

Air Service Outlook

Pacific Asia Travel Association (PATA) Hawaii Chapter

June 10th, 2020

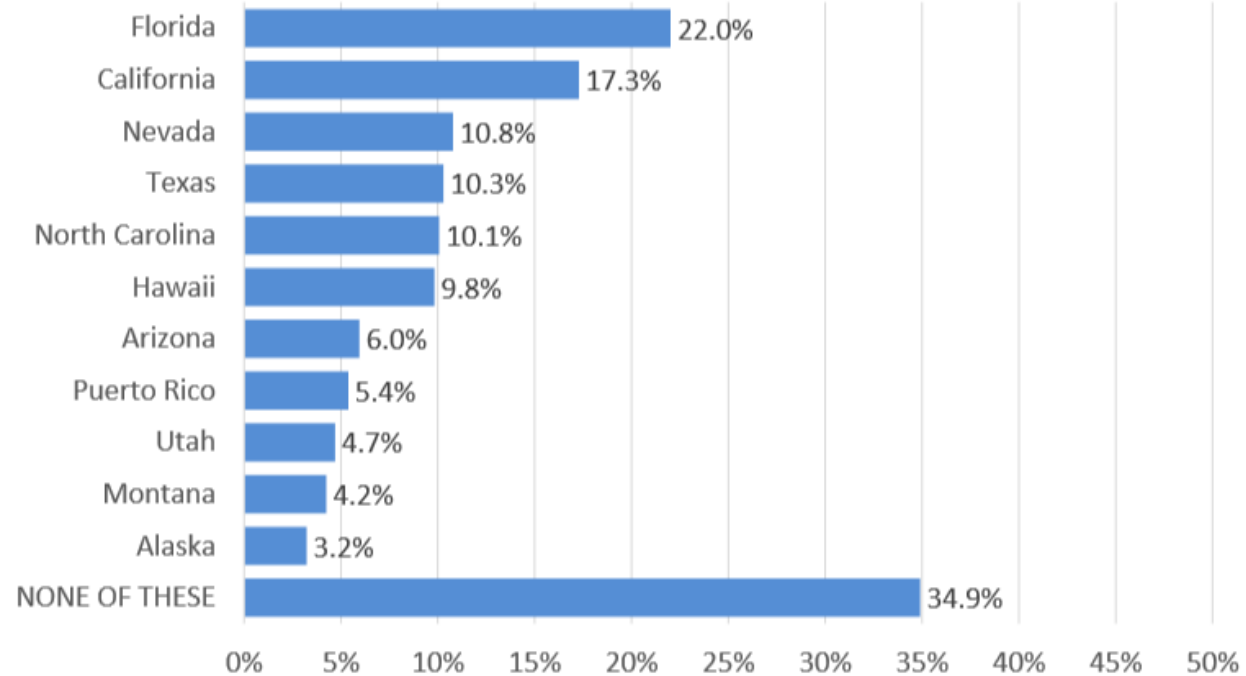


Hawai'i is a top choice for travelers' next trip

Question: Will you visit (or travel within) any of the following states/territories on your next trip? (Select all that apply)

(Base: All respondents with plans to travel in 2020, 772 completed surveys. Data collected May 15-17, 2020)

