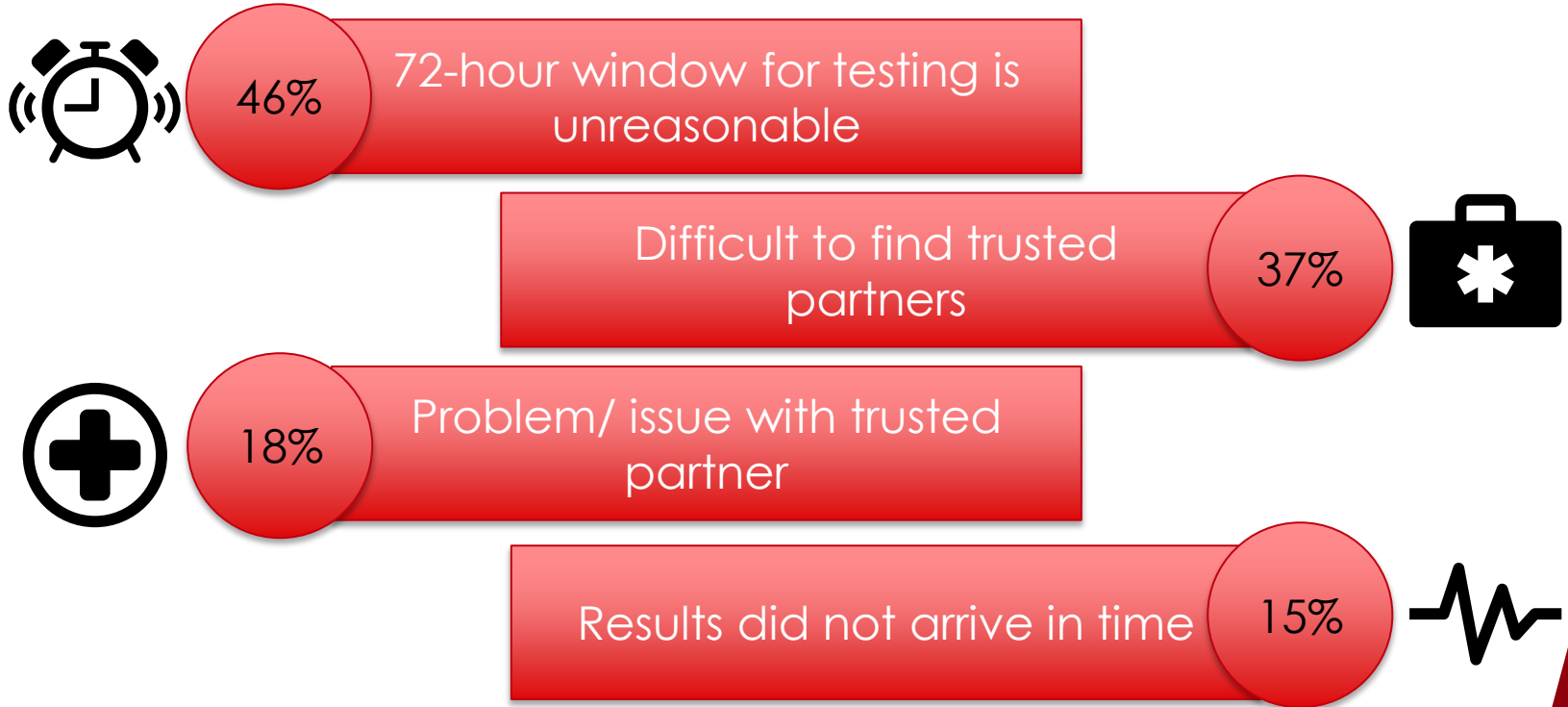


Experienced Issues with Testing (by MMA)

US West: 18%
US East: 25%

PRE-ARRIVAL COVID-19 TESTING DIFFICULTIES

TOP RESPONSES GIVEN
BASE=103



PRE-ARRIVAL COVID-19 TESTING DIFFICULTIES

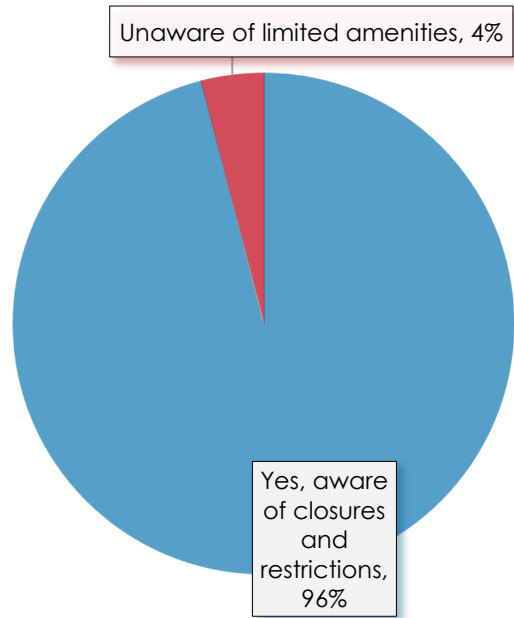
SEGMENTATION ANALYSIS

- *Difficulty finding trusted partner for testing was more of an issue for US East travelers.*
- *US West travelers had greater difficulty getting test results to arrive in time for their arrival date.*
- *Finding a trusted partner was more an an issue for less affluent visitors.*

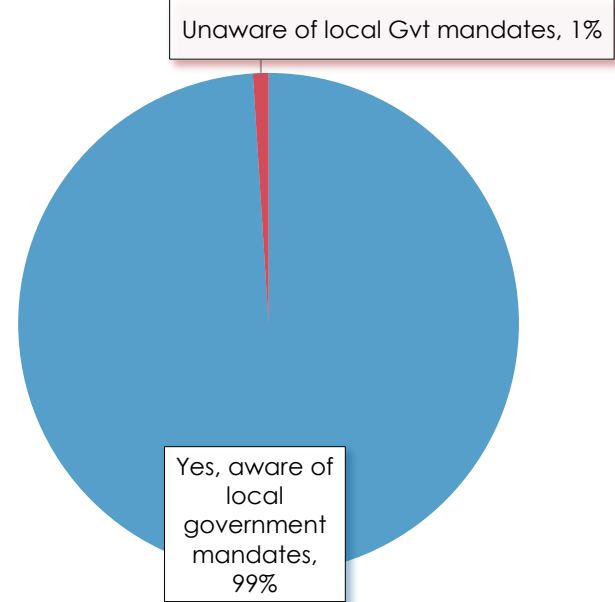
PRE-ARRIVAL EXPECTATIONS/ FAMILIARITY WITH COVID PROTOCOLS

PRE-ARRIVAL UNDERSTANDING OF LOCAL CLIMATE

AWARE OF LIMITED TOURISM AMENITIES



AWARE OF LOCAL GOVT MANDATES



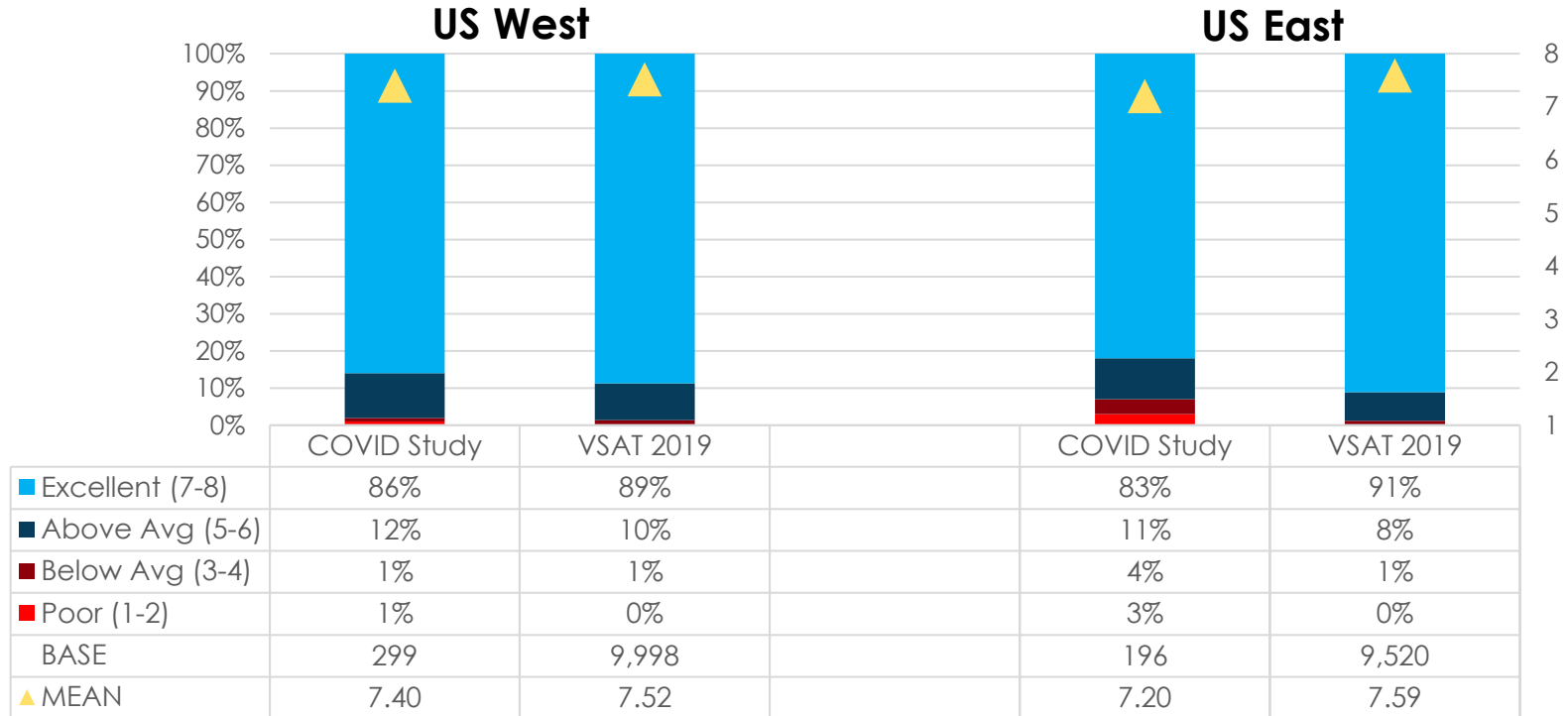
Q. Were you aware, before arriving in Hawai'i, that some businesses such as restaurants, bars, gyms, as well as some visitor attractions such as Hanauma Bay, shopping centers, and retail stores, were closed or were required to operate at less than full capacity?

Q. Were you aware, before arriving in Hawai'i, that government mandates were in place such as wearing of masks whenever outdoors, keeping social distances, etc.?

