

AIR SEATS TO HAWAII

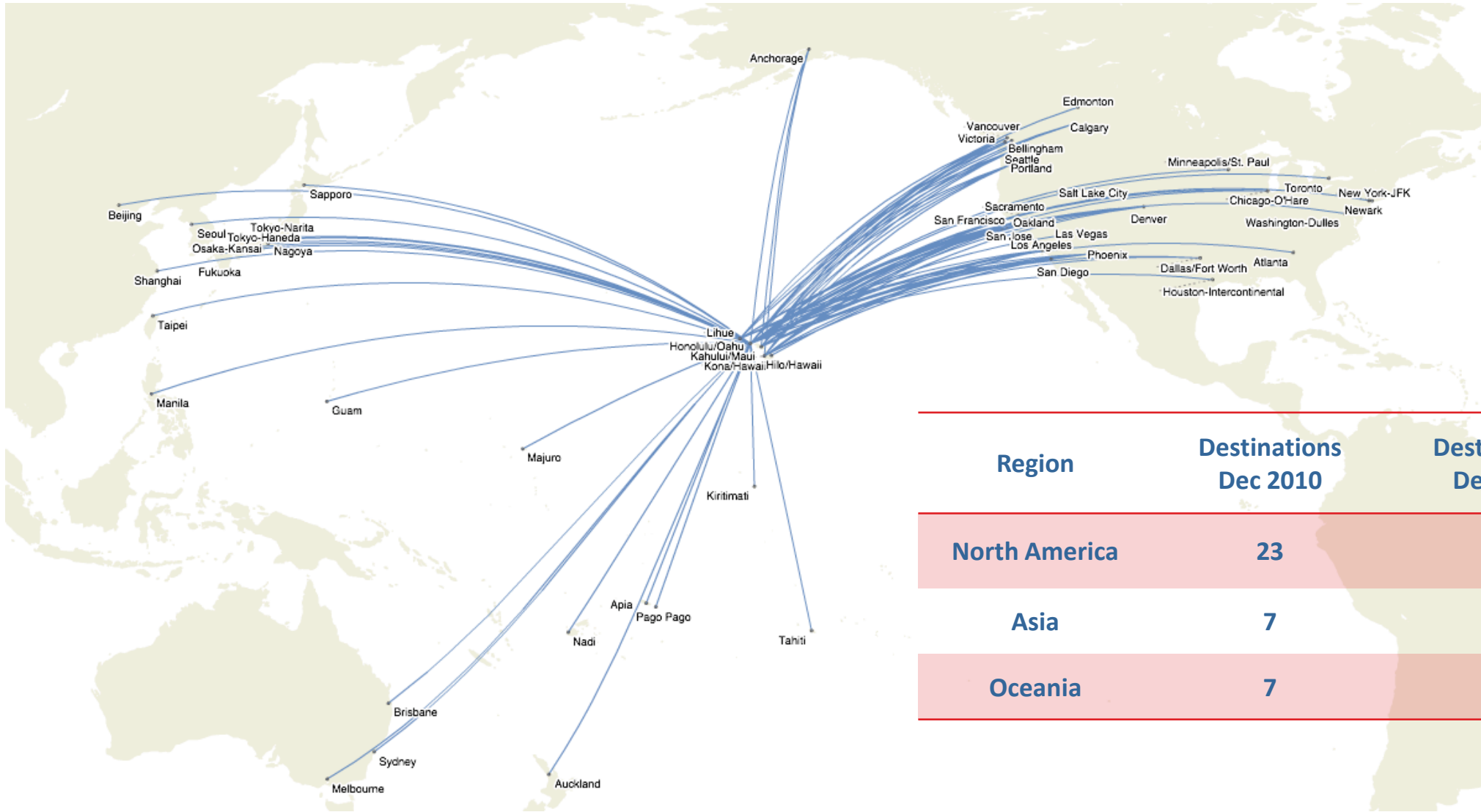
PATA-Hawaii

Daniel Nahoopii

Tourism Research

August 18, 2016

Hawai'i's Air Service Network Keeps Expanding



Region	Destinations Dec 2010	Destinations Dec 2016
North America	23	27
Asia	7	13
Oceania	7	9