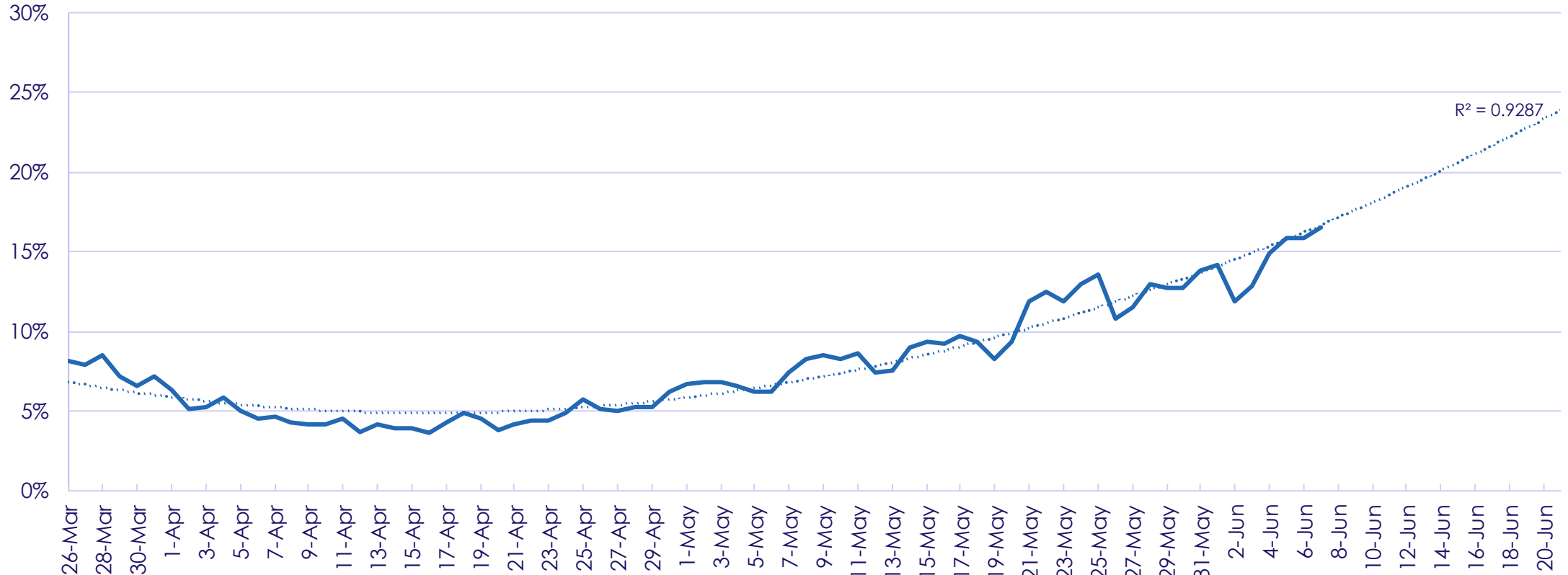
Question added in Wave 10



Passengers are returning...slowly

DAILY TSA CHECKPOINT TRAVELER NUMBERS, MARCH-JUNE 2020

Percentage of same day travel in 2019

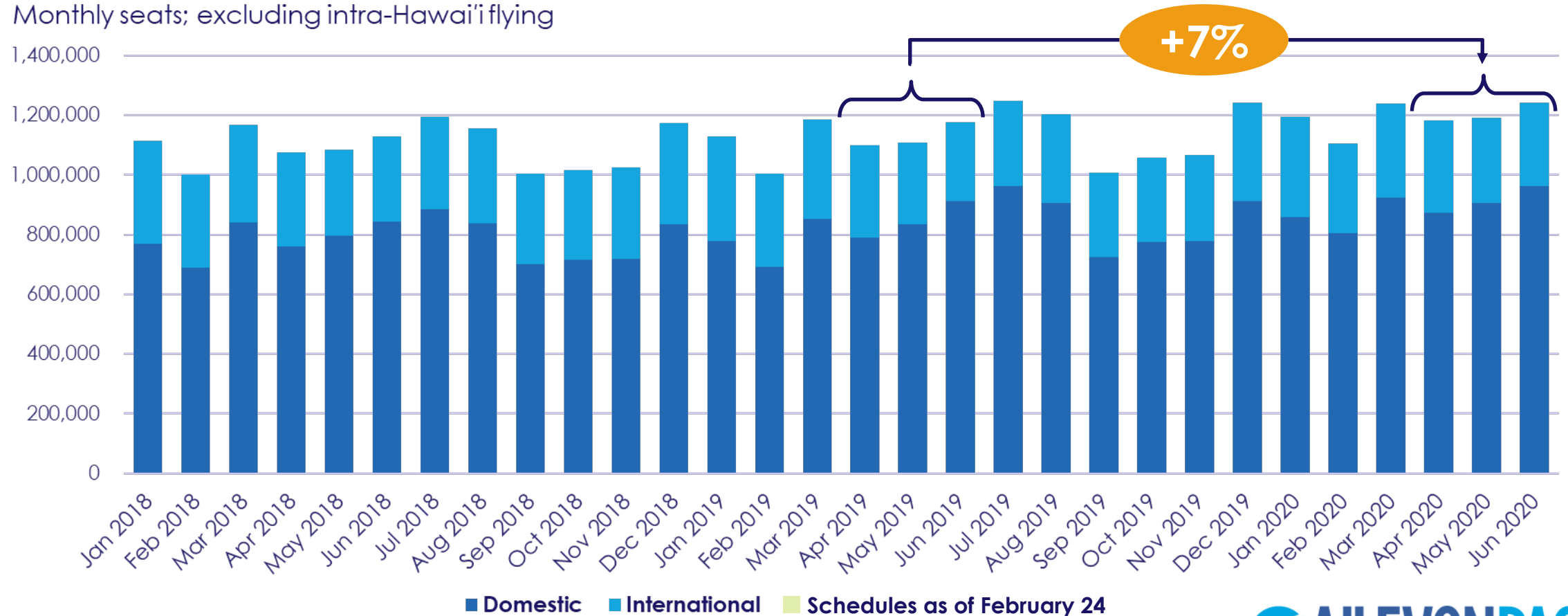


Source: Transportation Security Administration; Ailevon Pacific Aviation Consulting analysis