VISITOR SATISFACTION

VISITOR SATISFACTION – TRIP TO HAWAI‘I

8-pt Rating Scale
8=Excellent / 1=Poor



AREAS OF OPPORTUNITY

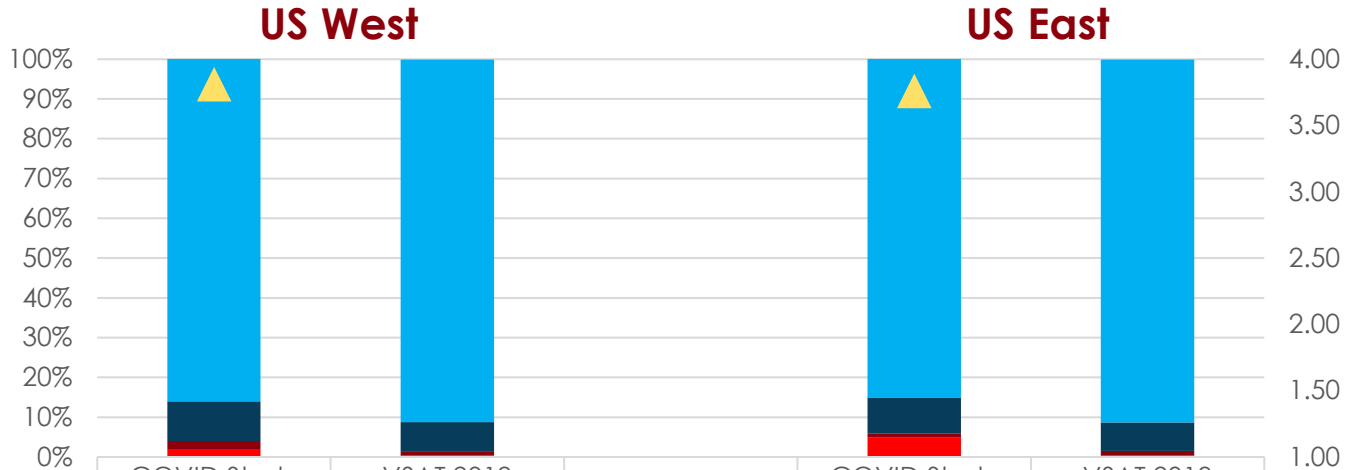
TOP RESPONSES GIVEN

	n=75
Open businesses/ attractions/ beaches	39%
COVID mandates/ rules are confusing	27%
Had to quarantine	12%
End of the pandemic	7%
Unfriendly local residents	5%

BRAND ADVOCACY – HAWAI'I

4-pt Rating Scale

Note: 2019 VSAT study methodology utilized was an 8-point scale vs 4-point scale in the current study.



	COVID Study	VSAT 2019	COVID Study	VSAT 2019
Very likely (4)	87%	91%	86%	91%
Somewhat likely (3)	10%	8%	9%	7%
Somewhat unlikely (2)	2%	1%	1%	1%
Very unlikely (1)	2%	0%	5%	0%
BASE	299	9,998	196	9,520
MEAN	3.81		3.76	

REASONS FOR NOT RECOMMENDING HAWAI'I

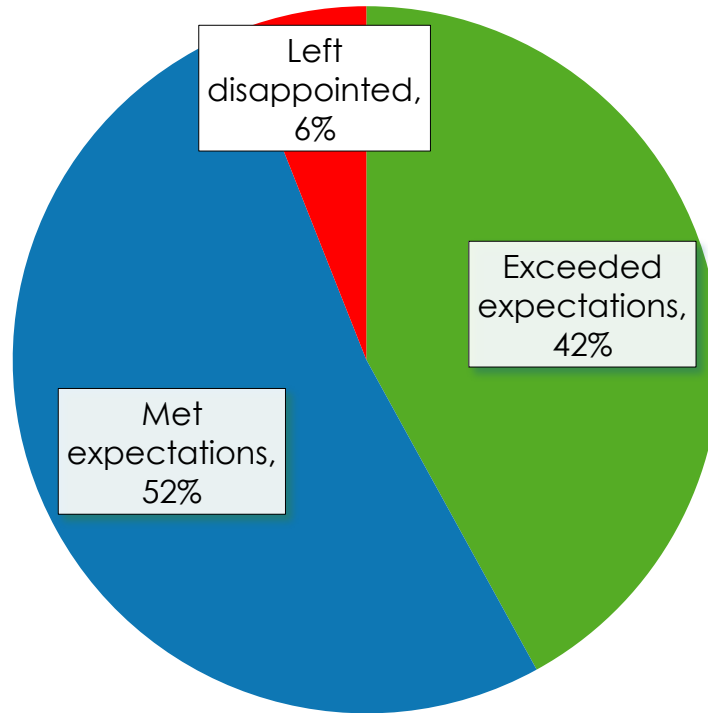
TOP RESPONSES GIVEN

	n=21
COVID-19 testing requirements are unreasonable	57%
Additional expenses and time required to travel	19%
Closures of businesses, attractions, natural landmarks	14%
Quarantine/ other restrictions	10%



TRIP EXPECTATIONS

Most visitors felt this trip either met or exceeded their expectations.

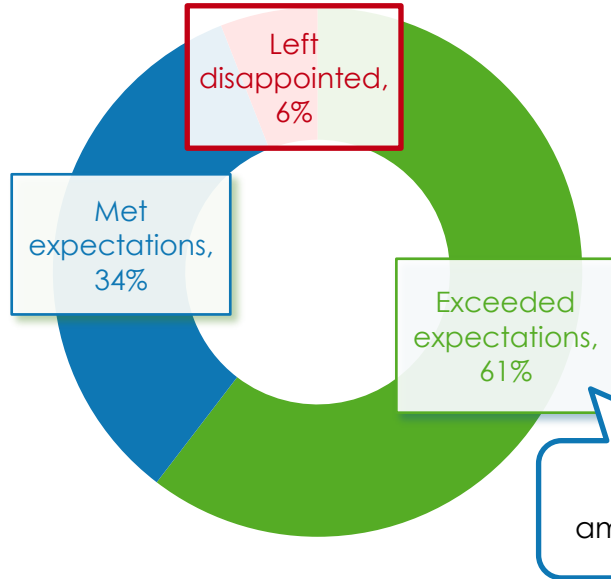


Younger visitors were more likely to feel that their trip exceeded their expectations. For example, 60% of travelers under the age of 35 felt this trip exceeded their expectations. This feeling declines with age until it bottoms out at 18% among seniors.

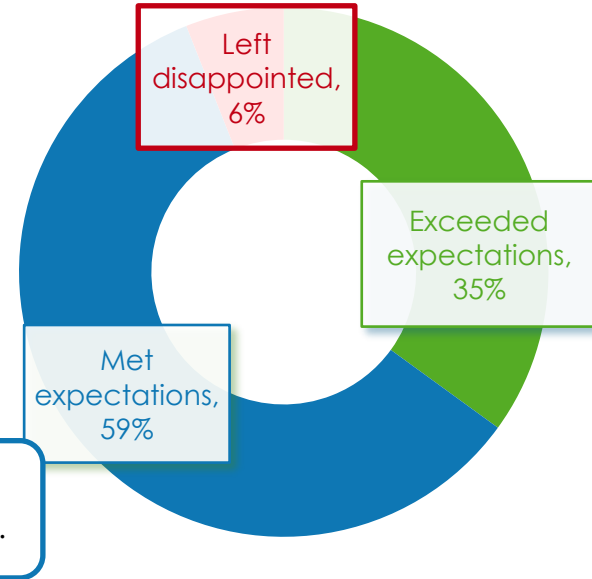
Q. Thinking of this trip and your expectations before arriving, would you say this trip exceeded your expectations, met your expectations, or were left disappointed?

TRIP EXPECTATIONS

FIRST-TIME VISITOR



REPEAT VISITOR



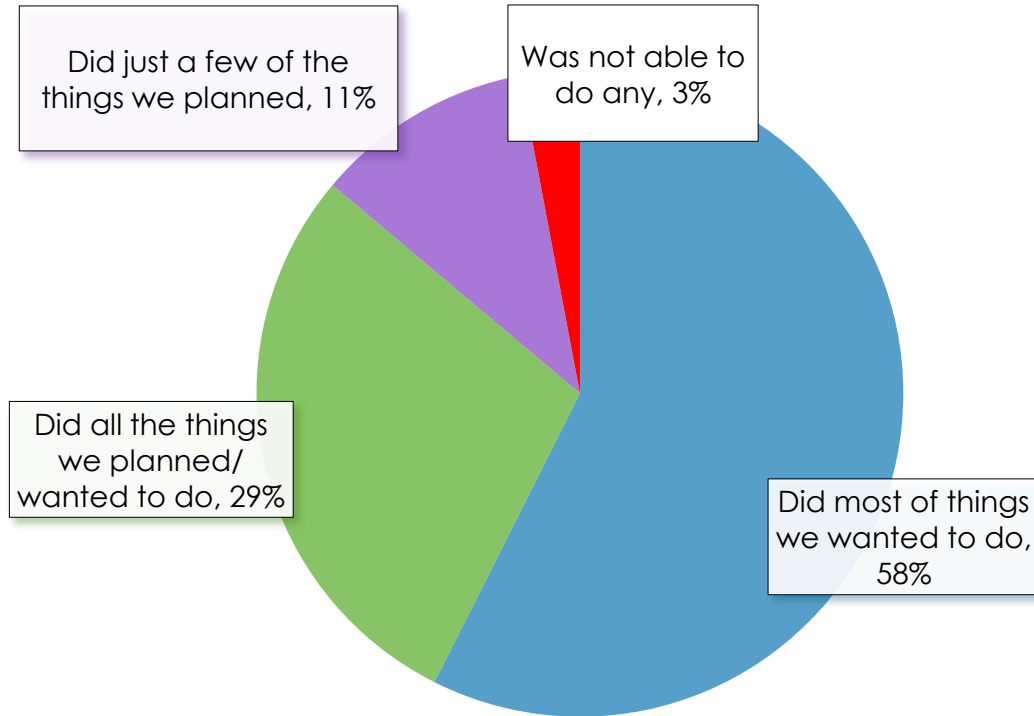
Higher satisfaction among first-time visitors.

