

HAWAII NEWS

Omicron dims Hawaii's holiday tourism expectations — but return of cruise ships offers hope

By [Allison Schaefers](#) • Dec. 26, 2021

Omicron has dimmed some of Hawaii's holiday travel expectations.

It was just the end of last month when Gov. David Ige announced that Hawaii was open for business and lifted many pandemic restrictions. Still, a heightened sense of anxiety has begun to erode the willingness of some people and businesses to carry on as usual in the face of the extraordinarily contagious omicron variant, which has fast become the dominant version of the virus in the United States.

That sentiment has caused some U.S. travel bookings to Hawaii to fall through. It's also pushed the recovery of international travel further out.

Although holiday visitor arrivals are strong, averaging just over 30,000 a day for the seven-day period that ended Wednesday, the numbers are not outperforming 2019 in all markets — a feat that some members of Hawaii's visitor industry had thought would finally be possible.

There was an expectation that the return of international travelers, which made up about 29% of Hawaii's tourism market in 2019, would overlap with the festive season or at least continue some of the holiday momentum into the start of 2022. But the uncertainty over the global surge in COVID-19 cases has upended earlier tourism projections.

The return of the cruise ship industry to Hawaii starting with Carnival Corp.'s Grand Princess, an international sailing, on Jan. 9 brings additional hope for the new year.

Arnold Donald, CEO of Carnival Corp., the world's leading cruise company, said last week that Carnival had experienced "a little spike" in cancellations but predicted it would prove just a short-term blip.

“The booking patterns are strong,” Donald said.

There’s a lot of interest in Hawaii from the cruise industry, which hasn’t sailed island waters since March 2020 when the U.S. Centers for Disease Control and Prevention issued a no-sail order. Cruise consultant Shannon McKee told the Hawaii Tourism Authority’s branding committee Wednesday that five other international cruise ship arrivals are planned for January, including Carnival Miracle, Ruby Princess, Koningsdam, Oceania’s Insignia and The World, a sailing residence. (Carnival’s brands include Carnival, Princess Cruises and Holland America; Norwegian Cruise Line Holdings Ltd. brands include NCL, Oceania Cruises and Regent Seven Seas Cruises.)

McKee also said NCL’s Hawaii-based vessel, Pride of America, is slated to resume sailings around the islands Jan. 22.

In February, McKee expects arrivals from Pride of America as well as the Koningsdam, Carnival Miracle, Ruby Princess and Grand Princess. She said March arrivals include Pride of America, Grand Princess, Crown Princess and Zuiderdam.

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McKee added that planned April arrivals include Pride of America, Norwegian Jewel, the Regatta, Ruby Princess, Grand Princess and the Royal Group’s Celebrity Eclipse.

The cruise industry has been aggressively scaling up and has already cruised in many mainland destinations outside of Hawaii as well as Mexico, the Caribbean and Europe.

Sandi Weir, Norwegian Cruise Line Holdings’ vice president of revenue management, told HTA’s branding committee Wednesday that the CDC requires a memorandum of understanding with all ports, and that the cruise line has been negotiating with the state.

“All the terms have been agreed upon and right now the agreement is just up for signature,” Weir said.

The state Department of Transportation’s Harbors Division said it continues to negotiate port agreements with various cruise lines but none has been finalized.

Weir said NCL has adopted strong safety requirements, which have been put to the test in other destinations.

“Even with this new variant we are doing well,” she said. “We have 100% vaccination policy for guests and crew. There are no exceptions.”

Weir said NCL also has implemented capacity limits. Oceania’s Insignia will set sail in Hawaii with a maximum of 60% capacity, while Pride of America’s capacity has been limited to just 40%.

“We have more demand than we have cabins for,” she said.

That’s certainly not the case for all segments of Hawaii’s visitor industry, which has been on high-alert since omicron surfaced in recent weeks.

“Our short term cancellation rate has certainly accelerated in the past few weeks, which generates significant risk to our current forecasts,” said Sean Dee, executive vice president and chief commercial officer for Outrigger Hospitality Group. “Japan has reinstated its highest level of COVID restrictions on travel as well, so it’s unlikely there will be much recovery from that critical source market until late (first quarter) at the earliest. Those factors together are going to continue to challenge Oahu’s recovery.”

Another issue that could put a damper on Oahu visitor traffic now and into the new year is that boat programs at the USS Arizona Memorial, Oahu’s most popular attraction, have been discontinued until after the first of the year due to shoreside loading dock repairs.

Chris Kam, president and COO of OmniTrak, said omicron has pushed out recovery of Hawaii’s international tourism but so far hasn’t greatly impacted travel demand for Hawaii from U.S. travelers.

“Word on the street was that the start of the return of international travelers would begin in the first quarter and really pick up in the second quarter,” Kam said. “But the CDC is now forecasting the omicron surge to peak in the last

week of January, the first week of February and peter out by the first week of March.”

Kam said about 5% of a representative sample of U.S. travelers from the latest OmniTrak survey said they intended to visit Hawaii in the next six months. He said results of the survey, which was conducted from early December through Tuesday, were consistent with pre-omicron results.

“What we are seeing in terms of travel sentiment (from U.S. travelers) is that, yes, safety is a consideration, but it’s not the absolute concern,” Kam said. “What I see so far is that the vaccination status for the U.S. is different than when we were in the delta surge. People are learning to cope with it.”

Now, he said, it’s more common for U.S. travelers to be more concerned about the affordability of travel rather than safety.

“Travel prices have gone up quite a bit, and there’s always going to be that sentiment after a certain point where travelers start asking themselves is this really worth the value,” Kam said.

The big question now is not if Hawaii’s travel industry will recover, but when.

“People were not born to stay in one place,” he said. “Mobility is hardwired into our DNA. We can only stay in one place for so long. As travel demand builds, it will need an outlet.”