

HAWAII NEWS

More Hawaii visitors expected as state's Safe Travels program comes to a close

By Allison Schaefers • Today • Updated 10:40 pm

The ending of Hawaii's Safe Travels program for domestic travelers later this month is expected to create more opportunities for Hawaii to recover visitor arrivals, which at year's end were still down nearly 35% from prepandemic 2019.

The University of Hawaii Economic Research Organization is projecting that arrivals, after a weak start to the year, will surpass last summer's peak by the second quarter and reach 90% of their pre-<u>COVID-19</u> level by year's end.

UHERO has forecast that visitor numbers will reach 9.5 million in 2023 - still well below the peak 10.4 million visitors who arrived in Hawaii in 2019.

But two years to the day after Hawaii's first COVID-19 case, UHERO said "considerable risks remain, including COVID-19 surprises, Federal Reserve tightening and economic fallout from the Russian invasion of Ukraine."

Hawaii tourism officials are monitoring these potential headwinds, especially as they pertain to international visitors, who have been mostly absent from Hawaii's tourism market during the pandemic and been a key drag on the industry's recovery.

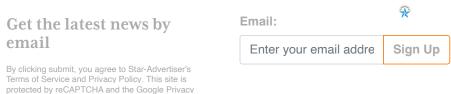
The good news is that so far, travel demand is up from domestic travelers, who have reacted positively to Gov. David Ige's recent announcement that the Safe Travels program will end March 25. Beginning March 26, travelers arriving from the mainland will not be required to create a Safe Travels account, show their COVID-19 vaccination status or take a pre-travel test when traveling to the Hawaiian Islands.

"Americans are hard-wired to travel. It's not in our DNA to stay in one place for very long," said Chris Kam, president and COO of OmniTrak. Kam said about half of U.S. travelers who participated in the firm's latest TravelTrakAmerica survey in February said they had no specific travel plans but were considering traveling in the next six months.

"Since February 2021 that number has zoomed from about a third of travelers to half of the travelers," he said. "But at the same time, we see a decrease in the perceptions about the affordability of travel. Americans want to travel; they just have a lot of concern about what it's going to cost them."

Kam said it was a positive sign that 5% of the U.S. travelers surveyed said they are considering a Hawaii vacation in the next six months, "which means demand for Hawaii is holding steady, even though travel affordability considerations are up."

The end of Hawaii's entry requirements for domestic travelers, along with the addition of more air seats, is expected to give the state's visitor industry the tools needed for a more solid rebound.



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Kam said the state Department of Business, Economic Development and Tourism has forecast domestic air seats this year will be 25% higher than in 2019 and will nearly offset the drop in international air seats.

"The overall seat count to Hawaii is only down 0.7%," Kam said. "It's just amazing that the air seat projections are showing that we'll be within 99% of 2019. It speaks to the resilience of travel."

Duke Ah Moo, vice president and commercial director for Hilton in Hawaii and French Polynesia, said the company is "so pleased that Hawaii's restrictions are being lifted so that our community, our employees and our guests can start returning to a bit of normalcy. It has been a long two years, and we certainly hope that we see positive outcomes for the industry in the coming vear."

Hawaiian Airlines spokesman Alex Da Silva said Ige's decision to end the Safe Travels program is encouraging for the state's economic recovery, and Hawaiian expects demand for travel to Hawaii to continue to recover.

Da Silva said the carrier is seeing "encouraging domestic bookings through spring break and into the summer as omicron concerns subside and overall conditions for travel improve."

The end of Safe Travels will not make a difference to international travelers, who must still adhere to federal entry requirements, which include showing proof of an up-to-date vaccination and negative pre-travel COVID-19 test taken within one day of travel.

There also are concerns about the recent surge of COVID-19 in some Asian countries. However, UHERO said it expects travel restrictions to ease in coming months, permitting a significant return of international visitors.

"International demand remains suppressed, but Hawaiian is seeing border restrictions beginning to relax in Asia and Oceania," Da Silva said. "International visitors are an indispensable part of a healthy tourism economy in Hawaii, and we are looking forward to travel restrictions being relaxed in key visitor markets to Hawaii."

The wild card is the Russian invasion of Ukraine, which will likely contribute to rising inflation as well as higher gasoline, electricity and travel prices. Unfortunately, it comes at a time when Americans — really the only group of travelers coming to Hawaii in pre-pandemic numbers — are already questioning vacation costs.

Jerry Gibson, president of the Hawaii Hotel Alliance, said that in the weeks and days before Russia invaded Ukraine, Hawaii was seeing a promising uptick in the domestic pace.

More improvements are expected with the ending of Safe Travels, which Gibson said "gets rid of a lot of confusion on the domestic side and makes it easier to travel to Hawaii."

However, Gibson cautions that some of Hawaii's visitors, especially those from Asia, have been historically sensitive to traveling during geopolitical conflicts. Gibson said the uncertainty could push the anticipated recovery of Asian travelers, who make up about a quarter of Oahu's travelers, from the second quarter to the third quarter.

"We have a lot of economic challenges with the rising prices, and certainly people are really feeling terrible about what is happening with the war," Gibson said. "There's no doubt about that. It's weighing on people's feelings and what they want to do and their travel plans."