TRIP EXPECTATIONS – REASONS FOR DISAPPOINTMENT

	n=31
Quarantine/ testing requirements	42%
Closure of businesses/ attractions	26%
Didn't get to do all the things I wanted	19%
Social distancing guidelines	10%
COVID-19	10%



PLANNED ACTIVITY/ ATTRACTION PARTICIPATION



OBSTACLES TO PLANNED ACTIVITY/ ATTRACTION PARTICIPATION

n=65	
Closures of businesses/ attractions	51%
Quarantine/ testing requirements	22%
COVID-19	18%
Social distancing requirements	11%
Weather	5%

LIKELIHOOD OF RETURN TRIP TO HAWAII

Taking COVID-19 Into Consideration

First-time visitors more likely to visit again once restrictions are lifted and attraction/businesses open.

	n=495
I will visit again when the pandemic is over and most or all of the COVID mandates and restrictions are removed	20%
I will visit again when I have completed the vaccination process	18%
I will visit again when there is no quarantine and no pre-visit coronavirus tested requirement	17%
I will visit again within the next year or two	12%
I will visit again when I am able to (finance/ time/ opportunity)	8%
I have no plans to return at this time	6%

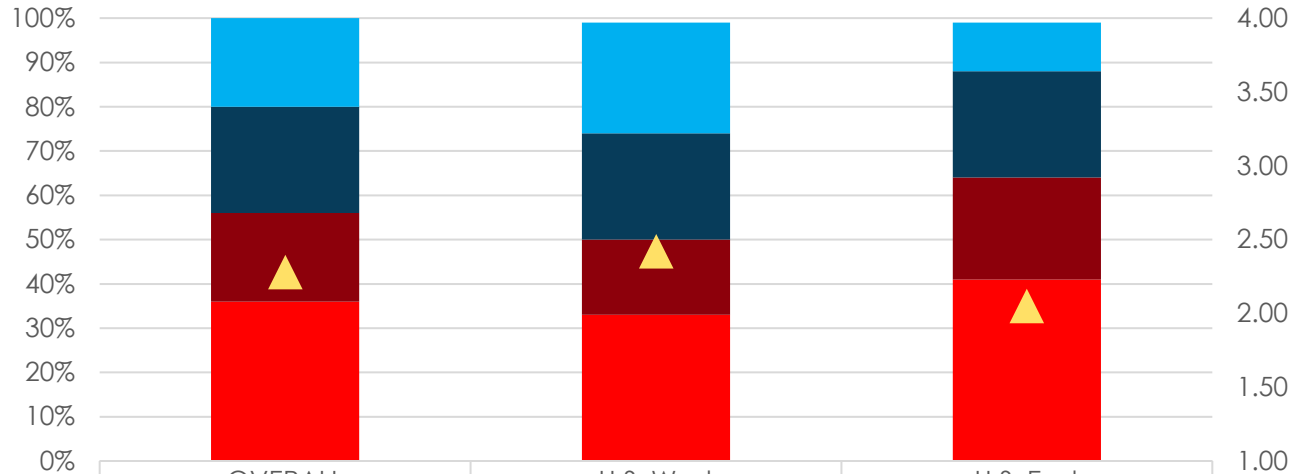
Visitors from US West as well as repeat visitors are more likely to visit once they are vaccinated.

COVID-19

IMPACT OF LOCAL INFECTION RATE ON TRIP PLANNING

4-pt Rating Scale

Hawai'i's relatively low COVID-19 infection rate is more of an incentive to travel here amongst US West visitors.

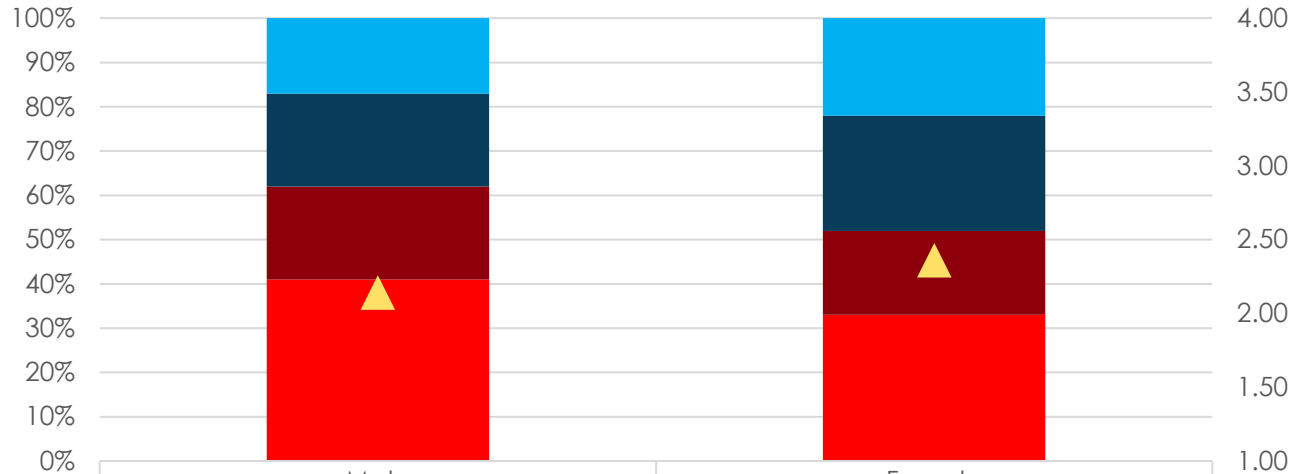


Very important (4)	20%	25%	11%
One of several reasons (3)	24%	24%	24%
Very little impact (2)	20%	17%	23%
Had no bearing (1)	36%	33%	41%
BASE	495	299	196
MEAN	2.28	2.42	2.05

IMPACT OF LOCAL INFECTION RATE ON TRIP PLANNING

4-pt Rating Scale

Hawai'i's relatively low COVID-19 infection rate has more of an impact during the travel planning process among females.

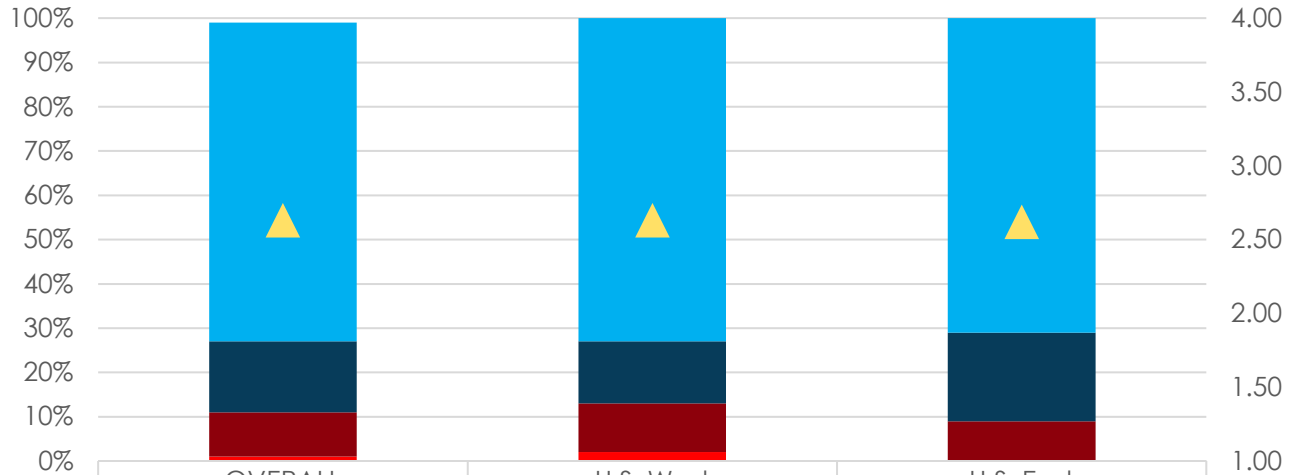


	Male	Female
Very important (4)	17%	22%
One of several reasons (3)	21%	26%
Very little impact (2)	21%	19%
Had no bearing (1)	41%	33%
BASE	184	311
MEAN	2.14	2.36

PERCEPTION OF COVID-19 IMPACT ON HEALTH

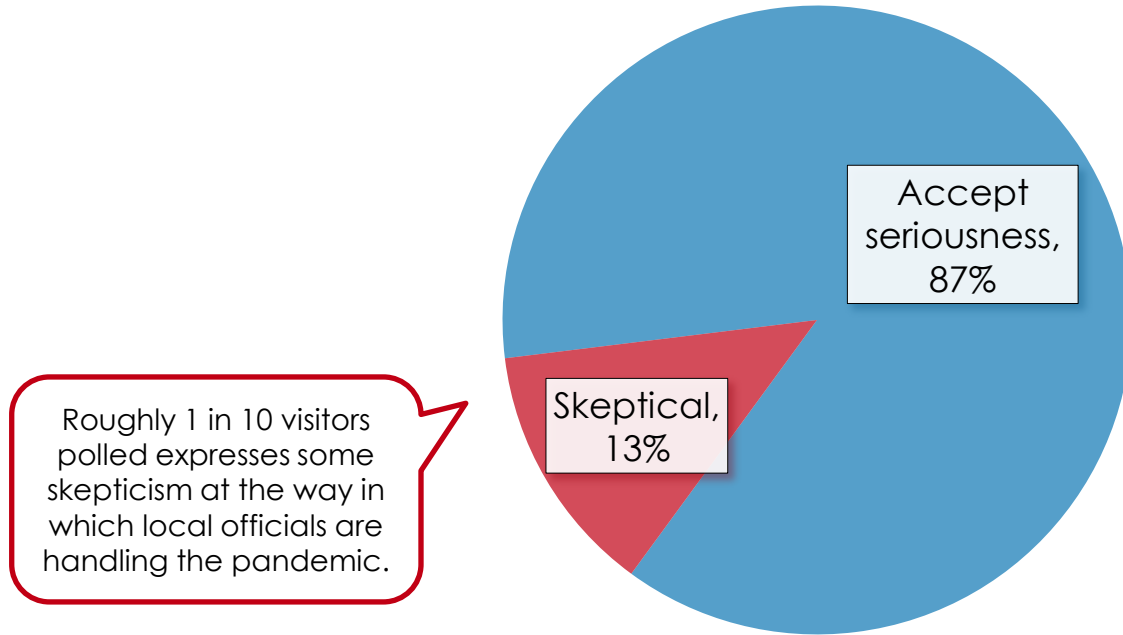
4-pt Rating Scale

Most of the visitors surveyed view COVID-19 as a serious personal health threat.

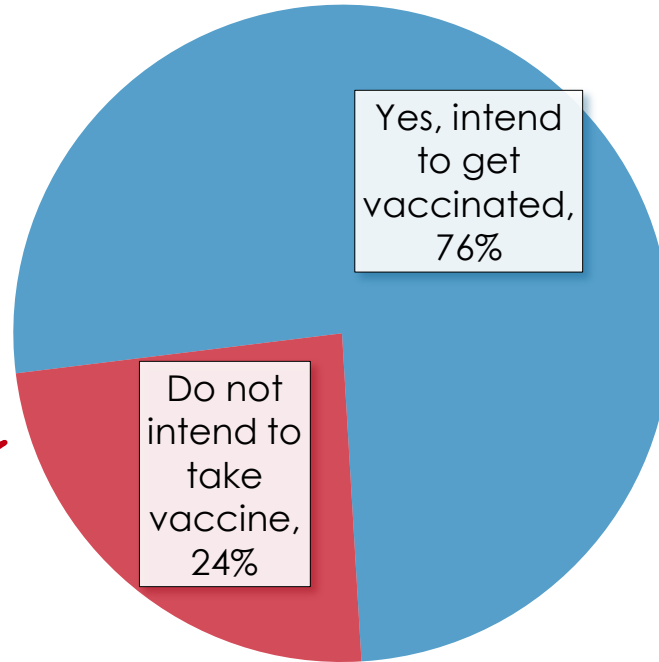


	OVERALL	U.S. West	U.S. East
■ Serious and urgent (4)	72%	73%	71%
■ Serious but not urgent (3)	16%	14%	20%
■ Concern but no serious (2)	10%	11%	9%
■ Not a concern (1)	1%	2%	
BASE	495	299	196
▲ MEAN	2.63	2.63	2.62

GOVERNMENT'S POSITION OF SERIOUSNESS



COVID-19 VACCINE

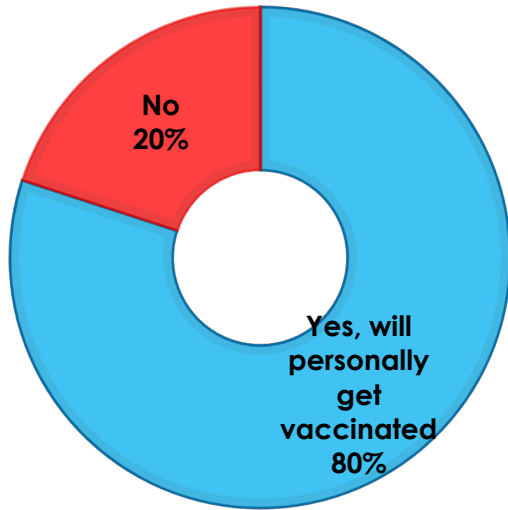


Roughly 1 in 4 visitors are unlikely to get the COVID-19 vaccine.

