



UHERO

THE ECONOMIC RESEARCH ORGANIZATION
AT THE UNIVERSITY OF HAWAII

Forecast Project

HAWAII'S TWO-SPEED RECOVERY: PROSPECTS FOR GROWTH

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E Kamakani Noi`i
Wind That Seeks Knowledge

January 13-14, 2011

OVERVIEW

Hawaii economic backdrop

Hawaii economic backdrop

Hawaii's two speed recovery

- Almost exclusively a tourism led recovery

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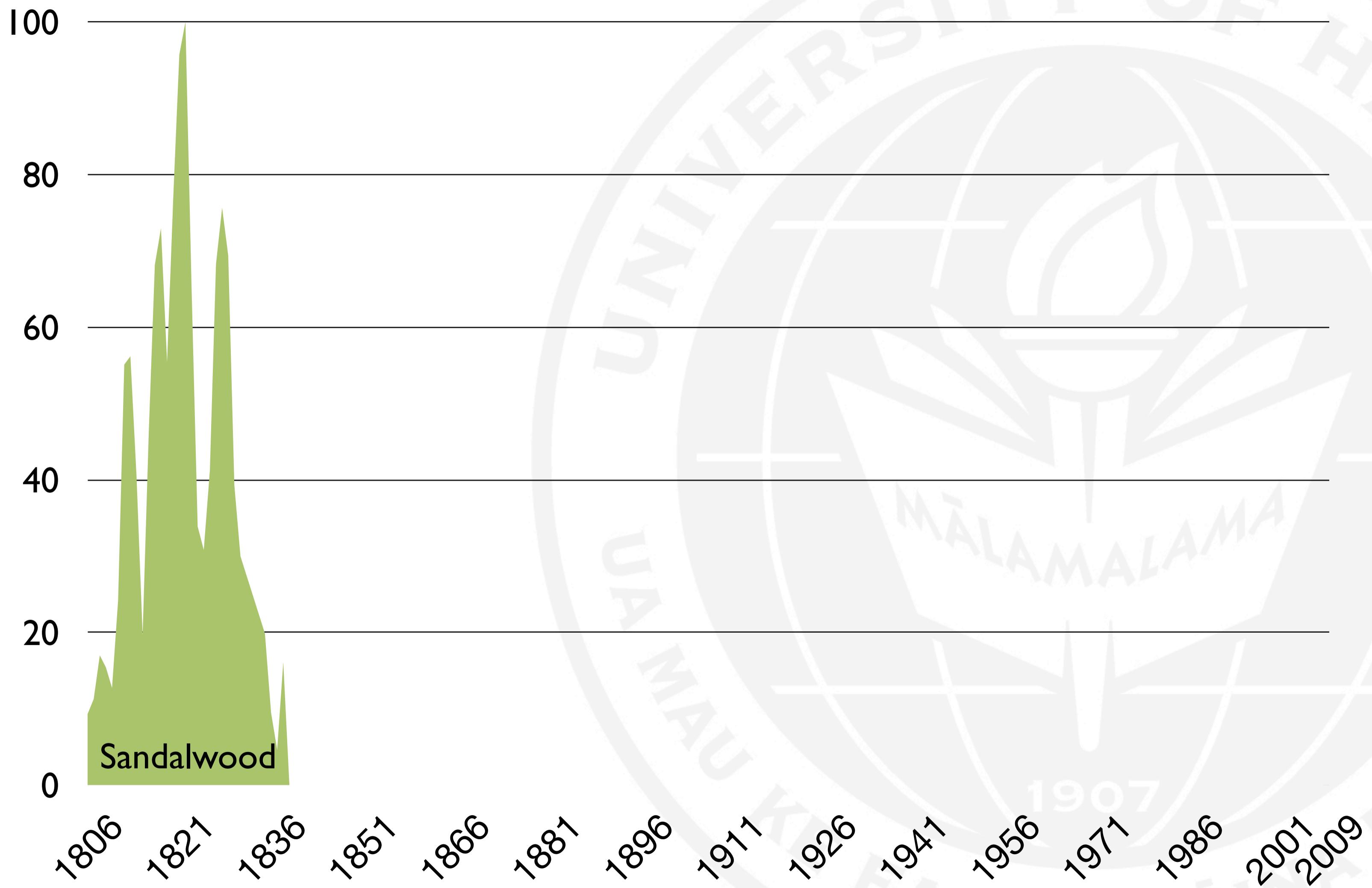
Hawaii economic backdrop

Hawaii's two speed recovery

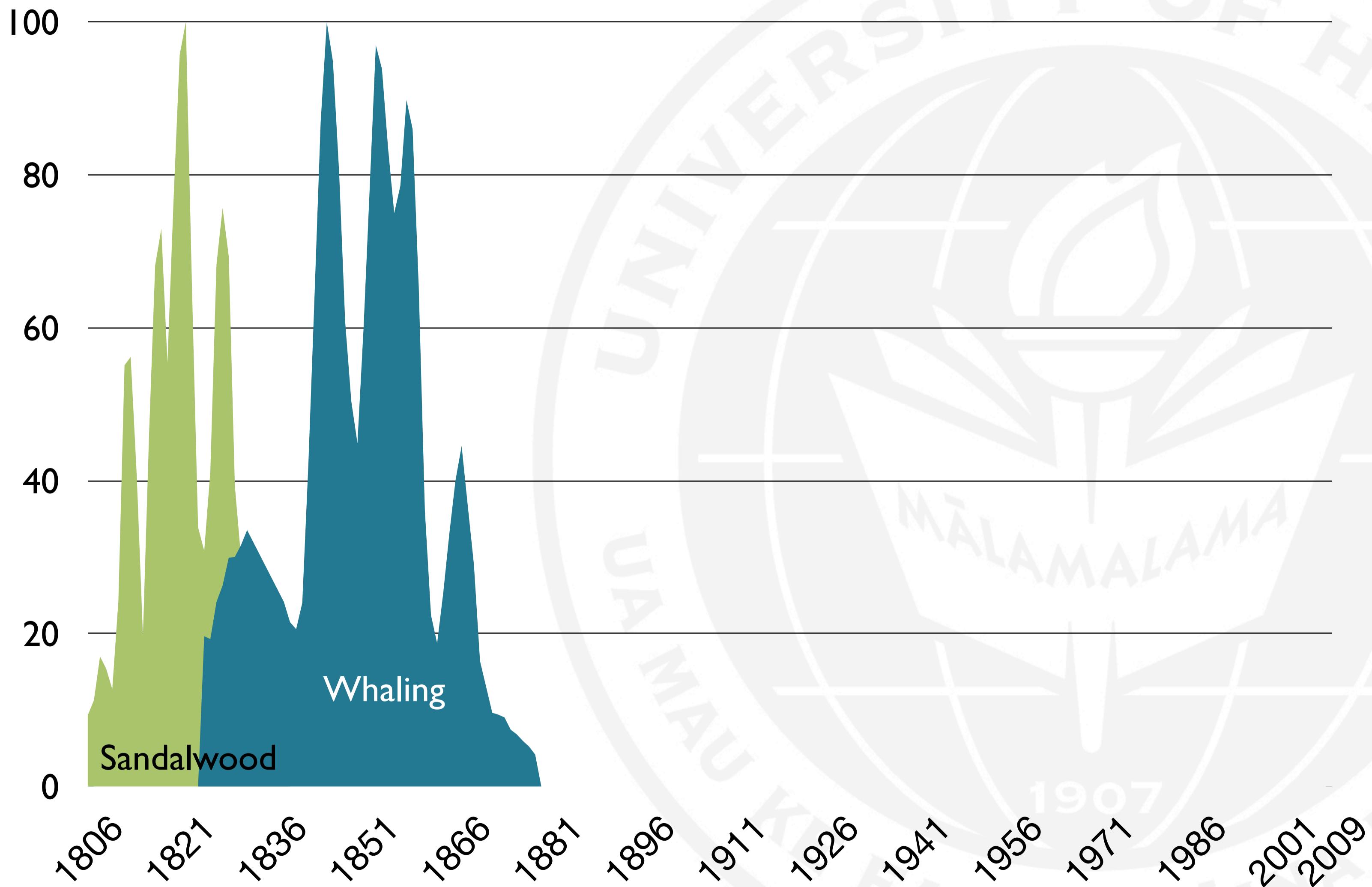
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Prospects for transformation

