



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

**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY**

**Po'ahā, 25 Peveluali 2021, 9:30 a.m.
Thursday, February 25, 2021 at 9:30 a.m.**

***Hālāwai Kikoho'e*
VIRTUAL MEETING**

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webinar.*

***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 January 28, 2021 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 January 2021:
 - Major Market Management including Destination Marketing Management Services, Global Meetings, Conventions and Incentives (MCI) Program Management Services, Responsible Tourism, Support of State COVID-19 Mitigation Efforts
5. *Hō'ike, Kūkākūkā a Ho'oholo No Ka Papahana Mālama 'Āina Ho'okipa o Hawai'i Mokupuni*
Presentation, Discussion and Action on the Destination Management Action Plan for Hawai'i Island
6. *Hō'ike 'Ikepili Noi'i 'Oihana Ho'omāka'ika'i*
Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets, Including the United States, Japan, Canada, Oceania and Cruise
7. *Hō'ike A Kūkākūkā No Ka Wānana Ho'okele Waiwai 'Oihana Ho'okipa*
Presentation and Discussion of the *Tourism Economic Outlook* from Tourism Economics
8. *Hō'ike, Kūkākūkā A Ho'oholo No Nā Mo'okālā*
Presentation, Discussion and Action on HTA's Financial Reports for January 2021
9. *Hō'ike A Ka Hui Noi'i Loiloi Mo'okālā No Ka Hālāwai 19 Pepeluali 2021*
Report of the *Budgetary Review Investigative Committee* of their meeting held on February 19, 2021
10. *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
11. *Hō'ike A Ka Hui Noi'i Launa Aupuni A 'Aha'ōlelo No Ka Hālāwai 1 Pepeluali 2021*
Report of the *Legislative and Governmental Affairs Investigative Committee* of their meeting held on February 1, 2021
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 Hawaii'i Revised Statutes (HRS) § 92-4. E mālama 'ia kēia hālāwai kūhelu nei ma lalo o ka § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) no ka pono o ko ka Papa Alaka'i kūkā a ho'oholo 'ana i nā nīnūnē a nīnau i pili i ko ka Papa Alaka'i kuleana me ko ka Papa Alaka'i loio. He hālāwai kūhelu kēia i 'ole paulele 'ia ka 'ikepili a i mea ho'i e mālama kūpono ai ko Hawaii'i 'ano, he wahi i kipa mau 'ia e nā malihini.*

*** **Executive Session:** The Board may conduct an executive session closed to the public pursuant to Hawaii'i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to 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'i's competitive advantage as a visitor destination.

Kono 'ia ka lehulehu e komo mai i ka hālāwai a ho'ouna mai i ka 'ōlelo hō'ike kākau 'ia no kēlā me kēia kumuhana i helu 'ia ma ka papa kumumana'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.

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Approval of Minutes of the
January 28, 2021 Board Meeting



Hawai'i Convention Center
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David Y. Ige
Governor

John De Fries
President and Chief Executive Officer

**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, January 28, 2021
Virtual Meeting**

MINUTES OF REGULAR BOARD MEETING

MEMBERS PRESENT:

Richard Fried (Chair), George Kam, Kelly Sanders, Micah Alameda, David Arakawa, Fred Atkins, Daniel Chun, Kyoko Kimura, Ku'uipo Kumukahi, Benjamin Rafter, and Kimi Yuen

MEMBER NOT PRESENT:

Sherry Menor McNamara

HTA STAFF PRESENT:

John De Fries, Keith Regan, Pattie Herman, Marc Togashi, Kalani Ka'anā'anā, Caroline Anderson, Gregg Kinkley, Jennifer Chun, Marisa Yamane

GUESTS:

Senator Wakai, Representative Richard Onishi, Eric Takahata, David Pettinger, Barbara Ankersmit

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. He informed that Ms. McNamara will be attending the meetings irregularly due to conflicts with her Chamber of Commerce role. Kalani Ka'anā'anā, HTA Director of Hawaiian Cultural Affairs & Natural Resources, opened the meeting with a pule, honoring the former Hawai'i County Mayor Billy Kenoi. Chair Fried acknowledged the presence of Representative Richard Onishi and for being diligent in making time for the meeting.

2. Approval of Minutes of the December 17, 2020 Board Meeting:

Chair Fried requested a motion to approve the minutes of the December 17, 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 interactions, informational meetings or presentations to report, and there were none.

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

Chair Fried recognized John De Fries, HTA President & CEO, to present his report. Mr. De Fries reported that there was a decrease in workload for HTA despite the staff reductions and new jobs that have emerged which are outside HTA's job description. He said that trust and clarity of vision are very important components for Hawai'i to fully recover. He thanked the tourism Chairs, Representative Onishi, and Senator Wakai, for their commitment and support in looking through HTA's operations and budgets.

Mr. De Fries said that Senator Wakai recently communicated his disappointment for not receiving information on budgets and aerals in December. He explained that he informed the senator in December that he needed until February to have the report ready allowing him time to discuss with the Board the resumption of HTA's TAT fund as it involves the livelihood and future employment of HTA's staff. He added that the report will be available to Senator Wakai and Representative Onishi after the February Board meeting. Mr. De fries thanked Senator Wakai for urging Governor Ige to consider the resumption of HTA's TAT funds, noting that the governor affirmed on resuming the TAT fund when he deemed feasible.

Mr. De Fries reported that he met with the senator to determine the indicators that will get him to resume the TAT funding and reasoned out that a \$41 million budget is like operating on one side of a football field where in the stadium calls for a \$79 million. He said that since the market will not recover overtime, it would also be prudent to look at Fiscal 2022 in sections with the levels of funding while the administration, legislature and HTA are navigating jointly out of the current situation. He noted that the senator included Director McCartney of DBEDT in drafting the proposal with the inclusion of the conditions authorizing HTA to draw down on the \$5 million emergency fund.

Mr. De Fries reported that the Governor requested the HTA to be on the front line in developing a vaccination plan to support the DOH with the industry planning the distribution when the visitor/employees arrive at the top of the packing order. He noted that he had only spoken to the President of Hawaii Lodging and Tourism Association (HLTA), Mufi Hanneman, whose memberships run across all sectors which includes the presidents of labor unions. He noted that HTA received an inquiry from Queen's Medical Center for the possibility of establishing a central vaccination center at the HTA Convention.

Mr. De Fries shared a quote saying "People will forget what you said or did, but they won't forget how they made you feel" which speaks to everything that is central to reopening tourism and re-launching the economy. He explained that it's how Hawai'i will make people around the world feel when they come to Hawai'i. He remembered the late mayor to have an incredible capacity to make people feel good.

Mr. De Fries acknowledged the support that Representative Onishi and Senator Wakai are providing which affirms that the House and the Senate feels a sense of responsibility to HTA. He quoted Senator Wakai's statement that "Hope is not a strategy" and that in understanding what hope is, he remembered a quote by Martin Luther where he said, "I have a dream." He concluded that this sets the people to collectively recognize that Hawai'i needs a dream as a means of cultivating an environment of collaboration and working side by side in trust to develop the clarity of vision that will get Hawai'i to recover.

Mr. De Fries turned the floor to Mr. Regan to discuss the form of the CEO report. Mr. Regan reported that the 71 pages of the CEO report is available to the members, wherein 18 pages are detailing some of the activities of the various segments of HTA. He noted that majority of the activities in December were listed in the Executive Summary. Mr. Regan noted that December was a busy month with the compression of the holidays and with the direction received with fiscal year 2021 money that HTA had to speed up some of the processes that are in place. He noted that Ms. Ka'anā'anā, Ms. Anderson, Ms. Herman and Ms. Chun will directly share their reports and activities that happened on December.

Mr. Regan recognized Kalani Ka'anā'anā, Director of Hawai'i Cultural Affairs and Natural Resources, to provide insights on his team's activities. Mr. Ka'anā'anā reported that activities were focused on wrapping up the final reports of the remaining 45 contractors left from Kukulu Ola and Aloha 'Āina to make sure that all requirements and deliverables were met. He noted that with the changes in the budget of natural resources and Hawaiian culture, they started to work on the problematic actions involving stakeholders around the reservation system. He recommended to the Board to not pursue the project planned with working with DLNR because it turned out that the department has their hands full. He nevertheless thanked Representative Onishi for sharing his thoughts on the matter.

Mr. Ka'anā'anā reported that they have begun to move on the state-wide reservation system on a part by part basis with the goal of launching with Diamond Head in the next month or so, which will in turn bring other parks online within months of the opening. He said that they partnered with the UH team school to do a study for tour guide certification and licensure and are finalizing the agreement to get it started. He noted that part of it is work done with Ms. Anderson who works in the certification space and in the program that they have at KCC and the other CCs. He said that they will figure out those existing programs as part of Ms. Anderson's workforce development activity and on how to integrate with some of the Destination Management Action Plan (DMAP) actions seen from communities across the state.

Mr. Regan recognized Caroline Anderson, Director of Community Enrichment, to report on the activities within her sector. Ms. Anderson reported that her team is wrapping up the DMAP for Kaua'i, Mau'i, Moloka'i and Lana'i and also the 2020 Community Enrichment Program awardees. She added that they are finalizing their reports and processing final invoices.

Mr. Regan recognized Pattie Herman, VP for Marketing and Product Development, to report on her sector's activities. Ms. Herman reported that she and the market managers had been very involved with all the activities of the global marketing team and on being on top of it week by week as it relates directly to the budget that needs to be devised occasionally. She said that the industry partner meetings are continuously discussing the activities of hotels and centers rotating the properties on a weekly basis. She added that they are also involved with Ms. Anderson with the DMAP process. She noted that they had the Aloha Taiwan seminar, occurring virtually and in person, with most of the Hawai'i partners presenting, the Aloha Canada webinar done virtually, regular budget brainstorming sessions, and HPR meetings discussing with several representatives and senators. She added that they had the resident sentiment's survey about feelings about COVID-19 towards tourism and hospitality industry updated with the Maui County.

Mr. Regan recognized Jennifer Chun to share the highlights of December as it related to Tourism research. Ms. Chun reported that they have put up the visitor stats, hotel report, and vacation rental report and that last month, Mr. Kam presented regarding the residents sentiment survey. She added that the visitor plan inventory for 2020 has been put up for weekly destinations for their index reports, weekly travel agency booking reports and daily briefers.

Mr. Regan noted that the legislative section will be added back to the CEO report moving forward to highlight legislative activities, tracked bills, and testimonials provided based on

those bills. He said that HTA had worked with 32 contracts for the calendar year 2021 which are mostly for branding, research, safety and security and Visitor Assistance Program (VAS).

Mr. Regan acknowledged Ms. Yamane of the HTA communication to share the sector's activities. Ms. Yamane reported that they have been real busy completing the annual report to the legislature. She acknowledged her team from the Anthology Marketing group for their work in getting the messages out, in updating the website, analyzing website traffic coming in for the COVID information. She added that they were also engaged with responding to media requests and inquiries, in helping out the different department's HTA like the DMAP and in boosting HTA's FB page and social media presence.

Ms. Kimura recalled that there used to be a budget committee on the board who is extensively involved in line by line budget and Chair Fried responded that such committee will be reinstated today.

Representative Onishi advised the Board to determine whether HTA is an integral part of the government's efforts in ensuring the visitor industry as an important part of the economy. He added that the HTA funding is the decision of the governor and that the HTA should advocate for someone to be able to control marketing and the visitor industry, its effects and its future in Hawaii. Senator Wakai advised the Board to save money from the \$41 million fund for Q3 when there's a rebound in tourism activity and when the governor replenishes the fund by then to ensure that HTA lives beyond July of this year. Mr. Atkins said that they need to find a budget that can follow the 4 pillars, make an ROI and have sustainable tourism and that they can justify to the governor

Mr. Rafter asked how decisions are made to execute contracts in preparation of the multiple budget scenarios next month. Mr. De Fries responded that the contracts were executed within the framework of the approved budget and expenditures were adjusted to deal with the reality of the market.

Chair Fried asked Mr. Eric to provide insights on the breakdown of budget for contracts. Mr. Takahata reported that 2020 was definitely an anomaly year and that they had three stop gos for the Japan market to resume travel back to Hawaii which are mainly focused in creating pathways and removing roadblocks to resume travel, getting Hawaii exempted from the Japanese travel restriction and safe travel programs. He explained that criteria were set with HTA on budget expenditure and allotment and that they are in constant communications with HTA on allocating budgets.

Ms. Herman said that the contracts are constantly shifting funds based on the global situation. She explained that with the Japan market, 2020 started with \$20 million and was

cut on April 9 to \$6 million. She said that they continue to pivot and decrease funding on a weekly basis.

Mr. De Fries summarized that of the \$4.5 million, \$2.48 million are currently positioned for program budget starting July. He added that the situation will be evaluated each month and will continue to slide if the market conditions don't continually move.

Mr. Togashi said that they are placing restrictions on how much MMEs can spend in a fixed cost level with the intent of saving cost for later. He added that in consideration of Senator Wakai's advice about saving around \$15 million, they anticipated about \$7 million in reserve at the end of the fiscal year which, when coupled with the \$3million COVID-related cost of reimbursement, will bring up to \$10 million savings for Fiscal 2022 to operate.

Mr. Regan said that HTA is looking at disencumbering unused budget at the end of the fiscal year plus \$1.6 million from prior fiscal years to return for allocation which will be an additional budget.

Ms. Herman said that when the COVID-19 effects started in Hawaii, they terminated several contracts such as Southeast Asia, Europe, China and Taiwan. The 5 markets that survived are going thru TTP process. And they're working on with Taiwan now.

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

Chair Fried recognized Mr. Regan to report on the adoption of resolution to grant authority to the CEO. Mr. Regan asked for a motion to approve the adoption of a resolution granting Mr. De Fries as the CEO specific authority to represent the Board and its policy decisions as it relates to legislation in state, county or federal level during calendar year 2021 and the legislative session. George Kam made the motion which was seconded by Ku'uipo Kumukahi.

Mr. Arakawa said that if the CEO needs to take a position, he can give the Board advance notice. Chair Fried suggested that Mr. De Fries send an email to the Board in those situations. Mr. De Fries agreed and said that he welcomes any form of feedback. Chair Fried called for a vote for the adoption of the resolution and it was unanimously approved.

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

Chair Fried asked for a motion to affirm that today shall serve as the Annual Board meeting. The motion was moved and seconded and was unanimously approved.

Chair Fried opened the floor for nominations for the position of Chair and Vice Chair of the Board. George Kam nominated Chair Fried and there were no other nominations made. Mr. Regan confirmed the votes by roll call. Chair Fried remained as Chair.

Chair Fried nominated George Kam for First Vice Chair and Kelly Sanders as Second Vice Chair. There were no other nominations. Chair Fried recalled for the votes. George Kam remained first Vice Chair and Kelly Sanders as second Vice Chair.

Chair Fried asked for a motion to establish the following Committees as allowed for in HTA's bylaws: the Convention Center Planning Investigative Committee, Convention Center Planning Investigative Committee, Legislative and Governmental Affairs Investigative Committee, Visitor-related Infrastructure Investigative Committee, and the Budgetary Review Investigative Committee. The motion was moved and seconded and was unanimously approved.

Chair Fried moved on to the assignments of committee leadership and members for the committees starting with The Audit Standing Committee. He proposed David Arakawa as Chair, Micah Alameda as Vice Chair and Fred Atkins as member. There were no other nominations. The motion was seconded and the vote was unanimous.

Chair Fried proposed himself as Chair, Kelly Sanders as Vice Chair and David Arakawa, Fred Atkins and George Kam as members of the Administrative Standing Committee. Mr. Arakawa asked one member to be added. Chair Fried asked for Kyoko Kimura to be added and she agreed. The six members were unanimously approved.

Chair Fried proposed Daniel Chun as Chair, Kimi Yuen as Vice Chair, and George Kam, Ku'uipo Kumukahi and Sherry Menor McNamara as members of the Convention Planning Investigative Committee. There were no further nominations. The motion was seconded and unanimously approved.

Chair Fried proposed George Kam as Chair, David Arakawa as Vice Chair, and Fred Atkins, Ben Rafter and Daniel Chun as members for the Legislative and Governmental Affairs Committee. There were no further nominations. The motion was seconded and unanimously approved.

Chair Fried proposed Kelly Sanders as Chair, Sherry Menor McNamara as Vice Chair and Mike Alameda, Ku'uipo Kumukahi, and Kimi Yuen for the Visitor-related Infrastructure Investigative Committee. The motion was seconded and unanimously approved.

Chair Fried proposed David Arakawa as Chair, Ben Rafter as Vice Chair and Daniel Chun and Kimi Yuen as members for the Budgetary Review Investigative Committee. Mr. Arakawa proposed that Mr. Rafter be the Chair and that he wouldn't mind serving as Vice Chair. Chair

Fried accepted the proposal. Fred Atkins and Kyoko Kimura were nominated. Chair Fried asked for a motion to approve the six members. The motion was seconded and unanimously approved.

7. Report of the Discussion and Action on the Destination Management Action Plans for Lānaʻi

Chair Fried acknowledged Ms. Anderson to report on the presentation and action on the Destination Management Action Plans for Lanai. Ms. Anderson said that the purpose of doing the DMAP stems from the 2020 HTA Strategic Plan. The focus is to reset and rebuild to the desired visitor industry that the island wants, to collaborate with the counties, communities, visitor industry, other businesses and community organizations and to improve product offerings and establish new ones. She explained about the process done to develop the DMAP.

Ms. Anderson turned over the report to Ms. Kimura. Ms. Kimura reported that they have undergone five steering committee meetings with 13 members. She noted that there were issues encountered with visitors and that the committee identified nine actions to resolve these issues. She asked for a motion to approve the hot spots wherein the residents don't want visitors to go. The motion was seconded and unanimously approved.

Chair Fried called for a motion to accept the DMAP for Lanai. The motion was seconded and unanimously approved.

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

Chair Fried acknowledged Ms. Chun to give her report. Ms. Chun reported that the performance for 2020 is very much down from 2019. She said that visitor's arrival is down 75% for the month of December but noted an improvement compared to other months. She added that compared to 2019 where there are about 284,000 visitors in the state at any given time, the number of visitors have shrunk down to 94,000 for 2020, with much of the number coming from Q1. She added that the majority of visitors are coming from U.S. West and U.S. East. She explained that there were no total expenditures per person per trip because the sample sizing is not enough to be reported. She noted that the state collected \$21 million which is down 89% from the previous time in Fiscal 2020 through December 2019. She added that it was a preliminary data received from the Department of Taxation.

Ms. Chun reported that the air seats situation fluctuated greatly during the pandemic and that in 2020, the air service has reduced greatly. She reported that hotel occupancy was low at 23.8% compared to 80.2% for December and that ADR decreased from \$353 last year to \$291 2020.

Representative Onishi asked for clarification about the \$35.1 million TAT collection and Ms. Chun reported that it's for the Fiscal year of 2020.

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

Chair Fried recognized David Pettinger and Barbara Ankersmit of Anthology Research to discuss on Hawai'i's Tourism Authority Visitor Satisfaction & Activity Report (VSAT) Special COVID Survey. Ms. Ankersmit explained that the VSAT survey is in place to understand the changes in visitor's satisfaction post COVID vs. pre-COVID. She reported that there weren't much difference between VSAT 2019 and COVID study with the East Coast and West Coast. She added that top responses of visitors for what is needed for their ratings to change to 7 or 8 are opening businesses, attractions, and beaches, confusing COVID mandates or rules and the need to quarantine. She added that the likelihood for them to recommend Hawai'i complaint of visitors had to do with COVID testing and its requirements. She noted that a high percentage of visitors trip either exceeded or met their expectations noting that 60% of travelers under the age of 35 exceeded their expectations. She said that there were higher satisfaction among first time visitors and a higher rate for repeat visitors to respond that the visit either met or exceeded their expectations vs people who were left disappointed. She noted that their disappointment is mainly attributed to the testing requirements and closure of businesses and attractions. She said that there's a huge percentage of visitors planning to come back when the pandemic and the restrictions are over and when vaccinated they get vaccinated. She added that complaints had to do more with testing requirements and quarantine than with the actual visit while they are in Hawai'i.

Mr. Pettinger reported on the effect of COVID-19 on the planning process and experience as to visiting Hawai'i. He noted that a higher percentage said that the low COVID-19 infection rate had either no bearing or little impact or one of several reasons why they chose Hawaii as destination and a low percentage for people who said that it was a very important consideration. He said that for surveys done with the Hawai'i Department of Health, a high percentage of residents consider COVID 19 to be a serious and urgent health concern. He added that 76% are willing to get vaccinated if it meant that they can come back to Hawai'i without the pretesting requirement and that those with a college degree are more likely to get the vaccine compared to those without

one.

Mr. Pettinger identified safe travels website as the main source of information that visitors use when travelling to the State followed by family and friends, gohawaii.com, HTA website and airline staff, social media and online travel sites. Ms. Chun said that it will be posted on their website at the VISAT page of the research section.

Chair Fried shared that the lieutenant governor is hopeful that if a person had both of their vaccinations, they will be able to travel interisland as of February 15 without the need for the testing and that as of March 1st, one can travel from the mainland to Hawaii.

Ms. Chun reminded that it's a point in time survey and done for people who visited Hawai'i at the beginning of December and future surveys will be done in time. Ms. Chun said that she will send a copy of the data requested by the board.

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

Chair Fried recognized Keith Regan to present HTA's financial reports for December 2020. Mr. Regan reported that the HTA received no TAT disbursements into the tourism special fund since May 2020. He said that there were expenditures of a little over \$1.2 million which includes \$113,000 from the approved fiscal year 2021 budget and \$1.09 million from prior fiscal years. He added that there was a net decrease of \$1 million in the tourism special fund and received about \$167,000 in investment income. He noted that there were encumbrances of \$25.9 million in December and that year-to-date, the total encumbrances balance against the fiscal year 2021 budget is \$36.4 million. HTA said that HTA's total encumbrances which includes encumbrances from prior years is \$44.4 million with \$9.6 million of it from prior fiscal years and \$34.8 from current fiscal year. He added that many of the current fiscal year contracts recently encumbered are for calendar year 2021.

He reported that the current Tourism Special fund is approximately \$68.2 million in cash and investments which includes \$5.14 million of the tourism emergency trust fund held in safe instruments. He said that remaining balance of the tourism special funds separating out the tourism emergency trust fund is \$63.2 million. He said that they will closely monitor the conditions with the fiscal year progressing without TAT flowing in the tourism special fund.

Mr. Regan asked for a motion to approve the December 2020 financial reports. The motion was seconded and unanimously approved.

11. Update Relating to the 2021 Legislative Session and Related Bills Relevant to the Hawai'i Tourism Authority

Chair Fried acknowledged Mr. Regan to give his report. Mr. Regan reported that they are closely tracking 110 bills impacting HTA. He noted that these are going to be busy and fast-moving sessions which require a lot of oversight and attention and significant resources to monitor the bills for the HTA needs to submit testimonies to meet the tight deadlines.

He shared that in terms of budgetary concerns, there are bills that talk about moving special funds to the general fund that are not encumbered. He stressed that this is something that HTA needs to monitor.

Mr. Rafter asked if there were initial feedback on the bills that impacts TAT the most where one allows the county to do a TAT assessment. Representative Onishi said that he had seen a number of bills assessing visitor's fees, reducing TAT appropriation and addressing natural resources and funding that would affect targeted visitors. He added that virtual meetings will be used in legislations with the House and that testimony has to be written and submitted, and one needs to indicate upon submission the intention to testify in person. Testifying in person isn't allowed without a written testimony in anticipation of lost internet connectivity where the House could still review the written testimony and make decisions.

Mr. Rafter asked for insights about the dual referral and triple referral. Mr. Wakai informed that a triple referral is a more difficult to approve than a double referral. Representative Onishi said that with regards to HP6, it has dual committee first referral which actually is referred to four committees and that the more it's referred to, the more problem it creates as it has to be coordinated with other committees. He explained that in such case, it would be for the Environmental and Representative Onishi's Committee to coordinate a date and time to hear the bill and that if it's a triple committee, it's only heard on the first week of February.

Chair Fried asked the audience for any questions and there was none.

12. 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 acknowledged Mr. Sanders to give his report. Mr. Sanders acknowledged Ms. Chun's update on the travel agent booking pace which the committee has been tracking for a few months to understand when more demands are starting to come back to the Island. He noted that they are in communications with the GMT from Korea about approved trusted travel partners who has covered all of the vaccines for the entire population and will start vaccination at the end of February. He said that there were communications with HBCB regarding current situation branding and their focus on advertising which is more on Q3 as demands return. He added that from communications with Hawaii Tourism Japan, they were informed that vaccination will potentially start on February and of the rumors that the Olympics might be cancelled but it's actually moving forward even if it's just for athletes and not visitors. He added that discussions made were mainly on all GMTs to postpone expenses and on conserving budgets until travel is projected to resume on Q3 and Q4 of 2021.

Mr. Regan read the audience's question on how travel agent bookings are gathered. Ms. Chun responded that Global Agency Pro, which HTA is subscribed to, processes the travel agency actual transactions, thus they're looking at actual people being booked.

13. Adjournment:

The meeting adjourned at 1:07 pm.

Respectfully submitted,



Sheillane Reyes
Recorder

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Report of the CEO Relating to Staff's Implementation of HTA's Programs During January 2021

HTA CEO REPORT

FEBRUARY 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 January 2021. Overall, this report provides insight into the actions conducted by the staff to implement the HTA budget previously approved by the Board.

The natural resources team continued its due diligence on the two major projects of focus identified – tour guide certification and licensure, as well as indicating best practices and implementation for user fees and reservation systems for the islands' busiest sites. After meeting with the Department of Land and Natural Resources (DLNR) and their staff it was determined that the HTA should not pursue the planning of a system. DLNR has begun their planning and phased implementation of a reservation and increased fee structure at Diamond Head State Monument and other priority parks. The end of January also marked the final reporting deadline for the 2020 Aloha 'Āina projects.

The Hawaiian culture team continued to assist its Kūkulu Ola awardees with wrapping up their final reports. Staff is also monitoring open projects which include 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 Lāna'i and Hawai'i Island were held during January. The HTA Board approved the Lāna'i DMAP at its January meeting. Staff has begun to review the actions to start planning for implementation.

Staff continued to work with the remaining 2020 Community Enrichment Program (CEP) contractors to close out their files. In the area of workforce development, staff has approved ClimbHI's revised proposal for a virtual Lead, Expose, Inspire (LEI) program to motivate Hawai'i's high school and middle school students to pursue a career in Hawai'i's visitor industry.

HTA's Brand Marketing department continued to assist with the Trusted Testing Partners (TTP) process. The Korea TTP process was completed, and the team is refining the process with the Department of Transportation (DOT) and the State Attorney General's (AG) office. The TTP process for Taiwan had begun. However, since there are no direct flights between Taiwan and Hawai'i, the AG's office has shifted to working on the TTP process for the Philippines with Philippine Airlines.

The team also discussed making updates to HTA's website, specifically the Brand Marketing section, including visual improvements with richer content surrounding monthly activities. Staff also discussed the possibility of conducting a virtual Spring Forum or Industry Partner Update Meeting utilizing Zoom to communicate to the hospitality industry about HTA's activities.

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 continues to focus on encouraging visitation "When It's Time to Travel."

HTA's Tourism Research Division (TRD) published the December 2020 Visitor Statistics press release and monthly reports, air seat outlook for February-April 2021, December 2020 Hawai'i Hotel Report, and December 2020 Vacation Rental Performance Report. The Special Visitor COVID-19 Study report was presented to the HTA Board at the January 2021 board meeting. In addition, TRD published 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 are in the process of checking in final reports and deliverables from Aloha 'Āina programs. There are 34 projects that have concluded the 2020 cycle despite the rough year. Most projects were completed at the end of calendar year 2020, however, a few were granted no-cost extensions.

2. DLNR Partnership

Nā Ala Hele staff continue to implement various portions of the project to enhance the resident and 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 completed 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. DLNR shared their phased implementation of new reservation websites and increased fees. The first park will be Diamond Head State Monument. HTA staff recommends to not continue forward with further planning in this area and move the funds budgeted for this program to another priority area.

4. Tour Guide Certification and Licensure

HTA staff continues 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. The HTA team believes there is an opportunity to study this now for implementation in future years.

II. HAWAIIAN CULTURE PILLAR

1. Kūkulu Ola Program

HTA program staff are in the process of checking in final reports and deliverables from Kūkulu Ola programs. There are 33 projects that have concluded the 2020 cycle despite the rough year. Most projects were completed at the end of calendar year 2020, however, a few were granted no-cost extensions.

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. In addition, NaHHA continues to support HTA staff with Festival of Pacific Arts and Culture (FestPAC) planning and coordination.

3. Native Hawaiian Festivals and Events

13th Festival of Pacific Arts and Culture (FestPAC)

The commission for the 13th 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 have received the final written report for the 2020 Prince Lot Hula Festival. Once the review and approval of final reporting has been completed, HTA staff will include it in the next CEO report.

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. They have identified June as the target month for the event. HTA has allocated funding to support the event should it occur. The County of Hawai'i has conditionally approved the use of the Edith Kanaka'ole Stadium. The digitization work is ongoing and expected to be completed by June 2022. The work of digitizing the collection has been slowed due to the COVID-19 restrictions as well as the tedious nature of the work.

4. Center for Hawaiian Music and Dance

During the 2021 legislative session, HTA is tracking several bills which would affect the Center for Hawaiian Music and Dance (CHMD). HB 321 HD1 and SB926 repeal the allocation of TAT funds to the CHMD. HB 1165 and SB916 SD1 amend the language that allowed for the development and operations of the Center for Hawaiian Music and Dance and leaves its location undetermined.

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)

Destination Management Action Plan (DMAP) Steering Committee meetings for Lānaʻi and Hawaiʻi Island were held during January 2021. The HTA Board approved the Lānaʻi DMAP at its January meeting. The Kauaʻi DMAP went through a final review by staff, including layout and formatting, and will be distributed to the public in early February.

Staff has begun reviewing the actions to start planning for implementation for Kauaʻi, Maui, and Molokaʻi. Staff has also been working with the City and County of Honolulu and Oʻahu Visitors Bureau to develop the Oʻahu Steering Committee list. Oʻahu Steering Committee meetings are being planned for March.

Community Enrichment Program (CEP)

HTA staff continues to work with the remaining 2020 CEP contractors to process final invoices and close out 2020 contracts. There are approximately 14 CEP contracts that are open.

Workforce Development

HTA has partnered with ClimbHI over the past several years to put on a statewide event to inspire high school students to pursue a career in Hawaiʻi's visitor industry. In 2020, the event was cancelled due to COVID-19. For 2021, HTA staff approved for ClimbHI to do a virtual Lead, Expose, Inspire (LEI) program, including the development of three videos focused on 1) the value of tourism; 2) careers in hotels; and 3) other careers in the visitor industry. The videos will be shown during the virtual event, posted online and made available as a resource to teachers. In addition, HTA is supporting their online portal, ClimbHI Bridge, to connect businesses and educators with opportunities ranging from guest speaking/guest teaching, mentorships/advisory boards, job shadowing/teacher externships, project-based learning and more. For more information visit: <https://climbhi.org>

Mālama Program

The Aloha+ Mālama Mandate, signed by the HTA team, expresses the commitment “to navigating towards a better future” through “our love for Hawaiʻi [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 Hawaiʻi-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.

Hospitality Industry Updates (County)

HTA recognized the need to connect stakeholders from both the public and private sectors in order to improve awareness and build an understanding of the current state of the visitor industry related to COVID-19. As such, HTA staff coordinates with each county to identify a day and time that is most convenient for the respective mayor to participate in a hosted meeting with government officials, association leaders, contract partners and the visitor industry.

During the month of January, the HTA hosted the following updates:

- Maui County Hospitality Industry Update
 - January 12, 2021 at 9:30a
- City and County of Honolulu Industry Update
 - January 13, 2021 at 2:30p

2. Communication and Outreach

News Releases/Reports Issued

- News Release with the Big West Conference: HTA Named Presenting Sponsor of Big West Basketball (January 7)
- Report: HTA Hawai'i Hotel Performance Report for December 2020 (January 22)
- Report: HTA Hawai'i Vacation Rental Performance Report for December 2020 (January 25)
- News Release: Hawai'i Visitor Statistics Released for December 2020 (January 28)

News Bureau

- Interviews and press conferences: **9**
- Local and national media relations: **22**

HTA's Destination Management Action Plans

- Assisted with communications efforts – edited the Kaua'i DMAP
- Attended steering committee and HTA/county meetings

Community Initiatives and Public Outreach

- Community liaison and communications: **17**
- Marisa Yamane moderated a virtual panel hosted by the Hawai'i Lodging and Tourism Association (HLTA) and the American Marketing Association of Hawai'i (January 28)

Crisis Communications

- Responses regarding travel to Hawai'i: **44**
- International inquiries: **4**
- Daily email updates on the COVID-19 situation: Updates #1451-#1513
- Daily updates to HTA's website – COVID-19 alerts page
- Detailed notes on Gov. Ige's press conferences
- HTA's daily briefer
- Participated in the state's Joint Information Center
- Worked with the Governor's office and Attorney General's office on matters regarding the Trusted Travel Partners and Safe Travels

HTA's Social Media

- Paid Social Media on Facebook
 - Post of the Ma'ema'e Toolkit resource. Flight dates from January 21 – January 28. Total Reach 18,120 | Total Reactions 2,227
 - Post of the Moloka'i Travel Tips video, which is in partnership with Hawai'i Visitors and Convention Bureau (HVCB). Flight dates from January 26 – February 2. Total Reach 10,644 | Total Reactions 817

- Facebook
 - Number of followers: 16,326 (+42.55%)
 - Engagement rate: +56.76%
 - Daily page engaged users: 2,964
 - Posts: **42**

- Instagram
 - Number of followers: 4,108 (+34.44%)
 - Engagement rate: +345.79%
 - Number of engagements: 477
 - Posts: **7**

- Twitter
 - Number of followers: 37,130 (+1.16%)
 - Engagement rate: +73.24%
 - Number of engagements: 123
 - Posts: **11**

Legislative

- Wrote testimony on behalf of HTA for SB775
- Attended HTA's Legislative team strategy meetings

Internal Communications

- Communications with state and county departments: **27**
- Edited HTA reports/press releases/documents
- Provided talking points to HTA's staff
- Wrote a proposed monthly letter template
- Wrote draft response letter to Rep. Greggor Ilagan
- Helped edit the copy for the branding section of HTA's website
- Communicated important updates to HVCB and HLTA

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 January:

- Maui County's program handled 7 cases and helped 12 visitors (year-to-date: 7 cases/12 visitors). This included visitors from primarily the U.S. West market. 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 14 cases and provided assistance to 41 visitors (year-to-date: 14 cases/41 visitors). This included visitors from Washington and California.
- City and County of Honolulu's program handled 42 cases and helped 237 visitors (year-to-date: 42 cases/237 visitors). This included visitors from California, Florida, Tennessee, Wisconsin, American Samoa, Washington, and Oregon.
- Kaua'i County's program handled 6 cases and provided assistance to 8 visitors (year-to-date: 6 cases/8 visitors).

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.

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 is working under a fixed cost. Qantas currently plans to open its operations in July 2021. However, that may shift to the fourth quarter due to their government's orders. HTA plans to resume branding and marketing in September 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. However, they are currently working on a bubble travel concept with the Cook Islands.

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 was made to terminate contracts for these markets.

MMA Marketing Plans

The Market Management team is ensuring that the focus of "Regenerative 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 targeted travelers – mindful travelers – who are already conscious of and respect destinations that care for their natural resources.

HTA staff has instructed the GMT to solely operate under "fixed costs" at this time. Globally the pandemic is seeing a resurgence, which makes the COVID-19 messaging critically important. The GMT continues to share images of Hawai'i's natural beauty and wide-open spaces in their respective markets to keep Hawai'i top of mind.

Due to COVID-19 and Governor Ige's emergency proclamations, 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 are running for both Air Canada and WestJet Airlines.

Industry Partner Meetings

Due to COVID-19, the quarterly Industry Partner Meeting was postponed in 2020. However, HTA continues to communicate with its industry partners by providing COVID-19 related information daily and conducting Zoom meetings. HTA staff is discussing the possibility of doing a virtual Spring Forum and the several different platforms that can be used, including Zoom.

In January, the biggest complaints cited by the travel agents were the confusing arrival safety protocols for each island. They stated that the travelers have a difficult time understanding when the COVID-19 test(s) need to be taken when island hopping. They strongly requested that the State of Hawai'i have a collective, consistent arrival protocol that can be easily followed.

Costco reported that the booking pace for the island of Maui was up by 60%; Hawai'i Island grew by 20%; and O'ahu was showing slight increases in the second quarter. Kaua'i bookings have stopped with no sign of improvement.

Expedia reported the highest booking week, of which 50% of the bookings were for O'ahu, primarily in the first and second quarters.

TravelBrands out of Canada announced that they will start "point of origination sales," in which aside from Hawai'i they will also start selling the U.S. as a destination.

Pleasant Holidays reported many last-minute bookings coming through in January and February.

The Kaua'i Marriott Resort will be de-flagged on March 14, 2021. The ownership group will be offering all associates their positions under Senesco Management.

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 January, HTA staff attended the House FIN budget briefing under DBEDT. HTA was not questioned regarding programs or budget at this meeting. PH attended several DMAP meetings, as well as the City and County of Honolulu Hospitality Industry Update.

PH attended a Zoom meeting with Rep. Bob McDermott regarding events to produce and promote Hawai'i. PH attended the Japan Hawai'i Travel Association meeting and gave a general update regarding COVID-19 activities. HTA staff had a meeting with Sen. Glenn Wakai and Sen. Bennette Misalucha regarding the branding budget with suggestions on further cuts.

The Regular Standing Marketing Committee Meeting was held on January 27 and topics that were discussed or presented included: the forward-looking travel agent booking pace, Korea's TTP process and presentation by Hawai'i Tourism Korea reporting the completion of the project, and updates from Hawai'i Tourism Japan and HVCB.

V. TOURISM RESEARCH

The Tourism Research Division (TRD) issued the December 2020 monthly visitor statistics on January 28, 2021, 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 February through April 2021 to the Infrastructure Research Section of the HTA website. Updates to the January 2021 schedule were also published during the month.

State, major market and island fact sheets were updated with the December 2020 data and were published on the Monthly Visitor Statistics page of the HTA website.

TRD issued the December 2020 Hawai'i Hotel Performance Report on January 22, 2021. The report and related December 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 December 2020 Hawai'i Vacation Rental Performance Report on January 25, 2021. The report and related December 2020 data tables were posted to the Infrastructure Research section of the HTA website. This report utilizes data compiled by Transparent Intelligence, Inc.

TRD posted the 3rd Quarter 2020 Visitor Satisfaction Monitoring Report and Infographics to the Research Section of the HTA website on January 8. 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 results of the Special Visitor COVID-19 Study were presented to the HTA Board on January 28, 2021 by Barbara Ankersmit and David Pettinger of Anthology Research. This special survey is part of the contract for the Visitor Satisfaction and Activity Study. The presentation was posted on the Visitor Satisfaction and Activity page of the HTA website.

TRD continued publishing the weekly Hawai'i YouGov Destination Brand Index for U.S., Japan, and Canada. 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 the 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 10-day quarantine, including attending Hawai'i Emergency Management Agency (HI-EMA) operational calls, posting of daily transpacific 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. HTA also supports the Safe Travels Program by providing air service schedules.

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 represented HTA at the HI-EMA Annual Integrated Preparedness Planning

Workshop (IPPW) 2021 on January 12, 2021.

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
- Top 2019 and 2020 travel agency bookings from Canada for Hawai'i Tourism Canada

VI. ADMINISTRATIVE

Contracts List: Pursuant to Hawai'i Revised Statutes §201B-7 (9), please find the following contracts executed during the month of January 2021:

January 2021						
Contract No.	Contractor	Description	Contract Amount	Total Contract Value	Start Date	End Date
20012 S1	Hale'iwa Main Street dba North Shore Chamber of Commerce	Hale'iwa Interpretative Signage Project and Walking Tour Map	\$0 (no-cost extension)	\$20,000.00	1/28/2021	6/30/2021

Appendices

Monthly Leisure Marketing Report

January 2021

Hawai'i Visitors & Convention Bureau (USA) 2021 Monthly Leisure Marketing Report – January

Market Intelligence/Market Conditions

Economy

- The U.S. outlook continues to be wrapped in a complex set of economic risk factors. That set of risk factors has become even more complex over the last month. The progress in the development of vaccines last fall reduced risk from the coronavirus pandemic, but it did not eliminate it. The slower-than-expected rollout of the vaccines, combined with only partial uptake by populations, in the presence of a mutating virus, suggests that there will be an opportunity for the virus to continue mutating, elevating the risk of long-term economic drag from the pandemic, this according to Robert Dye, Chief Economist, Comerica.
 - The unemployment rate in January fell to 6.3 percent.
 - The Conference Board *Consumer Confidence Index* improved moderately in January, after decreasing in December. The Index now stands at 89.3 (1985=100), up from 87.1 in December.
 - The *Present Situation Index* based on consumers' assessment of current business and labor market conditions decreased from 87.2 to 84.4.
 - The *Expectations Index* based on consumers' short-term outlook for income, business and labor market conditions increased from 87.0 in December to 92.5 this month.
- “Consumers’ appraisal of present-day conditions weakened further in January, with COVID-19 still the major suppressor,” said Lynn Franco, Senior Director of Economic Indicators at The Conference Board. “Consumers’ expectations for the economy and jobs, however, advanced further, suggesting that consumers foresee conditions improving in the not-too-distant future. In addition, the percent of consumers who said they intend to purchase a home in the next six months improved, suggesting that the pace of home sales should remain robust in early 2021.”

Outbound Travel Market

- Partners have noted that they are seeing a decline in Mexico and Caribbean bookings while Hawai'i has seen a spike in bookings spread throughout 2021. Another partner has seen an immediate increase in domestic bookings since the announcement of restrictions on international resident and non-resident arrivals into the US. Most of these bookings are for closer-in travel.

Competitive Environment

- To protect Canadians from the outbreak of COVID-19, the Prime Minister announced travel restrictions that limit travel to Canada with unprecedented action to protect the health and safety of Canadians by introducing measures to prevent further introduction and transmission of COVID-19 and new variants of the virus into Canada. Until further notice, most foreign nationals cannot travel to Canada, even if they have a valid visitor visa or electronic travel authorization. These restrictions stop most non-essential (discretionary) travel to Canada were announced on January 29, 2021 and are in addition to the multi-layered approach on COVID-19 already in place. The government and Canada's airlines have agreed to suspend all flights to and from Mexico and Caribbean countries until April 30, 2021 at the earliest.
- French Polynesia and islands in the French Caribbean have closed their borders as new coronavirus variants surge around the world. French Polynesia, which boasts overwater bungalows

and brilliant aqua water over 118 Islands, including Tahiti and Bora Bora, will cut off travel from all countries on Feb. 3, according to *Tahiti Tourisme*. "Faced with the resurgence of COVID-19 cases around the world and in order to preserve French Polynesia which has for its part, shown significant improvement for several consecutive weeks, the authorities have decided to temporarily suspend travel to The Islands of Tahiti including for tourists from all origins until further notice," the tourism board wrote in its notice. The French Caribbean islands of St. Barts, St. Martin, Martinique, and Guadeloupe will also be closed to tourism.