COVID-19 VACCINE

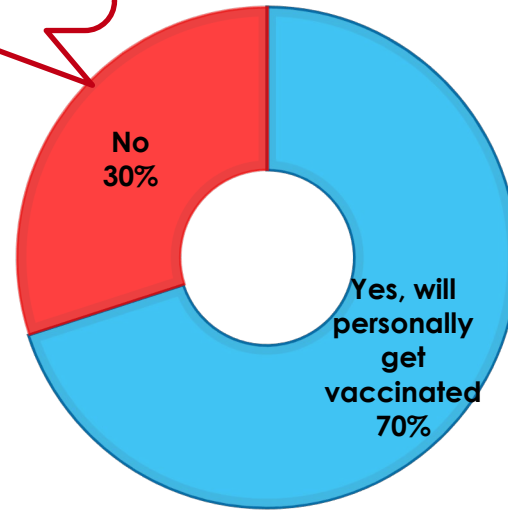
By Market

US WEST



Visitors from US East are less likely to take the vaccine.

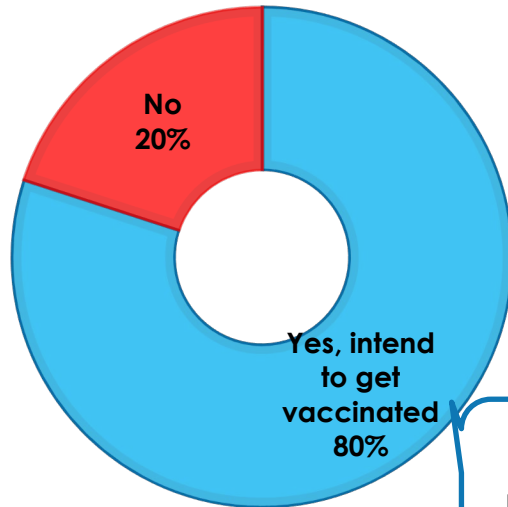
US EAST



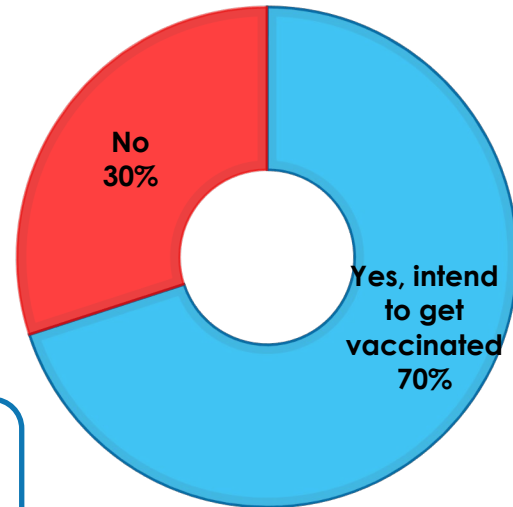
COVID-19 VACCINE

By Education Level

COLLEGE GRADUATE



DO NOT HAVE DEGREE



More educated segments of the visitor base are more likely to get vaccinated.

SOURCES OF COVID-19 INFORMATION

SOURCES OF HAWAI'I COVID-19 INFORMATION

TOP RESPONSES

	n=494
Safe travels website (travel.Hawaii.gov)	95%
Friends and family	38%
GoHawaii.com	34%
HTA website (hawaiiitourismauthority.org)	20%
Airline staff	17%
Social media/ blogs	14%
Online travel sites	10%

More likely to be a source of information among less affluent visitors.

More likely to be referenced by first-time visitors.

RESPONDENT PROFILE

RESPONDENT PROFILE

	Overall
GENDER	
Male	63%
Female	37%
HOUSEHOLD INCOME	
< \$40,000	5%
\$40,000 to \$59,999	7%
\$60,000 to \$79,999	10%
\$80,000 to \$99,999	8%
\$100,000 to \$124,999	11%
\$125,000 to \$149,999	7%
\$150,000 to \$174,999	9%
\$175,000 to \$199,999	6%
\$200,000 to \$249,999	6%
\$250,000 +	14%
Refused	17%
EDUCATION	
Post-graduate	39%
College graduate	29%
Some college	12%
Associates degree	10%
Vocational	3%
High school	4%

	Overall
AGE	
18-34	32%
35-49	24%
50-64	29%
65+	14%
MEAN	45.74
MEDIAN	46
TRIPS TO HAWAII	
First-time	28%
Repeat	72%
ISLANDS VISITED	
O'ahu	64%
Island of Hawai'i	26%
Maui	18%
Kaua'i	4%
Lana'i	0%
Moloka'i	0%
ISLANDS VISITED	
Single island	91%
Multi-island trip	9%

	Overall
ACCOMMODATIONS	
Hotel/ villa/ resort	36%
Friends/ family	19%
Condo/ Apartment	13%
Vacation rental	12%
Timeshare	12%

10

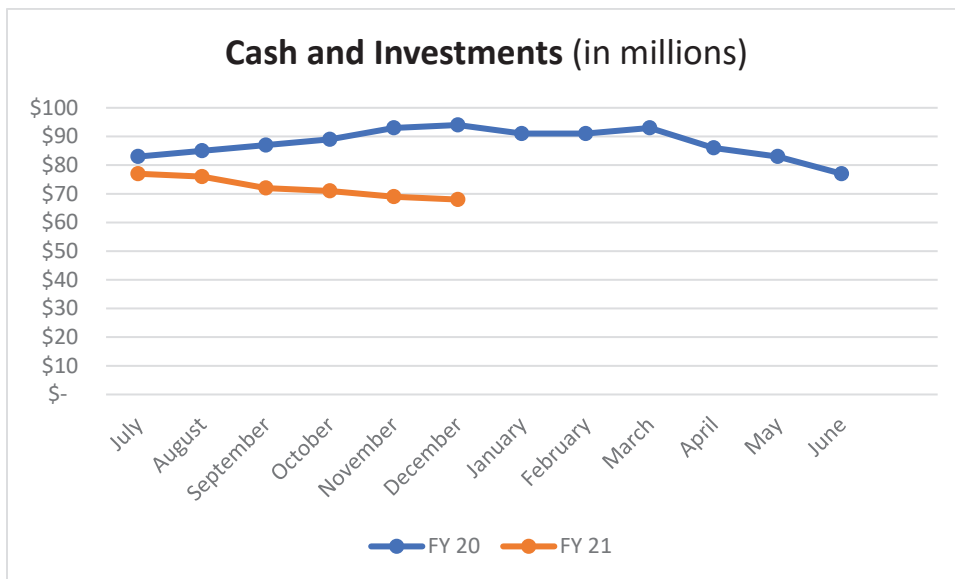
Presentation, Discussion and Action on HTA's
Financial Reports for December 2020

HAWAII TOURISM AUTHORITY

Financial Statements – Executive Summary December 1, 2020 – December 31, 2020

Tourism Special Fund:

1. \$68.2M in cash and investments

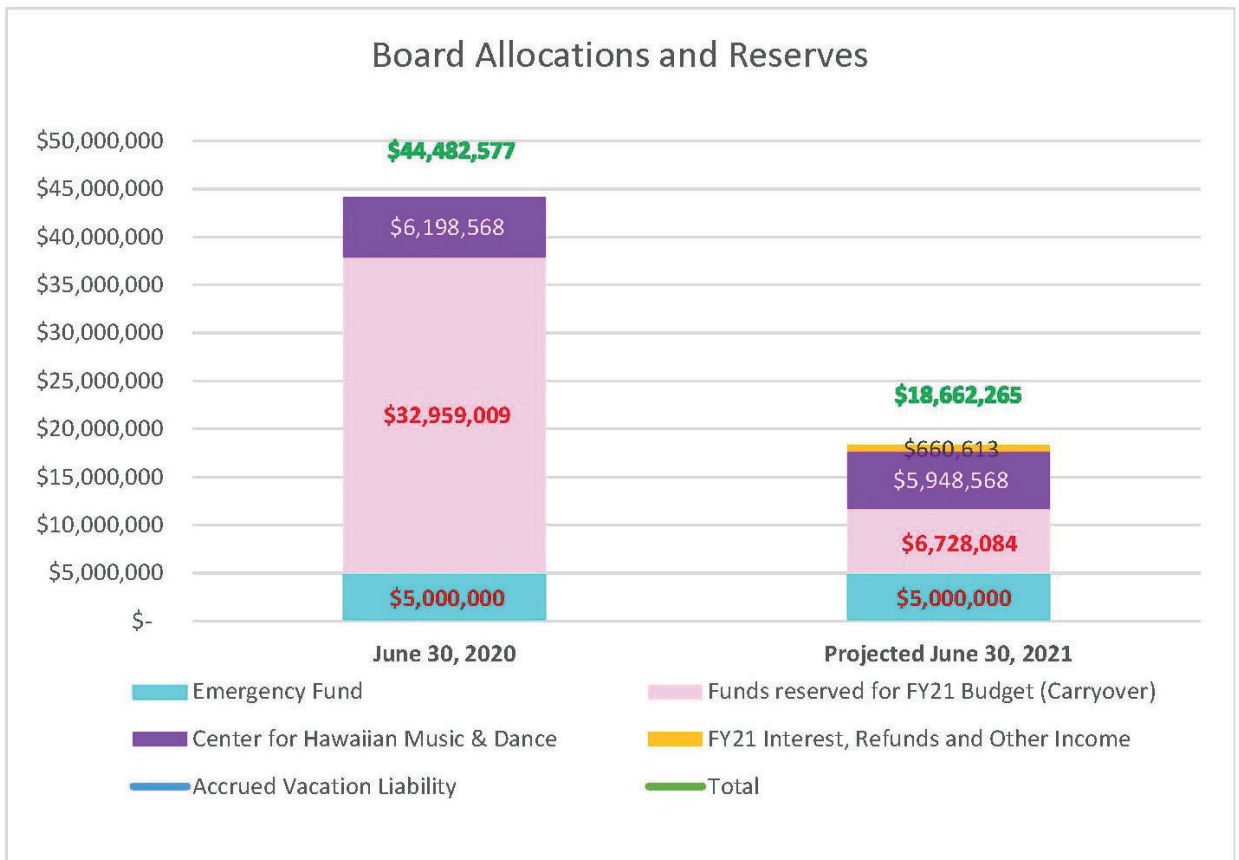


- a. Includes \$5M in Emergency Fund held as investments.
 - i. Approximately \$4.1M held in money market funds; and
 - ii. Approximately \$1.0M held in US Treasury Notes, laddered to mature throughout FY 2021.
 - iii. Further detail provided in the financial statements (as of November 2020)
 - b. Decrease from November of \$1.0M due to:
 - i. Recording \$1.2M in expenditures for the month ended December 31, 2020, which was partially offset by \$167K of investment income.
2. HTA's outstanding encumbrances are summarized as follows:

\$9.6M	Prior year encumbrances currently being spent down	
\$34.8M	Current year encumbrances remaining	
\$44.4M	Total encumbrances outstanding at December 31, 2020	

The \$9.6M in prior year encumbrances compares against a \$32.8M balance at the beginning of FY 2021, which included \$14.7M in encumbrances we anticipated cancelling heading into FY2021. HTA cancelled \$14.7M in encumbrances.