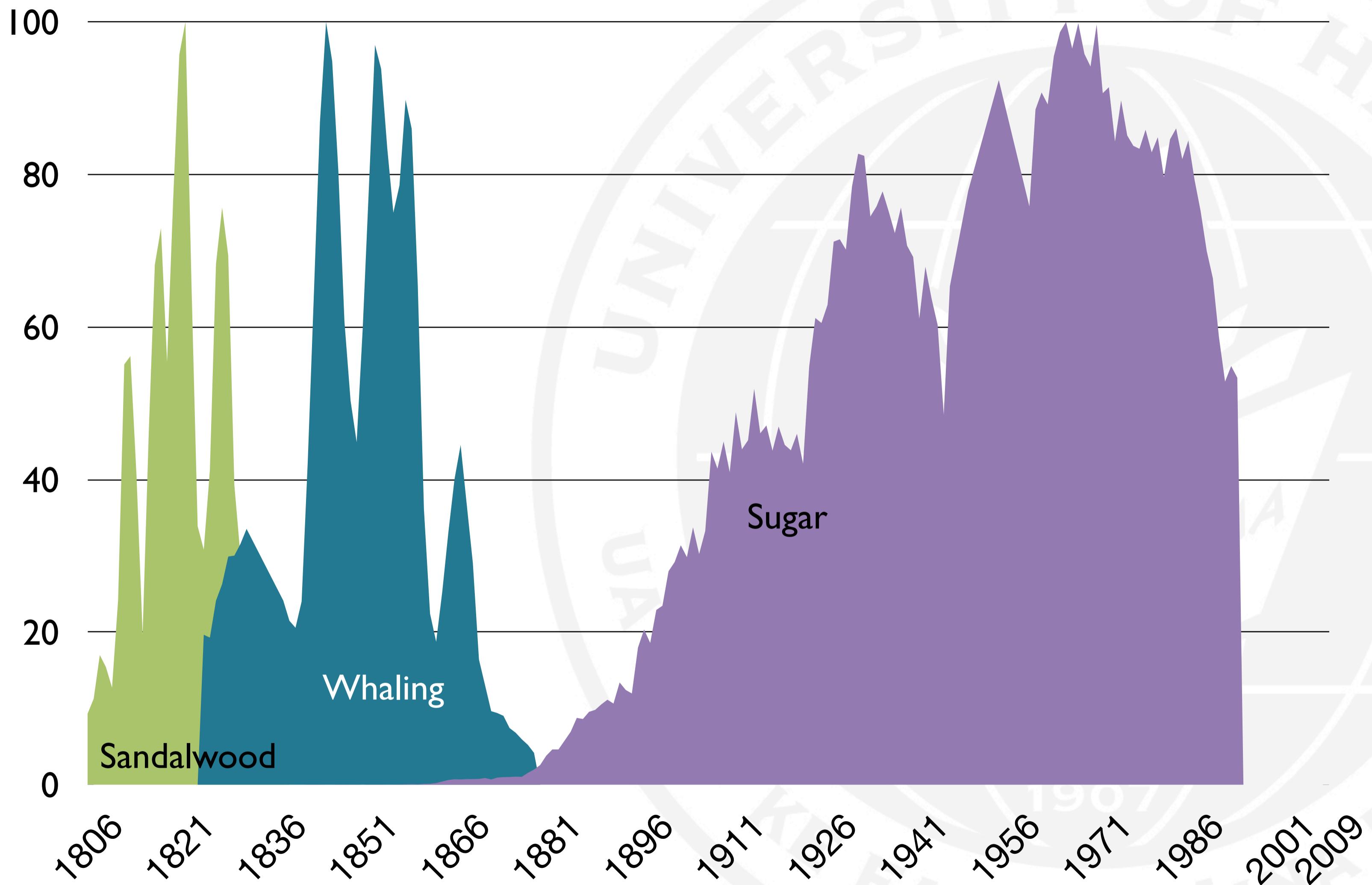
TRANSITIONS: FROM SANDALWOOD TO VISITORS



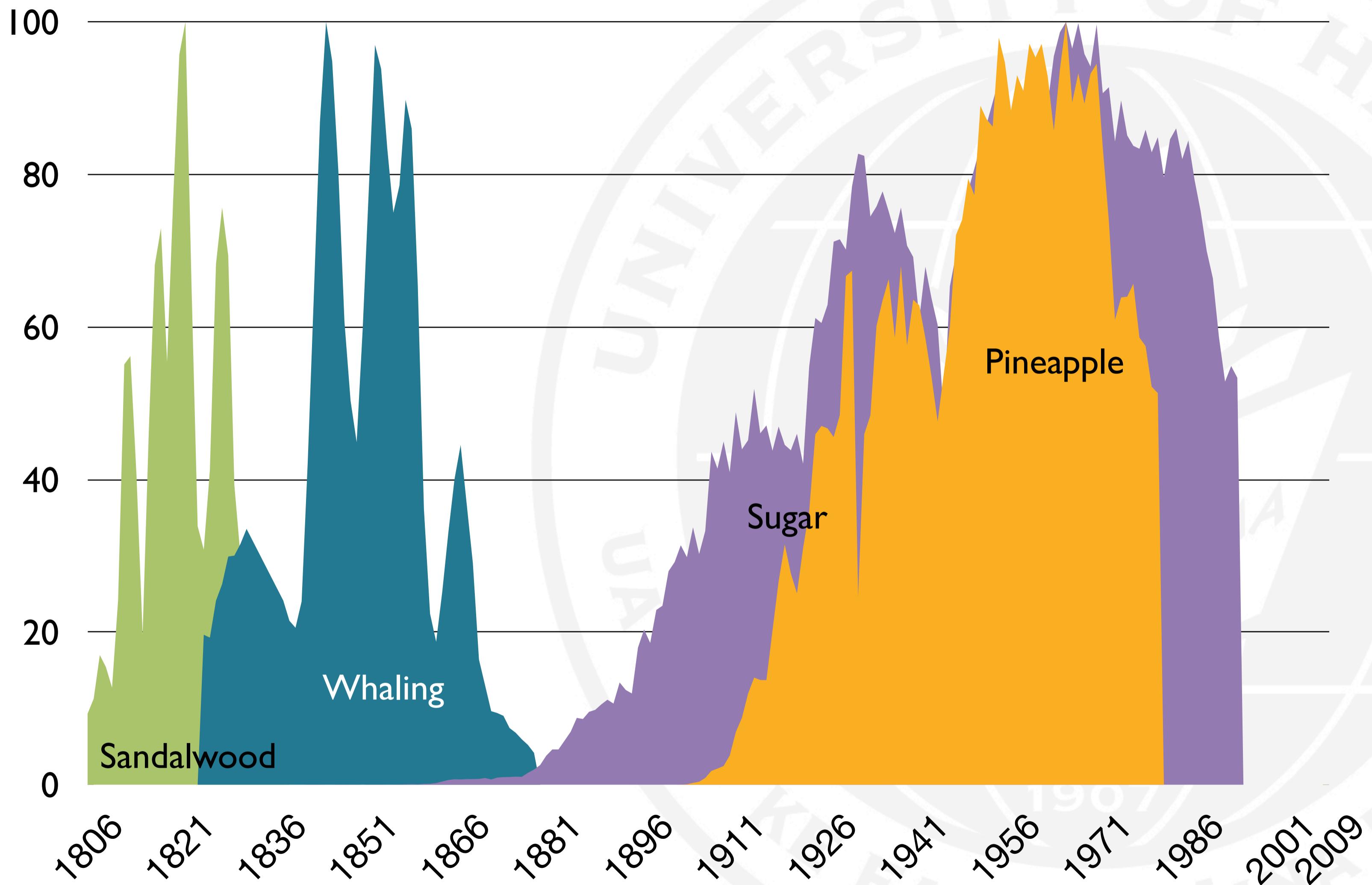
TRANSITIONS: FROM SANDALWOOD TO VISITORS