Consumer Trends

- **Wellbeing, Rights, Value, Identity Experiences, Surroundings, and Technology** - According to Mintel, these trends have been accelerated by the COVID-19 pandemic. This year's consumer trends are centered around the 'now' (the next 12 months), the 'next' (18 months+), and the 'future' (five+ years) of consumer behavior: **Health Undefined** - An awareness of wellbeing is at the forefront of consumers' minds, but a playbook doesn't exist. Brands have a responsibility and opportunity to set new rules. **Collective Empowerment** - Consumers around the world are making their voices heard loud and clear in the push for equity, agency, and rights. **Priority Shift** - Consumers are seeking a return to the essentials, with a focus on flexible possessions and a reframing of what ownership means. **Coming Together** - Consumers are coming together in like-minded communities in order to connect with and support each other, driven by the impact of the global pandemic. **Virtual Lives** - Physical separation due to the pandemic, increased need for escapism, and improved technology are driving consumers towards digital experiences. **Sustainable Spaces** - COVID-19 has subtly but significantly shifted consumer awareness of our relationship with the spaces in which we live, accelerating demand for sustainability. **Digital Dilemmas** - While there are many benefits to a more digitally connected life, concerns about its negative impacts are putting consumers in a predicament.

Media Trends

- *Media pivot: Industry changes are forcing a change of direction or approach, according to Kantar 2021 Media Strategies.*
 - *Audience behaviors:* In-home media consumption has increased during the pandemic, but questions remain over how long these habits will last and the challenge this poses for advertisers seeking to optimize their media buys.
 - *Ecommerce & Media:* Social media influencers will influence consumers across the entire sales funnel, guiding them to a more efficient omnichannel presence.
 - *Democratizing data:* Media data is being used and shared more systematically within organizations. Media professionals need access to broader data sets for better decision-making and opportunity recognition, while data platforms must be open source so brands can own integrations with multiple programmatic partner platforms.
- *Media performance: the increased challenges of measurement and effectiveness:*
 - *Boomerang Subscriber:* Consumers increasingly see video-on-demand subscriptions as interchangeable, pushing the streaming wars to a new level. Content aggregators will take center stage to unlock new customer acquisition strategies; collaboration is essential for long-term success.
 - *Audience in the Stream:* Togetherness has grown in importance during the pandemic, boosting TV co-viewing. A deeper understanding of co-viewing, with its overlaps and migrations between streaming platforms is needed, and media trading currencies must reflect the totality of audience behavior.
 - *Activism to Action:* Activism enables brands to meaningfully connect with consumers, but actions speak much louder than words. The correlation between values, media selection and

influencer strategy are increasingly important for brands but creates risk for media platform owners too.

Airlift

- HTA Airline Seat Capacity Outlook for February – April 2021 was released on January 26, 2021. The forecast for domestic scheduled nonstop air seats to Hawai'i during this period will increase by +46.1 percent as compared to the same time period in 2020 (April 2020 was the first month of the Hawaii 14-day quarantine and the immediate reduction of flights). This projection is based on flights appearing in *Diio Mi*. Due to the COVID-19 outbreak, the constant fluidity of seats and flights will continue as the COVID-19 pandemic evolves. An overall increase of flights is expected from all major market areas: U.S. West (+46.8%) and U.S. East (+39.5%). 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 valid 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.
- U.S. West:
 - California residents returning from non-essential travel are encouraged to quarantine for 10 days. San Francisco, Santa Clara, and Los Angeles counties have ordered a mandatory 10-day quarantine for people coming from outside their region. In Oregon, returning Oregon residents have been advised to practice self-quarantine for 14 days after arrival. Washington continues to recommend a 14-day quarantine for residents returning from interstate and international travel. Furthermore, there is a required 14-day quarantine for anyone returning to Washington state after visiting the United Kingdom, South Africa, and other countries where a new variant of has been circulating.
- U.S. East:
 - In New York, returning residents can “test out” of the mandatory 10-day quarantine for asymptomatic individuals. A COVID test is required within three days before their return to New York, followed by three days of quarantine. On day four of their quarantine, the traveler must obtain a second COVID test. If both tests came back negative, the returning resident may exit quarantine early upon receipt of the second negative diagnostic test.

Leisure Activity Update

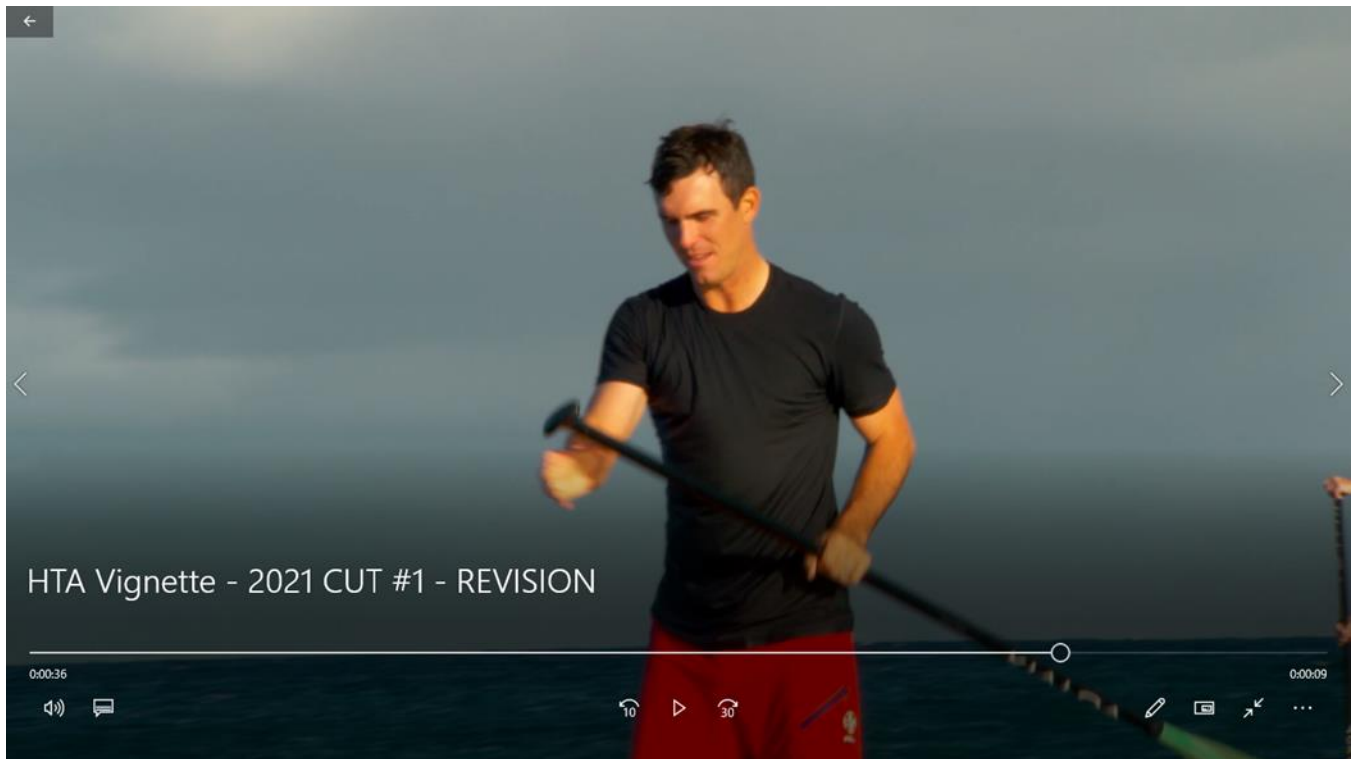
Consumer

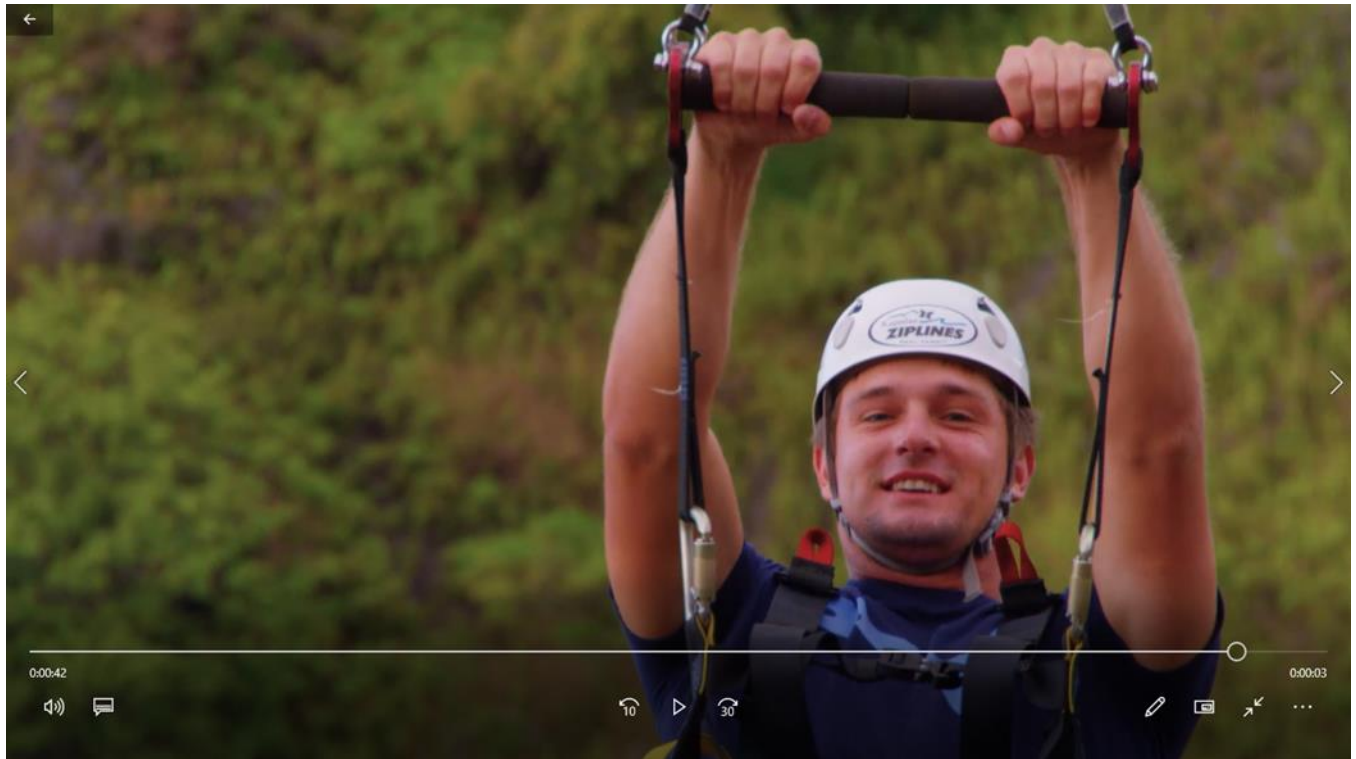
- On-line

Digital Campaign January – Estimated Impressions Per Island

PARTNERS	Central	OVB	MVCB	KVB	IHVB	LVB	DMVB
Programmatic	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Facebook</i>	1,070,000	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Instagram</i>	380,000	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>YouTube</i>	0	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Pinterest</i>	0	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
Total	1,450,000	-	-	-	-	-	-

- Golf Channel - *Aloha Season Promotion* (Dec. 1, 2020 - Mar. 28, 2021): The 2021 *Aloha Season* program with Golf Channel peaked in January with promotional elements throughout the month during the following Hawai'i tournaments: Sentry Tournament of Champions, Sony Open in Hawai'i, Mitsubishi Electric Championship at Hualālai.
 - Paid Media: 30-second golf commercials highlighting four different PGA TOUR professional players engaging in destination activities that convey a sustainable/Mālama Hawai'i message:
 - Collin Morikawa – Outrigger Canoe Paddle/Fishpond (Maui)
 - Lanto Griffin – Zipline/Tree Planting (Maui)
 - Corey Conners & Max Homa – Whale Watch/Conservation (Maui)
 - Programming: 37.5 hours live tournament coverage; 137.5 hours re-air tournament coverage, 143.5 additional hours that include some Hawai'i tournament exposure; 318.5 total programming hours on Golf Channel.
 - Golf Today "*Hawai'i Destination Spotlight*" presented a Hawai'i-themed show during the Thursday-Friday of the Sentry Tournament of Champions event on Maui.
 - Promos: 200 "*January in Hawai'i*" promo spots including logo and call-to-action; Hawai'i Event Tune-In promos with Hawai'i imagery
 - Features: Three (3) custom features aired (one each week during the January tournaments played on Maui, O'ahu, island of Hawai'i)
 - Billboards: 60 billboards including logo, tagline, and call-to-action
 - Beauties/Bumps: In and out of tournament programming coverage
- Golf Channel – *The CUT Show*: Custom features showcasing TOUR professionals engaged in Hawai'i activities ran in programming on PGA TOUR's *The CUT* show on Golf Channel. These programming features were timed with the January weeks of the Hawai'i golf tournaments. Also included 30-second golf commercial units highlighting players engaged in destination activities that convey a sustainable/Mālama Hawai'i message.
 - PGA TOUR's *The CUT* show #1
 Golf Channel – aired week of Sentry Tournament of Champions
 Compilation of Players: Collin Morikawa, Billy Horschel, Bryson DeChambeau





- PGA TOUR's *The CUT* show #2
Golf Channel – aired week of Sony Open
Player: Patton Kizzire (winner of 2018 Sony Open)



21CUTSONY 02 HTA REV

- PGA TOUR's *The CUT* show #3
Golf Channel – aired week of Mitsubishi Electric Championship
Player: Tony Finau



- PGA TOUR Live Streaming: Live streaming paid media flight on *pgatour.com* ran during the January (Jan. 7-17) Hawai'i golf tournament coverage on PGA TOUR LIVE and NBC/GC Simulcast. 30-second golf commercial units highlighted players engaged in destination activities that convey a sustainable/Mālama Hawai'i message.

Travel Trade

- Paid trade media – January (3,913,550 estimated impressions)
 - 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: 2020 media carryover into early 2021 - delayed inventory ran through January, as contractually unable to cancel.*

Public Relations


- HVCB
 - HVCB provided talking points, images, and b-roll for this year's "Destination Spotlight" sponsorship on the Golf Channel featuring the Hawaiian Islands that host the Sentry Tournament of Champions, Sony Open and Mitsubishi Electric Championship at Hualālai. Outlets across the nation featured the tournaments with a reach of over 127 million.
 - As a result of David Dickstein's hosted visit in December 2020 to Maui by HVCB, he produced a story in *The Orange County Register* titled, "Traveling to Hawaii during COVID-19: Requirements and what to know before you go." In his story, he shared perspectives from partners and his own experiences at Ritz-Carlton Kapalua, Old Lāhainā Lū'au, Duke's Beach House, Maui's Mama's Fish House, Maui Kuia Estate Chocolate, Lahaina Grill, Wailea Golf Club, Kapalua Golf and Plantation Inn.

THE ORANGE COUNTY
REGISTER

THINGS TO DO TRAVEL · News

Traveling to Hawaii during COVID-19: Requirements and what to know before you go

Hawaii has begun welcoming tourists again, but officials urge travelers to spread aloha, not germs.



Pandemic conditions make for uncharacteristic serenity on Kaanapali Beach along the west coast of Maui. (Photo by David Dickstein)

By **DAVID DICKSTEIN** | daviddickstein@hotmail.com |
PUBLISHED: January 5, 2021 at 8:50 a.m. | UPDATED: January 5, 2021 at 2:47 p.m.

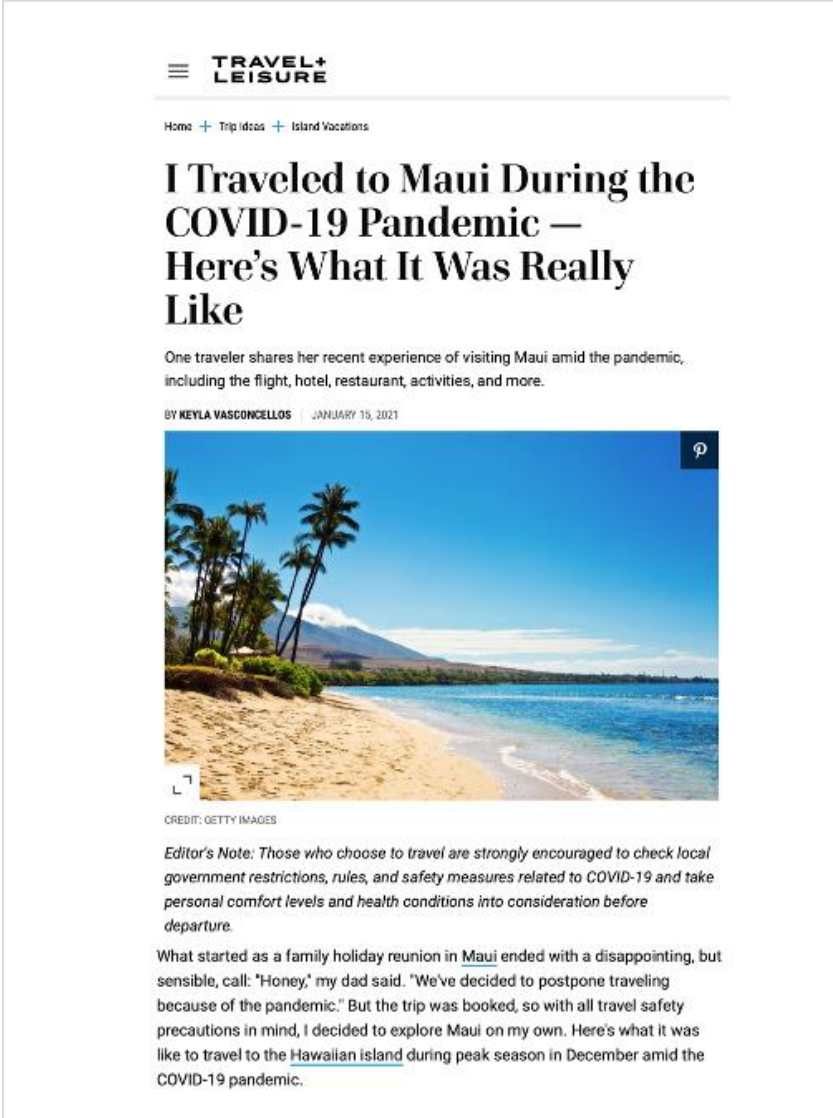
One can't blame Food and Beverage Director Robert Blackborough for getting misty-eyed when asked how thrilled he is now that Hawaii is sharing the aloha spirit with visitors again. After all, it was only the third evening since the Ritz-Carlton Kapalua's signature restaurant he oversees was open after a monthslong shutdown because of the COVID-19 pandemic.

"When I observed our staff welcoming back guests for the first time since March, I was filled with unexpected emotion," he said at the beachfront and properly spaced Banyan Tree restaurant. "Being isolated on the islands, we longed for visitors to return. Seeing the staff interact with people other than ourselves for what seemed like an eternity nearly brought me to tears."

- As a result of the U.S. Centers for Disease Control and Prevention (CDC) announcement regarding new international testing requirements, HVCB's PR team felt it was appropriate to address the impact to Hawai'i's Safe Travels Program and reiterate Hawai'i's entry protocols in

a release titled, “HVCB UPDATE - Hawaii’s Safe Travels Program and CDC’s International Travel Announcement” to local PR industry professionals, leisure publications, editors and freelance journalists on Jan. 13. The release clarified that in order to visit Hawai‘i, travelers who participate in Hawai‘i’s Safe Travels Program and have a negative result from a Trusted Testing Partner (TTP) are not subject to Hawai‘i’s 10-day quarantine or any other restriction. While tests from a non-Trusted Testing Partner will be accepted by the CDC to enter the United States, they will not be accepted by the State of Hawai‘i and its Safe Travels Program.

- As a result of Keyla Vasconcello’s hosted visit in December 2020 to Maui by HVCB, she produced a story titled, “I Traveled to Maui During the COVID-19 Pandemic – Here’s What It Was Really Like” in *Travel + Leisure*. She shared the importance that all travelers must receive a nucleic acid amplification test (NAAT) from a certified and trusted partner to override the 10-day mandatory quarantine and Safe Travels program. In the story she shares her experience at Wailea Beach Resort, Paia Fish Market, The Restaurant at Hotel Wailea, Birdcage Bar, Sail Trilogy, Haleakalā National Park and Old Lāhainā Lū‘au. Lastly, she wrote about the rewarding Mālama Hawai‘i Program she participated in at Wailea Beach Resort.




TRAVEL+ LEISURE

Home + Trip Ideas + Island Vacations

I Traveled to Maui During the COVID-19 Pandemic — Here’s What It Was Really Like

One traveler shares her recent experience of visiting Maui amid the pandemic, including the flight, hotel, restaurant, activities, and more.

BY KEYLA VASCONCELLOS | JANUARY 15, 2021



CREDIT: GETTY IMAGES

Editor’s Note: Those who choose to travel are strongly encouraged to check local government restrictions, rules, and safety measures related to COVID-19 and take personal comfort levels and health conditions into consideration before departure.

What started as a family holiday reunion in Maui ended with a disappointing, but sensible, call: “Honey,” my dad said. “We’ve decided to postpone traveling because of the pandemic.” But the trip was booked, so with all travel safety precautions in mind, I decided to explore Maui on my own. Here’s what it was like to travel to the [Hawaiian island](#) during peak season in December amid the COVID-19 pandemic.

- HVCB's PR team drafted and distributed a release titled, "HVCB UPDATE - JAN 19 Maui County Requirement – AlohaSafe App + Inter-County Travel" to local PR industry professionals, leisure publications, editors, and freelance journalists on Jan. 18. The release informed of the new Maui County requirement that all arriving passengers upload the AlohaSafe COVID-19 exposure app or other Google-Apple exposure notification (GAEN) system to their mobile phones and failure to do so will result in a mandatory 10-day quarantine.
- HVCB's PR team coordinated the review and editing process of the new GoHawaii Media Site. The new site is designed to assist media with destination stories promoting mindful travel and serve as a resource for the latest COVID-19 travel information and entry requirements. Media can view the latest statewide and island-specific press releases, story ideas, media tips, image assets and more. After collaborative efforts, the media site successfully launched Jan. 28.
- Media coverage highlights:
 - "The 25 coolest towns in America to visit in 2021" – *Matador Network* – Matador Team – Dec. 29, 2020
 - "Five Incredible Ways To Experience Wildlife On Hawaii Island" – *Forbes* – Jared Ranahan – Dec. 30, 2020
 - "Island Time: A Family Friendly Hawaii Getaway" – *AAA Go* – Den Davidson – Jan. 5
 - "Traveling to Hawaii during COVID-19: Requirements and what to know before you go" – *The Orange County Register* – David Dickstein – Jan. 5
 - "Top 21 LGBTQ Travel Destinations for 2021" – *Travel Pulse* – Paul Heney – Jan. 5
 - "Latest Hawaii travel restrictions: What you need to know" – *USA Today* – Melissa Yeager – Jan. 9
 - "Hawaii reduces quarantine period: Here's everything visitors to Hawaii need to know" – *Conde Nast Traveler* – Jared Ranahan – Jan. 13
 - "I Traveled to Maui During the COVID-19 Pandemic – Here's What It Was Really Like" – *Travel + Leisure* – Keyla Vasconcellos – Jan. 15
 - "Hawaii Requires Pre-Travel Test for Vaccinated Travelers" – *Jeffsetter* – Jan. 19
 - "I Traveled to Maui During the COVID-19 Pandemic – Here's What It Was Really Like" – *Travel + Leisure* – Keyla Vasconcellos – Jan. 15
 - "Hawaii's Big Island: 7 things first-timers exploring Hilo need to try" – *The Points Guy* – Jon Bailey – Jan. 23
 - "How Hawaii is trying to save Haena State Park, a Kauai tourist hotspot that's been loved to death" – *SF Gate* – Michele Bigley – Jan. 28
- KVB
 - Kaua'i was featured in the following January media:
 - *Morning Read Business* (21,750 uvpm), "Timbers Kauai Adapts to business in bubble" – Jan. 4. This coverage is a result from hosting freelance writer Art Stricklin on an individual media visit to Kaua'i, Dec. 19 – 23.
 - Liaised with 11 media in January:
 - David Dickstein, *Orange County Register*
 - Shaun Melady, Freelance Writer
 - Rachel Hosle, *Insider UK*
 - Kelly Magyarics, *TripSavvy*
 - Cheryl Tsutsumi, *AAA Magazine*
 - Art Stricklin, *Avid Golfer*
 - Emily Kaufman, *The Travel Mom*
 - Kristi Valentini, *Readymade Travel Plans Blog*
 - Raymond Cua, *Traveling Foodie Blog*
 - Sarah Dumbledam, *Darling Magazine*
 - Elaine Glusac, *New York Times*

- OVB
 - O‘ahu was featured in:
 - *AAA Go Carolinas* (uvpm: 460,000) Coverage resulted from Ben Davidson’s individual media visit in November 2019. His article, “Island Time: A Family Friendly Hawaii Getaway” features Aulani, A Disney Resort & Spa, Turtle Bay Resort, Gunstock Ranch, Polynesian Cultural Center, Bishop Museum and more.
 - *Travel + Leisure* (uvpm: 2,005,222) Coverage resulted from Evie Carrick’s individual media visit in October 2020. Her article, “8 Best U.S. Cities for a Workcation” features The Ritz-Carlton Residences, ‘Alohilani, Outrigger Waikīkī Beach and the Honolulu Museum of Art.
 - Liaised with 4 media in January:
 - Jeffrey Lehmann, PBS’s *Weekend Explorer*
 - Lesley Krauthaim, *Travel Weekly*
 - Carolyn Owens, Marriott
 - Pol Conghaile, *National Geographic Traveller UK*

- MVCB
 - Liaised with and/or provided information or image(s) assistance to the following media:
 - Alex Pulaski, Freelance writer, *Washington Post* (uvpm 296mil). Recommended activities for Maui visit in January
 - Kristi Valentini, *ReadymadeTravelPlans*, “Best places to visit in every state”.
 - Paul Heney, *Travel Pulse* (uvpm 800K) Update LGBTQ slideshow to include COVID-19 disclaimer for Hawai‘i
 - Ben Davidson, *AAA Go -Carolinas Magazine*, Revised Maui copy points in article “Island Time, A Family Friendly Hawaii Getaway”
 - Keyla Vasconcellos, *Travel + Leisure* (uvpm 11.5mil), reviewed and requested COVID-10 disclaimer inclusion in article, “I Traveled to Maui During the COVID-19 Pandemic – Here’s What it was Really Like”.

- IHVB
 - The island of Hawai‘i was featured in:
 - *Matador Network* (uvpm 793,456), “The 25 Coolest Towns in America to Visit in 2021,” Dec. 29, 2020. Coverage resulting from assisting Rulo Luna Ramos with images.
 - *Forbes Online* (uvpm: 669,672), “Five Incredible Ways to Experience Wildlife on Hawai‘i Island,” Dec. 30, 2020. Coverage resulting from Jared Ranahan accompanying Brad Japhe with a hosted visit to Hawai‘i Island.
 - *Conde Nast Traveler Online* (uvpm: 1,069.148), “The Best Spots for Whale Watching in the U.S.,” Jan. 13. Coverage from hosting Brad Japhe and Jared Ranahan in Mar. 2020.
 - *The Points Guy* (uvpm: 2,056,788), “7 Things First-Timers Exploring Hilo Need to Try,” Jan. 23. Coverage resulting from assisting Jon Bailey with activity and restaurant recommendations and contact information in Jan. 2020.
 - Individual Media Visits
 - Kathy Chin Leong, Western Art & Architecture
 - Liaised with six (6) media in January:
 - Marla Cimini, *AAA World*
 - Randy Drummer, *CoStar*
 - David Joyce, *Social Influencer*
 - Jared Ranahan, *Forbes Online*
 - Rulo Luna Ramos, *Matador Network*
 - Melanie Haiken, *Diablo*

- Kīlauea Eruption
 - Continued to monitor media coverage
 - Coordinated interview with R. Birch and Will McGough, *CNN*, for story focusing on the eruption, the lift it has given tourism, the island’s reaction to it, why it’s special, how visitors can experience it, etc.

Sales Activities

Sales Calls, Trade Shows, Training Events

	Airline/Wholesaler/TA/TO/OTA/Other
HVCB	7
KVB	1
OVB	-
MVCB	-
IHVB	4

Summary of Key Sales Activities

- HVCB
 - For the month of January, travel trade hosted seven webinars/virtual training sessions for a total of 1,964 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 travel partners list, and share 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 79 advisors for XStream Travel in partnership with Pleasant Holidays on Jan. 13. The webinar covered the Safe Travels Program, Mālama Hawai’i and island highlights.
 - AAA invited HVCB to participate in their Hawai’i Virtual Event for members on Jan. 26. HVCB was joined by three travel advisors for a panel discussion and presented the Safe Travels Program, Mālama Hawai’i and island highlights to 46 travel advisors and 110 AAA members.
 - HVCB participated in a Travel Talk interview with JET Travel and Tours on Jan. 27 for 13 advisors and 200 of their clients. Topics covered included the Safe Travels Program, Mālama Hawai’i, and Hawai’i vacation experiences.
 - WESTA’s January Conference pivoted to a virtual event Jan. 11-14 and HVCB submitted a pre-recorded presentation that was viewed by 150 WESTA members.
 - Dimensions in Travel held a consumer webinar Jan. 21 to promote travel to Hawai’i with HVCB as the guest presenter. There were 40 consumers in attendance and two travel advisors.
 - HVCB, Marriott International, Outrigger Hotels and Resorts and Hawaiian Hotels and Resorts were presenters at the Orange County ASTA meeting on Jan. 21. There were 40 ASTA travel advisors in attendance.
 - *Travel Weekly* held the first Hawaii Loves Travel Agents Virtual Expo on Jan. 27. As one of the three marquee sponsors, HVCB conducted a 30-minute webinar focused on travel protocols,

Mālama Hawai'i and travel advisor resources and engaged with travel advisors through chat. Travel advisors were able to download brochures and maps and view videos at the HVCB virtual booth. There were 2,448 registered to attend with 1,634 attending the live event. There were 857 average unique visitors to each booth and 1,689 views for the webinars. Participating Hawai'i suppliers included Hawaiian Airlines, Marriott International, Pleasant Holidays, Courtyard King Kamehameha Kona Beach Hotel, Embassy Suites Waikiki, Outrigger Hotels and Resorts, Kā'anapali Beach Hotel, Hilton Hawai'i, Highgate Hotels, Ritz Carlton Residences Waikīkī, Shaka Guide and United Airlines.

- Travel agent website *agents.gohawaii.com* update: There were 737 online graduates who completed the Hawai'i Destination Specialist and/or Island Specialist educational courses online, and 840 new registrants signed up for access to online resources. The travel agent database numbers are now up to 86,044 email contacts and include 33,668 active U.S. travel advisor profile records.
- IHVB
 - Training webinar with AAA Costa Mesa Chapter on Jan. 7 (28 advisors)
 - Training webinar with AAA Bellevue on Jan 8 (12 advisors)
 - T training webinar with Azumano Travel on Jan 15 (10 advisors)
 - Training webinar with Terra Mar Travel on Jan 21 (13 advisors)
- KVB
 - KVB lead a 30-minute webinar with Mailpound on Jan. 25 in which 156 agents participated.

Key Performance Indicators - Leisure Market

Consumer

Digital Campaign December 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>	17,943,825	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Instagram</i>	19,711,256	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>YouTube</i>	9,385,062	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
<i>Pinterest</i>	26,465,458	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED	PAUSED
Total	73,505,601	-	-	-	-	-	-

- The *Mālama* Hawai'i Campaign wrapped up in December. The mission was to drive awareness of welcoming back visitors while placing greater emphasis on connecting with the community and giving back to Hawai'i.

Public Relations

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

DECEMBER	Impressions	Publicity Values
Print	82,396,456	\$17,408,627.10
Online	43,600,932,652	\$21,390,300.00
Broadcast	1,063,184,378	\$32,533,362.40
Total	44,746,513,486	\$71,332,289.50

Countermeasures

- The U.S. Centers for Disease Control and Prevention (CDC) announced on Jan. 26 that all international air passengers, including U.S. citizens two years and older, will be required to get a viral test within three days before their flight back to the U.S. This CDC requirement will allow travelers to exit an international country, but in order to enter Hawai'i, travelers must still participate in Hawai'i's Safe Travels Program. The negative COVID-19 test result must be from a Trusted Testing Partner (TTP) to avoid the 10-day quarantine or any other restrictions. Travelers who arrive to Hawai'i with a non-TTP negative result will be subject to the mandatory 10-day quarantine. In addition to this, Maui County announced all trans-Pacific and inter-county arrivals will be required to upload the *AlohaSafe* COVID-19 app to their mobile phone. Failure to do so will result in a mandatory 10-day quarantine. 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 32,000 calls in January, diverting 28 percent of the calls to the Safe Travels service desk, and handling the remaining 23,000 calls. In addition, over 5,000 Safe Travels inquiries to info@gohawaii.com were responded to by HVCB staff.

Responsible Tourism Update

- Hawaiian Culture/Natural Resources
 - The Mālama Hawai'i Campaign's mission is to drive awareness of welcoming back visitors while placing greater emphasis on connecting with the community and giving back to Hawai'i.
- Community
 - KVB
 - In response to the current pandemic, executive director Sue Kanoho continued to work regularly with the Kaua'i Emergency Management Agency (KEMA) 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.
 - KVB continued "Resort Bubble" efforts in coordination with the County. Two additional resorts have completed, submitted, and now have approved plans to commence the "Resort Bubble" at their properties for a current total of eight open properties on island.

- KVB finalized the \$1M CARES ACT Grant. The grant focused on projects that educate visitors and the visitor industry on the new rules and practices during the COVID-19 pandemic, promote the kama'āina market through social media platforms and work with the county's film commission on education for the film industry on county requirements.
- Hosted and facilitated a meeting between KEMA and the Kaua'i Visitor Industry with an additional meeting hosted with Mayor Kawakami, the Kaua'i Visitor Industry and Dr. Janet Berreman, Kaua'i's District Health Officer.
- o IHVB
 - Continued to support the 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)
 - Coordinate ZOOM call invitations to on-island chambers of commerce and IHVB board for Hawaiian Airlines' "Virtual Talk Story with Peter Ingram," Jan. 28.
- HTA Events and Programs
 - o Provided media assets on behalf of HTA for event and program sponsorships:
 - Hula Bowl: Provided television commercials for airing in game coverage on CBS, digital ad for the tournament program guide, and a series of destination brand videos.
 - Big West Conference: Provided television commercials for airing in conference schedule of games coverage on ESPN.
 - R. Birch provided on-air, pre-recorded statement at Hualālai for the Mitsubishi Electric Championship broadcast.

Island Chapters Engagement Update

- MVCB hosted the second Monthly Update to our Resort Stakeholders on January 15. This meeting was designed to update the Sales and Marketing Directors of the Maui Nui Resorts of the COVID procedures, Meet Hawai'i changes and sales direction, marketing opportunities and direction and to proactively keep them informed.

"Coming Attractions" for Leisure Market

	What	When	Where
HVCB	Hawai'i Interview with Departure Lounge	Feb. 4	Virtual
	Romance in Hawai'i Webinar	Feb. 9	Virtual
	Signature Travel Network Webinar	Feb. 17	Virtual
	GIFTE Travel Network Vendor Talk	Feb. 23	Virtual
	Hawai'i Webinar with Classic Vacations and Outrigger Hotels & Resorts	Mar. 2	Virtual
	Cruise Planners Webinar	Mar. 8	Virtual
OVB	Mailpound Webinar	Feb. 8	Virtual
	HVCB Leisure Sales Blitz – Virtual	Mar. 8-11	Virtual
	ALG Webinar	Mar. TBD	Virtual
	Midwest 'Ohana Retail Zoom Presentation	Mar. 3 (TBC)	Virtual
	Meet Hawai'i Virtual Event	Apr. 28-29	Virtual

Hawai'i Tourism Japan

2021 Monthly Leisure Marketing Report – January

Market Intelligence/Market Conditions

Economy

- Ministry of Internal Affairs Communications (MIAC) announced 2020 Consumer Price Index declined 0.2% in January for the first time in four years. Due to the COVID19, low purchasing demand and discount on accommodation by Go to Travel campaign were the reasoning of CPI fall, MIAC assumption.
- Because of 2nd state of emergency announcement, the government extended employment adjustment subsidy from end of February to March to protect the job as economic recovery.
- Because of 2nd state of emergency, economists forecasted personal consumption especially outing and dining are expected decline in 1st quarter and expected 1 trillion yen (= \$10 billion) loss in between January and March. The economic recovery from the previous state of emergency was speedy and some of the industries may not be affected this time, economists said. Ministry of Health, Labour and Welfare reported over 79,000 were layoff in 2020.
- Due to COVID19, many companies have implemented new workstyle including stay home work. Major corporations are moving from Tokyo to regional cities, selling assets by adapting new normal work situations. This work environment paradigm shift brings more flexibility of employment and recruit more skilled individuals living in many areas. (not necessary living in Tokyo area) The 2020 December research conducted by Cabinet office (n= 10,000) showed 21.5% (200% vs PY) answered stay home work nationwide, 2 times more than national average 42.8% responded stay home work already in Tokyo's 23 wards. This trend became normal workstyle in the future.

COVID-19

- Due to the surge of COVID19 in Japan, the government announced 2nd state of emergency to 4 prefectures (Tokyo, Kanagawa, Chiba & Saitama) on 1/7, followed by additional 7 prefectures on 1/13. This totaled 11 prefectures were under restriction until 2/7. Unlike 1st state of emergency in April, no business/school closure was mandated, but business must close the door by 8pm. At the same time, the government announced the vaccine supply schedule to medical workers/health professional by end of February, soon after the senior citizens are qualified, then starting end of May, the vaccine will be available to general public.
- Japan government started requiring PCR test negative proof for all entry (both returning residents and foreign nationals with permit) to Japan on 1/13. At the same period, United States also announced 72 hours prior departure PCR test negative proof are required to all foreign nationals and returning citizens from foreign country including 2-4 years old starting 1/26. With this restriction, this became hurdle for all travelers to U.S.
- Temporarily suspension of both Business (in between Singapore, Korea, Vietnam and China) and Resident track (in between Thailand, Vietnam, Cambodia, Singapore, Korea, China, Brunei, Malaysia, Laos, Myanmar and Taiwan) until further notices were also announced.
- Discussion of Tokyo Olympic was the hot topic in Japan. Due to the COVID19 case increase, many

media internationally reported concern of cancellation of the Olympic. However, International Olympic Committee (IOC) expressed the continuation of managing Tokyo Olympic in summer 2021 with 3 scenarios of spectators (1: as normal, 2: 50% capacity & 3: no spectators) With no spectator, it is expected 90 billion yen lose from tickets sales.

- Go to Travel also suspended from 12/28 until the release of 2nd state of emergency (until 2/7 expected) By Japan Tourism Agency's report, the economic effect of Go to Travel in 2020 (7/22-12/15) created total 82.8 million pax with 484.2million-yen government support funds were consumed on this campaign.

Outbound Travel Market

- According to the latest UNWTO world tourism report released on 1/28, international tourists number declined dramatically in 2020. Compared to previous year, 74% down and expected 1 billion fewer arrivals in 2020. The loss of tourism export revenues was expected US 1.3 trillion – 11 times more loss from 2009 economic crisis and 100 to 120 million direct tourism related jobs at risk the reported said.
- ICAO (International Civil Aviation Organization) forecasted travel by air demand will improve from 2nd quarter of 2021 after consumer confidence goes up by vaccine available to general public. As optimistic situation, by June 2021, 71% (vs 2019) comes back. On the other hand, as pessimistic scenario, 49% (vs 2019) are forecasted.
- Based on Japan National Tourism Organization (JNTO) report, total 2020 Japanese outbound were down 84.2% (317,4200 pax) compared to 2019 (20 million pax). As single month of December, it was 98.1% (33,000 pax) compared to 2019
- According to Japan Travel Agency's report, major 47 travel agency reported total handling amount were 55.5% down from same month previous year. Domestic travel showed some recovery from Go to Travel campaign(25.8% down), Outbound (97.2% down) and Inbound (95.3% down).
- JTB, HIS, KNT-CT announced the tour cancellation to all destinations including Hawaii until 3/31. Since COVID19 situation affected globally, Ministry of Foreign Affairs has placed all destination as Risk area level 2 and above. Due to the conditions, tour packages have been prohibited selling, that result the tour cancellation exceed over one year since 3/25, 2020. Despite of this condition, JATA and other travel industries are creating new travel concept, called "Managed Travel" and target launching the program in Spring for both domestic and outbound travel recovery. For outbound travel recovery, Hawaii is selected as most recovery destination.

Competitive Environment

- COVID19 Prevention
 - France: Entry restriction outside of EU including Japan starting from 1/18. This restriction including negative PCR test (72 hours prior to the flight departure) proof to all passengers over 11 years old.
 - England: Starting from 1/18, all entries to England are required 10 days quarantines.
 - Korea: From 1/8, PCR negative test proof are required for all foreign entries to Korea.
 - Malaysia: To implement the safety protocol, the activity restriction rules in Malaysia are extended until 3/31.

- Tourism promotion
 - Thailand: Thailand expected recovery of foreign visitor arrivals start showing from late 2021. Even though there were 40 million visitors total in 2019, the production in 2021 expected 25% (vs 2019) and 50% (vs 2019).
 - Thailand has offered resort bubble in 6 selected golf resorts for foreign visitors starting last December. During 2 weeks quarantine period, a guest is able to not only play golf, but also to freely move around within the resort.
 - Thailand Tourism Bureau release the smart map apps providing new normal travel information to visitors. In this apps, the basic travel guide of the Bangkok are provided along with safety protocol information. Currently, the app is consisted.
 - Finland: “Sustainable Travel Finland program were introduced and promoting tourism from 4 segments of 1) Economy, 2) Ecology, 3) Society and 4) Culture. Within this program, Finland provides educational tools and developing process/idea toward tourism related industry and community. Once the business/organization complete the 7 criteria, they are giving official certificate from Visit Finland office.

Consumer Trends

- Global market research company Euromonitor International released the consumer top 10 trend that will define their behavior and influence. The trend report identify 10 types of consumer behavior and examples are:
 - Build Back Better: Expect purpose-driven initiatives that support the triple bottom line—people, planet and profits
 - Craving Convenience: Desire the ease of on-the-go, impulse and spontaneous occasions and simplicities of pre-pandemic life.
 - Outdoor Oasis: Reconnect with nature and turn to open-air venues for leisure and to safely socialize.
 - Phygital Reality: Use digital tools to stay connected at home and to facilitate safer procedures in brick-and-mortar outlets.
- The market research was conducted millennials’ behavior and activities toward “Travel” during COVID19. 40% applicants both 20s and 30s answered “traveled” and 87% of them replied utilized Go to Campaign program. To gather travel information, they use keywords search via Google and Yahoo. They also answered collect information from SNS, especially Instagram words/hush tag.
- Consumer research “Media in Mind™ 2020 Digital Media” released the leisure time consumption while COVID19. Majority of the applicants reported 1) Watching TV, 2) Internet video viewing and followed by reading. For the younger generation, media contact (internet video service and SNS) were high scored. Females in 30s tended to spend their leisure time with family and friends, which disconnected from media contact among others.
- New consumer trend of collecting virtual/online tour experiences by theme is spreading in Japan. The reasons of popularity are 1) virtual/online tours became norm, 2) wisely spending their leisure time and 3) researching the destination for future (after COVID19) through virtual/online tours.