- \$18.6M reserved as Board allocations projected for the end of FY 2021, compared to \$44.4M at the beginning of the fiscal year. (This does not include approximately \$3M in COVID-related cost reimbursements that HTA anticipates receiving. It does include \$5M Emergency Fund and \$5.9M for the Center for Hawaiian Music & Dance) A supporting schedule is embedded in these financial statements to provide greater detail. These balances are comprised of the following:

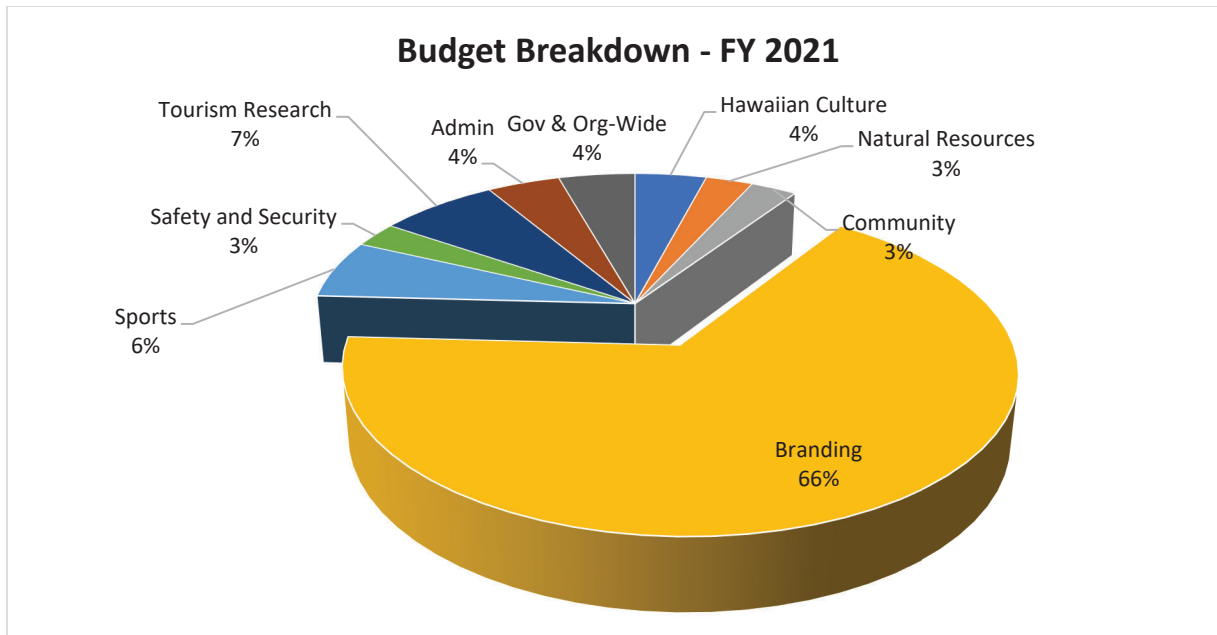


Staff continues to review the FY 2021 budget for savings opportunities and to assess the funding of its programs. Accordingly, this balance may change.

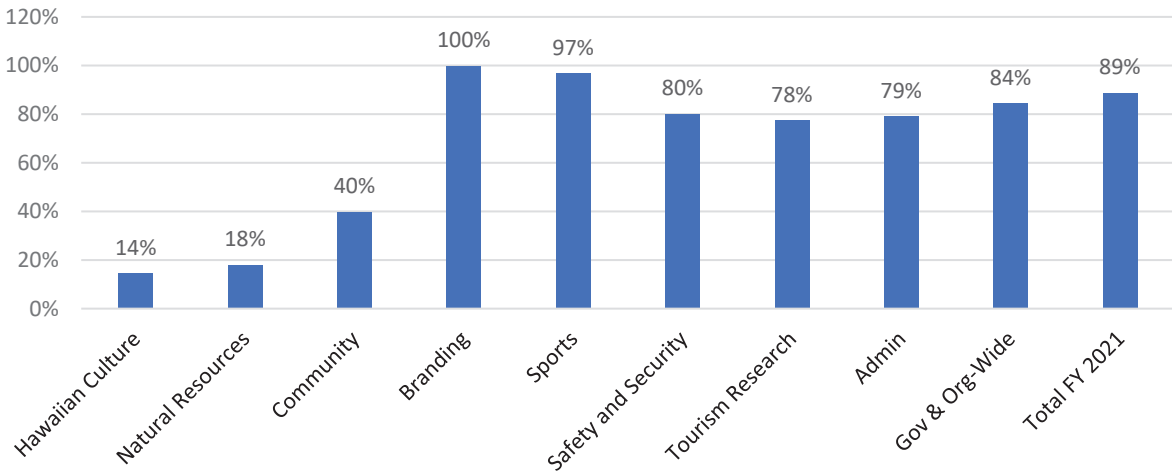
4. At its December 2020 meeting, the HTA Board of Directors approved an amended FY 2021 budget. The budget was reduced from \$48.7M to \$41M, funded as follows:

Prior Year Carryover	40,939,781
CARES Funding for VASH Flight Assistance Program	33,962
FY 2021 Budget	<u>40,973,743</u>

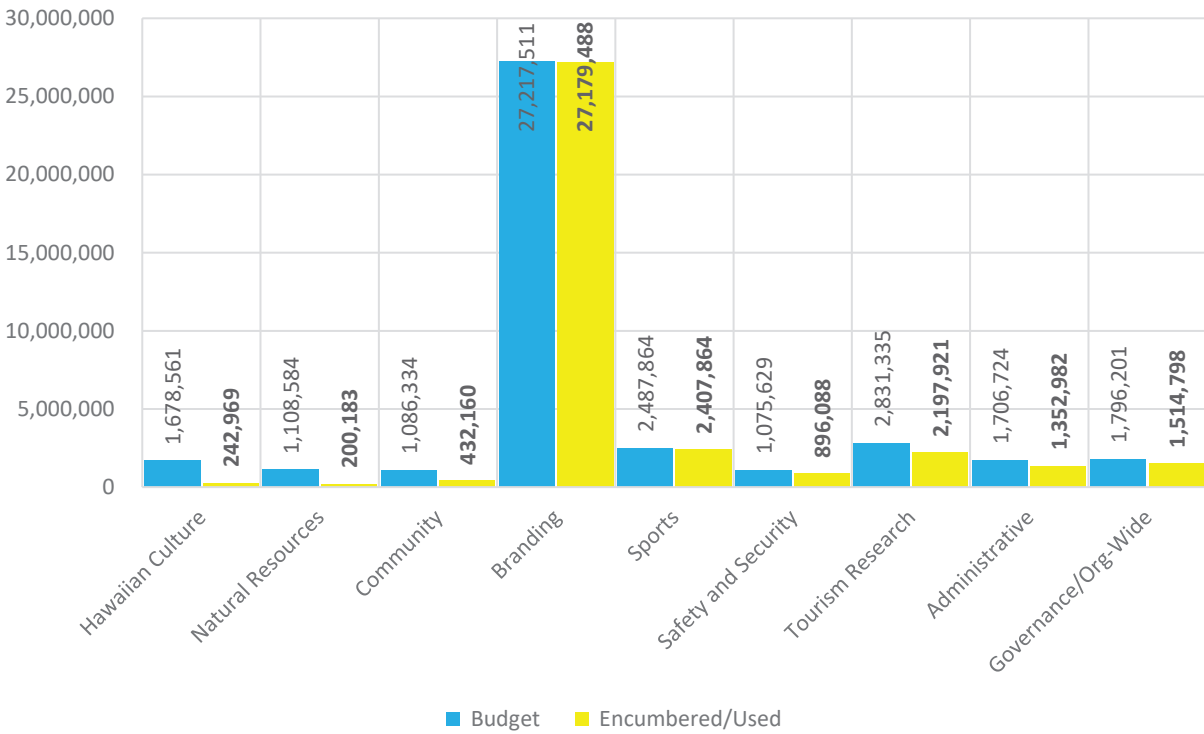
5. \$36.4M of the \$41.0M FY 2021 budget utilized/encumbered, or 89%. The following are various charts to depict our budget, budget utilization and trends.

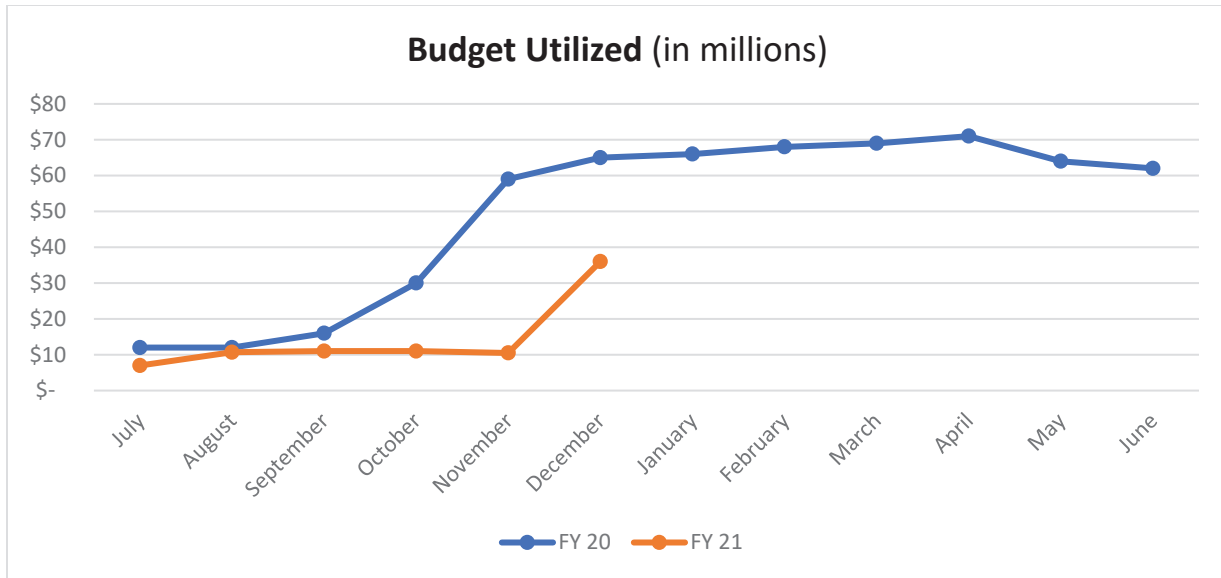


Percentage of Budget Utilized YTD



Budget vs Encumbered (Budget Used)