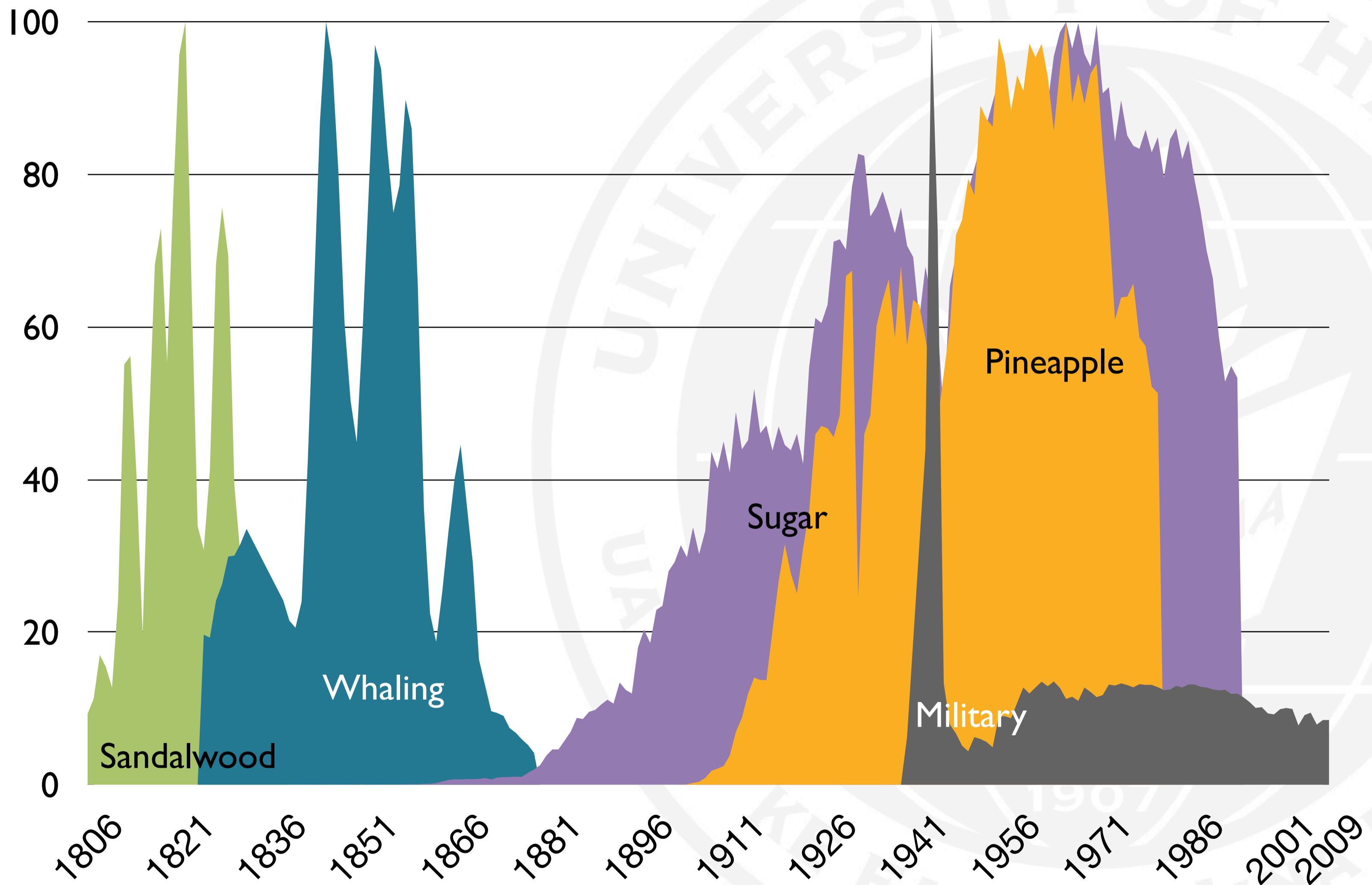
TRANSITIONS: FROM SANDALWOOD TO VISITORS