A New Carrier with a Different Customer Demographic

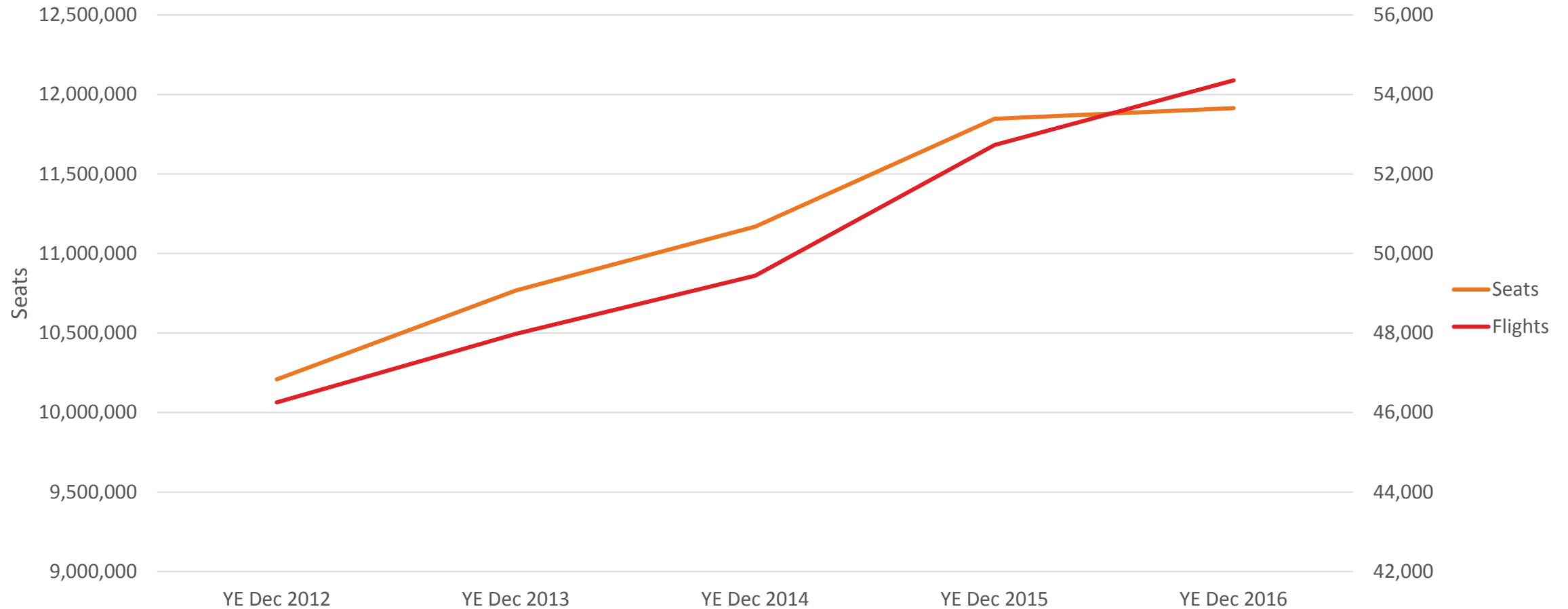


- Initial service:
 - San Francisco – Honolulu once daily from November 2
 - San Francisco – Maui once daily from December 3