6. Notable budget reallocations made during December 2020 are summarized below. A detail of the reallocations made for the month and cumulatively for the fiscal year are detailed on the accompanying Budget Reallocation Summary.
 - a. \$63K to encumber Natural Resources In-House Contractor.
 - b. \$91K to Aloha Aina program
 - c. \$105K reduction of the Polynesian Football Hall of Fame program due to the cancellation of the 2021 Polynesian Bowl. Of this amount, \$25K was reallocated to the Hula Bowl (Football) program and \$80K was returned to Sports Programs Unallocated.
 - d. \$172K reallocated from Visitor Arrivals and Departure Surveys to Marketing Research and Evaluation and Performance Studies programs.
7. Operating Income (Loss):
 - a. No TAT was received in December 2020.
 - i. HTA's TAT allocation was suspended due to the COVID-19 pandemic, resulting in HTA not receiving the statutorily prescribed allocation from May 2020 through December 2020.
 - b. \$167K of investment income recorded in December 2020.
 - c. Incurred \$9.8M in expenditures YTD.

Convention Center Enterprise Special Fund:

8. \$25.8M in cash

- a. Cash balance at December 31, 2020 is consistent with November's cash balance.
9. \$2.3M in accounts receivable
10. \$20.5M in cash with contractor or with DAGS, for R&M projects (as of December 2020).
 - a. Includes \$2M in Emergency R&M funds
 - b. These funds are encumbered or budgeted toward specific projects such as cooling tower replacement, furnishings and enhancements, wall rehabilitation, boiler and chiller replacement, and various equipment purchases and upgrades. Of the \$20.8M, approximately \$5.9M has been contracted.
 - c. Reflects \$18.2M spent on current and future projects (in-progress costs or preliminary work); includes recent costs expended on meeting room roof repairs.
11. \$18.4M reserved as Board allocations projected for the end of FY 2021, compared to \$23.5M at the beginning of the fiscal year. This includes funds targeted to fund future repair and maintenance projects, large equipment purchases, convention center operating contingencies and operating capital. With HTA's TAT allocation currently suspended, the FY 2021 Convention's Center Enterprise Special Fund budget is being funded entirely by its reserves.
12. \$403K of prior year outstanding encumbrances currently being spent down.
13. Operating Income:
 - a. No TAT was received in December 2020.
 - i. HTA's TAT allocation for the CCESF was suspended due to the COVID-19 pandemic, resulting in HTA not receiving the statutorily prescribed allocation from May 2020 through December 2020.
 - b. Recorded \$78K of interest income in December 2020.
 - c. Reclassified \$1.27M on the Budget Statement from a revenue attributed to the current fiscal year's contract to "Other" revenue. Since the \$1.27M represents revenues attributed to the FY 2020-funded AEG/ASM contract and not the current fiscal year's contract, including it as "Other" revenue is most appropriate. The \$1.27M primarily represents revenues received from State agencies, such as DLIR.
 - d. Convention Center Operations
 - i. \$1.1M operating loss fiscal-year-to-date per HCC financial statements (as of preliminary December 2020).

Hawaii Tourism Authority

Balance Sheet

Tourism Special Fund

As of 12/31/20

	<u>Current Year</u>
Assets	
Current Assets	
Checking	63,203,932.45
Petty Cash	<u>5,000.00</u>
Total Current Assets	<u>63,208,932.45</u>
Total Assets	<u><u>63,208,932.45</u></u>
Fund Balance	
Current year payables	
Accounts Payable	(719.06)
Credit Card Payable	<u>29,968.58</u>
Total Current year payables	<u>29,249.52</u>
Encumbered Funds	
FY 2015 Funds	8,322.49
FY 2016 Funds	45,661.18
FY 2017 Funds	34,641.92
FY 2018 Funds	184,911.38
FY 2019 Funds	1,331,211.63
FY 2020 Funds	8,034,776.31
FY 2021 Funds	<u>34,799,538.77</u>
Total Encumbered Funds	<u>44,439,063.68</u>
Unencumbered Funds	
Total Unencumbered Funds	18,740,619.25
Total Fund Balance	<u><u>63,208,932.45</u></u>

Hawaii Tourism Authority
Balance Sheet
Convention Center Enterprise Special Fund
As of 12/31/20

	Current Year
Assets	
Current Assets	
Checking	25,804,637.08
Total Current Assets	25,804,637.08
Accounts Receivable	
Accounts Receivable	2,349,391.38
Total Accounts Receivable	2,349,391.38
Total Assets	28,154,028.46
Fund Balance	
Encumbered Funds	
FY 2018 Funds	400.00
FY 2019 Funds	177,919.83
FY 2020 Funds	222,000.50
FY 2021 Funds	11,061,796.00
Total Encumbered Funds	11,462,116.33
Unencumbered Funds	
Total Unencumbered Funds	16,691,912.13
Total Fund Balance	28,154,028.46

Hawaii Tourism Authority

Balance Sheet

Emergency Trust Fund

As of 12/31/20

	<u>Current Year</u>
Assets	
Current Assets	
Investments	5,140,055.99
Total Current Assets	<u>5,140,055.99</u>
 Total Assets	 <u><u>5,140,055.99</u></u>
 Fund Balance	
Current year net assets	
	14,263.73
Total Current year net assets	<u>14,263.73</u>
Prior years	
Total Prior years	5,125,792.26
 Total Fund Balance	 <u><u>5,140,055.99</u></u>

HTA Allocations
FY 2020 and FY 2021 (Projected)

HTA Allocations:

Annual Budgets:
-\$4.1M FY 2021 HTA Tourism Special Fund
 (\$0M TAT + \$32.9M carryover + \$8.1M encumbrance cancellations processed in FY21)
-\$7.5M FY 2021 Convention Center Fund

\$5M Emergency Funds

\$5M Emergency Fund Reserve (Established by Statute as a separate fund, to be used upon declaration of a tourism emergency by the Governor; HTA requested to use in FY21)	\$0M Mandated by Board (designated for use in the event of a significant economic downturn upon Board approval; used to fund FY 21 budget in response to COVID-19)
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	Tourism Special Fund Long-Term Obligations, Commitments and Allocations:		Convention Center Fund Long-Term Obligations, Commitments and Obligations:	
	6/30/2020	Projected 6/30/2021	6/30/2020	Projected 6/30/2021
Carryover of FY 2020 to FY 2021 Budget (Use in FY 21)	32,959,009	6,728,084		
Carryover Available for FY 2022 Budget	-	-	2,586,817	2,586,817
FY21 Interest, Refunds and Other Income	-	660,613	20,862,308	15,737,118
Center for Hawaiian Music & Dance	6,198,568	5,948,568		
Accrued Health Liability	-	-		
Accrued Retirement Liability	-	-		
Accrued Vacation Liability	325,000	325,000	80,000	80,000
Total Long-Term Obligations and Commitments	39,482,577	13,662,265	23,529,125	18,403,935

TOTAL RESERVES (incl \$5M Emergency Fund) 44,482,577 18,662,265

23,529,125 18,403,935

Hawaii Tourism Authority
Statement of Revenues and Expenditures
348 - Tourism Special Fund
21 - FY 2021 Funds
From 12/1/2020 Through 12/31/2020

	Total Budget	Current Period Actual	Current Year Actual	Total Budget Variance
Revenue				
Refunds	0.00	0.00	493,737.31	493,737.31
Total Revenue	<u>0.00</u>	<u>0.00</u>	<u>493,737.31</u>	<u>493,737.31</u>
Expense				
Perpetuating Hawaiian Culture	1,678,561.00	0.00	50,766.29	1,627,794.71
Natural Resources	1,108,584.00	8,354.70	94,749.53	1,013,834.47
Community	1,086,334.00	46,458.00	153,418.66	932,915.34
Branding	27,217,511.00	0.00	105,968.30	27,111,542.70
Sports	2,487,864.00	0.00	0.00	2,487,864.00
Safety and Security	1,075,629.00	6,459.37	337,923.43	737,705.57
Tourism Research	2,831,335.00	39,381.00	336,682.51	2,494,652.49
Administrative	1,706,724.00	4,428.66	235,179.59	1,471,544.41
Governance and Organization-Wide	1,796,201.00	8,020.00	276,263.65	1,519,937.35
Total Expense	<u>40,988,743.00</u>	<u>113,101.73</u>	<u>1,590,951.96</u>	<u>39,397,791.04</u>
Net Income	<u>(40,988,743.00)</u>	<u>(113,101.73)</u>	<u>(1,097,214.65)</u>	<u>39,891,528.35</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
361 - Convention Center Enterprise Special Fund
21 - FY 2021 Funds
From 12/1/2020 Through 12/31/2020

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
HCC Revenue	4,188,144.00	0.00	2,193,295.04	(1,994,848.96)
Total Revenue	<u>4,188,144.00</u>	<u>0.00</u>	<u>2,193,295.04</u>	<u>(1,994,848.96)</u>
Expense				
Branding	70,000.00	0.00	0.00	70,000.00
Administrative	255,700.00	0.00	0.00	255,700.00
HCC Operating Expense	7,519,257.00	0.00	0.00	7,519,257.00
HCC Repair and Maintenance	2,000,000.00	0.00	0.00	2,000,000.00
HCC Sales and Marketing / MFF	1,356,157.00	121,725.00	486,900.00	869,257.00
Governance and Organization-Wide	529,420.00	0.00	125.00	529,295.00
Total Expense	<u>11,730,534.00</u>	<u>121,725.00</u>	<u>487,025.00</u>	<u>11,243,509.00</u>
Net Income	<u>(7,542,390.00)</u>	<u>(121,725.00)</u>	<u>1,706,270.04</u>	<u>9,248,660.04</u>

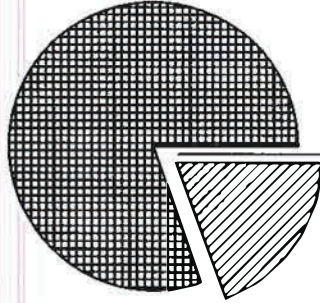
Hawaii Tourism Authority
Statement of Revenues and Expenditures
348 - Tourism Special Fund
Prior Year Funds
From 12/1/2020 Through 12/31/2020