Travel Trends

- Due to the change of working environment, stay home work became the norm and idea of Workcation (Work + Vacation) and Blesuire (Business + Leisure) are more acceptable and in Japanese society. Regional areas are under product development of these new lifestyle and conducting monitor tours as well as creating infrastructure accommodating the needs.
- Under the severe situation, the travel agencies are shifting to non-traditional business models, especially DX (Digital Transformation) and digital contents development. For example, HIS strengthen the online tour experiences already. As an alternative from printed pamphlet, they tried to increase the demand and business from online tour experience. NTA, another example, merged the FIT and Group department to strengthen the resources and knowledge to compete in the market.

Media Trends

- Because of 2nd state of emergency, many media affected as well. Since TV productions are not able to coverage face to face, they have utilized re-broadcast and reorganize the program. Printed media also affected and became more creative using past coverage images to showcase travel destination.
- Integral Ad Science released 2021 Industry Pulse report US version of Ad-verification. As the 2021 media trend, Cable TV program exceeded traditional TV network, increase of programmatic ads, mobile game demand and digital ads increase by 5G network.

Airlift

- Operation in January: Total 59 flights with 15,337 air seats operated in January by ANA, Hawaiian, JAL, Zip Air.
- Suspension: Delta (until 3/27) United (until 4/1) Korean (Indefinitely)
- ANA and JAL announced February domestic operation as half from the planned schedule due to 2nd state of emergency.
 - January – February: Both ANA and JAL keep the current condition for international flight operation. (ANA-83% reduction, JAL-79% reduction)
 - March - April
 - ANA: Operating 40 routes with 1,031 flights in March (83% reduction vs scheduled) and 36 routes with 594 flights (82% reduction) in between 4/1-18.
 - JAL: From 2/1-4/15, reduced 10 routes with 848 flights (78% reduction from original schedule)
- ANA introduced comprehensive quarantine travel services for passengers arriving in Japan. This service is available through its website including options for accommodation located near both Haneda & Narita airport and options for renting car and COVID19 testing.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

Due to the 2nd state of emergency, the government economic recovery initiatives, Go to Travel (domestic travel stimulus program) suspended until 2/7. In the possible news, it announced vaccine distribution schedule starting end of February. To resume travel activities, the industry including JATA,

Airlines and Travel agencies created proposal of “Managed Travel” plan for both outbound and inbound business and submitted Japan Tourism Agency. In new normal, this “Managed Travel” concept provides restarting package tour under certain conditions with carefully plan to prevent infection of COVID19. For the outbound plan, Hawai’i is selected as 1st recovery destination and model case destination among other destinations. This pilot program testing is planned to start in Spring with the hope of Japan’s 14 days quarantine lift. Discussions will continue among industries and the government.

In short term initiatives, partners collaborations via Co-op and targeting marketing efforts are necessary to showcase Hawaii as desirable destination and ultimately to increase the ROI.

For long term goal, Malama Hawai’i campaign will be key initiatives in Japan Market. Responsible Tourism enlightenment activities and messages distributions in the market are important to increase more awareness and demand to visit Hawaii. More so, this initiatives encourage stakeholders developing new products and experiences to accommodate the Japan visitors’ needs. Communicating with local NPOs and organization are also the key of success of Responsible Tourism. In 3rd quarter of 2021, HTJ will implement “Malama Hawai’i” campaign to showcase Hawai’i after COVID19.

Leisure Activity Update

Consumer

- Sent an email magazine to 368,695 consumers on 1/5 to announce “Support Hawai’i”, Aloha Program webinars, Hawai’i related media information, Jake Shimabukuro & Herb Ohta Jr’s live concert and talk show event, and HTJ’s new historic guidebook of Lahaina.
- HTJ is preparing launch “Malama Hawai’i” website to promote responsible tourism to Japan market under allhawaii.jp. Contents include the introduction of responsible tourism and Aloha+ Challenge, NPOs and industry commitment for sustainable tourism in Hawai’i, HTJ’s activities and promotions, and what travelers can do to support Hawaii. Planning to launch the website at the end of March, HTJ is preparing NPO’s interview columns and information to post on the website.
- HTJ collaborates with a major Japanese snack food brand, Calbee’s fruit granola “Frugra” this year again as HTJ’s konin product to promote Hawai’i. The exclusive flavor of tropical coconut frugra will be sold 400,000 packages from Feb.15. Both Calbee and HTJ will conduct a SNS campaign to share the product and send a positive message to feel Hawai’i at home.
- Promoted “Malama Hawai’i” on “Koku Ryoko” magazine which features travel and airline information, published 40,000 issues on 1/31.
- HTJ is supporting Mid-FM “Hawaiian 8 café” radio broadcasted by a travel agency, JST in Nagoya every Saturday, reaching app. 300,000 each month. In January, HTJ’s supported Hawai’i and Ouchi de Hawai’i program were promoted to Hawai’i lovers.



Aloha Program

- 464 new Aloha Program members increased and 370 members took Hawai’i specialists. This resulted Aloha Program Hawai’i specialist members totaled 27,006 specialists. (12,477

advanced, 4,661 intermediate, 9,157 beginners and 711 youth and 60,832 Aloha Program Members)

Activities

- Bi-weekly webinars: Topics of the webinars in January included new year’s greeting and newest information of Hawai’i, Hokulea, and Olelo Hawai’i lessons, attended by total 472 members.
- Online contents enhancement: In January, a total 8 new columns on history, culture, and music were posted.
- Invited 20 Hawai’i specialists to Jake Shimabukuro& Herb Ohta Jr’s live event on 1/23 as one of the Hawaii specialists’ benefits. (190 members applied)
- Email magazines distribution: 2 email magazines were distributed to total 104,784 (52,392 Aloha Program members each) on 1/6 (open rate 32.5%) and 1/28 (open rate 29.9%) to announce “Support Hawai’i”, web seminars, Jake Shimabukuro & Herb Ohta Jr’s live concert and talk show event, and HTJ’s historic guidebook of Lahaina.
- Aloha Program added Hawaii’s historical map on its website on January under “Learn Hawai’i” content. This page made it possible to learn about Hawaiian history by comparing with US and Japan’s history.
- Aloha Program conducted a campaign on Japanese free paper, MISMO issued in Tokyo and Kanagawa published 85,000 copies on 1/16.



Remote Hawaii Trip

- Continued project from 2020, HTJ conducted 3 Remote Hawai’i trips in the month of January. The details results including live participants, views are followed.
- As “Support Hawai’i”, HTJ showcased Polynesian Voyaging Society and Hokulea escorting by Japanese crew on 1/9 and Bishop Museum by Japanese docent on 1/22. Over 250 participants were able to learn each organization as well as enjoyed the tour. In result, close to \$7,000 were able to be collected to the donation to 2 NPOs through this initiative.
- Maui version of Remote Hawai’i trip was able to earn impression over 15,000 and continued to grow.
- To target the audience, HTJ conducted 6 SNS ads through Instagram, Facebook and Twitter, and earned 300,011 impression.
- 3 Media exposures were earned and resulted AVE \$11,899.73 and 2,994,000 impression.

	LIVE view	Views
Support Hawaii PVS (1/9) Column: https://www.allhawaii.jp/article/4559/ Archive link: https://youtu.be/l3s94qQkW2Y	44	252
Discover Hawaii Maui (1/16) Column: https://www.allhawaii.jp/article/4576/	341	15,257

Archive link: https://youtu.be/ldwGroszcZD8		
Support Hawaii Bishop Museum 1/23) Column: https://www.allhawaii.jp/article/4560/ Archive Link: https://youtu.be/xL-LB0YpkSo	216	498

Travel Trade

- Presentation to Travel Plaza International
 - 1/22 (Executives): Presentation about Hawai'i's tourism industry data & trend, safety protocol and Responsible Tourism initiatives to 10 Private Railway companies executives.
 - 1/28 (Sales agents): Online education session to over 180 Private Railway companies sales staff. During the session, HTJ provided COVID19 safety protocol and industry initiatives for recovery.

Public Relations

- January Total Media Exposure:

Total Media Exposure	Impression	AVE
51	1,479,596,998	\$1,027,973

- Media Interview: 2 interviews (Travel Vision and Lighthouse)
 - Lighthouse on 1/6 (for 2/1 issue): Overview of HTJ's 2021 activities plan and introduction of Malama Hawai'i including Polynesian Voyaging Society and Bishop Museum.
 - Travel Vision (monthly PV: 1 million) on 1/14: Updated Hawai'i's current situations, Japan visitors forecast and 2021 initiatives. It was posted online on 1/26. ([source](#))
- Media Relation
 - In Japan: Met with 4 Hawaii medias targeting Hawai'i repeaters and Hula related (Hawai'i Style, Aloha Express, Hula Lea, Sutekina Hula Style) individually to inform about Hawaii's NPO support promotion (especially Bishop Museum and Iolani Palace) as well as stimulation of Aloha Program (including increase of Hawaii Specialist among their readers) with the efforts, Aloha Express will reserve the special column space for Pono Travelers and Hawai'i Specialist test on 2/19 issue.
 - In Hawai'i: HTJ worked with Hawai'i local media like Hawaii Hochi, Hawaii ni sumu and Lighthouse to increase 1) the awareness of COVID19 information, 2) Aloha Program (to increase local member) and 3) Malama Hawaii initiatives. In January, COVID19 ad was placed on Hawaii Hochi for a month.
- Press release: HTJ issued press release of Aloha Program in the month of January. From the press release, KPI is stated as below. The press release included 2020 activity report and 2021 plan, increase of member registration and Hawai'i Specialist.

Media Exposure	Impression	AVE
37	1,454,793,000	\$145,080

- HTJ conducted market research between 10/30-11/30 (n=7,912). According to research result, the 83.3% of applicants choose to go abroad more than domestic travel and 31.7% of them answered visit Hawai'i as soon as returning 14days quarantine requirement is released. 4 travel trade media posted this survey result on their website. (Media exposure: 1,346,150 PV, AVE \$17,550)

Image: Aloha Program Hokulea Webinar



Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
15	45	12	72

- JATA JOTC meeting: To prepare the proposal of “Managed Travel” to Japan Tourism Agency (JTA), HTJ discussed about this proposal among major wholesalers committee members. It targets “Managed Travel” pilot program to be implemented in between April and June. JATA JOTC will work on proposal submission to JTA, On-site inspection by members, negotiation of exemption quarantine after returning to Japan.
- Hearing of Golden Week: HTJ conducted hearing from Airlines (ANA, JAL, HA & Zipair) and major wholesalers about 2021 Golden Week booking pace (vs 2019). Airlines partner shared 20%, while Wholesalers:15% and OTA: 3-5%. Japan’s 14 days quarantine is still hurdle for outbound travel. Once vaccine is available to general public, the consumer become more confident traveling. July-August booking is 10% of 2019 and OTA expressed summer’s inquiries are increasing.
- Travel Trade mail-magazine (1/19): HTJ distributed monthly mail magazine to 21,987 travel trade members on Allhawaii.jp and resulted 35.5% of open rate. In this month mail magazine, COVID19 update, Kauai’s resort bubble, US entry with negative proof requirement, Introduction of AlohaSafe Alert apps and HTJ owned consumer research report. The open rate has been improved compared to 2020 one. HTJ continues providing interest Hawaii information for future as well.

- Preparation of new online education: HTJ will implement new online education in 2021 as forum style starting March. This forum will be arranged once a month and involve expert, partners, local NPO as guest speakers with each month theme.

Partner Relations

- HPCJ: HTJ participated monthly member meeting of HPCJ on 1/25 and HTJ updated Hawai'i's conditions as well as news (including COVID19 US entry restriction) to over 52 members.
- COVID19 Related activities: HTJ continued communicating with Attorney General's office, State of Hawaii ETS, Dept. of Health to acquire the state updates. Posted news & updates on HTJ COVID19 site including Japan PCR requirement, US entry regulation. Updated the process charts (<https://www.allhawaii.jp/covid19/process/>) based on US entry regulation. Shared the updates with airline partners to inform their customers and posted on their websites.
- JHTA bi-monthly meeting: on 1/20, bi-monthly meeting was held and over 40 members participated. HTJ updated COVID19, HTJ initiatives including online activities to consumer.

Responsible Tourism Update

Hawaiian Culture

- **Aloha Program:** Bi-weekly webinars in January are included HTJ's cultural initiatives, Malama Hawai'i, Polynesian Voyaging Society - Hokulea, and Olelo Hawai'i lessons. Also, 8 Hawaiian culture related article were posted in the month of January.
- **Support Hawaii:** Through the Remote Hawai'i live broadcast, Bishop Museum's kahili room was showcased with the story of Princess Pauahi & Charles Bishop.

Nature Resources

- **Aloha+ Challenge:** Conducted webinar presentation to 1) JAAMS on 1/28 and 2) MC planning-Academy Hills on 1/29. Involved Sustainable Coastlines Hawaii, Ehuli Hawaii, Blue Planet Foundation as presenters to JAAMS webinar.

Community

- **Polynesian Voyaging Society & Bishop Museum:** Through the Remote Hawai'i Trip "Support Hawai'i", HTJ showcased 2 local NPO who struggle due to COVID19 starting from January. On 1/9, PVS with Japanese crew shared the stories of PVS and Hokulea from the Headquarter and Bishop Museum's online tour spotlighted the story of Founder, Princess Pauahi & Mr. Charles Bishop and Japanese docent took the Kahili room during the online tour on 1/22. HTJ created donation platform and collect the funds from viewers.

Donation Platform: As of 1/31, over \$7,000 were donated as Support Hawai'i initiatives

- Bishop Museum : <https://congrant.com/project/hawaiiitourismjapan/2325>
- Polynesian Voyaging Society: <https://congrant.com/project/hawaiiitourismjapan/2329>

Island Chapters Engagement Update

- Remote Hawai'i Trip Discover Hawai'i online tour showcased Maui's attractiveness. With this initiative, YouTube view were reached 15,257, which was most viewing from Remote Hawai'i Trip.

"Coming Attractions" for Leisure Market

What	When	Where
10 Private Railway agents webinar	2/4	Online
Remote Hawai'i Trip "Feel Hawai'i-Royal Hawaiian Hotel"	2/5	Online
Remote Hawai'i Trip "Discover Hawai'i-Island of Hawaii tour"	2/13	Online
Online talk show "Mitsue's room Talk Show"	2/20	Online
Hawai'i Kai Monthly Meeting	2/24	Online

Hawai'i Tourism Canada

2021 Monthly Leisure Marketing Report – January

Market Intelligence/Market Conditions

Economy

- Canada's economy rebounded through the summer, but rising COVID-19 cases, both at home and south of the border, will slow the pace of recovery. Many businesses in Canada face dim prospects over the first half of 2021.
- A successful rollout of vaccines will encourage households to spend some of what they have amassed in savings. Household balance sheets are in great shape thanks to government support and travel bans that have cut spending on foreign travel to almost nothing.
- The federal and provincial governments are pledging continued support to businesses and households. The pandemic will drive up public debt to record levels, putting a strain on government finances and public spending once the crisis is over.
- Real GDP is forecast to post growth of 5.3 per cent in 2021 and 3.5 per cent in 2022. This follows the deepest recession in modern times. The Conference Board of Canada estimates that economic activity dropped by 5.3 per cent in 2020.
- The average value of the loonie in 2020 was USD \$0.746.

Outbound Travel Market

- In 2020, there were 147 thousand trips recorded in November, a 94 per cent decline versus the previous year. Compared to the same period in 2019, overnight outbound trips fell 71 per cent with overseas activity down 65 per cent and transborder trips declining by 75 per cent. Canadians made just 8.7 million overnight trips to the U.S. and other destinations throughout the first eleven months of 2020 compared to 30.5 million in 2019. Ninety per cent of this activity took place in the first quarter, before the pandemic was declared.
- Canadians made 4.6 million overnight trips to the U.S. throughout the first eleven months of 2020, compared to 18.7 million in 2019. During the period, overnight auto trips fell 79 per cent and travel by other modes decreased 70 per cent. Just 196 thousand trips by air were recorded from April-November, compared to 5.6 million in 2019. At the same time, the closure of the land border to non-essential travel has resulted in an average of just 27 thousand trips each month since April, compared to an average of about one million trips per month over the same period in 2019.

Competitive Environment

- Minimal travel activity since April has led to a 56 per cent decline in trips to the Caribbean, Mexico, and Central America throughout Jan-Nov 2020. While 2.16 million arrivals from Canada were reported during the period, more than 96 per cent of this activity took place in the first quarter of the year.

- Arrivals in the Asia-Pacific region reached almost 652 thousand throughout the first eleven months of 2020, an 80 per cent decline compared to 2019. So far, the pandemic has resulted in 2.6 million fewer arrivals in the region with China (-91%) and the Special Administrative Regions of Hong Kong (-90%) and Macao recording the largest proportional declines. During the period, the average occupancy rate was 29 per cent in Thailand, 45 per cent in Hong Kong, and 57 per cent in Singapore.

Consumer Trends

- Despite the second wave of COVID-19, consumer confidence increased to 90.7 points in January, the highest level since the pandemic began. With the extension of income support programs and the initial round of vaccinations, Canadians were more positive regarding their financial situation and in their views towards the timing of major purchases. Compared to the previous month, confidence increased quite a bit in Quebec, the Prairies, Alberta, and BC, while small declines were registered in Ontario and Atlantic Canada.

Travel Trends

- With the second wave of COVID-19 now well underway, many countries have reintroduced travel restrictions and closures for Canadians. More impactful, however, are the new testing requirements and the updated quarantine protocols. These measures have forced additional air capacity reductions as Canadian carriers are now reporting very little service until May. The changes are estimated to reduce winter season travel by 95 per cent, which represents a loss of more than 12 million trips.
- Regarding trends specific to Hawai'i, compared to last winter, direct capacity from Canada is scheduled to decline 91% to 27 thousand seats throughout the 2020-21 season. This follows a loss of 102 thousand seats last winter after the pandemic was announced. Both Air Canada (-94%) and WestJet (-89%) are reporting reductions in service this winter, resulting in 262 thousand fewer direct seats. While the State's Safe Travels Program will help attract visitors, reduced access due to new testing and quarantine requirements is currently projected to result in a 94% drop in arrivals throughout the season.

Media Trends

- Digital video was driven to new heights in 2020 as the pandemic led to greater amounts of time at home. TV time was up as well, but we expect it will return to its previous trajectory of slight annual declines. But the bump in video last year will have a lasting impact on viewing at home.
- Overall media time increased in 2020, especially in Q2 when the first wave of COVID-19 led to strict lockdowns. Digital video was the biggest gainer of all media formats. Monthly video viewers reached 26.1 million in Canada in 2020, which equates to almost seven in 10 people in the country.
- There will be 25.2 million YouTube viewers in Canada this year, or 65.9% of the population. That's an increase of 2.2% from 2020.

- Subscription over-the-top (OTT) video services, such as Netflix, Crave (from Bell Media), and Club illico (from Videotron), are a major component of digital video usage. There will be 22.1 million such video users in Canada this year,
- Streaming services also saw users spending more during the pandemic, with 42% of adults in Canada saying they had done so, according to Statistics Canada polling in September 2020. Younger cohorts led the way - 55% of ages 15 to 34 increased spending, followed by 50% of 35-to-49s, 34% of 50-to-64s, and 24% of those 65 and older.
- The corollary to growth in digital video is a decline in linear TV viewing. But time spent with TV still outpaces video by a large margin. Adult users in Canada will spend 4 hours, 42 minutes (4:42) daily watching TV and digital video this year, down from 5:00 in 2020 when viewership was up overall. In 2019, TV's share of that total was 66.0%; in 2021, that will decrease to 63.1% as video garners greater time from users.

Airlift

- Compared to 2019, direct capacity to Hawai'i fell 61% throughout in 2020. During the period, Air Canada reduced capacity by more than 116 thousand seats (-63%). At the same time, WestJet reduced service by over 178 thousand seats, a decrease of 59%.
- After months of no direct lift, carriers began offering seats in December to coincide with the launch of the Safe Travels program. The availability of 6,500 seats resulted in almost 3 thousand direct arrivals during the month.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

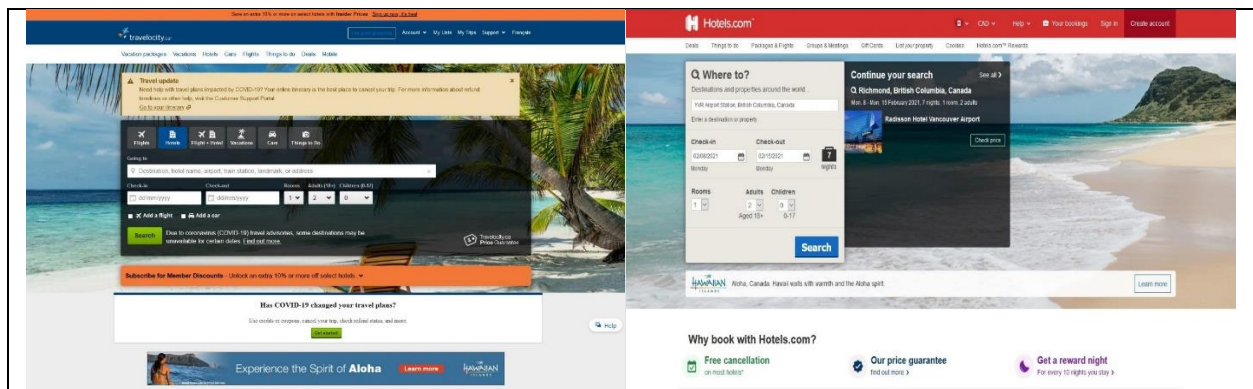
- Effective February 4, the new restrictions on international travel officially kicked in as Ottawa hopes to discourage non-essential trips and slow the spread of new COVID-19 variants. As of midnight, all international flights landing in Canada will now be funnelled to Toronto, Montreal, Calgary or Vancouver.
- The Canadian government is extending its travel restrictions on non-U.S. international travel into Canada until at least February 21, 2021.
- Anyone arriving in Canada starting Jan. 7 will need to have a negative COVID-19 test before boarding a flight.
- About 86 per cent of the 1,157,381 doses of vaccine distributed to provinces have been administered. That's 2.6 doses for every 100 people in Canada.
- Canada is the only G7 country to draw on a supply of COVID-19 vaccines meant primarily for developing countries, known as the COVAX program.
- Canada will begin domestic production of COVID-19 vaccines at the end of 2021.
- Minister of Transport Omar Alghabra has extended Canada's ban on cruise ships. Minister Alghabra announced two new Interim Orders, which prohibit pleasure craft in Canadian Arctic waters and cruise vessels in all Canadian waters until February 28, 2022.

- Most major Canadian travel insurers will not cover the cost of the new government-mandated COVID-19 tests for travellers looking to re-enter the country.

Leisure Activity Update

Consumer

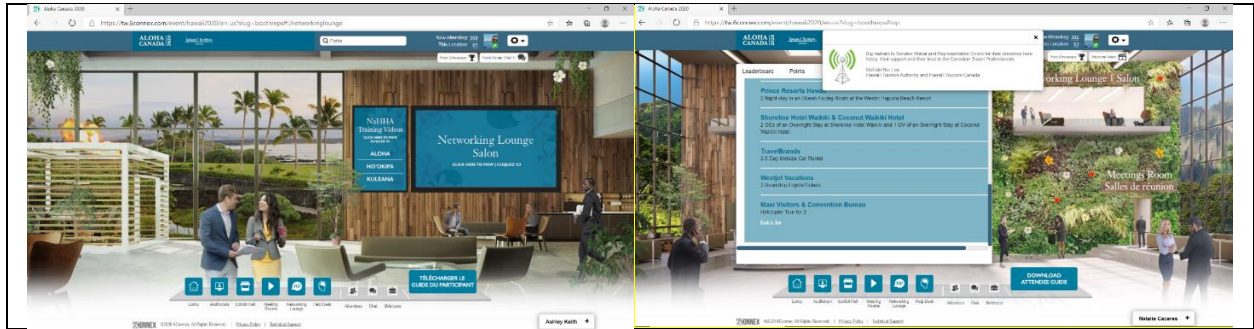
- HTCAN is preparing the social posting calendar for March. HTCAN has noticed that ‘open spaces / greenery’ have performed the best on organic content, so a higher percentage of ‘green scene’ theme is planned for the future.
- Air Canada Vacations. Currently on hold after the Canadian Federal Government announcement on December 30, reinforcing the ‘do not travel’ advisory. Will not resume until further notice.
- WestJet Vacations. Currently on hold after the Canadian Federal Government announcement on December 30, reinforcing the ‘do not travel’ advisory. Expected to resume in early March if the do-not-travel advise eases up.
- TravelBrands. A co-op campaign finished in January and results will be included in February’s report.
- Expedia.ca. The co-op campaign performed well despite the travel restrictions:
 - 154:1 ROAS on the Expedia Brands Portfolio placements
 - 951,947 total impressions
 - Overall 0.08% CTR
 - Very high engagement on Hotels.com with 0.63% CTR (native marquee storefront)
 - High engagement on Expedia with 0.23% CTR (native marquee card 1)
 - 52% of bookings 91+ day travel window



Travel Trade

Aloha Canada

The virtual trade mission took place on December 3. HTCAN has been following up with the partners that have not provided their in-kind prizes.



Public Relations

- Ongoing media outreach to keep Hawai'i top of mind.
- Proactive and reactive pitching with prior approvals from the HTA. Pitching themes include virtual experiences, Valentine's day virtual experiences, virtual classes for kids during March break.
- In regular conversations with media to ensure they are updated on all regulations and safety protocols pertaining to COVID testing.
- Working on ideas for HTCAN to host virtual events for media.

Sales Activities

Sales Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
6	22	15	43

- The suspension of all flights to and from Mexico and Caribbean countries until April 30, 2021, has given Hawai'i a new opportunity to become one of the few available options for Canadians to travel to a Sun destination during the winter.

Responsible Tourism Update

- HTCAN has sent an eblast to the trade and media with several NaHAA cultural webinars.
- The prizes for the Aloha Canada 2020 winners have been shipped out including a kukui nut lei with a small note of the meaning of the lei.
- The Mālama and Kuleana videos have been shared with all our partners and have been part of the campaigns with TravelBrands and WestJet.

Island Chapters Engagement Update

- HTCAN is in communication with the Island Chapters. The design of the social posting calendars are sent for their approval.
- HTCAN held a meeting with OVB discussing O'ahu posts on the HTCAN networks.

“Coming Attractions” for Leisure Market

What	When	Where
Air Canada Vacations Campaign	On hold until further notice	Canada-wide
WestJet Vacations Campaign	On hold until further notice	Canada-wide

Hawai'i Tourism Oceania 2021 Monthly Leisure Marketing Report – January

Market Intelligence/Market Conditions

Economy

Australia

Australia is entering 2021 well-placed for its economy to recover. Our government has had great success limiting the impact of small COVID-19 outbreaks with any isolated cases being ringfenced quickly via a detailed contact tracing system. COVID-19 numbers are very low with transmissions within community close to zero. Our success in limiting the impacts of COVID-19 within the community has had a positive impact on consumer confidence which has remained high over the last few months as restrictions have eased.

The Australian economy is recovering better than expected. New figures from the Australian Bureau of Statistics show the official unemployment rate fell in December to 6.6 per cent as 50,000 more people became employed, after unemployment reached a peak of 7.5 per cent in July. 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\$0.77.

New Zealand

New Zealand continues to exhibit positive signs in the economy, due to the elimination of COVID-19 in the community. Unemployment figures just released show a drop to 4.9 per cent which is much better than economists had expected.

The New Zealand dollar has strengthened over the month to levels not seen in the last two years. The NZ\$ is currently trading at US\$0.73.

Outbound Travel Market

Australia & New Zealand

The summer has seen strong domestic demand for travel. While Trans-Tasman has been volatile due to the occasional COVID-19 cases appearing in the community, this has not counted out the future creation of a Trans-Tasman bubble (that would exclude the quarantine requirement). It has, however, been delayed and there is hope that this will commence sometime in Q2.

Competitive Environment

Australia & New Zealand

- The South Australian Tourism Commission has launched the second wave of its Great State Voucher program, providing \$100 vouchers for use at participating properties in Adelaide as well as \$50 vouchers for regional stays. The \$2 million program is valid for bookings made January 7-31, for travel through to March 31, 2021, and has been expanded to include interstate visitors as well as smaller operators with five or more rooms - half that of the 10- room limit in the first tranche.
- Authorities in Thailand have approved a new US\$10 (300 baht) fee for all arriving international travelers which will provide compulsory medical insurance coverage for visitors as well as help fund tourism infrastructure.

Consumer Trends

Australia & New Zealand

Trip Advisor published a consumer sentiment report providing insight on travel for 2021. The research showed that 47 per cent of consumers are actively planning international travel in 2021, 22 per cent are unsure and the rest do not intend to travel. 61 per cent of consumers are planning to take at least one international trip and 21 per cent plan on taking 2 or more trips. The report also indicated timelines for when consumers intend to travel internationally with most consumers planning to travel from June onwards.

Travel Trends

Australia & New Zealand

Visit USA in conjunction with My Travel Research published a report on the current mindset of Australians on travel to the USA. The report revealed that Australians have NOT lost their desire to travel internationally. They continue to dream about international travel. The report shows that Hawai'i figures strongly on their list as an early point of return and could be one of the lead destinations with Puerto Rico trending 'hot'. Island tourism is perceived to have lower threats and a more controlled environment and may be a target for earlier conversion than visits to the US mainland.

Media Trends

Australia & New Zealand

While domestic travel articles have dominated the media recently, we are starting to see this broaden to destinations that are likely to be opened up first under travel bubbles, e.g. Cook Islands (for NZ) & Trans-Tasman.

Airlift

Australia & New Zealand

- Hawaiian Airlines have suspended their flights until the end of June 2021. They remain flexible and are prepared to make changes subject to the ongoing impacts of COVID-19, such as vaccine rollouts and border closures.
- Qantas has moved their international flight schedules earlier than originally planned. There are now flights in the system from July 1 including Sydney to Honolulu. While this will be dependent on the opening of borders, it does reflect the growth in optimism by the airlines.
- Prior to Christmas, Air New Zealand advised that they would re-route their NZ to LAX/SFO to include a transit in HNL. The reason for this was to provide a safer layover destination for their cabin crew. This has now been delayed due to the internal complexities of making this work. Air New Zealand are keeping us updated on any developments. HTO have offered support with any areas that we can assist with.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

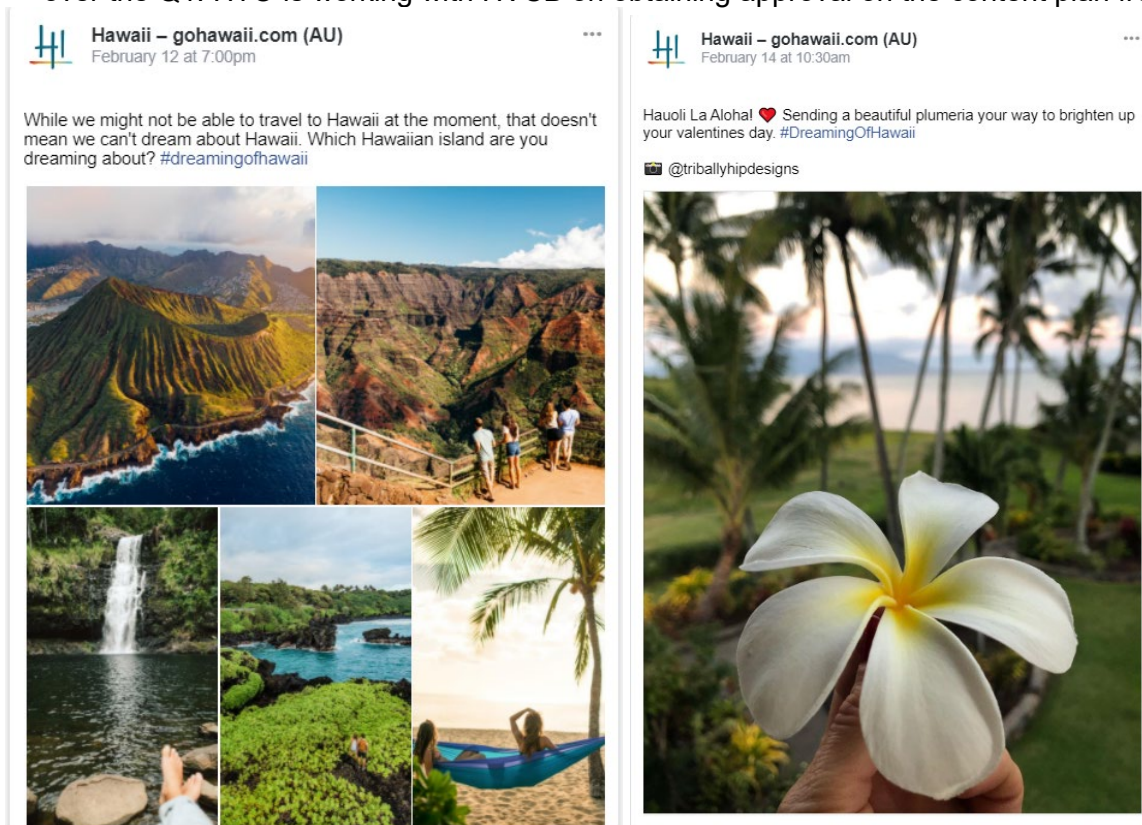
Australia & NZ

- While international travel isn't possible at present, the strong economy will ensure that Australians and New Zealanders will be in a good financial position to travel and enjoy a depth of experiences when borders open.
- Both Australia and New Zealand have approved the implementation of vaccinating the population which will start this month in Australia and next month in New Zealand. The aim is for the majority of the population to be vaccinated by Q4 to create 'heard immunity'.

Leisure Activity Update

Consumer

- **Social media content calendar:** HTO will restart social media activity in February. Utilizing the evergreen content we have produced, we have created a content plan for the month. Our strategy is to start off with 2 to 3 posts per week and gradually build momentum and increase post frequency over the Q1. HTO is working with HVCB on obtaining approval on the content plan from ICs.



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 during.

Sales Activities

Sales Calls (Please list # of calls only without company names)

Airline	Wholesaler/TA/TO/OTA	Other	Total
3	2	2	7

Included Hawaiian Airlines and My Hawai'i. HTO also participated in a virtual meeting with members of the IPW International Advisory Committee (which Darragh Walshe is a member of).

“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 and will restart social media in February.

Hawai'i Tourism Korea 2021 Monthly Leisure Marketing Report – January

Market Intelligence/Market Conditions

Economy

- According to Bank of Korea, Korea's gross domestic product (GDP) grew 1.1% year-on-year in 2020 Q4, and recorded -1% year-on-year in 2020. Although Korea recorded -1% reverse growth last year, the reverse growth seems to be much smaller compared to the top ten advanced countries which are expected reverse growth of more than -10% to -3%.
- South Korea's exports rose 11.4% in January to extend their gains for a third consecutive month although the global resurgence of new virus cases hindered a full-fledged recovery. Especially, outbound shipments of chips advanced 21.7% to reach \$8.7 billion and exports of automobiles increased 40.2% to reach \$4 billion.
- According to the data from the Bank of Korea (BOK), the composite consumer sentiment index (CCSI) came in at 95.4 for January, up 4.2 points from the previous month thanks to improved consumer sentiment in January as a third wave of coronavirus infections showed signs of slowing down amid hopes for vaccine rollouts.
- South Korea's consumer prices grew by less than 1 percent for the fourth straight month in January.
- The average USD/WON exchange rate in January was 1,097.49 won, a small increase from the previous rate of 1,095.13 won in last December.

Outbound Travel Market

- The number of outbound travelers in December recorded 80,973, 96.5% 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%

November	70,686	- 96.6%
December	80,973	- 96.5%
Total	4,275,990	

Competitive Environment

- Marianas Visitors Authority cancelled a special program only for Korean travelers to allow visiting for long-term travel purposes as the Ministry of Land, Infrastructure and Transport has withdrawn its approval.
- Spain held online event for consumers via Twitter, Facebook and Instagram to build fan base and number of likes to celebrate its opening of official social channels.
- Sweden will develop a digital vaccination certificate this summer to allow people who have been vaccinated to travel in coordination with the World Health Organization and the European Union.

Consumer Trends

- According to a survey conducted by “Yeogi-Otte”, a local travel OTA, people spent the money saved from delayed/cancelled international trips, 51% of the people chose to go on domestic trip instead spending the highest amount of money on accommodation by over 62% (20s) and 45% (50s) which respectively accounted for 49% and 39% of the total budget.

Travel Trends

- Interpark Tour, one of the leading online travel agencies in Korea, resumed its sales for five-star hotels and resorts in Vietnam through home shopping aired on January 22. Lotte Home shopping, one of the major home shopping companies was the partner of Interpark Tour this time, and achieved US\$ 1.36 million in sales during a 70-minute live broadcast. Combined with flights and ground handling, the total estimated revenue generated by this is more than US\$ 9.08 million with 15,000 bookings.
- Online shopping in South Korea hit a fresh record high in December as more people purchased products via e-commerce platforms amid tougher virus curbs caused by the pandemic. The value of online transactions stood at 15.9 trillion won (\$14.2 billion) in December, up 26.1 percent from the previous year, according to the data from Statistics Korea. For all of 2020, the value of online shopping rose 19.1 percent to 161.1 trillion won.

Media Trends

- The cumulated number of YouTube subscribers in Korea last year increased by 67% to 1.5 billion, compared to the previous year. In 2020, the number of clicks increased by 88% over the previous year. It is analyzed that YouTube traffic has grown together as COVID-19 has forced people to spend more time at home.
- Advertising expenses in South Korea amounted to 11.99 trillion won (\$10.7 billion) last year, down 0.8 percent from a year earlier, according to the report from Cheil Worldwide Inc. The country's

leading advertising agency attributed last year's sluggish market growth to the COVID-19 outbreak that made a big dent in corporate sales and advertising. In the wake of the pandemic, the local digital ad market, including PC and mobile advertisements, swelled 13 percent on-year to 5.71 trillion won. The share of the digital advertising market thus soared to an all-time high of 47.6 percent last year while expenses for broadcasting and print media ads suffered declines, with the market for billboards and other out-of-home ads registering a 27.2-percent on-year tumble.

Airlift

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

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- South Korea extended the current social distancing measures (the Level 2.5) for another two weeks until February 14 to prevent possible infections during the Lunar New Year holiday.
- Korea will begin free-of-charge COVID-19 inoculation from next month starting with senior citizens, medical staff and those in high-risk groups. Vaccines will be available for regular adults from the 3rd quarter, possibility from July. The government has secured vaccines to cover 66 million people from four pharmaceutical companies and WHO's global vaccine project, COVAX.
- As COVID-19 caused a series of schedule changes, travel agencies and airlines are responding to market changes by easing the penalty. Korean Air and Asiana Airlines exempt penalties for cancellation of international flights due to COVID-19, and large hotels have also eased the period of full refund to "one day before checking-in." Travel agencies are also creating a new policy by releasing 'Penalty Exemption' travel products.
- Air traffic volume in 2020 fell 50% year-on-year to 421,343 flights, with an average of 1,151 flights per day, and the lowest monthly air traffic volume was 21,760 flights in April 2020. International air traffic fell 66.4% year-on-year to 200,041 flights (546 per day) while domestic flights fell 10.4% year-on-year to 221,302 flights (302 per day). Among domestic flights, the Seoul-Jeju route showed the best performance with 163,855 air traffic accounted for 39% of the total. (source: Ministry of Land, Infrastructure and Transport, January 25, 2021)

Leisure Activity Update

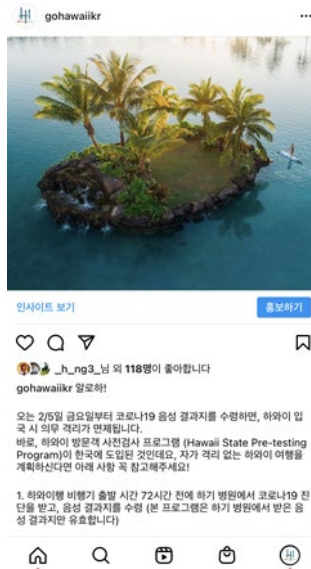
HTK COVID-19 Crisis Management:

- **Pre-PCR Test Program:** through active communication with State of Hawai'i, HTK has finalized official partnership agreements with 4 key hospitals in Korea - Inha University Hospital, Seoul Asan Medical Center, Yonsei Severance Hospital and Gangbuk Samsung Hospital – announcing the program launch on February 5. HTK is also waiting for other 2 institutions to submit their signed letters, COVID-19 Test Center at Incheon National Airport and Korea University Hospital possibly within February.

- **Safe Travels Program:** HTK has updated the alert page on Gohawaii.kr web page explaining specific instructions on how to apply on Safe Travels Program for Korean visitors.

Consumer

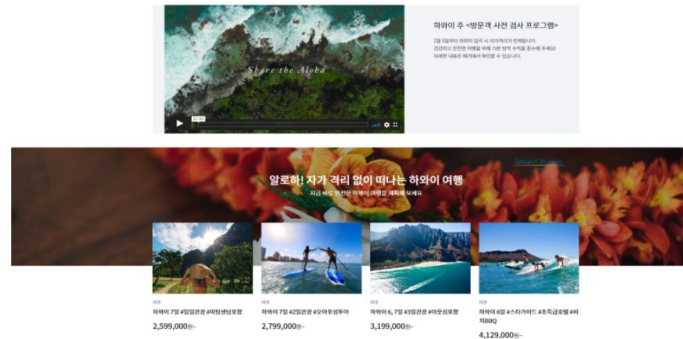
- **#VirtualTripToHawaii Campaign on HTK Social Media:** HTK developed 4 social media posts in the theme of virtual trip to Hawai'i along with the announcement of TTP Program launching in Korea. HTK will develop more cultural contents and introducing Mālama concept to educate Korean travelers. HTK have submitted its social calendar for February using the new approval process on Podio.



- **General Consumer Inquiry:** HTK has been receiving numerous consumer inquiries on Pre-PCR Test Program and providing appropriate guidelines.
- **Go Hawai'i KR Website:** HTK has updated the alert page on Gohawaii.kr web page in order to guide Korean consumers how to submit applications on Safe Travels Program for visit in Hawai'i to avoid quarantine.
- **Stories of Aloha Social Media Campaign with Major Publications:** HTK has ran social advertorial campaign introducing Hawai'i Pre-PCR Test Program Launch in Korean market through leading consumer magazine with high profile Instagram channels owning minimum 500K to 1M followers such as Elle, Vogue, Arena, Noblesse, Luxury, Neighbor, and W of which the followers adding up to 7.6 million. Posts were developed using assets from HTA's knowledge bank and covered information in TTP Program as well as safe travel guidelines which were put on live simultaneously on the TTP Program launch day, February 5. The campaign aims to maximize social media buzz and increase awareness of the TTP Program launch to inspire Korean travelers to visit Hawai'i without quarantine in near future. Expected ROI of the campaign is AD value of \$90,000 and reach of 1,200,000 viewers.