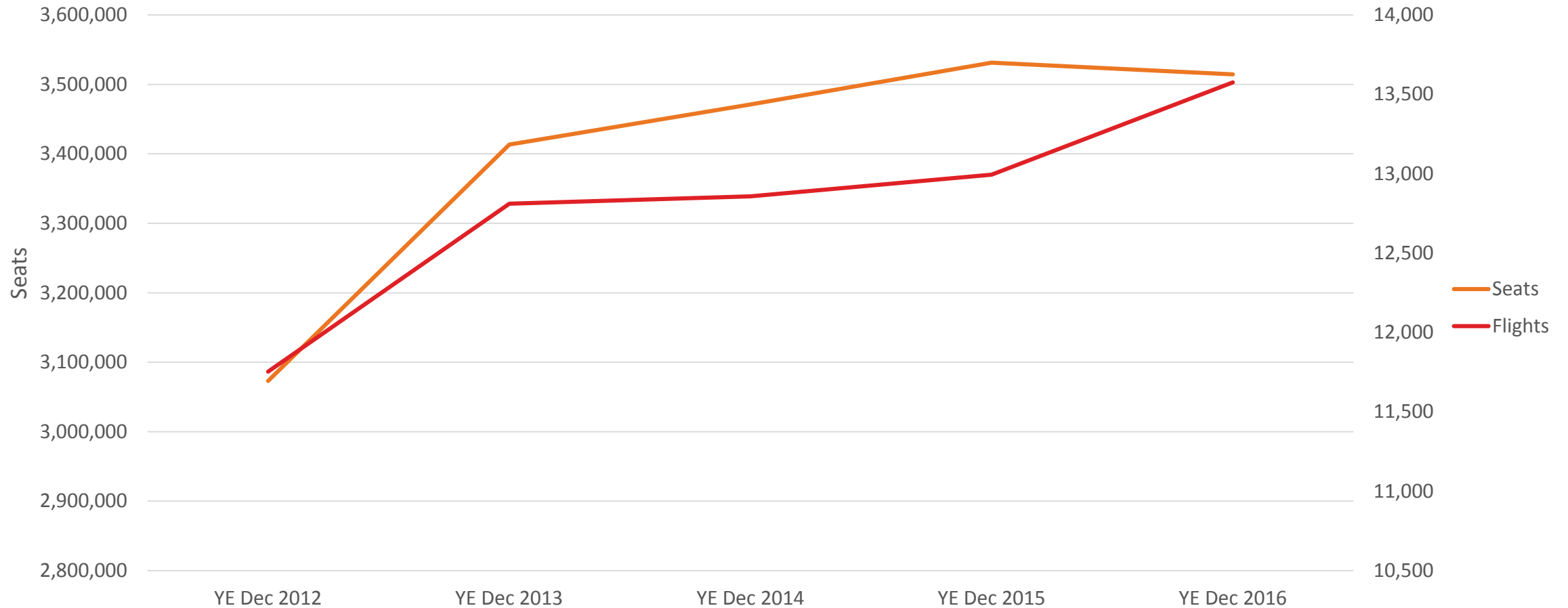
2016 Will Gain More Flights But Seat Count Less So

