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July tourism hits 5-year high

The numbers are not expected to continue, however, as summer travel winds down

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July was the best month for visitor performance that Hawaii has seen in five years.

Arrivals and spending were up on all islands and from every major market, according to the Hawaii Tourism Authority, which released monthly visitor statistics yesterday. It was the first month that saw all indicators rise since September 2005.

But don't expect July's momentum to last beyond the summer season. Softness is already building as Labor Day approaches and the start of school keeps would-be travelers closer to home. The lack of fall group business, a legacy of the financial bailouts and the AIG effect, will continue to weaken tourism.

Still, it was a really good run while it lasted.

"July was the best month that we've ever had," said Ward Almeida, general manager of the Lotus at Diamond Head, a boutique hotel on Waikiki's quieter Gold Coast. "We had quite a few days where occupancy was in the 90 percent range or we were sold out."

Almeida and other members of Hawaii's visitor industry benefited from a 9 percent increase in visitor arrivals, which rose to 680,743.

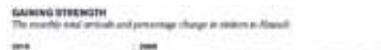
Strong arrivals growth helped push total visitor expenditures up 23.3 percent to \$1.1 billion. Per-person-per-day spending rose 10.6 percent to \$168.30.

However, the increases, which came off one of the worst years in Hawaii tourism, were not high enough to spark a lasting rebound in hotel rates. And, while the growth was encouraging for businesses throughout the state that have faltered during the industry's most recent two-year decline, the state does not expect visitor expenditures to recover to 2007's peak until 2013.

"While we see many positive indicators, we are mindful that the global travel industry, including Hawaii, has not fully recovered from successive years of lower consumer and business spending," said Mike McCartney, HTA president and chief executive officer.

Growth in arrivals continues to reflect the attractive pricing and value-added packages being offered by Hawaii hotels, travel partners and island

GAINING STRENGTH
The monthly total arrivals and percentage change in visitors to Hawaii



businesses, said state Tourism Liaison Marsha Wienert.

Month	2009	% Change	Month	2009	% Change	Month	2009	% Change
July	486,743	+9.9	December	377,657	-2.4%	April	541,830	-1.3%
June	425,522	+11.6	November	493,514	-1.4%	March	539,962	+8.4%
May	349,854	-6.3	October	505,676	-1.7%	February	527,222	+2.7%
April	582,958	+1.9%	September	494,536	+7.2%	January	522,241	+2.3%
March	481,789	+8.2%	August	498,426	+8.0%	Year total	4,514,982	+4.0%
February	511,094	+8.7%	July	426,240	+1.5%			
January	532,737	+2.6%	June	524,421	-2.2%			
YTD total	4,879,418	+6.2%	May	514,284	+8.9%			

Low prices inspired Scott Kim and Brienne Dylewski of Tuscon, Ariz., to stay in a hotel on a recent visit to see family. The pair snagged a \$1,400 Expedia package for two that included round-trip airfare, a rental car and four hotel nights.

"The prices were much cheaper than when we've visited Hawaii before," Dylewski said. "I've told quite a few people that if they didn't go out to eat at pricey places, they could have a pretty inexpensive trip. And the beach is free."

In addition to the pull of attractive pricing, July also benefited from the absence of the H1N1 flu, which weakened the Japan market last year, said David Carey, president and chief executive officer of Outrigger Enterprises Group. A 57.3 percent increase in traffic related to several citywide meetings and conventions, including the Baptist World Congress and the International Conference on Alzheimer's Disease, and the military's Rim of the Pacific (RIMPAC) exercise, which brought 20,000 sailors to Oahu, helped, too, Carey said.

But it's still the kind of economic climate where even business travelers are watching their spending. Kim Carroll of Long Beach, Calif., said her husband's company picked up the tab for most of the couple's stay on Oahu. However, they still cut corners.

"We try to find out where the locals go for dinner," she said. "We like to get the free food at happy hour."

While July was uniquely positive, Outrigger's Carey said he continues to worry about tourism's future.

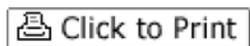
"The overall economic outlook isn't negative, but it certainly isn't robust," he said. "Several of our core market states are doing poorly. There are a big chunk of people who are flat out of work, and they used to be our customers."

Recovery of Hawaii's visitor industry will be gradual, Wienert said.

"We look forward to continued increases in visitor arrivals. However, tourism's recovery cannot be measured by arrivals alone," she said. "Recovery relies on increased spending by our visitors."

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