Travel Trade

- Safety & Joy Tours to Hawai'i with Hana Tour:** In partnership with Hana Tour, HTK developed safe and enjoyable trip promotion to Hawai'i. The promotion page on Hana Tour website will go live for the duration of 2 weeks starting from February 15. The page will be putting out products for "overseas travel you can go right now" and "overseas travel you can prepare in advance" departing from Q1 2021 targeting destinations where travelers do not have quarantine. The page will include New Kuleana video and position the Hawai'i Islands as a safe travel destination, while highlight Hawai'i travel and safety guidelines.



Public Relations

- E-newsletter Distribution:** HTK published the monthly e-newsletter to share the announcement of COVID-19 pre-travel testing program launch in Korean market and step-by-step guidelines to help both consumers and travel trade in Korea to be educated about the program. It also included #VirtualTriptoHawaii Campaign on HTK social media and limited use of re-opened Hanauma Bay.
- Media:** HTK has been keeping close contact with major media to provide up to date destination information and attend on their inquiries.
- Press Release:** HTK translated and localized the press release on TTP Program Launch and distributed it in Korean market during the last week of January.

Sales Activities

Sales Calls

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

Summary of Key Sales Activities

- **Airlines:** HTK held virtual meetings with three major airline partners, KE, HA and OZ to inform the launch of TTP Program in Korean market, share current market condition, and inquire their future plans of flight from Incheon to Hawai'i.
- **Travel Agencies:** HTK held regular virtual meetings with leading South Korean wholesalers, retailers, OTAs and receptive operators to share the updates on TTP Program launch and get updates on current market status and trends on bookings.

Responsible Tourism Update

- **Kuleana Campaign:** HTK developed social content to be posted on HTK social channels utilizing the Kuleana video to increase awareness of responsible travel in Hawai'i.

Coming Attractions for Leisure Market

What	When	Where
#VirtualTripToHawaii Campaign Continuing series of posts to give inspiration to potential travelers to Hawai'i with messaging focused on Malama Hawai'i.	February, 2021	HTK social channel (IG+FB)
Webinar Provide up-to-date travel information of Hawai'i to Korean travel trade including the newly adopted TTP Program and social campaign, etc.	April, 2021	Korea

5

Presentation, Discussion and Action on the Destination Management Action Plan for Hawai'i Island



Hawai'i Island Destination Management Action Plan

DRAFT

This 'ōlelo no'eau speaks to the art of 'ōpelu fishing. Like the holili schools of 'ōpelu, fishermen look for the ripples on the ocean, but the real work is hidden and unseen.

'Ōpelu ha'alili i ke kai.

'Ōpelu that make the sea ripple.
Said of active, quick-moving people.

DRAFT

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I. Introduction

Purpose of the Plan

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

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

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

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

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

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

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

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

Formation of the DMAP

The process of the development of the Hawai'i Island DMAP started in July 2020 with HTA and the County of Hawai'i building off of the 2020 Hawai'i Island Tourism Strategic Plan (TSP) process. Together, HTA and the county developed a list of Hawai'i Island residents who not only represented the visitor industry sectors (hotel, attractions, activities), different business sectors (e.g. agriculture, retail), the community (e.g. Hawaiian culture, education), and other nonprofit organizations, but also the communities that they live in. Invitations were sent, and 19 members volunteered their time to participate on the Hawai'i Island Steering Committee. Also fundamental to the DMAP process were the 38 members who have been volunteering their time to serve on the Hawai'i Island TSP Action Cohorts (see Appendix A - Acknowledgements).

At the first Steering Committee virtual meeting, the members reviewed HTA's Strategic Plan in addition to the 2020 Hawai'i Island TSP, including HTA's key performance indicators and four pillars, as well as the county's tourism goals. These two plans are the foundation of the Hawai'i Island DMAP. From there, the Steering Committee and Hawai'i Island TSP Action Cohorts identified and prioritized actions that built on the Hawai'i Island TSP. The actions were grouped, and overarching actions and sub-actions were identified. They were presented to Hawai'i Island residents at two virtual public meetings via Zoom on November 17 and 23, 2020. The community was encouraged to provide input at the virtual public meetings, as well as through an online input form. The results to the online input form can be found on HTA's website.

On December 4, 2020, the Steering Committee gathered virtually to review the high-priority sub-actions under each of HTA's pillars. The Steering Committee members, along with representatives from HTA and the county, reviewed the proposed actions and, where necessary, provided additional feedback and clarification. The Steering Committee then met on January 15, 2021 to critically examine destination attributes valued only by residents, only by visitors, and by both residents and visitors. They also discussed the destination attributes that were at risk or threatened. The Steering Committee brainstormed actions – what to protect or mitigate, what to preserve or grow, and where the gap can be closed or bridged using the identified actions from prior meetings – and then developed new ones. On February 5, 2021 the Steering Committee reviewed the updated refined anchor actions. On February 12, 2021 the Steering Committee selected the 10 anchor actions that the DMAP would focus on. Employees of HTA, the county, and the Island of Hawai'i Visitors Bureau (IHVB) reviewed the proposed sub-actions to verify they could be done under their respective purviews. All of the actions were developed by the Steering Committee with input from the community.

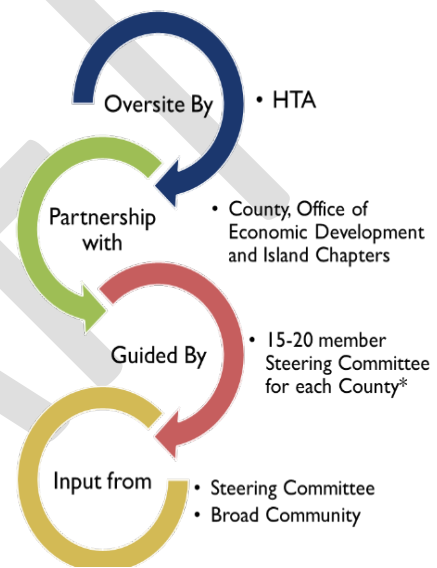


Figure 1: Collaborative Process

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 Hawai'i Island Destination Management Action Plan. However, there needs to be collaboration and support of other state and county agencies, in addition to the community, visitor industry and other sectors, to help move the actions forward. This three-year plan is a living document that will be evaluated annually.

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

- 'Ōlelo No'eau (Hawaiian Proverb)

II. Overview of Tourism in Hawai'i

Overall Trends

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

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

Prior to the global COVID-19 pandemic, 2020 was set to be another year of record growth for Hawai'i. However, the year ended with visitor arrivals down 73.8 percent to 2,716,195, with significantly fewer arrivals by air service (-73.8% to 2,686,403) and by cruise ship (-79.2% to 29,792). The average daily census or the number of visitors in Hawai'i on any given day was 78,421 (68.3% decrease over 2019). Compared to 2019, the average length of stay increased by 21.5% to 10.57 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 60.9 percent to 5,318,667 seats as a result of a reduction in air service to Honolulu (-60.0% to 3,370,122 seats), Kahului (-61.9% to 1,102,166 seats), Kona (-59.2% to 514,422 seats), Lihue (-67.7% to 322,993 seats) and Hilo (-81.3% to 8,964 seats).

Sails on the Hawai'i home-ported cruise ship, Norwegian Cruise Line's Pride of America, were suspended since April 2020 and out-of-state cruise ships were not permitted into the islands due to the Center for

Disease Control and Prevention's (CDC) "No Sail Order" from March 14 to October 29, 2020. Thereafter, the CDC took a phased approach to resuming passenger operations.

Hawai'i's unemployment rate increased from 2.6 percent in the first quarter of 2020 to 20.3 percent in the second quarter and then decreased to 13.9 percent in the third quarter. The Hawai'i Department of Business, Economic Development & Tourism (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 DBEDT's 2020 fourth quarter Outlook for the Economy, total visitor expenditures is forecasted to end the year at \$5.11 billion (-71.4%) with 2.73 million visitor arrivals (-73.7%). Economists predict that it will take a couple of years before Hawai'i's visitor industry recovers.

Resident Sentiment

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

Tourism on Hawai'i Island

Visitor Statistics

According to HTA's Tourism Research Division, almost two million visitors came to Hawai'i Island in 2019 resulting in roughly 35,700 visitors (+1.9%) on any given day based on the average daily census. Provided that Hawai'i Island's resident population was 200,980 in 2018 and grew by 1% then, on average, visitors comprised of about 15% of all inhabitants on the island in 2019. Total visitor spending was \$2.315 billion. Half of the visitors stayed in hotels while condominiums, timeshare resorts and vacation rentals were also used. The majority of visitors were from the U.S., followed by Japan and Canada.

The global COVID-19 pandemic significantly affected visitor arrivals to Hawai'i Island in 2020. Visitor arrivals dropped 72.1 percent to 492,325 visitors. The average length of stay grew 37.5 percent to 10.11 days. The average daily census was 13,604 visitors, a decline of 61.7 percent over the same period a year ago. There were significantly fewer air seats (-59.2% to Kona Airport and -81.3% to Hilo Airport from the Domestic market and -75.3% to Kona Airport from the International markets) in the market year-over-year.

2019 Hawai'i Island Visitor Satisfaction

According to HTA's 2019 Visitor Satisfaction Report, U.S. visitors rated their Hawai'i Island visit "excellent" and were likely to recommend the destination. However, they expressed concerns about traffic, wanting to experience more local culture, and variety of restaurants/dining options.

2019 Resident Sentiment

According to HTA's 2019 Resident Sentiment Report, residents feel that visitors were responsible for traffic, showed no respect for culture/'āina, contributed to the cost of living, played a role in damaging the environment, and also added to the issue of overcrowding. Though there was just a slight increase for residents feeling that "tourism has brought more benefits than problems" compared to 2018, overall resident sentiment on this topic has actually decreased throughout the past decade. As the visitor industry seeks an equal balance of socio-economic, cultural, and community benefits, the key to improving resident sentiment will be improving the quality of life for residents.

Jobs

In the third quarter of 2020, Hawai'i County lost 10,900 jobs (-15.6% over the same quarter of 2019). Jobs decreased the most in the Accommodations sector which lost 4,000 jobs (-69.0%), followed by Food Services and Drinking Places which lost 1,500 jobs (-21.7%), Retail which lost 1,300 jobs (-13.4%), and Transportation, Warehousing, & Utilities lost 1,200 jobs (35.3%). Year-to-date third quarter 2020, the unemployment rate increased to 11.9 percent compared to 3.5 percent during the same period last year.

Visitor Accommodations

In 2020, hotel occupancy for Hawai'i declined to 38.0% (-39%) from 77.0% year-over-year. The average daily rate (ADR) dropped slightly to \$254.27 (-4.2%) from \$265.44 in 2019. Room demand was 674,000 room nights or 62.8 percent lower than 2019. The room supply was 1.772 million room nights (-24.7%).

In comparison, Hawai'i Island's vacation rental supply for 2020 was down 42.1 percent to 1.4 million unit nights. Hawai'i Island vacation rentals ended the year with 44.6 percent occupancy (-32.7 percentage points) and ADR of \$188 (-20.5). A vacation rental is defined as the use of a rental house, condominium unit, private room in a private home, or share room/space in private home. The data does not determine or differentiate between units that are permitted or unpermitted. The "legality" of any given vacation rental is determined on a county basis.

Situation Analysis Summary

As a part of the DMAP process, a SWOT analysis was conducted by various community members and stakeholders who identified the destination's existing strengths and weaknesses, as well as opportunities and threats present in the external environment. The SWOT analysis is a useful tool in the decision-making process, as it can be used to evaluate strategic positioning, as well as identify projects that would be reasonable to execute in the short term.

This feedback was supplemented with research and data that helped to support the observations that were made. Please see the information below for more details on each section of the SWOT analysis matrix.

Strengths

The participating community members and stakeholders highlighted several strengths that would be important to leverage as plans are put into actions.

- **Collaborative nature of the Hawai'i Island tourism industry.** Many industry representatives indicated that they were willing to work together and that they already had existing relationships with whom others might consider competitors. This willingness to communicate and collaborate

will be necessary for many of the proposed actions to be successful.

- **The culture of Hawai'i Island.** The strong sense of 'ohana and kuleana provides motivation to support actions happening on the island and also helps to support communication and collaboration. The multicultural diversity of Hawai'i Island was also mentioned as a strength. This diversity provides visitors with an experience that they cannot get anywhere else.
- **The uniqueness of Hawai'i Island as a tourist destination.** Hawai'i Island is unique in terms of its atmosphere and the feelings that it provokes. It also has an abundance of natural and cultural resources, which are a draw for travelers from around the world and will continue to bring visitors to the island, as long as the resources are properly maintained and sustained.
- **Current projects that are already in development or are already being rolled out.** For example, although transportation was mentioned as a challenge for many visitors, there are several transportation-related projects that could help to address this challenge. The County of Hawai'i has been researching and developing a hydrogen bus system for the island, and has taken into consideration major aspects of such a project, including the geographic placement of refueling stations and the cost of maintenance and repair.

Weaknesses

Although a significant number of existing weaknesses were mentioned by community members and stakeholders, many participants had already been thinking about how to overcome them. Some of the opportunities listed in the following section provide avenues for addressing these weaknesses.

- **The need to keep tourism dollars circulating on Hawai'i Island.** After visitors spend money on the island, it has been difficult to keep those dollars in motion within the local economy. Finding more ways to allow community members to spend their income locally is a specific goal.
- **Getting visitors to understand that Hawai'i Island is more than just a tourist destination.** For many visitors that view Hawai'i Island as an island paradise, it can be difficult to understand that this is home for many families and individuals. Helping visitors to understand this and to understand that what they do while on vacation can have significant negative impacts on those living here has been a challenge. Relatedly, the need to increase resident satisfaction with the visitor industry was also presented as a weakness. However, should visitors have a more positive impact on the island in the future, this would help to increase resident satisfaction.
- **Lack of training programs for workers.** More training is needed in several areas, including natural resource management and cultural resource management. Such programs would help to promote the wonderful natural and cultural resources in an authentic way and help to educate visitors about the need to and importance of respecting, maintaining, and sustaining these resources. This would help to improve both the visitor mindset and resident satisfaction.
- **Measuring impacts and tracking data.** This weakness is especially true of tracking and recording an inventory of natural resources, which can be very difficult. However, should this weakness be improved upon, it would create more opportunities to acquire various sources of funding. By attaching hard figures to illustrate the positive impacts of current projects and programs, funders will be more likely to support these programs, as well as similar programs in the future.
- **Siloing.** Most community members and stakeholders have to work very hard to make a living on Hawai'i Island, which can make it difficult for them to think outside of their day-to-day activities. It can be hard to find time to connect with those outside of their inner circles and certainly those outside of their particular industry. However, more communication between industries and with

other stakeholders could help to unearth additional opportunities for a wide range of community members.

- **Transportation for both visitors and community members alike.** Given the geographic concentration of tourism industry jobs and the high cost of land and homes in the surrounding areas, many community members are forced to commute long distances. In addition, those without access to cars are often extremely limited in terms of the distance they can cover due to limited public transportation options. However, as previously mentioned, there are multiple projects underway that hope to address some of these weaknesses.
- **The lack of affordable workforce housing.** Again, due to the high cost of land and homes in and around the resort areas where most of the jobs are, affordable housing within a reasonable distance is difficult to find. Finding creative solutions for workers to have affordable housing options near their place of work could help to address this weakness.
- **A lack of funding for public spaces.** In particular, it was mentioned that more funding is needed to maintain parks and trails. The need for better management of public spaces in general was mentioned as a challenge, but the lack of funding also provides a barrier to the staffing and resources needed for that management activity.

Opportunities

Most community members and stakeholders had a very positive mindset and focused on the various opportunities currently available or available in the near term.

- **COVID-19 as an opportunity to make a change for the better.** Given that the pandemic essentially put a halt to the tourism industry on Hawai'i Island, many see this as an opportunity to change the economy to have a tourism industry that is more sustainable than it has traditionally been.
- **Share an authentic Hawai'i with visitors.** Survey findings show that an increased number of visitors are looking for more authentic experiences that are different from the conventional tourist vacation. To support this type of experience, more training programs for workers are needed so that they can provide accurate and authentic information to visitors. In addition, a resource center was presented as an opportunity to provide visitors and community members alike with historically and culturally accurate information. The use of the Pono Pledge is also an opportunity to support positive visitor interaction with Hawai'i Island.
- **Creative solutions to address affordable housing.** Creative solutions include affordable housing land trusts and self-help housing. One looks to address the issue of the high cost of land, while the other one looks to significantly decrease the cost of the vertical construction. Either option would help to increase the possibility of community members living closer to their places of work.
- **Better align marketing and sales strategies between businesses and organizations.** Better alignment would help to create clearer and more cohesive messaging to both visitors and residents. Relatedly, the current utilization of social media and existing websites leaves significant room for improvement. This is also an opportunity to improve marketing and sales strategies and alignment.
- **Community partnerships to manage resources.** This could be an effective and cost-efficient way to manage both natural and cultural resources, as community groups are the most knowledgeable in regards to resources within the community and could present a better alternative to outsourced resource management services. An increase in stewardship

opportunities for community members would provide new, local, sustainable businesses with potential income generation. This would help to improve the management of natural and cultural resources, and provide local workforce opportunities for community members. In addition, stewardship opportunities could also be offered to visitors looking to make a positive impact in the communities they visit. This would be a low-cost way to additionally support the natural and cultural resources on Hawai'i Island.

- **Establish an airport and harbors “ambassadors” program.** Members of this program would help to make airport signage and educate visitors, prior to or upon arrival, on basic information that will enhance their safety, enjoyment and understanding of local and Hawaiian culture and natural resources. Such a program would help to address several threats and weaknesses that have been identified and could potentially help to improve both visitor and resident sentiment and satisfaction.
- **Use currently underutilized facilities that are already in existence.** Community members and stakeholders have already identified several different facilities that are currently not in use. These facilities present potential low-cost opportunities for both new ventures, as well as the expansion of existing businesses, organizations, programs and activities.
- **Reimagine measures of success.** This can be achieved by developing measures that focus on supporting communities and residents rather than attracting visitors. For example, allocating a higher percentage of the Transient Accommodations Tax (TAT) to support community-driven initiatives and improving community facilities to demonstrate a relationship between tourism success and resident well-being.

Threats

The COVID-19 pandemic has clearly had a significant impact on the visitor industry, the economy, and the local workforce.

- **The pandemic initially halted virtually all travel and it is possible that visitor numbers for Hawai'i Island never returned to their pre-pandemic peak.** Resorts and hotels are still dealing with low occupancy and the new regulations present new challenges for visitors who want to visit the island. All of this is in addition to the immediate COVID-19 health concerns.
- **Difficulty for hotels to purchase local goods and products.** Working to break down these barriers would not only benefit the hotels and the visitors staying there, but it would also provide local producers and distributors with new revenue stream opportunities.
- **Lack of job opportunities and the need for greater diversity in terms of jobs available to community members.** This has been an ongoing issue and drastic changes due to the COVID-19 situation will affect how people can travel. The type of visitor and the experiences they desire could also change significantly. This could necessitate the incorporation of new activities and a new way for visitors to experience Hawai'i Island. This, in turn, would require a workforce to help manage and operate these new activities, which would provide new job opportunities for community members.

Table 1 – Situational Analysis Summary

<p><u>Strengths</u></p> <ul style="list-style-type: none"> ● Collaborative nature of the Hawai'i Island tourism industry ● Strong sense of 'ohana and kuleana ● Hawai'i Island as a unique destination <ul style="list-style-type: none"> ○ Strong sense of place ● Abundance of natural and cultural resources ● Multicultural diversity ● Transportation projects already in the works <ul style="list-style-type: none"> ○ Hydrogen buses ○ Bikeshare program 	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> ● Difficult to keep tourism dollars circulating on island ● Lack of understanding that Hawai'i Island is more than just a tourist destination. ● Measuring impacts and data tracking, including natural resources ● Siloing due to lack of communication between stakeholders, industries, etc. ● Need for more training programs ● Transportation is difficult given the size of the island and lack of options ● Need for increase in resident satisfaction with visitor industry ● Funding for parks and better management of public spaces overall ● Lack of affordable workforce housing
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> ● COVID-19 and related impacts <ul style="list-style-type: none"> ○ Opportunity to positively change economy ● Share an authentic Hawai'i with visitors <ul style="list-style-type: none"> ○ Training programs for workers ○ Resource center ● Aligning marketing and sales strategies <ul style="list-style-type: none"> ○ Better utilization of social media and existing websites ● Use of the Pono Pledge 	<p><u>Threats</u></p> <ul style="list-style-type: none"> ● COVID-19 and related impacts <ul style="list-style-type: none"> ○ Decrease in number of visitors ○ Low occupancy for hotels and resorts ○ Health concerns ● Barriers preventing hotels from purchasing local goods and products ● Lack of job opportunities and the need for a greater diversity of positions

III. Vision for Tourism on Hawai'i Island

The vision for Hawai'i Island's Destination Management Action Plan (DMAP) is *Ola ka 'Āina, Ola ke Kānaka* (Healthy Land, Healthy People), which uplifts the vision of Hawai'i Island's 2020-2025 Tourism Strategic Plan (TSP). *Ola ka 'Āina, Ola ke Kānaka* represents a vision affirmed by data and stakeholder feedback. The vision maintains a connection to our past, grounds us in the present, and envisions a collective future that puts this place and the people of this place first. It is carried forward from the 2006-2015 Hawai'i Island Tourism Strategic Plan and 2016 Hawai'i Island Tourism Roadmap, and lays the foundation of the TSP. Without *ola* (health), there is no responsible tourism.

The vision is supported by the Connections Framework that supports connection to place, community, past and future, and to your better self. It is also supported by the understanding that if we are grounded in place, we are able to intentionally share our love of place with others, beginning with our family, our community, and including visitors. This vision also sets out the importance of a high quality of life for residents and a focus on social benefits that will support a meaningful, reciprocal experience for residents and visitors.

IV. Goal

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

V. Objectives

There are six objectives to achieve the goals and vision of Hawai'i Island's DMAP.

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

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

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

Objective 4: Maintain and improve visitor satisfaction of their experience on Hawai'i Island.

Objective 5: Strengthen the economic contribution of Hawai'i Island's visitor industry.

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

VI. Actions

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

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

- 'Āina-based education and actions centered around community-driven stewardship.

- Opportunities for community-led decision making and involvement of ‘āina-based/place-based organizations in tourism.
- Two-way communication and engagement between government, the visitor industry and communities.
- Importance of pono practices undertaken by both residents and visitors.
- Management and protection of natural and cultural resources.
- Residents’ quality of life is looked after.

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

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 sub-action in the phase indicated.

Action A. Protect and preserve culturally significant places and hotspots.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
A.1	Develop and support opportunities to mālama and steward the places and culture of Hawai’i Island for both residents and visitors, including using Native Hawaiian practices of resource and cultural stewardship.	L = County S = HTA, Island of Hawai’i Visitors Bureau (IHVB), DLNR	X	X	X
A.2	Emphasize local area cultural history and expertise to further expand Hawaiian cultural values, knowledge, and language with an emphasis on connection to place.	L = County S = HTA, IHVB, DLNR	X	X	X
A.3	Increase opportunities for community-led initiatives that steward and manage these resources, including closure of areas and managing traffic.	L = County S = HTA, IHVB, DLNR	X	X	X
A.4	Work with the different stakeholders to communicate areas that need to be protected with the visitor industry and visitors.	L = County S = HTA, IHVB, DLNR	X	X	X

Action B. Develop resources and educational programs to perpetuate authentic Hawaiian culture and ‘Ōlelo Hawai‘i.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
B.1	Identify and assess proper providers and learning tools.	L = Native Hawaiian Hospitality Association (NaHHA) S = HTA, County	X		
B.2	Support Hawaiian cultural educational and training programs – including ‘Ōlelo Hawai‘i (Hawaiian language) for the employees in the visitor industry (e.g. hotels, tour guides).	L = NaHHA S = HTA, County, IHVB	X	X	X
B.3	Develop a recognition program for businesses who complete the Native Hawaiian Hospitality Association (NaHHA) programs (e.g. placards/certification).	L = NaHHA S = HTA	X	X	
B.4	Actively promote HTA’s Ma’ema’e Toolkit to the visitor industry and business communities.	L = HTA S = County, IHVB, other associations	X	X	
B.5	Increase support and opportunities for cultural practitioners and community members to interact. Educate the visitor industry and individual companies about place-based practices to become more place-based.	L = NaHHA S = HTA, County, IHVB	X	X	X
B.6	Support a Tour Guide Certification Program.	L = HTA S = County, IHVB		X	X
B.7	Continue support of programs and projects that perpetuate the Hawaiian culture with the community and visitors, such as HTA’s Kūkulu Ola program.	L = HTA S = County, IHVB		X	X
B.8	Encourage the integration of ‘Ōlelo Hawai‘i (Hawaiian language) into workforce and adult training programs.	L = NaHHA S = HTA, County	X	X	X

Action C. Support and promote ‘āina-based education and practices to protect and preserve our natural resources so that residents and visitors will aloha ‘āina.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
C.1	Identify, support, and partner with existing and new ‘āina-based groups that are protecting and stewarding wahi pana (legendary/celebrated places or landmarks), cultural practices, and people.	L = County S = HTA, DLNR	X	X	X
C.2	Create opportunities for community members to share in an ongoing way about the impact of tourism as well as the wahi pana, historically significant sites, and sacred sites that need to be protected.	L = County S = HTA, DLNR	X	X	X

C.3	Pilot a certification program, in collaboration with community leadership and the university system, for workers tied to natural resources, cultural resources, and stewardship. Identify and review existing 'āina-based curricula, and create new curricula when necessary, that emphasizes Native Hawaiian knowledge, culture, place, and pono practices-based management. Develop curriculum that is led by efforts from that area and connects firmly to place-based management and stewardship.	L = County S = University of Hawai'i, HTA, DLNR	X	X	X
C.4	Support interested 'āina-based groups to serve as interpretive educators, trainers, and/or cultural ambassadors to share cultural knowledge with the guest and visitor industry, tour operators, and other business owners.	L = County S = IHVB, HTA		X	
C.5	Support enhanced interpretation and education on Maunakea, including partnership with the Hawaiian community and residents.	L = UH – 'Imiloa S = County, IHVB, HTA	X	X	X
C.6	Work with the different stakeholders to communicate areas that need to be protected in collaboration with the visitor industry and visitors.	L = County S = HTA, IHVB, DLNR	X	X	X

Action D. Connect with community networks and partner with community-based organizations to collaboratively identify sites, set carrying capacities, and implement stewardship plans to protect and preserve our natural resources.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
D.1	Build capacity in communities to support increased opportunities for community-led stewardship actions and initiatives to manage resources, such as closing areas or limiting access (visitor and potentially resident) during certain times of the year.	L = DLNR; County S = HTA	X	X	X
D.2	Implement regenerative management strategies, like those found in the kapu system, Hā'ena on Kaua'i, East Maui, and Hanauma Bay on O'ahu. Provide clear opportunities and processes for local communities to participate in visitor access and resource and congestion management in their communities.	L = County; DLNR S = HTA		X	X
D.3	Support and advocate for stewardship efforts of coastal waters and beaches that incorporate and emphasize a mauka to makai collaborative approach given broader environmental implications.	L = County; DLNR S = HTA		X	X
D.4	Work with communities in each place to identify the carrying capacity (how many people a place can accommodate without having adverse effects and impacts on the biological resources of that place) of sites and develop a process for ongoing stewardship that is community-led. Explore the creation of pilot projects to find the balance at certain sites.	L = DLNR S = County; HTA		X	X
D.5	Support opportunities that tie in Native Hawaiian practices of resource and cultural stewardship.	L = HTA/OHA S = County	X	X	X
D.6	Explore policies and regulations that aid in the implementation of stewardship plans and enforcement of critical need areas.	L = County S = HTA	X	X	X

D.7	Explore implementation of geo-fencing technology to aid management of sites.	L = HTA S = HVCB; County	X	X	X
D.8	Find ways to support communities who do not know how to deal with “rogue” visitors.	L = County S = HTA; IHVB	X	X	X

Action E. Create opportunities for ongoing dialogue, communications, and engagement between the visitor industry, government and communities to improve community-industry relations and better serve the community.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
E.1	Develop an education and awareness campaign targeted at residents using traditional and social media vehicles.	L = HTA S = County, IHVB	X	X	
E.2	Create opportunities for visitor industry, government, and community stakeholders to connect on a regular basis for ongoing dialogue to 1) create shared understanding of the issues that our communities and the visitor industry face; 2) ensure that the visitor industry is supporting a sustainable and healthy Hawai'i Island; and 3) inform about tourism's contributions to the community.	L = HTA S = County, IHVB	X	X	X
E.3	Increase and maintain regular opportunities to collaborate with HTA on its outreach efforts in the community to ensure a more robust and coordinated effort. This includes informing the industry and community about HTA's mission and its resources, and sharing the destination's marketing efforts and activities to orient businesses and communities about HTA, IHVB and the Global Marketing Team's initiatives.	L = HTA S = County, IHVB	X	X	X

Action F. Implement a comprehensive communications and education plan that facilitates positive community-visitor relations and pono practices, including the Pono Pledge.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
F.1	Increase messaging efforts to uplift and improve access to the Pono Pledge, and shift visitor and resident mindsets as they travel around Hawai'i Island.	L = IHVB, County S = HTA, private sector, community	X	X	
F.2	Provide visitors with easy access to messaging, including increasing information pathways and educational materials, related to protecting culture and sense of place (i.e. in-flight videos on in-bound flights in multiple languages; rental cars; radio station public service announcements; podcasts; required place-based visitor orientation, etc.).	L = IHVB S = HTA; GMTs	X	X	

F.3	Continue to encourage and work with visitor industry stakeholders and businesses to integrate the Pono Pledge into their practices, such as business booking reservations, QR codes, phone apps, and monitors at the baggage claim.	L = IHVB, County S = HTA, private sector, community	X	X	
F.4	Collaborate with all segments of the visitor industry and community-based organizations for stewardship opportunities for visitors to leave Hawai'i Island a better place.	L = IHVB S = HTA, County	X	X	

Action G. Promote agritourism, and partner with Hawai'i island's agriculture industry to support local food security.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
G.1	Create, support, and promote agritourism initiatives to connect local producers with visitors; provide visitors an active experience with nature and agriculture; and support legal vacation rentals in rural areas (e.g. farm stays) to alleviate the need for illegal vacation rentals in rural areas.	L = HTA S = County, IHVB	X	X	X
G.2	Encourage the visitor industry (e.g. hotels and restaurants) to buy local produce, products, and goods.	L = HTA S = County, IHVB	X	X	X
G.3	Support efforts of local producers to sell their goods online by strengthening online infrastructure, transportation of goods, marketing, and fulfillment of orders.	L = County	X	X	

Action H. Invest in community-based programs that enhance quality of life for communities.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
H.1	Support community-led and activated efforts and offer capacity building/education opportunities to strengthen Hawai'i Island's product offerings.	L = HTA S = County	X	X	
H.2	Uplift approaches to tourism that are reflective of Hawai'i Island and its different communities.	L= IHVB S = HTA; County; GMTs	X	X	
H.3	Revisit measures of success and visitor industry activities so that the relationship between increased tourism and resident well-being would lead to an increase in community improvements and benefits.	L= HTA S = IHVB			X

Action I. Advocate/create more funding sources to improve infrastructure.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
I.1	Engage in cohesive infrastructure planning to address community and industry needs, such as incorporating plans to widen bike paths in tandem with other necessary road repairs.	L = County S = HTA	X	X	X
I.2	Coordinate with government entities, institutional stakeholders, and nearby private landowners.	L = County S = HTA	X	X	X
I.3	Advocate for CIP projects for infrastructure related to residents and visitors.	L = HTA S = IHVB		X	X

Action J. Improve enforcement of vacation rental regulations.

Action No.	Action	Lead (L)/ Support (S)	Phasing		
			1	2	3
J.1	Confirm the existing baseline of (number of) vacation rentals. Gauge the capacity for current and new rentals.	L = County S = HTA	X	X	
J.2	Explore ways to improve enforcement.	L = County	X	X	
J.3	Work with the rental platforms (i.e. AirBNB, VRBO) to help with regulation.	L = County S = HTA		X	X

VII. Tourism Hotspots

A “hotspot” is an area/site that attracts visitors due to its popularity, and may result in overcrowding, congestion, degradation of resources, safety hazards, and a negative experience for both the resident and visitor. 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 to address hotspot sites/areas.

HTA reviewed the community input from the surveys and community meetings, in addition to receiving feedback from the county, IHVB and the Steering Committee. Below are the “hotspot” areas/sites that HTA will monitor and work with respective agencies as needed to help mitigate the issues. Other areas/sites were identified, but the ones listed below are the ones that are of utmost concern.

The following hotspots were carried forward from the County of Hawai‘i’s TSP:

- Waipi‘o Valley
- Ka‘ū -- Papakōlea/Green Sands Beach
- South Kona -- Ho‘okena, Miloli‘i
- Kahalu‘u Bay
- Kumukahi
- Keaukaha
- Maunakea
- Punalu‘u

The following additional hotspots were identified by community members and stakeholders through the HTA DMAP webform in November 2020:

- Ali‘i Drive
- Pololū Valley
- Māhukona
- Ka Lae (South Point)
- Kailua Pier
- Kealakekua Bay
- Ho‘okena Beach
- Magic Sands Beach Area
- ‘Akaka Falls
- Keauhou Bay
- Banyan Drive
- Hawai‘i Volcanoes National Park
- Hōnaunau Bay, Captain Cook Monument

Acknowledgements

HTA would like to mahalo all individuals who contributed their time and effort in the DMAP process for Hawai'i Island. Also, we mahalo all of the community members who attended the public meetings and shared their mana'o. We want to mahalo every person who participated in the list below. However, some names may have unintentionally been left off or misspelled and we apologize in advance for any oversight.

Steering Committee Members

Micah Alameda, HTA Board member, Nā Leo TV
Craig Anderson, Island of Hawai'i Chapter Chairperson, Hawai'i Lodging and Tourism Association
Ross Birch, Executive Director, Island of Hawai'i Visitors Bureau
Ka'iulani Blankenfeld, Director of Hawaiian Culture, Fairmont Orchid
Margo Mau Bunnell, General Manager, Roberts Hawai'i
Ulu Ching, Senior Program Manager, Conservation International
Tane Datta, Owner, Adaptations, Inc.
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Cheryl Kauhane Lupenui, President and CEO, The Kohala Center
Linda Nako, President, Hawai'i Island Visitors Bureau and Sales Manager, Hilo Hawaiian Hotel
Jesse Potter, President, Pohāhā I Ka Lani
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Glossary

‘Āina-Based: ‘āina-based means bringing people to that ‘āina and stewarding the different aspects and components of it.

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

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

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

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

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

Average Daily Visitor Spending: Total spending of an individual on a given day during their stay.

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

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

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.

Sources

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<https://hawaiitourismauthority.org/media/5062/2019-annual-report-final-for-posting.pdf>

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

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

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Hawai'i Hotel Performance Report: <https://hawaiitourismauthority.org/media/6335/hta-december-2020-hawaii-hotels-performance-final.pdf>

Hawai'i Vacation Rental Performance Report: <https://hawaiitourismauthority.org/media/6340/hta-december-2020-hawaii-vacation-rental-performance-final.pdf>

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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 and Cruise



Market Insights – January 2021

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

During January, most passengers arriving from out-of-state and traveling inter-county could bypass the State's mandatory 10-day self-quarantine with a valid negative COVID-19 NAAT test result from a Trusted Testing Partner through the state's Safe Travels program. All trans-Pacific travelers participating in the pre-travel testing program were required to have a negative test result before their departure to Hawai'i. On December 2, 2020 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. However, starting January 5, 2021 Kaua'i County rejoined the Safe Travels program for inter-island arrivals, allowing inter-island travelers who have been in Hawai'i for more than three days to bypass the quarantine with a valid test result. Also starting January 5 on Kaua'i, trans-Pacific travelers were given the option of participating in a pre- and post-travel testing program at a "resort bubble" property as a way to shorten their time in quarantine. The counties of Hawai'i, Maui and Kalawao (Moloka'i) also had a partial quarantine in place in January. In addition, the U.S. Centers for Disease Control and Prevention (CDC) continued to enforce the "Conditional Sailing Order" on all cruise ships.

In January 2021, Hawai'i's tourism economy experienced:

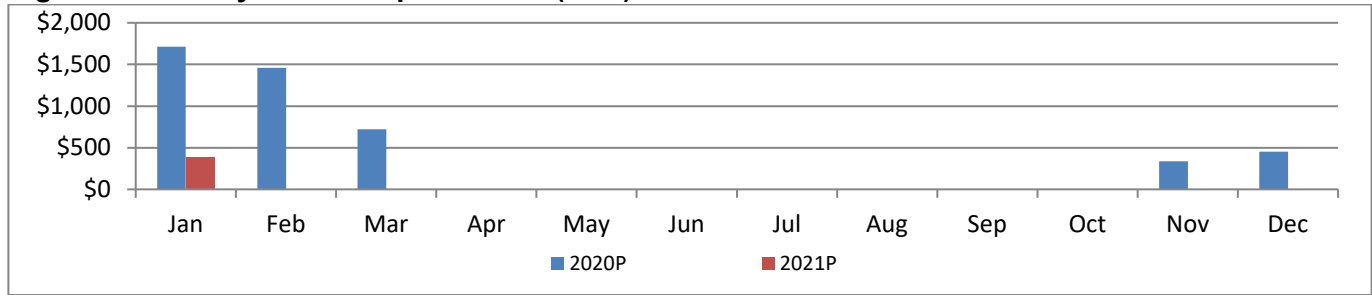
- A total of 171,976 visitors traveled to Hawai'i by air service, compared to 862,574 visitors who came by air service and cruise ships in January 2020. Total visitor days fell 70.0 percent.
- Through January 2021, the state collected \$56.5 million in TAT, down 85.6 percent compared to FY 2020 through January 2020 (Preliminary data from Dept of Taxation).
- There were 2,856 (-47.3%) trans-Pacific flights (scheduled and charter) that serviced the Hawaiian Islands in January 2021. This represented a total of 593,981 air seats, down 50.6 percent from a year ago.
- Spending statistics for January 2021 were from U.S. West, U.S. East, Japanese and Canadian visitors. Data for visitors from other markets were not available.

Table 1: Overall Key Performance Indicators – Total (Air + Cruise) – January 2021

	YOY Rate	Jan. 2021	2021 Forecast
Visitor Spending (\$mil)	-77.6	383.3	10,449.2
Daily Spend (\$pppd)	-25.4	153.1	183.2
Visitor Days	-70.0%	2,503,864	57,029,050
Arrivals	-80.1%	171,976	6,175,840
Daily Census	-70.0%	80,770	156,244
Airlift (scheduled seats)	-50.4%	593,169	N/A

DBEDT 2021 annual forecast (Quarter 4, 2020).

Figure 1: Monthly Visitor Expenditures (\$mil)



Major Market Areas (MMAs)

USA

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

	YOY Rate	Jan. 2021	2021 Forecast
Visitor Spending (\$mil)	-67.8%	363.6	7,163.5
Daily Spend (\$pppd)	-21.7%	158.2	175.1
Visitor Days	-58.9%	2,298,135	40,918,390
Arrivals	-70.5%	162,808	4,255,154
Daily Census	-58.9%	74,133	111,799
Airlift (scheduled seats)	-33.9%	557,668	N/A

DBEDT 2021 annual forecast (Quarter 4, 2020).

- The U.S. unemployment rate in January 2021 fell to 6.3 percent.
- The Conference Board Consumer Confidence Index improved moderately in January 2021, after decreasing in December 2020. The Index now stands at 89.3 (1985=100), up from 87.1 in December. The Present Situation Index based on consumers' assessment of current business and labor market conditions decreased from 87.2 to 84.4. The Expectations Index based on consumers' short-term outlook for income, business and labor market conditions increased from 87.0 in December to 92.5 in January.
- 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 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.
- The forecast for domestic scheduled nonstop air seats to Hawai'i for February - April 2021 will increase by +46.1 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 constant fluidity in scheduled air seats is expected to continue in all major market areas including U.S. West (+46.8%) and U.S. East (+39.5%). The situation is being monitored and the forecast adjusted accordingly

US WEST

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

	YOY Rate	Jan. 2021	2021 Forecast
Visitor Spending (\$mil)	-63.7%	225.7	4,108.5
Daily Spend (\$pppd)	-17.7%	153.3	162.6
Visitor Days	-55.9%	1,471,794	25,264,696
Arrivals	-68.2%	112,020	2,742,073
Daily Census	-55.9%	47,477	69,218
Airlift (scheduled seats)	-30.5%	499,872	N/A

DBEDT 2021 annual forecast (Quarter 4, 2020).

- U.S. West visitors spent \$225.7 million (-63.7%) in January, and their average daily spending was \$153 per person (-17.7%). There were 112,020 visitors from U.S. West compared to 352,525 visitors in January 2020.
- In terms of travel restrictions that were in place for key U.S. West markets during January 2021, California residents returning from non-essential travel were encouraged to quarantine for 10 days. San Francisco, Santa Clara, and Los Angeles counties ordered a mandatory 10-day quarantine for people coming from outside their regions. In Oregon, returning residents were advised to practice self-quarantine for 14 days after arrival. Washington continued to recommend a 14-day quarantine for residents returning from interstate and international travel. Furthermore, there was a required 14-day quarantine for anyone returning to Washington state after visiting the United Kingdom, South Africa, and other countries where a new variant of COVID-19 has been circulating.

US EAST

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

	YOY Rate	Jan. 2021	2021 Forecast
Visitor Spending (\$mil)	-72.8%	137.9	3,055.0
Daily Spend (\$pppd)	-25.9%	166.9	195.2
Visitor Days	-63.3%	826,341	15,653,695
Arrivals	-74.6%	50,788	1,513,081
Daily Census	-63.3%	26,656	42,887
Airlift (scheduled seats)	-53.2%	57,796	N/A

DBEDT 2021 annual forecast (Quarter 4, 2020).

- In January 2021, U.S. East visitors spent \$137.9 million (-72.8%) and \$167 per person per day (-25.9%). There were 50,788 visitors from U.S. East compared to 200,053 visitors in January 2020.
- In New York, returning residents in January could “test out” of the mandatory 10-day quarantine. Returning residents were required to obtain a COVID-19 test within three days before their return to New York, and also quarantine for three days. On the fourth day of their quarantine, the traveler had to obtain another COVID-19 test. If both tests came back negative, the traveler could exit quarantine early upon receipt of the second negative diagnostic test.

CANADA

Table 5: Key Performance Indicators – Canada

	YOY Rate	Jan. 2021	2021 Forecast
Visitor Spending (\$mil)	-90.7%	14.9	807.2
Daily Spend (\$pppd)	-2.1%	171.8	154.4
Visitor Days	-90.5%	87,001	5,227,258
Arrivals	-95.6%	2,898	432,309
Daily Census	-90.5%	2,806	14,321
Airlift (scheduled seats)	-89.4%	6,978	N/A

DBEDT 2021 annual forecast (Quarter 4, 2020).