Total Flights and Seats to Hawai'i
2012 to 2016

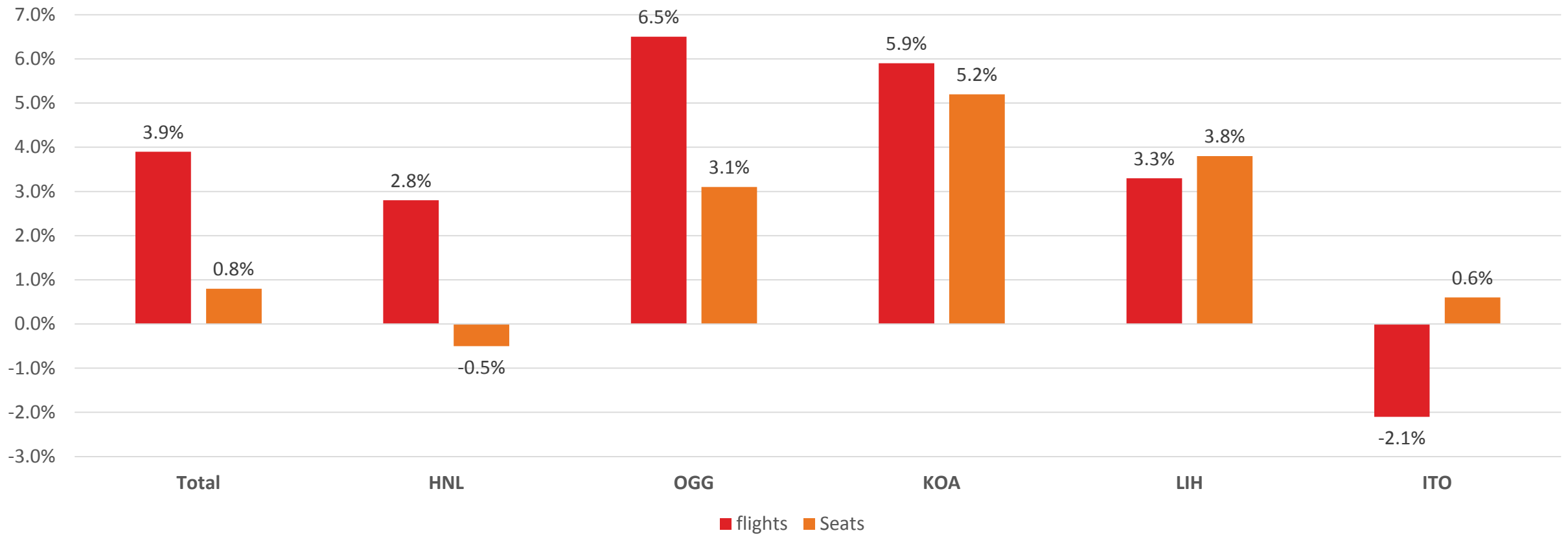


International : Improve Yield

International Flights and Seats to Hawai'i
2012 to 2016



Scheduled Flights and Air Seats to Hawai'i 2015 vs. 2016

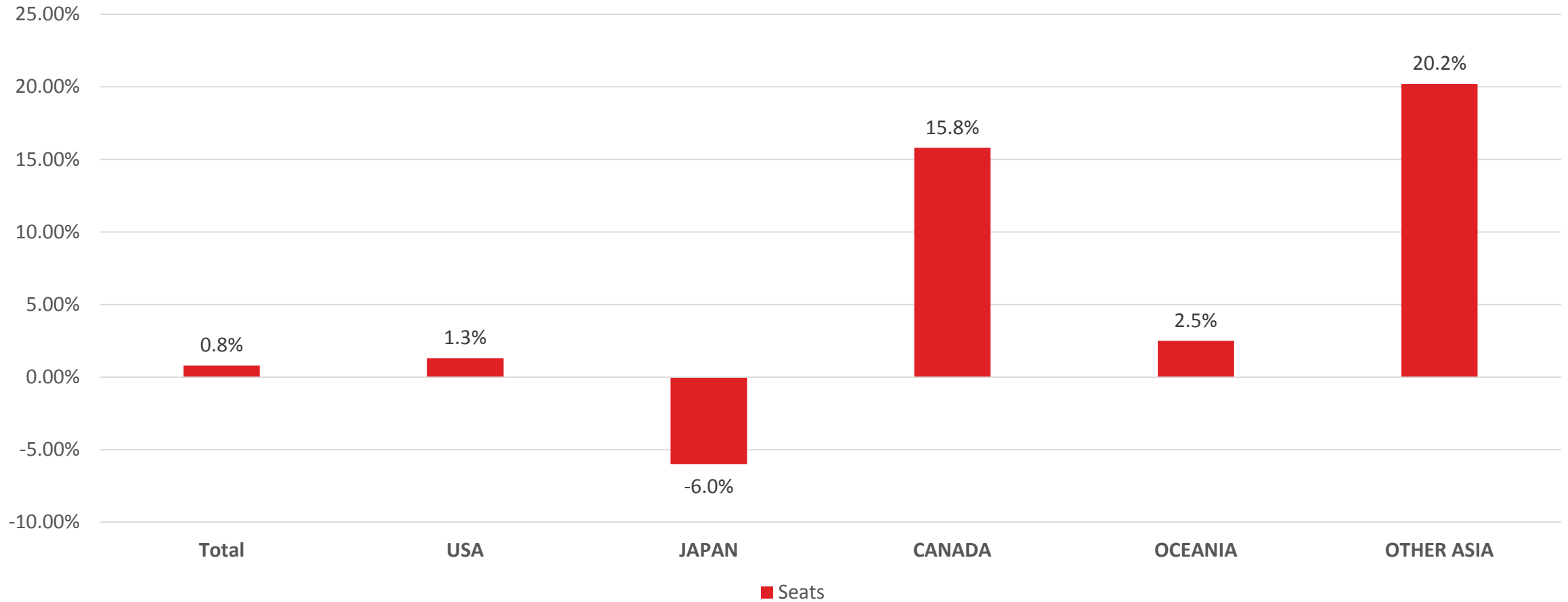


2016 Changes

- **Virgin America**
 - Benefits to Maui: added 82,230 seats and generated \$108 million in direct visitor expenditures
- **Delta**
 - Increasing air seats +11.5%
 - Upgauge to A330 on MSP-HNL and SLC-HNL routes
- **AA**
 - New DFW –KOA holiday flights (12/15-1/8)
 - Increase for holidays: LAX-HNL (+38%); PHN-HNL (+81%)
- **UA**
 - Washington Dulles– HNL up to 2X weekly in winter
- **Alaska**
 - Bellingham – Kona (11/12/16-4/1/2017) but cutting out HNL service
- **AC Rouge**
 - Increased flights YVR to HNL/OGG/KOA Late-winter (Feb-Apr 2016)