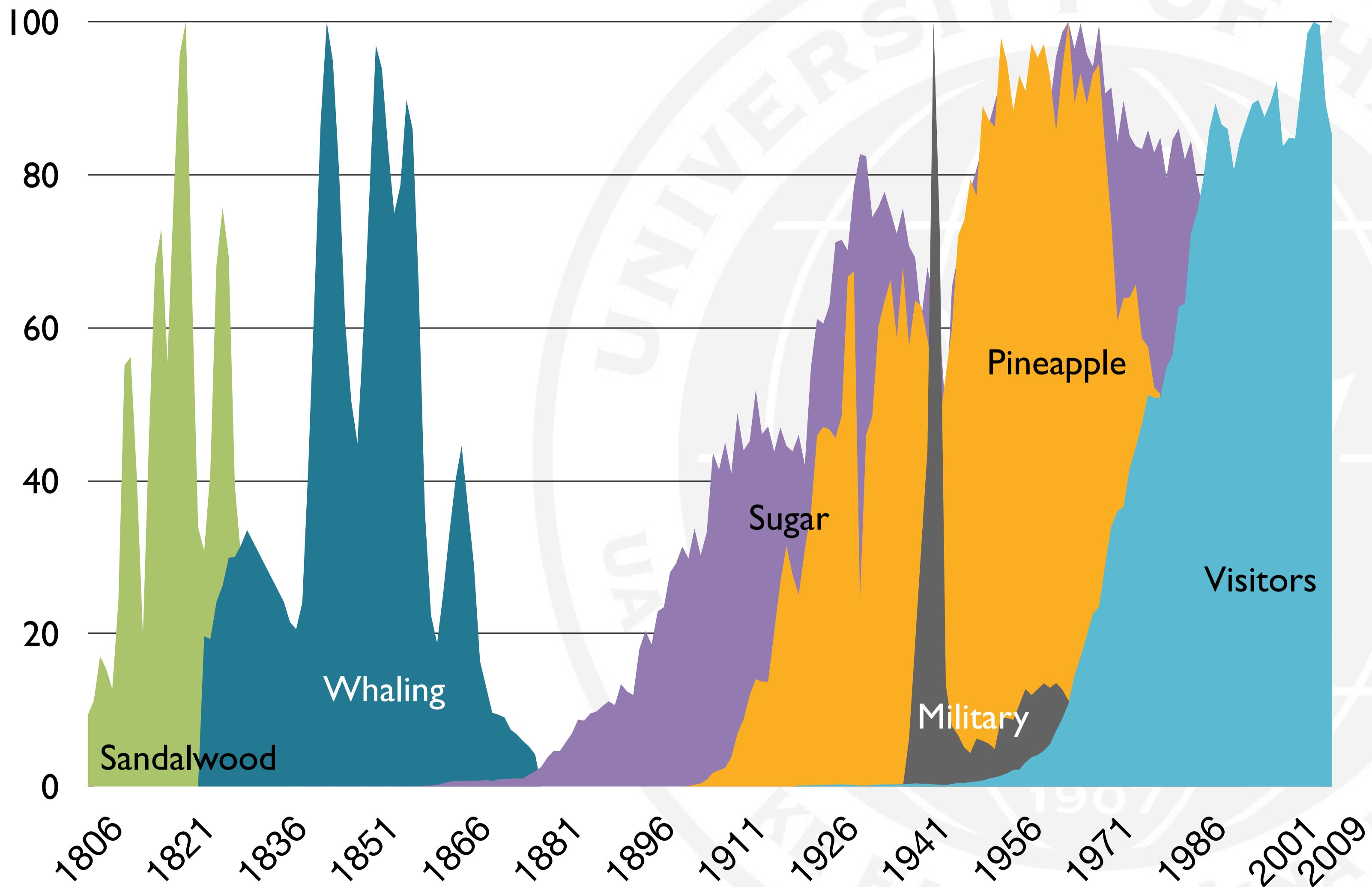
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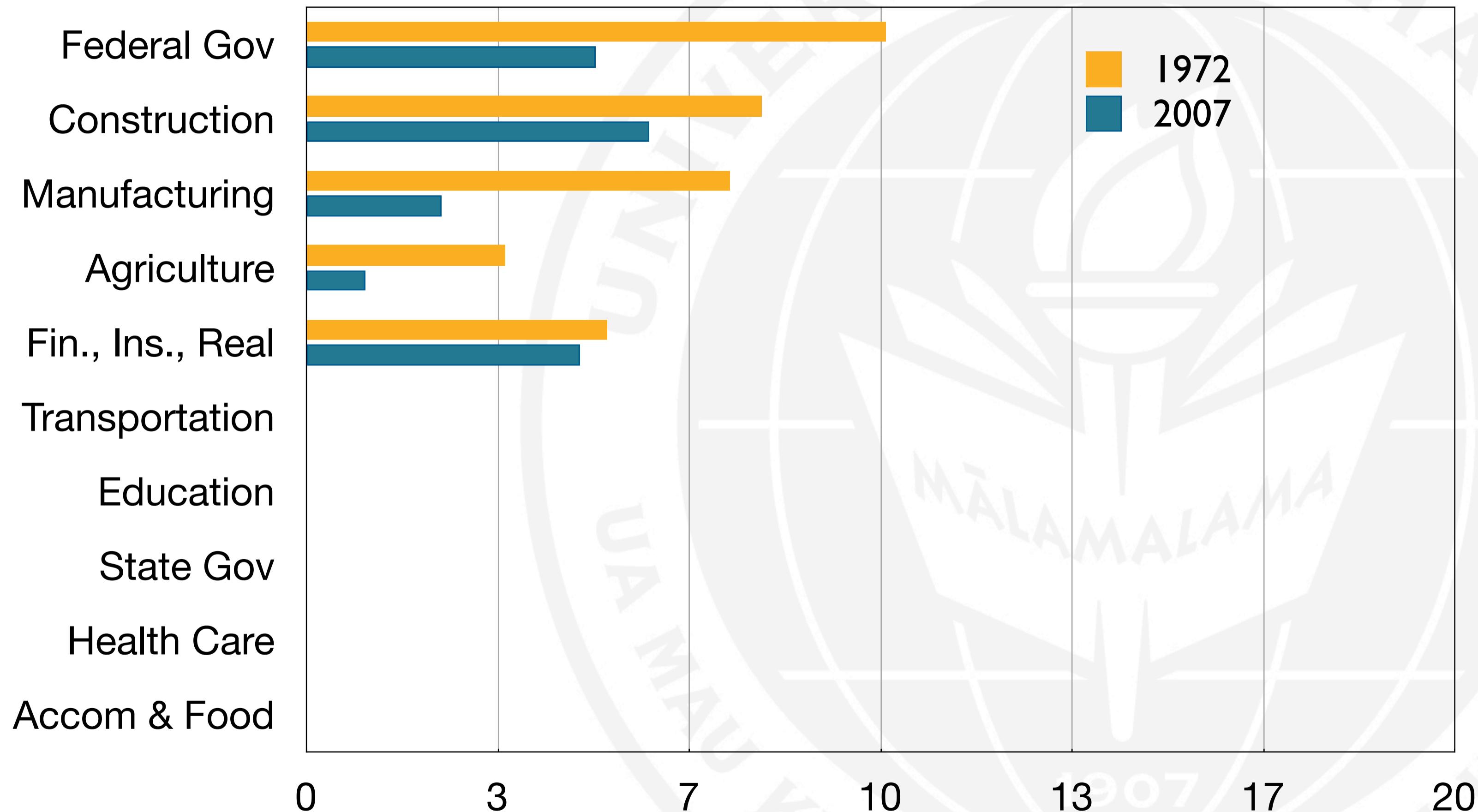