- In January 2021, Canadian visitors spent \$14.9 million (-90.7%) and \$172 per person (-2.1%) on a daily basis. There were 2,898 visitors from Canada compared to 65,123 visitors in January 2020. Direct flights from Canada brought 2,356 visitors while the remaining 542 visitors arrived on domestic flights.
- The U.S. and Canadian governments extended cross-border travel restrictions to non-essential travel through February 21, 2021. Air travelers 5 years of age or older must provide their airline with a negative COVID-19 molecular polymerase chain reaction (PCR) test within 72 hours of travel to Canada. All passengers, including returning Canadian residents must also quarantine for 14 days.
- Canada's real GDP is forecast to post growth of 5.3 percent in 2021 and 3.5 percent in 2022. This follows the deepest recession in modern times.
- Canada's economy rebounded through the summer, but rising COVID-19 cases, both at home and south of the border, will slow the pace of recovery.
- Despite the second wave of COVID-19, consumer confidence increased to 90.7 points in January, the highest level since the pandemic began. With the extension of income support programs and the initial round of vaccinations, Canadians were more positive regarding their financial situation and in their views towards the timing of major purchases.
- Air Canada stopped its services to Hawai'i until April.
- WestJet continues with reduced capacity only into Maui.

JAPAN

Table 6: Key Performance Indicators – Japan

	YOY Rate	Jan. 2021	2021 Forecast
Visitor Spending (\$mil)	-97.4%	4.8	1,158.4
Daily Spend (\$pppd)	-15.2%	203.5	225.3
Visitor Days	-96.9%	23,587	5,140,740
Arrivals	-99.1%	1,165	864,618
Daily Census	-96.9%	761	14,084
Airlift (scheduled seats)	-91.1%	15,595	N/A

DBEDT 2021 annual forecast (Quarter 4, 2020).

- In January 2021, Japanese visitors spent \$4.8 million (-97.4%), and their daily spending was \$204 per person (-15.2%). There were 1,165 visitors from Japan compared to 128,686 visitors in January 2020. Of the 1,165 visitors, 1,124 arrived on international flights from Japan and 41 came on domestic flights.

- In January 2021, the Japanese government reinstated a travel ban for most arriving passengers to contain the spread of the mutated strain of COVID-19. Returning Japanese nationals must present a medical certificate showing a negative COVID-19 test result taken within 72 hours before their flight. They must also self-isolate for 2 weeks and prohibited from using public transportation.
- Due to the surge of COVID19 in Japan, the government announced 2nd state of emergency to 4 prefectures (Tokyo, Kanagawa, Chiba & Saitama) on January 7, followed by additional 7 prefectures on January 13. This totaled 11 prefectures under restriction until February 7. No business/school closure was mandated, but business must close the door by 8pm. The government also announced vaccination schedule to medical workers/health professional by end of February 2021 and soon after senior citizens will be qualified. By the end of May 2021, the vaccine will be available to general public.
- Because of 2nd state of emergency, economists forecasted personal consumption especially outing and dining are expected decline in 1st quarter and expected 1 trillion yen (=\$10 billion) loss in between January and March. The economic recovery from the previous state of emergency was speedy and some of the industries may not be affected this time, economists said. Ministry of Health, Labor and Welfare reported over 79,000 were layoff in 2020.
- Ministry of Internal Affairs Communications (MIAC) announced 2020 Consumer Price Index declined 0.2 percent in January for the first time in four years. Due to COVID19, low purchasing demand and discount on accommodation by Go to Travel campaign were the reasoning of CPI fall, MIAC assumption.
- Discussion of Tokyo Olympic was the hot topic in Japan. Due to the COVID-19 case increase, many media internationally reported concern of cancellation of the Olympic. However, International Olympic Committee (IOC) expressed the continuation of managing Tokyo Olympic in summer 2021 with 3 scenarios of spectators (1: as normal, 2: 50% capacity & 3: no spectators) With no spectator, it is expected 90 billion yen lose from tickets sales.
- Under the severe situation, the travel agencies are shifting to non-traditional business models, especially DX (Digital Transformation) and digital contents development. For example, HIS strengthen the online tour experiences already. As an alternative from printed pamphlet, they tried to increase the demand and business from online tour experience. NTA, another example, merged the FIT and Group department to strengthen the resources and knowledge to compete in the market.
- Airline operation in January: Total 59 flights with 15,337 air seats to Hawai'i in January 2021 by ANA, Hawaiian, JAL and Zip Air.
- Suspension: Delta (until 3/27) United (until 4/1) Korean (Indefinitely).

OCEANIA

Table 7: Key Performance Indicators – Oceania

	YOY Rate	Jan. 2021	2021 Forecast
Visitor Spending (\$mil)	N/A	N/A	469.7
Daily Spend (\$pppd)	N/A	N/A	249.7
Visitor Days	-98.6%	3,761	1,881,413
Arrivals	-99.6%	122	197,627
Daily Census	-98.6%	121	5,155
Airlift (scheduled seats)	-100.0%	0	N/A

DBEDT 2021 annual forecast (Quarter 4, 2020).

- Australia: There were 48 visitors who traveled to Hawai'i in January 2021 compared to 24,559 visitors a year ago. There were no direct flights from Australia. All 48 visitors came on domestic flights.
- The Government continued to impose a ban on all overseas travel for Australians, unless an exemption was granted. Residents returning to Australia must quarantine for 14 days.
- Australia is entering 2021 well-placed for its economy to recover. The government has had great success limiting the impact of small COVID-19 outbreaks with any isolated cases being ringfenced quickly via a detailed contact tracing system. COVID-19 numbers are very low with transmissions within community close to zero. Limiting the impacts of COVID-19 within the community has had a positive impact on consumer confidence which has remained high over the last few months as restrictions have eased.
- The Australian economy is recovering better than expected. New figures from the Australian Bureau of Statistics show the official unemployment rate fell in December to 6.6 per cent as 50,000 more people became employed, after unemployment reached a peak of 7.5 per cent in July. 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\$0.77.
- New Zealand: There were 74 visitors in January 2021 versus 5,038 visitors a year ago. There were no direct flights from New Zealand. These 74 visitors arrived on domestic flights.
- 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 continues to exhibit positive signs in the economy, due to the elimination of COVID-19 in the community. Unemployment figures just released show a drop to 4.9 per cent which is much better than economists had expected.
- 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\$0.73.

EUROPE

Table 8: Key Performance Indicators – Europe

	YOY Rate	Jan. 2021	2021 Forecast
Visitor Spending (\$mil)	N/A	N/A	64.6
Daily Spend (\$pppd)	N/A	N/A	157.6
Visitor Days	-91.4%	8,879	409,715
Arrivals	-95.8%	334	30,879
Daily Census	-91.4%	286	1,123
Airlift (scheduled seats)	N/A	N/A	N/A

DBEDT 2021 annual forecast (Quarter 4, 2020).

- There were 334 visitors from Europe (United Kingdom, France, Germany, Italy and Switzerland) in January 2021 versus 7,956 visitors a year ago. These 334 visitors arrived on domestic flights.
- Germany have been in lockdown since mid-December 2020, closing non-essential services. Travelers entering Germany from countries classified as high-incidence areas must present a negative test result before their flight and required to quarantine for 10 days. The U.K. have been in full lockdown since January 4. All travelers entering the U.K. including British citizens,

must present a negative COVID test taken within 72 hours of arrival and must quarantine for 10 days.

KOREA

Table 10: Key Performance Indicators – Korea

	YOY Rate	Jan. 2021	2021 Forecast
Visitor Spending (\$mil)	N/A	N/A	290.6
Daily Spend (\$pppd)	N/A	N/A	272.4
Visitor Days	-94.9%	9,176	1,066,754
Arrivals	-98.9%	230	111,165
Daily Census	-94.9%	296	2,923
Airlift (scheduled seats)	-95.5%	1,390	N/A

DBEDT 2021 annual forecast (Quarter 4, 2020).

- There were 230 visitors in January 2021 versus 21,371 visitors a year ago. Of the 230 visitors, 115 arrived on domestic flights and 115 arrived on an international flight from a major carrier which flies both domestic and international routes.
- All travelers to Korea including returning Korean nationals were subject to a mandatory 14-day quarantine. Korean government extended the special travel advisory for Koreans to avoid non-essential overseas trips until March 17, 2021.
- According to Bank of Korea, Korea's gross domestic product (GDP) grew 1.1 percent year-on-year in Quarter 4 2020, and recorded a -1 percent contraction year-on-year in 2020.
- South Korea's exports rose 11.4 percent in January to extend gains for a third consecutive month although the global resurgence of virus cases hindered a full-fledged recovery.
- According to Bank of Korea, the composite consumer sentiment index (CCSI) came in at 95.4 for January, up 4.2 points from the previous month thanks to improved consumer sentiment in January.
- The average USD/WON exchange rate in January was 1,097.49 won, a small increase from 1,095.13 won in last December.
- Korean Air extended its suspension of flight services on ICN-HNL route (KE053) and ICN-NRT-HNL route (KE001) until March 31.
- Asiana Airlines halted flights service of ICN-HNL route (OZ232) until March 31.
- Hawaiian Airlines is maintaining the operation of weekly flight from ICN to HNL (HA 460).
- Governor Ige announced on January 27 that starting February 5, 2021 travelers from Korea may bypass the State of Hawai'i's mandatory 10-day quarantine if they take a COVID-19 test from a trusted testing partner in Korea. The test must be taken no earlier than 72 hours prior to departure and the test result must be negative.

LATIN AMERICA

Table 122: Key Performance Indicators – Latin America

	YOY Rate	Jan. 2021	2021 Forecast
Visitor Spending (\$mil)	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A
Visitor Days	-78.6%	5,737	N/A
Arrivals	-88.3%	281	N/A
Daily Census	-78.6%	185	N/A
Airlift (scheduled seats)	N/A	N/A	N/A

DBEDT 2021 annual forecast are not available.

- There were 281 visitors from Latin America (Mexico, Brazil and Argentina) in January compared to 2,402 visitors a year ago. These 281 visitors came on domestic flights.
- In Argentina, the government extended a December measure through February 28 to shut air, land, and sea borders to all foreign nationals. All incoming travelers including returning nationals must submit a valid negative PCR test completed up to 72 hours before travel. In Mexico, the U.S. and Mexican border restrictions were 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 January 2021, visitor spending¹ on O’ahu was \$129.9 million (-81.5%). Total visitor days decreased 71.3 percent from a year ago. There were 78,967 visitors on O’ahu compared to 512,621 visitors in January 2020.
- **Maui** In January 2021, visitor spending² on Maui was \$172.9 million (-66.1%) Total visitor days declined 63.0 percent from January 2020. There were 66,925 visitors on Maui in January versus 242,472 visitors a year ago.
- **Hawai’i Island:** In January 2021, visitor spending² on Hawai’i Island was \$70.3 million (-75.8%). Total visitor days decreased 63.4 percent from January 2020. There were 34,286 visitors on Hawai’i Island in January compared to 163,5 visitors a year ago.
- **Kaua’i:** In January 2021, visitor spending² on Kaua’i was \$10.2 million (-94.7%). Total visitor days were down 89.9 percent compared to January 2020. There were 3,987 visitors on Kaua’i in January compared to 113,847 visitors a year ago.

¹ For January 2021, spending statistics on each island were from U.S. West, U.S. East, Japan and Canadian visitors. Spending data for visitors from other markets were not available.

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jan-21** Preliminary

Visitor Industry Performance Measures

Market: **OVERALL**

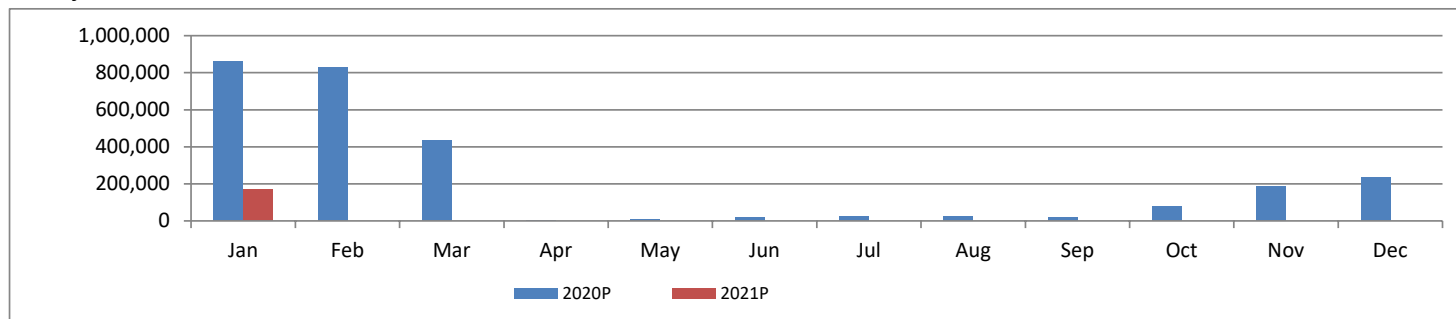
	YOY Rate	YTD	Annual Forecast
Visitor Spending (\$mil)*	-77.6%	383.3	10,449.2
Daily Spend (\$pppd)	-25.4%	153.1	183.2
Visitor Days	-70.0%	2,503,864	57,029,050
Arrivals	-80.1%	171,976	6,175,840
Daily Census	-70.0%	80,770	156,244
Airlift (scheduled seats)	-50.4%	593,169	N/A

	YOY Rate	YTD
O'ahu	-84.6%	78,967
Maui	-72.4%	66,925
Moloka'i	-87.9%	819
Lāna'i	-84.3%	953
Kaua'i	-96.5%	3,987
Hawai'i Island	-79.0%	34,286

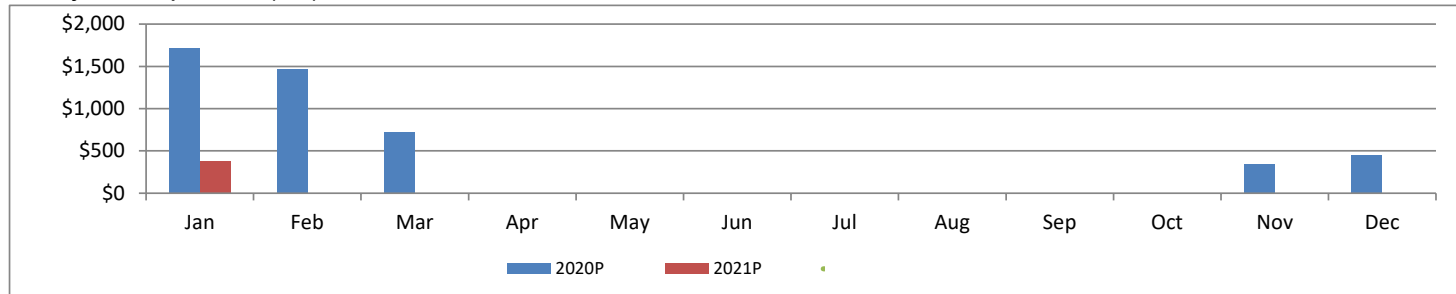
*DBEDT Annual Forecast as of Q4 2020

Monthly Indicators

Monthly Arrivals

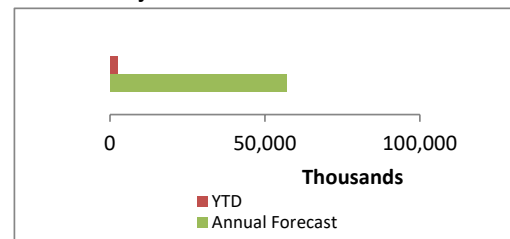


Monthly Visitor Expenditures (\$mil)

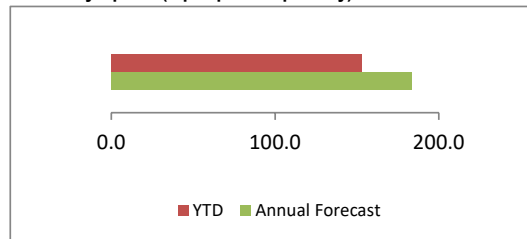


Annual Indicators

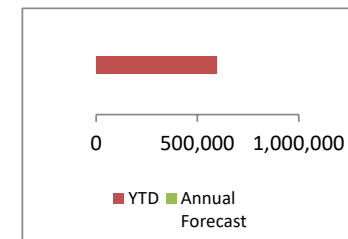
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jan-21** Preliminary

Visitor Industry Performance Measures

Market: **U.S. TOTAL**

Key Performance Indicators

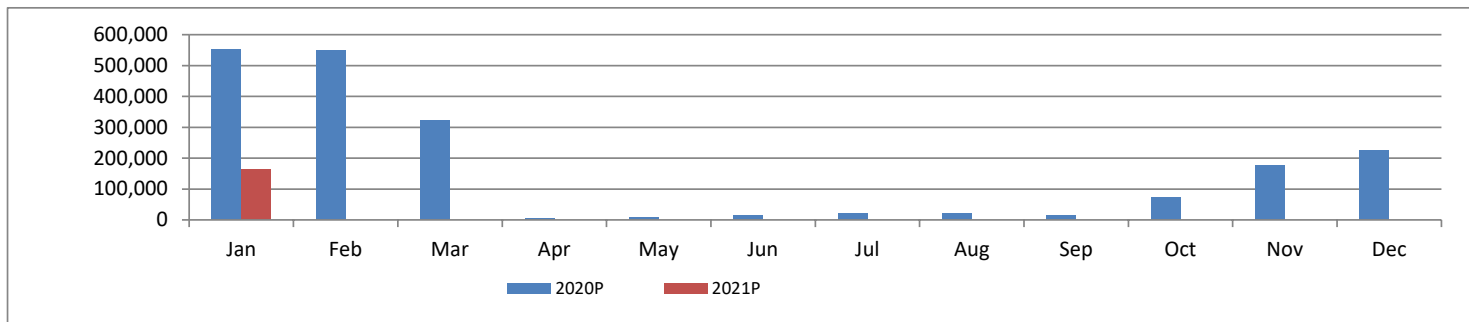
	YOY Rate	YTD	Annual Forecast
Visitor Spending (\$mil)*	-67.8%	363.6	7,163.5
Daily Spend (\$pppd)	-21.7%	158.2	175
Visitor Days	-58.9%	2,298,135	40,918,390
Arrivals	-70.5%	162,808	4,255,154
Daily Census	-58.9%	74,133	112,105
Airlift (scheduled seats)	-33.9%	557,668	N/A

Arrivals	YOY Rate	YTD
O'ahu	-72.9%	73,759
Maui	-65.6%	63,860
Moloka'i	-80.3%	785
Lāna'i	-80.0%	895
Kaua'i	-95.9%	3,775
Hawai'i Island	-70.6%	32,905

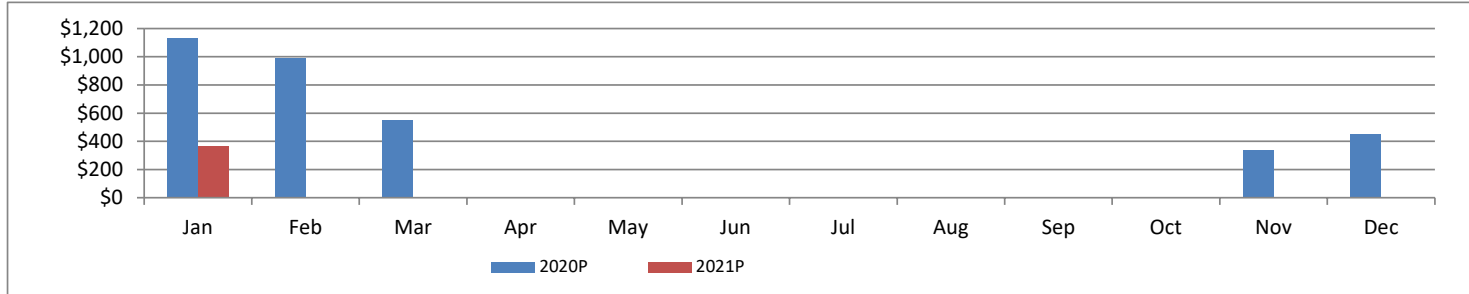
*DBEDT Annual Forecast as of Q4 2020

Monthly Indicators

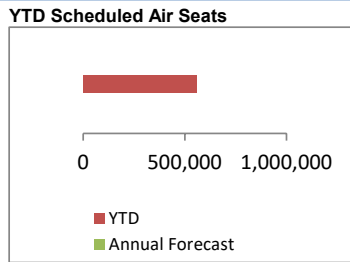
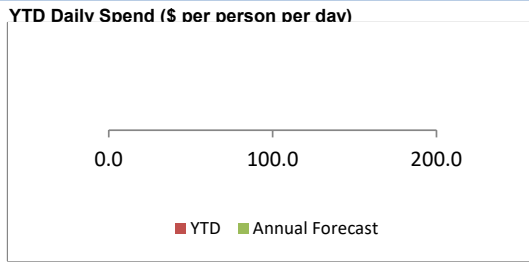
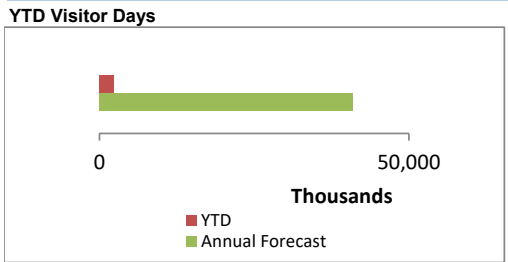
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jan-21** Preliminary

Visitor Industry Performance Measures

Market: **U.S. WEST**

Key Performance Indicators

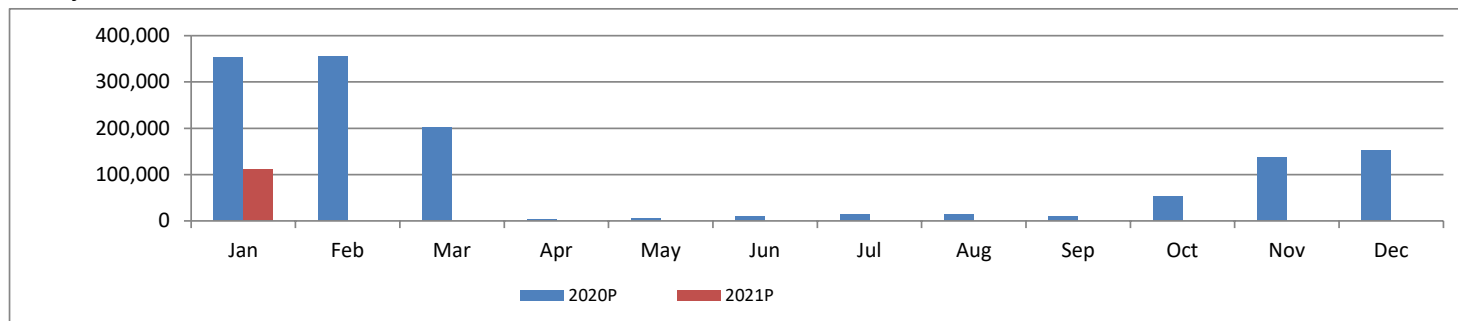
	YOY Rate	YTD	Annual Forecast
Visitor Spending (\$mil)*	-63.7%	225.7	4,108.5
Daily Spend (\$pppd)	-17.7%	153.3	162.6
Visitor Days	-55.9%	1,471,794	25,264,696
Arrivals	-68.2%	112,020	2,742,073
Daily Census	-55.9%	47,477	69,218
Airlift (scheduled seats)	-30.5%	499,872	N/A

	YOY Rate	YTD
O'ahu	-70.9%	46,305
Maui	-59.8%	45,819
Moloka'i	-79.4%	496
Lāna'i	-78.9%	513
Kaua'i	-95.8%	2,290
Hawai'i Island	-66.4%	23,234

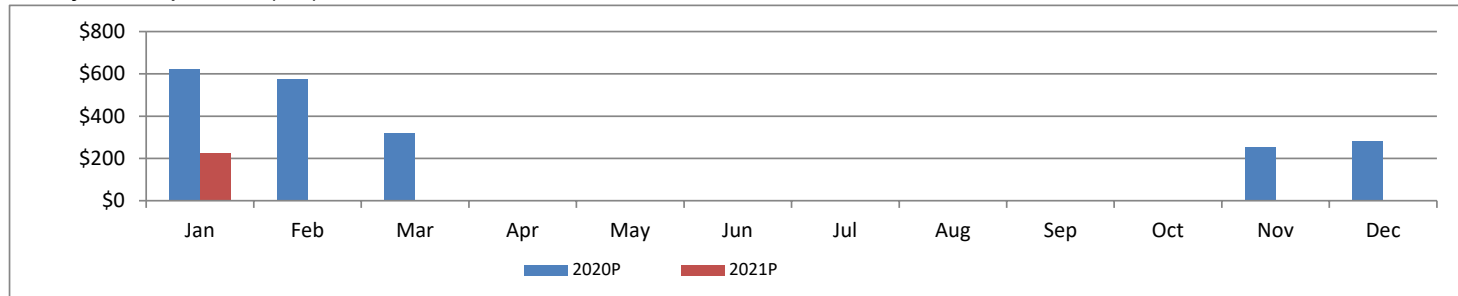
*DBEDT Annual Forecast as of Q4 2020

Monthly Indicators

Monthly Arrivals

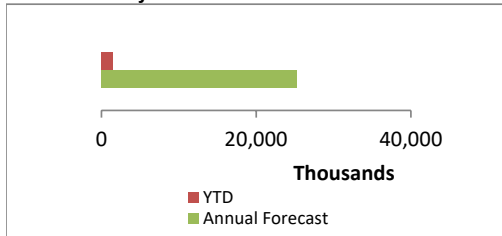


Monthly Visitor Expenditures (\$mil)

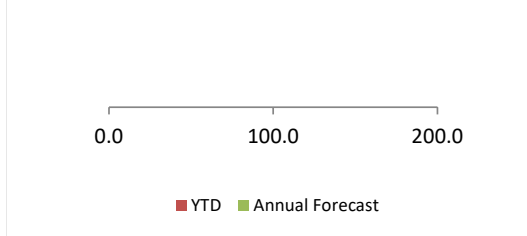


Annual Indicators

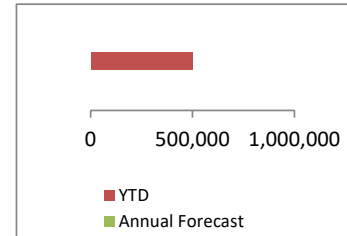
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jan-21** Preliminary

Visitor Industry Performance Measures

Market: **U.S. EAST**

Key Performance Indicators

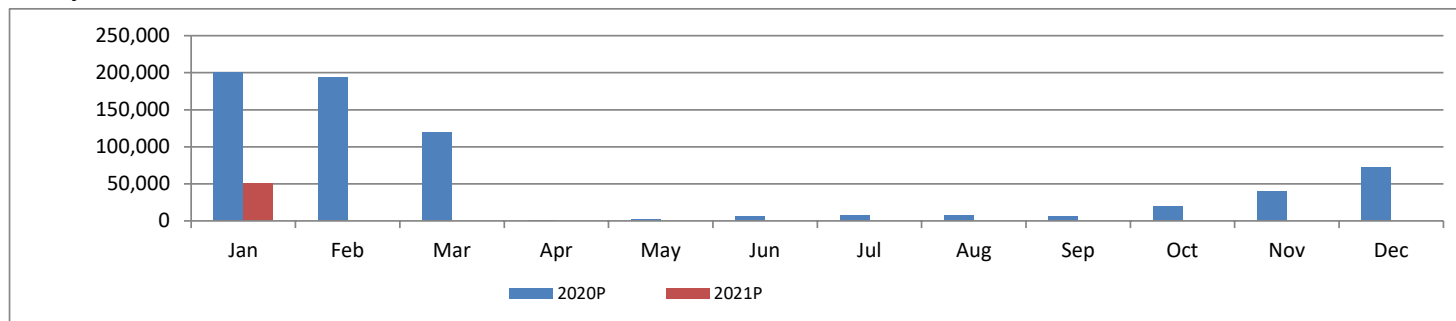
	YOY Rate	YTD	Annual Forecast
Visitor Spending (\$mil)*	-72.8%	137.9	3,055.0
Daily Spend (\$pppd)	-25.9%	166.9	195.2
Visitor Days	-63.3%	826,341	15,653,695
Arrivals	-74.6%	50,788	1,513,081
Daily Census	-63.3%	26,656	42,887
Airlift (scheduled seats)	-53.2%	57,796	N/A

Arrivals	YOY Rate	YTD
O'ahu	-75.6%	27,454
Maui	-74.8%	18,041
Moloka'i	-81.7%	289
Lāna'i	-81.2%	382
Kaua'i	-95.9%	1,485
Hawai'i Island	-77.5%	9,670

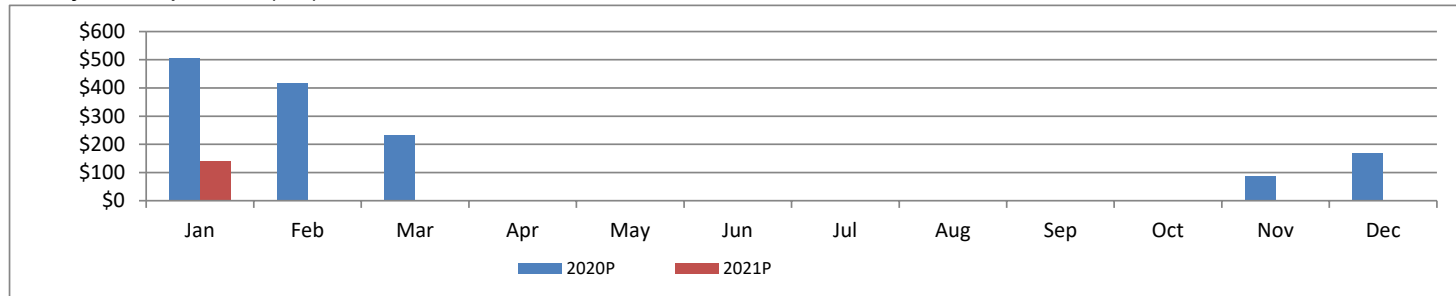
*DBEDT Annual Forecast as of Q4 2020

Monthly Indicators

Monthly Arrivals

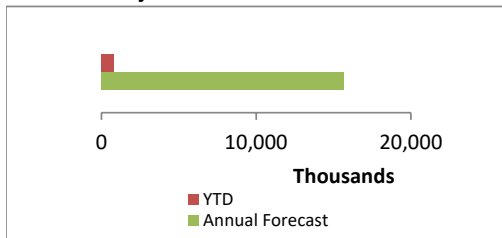


Monthly Visitor Expenditures (\$mil)

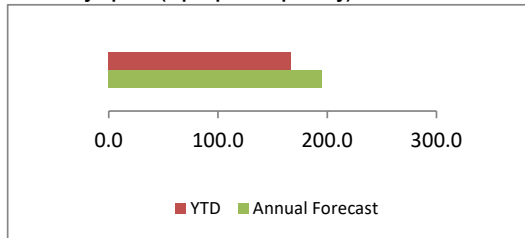


Annual Indicators

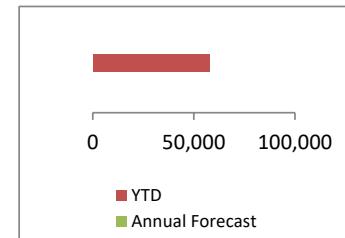
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jan-21** Preliminary

Visitor Industry Performance Measures

Market: **CANADA**

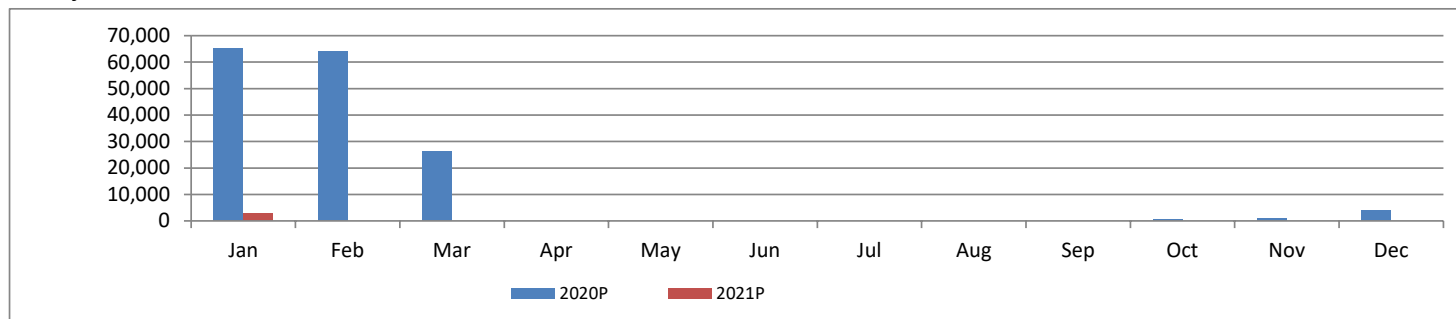
	YOY Rate	YTD	Annual Forecast
Visitor Spending (\$mil)*	-90.7%	14.9	807.2
Daily Spend (\$pppd)	-2.1%	171.8	154.4
Visitor Days	-90.5%	87,001	5,227,258
Arrivals	-95.6%	2,898	432,309
Daily Census	-90.5%	2,806	14,321
Airlift (scheduled seats)	-89.4%	6,978	N/A

	YOY Rate	YTD
O'ahu	-97.0%	785
Maui	-94.6%	1,722
Moloka'i	-99.1%	3
Lāna'i	-97.5%	18
Kaua'i	-99.7%	27
Hawai'i Island	-96.7%	475

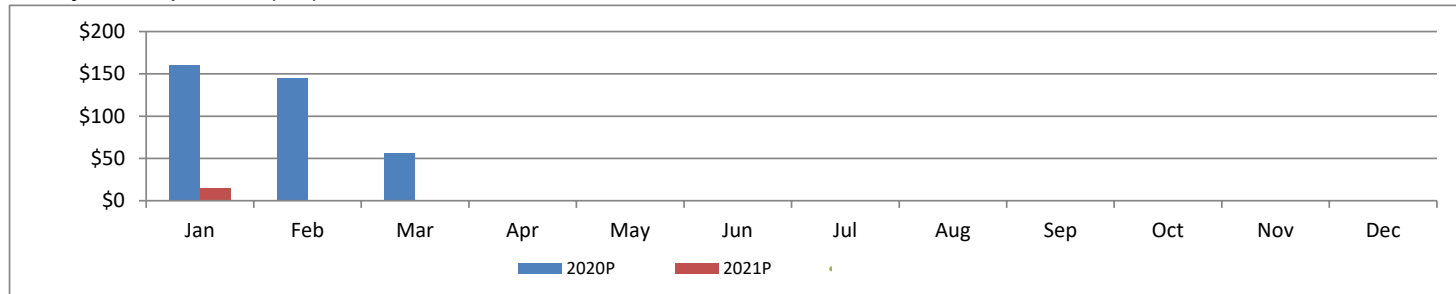
*DBEDT Annual Forecast as of Q4 2020

Monthly Indicators

Monthly Arrivals

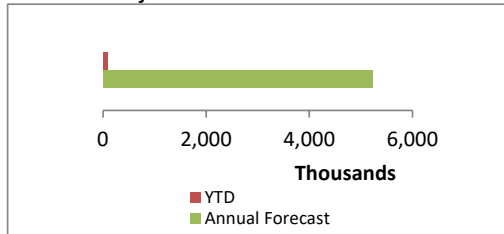


Monthly Visitor Expenditures (\$mil)

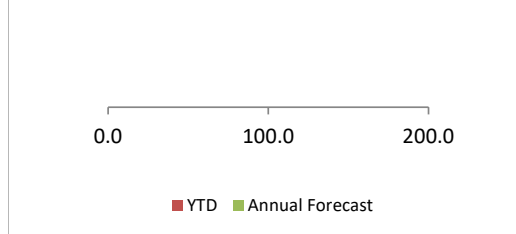


Annual Indicators

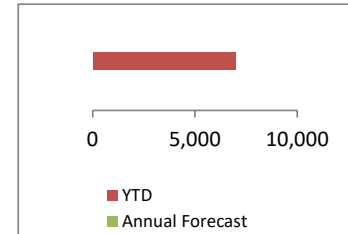
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jan-21** *Preliminary*

Visitor Industry Performance Measures

Market: **JAPAN**

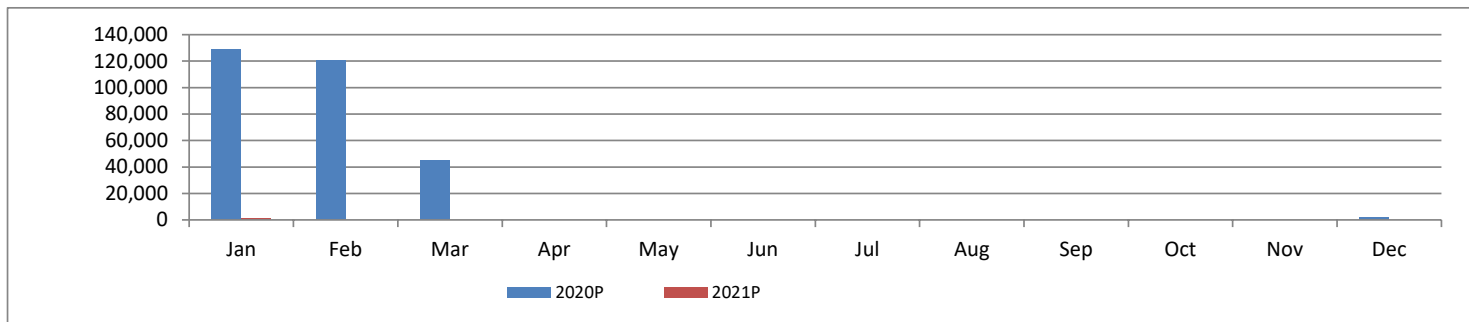
	YOY Rate	YTD	Annual Forecast
Visitor Spending (\$mil)*	-97.4%	4.8	1,158.4
Daily Spend (\$pppd)	-15.2%	203.5	225.3
Visitor Days	-96.9%	23,587	5,140,740
Arrivals	-99.1%	1,165	864,618
Daily Census	-96.9%	761	14,084
Airlift (scheduled seats)	-91.1%	15,595	N/A

	YOY Rate	YTD
O'ahu	-99.1%	1,139
Maui	-99.7%	13
Moloka'i	-99.2%	1
Lāna'i	-98.3%	1
Kaua'i	-99.9%	2
Hawai'i Island	-99.8%	39

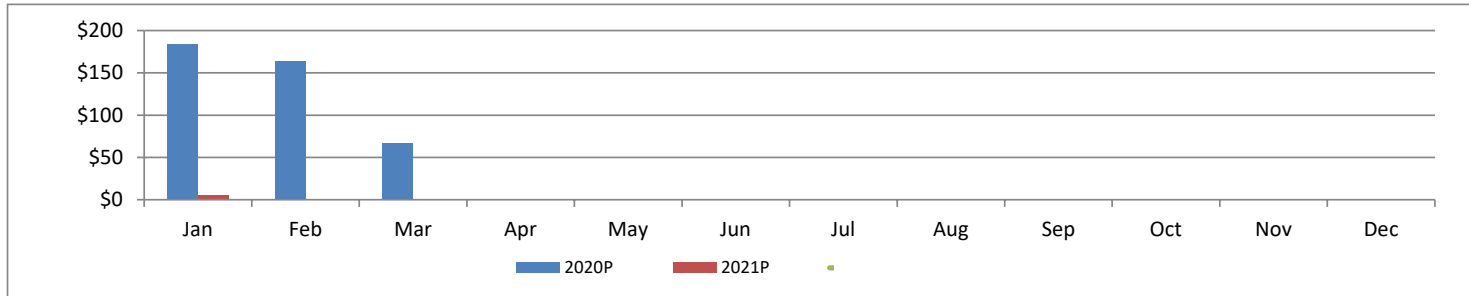
*DBEDT Annual Forecast as of Q4 2020

Monthly Indicators

Monthly Arrivals

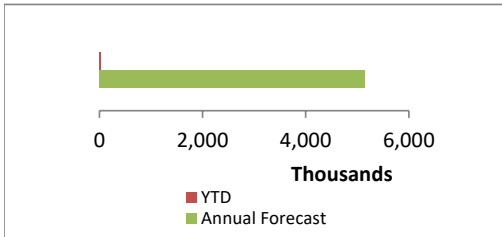


Monthly Visitor Expenditures (\$mil)

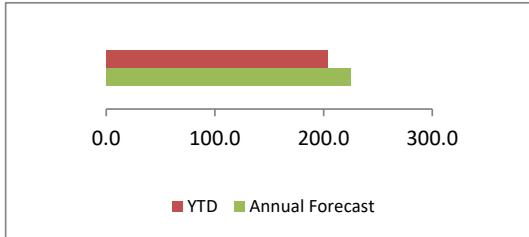


Annual Indicators

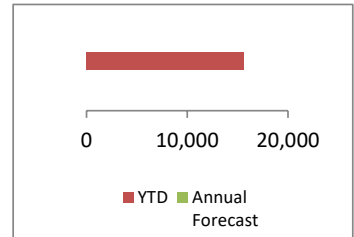
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jan-21** Preliminary

Visitor Industry Performance Measures

Market: **KOREA**

Key Performance Indicators

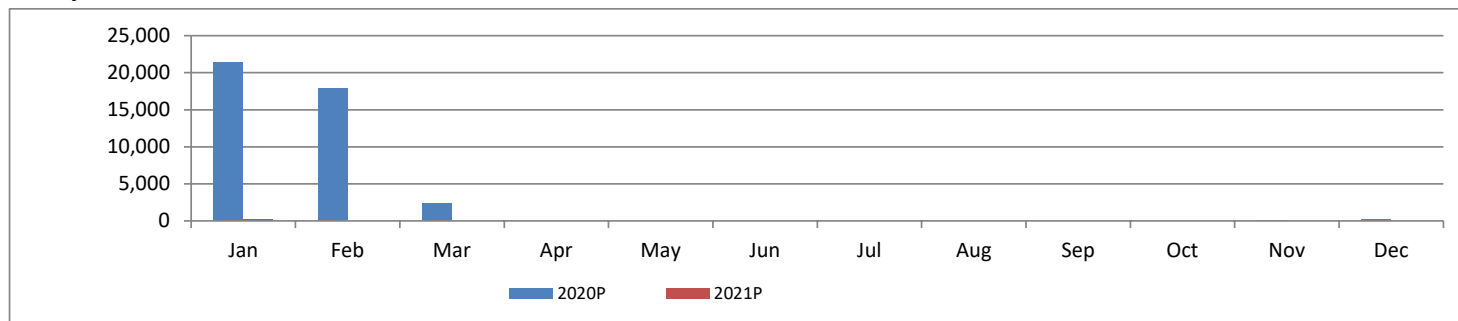
	YOY Rate	YTD	Annual Forecast
Visitor Spending (\$mil)*	N/A	N/A	290.6
Daily Spend (\$pppd)	N/A	N/A	272.4
Visitor Days	-94.9%	9,176	1,066,754
Arrivals	-98.9%	230	111,165
Daily Census	-94.9%	296	2,923
Airlift (scheduled seats)	-95.5%	1,390	N/A