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Interest and Dividends	0.00	166,876.13	166,876.13	166,876.13
Total Revenue	<u>0.00</u>	<u>166,876.13</u>	<u>166,876.13</u>	<u>166,876.13</u>
Expense				
Perpetuating Hawaiian Culture	2,673,431.42	112,800.00	744,634.61	1,928,796.81
Natural Resources	1,282,200.00	0.00	891,842.43	390,357.57
Community	2,381,173.21	0.00	316,688.82	2,064,484.39
Branding	21,213,138.80	833,981.03	4,622,227.12	16,590,911.68
Sports	434,671.22	50,000.00	59,855.00	374,816.22
Safety and Security	1,433,403.12	0.00	680,442.35	752,960.77
Tourism Research	2,709,523.93	86,144.89	652,258.59	2,057,265.34
Administrative	605,544.63	5,063.71	153,487.54	452,057.09
Governance and Organization-Wide	63,171.50	3,000.00	52,215.88	10,955.62
Total Expense	<u>32,796,257.83</u>	<u>1,090,989.63</u>	<u>8,173,652.34</u>	<u>24,622,605.49</u>
Net Income	<u>(32,796,257.83)</u>	<u>(924,113.50)</u>	<u>(8,006,776.21)</u>	<u>24,789,481.62</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
361 - Convention Center Enterprise Special Fund
Prior Year Funds From
12/1/2020 Through 12/31/2020

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Interest and Dividends	0.00	77,950.02	77,950.02	77,950.02
HCC Revenue	<u>0.00</u>	<u>0.00</u>	<u>1,272,207.00</u>	<u>1,272,207.00</u>
Total Revenue	<u>0.00</u>	<u>77,950.02</u>	<u>1,350,157.02</u>	<u>1,350,157.02</u>
Expense				
HCC Operating Expense	1,736,916.67	0.00	1,433,517.00	303,399.67
HCC Sales and Marketing / MFF	1,245,908.83	0.00	0.00	1,245,908.83
Governance and Organization-Wide	51,917.03	0.00	32,750.00	19,167.03
Total Expense	<u>3,034,742.53</u>	<u>0.00</u>	<u>1,466,267.00</u>	<u>1,568,475.53</u>
Net Income	<u>(3,034,742.53)</u>	<u>77,950.02</u>	<u>(116,109.98)</u>	<u>2,918,632.55</u>

Summary Of Investments Investment Allocation



0.1%	CASH	7,067.33
80.4%	CASH EQUIVALENTS	4,134,164.10
19.5%	FIXED INCOME	1,003,300.00
100.0%	TOTAL	5,144,531.43

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH	7,067.33	0.14	0	0.00
CASH EQUIVALENTS	4,134,164.10	80.36	413	0.01
FIXED INCOME	1,003,300.00	19.50	21,250	2.12
Total Fund	5,144,531.43	100.00	21,663	0.42

Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	46.27	46.27	0.65
	ACCRUED INCOME	7,021.06	7,021.06	99.35
	TOTAL CASH	7,067.33*	7,067.33*	00.00*
	CASH EQUIVALENTS			
	CASH MANAGEMENT			
4,134,164.10	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	4,134,164.10	4,134,164.10	100.00
	FIXED INCOME			
	U S TREASURY OBLIGATIONS			
500,000	US TREASURY NOTES % 01/15/2021	499,091.04	501,135.00	49.95



Statement Period
Account Number

11/01/2020 through 11/30/2020
BANK OF HAWAII
AGENT U/A DATED 10/31/2018 FOR
HAWAII TOURISM AUTHORITY -
TOURISM EMERGENCY TRUST FUND

Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
500,000	US TREASURY NOTES 2.25% 02/15/2021	499,733.52	502,165.00	50.05
	TOTAL U S TREASURY OBLIGATIONS	998,824.56*	1,003,300.00*	100.00*
	Total Fund	5,140,055.99*	5,144,531.43*	100.00*

Budget Reallocation Summary
 FY 2021
 Through December 31, 2020

Budget Line Item	Program Code	Amended Budget (December 2020)	Year-to-Date		December 2020 Activity
			Reallocation	Budget After Reallocations	
Perpetuating Hawaiian Culture					
<i>From:</i>					
Hawaiian Culture Opportunity Fund	215	250,000	(300)	249,700	(300)
				-	
				-	
			(300)		(300)
<i>To:</i>					
Memberships and Dues - Hawaiian Culture	297	-	300	300	300
				-	
				-	
				-	
				-	
			300		300
Natural Resources					
<i>From:</i>					
State Employee Salaries - Natural Resources	936	64,959	(39,375)	25,584	(39,375)
Visitor Impact Program	406	1,000,000	(91,000)	909,000	(91,000)
				-	
				-	
			(130,375)		(130,375)
<i>To:</i>					
In-House Contracted Staff - Natural Resources	499	20,000	63,000	83,000	63,000
Aloha Aina	402	-	91,000	91,000	91,000
				-	
				-	
			154,000		154,000
Community					
<i>From:</i>					
				-	
				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
				-	

Budget Reallocation Summary
 FY 2021
 Through December 31, 2020

Budget Line Item	Program Code	Amended Budget (December 2020)	Reallocation	Budget After Reallocations	December 2020 Activity
			-	-	
			-	-	
			-	-	
			-	-	
<hr/>					
Branding					
<i>From:</i>					
Travel - Branding	398	10,000	(400)	9,600	(400)
				-	
			(400)		(400)
<i>To:</i>					
Marketing Opportunity Fund	380	-	400	400	400
				-	
			400		400
<hr/>					
Sports					
<i>From:</i>					
Polynesian Football Hall of Fame	377	155,000	(105,000)	50,000	(105,000)
				-	
			(105,000)		(105,000)
<i>To:</i>					
Football (Hula Bowl)	384	-	25,000	25,000	25,000
Sports Programs - Unallocated	379	-	80,000	80,000	80,000
				-	
			105,000		105,000
<hr/>					
Safety and Security					
<i>From:</i>					
None				-	
				-	
			-		-
<i>To:</i>					
				-	
			-		-
<hr/>					
Tourism Research					
<i>From:</i>					
Visitor Arrivals and Departure Surveys	512	1,150,581	(172,890)	977,691	(172,890)
				-	
			(172,890)		(172,890)
<i>To:</i>					

Budget Reallocation Summary
 FY 2021
 Through December 31, 2020

Budget Line Item	Program Code	Amended Budget (December 2020)	Reallocation	Budget After Reallocations	December 2020 Activity
Evaluation and Performance Studies	513	662,810	46,000	708,810	46,000
Marketing Research	514	42,850	126,890	169,740	126,890
			172,890		172,890
Administration					
<i>From:</i>					
			-	-	-
<i>To:</i>					
			-	-	-
Governance and Organization-Wide					
<i>From:</i>					
State Employees Fringe	931	1,535,226	(23,625)	1,511,601	(23,625)
			(23,625)		(23,625)
<i>To:</i>					
			-	-	-
Board Allocations					
<i>From:</i>					
None			-	-	-
			-		-

Note: At its December 17, 2020 meeting, the HTA Board approved an amended FY21 budget. This schedule captures reallocations made after the amended budget.

Hawaii Tourism Authority
 Budget Statement - Summary
 FY 2021
 As of December 31, 2020

Category	Tourism Special Fund				Convention Center Enterprise Special Fund			
	Fiscal Year 2021				Fiscal Year 2021			
	Budget	YTD Amount of Budget Used	Balance	Activity for December 2020	Budget	YTD Amount of Budget Used	Balance	Activity for December 2020
Revenues								
TAT Revenue Allocation	-	-	-	-	-	-	-	-
Prior Year Carryover	40,959,781	-	40,959,781	-	-	-	-	-
Availability of \$5M Emergency Fund (Subject to Governor Approval)	-	-	-	-	-	-	-	-
Other	33,962	660,613	(626,651)	166,876	-	1,350,157	(1,350,157)	77,950
	<u>40,993,743</u>	<u>660,613</u>	<u>40,333,130</u>	<u>166,876</u>	<u>-</u>	<u>1,350,157</u>	<u>(1,350,157)</u>	<u>77,950</u>
Expenditures								
Perpetuating Hawaiian Culture								
Hawaiian Culture Programs	1,450,000	25,829	1,424,171	20,300	-	-	-	-
In-House Contracted Staff - Hawaiian Culture	-	-	-	-	-	-	-	-
State Employee Salaries - Hawaiian Culture	228,561	217,140	11,421	-	-	-	-	-
Subtotal	<u>1,678,561</u>	<u>242,969</u>	<u>1,435,592</u>	<u>20,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Natural Resources (Statute: \$1M minimum)								
Natural Resources Programs	1,000,000	91,599	908,401	24,000	-	-	-	-
In-House Contracted Staff - Natural Resources	83,000	83,000	-	63,000	-	-	-	-
State Employee Salaries - Natural Resources	25,584	25,584	-	(39,375)	-	-	-	-
Subtotal	<u>1,108,584</u>	<u>200,183</u>	<u>908,401</u>	<u>47,625</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community								
Community Programs	931,500	285,040	646,460	74,062	-	-	-	-
In-House Contracted Staff - Community	-	-	-	-	-	-	-	-
State Employee Salaries - Community	154,834	147,120	7,714	-	-	-	-	-
Subtotal	<u>1,086,334</u>	<u>432,160</u>	<u>654,174</u>	<u>74,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Branding								
Branding Programs	26,682,500	26,670,840	11,660	24,115,000	-	-	-	-
In-House Contracted Staff - Branding	-	-	-	-	-	-	-	-
State Employee Salaries - Branding	535,011	508,648	26,363	-	70,000	70,000	-	-
Subtotal	<u>27,217,511</u>	<u>27,179,488</u>	<u>38,023</u>	<u>24,115,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>-</u>
Sports								
Sports Programs	2,487,864	2,407,864	80,000	75,000	-	-	-	-
Subtotal	<u>2,487,864</u>	<u>2,407,864</u>	<u>80,000</u>	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Safety and Security								
Safety and Security Programs	1,075,629	896,088	179,541	522,635	-	-	-	-
Subtotal	<u>1,075,629</u>	<u>896,088</u>	<u>179,541</u>	<u>522,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tourism Research								
Tourism Research Programs	2,422,942	1,813,741	609,201	904,433	-	-	-	-
In-House Contracted Staff - Tourism Research	-	-	-	-	-	-	-	-
State Employee Salaries - Tourism Research	408,393	384,180	24,213	-	-	-	-	-
Subtotal	<u>2,831,335</u>	<u>2,197,921</u>	<u>633,414</u>	<u>904,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Hawai'i Convention Center								
Sales & Marketing	-	-	-	-	1,356,157	1,356,157	-	267,344
Operations	-	-	-	-	3,331,113	5,439,862	(2,108,749)	3,907,446
Major Repair & Maintenance	-	-	-	-	2,000,000	2,000,000	-	2,000,000
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,687,270</u>	<u>8,796,019</u>	<u>(2,108,749)</u>	<u>6,174,790</u>
Administrative (Statute: Cannot exceed 3.5% = \$2,765,000)								
Operations	608,700	306,291	302,409	200,933	-	-	-	-
In-House Contracted Staff - Admin	-	-	-	-	-	-	-	-
State Employee Salaries - Admin	1,103,024	1,047,227	55,797	-	255,700	255,700	-	-
Subtotal	<u>1,711,724</u>	<u>1,353,518</u>	<u>358,206</u>	<u>200,933</u>	<u>255,700</u>	<u>255,700</u>	<u>-</u>	<u>-</u>
Organizationwide Costs								
State Employee Fringe	1,511,601	1,336,465	175,136	(23,625)	189,420	189,420	-	-
Organization-Wide	195,000	105,000	90,000	-	340,000	158,287	181,713	158,162
Governance - Board/Others	89,600	73,333	16,267	34,602	-	-	-	-
Subtotal	<u>1,796,201</u>	<u>1,514,798</u>	<u>281,403</u>	<u>10,977</u>	<u>529,420</u>	<u>347,707</u>	<u>181,713</u>	<u>158,162</u>
Total Expenditures	<u>40,993,743</u>	<u>36,424,989</u>	<u>4,568,754</u>	<u>25,970,965</u>	<u>7,542,390</u>	<u>9,469,426</u>	<u>(1,927,036)</u>	<u>6,332,952</u>
Revenues vs Expenditures	<u>-</u>	<u>(35,764,376)</u>			<u>(7,542,390)</u>	<u>(8,119,269)</u>		
Administrative Cap (3.5%, HRS 201B-11)	2,765,000	2,765,000						
HTA's Budgeted/Actual Administrative Costs (applying AG Definition)	<u>1,711,724</u>	<u>1,353,518</u>	1.7%					
	1,053,276	1,411,482						

