

The 13<sup>th</sup> Northeast Asia Economic Forum  
Session 5, Towards a Northeast Asian Tourism Community  
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As you may know, I am from Hawaii, and Hawaii is not part of the Northeast Asian Region. In fact, Hawaii is a competing tourist destination, although I would consider Hawaii to be a friendly competitor since we enjoy the benefits of many tourists from Northeast Asia who come to Hawaii. In this spirit, I would like to offer a few comments relating to Hawaii's tourism experience, which I hope would be helpful to those who want to promote mutual cooperation within this region to promote tourism.

The three presenters have reported on the tourism industry in their respective countries. We have learned that China, Japan and Korea have all experienced tremendous growth in tourism, and all expect that this growth will continue in the future.

They explained that this growth is fueled by rising disposable income, changing lifestyles and improved global communications and transportation.

However, this growth has also brought with it, intensified global competition in the tourism market. Our three presenters discussed both opportunities as well as challenges that countries in the region will face in the competition for domestic, intra-regional and international travelers.

I would like to take a few minutes to briefly describe Hawaii's experience that I think will confirm and validate some of the points made by them.

First, our presenters have pointed out that countries in Northeast Asia offer many tourism resources such as interesting geographic, historical, cultural and ecological sites that should attract visitors.

Hawaii has for decades, enjoyed a reputation as a premier tropical vacation resort. Its chief resources have been its yearlong mild climate, beautiful beaches and a pleasant environment. Within the United States, Hawaii is ranked fourth out of fifty states in terms of gross revenues from international tourists. Ranked ahead of Hawaii are Florida, California and New York. Note that all of these states are much, much larger than Hawaii. However, we have learned that continued growth in tourism depends on returning visitors as well as new, first-time visitors. This means that we cannot continue to rely only on climate and beaches to remain competitive. In addition, we find that there is continuing changes in the taste of tourists. Instead of lying on a sunny, sandy beach, the younger tourists of today are more interested in activities such as surfing, parasailing, jet-skiing, golf, hiking and learning about Hawaiian culture and arts. Thus the resources you have today may not sustain tourism tomorrow.

Second, the presenters have pointed out the need for convenient and reasonable transportation, particularly direct flights between sources of international tourists and their destination.

Hawaii is an island state in the middle of the Pacific Ocean. While this keeps our beaches clean and our environment free from industrial pollution, it also means that we are heavily dependent on air transportation to bring tourists to Hawaii. When major airlines reduce the number and frequency of flights, or increase their fares, we immediately experience a downturn in tourist arrivals. Labor strikes by airline employees also cause negative effects on our tourism industry.

Third, the presenters have also cited the need for a secure and safe environment for visitors.

In Hawaii, this fact was brought home dramatically by the events of 9/11/2001 and the SARS and Iraq problems of 2003. In the months following these events, international tourist arrival, particularly from Japan which was our best market, dropped by as much as 50%. For the year ending in December 2001, international tourism was down 16.9%.

At the same time, domestic travelers, particularly from the East and West coasts of mainland USA came to Hawaii in larger numbers. These tourists stayed in Hawaii for longer periods, and thus made up for the drop in international visitors. We discovered that when confronted with security or safety concerns, people tended to stay closer to home for their vacations. Many US tourists who would have traveled to Europe, the Middle East or Asia, stayed within the United States and Hawaii benefited from the resulting increased tourist arrivals from the mainland.

Fourth, our presenters also emphasized the importance of ease of entry and exit for tourists, to include visa and customs processing of presenters at air, sea and vehicular entry points.

Prior to 9/11, America was one of the most open nations, with relatively free access into our country, including Hawaii. However, the American government's response to the unfortunate events of 9/11 and subsequent terrorist attacks elsewhere in the world, was the imposition of draconian security policies and procedures. Increased security screening of arriving and departing passengers at US airports caused much delay and inconvenience. Anecdotal evidence indicates that security procedures and visa restrictions have had a negative effect on tourist arrivals. We are concerned that proposed new procedures involving photographs and fingerprinting of arriving foreign visitors will have a disastrous effect on our foreign tourist market.

Thus, Hawaii's experience serves to illustrate the sensitive nature of tourism and provides added incentive for the countries in Northeast Asia to promote multi-lateral cooperation and joint efforts in confronting both opportunities and challenges in tourism in the region.