	YOY Rate	YTD
O'ahu	-99.2%	165
Maui	-98.7%	26
Moloka'i	-100.0%	-
Lāna'i	-96.4%	2
Kaua'i	-98.1%	12
Hawai'i Island	-98.4%	55

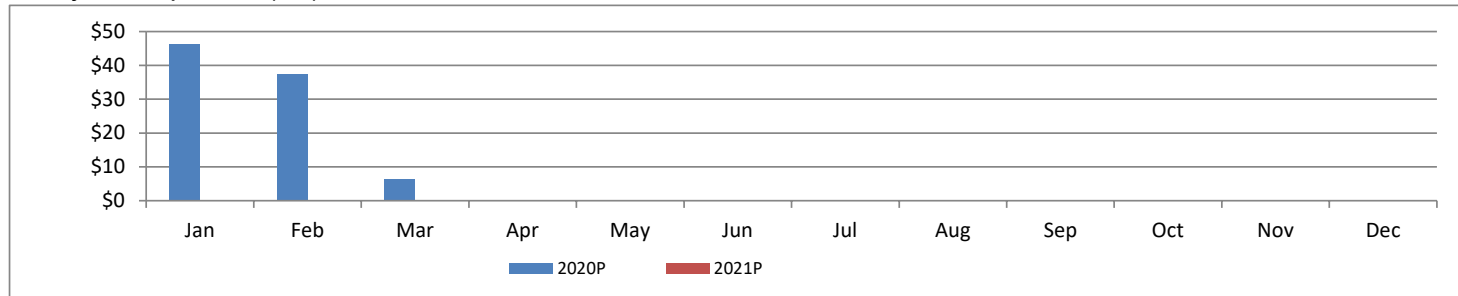
*DBEDT Annual Forecast as of Q4 2020

Monthly Indicators

Monthly Arrivals

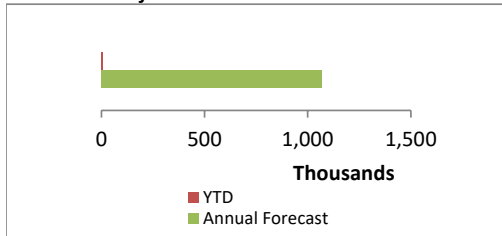


Monthly Visitor Expenditures (\$mil)

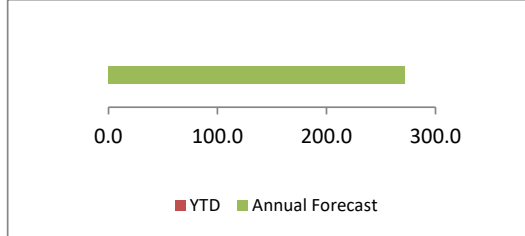


Annual Indicators

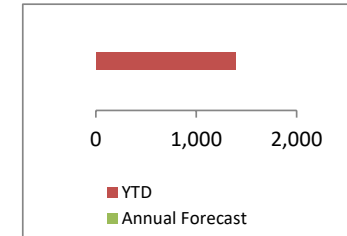
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jan-21** Preliminary

Visitor Industry Performance Measures

Market: **OCEANIA**

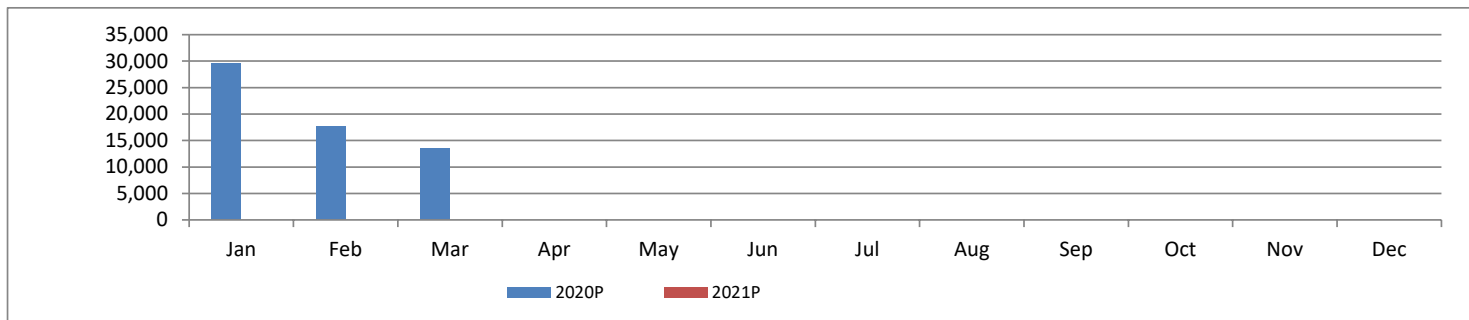
	YOY Rate	YTD	Annual Forecast
Visitor Spending (\$mil)*	N/A	N/A	469.7
Daily Spend (\$pppd)	N/A	N/A	249.7
Visitor Days	-98.6%	3,761	1,881,413
Arrivals	-99.6%	122	197,627
Daily Census	-98.6%	121	5,155
Airlift (scheduled seats)	-100.0%	0	N/A

	YOY Rate	YTD
O'ahu	-99.8%	69
Maui	-99.2%	30
Moloka'i	-100.0%	-
Lāna'i	-100.0%	-
Kaua'i	-99.4%	14
Hawai'i Island	-99.7%	12

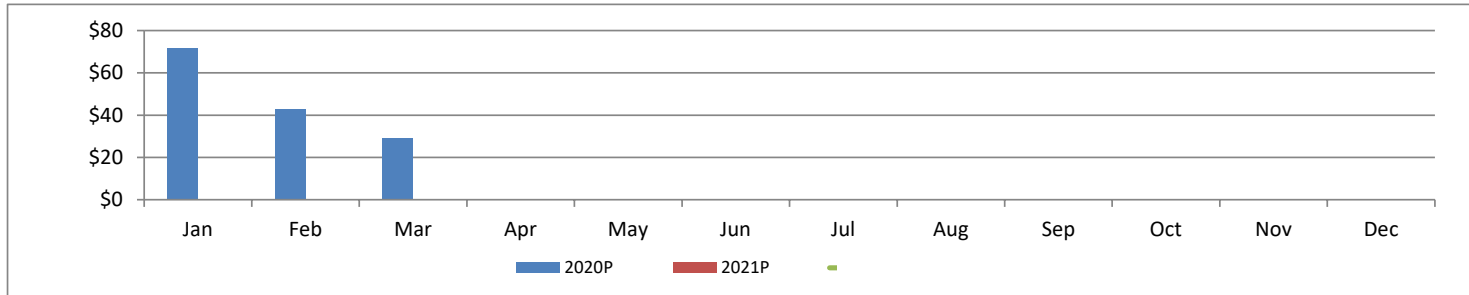
*DBEDT Annual Forecast as of Q4 2020

Monthly Indicators

Monthly Arrivals

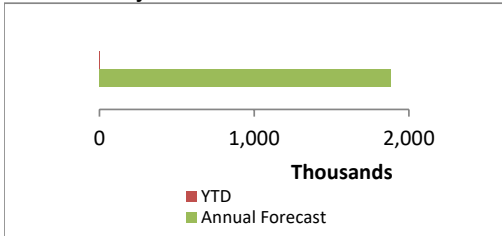


Monthly Visitor Expenditures (\$mil)

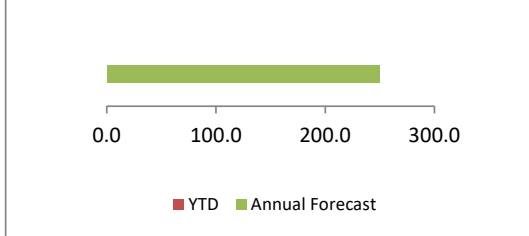


Annual Indicators

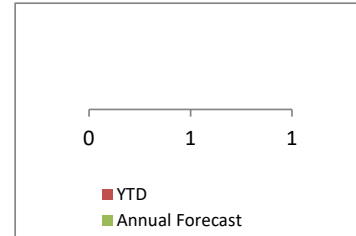
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jan-21** *Preliminary*

Visitor Industry Performance Measures

Market: **EUROPE**

Key Performance Indicators

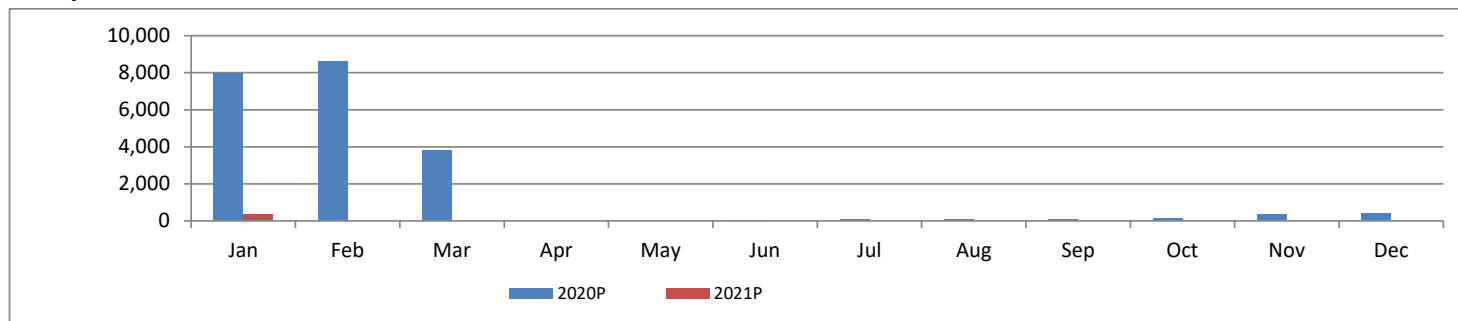
	YOY Rate	YTD	Annual Forecast
Visitor Spending (\$mil)*	N/A	N/A	64.6
Daily Spend (\$pppd)	N/A	N/A	157.6
Visitor Days	-91.4%	8,879	409,715
Arrivals	-95.8%	334	30,879
Daily Census	-91.4%	286	1,123
Airlift (scheduled seats)	N/A	N/A	N/A

	YOY Rate	YTD
O'ahu	-96.7%	202
Maui	-97.1%	80
Moloka'i	-95.5%	6
Lāna'i	-98.1%	2
Kaua'i	-98.3%	33
Hawai'i Island	-96.0%	87

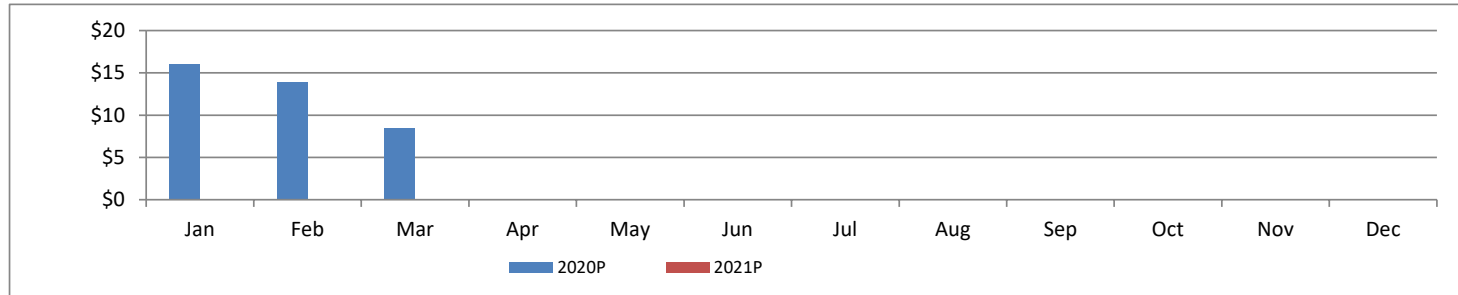
*DBEDT Annual Forecast as of Q4 2020

Monthly Indicators

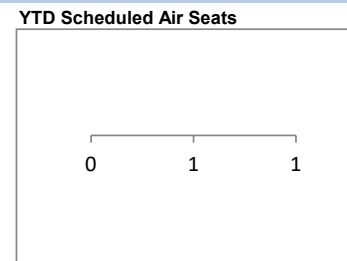
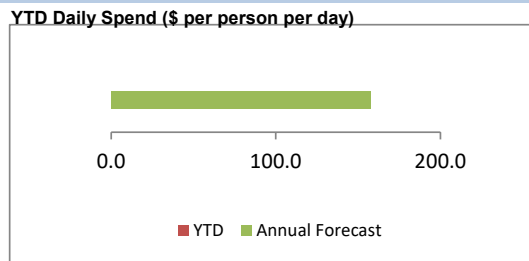
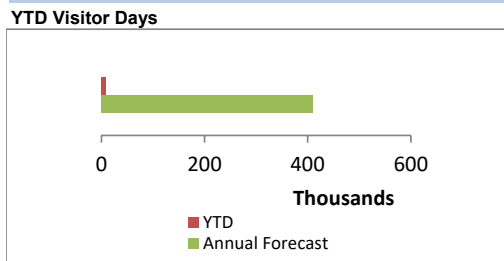
Monthly Arrivals



Monthly Visitor Expenditures (\$mil)



Annual Indicators



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jan-21** Preliminary

Visitor Industry Performance Measures

Market: **LATIN AMERICA**

Key Performance Indicators

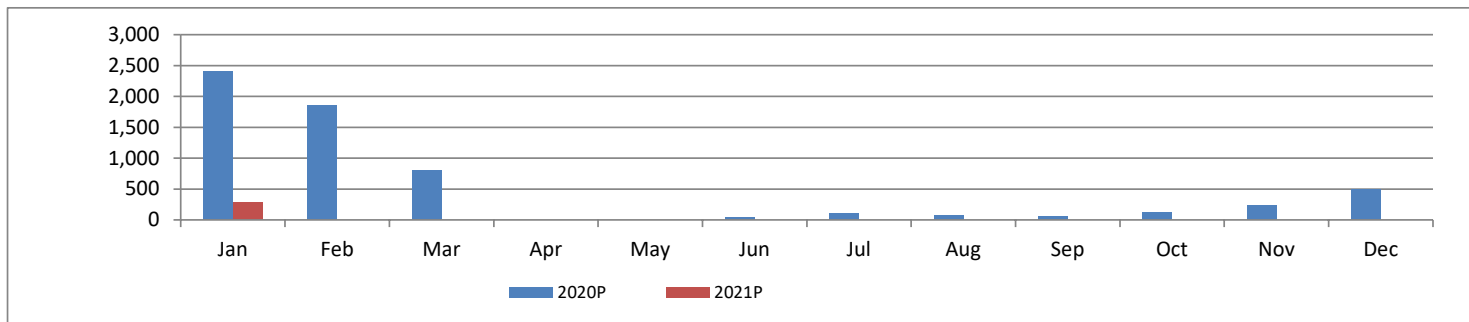
	YOY Rate	YTD	Annual Forecast
Visitor Spending (\$mil)*	N/A	N/A	N/A
Daily Spend (\$pppd)	N/A	N/A	N/A
Visitor Days	-78.6%	5,737	N/A
Arrivals	-88.3%	281	N/A
Daily Census	-78.6%	185	N/A
Airlift (scheduled seats)	N/A	N/A	N/A

	YOY Rate	YTD
O'ahu	-90.9%	180
Maui	-85.0%	122
Moloka'i	-62.1%	4
Lāna'i	-71.7%	5
Kaua'i	-97.5%	8
Hawai'i Island	-89.2%	39

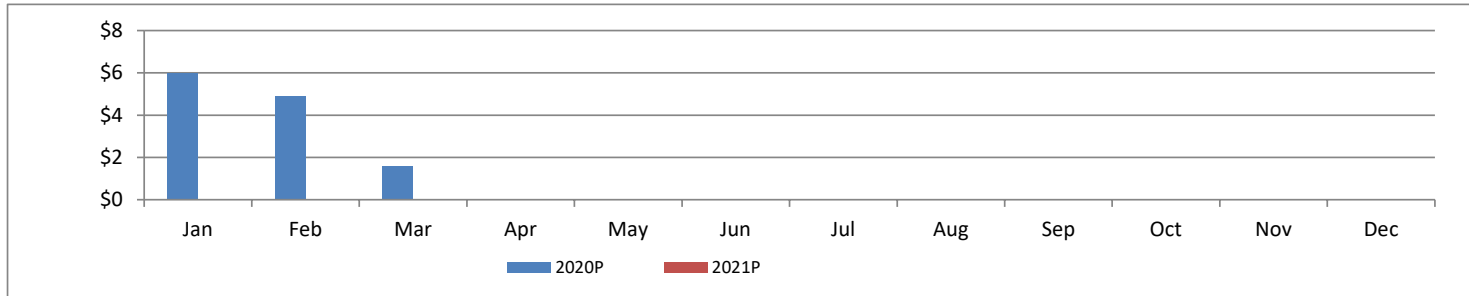
*DBEDT Annual Forecast as of Q4 2020

Monthly Indicators

Monthly Arrivals

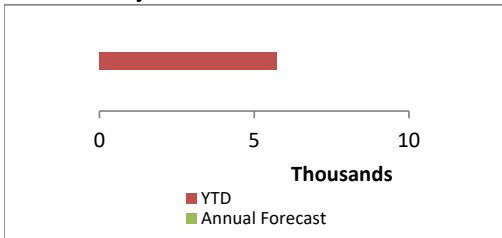


Monthly Visitor Expenditures (\$mil)

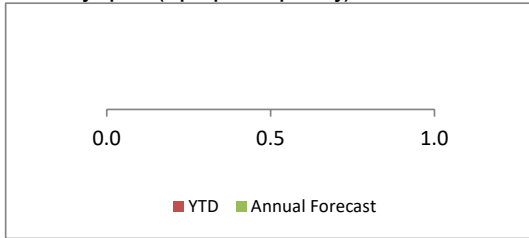


Annual Indicators

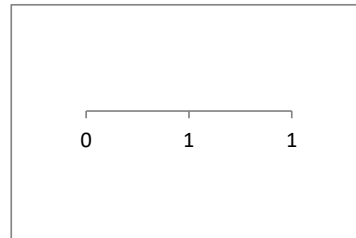
YTD Visitor Days



YTD Daily Spend (\$ per person per day)



YTD Scheduled Air Seats



* Excludes Supplemental Business Expenditures

7

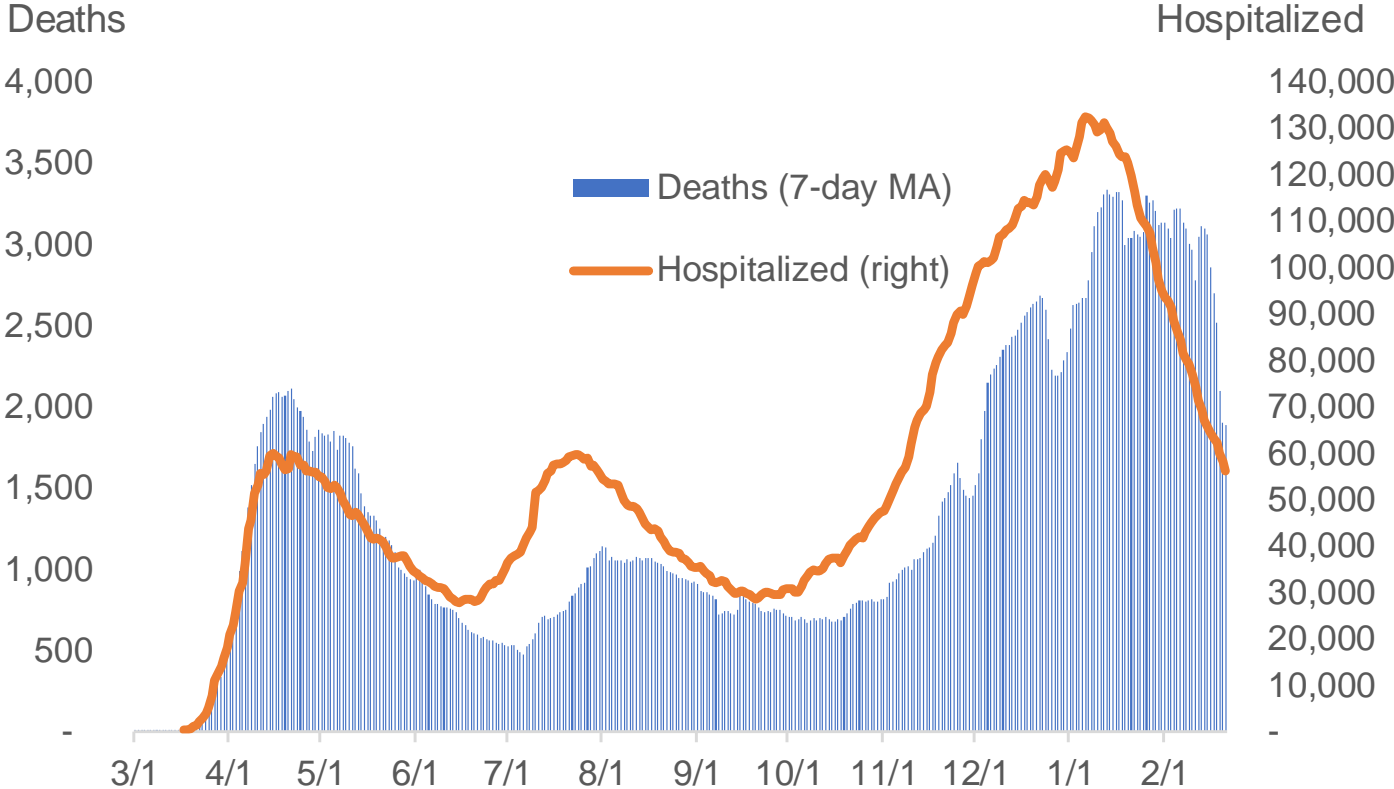
Presentation and Discussion of the Tourism Economic Outlook from Tourism Economics

PLANNING FOR THE RECOVERY

Adam Sacks
President
Tourism Economics
adam@tourismeconomics.com

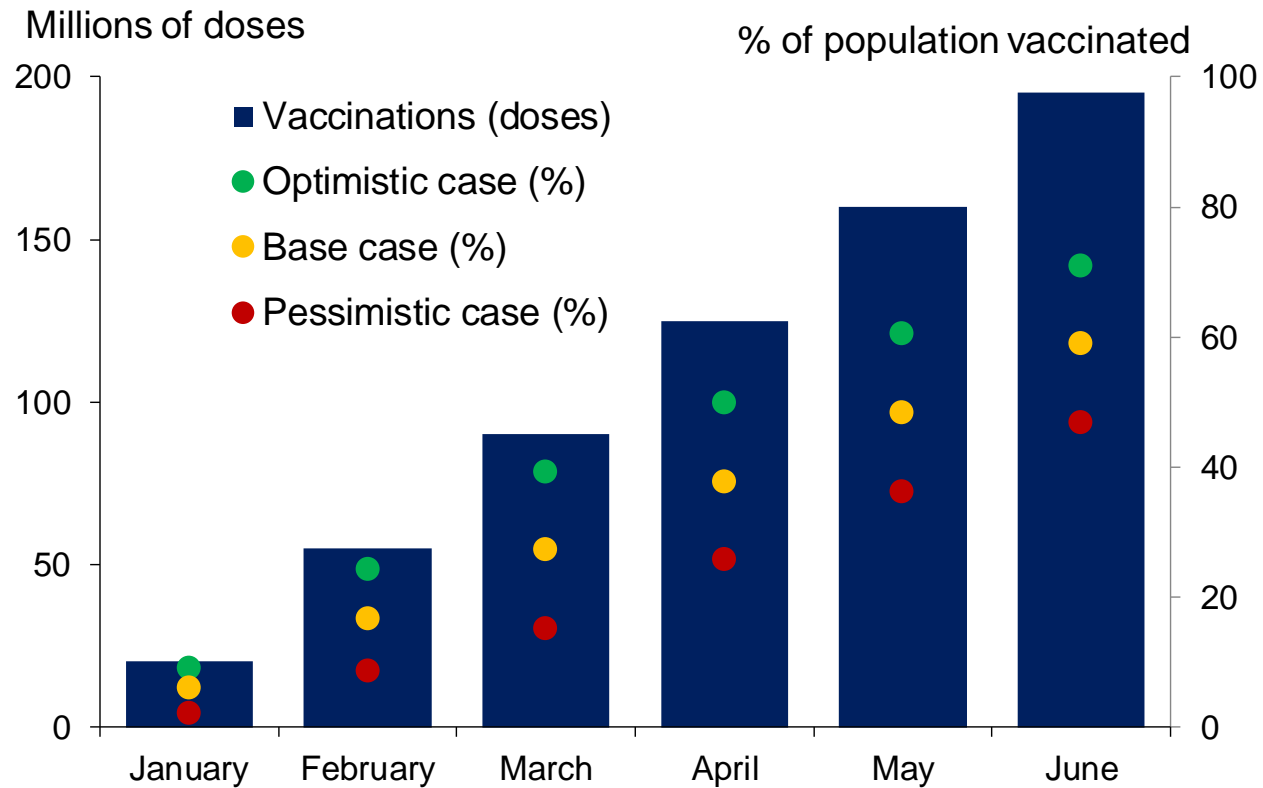
Dismal but improving situation

US COVID Deaths and Hospitalizations



The dawn is in sight

US: Estimated vaccine distribution

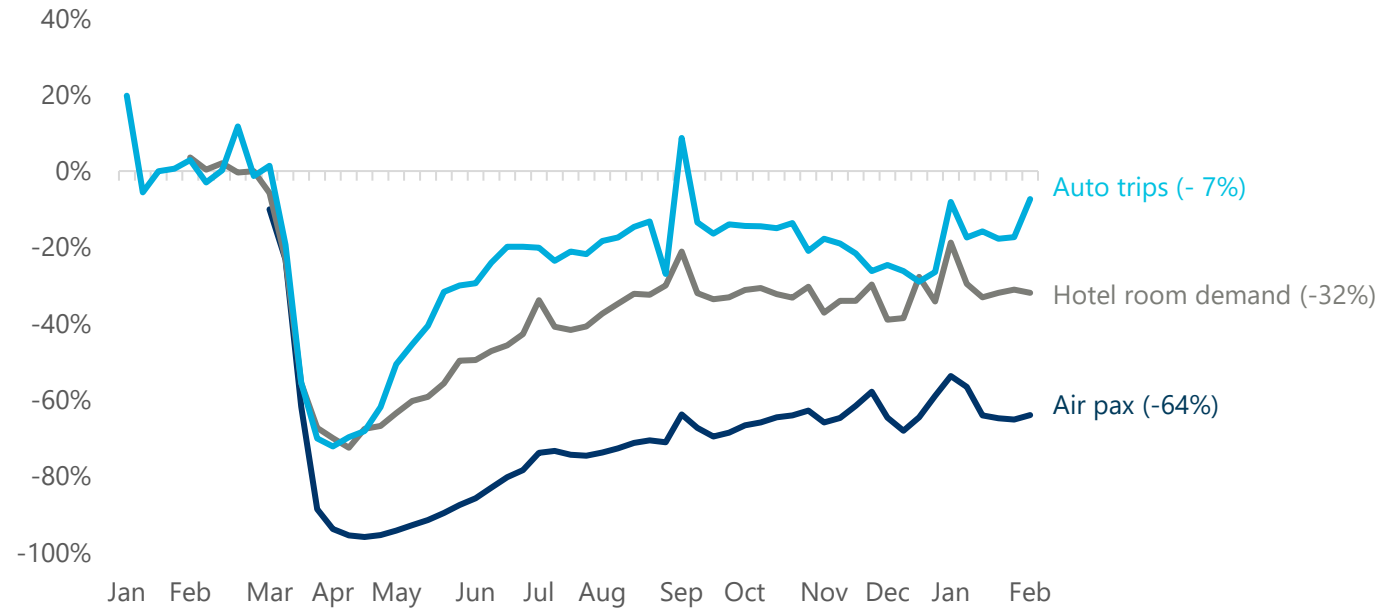


Source: Oxford Economics/CDC

Three snapshots of the US travel landscape

Travel performance

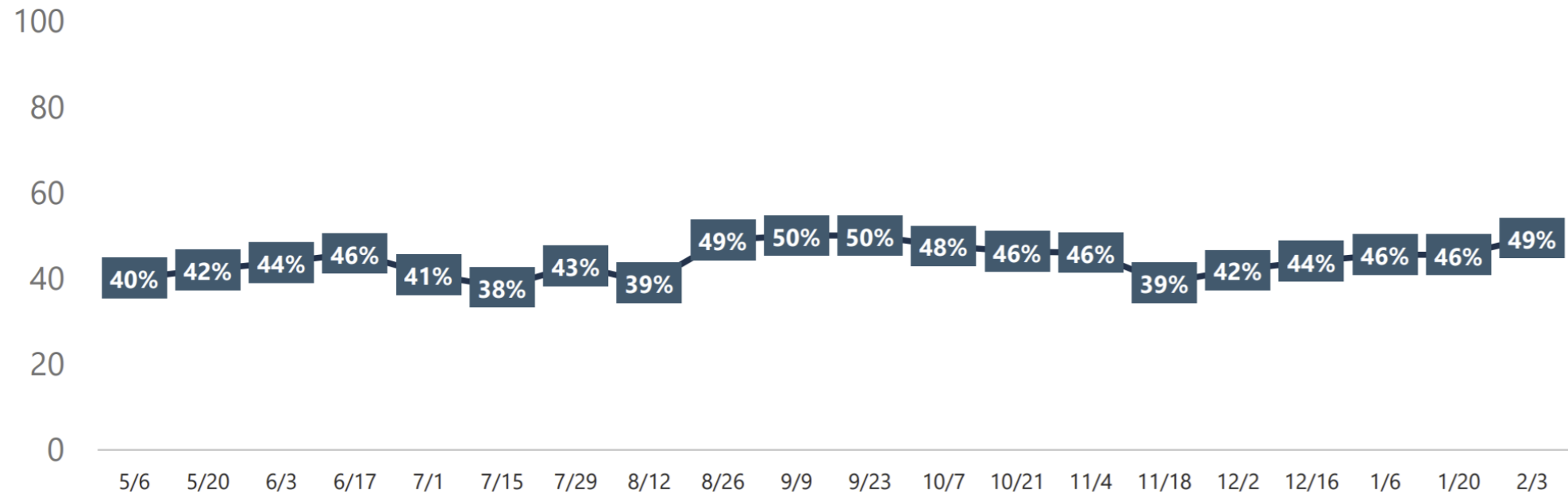
Year-over-year % change



Source: TSA, Arrivalist, STR

Travel confidence remains low but is trending... up!

I Feel Safe Traveling Outside My Community Comparison of Travelers Who Strongly Agree or Agree

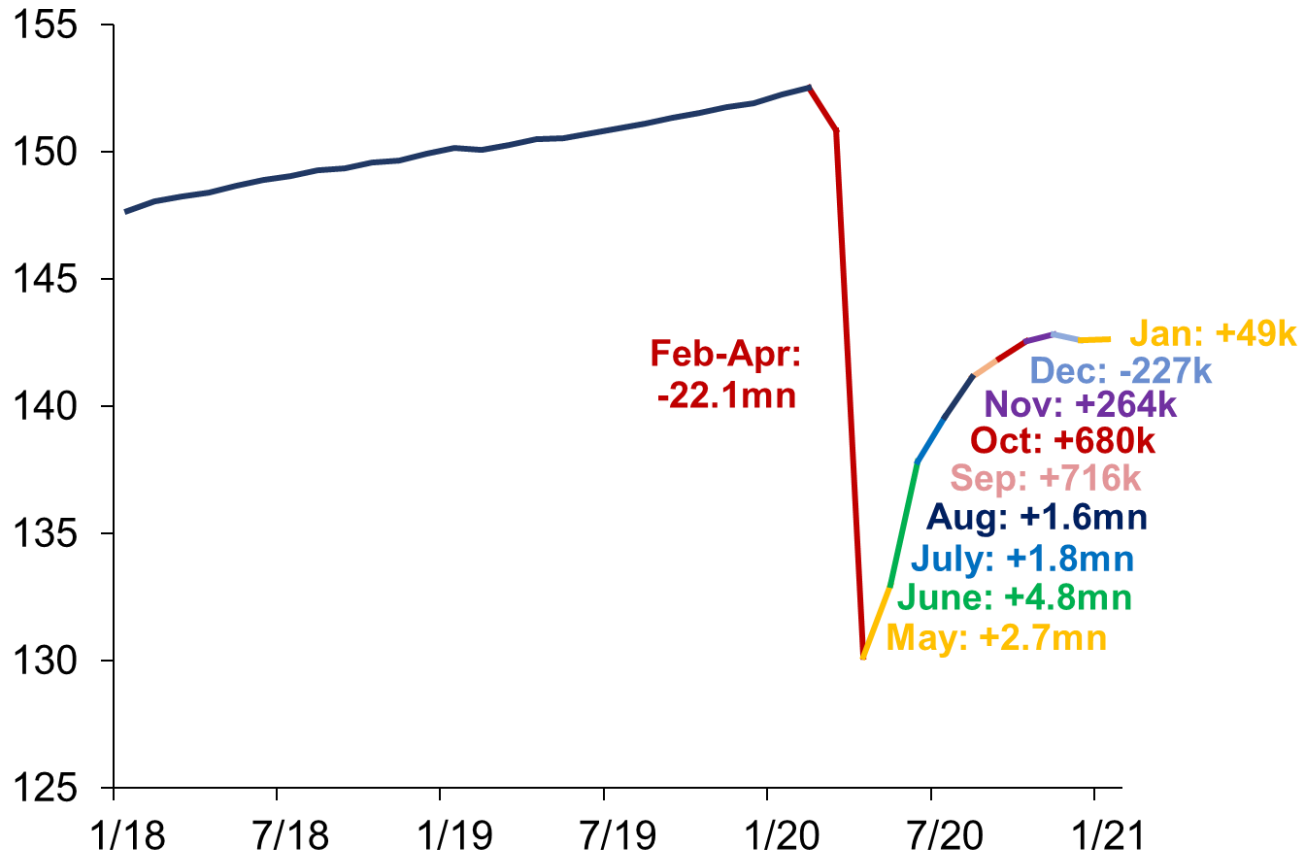


How will the economy influence the travel recovery?

After recovering about half of losses, jobs plateau

US: Nonfarm payroll employment

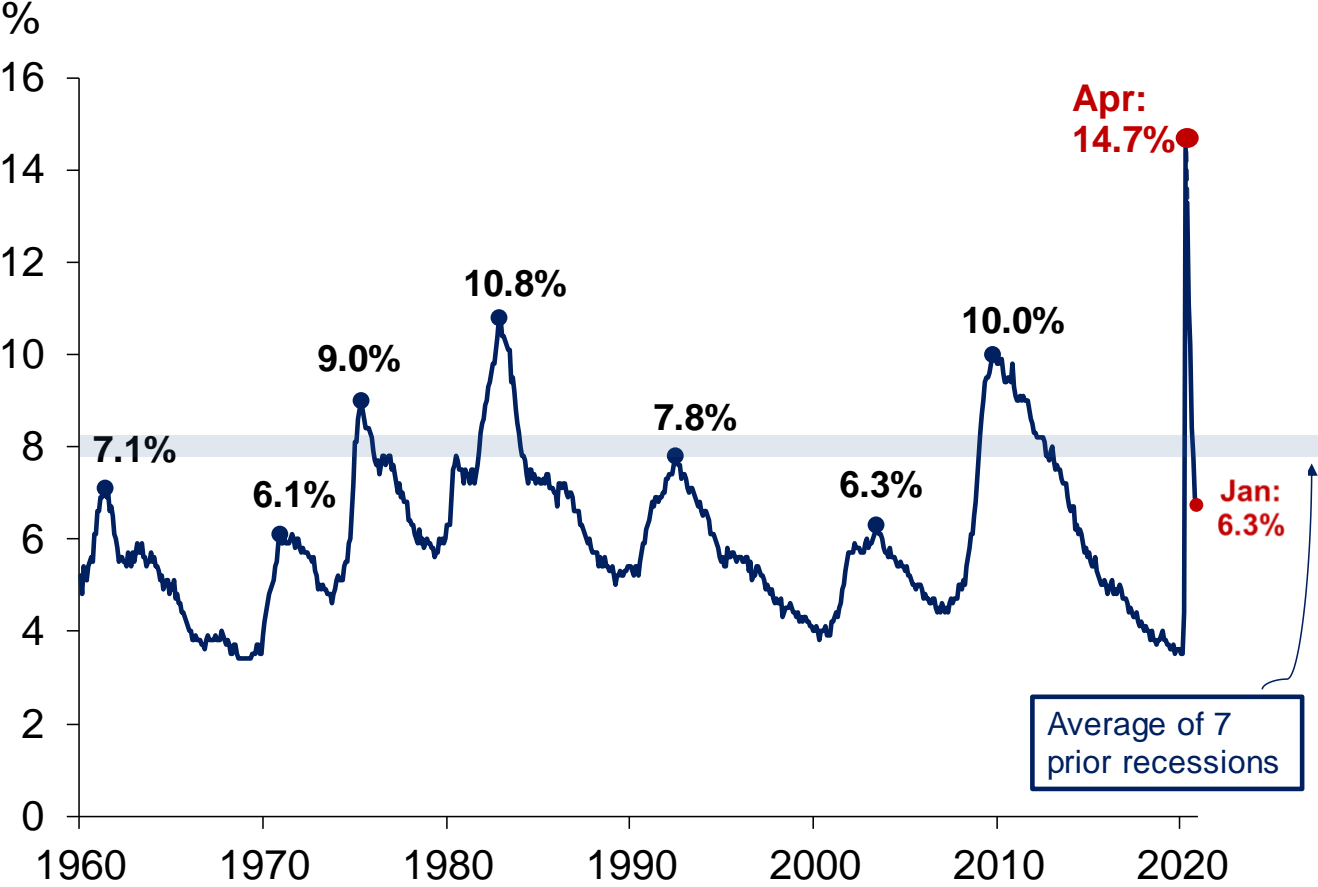
Millions



Source: Oxford Economics/Haver Analytics

Unemployment rate still near recession peaks

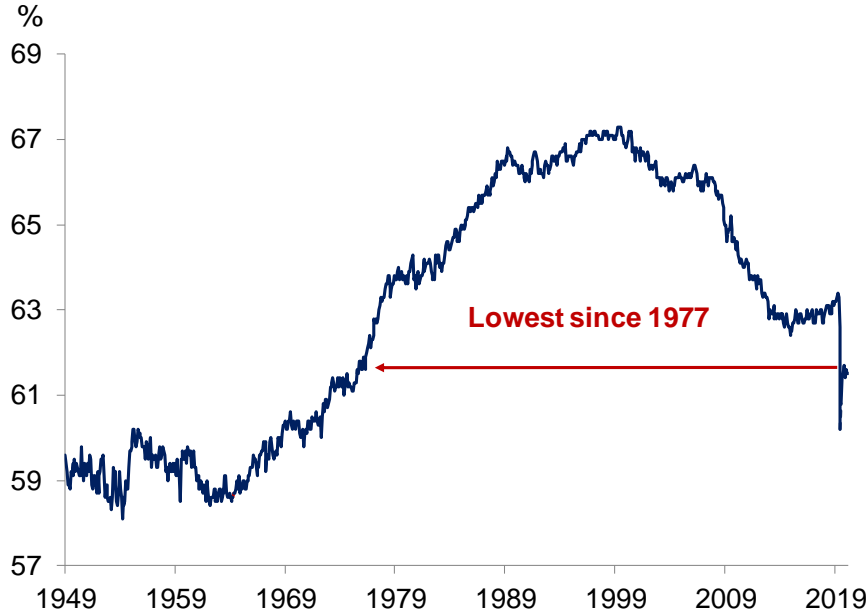
US: U3 unemployment rate



Source: Oxford Economics/Haver Analytics

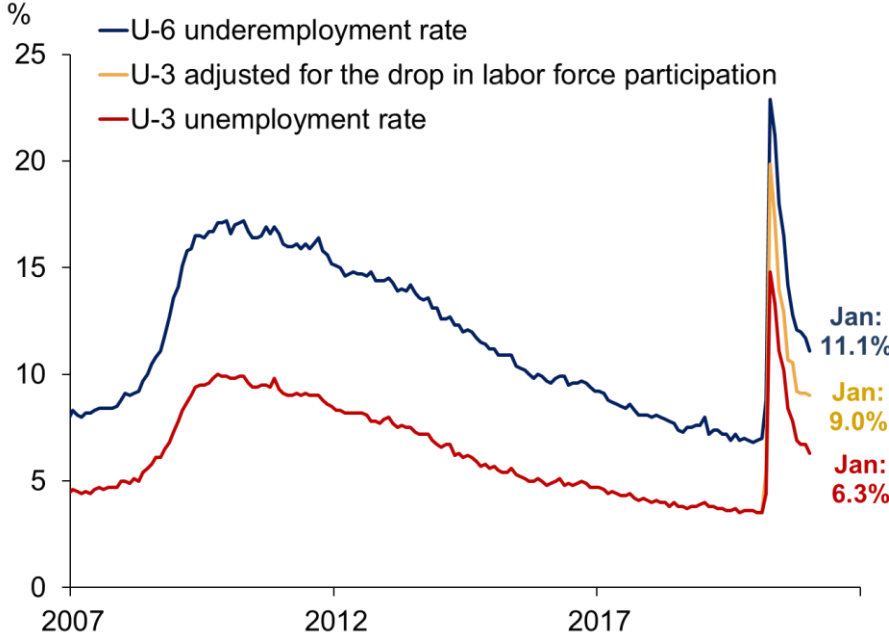
Participation rate at its lowest since the 1970s