Pre-COVID-19 schedules had Hawai'i capacity up 7% in April, May and June

HAWAI'I ONE-WAY CAPACITY

Monthly seats; excluding intra-Hawai'i flying

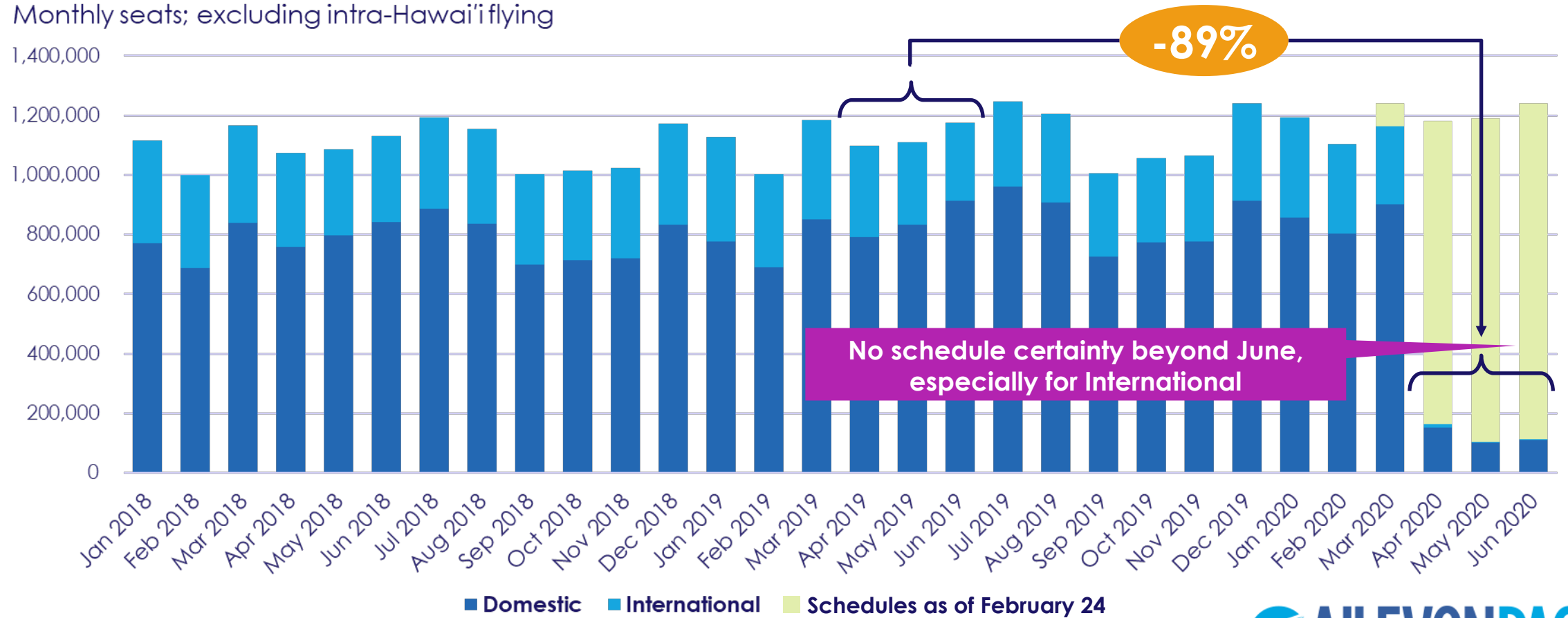


Source: Cirium schedule data via Diiomi;
Ailevon Pacific Aviation Consulting analysis

