HAWAIʻI TOURISM AUTHORITY

STAFF REPORT TO THE BOARD

April 30, 2026

REQUEST: The Board Request a Tourism Emergency Declaration from Governor John Green, pursuant to HRS §201B-9(a).

FACTS:

1. **Global Economic and Geopolitical Volatility.** Travel sentiment is being affected by broad macroeconomic conditions. Inflation, economic uncertainty, international conflicts, and elevated fuel prices are contributing to hesitancy in long-haul travel planning. These pressures are reducing discretionary travel and increasing price sensitivity among potential visitors.

2. **Perception Effects from Recent Kona Low Storm Coverage.** Although on-the-ground conditions vary by island and many areas remain unaffected, extensive media coverage of flooding has created a perception gap among consumers. In several markets, travelers continue to assume statewide disruption or safety concerns, leading to slower booking activity and elevated cancellation risk.

3. **Instability in North American Source Markets.** Visitor behavior from Mexico and Canada is shifting in ways that introduce uncertainty for Hawaiʻi. Safety and value considerations are influencing travelers who previously selected Mexico, while Canadian visitors are experiencing economic pressure from inflation and exchange-rate challenges. These dynamics create both risk to baseline demand and opportunity for strategic recovery.

4. **Heightened Sensitivity Among Group and High-Value Segments.** Corporate travel, meetings and conventions, incentives, and premium leisure segments are closely monitoring risk signals—including weather events, economic conditions, and global instability. These segments have a demonstrated tendency to pause, delay, or cancel during uncertain periods, potentially impacting year-round revenue and pacing.

5. **Volatility in International Markets Due to Currency and Airlift Constraints**. Travel demand from key international markets remains unpredictable. Fluctuating exchange rates are affecting travelers' purchasing power, while inconsistent or limited airlift capacity is constraining both availability and pricing. These combined pressures contribute to irregular booking patterns and reduced forecast reliability for these regions.

6. Investment in increased brand marketing and proactive brand communication is essential to:
   - Reinforce Hawaiʻi's value during a period of cautious discretionary spending

- Counteract airfare-driven price sensitivity and protect current airlift
- Keep Hawai‘i top-of-mind amid global stressors
- Capture share from travelers reconsidering alternatives
- Strengthen Hawai‘i’s premium positioning in competitive sun-and-beach-and island markets
- Stimulate demand quickly
- Prevent occupancy gaps that cannot be recovered later
- Avert cancellations and maintain planner confidence

BUDGET IMPLICATIONS: $5,000,000 to be released from the Tourism Emergency Special Fund to support brand marketing initiatives.

RECOMMENDATION: The staff recommends that the board submit a request to the governor to declare that a tourism emergency exists.