US: Labor force participation rate



Source: Oxford Economics/Haver Analytics

US: Unemployment rates

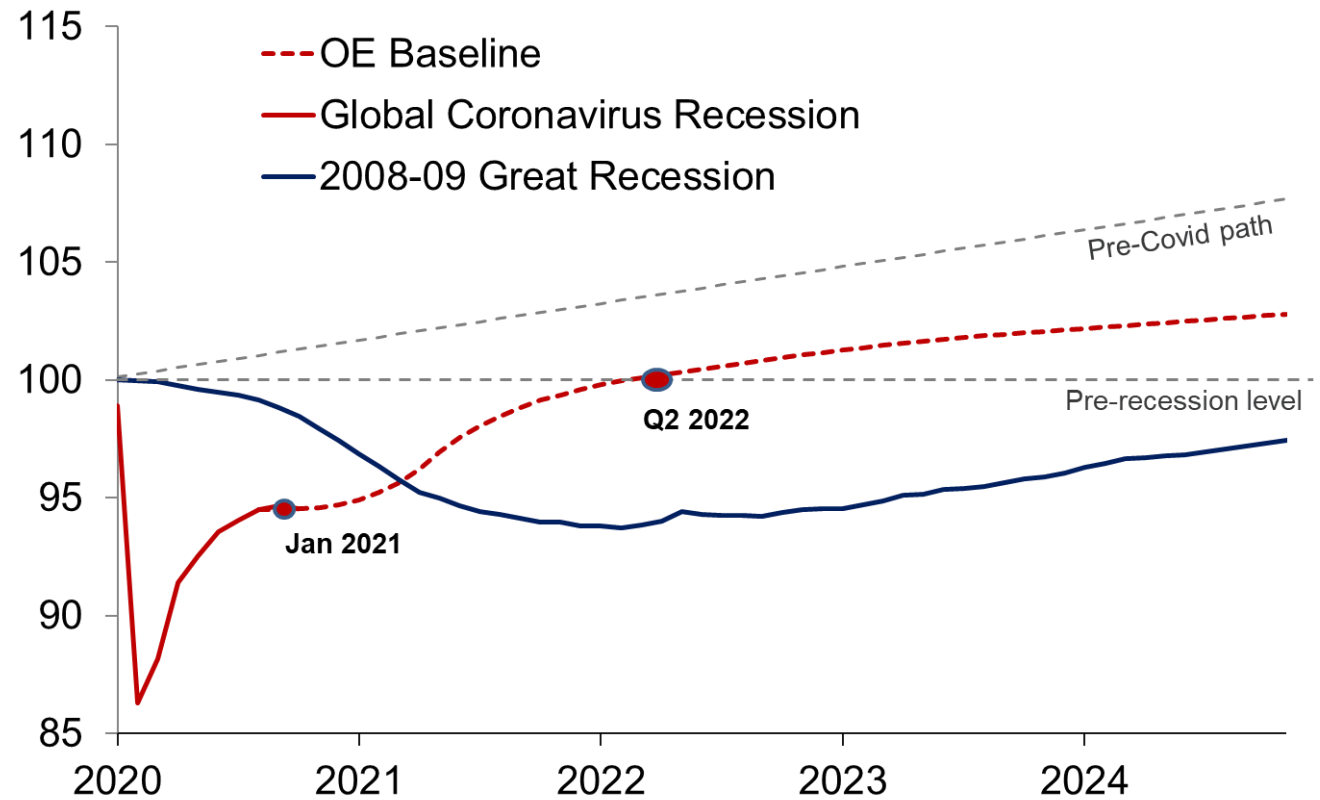


Source : Oxford Economics/Haver Analytics

Employment should pick up over spring/summer

US: Employment recovery paths

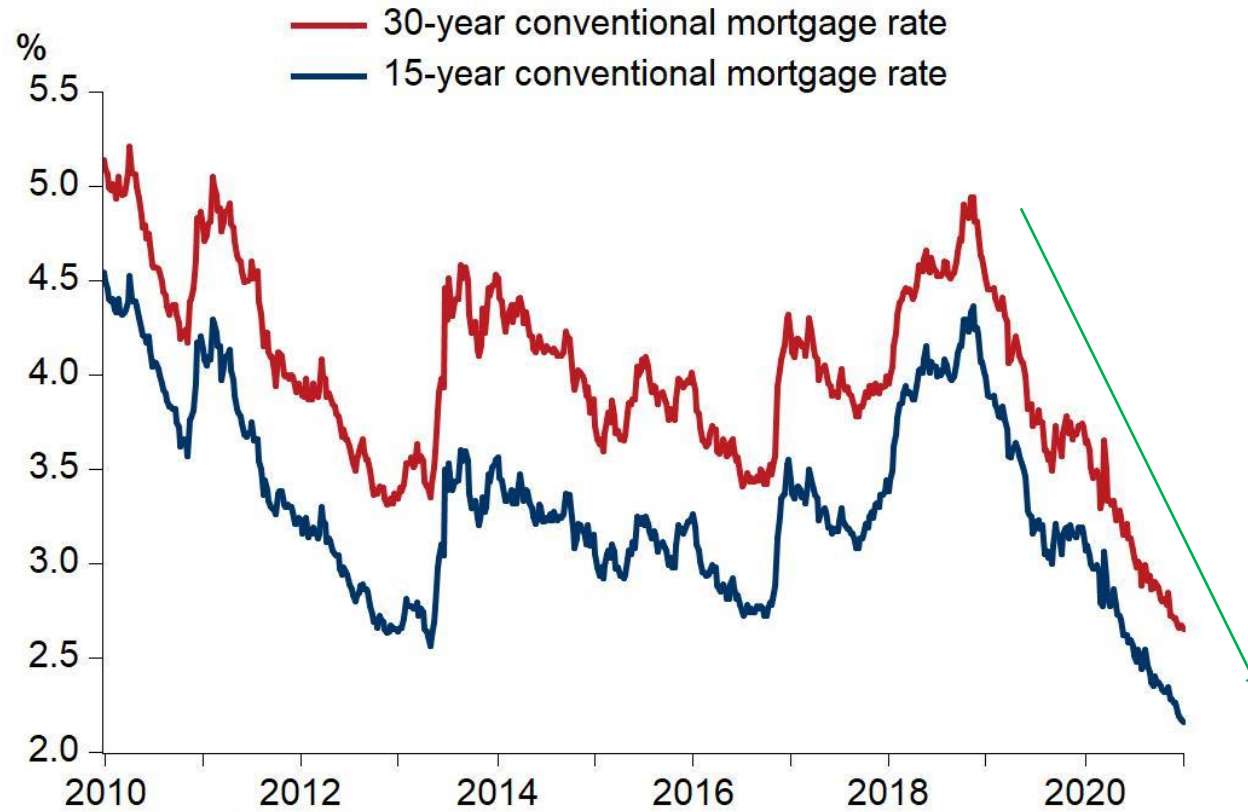
Peak pre-recession employment = 100



Source: BLS/Oxford Economics/Haver Analytics

Fed policy acting as wind in the sails

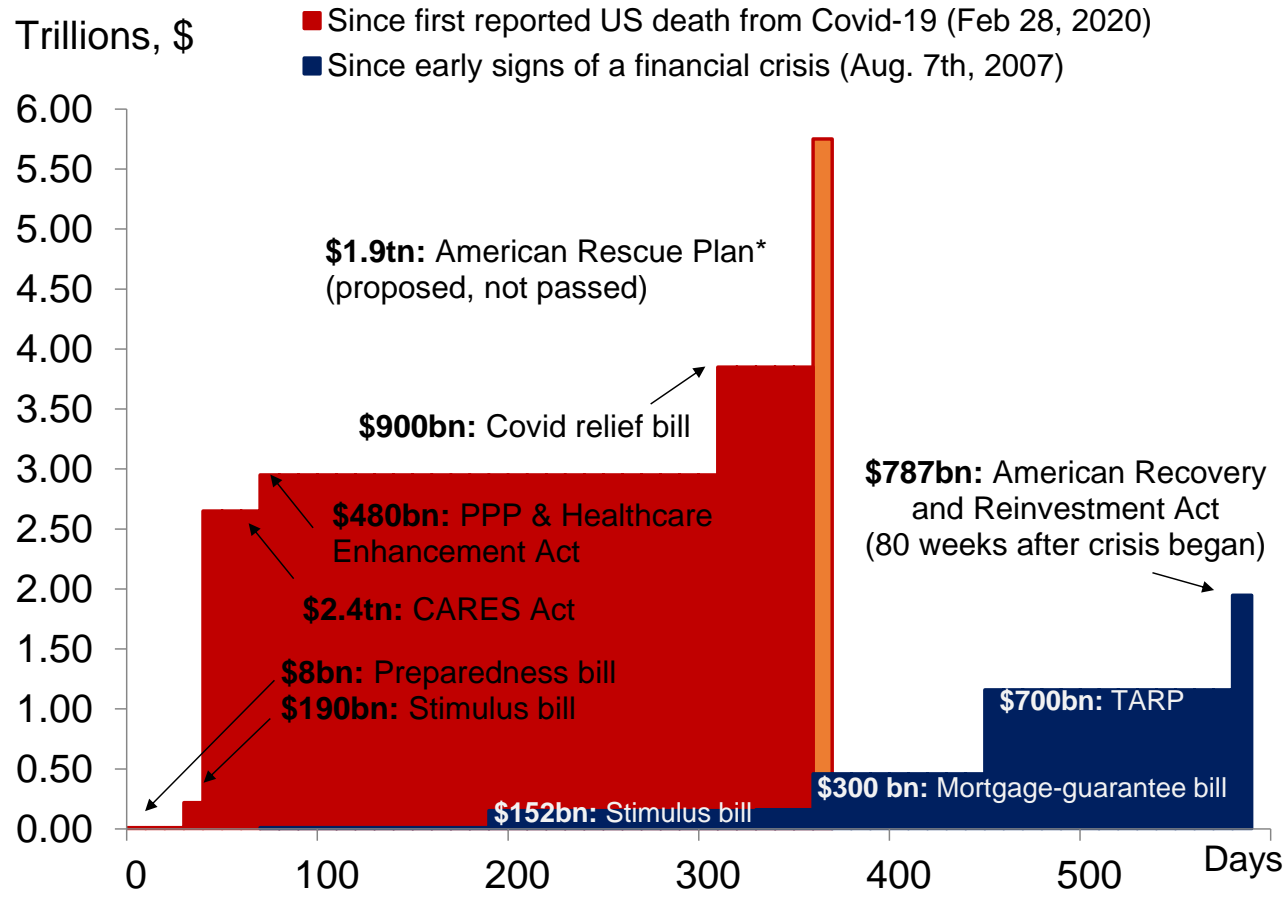
US: Weekly mortgage rates



Source: Oxford Economics/Haver Analytics

Large and rapid fiscal stimulus without precedent

US: Funds authorized by Congress

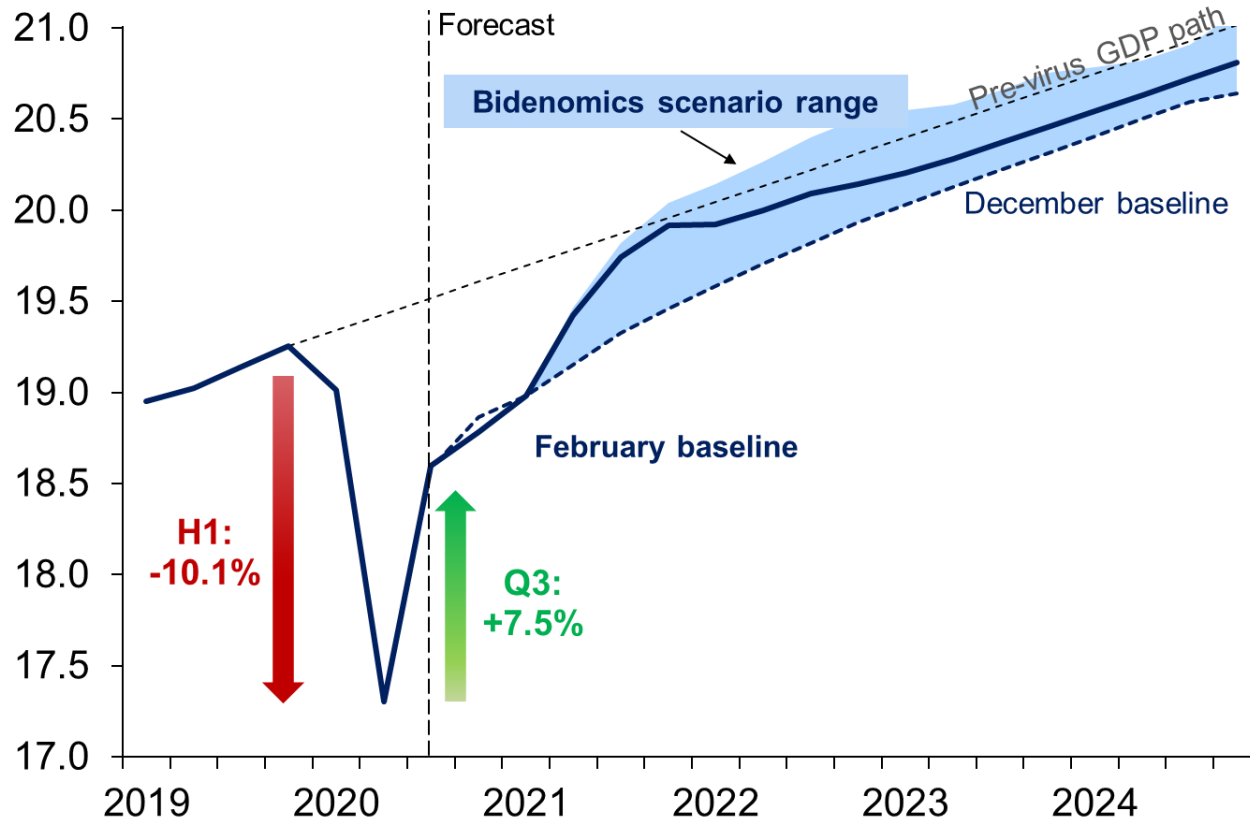


Source : Oxford Economics/CBO

Policy upside risk shouldn't be discounted

US: Real GDP

\$, trillion



Source : Oxford Economics

- Congress will likely pass, on a bipartisan basis, additional stimulus checks totaling \$1,400/ person on top of the \$600 checks passed at the end last year.
- President Biden will attempt to pass some of his spending and tax proposals via the budget reconciliation process requiring only a simple majority.
- GDP lift of 0.7%

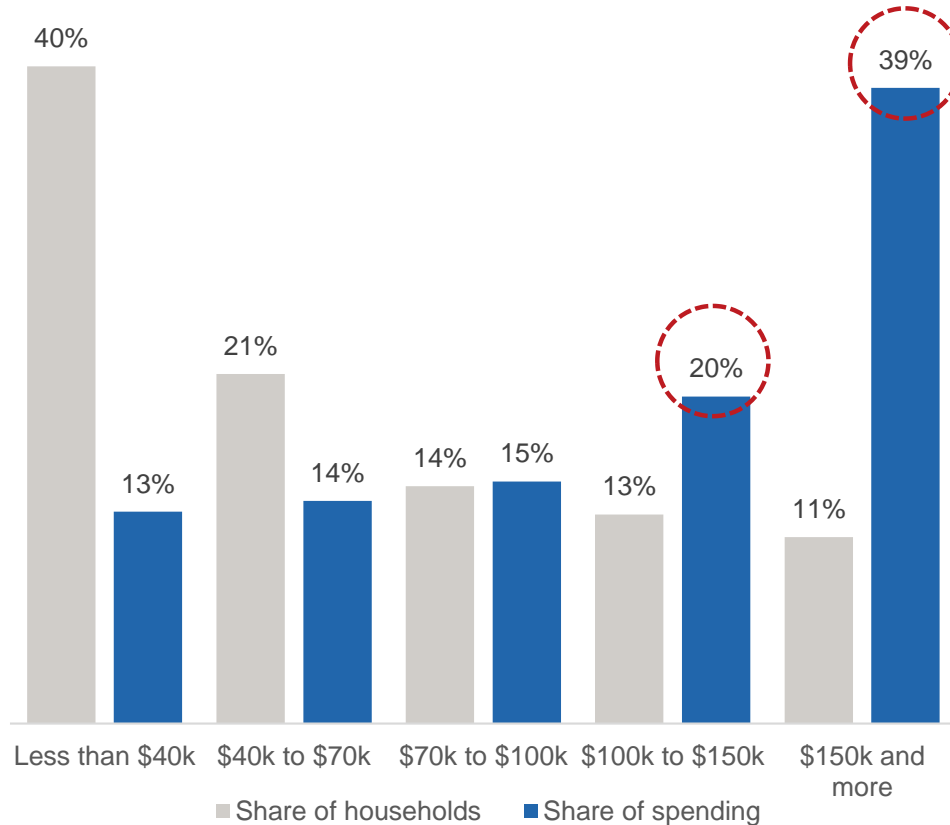
When will travel recover?

Assumptions: Baseline

- **2021 Q1**
 - Difficult start to year. Concerted efforts to get disease under control
- **2021 Q2-Q3**
 - Vaccination programs make a meaningful impact
 - Leisure travel picks up headed into summer
- **2021 Q4**
 - Context for business travel and group events has normalized substantially.
 - Group and business travel returns (group demand recovering to about 20%-30% below 2019 levels in 2021Q4)

Will higher income households support recovery?

Share of leisure lodging spending by income



Households earning \$100k+ account for 24% of households... but 59% of leisure spending on lodging

Unemployment rate (October):

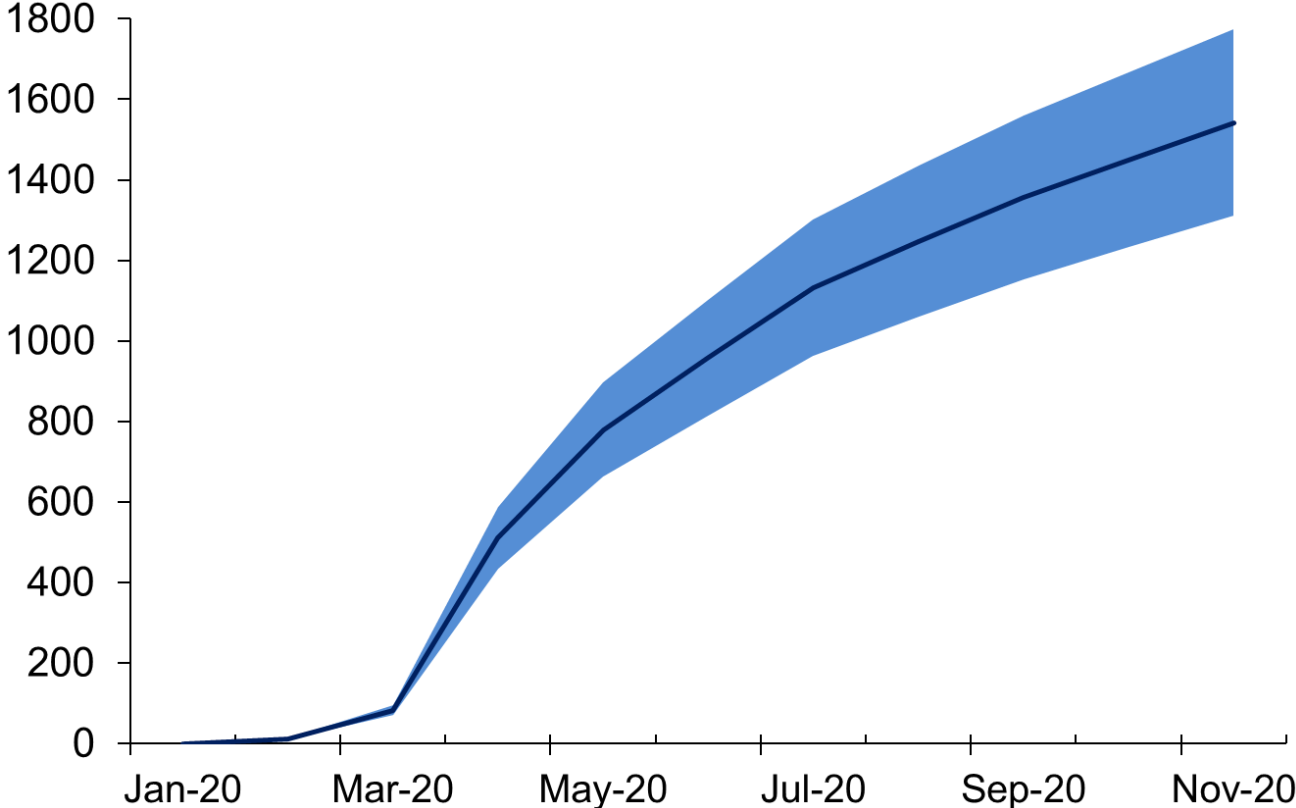
- Bachelor's or higher: 4.2%
- High school grad: 8.1%

Note: Lodging spending is based on recent three-year average (2015 to 2018). Consumer spending represents leisure trips. Pre-tax annual income, in thousands.
Source: BLS; Tourism Economics

A massive \$1.6tn cash stash for households

US: Cumulative household savings

\$, billion, since January 2020

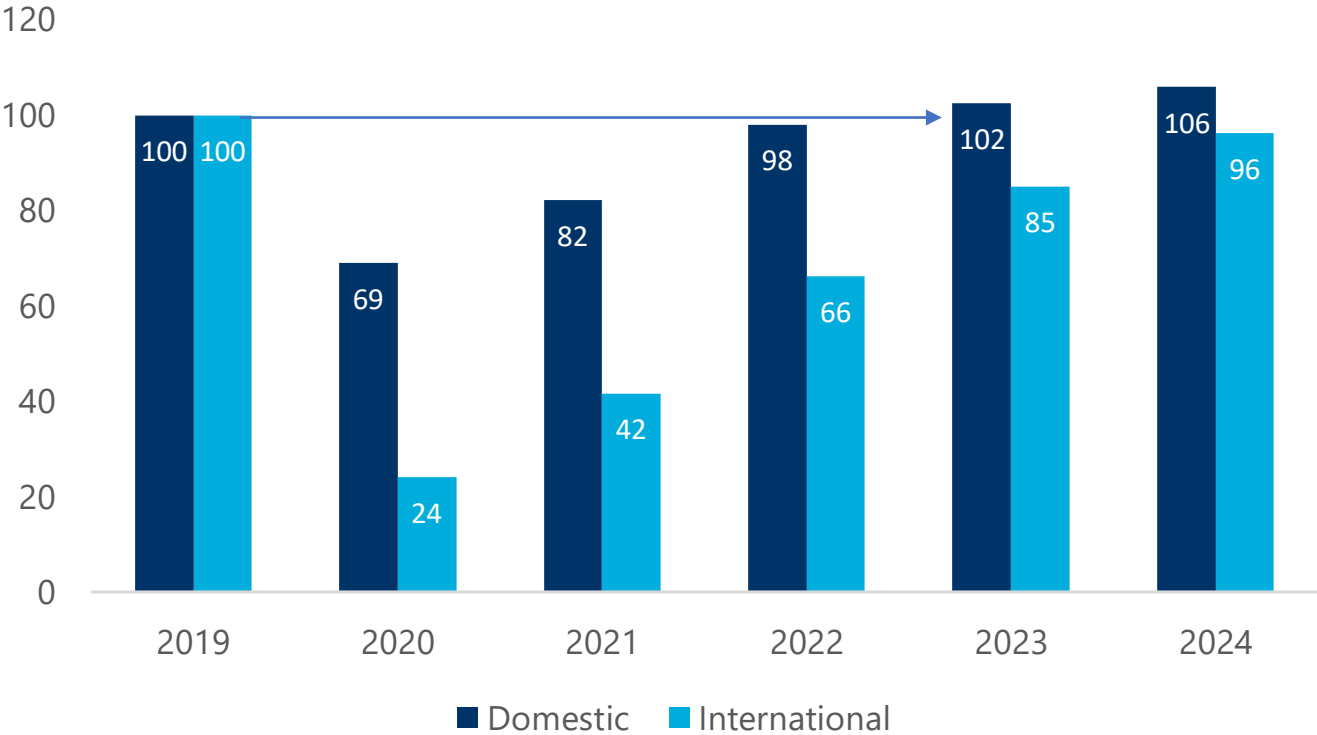


Source: Oxford Economics

Domestic trips nearly back in 2022, international will take longer

Domestic and international trips

Index (2019=100)

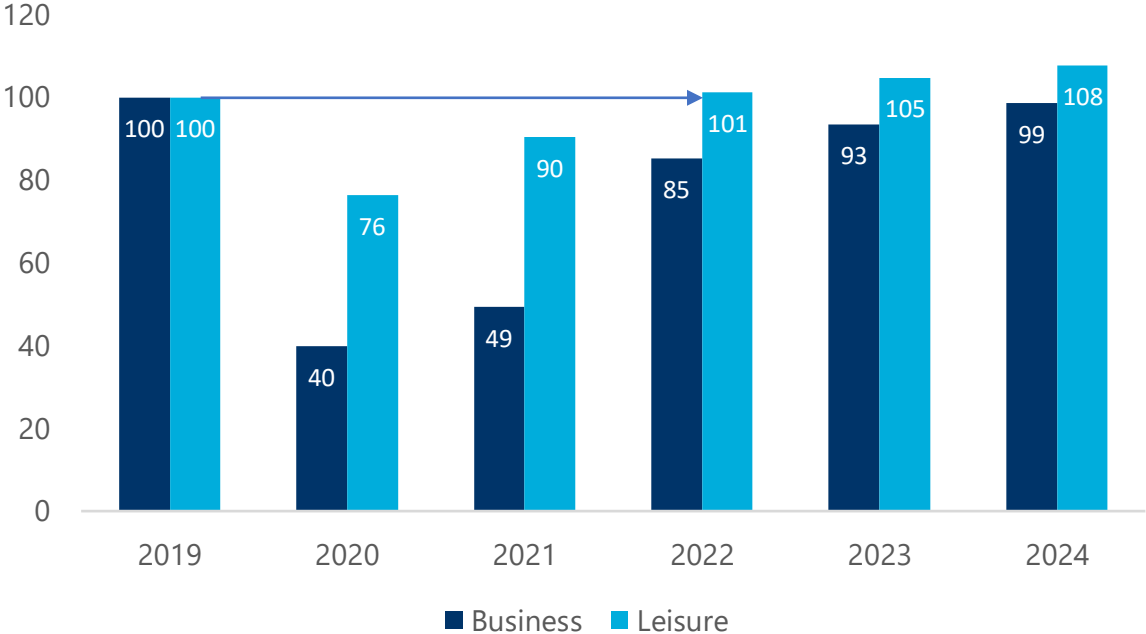


Source: U.S. Travel Association, Tourism Economics

Leisure travel will fuel the recovery

Business and leisure trips

Index (2019=100)



Leisure back to 2019 levels in 2022

Business nearly back in 2024

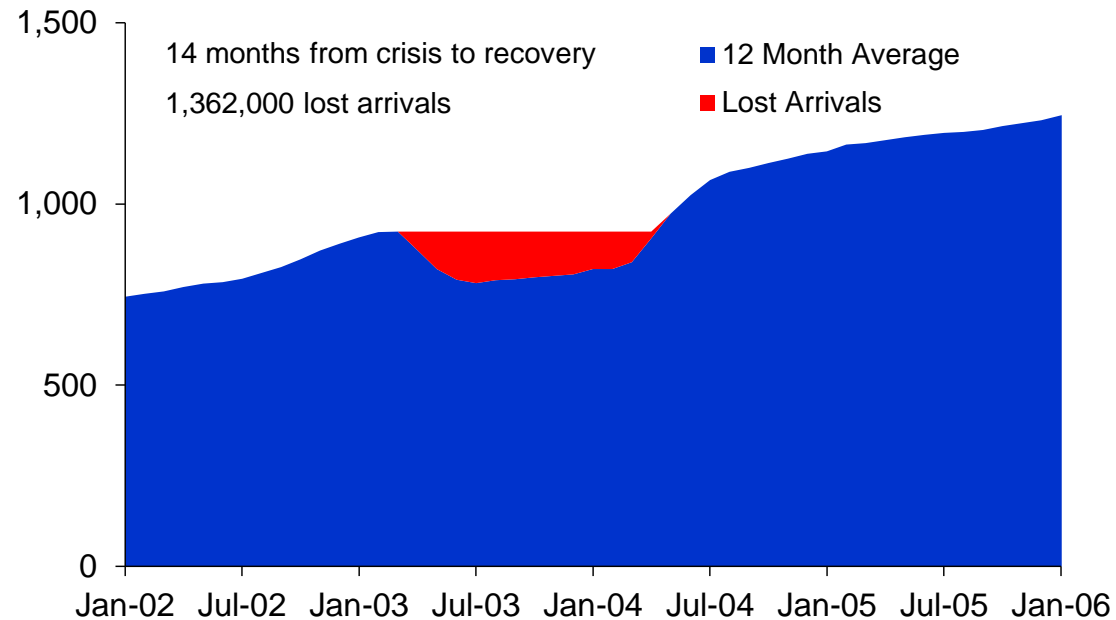
Note: Only domestic trips

Source: U.S. Travel Association, Tourism Economics

Recovery after a pandemic: 14-17 months

2003 SARS outbreak in Hong Kong

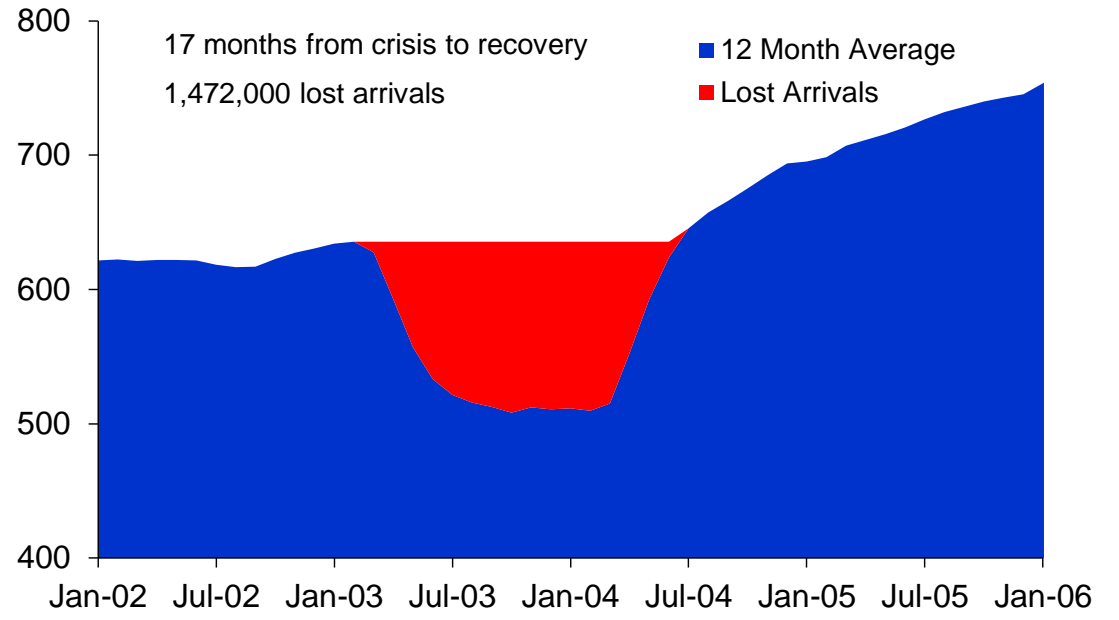
International arrivals (thousands)



Source: Tourism Economics

2003 SARS outbreak in Singapore

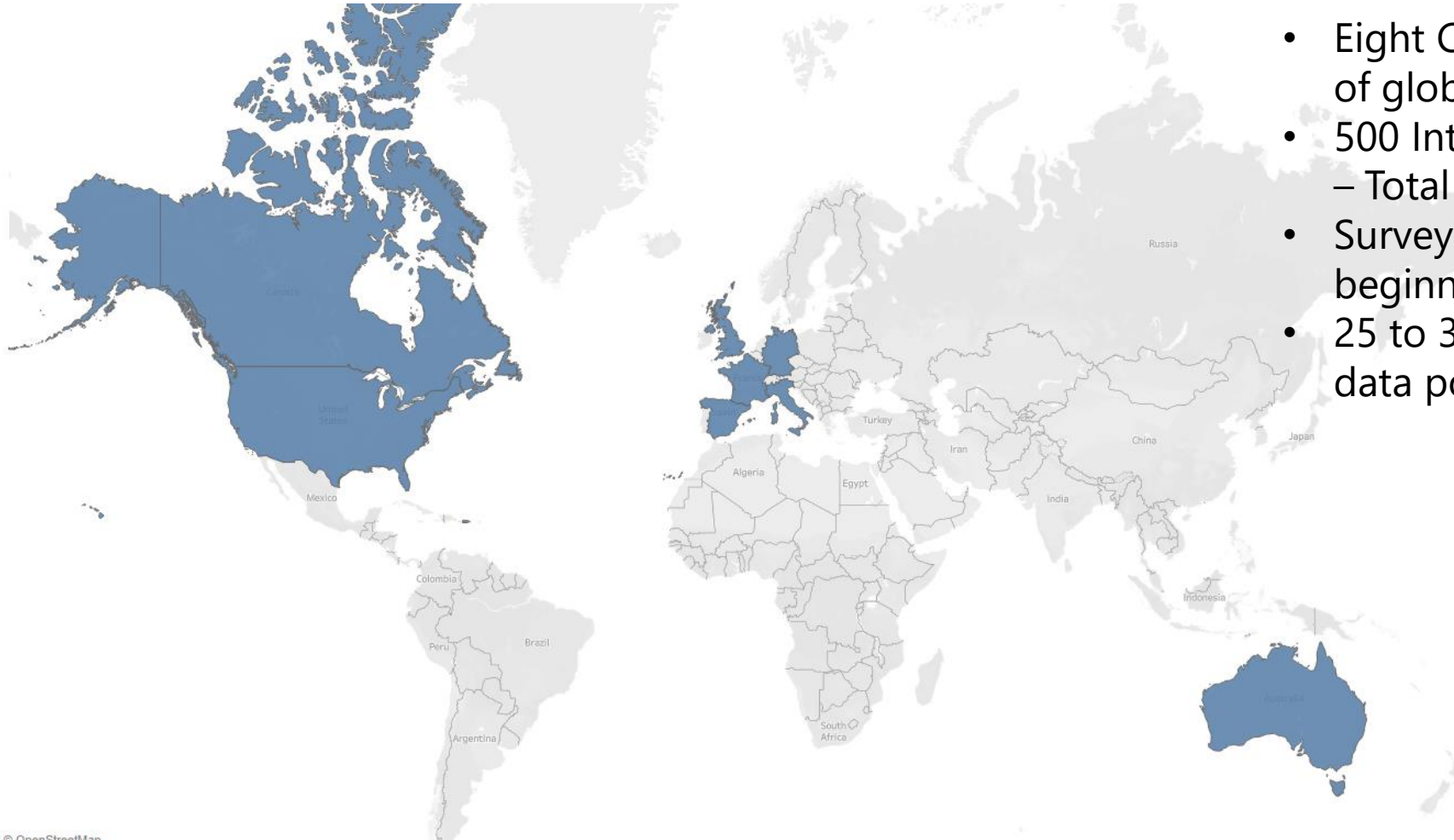
International arrivals (thousands)



Source: Tourism Economics

80% of travellers indicate return within six months of virus containment according to recent IATA survey

CONSUMER RESEARCH CLIA/QUALTRICS- Dec 2020



- Eight Countries representing close to 80% of global passenger volume
- 500 International Vacationers per Country – Total 4,000 Responders per Survey
- Survey sent every other month since beginning of the pandemic
- 25 to 30 questions resulting in about 140 data points per responder

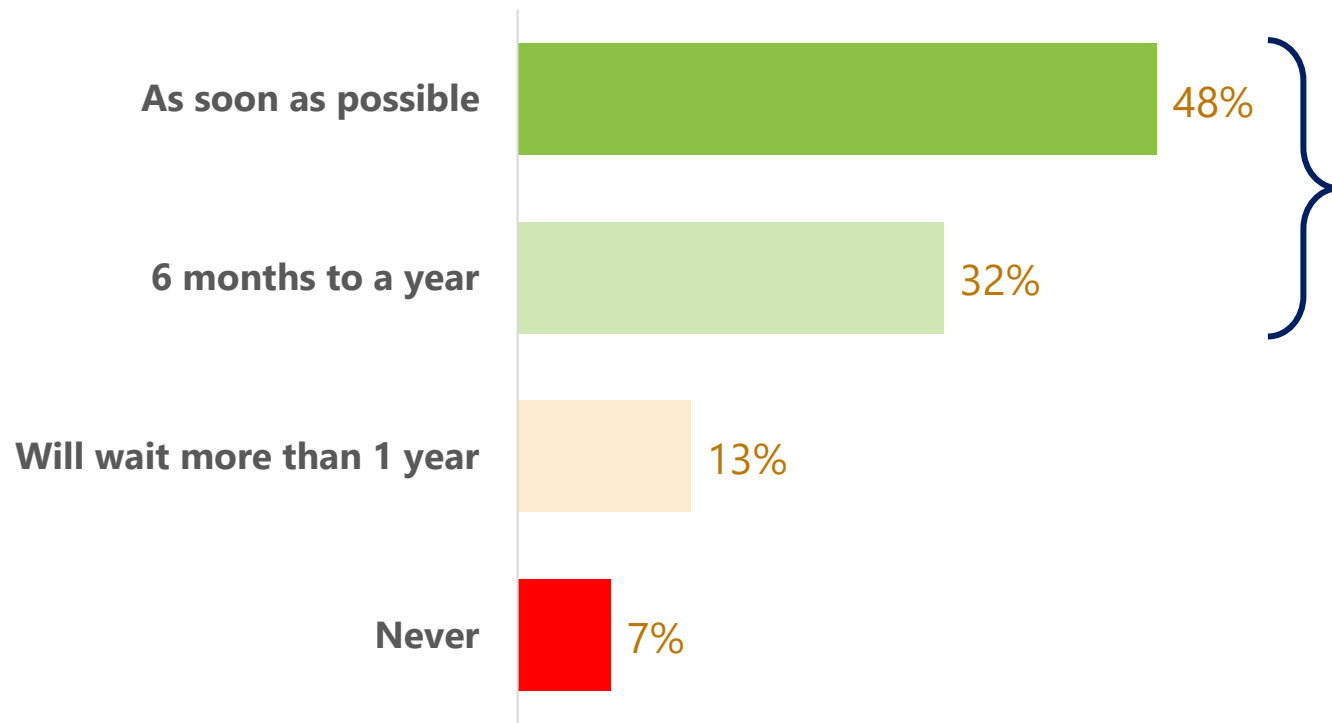
CRUISERS ARE EAGER TO BE VACCINATED

But still a potential demand gap if a vaccine is required to cruise



When will you be Vaccinated?

Responders interested in Cruising



80% within one year
U.S. 96% within a year

Very positive news regarding the willingness to be vaccinated from cruisers

However, if the vaccine is a requirement in some markets, we could have a potential depreciated demand of about 20% while cruise capacity is increasing

Source: Cruise Sentiment/Perception/Interest December 2020- Eight Countries- 4,000 International Vacationers

GOOD NEWS ABOUT VACCINES SHOWS LITTLE IMPACT SO FAR ON LIKELIHOOD TO CRUISE

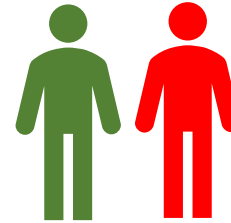


Even though more cruisers will think it will be safe to cruise within a year now than two months ago, we are not seeing yet a sharp increase in likelihood to cruise

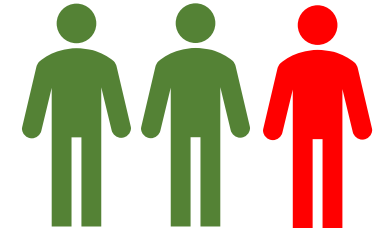
When Will it be Safe to Cruise?

Number of Respondents Answering "Within One Year"

JUNE 2020
1 out of 2



DECEMBER 2020
2 out of 3



U.S. = 4 out of 5

Past Cruisers that Will Cruise Again

73%

74%

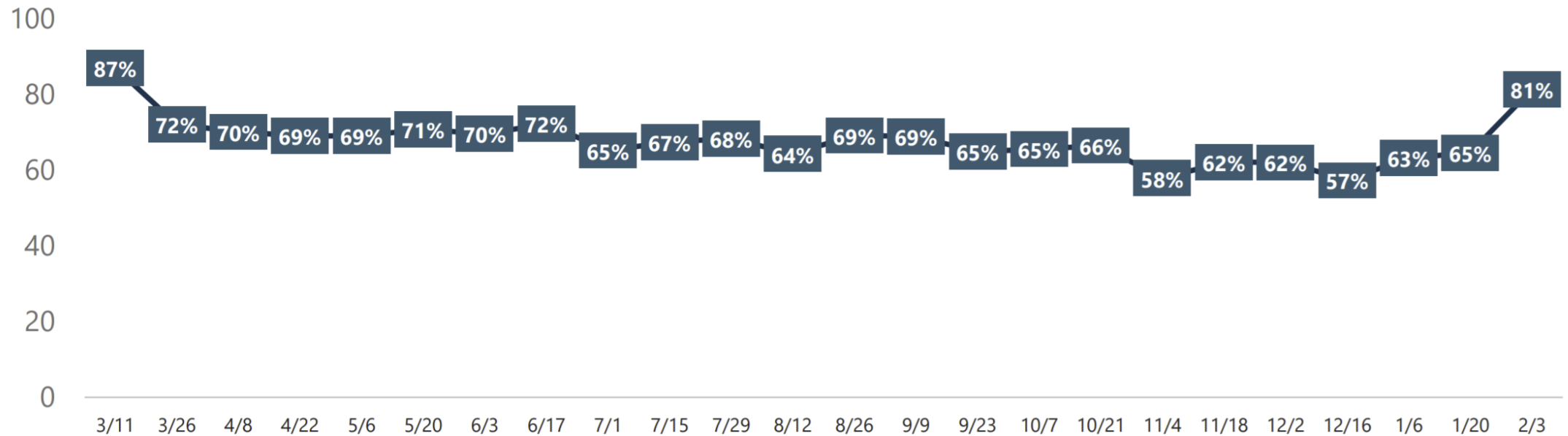
U.S. =
84% back to
pre-Covid level

Source: Cruise Sentiment/Perception/Interest December 2020- Eight Countries- 4,000 International Vacationers


"Confidential, Privileged and Prepared by or with Advice of Counsel. Do Not Disseminate"


Intentions to travel are already rising

Travelers with Travel Plans in the Next Six Months Comparison










This should not be controversial




Adam Sacks
President, Tourism Economics
1mo • Edited • 

All our forecasts and scenarios are moored to the non-negotiable assumption that travel will fully recover. The pandemic will end. The drivers of travel – income growth, demographic shifts, the importance of meetings and the intrinsic value of a vacation – will still be intact on the other side. History supports the premise; recovery is inevitable.

   402 • 58 Comments

 Like  Comment  Share  Send

 35,985 views of your post in the feed

**Will there be an enduring
legacy of this crisis?**

Gratitude.

THANK YOU!