TRANSITIONS: FROM SANDALWOOD TO VISITORS



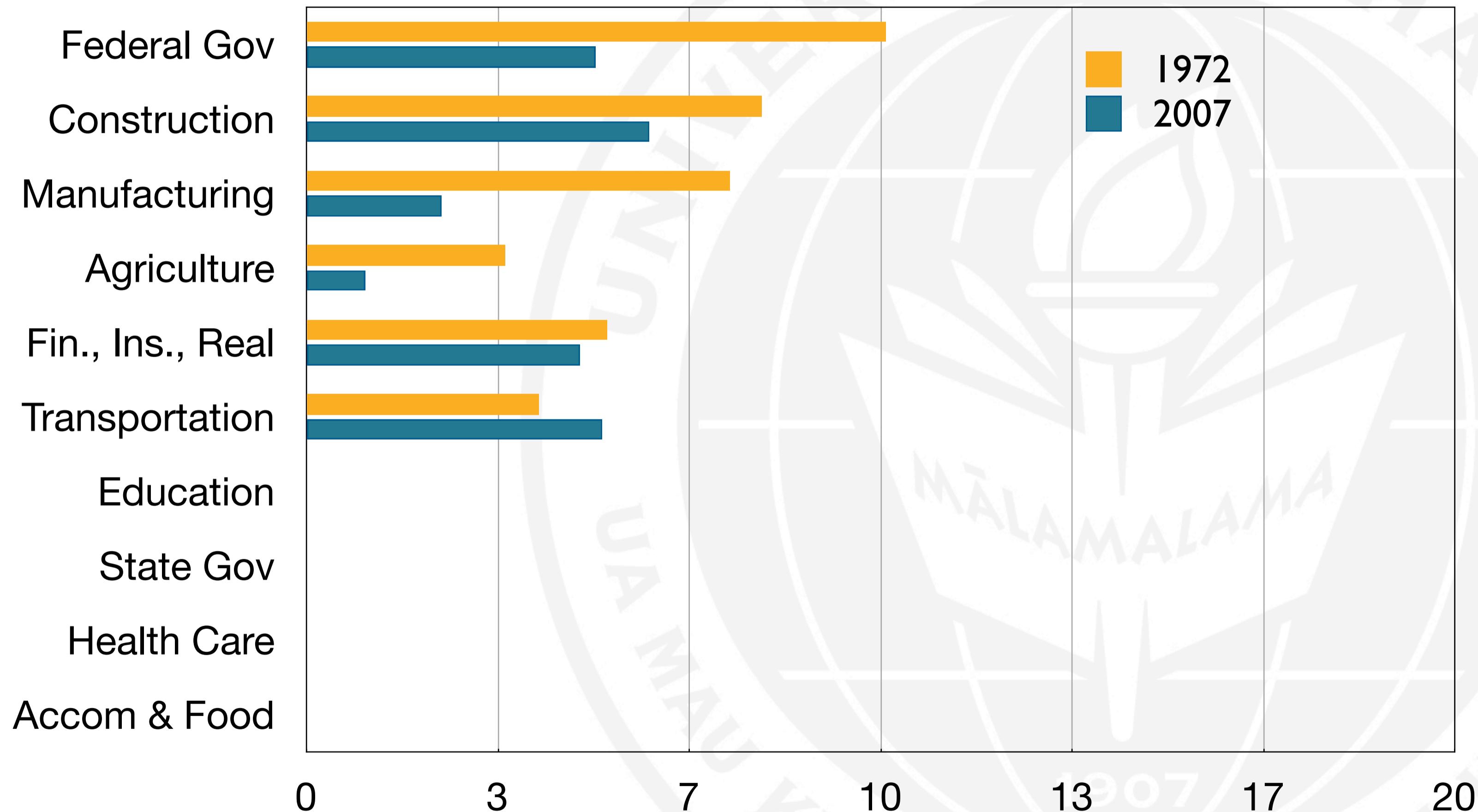
CHANGING SPECIALIZATION

Job Shares by Sector



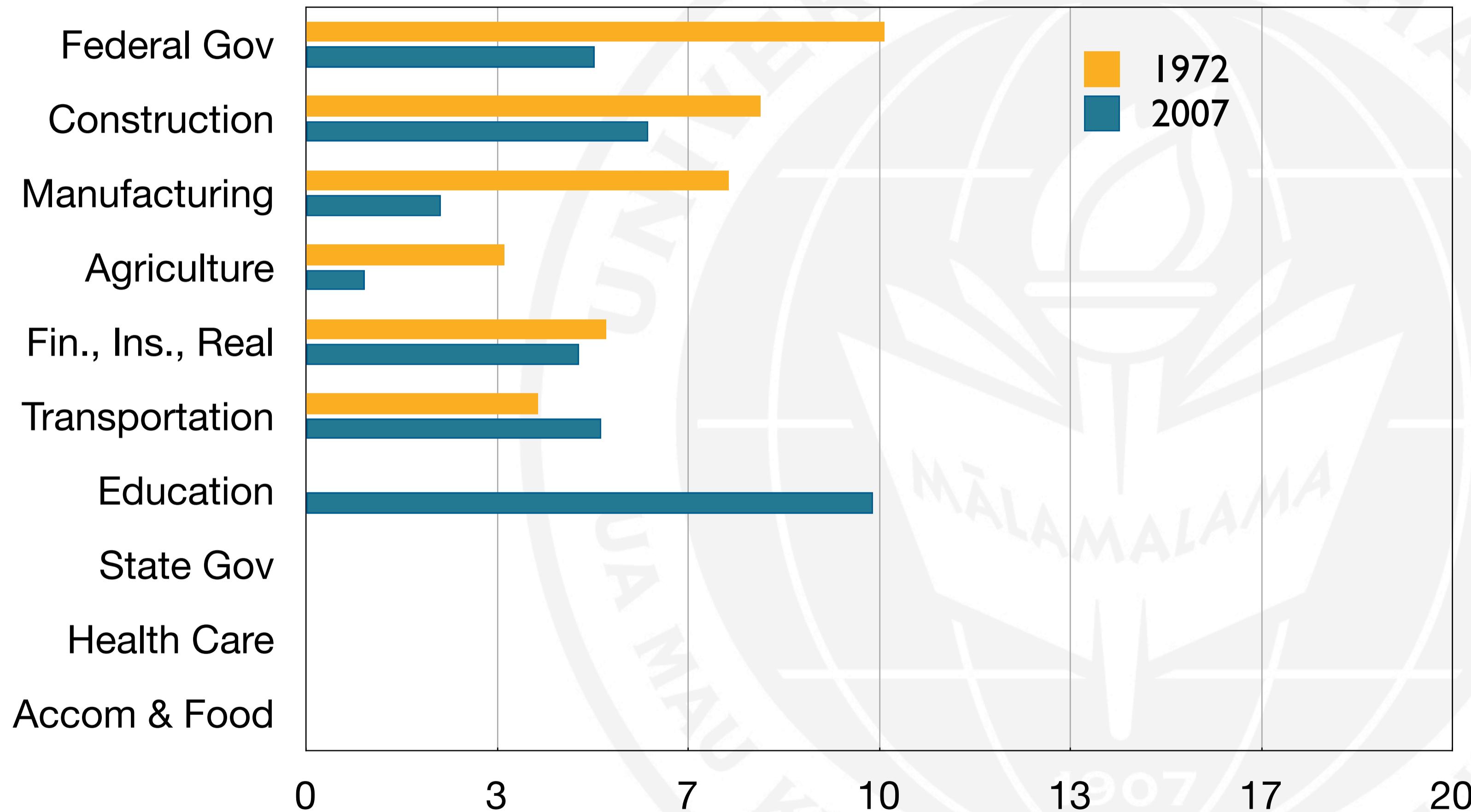
CHANGING SPECIALIZATION

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