Hawaii Tourism Authority
Budget Statement
December 31, 2020

Program Code	Program Title	Budget - FY21	Encumbered (Budget Used) - FY21	Budget Remaining	December 2020 Activity
Perpetuating Hawaiian Culture					
201	Kukulu Ola: Living Hawaiian Cultural Prog	0.00	0.00	0.00	0.00
202	Hawaiian Culture Initiative	500,000.00	5,528.79	494,471.21	0.00
203	Ma'ema'e HTA	0.00	0.00	0.00	0.00
204	Market Support	0.00	0.00	0.00	0.00
208	Hawaiian Music and Dance Center	250,000.00	0.00	250,000.00	0.00
212	Merrie Monarch Hula Festival	100,000.00	0.00	100,000.00	0.00
215	Hawaiian Culture Opportunity Fund	249,700.00	20,000.00	229,700.00	20,000.00
216	Olelo Hawaii	250,000.00	0.00	250,000.00	0.00
217	FESTPAC	50,000.00	0.00	50,000.00	0.00
297	Memberships and Dues - Hawaiian Culture	300.00	300.00	0.00	300.00
299	In-House Contracted Staff - Hawaiian Culture	0.00	0.00	0.00	0.00
374	Surfing	50,000.00	0.00	50,000.00	0.00
932	Salaries - Hawaiian Culture	<u>228,561.00</u>	<u>217,140.00</u>	<u>11,421.00</u>	<u>0.00</u>
	Perpetuating Hawaiian Culture	1,678,561.00	242,968.79	1,435,592.21	20,300.00
Natural Resources					
402	Aloha Aina (formerly NR and Leg Prov NR)	91,000.00	91,000.00	0.00	24,000.00
406	Visitor Impact Program	909,000.00	599.00	908,401.00	0.00
499	In-House Contracted Staff - Natural Resources	83,000.00	83,000.00	0.00	63,000.00
936	State Employee Salaries - Natural Resources	<u>25,584.00</u>	<u>25,584.00</u>	<u>0.00</u>	<u>(39,375.00)</u>
	Natural Resources	1,108,584.00	200,183.00	908,401.00	47,625.00
Community					
731	Community-Based Tourism - Oahu	81,000.00	80,928.90	71.10	30,868.14
732	Community-Based Tourism - Maui County	350,000.00	118,228.65	231,771.35	199.00
733	Community-Based Tourism - Hawaii Island	250,000.00	46,407.75	203,592.25	39,131.15
734	Community-Based Tourism - Kauai	250,000.00	39,474.73	210,525.27	3,863.92
797	Memberships and Dues - Community	500.00	0.00	500.00	0.00
798	Travel - Community	0.00	0.00	0.00	0.00
933	State Employee Salaries - Community	<u>154,834.00</u>	<u>147,120.00</u>	<u>7,714.00</u>	<u>0.00</u>
	Community	1,086,334.00	432,160.03	654,173.97	74,062.21
Branding					
4	Cruise Infrastructure Improvements and Arrival Experience	50,000.00	50,000.00	0.00	0.00
318	gohawaii.com (formerly Online Website Coordination)	300,000.00	300,000.00	0.00	300,000.00
320	Island Chapters Staffing and Admin	2,400,000.00	2,400,000.00	0.00	2,400,000.00
321	US (formerly North America)	14,605,000.00	14,605,000.00	0.00	12,105,000.00
322	Canada	400,000.00	400,000.00	0.00	400,000.00
323	Japan	4,500,000.00	4,500,000.00	0.00	4,500,000.00
324	Korea	300,000.00	300,000.00	0.00	300,000.00
325	Oceania	400,000.00	400,000.00	0.00	400,000.00
331	Meetings, Convention & Incentives	2,395,000.00	2,395,000.00	0.00	2,395,000.00
339	Global Digital Marketing Strategy (former Intl Online Strat)	380,500.00	380,500.00	0.00	380,500.00
350	Global Mkt Shared Resces (formerly Intellect Prop Data Bank)	787,000.00	787,000.00	0.00	787,000.00
380	Marketing Opportunity Fund	400.00	340.31	59.69	0.00
397	Memberships and Dues - Branding	125,000.00	123,000.00	2,000.00	117,500.00
398	Travel - Branding	9,600.00	0.00	9,600.00	0.00
723	Hawaii Film Office Partnership	30,000.00	30,000.00	0.00	30,000.00
934	State Employee Salaries - Branding	<u>535,011.00</u>	<u>508,648.00</u>	<u>26,363.00</u>	<u>0.00</u>
	Branding	27,217,511.00	27,179,488.31	38,022.69	24,115,000.00
Sports					
312	PGA Tour Contracts	2,166,864.00	2,166,864.00	0.00	0.00
377	Polynesian Football HoF	50,000.00	50,000.00	0.00	50,000.00
378	UH Athletics Branding Partnership	166,000.00	166,000.00	0.00	0.00
379	Sports Programs - Unallocated	80,000.00	0.00	80,000.00	0.00
384	Football	<u>25,000.00</u>	<u>25,000.00</u>	<u>0.00</u>	<u>25,000.00</u>
	Sports	2,487,864.00	2,407,864.00	80,000.00	75,000.00
Safety and Security					
601	Visitor Assistance Programs	650,000.00	487,500.00	162,500.00	487,500.00
602	Crisis Management	<u>425,629.00</u>	<u>408,587.62</u>	<u>17,041.38</u>	<u>35,135.20</u>
	Safety and Security	1,075,629.00	896,087.62	179,541.38	522,635.20
Tourism Research					
505	Est of Visitor Arrivals by Country by Month	3,500.00	3,500.00	0.00	3,500.00
506	Infrastructure Research (Accommodations and Airseats)	520,879.00	466,190.95	54,688.05	284,945.69
512	Visitor Arrivals and Departure Surveys	977,691.00	461,308.03	516,382.97	67,124.48
513	Evaluation and Performance Studies	708,810.00	708,172.53	637.47	375,028.53
514	Marketing Research	169,740.00	169,740.00	0.00	169,740.00
597	Memberships and Dues - Research	42,322.00	4,829.00	37,493.00	4,094.00
935	State Employee Salaries - Research	<u>408,393.00</u>	<u>384,180.00</u>	<u>24,213.00</u>	<u>0.00</u>
	Tourism Research	2,831,335.00	2,197,920.51	633,414.49	904,432.70
Administrative					
101	Community-Industry Outreach & Public Relations Svcs	265,000.00	145,000.00	120,000.00	145,000.00
103	hawaiiourismauthority.org (formerly HTA web/Global Social)	50,000.00	35,959.44	14,040.56	24,101.04
901	General and Administrative	288,700.00	124,795.57	163,904.43	31,417.38
930	State Employee Salaries - Admin	1,103,024.00	1,047,227.00	55,797.00	0.00
998	Travel - Admin	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
	Administrative	1,706,724.00	1,352,982.01	353,741.99	200,518.42
Governance and Organization-Wide					
915	Organization-Wide	195,000.00	105,000.00	90,000.00	0.00
919	Governance - Gen Board/Others	89,600.00	73,333.46	16,266.54	34,602.11
931	State Employees Fringe	1,511,601.00	1,336,465.00	175,136.00	(23,625.00)
	Governance and Organization-Wide	1,796,201.00	1,514,798.46	281,402.54	10,977.11
	FY 2021 Funds	40,988,743.00	36,424,452.73	4,632,214.27	25,970,550.64

Hawaii Tourism Authority
Budget Statement
December 31, 2020

Program Code	Program Title	Budget - FY21	Encumbered (Budget Used) - FY21	Budget Remaining	December 2020 Activity
Convention Center Enterprise Special Fund					
Branding					
934	State Employee Salaries - Branding	<u>70,000.00</u>	<u>70,000.00</u>	<u>0.00</u>	<u>0.00</u>
	Branding	70,000.00	70,000.00	0.00	0.00
Administrative					
930	State Employee Salaries - Admin	<u>255,700.00</u>	<u>255,700.00</u>	<u>0.00</u>	<u>0.00</u>
	Administrative	255,700.00	255,700.00	0.00	0.00
Convention Center Operations					
850	HCC Operating Expense	<u>7,519,257.00</u>	<u>7,633,157.00</u>	<u>(113,900.00)</u>	<u>3,907,446.00</u>
860	HCC Repair and Maintenance	<u>2,000,000.00</u>	<u>2,000,000.00</u>	<u>0.00</u>	<u>2,000,000.00</u>
870	HCC Sales and Marketing / MFF	<u>875,625.00</u>	<u>875,625.00</u>	<u>0.00</u>	<u>0.00</u>
871	HCC Local Sales	<u>480,532.00</u>	<u>480,532.00</u>	<u>0.00</u>	<u>267,344.00</u>
	Convention Center Operations	10,875,414.00	10,989,314.00	(113,900.00)	6,174,790.00
Governance and Organization-Wide					
915	Organization-Wide	<u>340,000.00</u>	<u>158,287.00</u>	<u>181,713.00</u>	<u>158,162.00</u>
931	State Employees Fringe	<u>189,420.00</u>	<u>189,420.00</u>	<u>0.00</u>	<u>0.00</u>
	Governance and Organization-Wide	529,420.00	347,707.00	181,713.00	158,162.00
	FY 2021 Funds	11,730,534.00	11,662,721.00	67,813.00	6,332,952.00
Protocol Fund					
909	Protocol Fund	<u>5,000.00</u>	<u>535.60</u>	<u>4,464.40</u>	<u>414.66</u>
	FY 2021 Funds	5,000.00	535.60	4,464.40	414.66