Adam Sacks
President
Tourism Economics
adam@tourismeconomics.com



February 2021

8

Presentation, Discussion and Action on HTA's Financial
Reports for January 2021

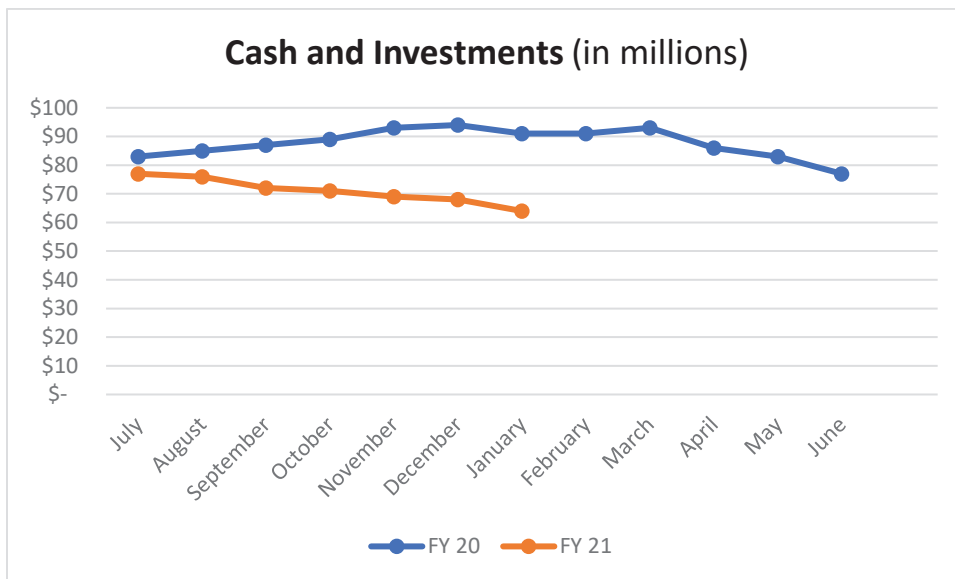
HAWAII TOURISM

AUTHORITY

Financial Statements – Executive Summary January 1, 2021 – January 31, 2021

Tourism Special Fund:

1. \$64.1M in cash and investments



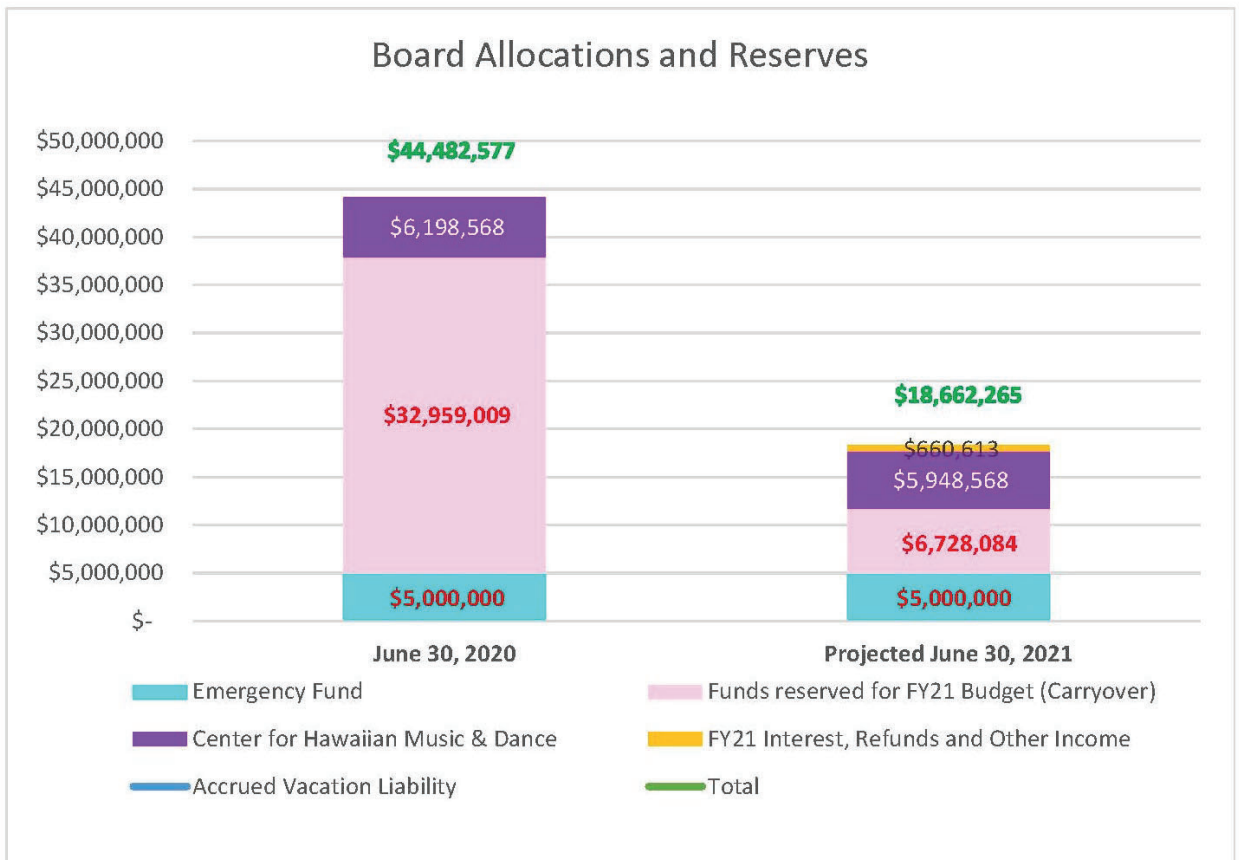
- a. Includes \$5M in Emergency Fund held as investments.
 - i. Approximately \$4.1M held in money market funds; and
 - ii. Approximately \$1.0M held in US Treasury Notes, laddered to mature throughout FY 2021.
 - iii. Further detail provided in the financial statements (as of December 2020)
 - b. Decrease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

\$8.3M	Prior year encumbrances currently being spent down	
\$32.1M	Current year encumbrances remaining	
\$40.4M	Total encumbrances outstanding at January 31, 2021	

The \$8.3M 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 – all of which have now been cancelled. Staff routinely makes a concerted effort to liquidate older encumbrances that should no longer be encumbered and that is reflected here.

3. \$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:

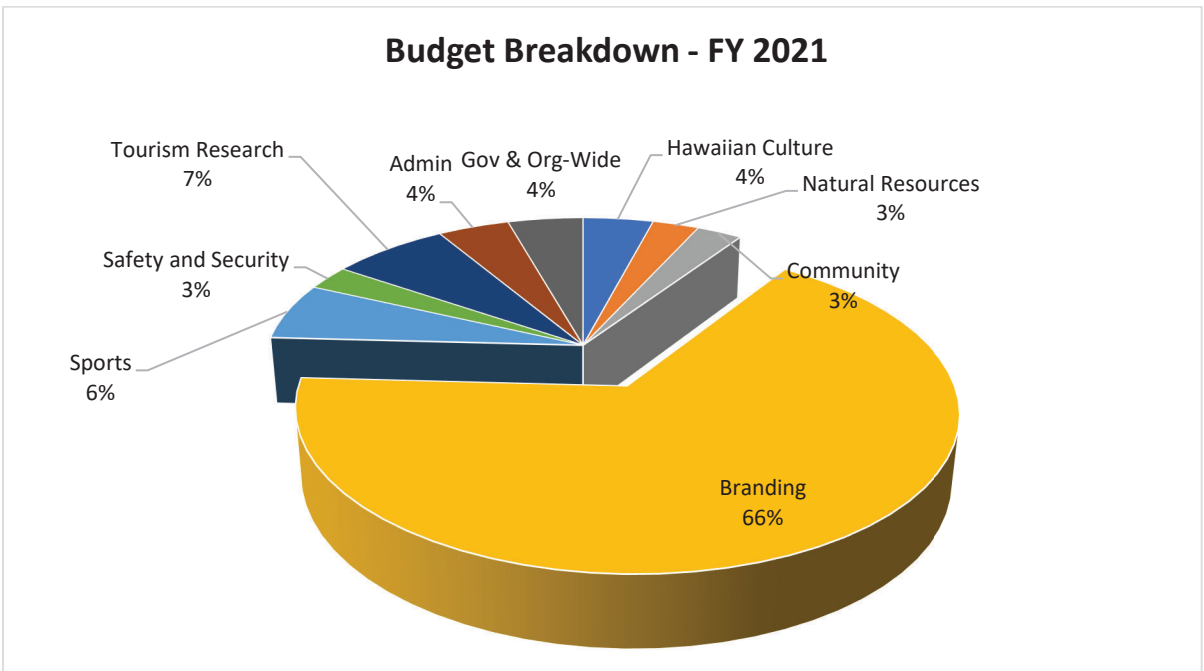


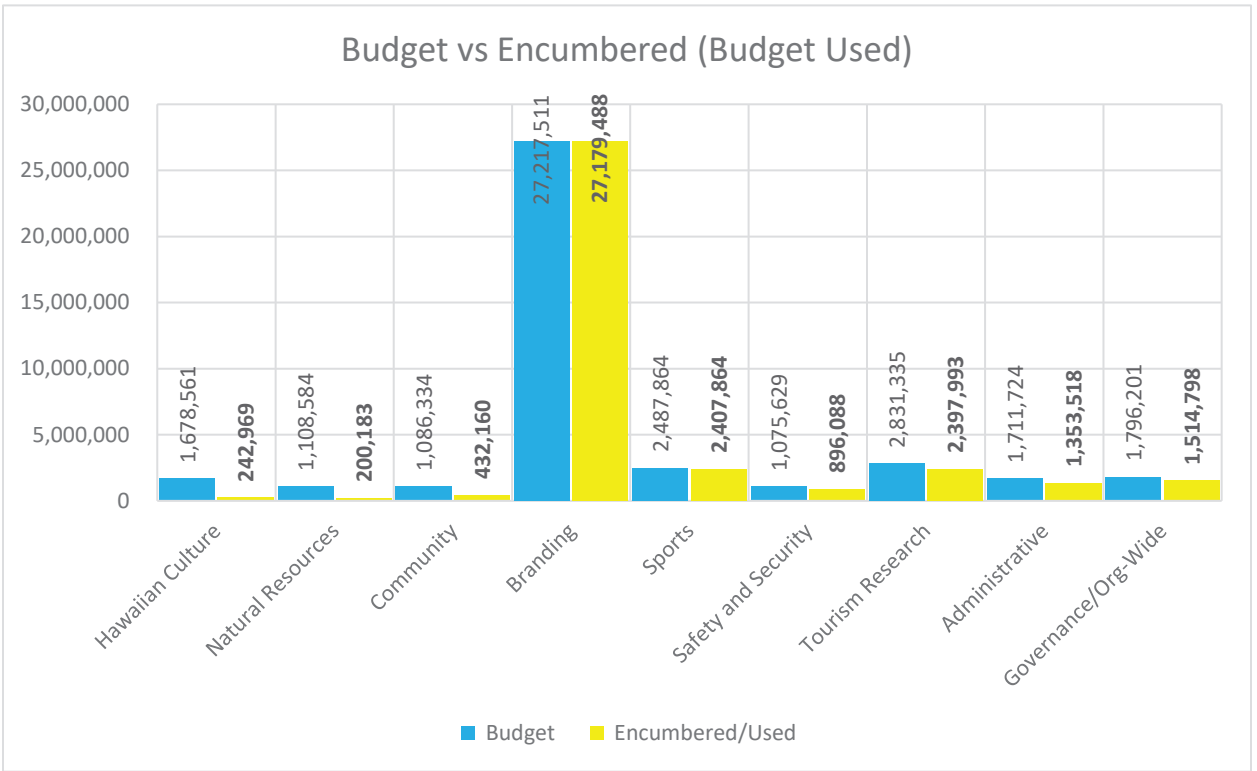
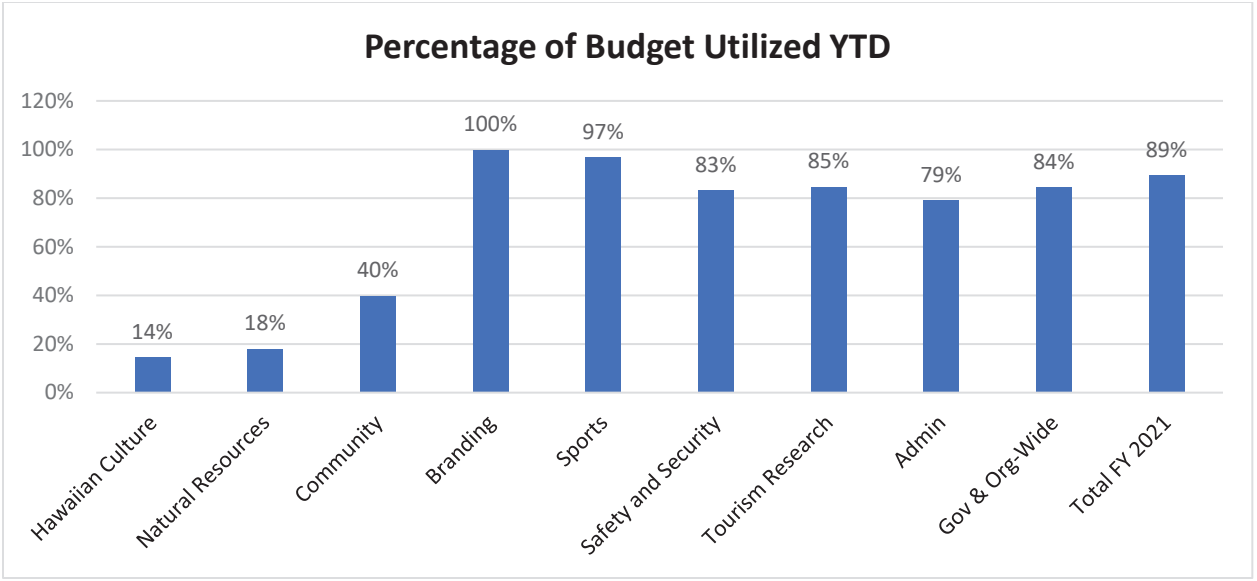
Staff continues to review the FY 2021 budget for savings opportunities and to assess the funding of its programs. Accordingly, this balance may change.

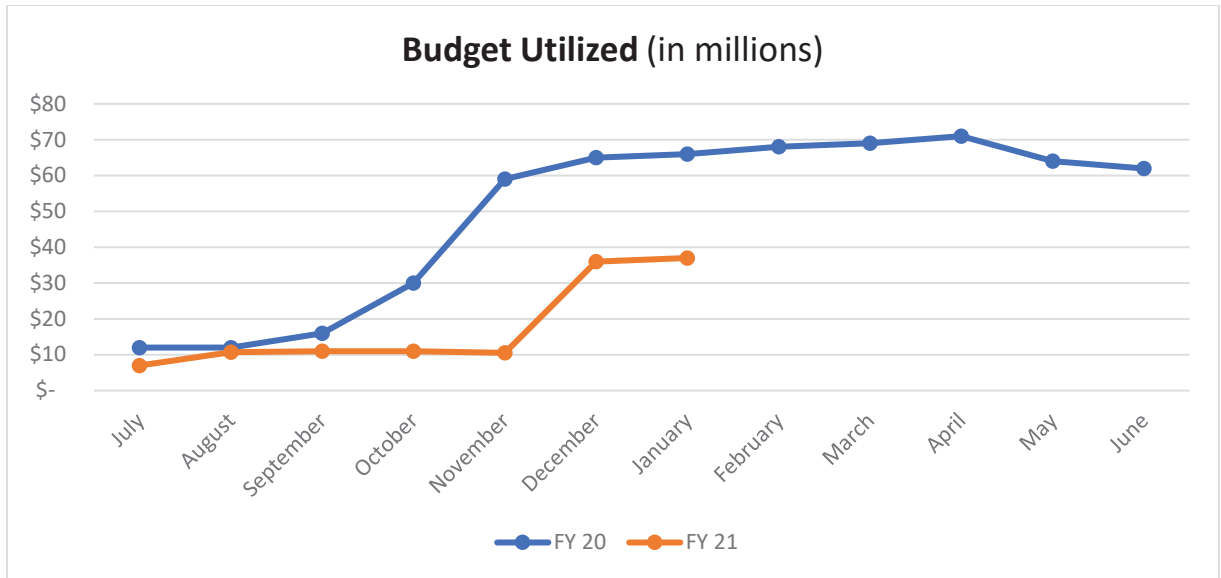
4. At its December 2020 meeting, the HTA Board of Directors approved an amended FY 2021 budget. The budget was reduced from \$48.7M to \$41M, funded as follows:

Prior Year Carryover	40,959,781
CARES Funding for VASH Flight Assistance Program	33,962
FY 2021 Budget	<u>40,993,743</u>

5. \$36.6M of the \$41.0M FY 2021 budget utilized/encumbered, or 89%. The following are various charts to depict our budget, budget utilization and trends.







6. No notable budget reallocations were made during January 2021. A detail of the reallocations made cumulatively for the fiscal year are detailed on the accompanying Budget Reallocation Summary.
7. Operating Income (Loss):
 - a. No TAT was received in January 2021.
 - 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 January 2021.
 - b. Incurred \$13.9M in expenditures YTD.

Convention Center Enterprise Special Fund:

8. \$27.8M in cash
 - a. Increase from December of \$2.0M due to \$2.3M in receipts of previously reported HCC operating revenue, partially offset by \$311K in HCC expenditures.
9. \$744K in accounts receivable, a decrease of \$1.6M.
10. \$20.1M in cash with contractor or with DAGS, for R&M projects (as of January 2021).
 - 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 \$20.1M, approximately \$5.4M has been contracted (as of January 2021).

- c. Reflects \$18.6M 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 a reserve balance of \$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 January 2021.
 - 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 January 2021.
 - b. Convention Center Operations
 - i. \$1.1M operating loss fiscal-year-to-date per HCC financial statements (as of preliminary January 2021).

Hawaii Tourism Authority

Balance Sheet

Tourism Special Fund

As of 1/31/21

	<u>Current Year</u>
Assets	
Current Assets	
Checking	59,074,347.31
Petty Cash	<u>5,000.00</u>
Total Current Assets	<u>59,079,347.31</u>
Total Assets	<u><u>59,079,347.31</u></u>
Fund Balance	
Current year payables	
Accounts Payable	20.00
Credit Card Payable	<u>46,779.54</u>
Total Current year payables	<u>46,799.54</u>
Encumbered Funds	
FY 2015 Funds	8,322.49
FY 2016 Funds	45,661.18
FY 2017 Funds	34,641.92
FY 2018 Funds	186,542.23
FY 2019 Funds	1,280,921.63
FY 2020 Funds	6,788,286.06
FY 2021 Funds	<u>32,136,063.04</u>
Total Encumbered Funds	<u>40,480,438.55</u>
Unencumbered Funds	
Total Unencumbered Funds	18,552,109.22
Total Fund Balance	<u><u>59,079,347.31</u></u>

Hawaii Tourism Authority
Balance Sheet
Convention Center Enterprise Special Fund
As of 1/31/21

	Current Year
Assets	
Current Assets	
Checking	27,842,397.88
Total Current Assets	27,842,397.88
Accounts Receivable	
Accounts Receivable	743,799.63
Total Accounts Receivable	743,799.63
Total Assets	28,586,197.51
 Fund Balance	
Encumbered Funds	
FY 2018 Funds	400.00
FY 2019 Funds	177,919.83
FY 2020 Funds	225,000.50
FY 2021 Funds	10,864,065.32
Total Encumbered Funds	11,267,385.65
Unencumbered Funds	
Total Unencumbered Funds	17,318,811.86
 Total Fund Balance	28,586,197.51

Hawaii Tourism Authority

Balance Sheet

Emergency Trust Fund

As of 1/31/21

	<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)
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------

	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 1/1/2021 Through 1/31/2021

	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	53,866.30	104,632.59	1,573,928.41
Natural Resources	1,108,584.00	0.00	94,749.53	1,013,834.47
Community	1,086,334.00	55,818.00	209,236.66	877,097.34
Branding	27,217,511.00	257,451.10	363,419.40	26,854,091.60
Sports	2,487,864.00	1,833,431.00	1,833,431.00	654,433.00
Safety and Security	1,075,629.00	4,978.42	342,901.85	732,727.15
Tourism Research	2,831,335.00	115,678.73	452,361.24	2,378,973.76
Administrative	1,706,724.00	275,239.59	510,419.18	1,196,304.82
Governance and Organization-Wide	1,796,201.00	267,084.59	543,348.24	1,252,852.76
Total Expense	<u>40,988,743.00</u>	<u>2,863,547.73</u>	<u>4,454,499.69</u>	<u>36,534,243.31</u>
Net Income	<u>40,988,743.00</u>)	<u>2,863,547.73</u>)	<u>3,960,762.38</u>)	<u>37,027,980.62</u>

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

	<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	743,799.73	2,937,094.77	1,251,049.23)
Total Revenue	<u>4,188,144.00</u>	<u>743,799.73</u>	<u>2,937,094.77</u>	<u>1,251,049.23)</u>
Expense				
Branding	70,000.00	36,552.45	36,552.45	33,447.55
Administrative	255,700.00	106,399.89	106,399.89	149,300.11
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	608,625.00	747,532.00
Governance and Organization-Wide	529,420.00	46,953.34	47,078.34	482,341.66
Total Expense	<u>11,730,534.00</u>	<u>311,630.68</u>	<u>798,655.68</u>	<u>10,931,878.32</u>
Net Income	<u>7,542,390.00)</u>	<u>432,169.05</u>	<u>2,138,439.09</u>	<u>9,680,829.09</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
348 - Tourism Special Fund
Prior Year Funds
From 1/1/2021 Through 1/31/2021

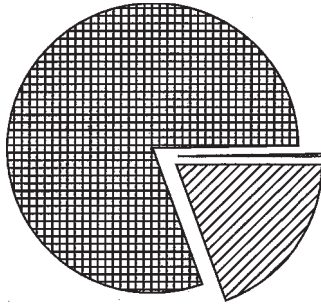
	Total Budget	Current Period Actual	Current Year Actual	Total Budget Variance
Revenue				
Interest and Dividends	0.00	0.00	166,876.13	166,876.13
Total Revenue	<u>0.00</u>	<u>0.00</u>	<u>166,876.13</u>	<u>166,876.13</u>
Expense				
Perpetuating Hawaiian Culture	2,673,431.42	181,286.00	925,920.61	1,747,510.81
Natural Resources	1,282,200.00	99,200.00	991,042.43	291,157.57
Community	2,381,173.21	158,569.04	475,257.86	1,905,915.35
Branding	21,213,138.80	714,014.03	5,336,241.15	15,876,897.65
Sports	434,671.22	0.00	59,855.00	374,816.22
Safety and Security	1,433,403.12	271.70	680,714.05	752,689.07
Tourism Research	2,709,523.93	98,008.73	750,267.32	1,959,256.61
Administrative	605,544.63	25,487.93	178,975.47	426,569.16
Governance and Organization-Wide	63,171.50	3,000.00	55,215.88	7,955.62
Total Expense	<u>32,796,257.83</u>	<u>1,279,837.43</u>	<u>9,453,489.77</u>	<u>23,342,768.06</u>
Net Income	<u>32,796,257.83</u>	<u>1,279,837.43</u>	<u>9,286,613.64</u>	<u>23,509,644.19</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
361 - Convention Center Enterprise Special Fund
Prior Year Funds
From 1/1/2021 Through 1/31/2021

	<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	0.00	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>0.00</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>0.00</u>	<u>116,109.98)</u>	<u>2,918,632.55</u>

Summary Of Investments

Investment Allocation



0.2%	CASH	8,871.77
80.3%	CASH EQUIVALENTS	4,133,151.52
19.5%	FIXED INCOME	500,480.00
100.0%	TOTAL	5,143,502.69

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH	8,871.17	0.17		0.00
CASH EQUIVALENTS	4,133,151.52	80.36	827	0.02
FIXED INCOME	500,480.00	9.47	2,250	2.12
Total Fund	5,143,502.69	100.00	22,077	0.43

Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	60.03	60.03	0.68
	ACCRUED INCOME	8,811.14	8,811.14	99.32
	TOTAL CASH	8,871.17*	8,871.17*	100.00*
	CASH EQUIVALENTS			
	CASH MANAGEMENT			
4,133,151.52	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	4,133,151.52	4,133,151.52	0.00
	FIXED INCOME			
	U S TREASURY OBLIGATIONS			
500,000	US TREASURY NOTES 2% 1/15/2021	499,091.04	500,280.00	49.95



Statement Period
Account Number

12/01/2020 through 12/31/2020
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	501,200.00	50.05
	TOTAL U S TREASURY OBLIGATIONS	998,824.56*	1,001,480.00*	100.00*
	Total Fund	5,140,847.25*	5,143,502.69*	100.00*

Hawaii Convention Center
 Facility
 Income Statement
 From 1/01/2021 Through 1/31/2021
 (In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Direct Event Income								
Rental Income (Net)	114,811	129,964	(15,153)	264,960	114,811	129,964	(15,153)	264,960
Service Revenue	128,098	81,088	47,010	126,031	128,098	81,088	47,010	126,031
Total Direct Event Income	242,909	211,052	31,857	390,991	242,909	211,052	31,857	390,991
Direct Service Expenses	116,257	119,988	3,731	186,028	116,257	119,988	3,731	186,028
Net Direct Event Income	126,652	91,064	35,588	204,963	126,652	91,064	35,588	204,963
Ancillary Income								
Food and Beverage (Net)	2,938	(149)	3,087	476,343	2,938	(149)	3,087	476,343
Event Parking (Net)	0	0	0	82,509	0	0	0	82,509
Electrical Services	0	0	0	18,241	0	0	0	18,241
Audio Visual	0	0	0	15,462	37	0	37	15,462
Internet Services	0	0	0	0	0	0	0	0
Rigging Services	0	0	0	17,720	0	0	0	17,720
First Aid Commissions	0	0	0	0	0	0	0	0
Total Ancillary Income	2,975	(149)	3,124	610,275	2,975	(149)	3,124	610,275
Total Event Income	129,626	90,915	38,711	815,238	129,626	90,915	38,711	815,238
Other Operating Income								
Non-Event Parking	0	0	0	6,687	0	0	0	6,687
Other Income	940	1,417	(477)	14,793	940	1,417	(477)	14,793
Total Other Operating Income	940	1,417	(477)	1,480	940	1,417	(477)	21,480
Total Gross Income	130,566	92,332	38,234	836,718	130,566	92,332	38,234	836,718
Net Salaries & Benefits								
Salaries & Wages	255,316	268,050	12,734	436,534	255,316	268,050	12,734	436,534
Payroll Taxes & Benefits	72,631	92,842	20,211	109,327	72,631	92,842	20,211	109,327
Labor Allocations to Events	(111,810)	(115,613)	(3,803)	(61,713)	(111,810)	(115,613)	(3,803)	(61,713)
Total Net Salaries & Benefits	216,137	245,279	29,142	484,148	216,137	245,279	29,142	484,148
Other Indirect Expenses								
Net Contracted Services	8,947	24,416	15,469	30,374	8,947	24,416	15,469	30,374
Operations	1,983	7,584	5,601	17,993	1,983	7,584	5,601	17,993
Repair & Maintenance	49,920	64,384	14,464	49,080	49,920	64,384	14,464	49,080
Operational Supplies	4,387	18,642	14,255	46,026	4,387	18,642	14,255	46,026
Insurance	9,082	8,308	(774)	13,982	9,082	8,308	(774)	13,982
Utilities	114,360	138,007	23,647	173,954	114,360	138,007	23,647	173,954
Meetings & Conventions	2,075	725	(1,350)	2,397	2,075	725	(1,350)	2,397
Promotions & Communications	(2,247)	2,300	4,547	5,154	(2,247)	2,300	4,547	5,154
General & Administrative	5,749	11,868	6,119	14,953	5,749	11,868	6,119	14,953
Management Fees	18,633	18,633	(0)	18,233	18,633	18,633	(0)	18,233
Other	200	2,166	1,966	514	200	2,166	1,966	514
Total Other Indirect	213,088	297,033	83,945	372,661	213,088	297,033	83,945	372,661
Net Income (Loss) before CIP Funded Expenses	(298,659)	(449,980)	151,321	(20,091)	(298,659)	(449,980)	151,321	(20,091)
CIP Funded Expenses	0	0	0	314	0	0	0	314
Net Income (Loss) from Operations	(298,659)	(449,980)	151,321	(19,777)	(298,659)	(449,980)	151,321	(19,777)
Fixed Asset Purchases	0	4,167	4,167	22,854	0	4,167	4,167	22,854
Net Income (Loss) After Fixed Asset Purchases	(298,659)	(454,147)	155,488	(42,631)	(298,659)	(454,147)	155,488	(42,631)

Hawaii Convention Center
Facility
Income Statement
From 1/01/2021 Through 1/31/2021
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Revenues								
Food & Beverage	5,763	0	5,763	866,605	5,763	0	5,763	866,605
Facility	243,885	212,469	31,416	557,956	243,885	212,469	31,416	557,956
Total Revenues	249,648	212,469	37,179	1,424,561	249,648	212,469	37,179	1,424,561
Expenses								
Food & Beverage	39,515	46,134	6,619	549,487	39,515	46,134	6,619	549,487
Facility	508,792	616,315	107,523	895,165	508,792	616,315	107,523	895,165
Total Expenses	548,307	662,449	114,142	1,444,652	548,307	662,449	114,142	1,444,652
Net Income (Loss) before CIP Funded Expenses	(298,659)	(449,980)	151,321	(20,091)	(298,659)	(449,980)	151,321	(20,091)
CIP Funded Expenses	0	0	0	314	0	0	0	314
Net Income (Loss) from Operations	(298,659)	(449,980)	151,321	(19,777)	(298,659)	(449,980)	151,321	(19,777)
Fixed Asset Purchases	0	4,167	4,167	22,854	0	4,167	4,167	22,854
Net Income (Loss) after Fixed Asset Purchases	(298,659)	(454,147)	155,488	(42,631)	(298,659)	(454,147)	155,488	(42,631)

Hawaii Convention Center
Sales and Marketing
Income Statement
From 1/1/2021 Through 1/31/2021
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Other Operating Income								
Other Income	0	0	0	119	0	0	0	119
Total Other Operating Income	0	0	0	119	0	0	0	119
Total Gross Income	0	0	0	119	0	0	0	119
Net Salaries & Benefits								
Salaries & Wages	17,484	22,108	4,624	45,968	17,484	22,108	4,624	45,968
Payroll Taxes & Benefits	5,033	6,850	1,817	19,952	5,033	6,850	1,817	19,952
Total Net Salaries & Benefits	22,517	28,958	6,441	65,919	22,517	28,958	6,441	65,919
Other Indirect Expenses								
Net Contracted Services	0	0	0	0	0	0	0	0
Repair & Maintenance	5,319	5,517	198	3,321	5,319	5,517	198	3,321
Utilities	253	300	47	458	253	300	47	458
Meetings & Conventions								
Mileage	0	0	0	0	0	0	0	0
Meals & Entertainment	0	208	208	36	0	208	208	36
Meetings & Conventions	(694)	0	694	0	(694)	0	694	0
Dues & Subscriptions	755	83	(672)	0	755	83	(672)	0
Total Meetings & Conventions	61	291	230	36	61	291	230	36
Promotions & Communications								
Site Visit	0	0	0	0	0	0	0	0
Photography	0	0	0	79	0	0	0	79
Advertising	0	1,667	1,667	0	0	1,667	1,667	0
Web Development & Maint	1,916	3,725	1,809	2,735	1,916	3,725	1,809	2,735
Market Research	0	0	0	0	0	0	0	0
Promotional	0	250	250	995	0	250	250	995
Attendance Promotion	0	0	0	0	0	0	0	0
Global Outreach	0	0	0	0	0	0	0	0
Total Promotions & Comm	1,916	5,642	3,726	3,808	1,916	5,642	3,726	3,808
Marketing Flexibility Fund	0	0	0	0	0	0	0	0
General & Administrative	113	708	595	447	113	708	595	447
Management Fees	0	0	0	0	0	0	0	0
Other	1,047	1,266	219	2,094	1,047	1,266	219	2,094
Total Other Indirect Expenses	8,709	13,724	5,015	10,164	8,709	13,724	5,015	10,164
Net Income (Loss) from Operations	(31,225)	(42,682)	11,457	(75,965)	(31,225)	(42,682)	11,457	(75,965)
Fixed Asset Purchases	0	0	0	0	0	0	0	0
Net Income (Loss) After Fixed Asset Purchases	(31,225)	(42,682)	11,457	(75,965)	(31,225)	(42,682)	11,457	(75,965)

Budget Reallocation Summary
 FY 2021
 Through January 31, 2021

Budget Line Item	Program Code	Amended Budget (December 2020)	Year-to-Date		January 2021 Activity
			Reallocation	Budget After Reallocations	
Perpetuating Hawaiian Culture					
<i>From:</i>					
Hawaiian Culture Opportunity Fund	215	250,000	(300)	249,700	
				-	
				-	
			(300)		-
<i>To:</i>					
Memberships and Dues - Hawaiian Culture	297	-	300	300	
				-	
				-	
				-	
				-	
			300		-
Natural Resources					
<i>From:</i>					
State Employee Salaries - Natural Resources	936	64,959	(39,375)	25,584	
Visitor Impact Program	406	1,000,000	(91,000)	909,000	
				-	
				-	
			(130,375)		-
<i>To:</i>					
In-House Contracted Staff - Natural Resources	499	20,000	63,000	83,000	
Aloha Aina	402	-	91,000	91,000	
				-	
				-	
			154,000		-
Community					
<i>From:</i>					
				-	
				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
				-	

Budget Reallocation Summary
 FY 2021
 Through January 31, 2021

Budget Line Item	Program Code	Amended Budget (December 2020)	Reallocation	Budget After Reallocations	January 2021 Activity
			-	-	
			-	-	
			-	-	
			-	-	
<hr/>					
Branding					
<i>From:</i>					
Travel - Branding	398	10,000	(400)	9,600	
				-	
				-	
			(400)		-
<i>To:</i>					
Marketing Opportunity Fund	380	-	400	400	
				-	
				-	
			400		-
<hr/>					
Sports					
<i>From:</i>					
Polynesian Football Hall of Fame	377	155,000	(105,000)	50,000	
				-	
				-	
			(105,000)		-
<i>To:</i>					
Football (Hula Bowl)	384	-	25,000	25,000	
Sports Programs - Unallocated	379	-	80,000	80,000	
				-	
				-	
			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)		-
<i>To:</i>					

Budget Reallocation Summary
 FY 2021
 Through January 31, 2021

Budget Line Item	Program Code	Amended Budget (December 2020)	Reallocation	Budget After Reallocations	January 2021 Activity
Evaluation and Performance Studies	513	662,810	46,000	708,810	
Marketing Research	514	42,850	126,890	169,740	
			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)		-
<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 January 31, 2021

Category	Tourism Special Fund				Convention Center Enterprise Special Fund			
	Fiscal Year 2021				Fiscal Year 2021			
	Budget	YTD Amount of Budget Used	Balance	Activity for January 2021	Budget	YTD Amount of Budget Used	Balance	Activity for January 2021
Revenues								
TAT Revenue Allocation	-	-	-	-	-	-	-	-
Prior Year Carryover	40,959,781	-	40,959,781	-	7,542,390	-	7,542,390	-
Availability of \$5M Emergency Fund (Subject to Governor Approval)	-	-	-	-	-	-	-	-
Other	33,962	660,613	(626,651)	-	-	1,350,157	(1,350,157)	-
	<u>40,993,743</u>	<u>660,613</u>	<u>40,333,130</u>	<u>-</u>	<u>7,542,390</u>	<u>1,350,157</u>	<u>6,192,233</u>	<u>-</u>
Expenditures								
Perpetuating Hawaiian Culture								
Hawaiian Culture Programs	1,450,000	25,829	1,424,171	-	-	-	-	-
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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Natural Resources (Statute: \$1M minimum)								
Natural Resources Programs	1,000,000	91,599	908,401	-	-	-	-	-
In-House Contracted Staff - Natural Resources	83,000	83,000	-	-	-	-	-	-
State Employee Salaries - Natural Resources	25,584	25,584	-	-	-	-	-	-
Subtotal	<u>1,108,584</u>	<u>200,183</u>	<u>908,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community								
Community Programs	931,500	285,040	646,460	-	-	-	-	-
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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Branding								
Branding Programs	26,682,500	26,670,840	11,660	-	-	-	-	-
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>-</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>	<u>-</u>
Sports								
Sports Programs	2,487,864	2,407,864	80,000	-	-	-	-	-
Subtotal	<u>2,487,864</u>	<u>2,407,864</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Safety and Security								
Safety and Security Programs	1,075,629	896,088	179,541	-	-	-	-	-
Subtotal	<u>1,075,629</u>	<u>896,088</u>	<u>179,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tourism Research								
Tourism Research Programs	2,422,942	2,013,813	409,129	200,072	-	-	-	-
In-House Contracted Staff - Tourism Research	-	-	-	-	-	-	-	-
State Employee Salaries - Tourism Research	408,393	384,180	24,213	-	-	-	-	-
Subtotal	<u>2,831,335</u>	<u>2,397,993</u>	<u>433,342</u>	<u>200,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Hawai'i Convention Center								
Sales & Marketing	-	-	-	-	1,356,157	1,356,157	-	-
Operations	-	-	-	-	3,331,113	4,696,062	(1,364,949)	(743,800)
Major Repair & Maintenance	-	-	-	-	2,000,000	2,000,000	-	-
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,687,270</u>	<u>8,052,219</u>	<u>(1,364,949)</u>	<u>(743,800)</u>
Administrative (Statute: Cannot exceed 3.5% = \$2,765,000)								
Operations	608,700	306,291	302,409	-	-	-	-	-
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>-</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	-	189,420	189,420	-	-
Organization-Wide	195,000	105,000	90,000	-	340,000	158,287	181,713	-
Governance - Board/Others	89,600	73,333	16,267	-	-	-	-	-
Subtotal	<u>1,796,201</u>	<u>1,514,798</u>	<u>281,403</u>	<u>-</u>	<u>529,420</u>	<u>347,707</u>	<u>181,713</u>	<u>-</u>
Total Expenditures	<u>40,993,743</u>	<u>36,625,061</u>	<u>4,368,682</u>	<u>200,072</u>	<u>7,542,390</u>	<u>8,725,626</u>	<u>(1,183,236)</u>	<u>(743,800)</u>
Revenues vs Expenditures	<u>-</u>	<u>(35,964,448)</u>			<u>-</u>	<u>(7,375,469)</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
January 31, 2021

Program Code	Program Title	Budget - FY21	Encumbered (Budget Used) - FY21	Budget Remaining	January 2021 Activity
Perpetuating Hawaiian Culture					
201	Kukulu Ola: Living Hawaiian Cultural Prog	-	-	-	-
202	Hawaiian Culture Initiative	500,000	5,529	494,471	-
203	Ma'ema'e HTA	-	-	-	-
204	Market Support	-	-	-	-
208	Hawaiian Music and Dance Center	250,000	-	250,000	-
212	Merrie Monarch Hula Festival	100,000	-	100,000	-
215	Hawaiian Culture Opportunity Fund	249,700	20,000	229,700	-
216	Olelo Hawaii	250,000	-	250,000	-
217	FESTPAC	50,000	-	50,000	-
297	Memberships and Dues - Hawaiian Culture	300	300	-	-
299	In-House Contracted Staff - Hawaiian Culture	-	-	-	-
374	Surfing	50,000	-	50,000	-
932	Salaries - Hawaiian Culture	228,561	217,140	11,421	-
	Perpetuating Hawaiian Culture	1,678,561	242,969	1,435,592	-
Natural Resources					
402	Aloha Aina (formerly NR and Leg Prov NR)	91,000	91,000	-	-
406	Visitor Impact Program	909,000	599	908,401	-
499	In-House Contracted Staff - Natural Resources	83,000	83,000	-	-
936	State Employee Salaries - Natural Resources	25,584	25,584	-	-
	Natural Resources	1,108,584	200,183	908,401	-
Community					
731	Community-Based Tourism - Oahu	81,000	80,929	71	-
732	Community-Based Tourism - Maui County	350,000	118,229	231,771	-
733	Community-Based Tourism - Hawaii Island	250,000	46,408	203,592	-
734	Community-Based Tourism - Kauai	250,000	39,475	210,525	-
797	Memberships and Dues - Community	500	-	500	-
798	Travel - Community	-	-	-	-
933	State Employee Salaries - Community	154,834	147,120	7,714	-
	Community	1,086,334	432,160	654,174	-
Branding					
4	Cruise Infrastructure Improvements and Arrival Experience	50,000	50,000	-	-
318	gohawaii.com (formerly Online Website Coordination)	300,000	300,000	-	-
320	Island Chapters Staffing and Admin	2,400,000	2,400,000	-	-
321	US (formerly North America)	14,605,000	14,605,000	-	-
322	Canada	400,000	400,000	-	-
323	Japan	4,500,000	4,500,000	-	-
324	Korea	300,000	300,000	-	-
325	Oceania	400,000	400,000	-	-
331	Meetings, Convention & Incentives	2,395,000	2,395,000	-	-
339	Global Digital Marketing Strategy (former Intl Online Strat)	380,500	380,500	-	-
350	Global Mkt Shared Resces (formerly Intellect Prop Data Bank)	787,000	787,000	-	-
380	Marketing Opportunity Fund	400	340	60	-
397	Memberships and Dues - Branding	125,000	123,000	2,000	-
398	Travel - Branding	9,600	-	9,600	-
723	Hawaii Film Office Partnership	30,000	30,000	-	-
934	State Employee Salaries - Branding	535,011	508,648	26,363	-
	Branding	27,217,511	27,179,488	38,023	-
Sports					
312	PGA Tour Contracts	2,166,864	2,166,864	-	-
377	Polynesian Football HoF	50,000	50,000	-	-
378	UH Athletics Branding Partnership	166,000	166,000	-	-
379	Sports Programs - Unallocated	80,000	-	80,000	-
384	Football	25,000	25,000	-	-
	Sports	2,487,864	2,407,864	80,000	-
Safety and Security					
601	Visitor Assistance Programs	650,000	487,500	162,500	-
602	Crisis Management	425,629	408,588	17,041	-
	Safety and Security	1,075,629	896,088	179,541	-
Tourism Research					
505	Est of Visitor Arrivals by Country by Month	3,500	3,500	-	-
506	Infrastructure Research (Accomodations and Airseats)	520,879	464,716	56,163	(1,475)
512	Visitor Arrivals and Departure Surveys	977,691	662,855	314,836	201,547
513	Evaluation and Performance Studies	708,810	708,173	637	-
514	Marketing Research	169,740	169,740	-	-
597	Memberships and Dues - Research	42,322	4,829	37,493	-
935	State Employee Salaries - Research	408,393	384,180	24,213	-
	Tourism Research	2,831,335	2,397,993	433,342	200,072
Administrative					
101	Community-Industry Outreach & Public Relations Svcs	265,000	145,000	120,000	-
103	hawaiiitourismauthority.org (formerly HTA web/Global Social)	50,000	35,959	14,041	-
901	General and Administrative	288,700	124,796	163,904	-
909	Protocol Fund	5,000	536	4,464	-
930	State Employee Salaries - Admin	1,103,024	1,047,227	55,797	-
998	Travel - Admin	-	-	-	-
	Administrative	1,711,724	1,353,518	358,206	-
Governance and Organization-Wide					
915	Organization-Wide	195,000	105,000	90,000	-
919	Governance - Gen Board/Others	89,600	73,333	16,267	-
931	State Employees Fringe	1,511,601	1,336,465	175,136	-
	Governance and Organization-Wide	1,796,201	1,514,798	281,403	-
Total	FY 21 Funds	40,993,743	36,625,060	4,368,683	200,072

Hawaii Tourism Authority
 Budget Statement
 January 31, 2021

Program Code	Program Title	Budget - FY21	Encumbered (Budget Used) - FY21	Budget Remaining	January 2021 Activity
Convention Center Enterprise Special Fund					
Branding					
934	State Employee Salaries - Branding	70,000	70,000	-	-
	Branding	70,000	70,000	-	-
Administrative					
930	State Employee Salaries - Admin	255,700	255,700	-	-
	Administrative	255,700	255,700	-	-
HCC Operations					
850	HCC Operating Expense	7,519,257	7,633,157	(113,900)	-
860	HCC Repair and Maintenance	2,000,000	2,000,000	-	-
870	HCC Sales and Marketing / MFF	875,625	875,625	-	-
871	HCC Local Sales	480,532	480,532	-	-
	HCC Operations	10,875,414	10,989,314	(113,900)	-
Governance and Organization-Wide					
915	Organization-Wide	340,000	158,287	181,713	-
931	State Employees Fringe	189,420	189,420	-	-
	Governance and Organization-Wide	529,420	347,707	181,713	-
Total	FY 21 Funds	11,730,534	11,662,721	67,813	-