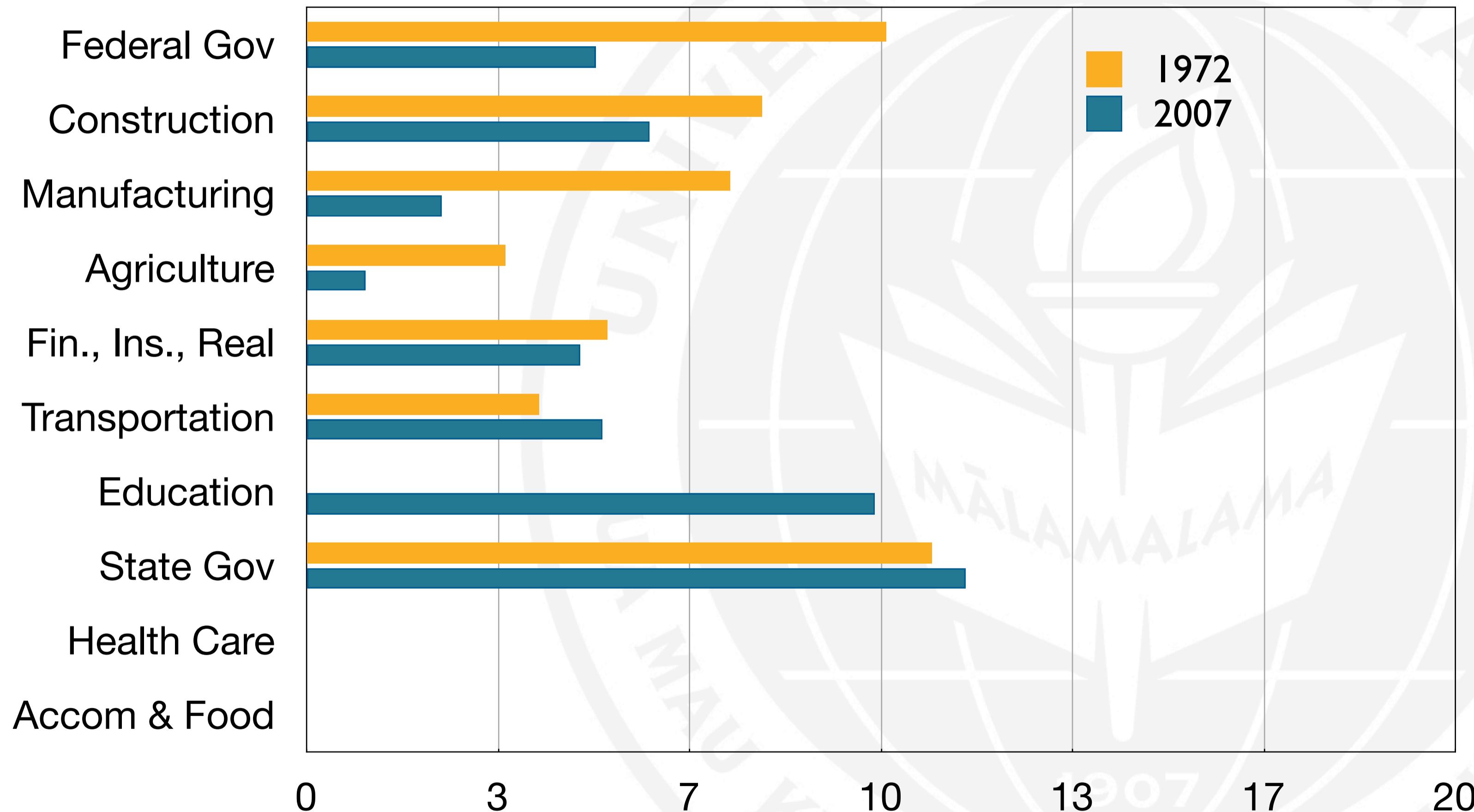
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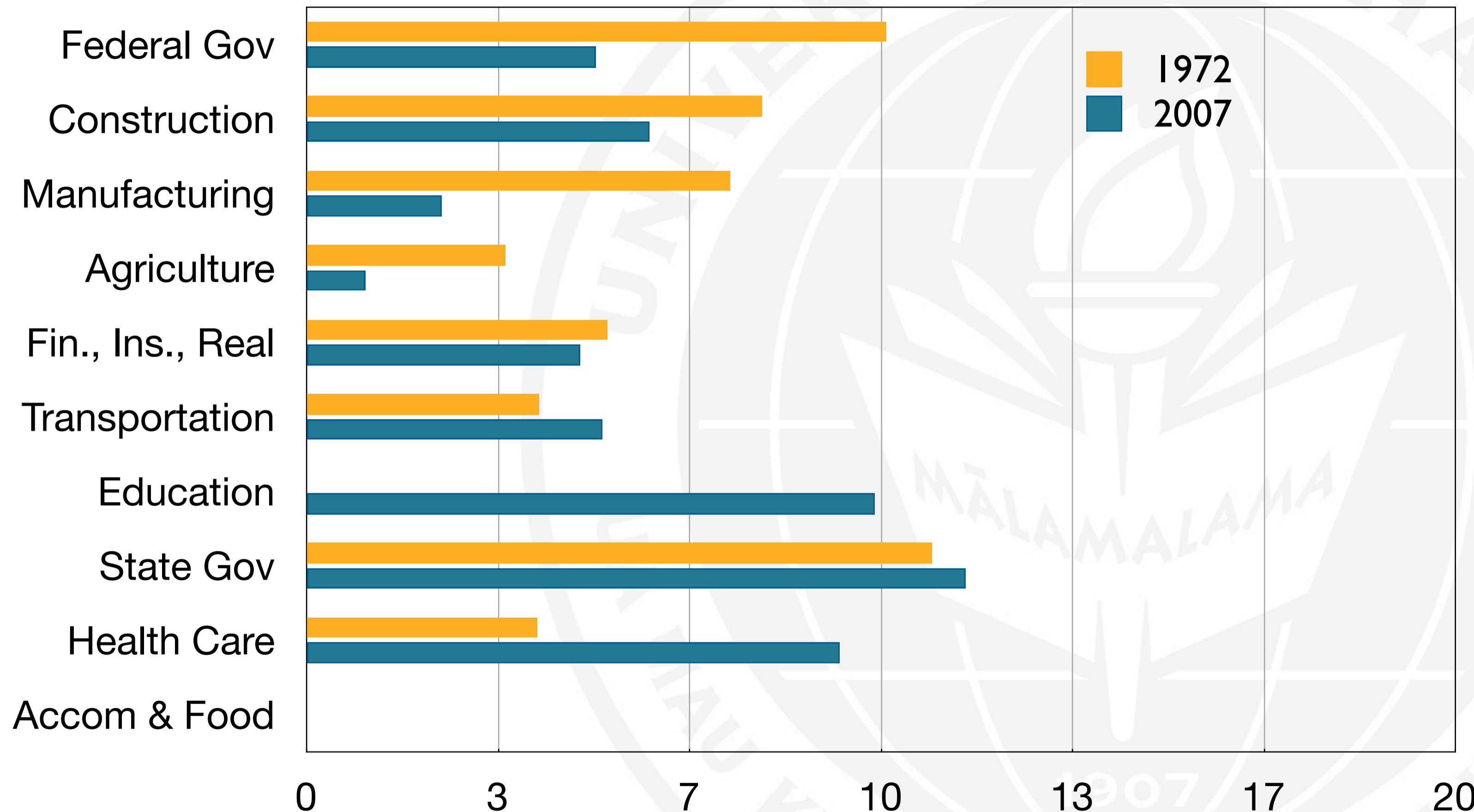
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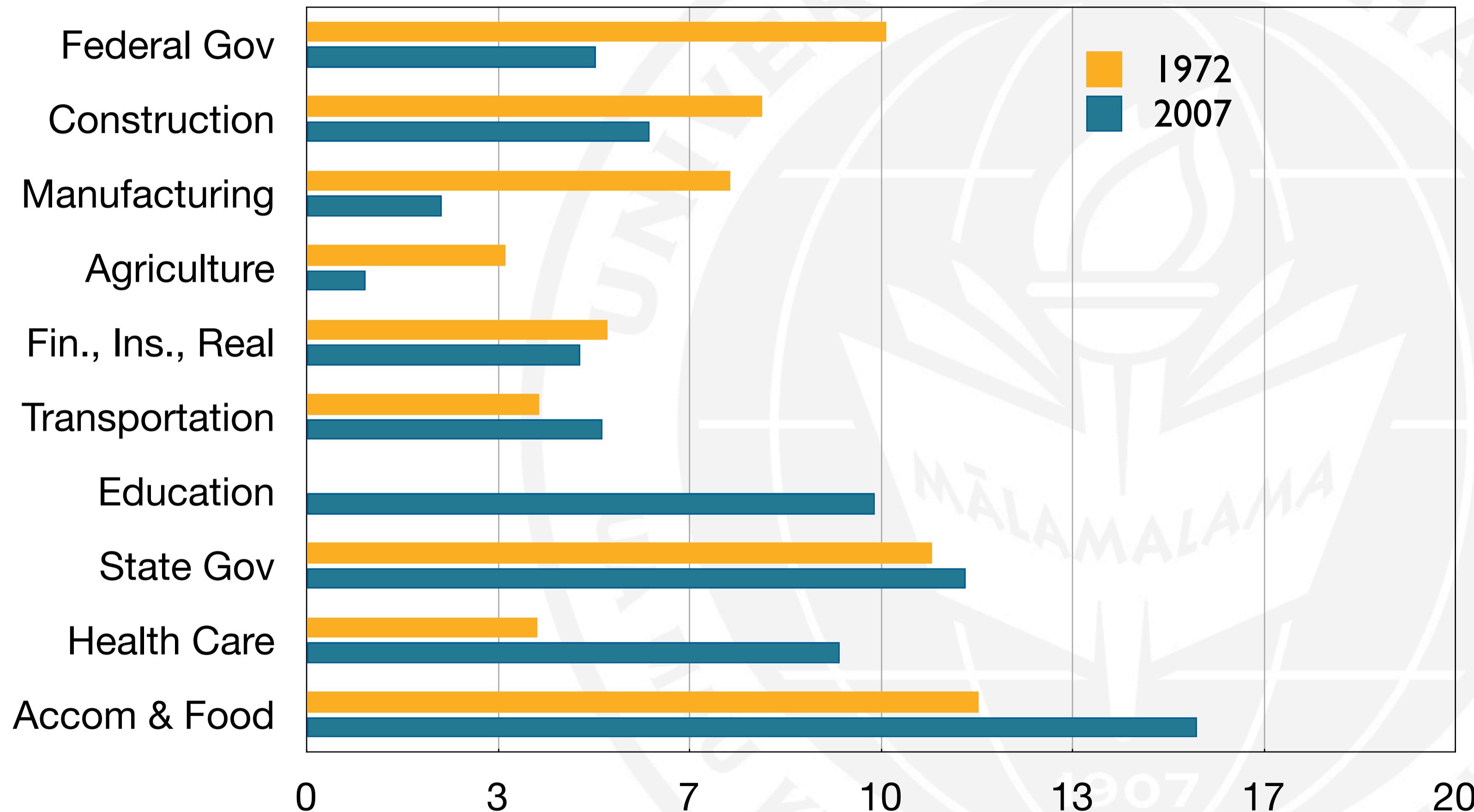
CHANGING SPECIALIZATION