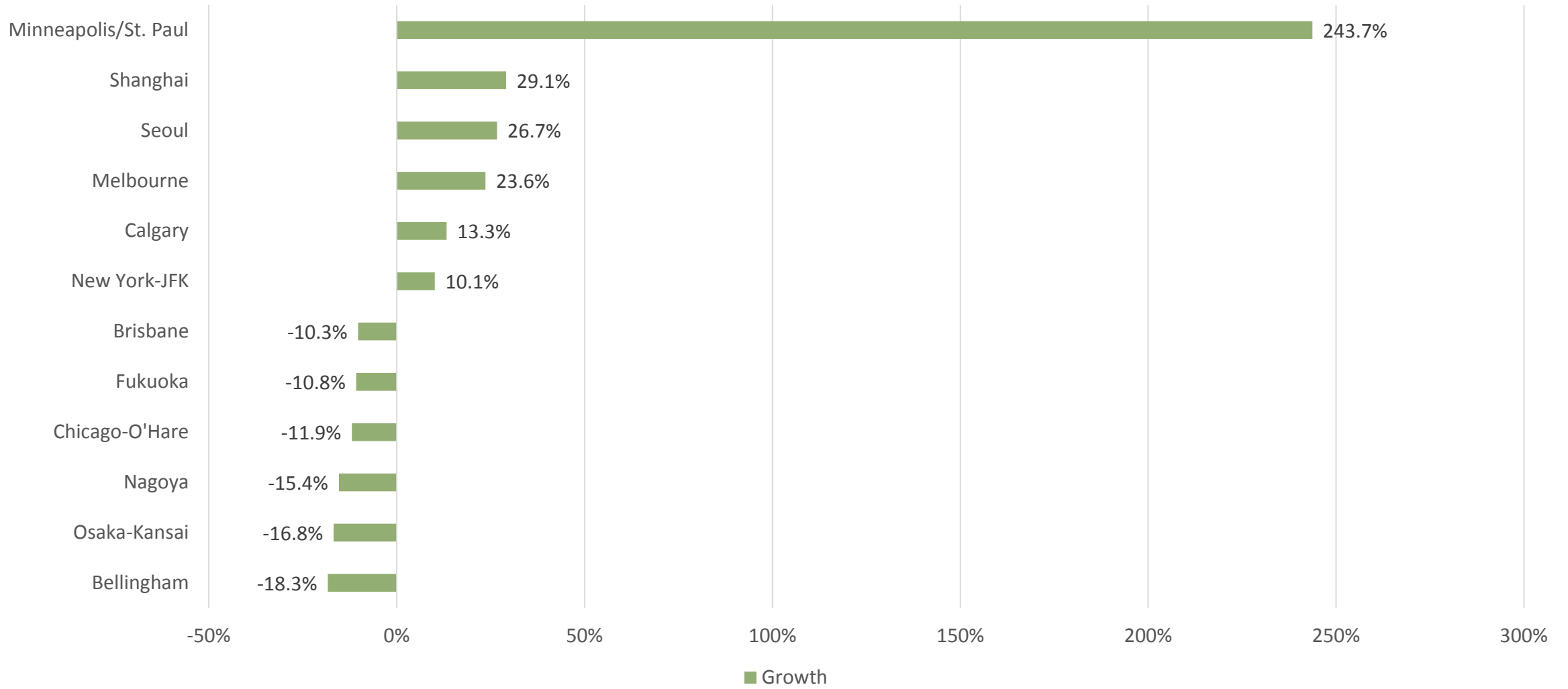
Growth Mainly From Other Asia

Air Seats to Hawai'i
2015 vs. 2016



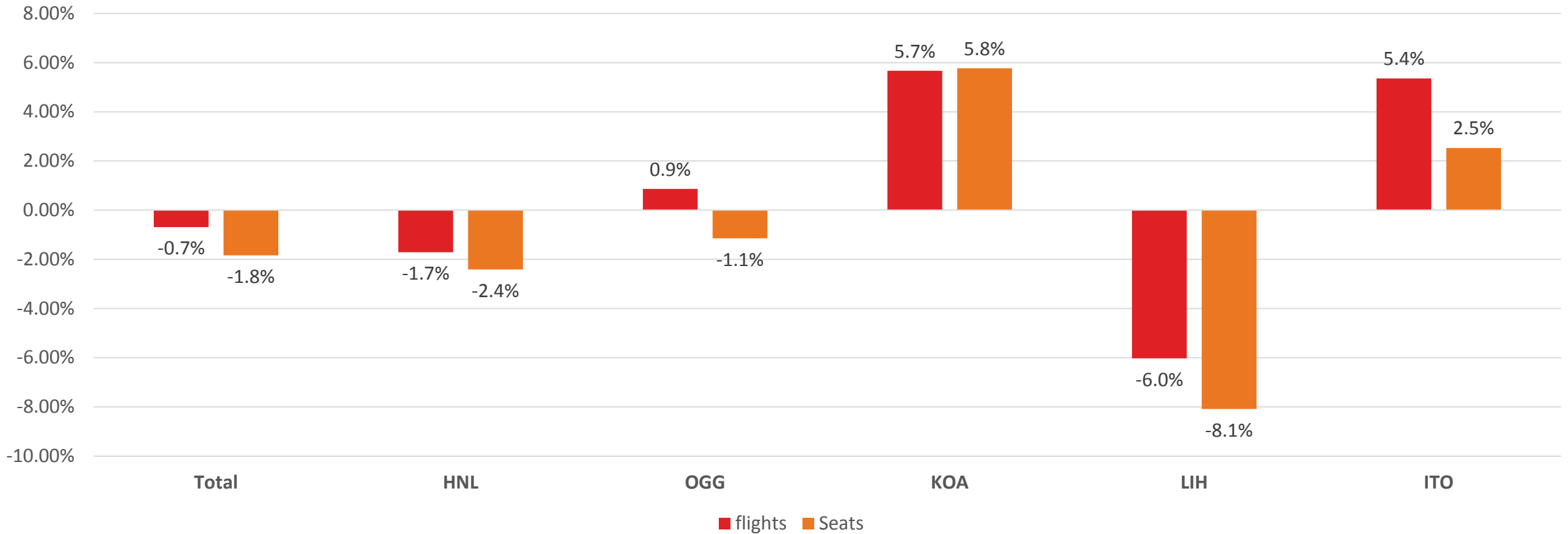
2016 Changes

- **Hawaiian Airlines**
 - July 22: NRT-HNL
 - Oct 29: HND-HNL to daytime route
 - Dec 20: HND-KOA
- **Korean Air**
 - Upgrade to 747-800 Sept/October
- **China Eastern**
 - Daily flight from Shanghai
- **Air New Zealand**
 - Upgrade to Boeing 787-900
 - Adding 7,000 seats and generating \$15.2 million in direct visitor expenditures
- **China Airlines**
 - Upgrading to Boeing 747-400 (Airbus 340-300) for TPE-HNL for 4th Quarter 2016 (2X/wk)
 - Adding 2,000 seats and generating \$2.9 million



Early Estimate Shows 2017 Similar To This Year

Flights and Air Seats to Hawai'i
Q1 2016 VS Q1 2017



Looking Forward

- Oceania:
 - Direct service to Continental U.S. by passing Hawai‘i
 - Softer Australian Economy
- Hong Kong
 - Opening of HT Hong Kong Office May 24, 2016
 - 50% hold dual Nationality
 - Actively supporting airlines with 1-stop service to create buzz and demand
- South East Asia
 - AirAsia X 4Q 2016 or 1Q 2017

Air Asia X May Enter the Hawai'i Market

- Long-haul, low-cost carrier based in Kuala Lumpur.
- Has filed for USDOT authority to fly the Kuala Lumpur-Osaka-Honolulu route in late 2015.
- Would open up Southeast Asia to direct, low-fare service.
- Would be the first low-fare carrier to enter the Japan-Hawai'i market.



Looking Forward....

- Korea
 - No-Show Penalty Policy to minimize losses due to last-minute cancellations.
 - Possible charter flights ICN-KOA
- Japan
 - ANA move to A380 in 2019

Critical Access: The State of Air Service to Hawai'i

Brad DiFiore Thursday September 29

1:45 PM – 2:45 PM