Schedule reductions have been dramatic, resulting in an 89% decrease – almost no international capacity

HAWAI'I ONE-WAY CAPACITY

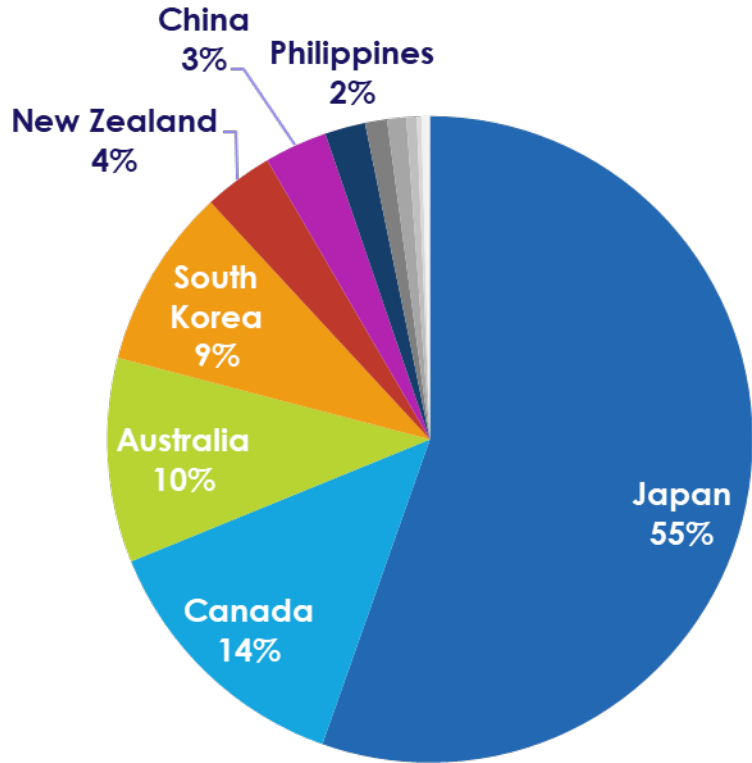
Monthly seats; excluding intra-Hawai'i flying



Source: Cirium schedule data via Diiomi;
Ailevon Pacific Aviation Consulting analysis

Border restrictions vary, but all foreign countries are requiring 14-day quarantines upon return from the USA

INTERNATIONAL CAPACITY TO HAWAII
2019 one-way seats



Country	Closure/Restrictions for USA	Quarantine for Arrivals
Japan	Global entry ban, including Japanese residents	14-day mandatory quarantine for all
Canada	USA-Canada border closed to all non-essential travel until 22JUN	14-day mandatory quarantine for all
Australia	Citizens not permitted to leave Australia	14-day mandatory quarantine for all
South Korea	None; quarantine required	14-day mandatory quarantine for all
New Zealand	Global border closure	14-day mandatory quarantine in a managed isolation facility
China	All foreign entry is restricted	14-day mandatory quarantine for all
Philippines	All foreign entry is restricted	14-day mandatory quarantine for all

Source: Cirium schedule data via Diiomi;
Ailevon Pacific Aviation Consulting analysis

Outlook for 2020

Domestic

- Domestic travel will drive initial recovery
- Recovery will not occur until 14-day quarantine requirement is eliminated
- Domestic recovery will focus initially on West Coast markets and a handful of interior hub markets
 - Hawaiian, Southwest and Alaska will reinstate service faster than the network carriers

International

- Restoration of international services requires elimination of quarantines on **both ends**, and return of visitor confidence in the safety of the destination
- Japan is critical, but where demand surfaces first will be tied to the above factors
- South Korea, Australia and New Zealand have had success battling COVID-19 and will be reluctant to reopen travel to the US for the foreseeable future
 - Canada as well

Thank You

Brad DiFiore – Brad.DiFiore@ailevonpacific.com