Job Shares by Sector



CHANGING SPECIALIZATION

Job Shares by Sector



PER CAPITA GDP GROWTH SUB-PAR

Real per capita GDP

50 Thousands 2005\$

40

30

20

1910

1975

1980

1985

1990

1995

2000

2005

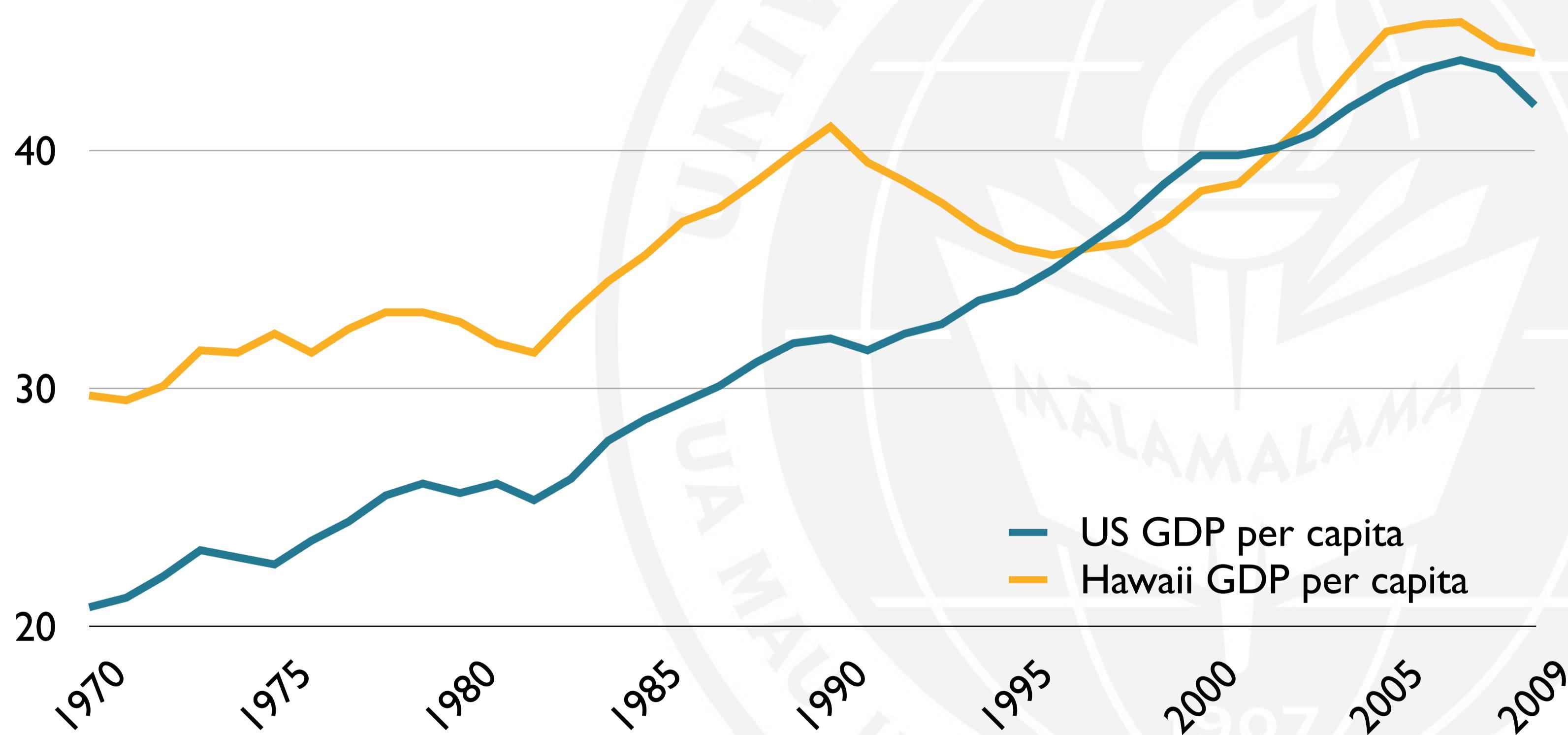
2009

— US GDP per capita
— Hawaii GDP per capita

PER CAPITA GDP GROWTH SUB-PAR

Real per capita GDP

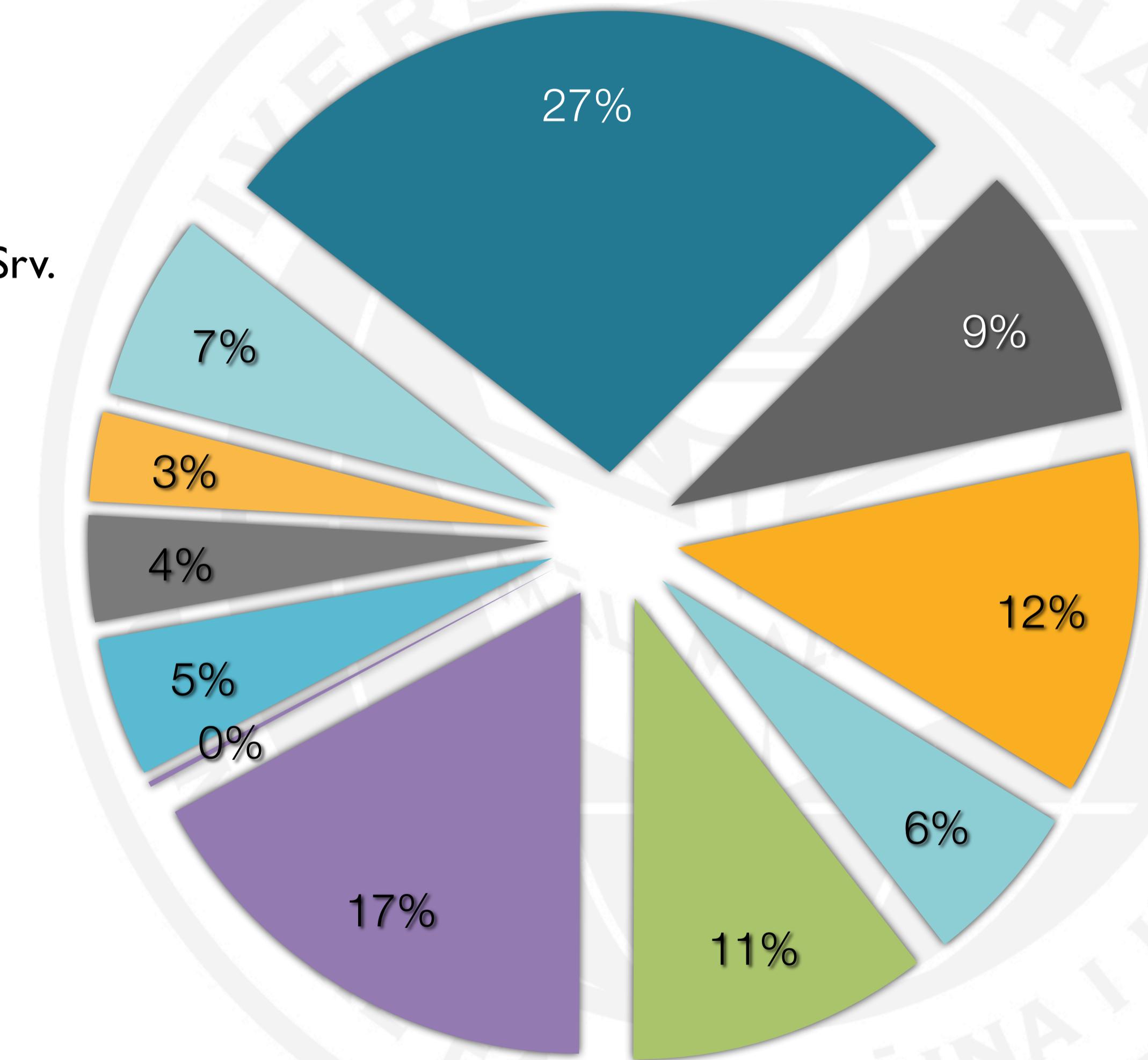
50 Thousands 2005\$



HAWAII OCCUPATION MIX

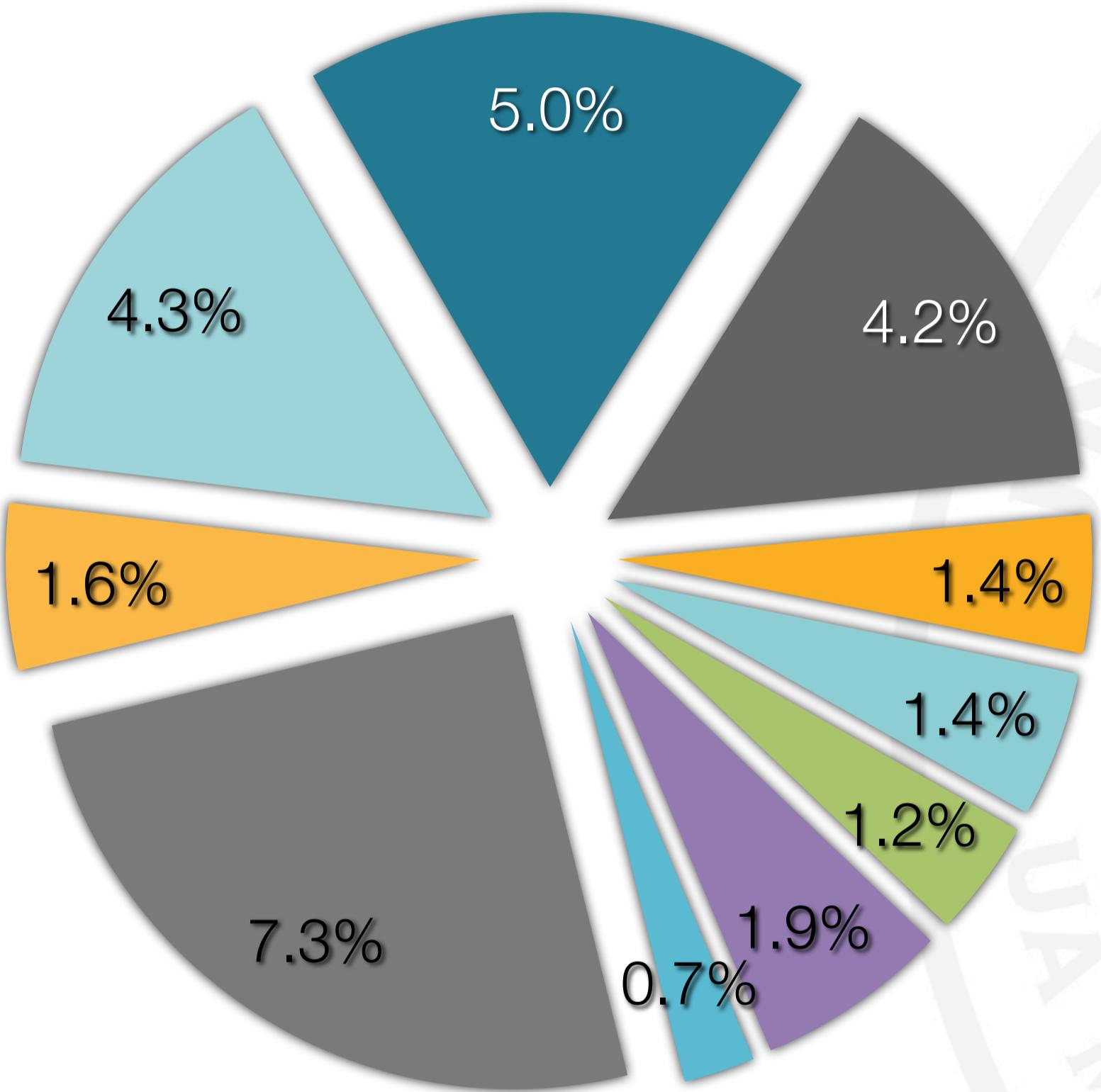
Average Share 2000-2009

- Health, Pers. Care, Protect Srv.
- Food Srv.
- Bldg. Ground Cleaning
- Sales
- Office Admin Support
- Farming, Fish, Forestry
- Construction
- Maintenance
- Production
- Transport
- High Human Capital

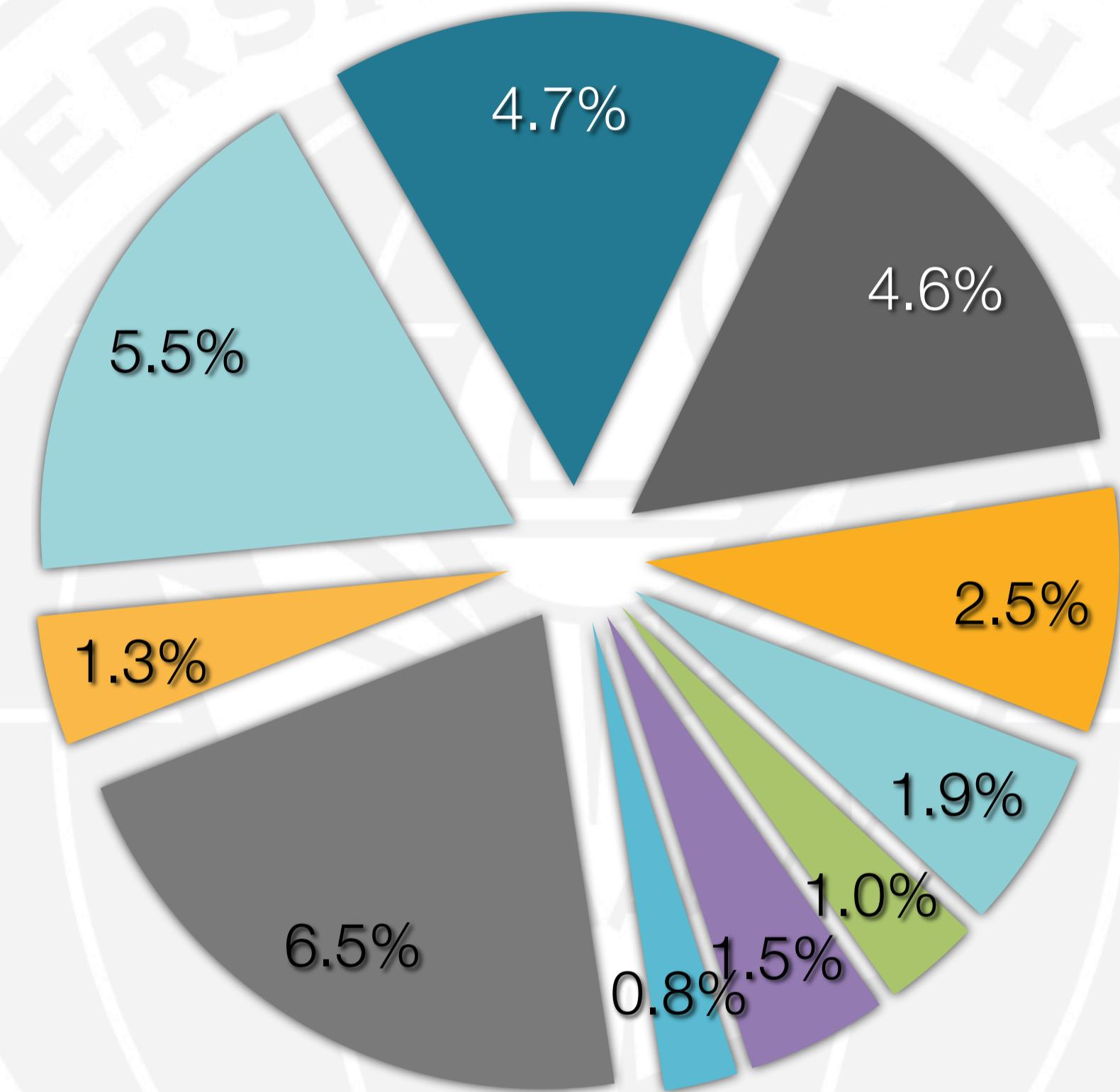


HIGH HUMAN CAPITAL OCCUPATION MIX

Hawaii 2009



US 2009



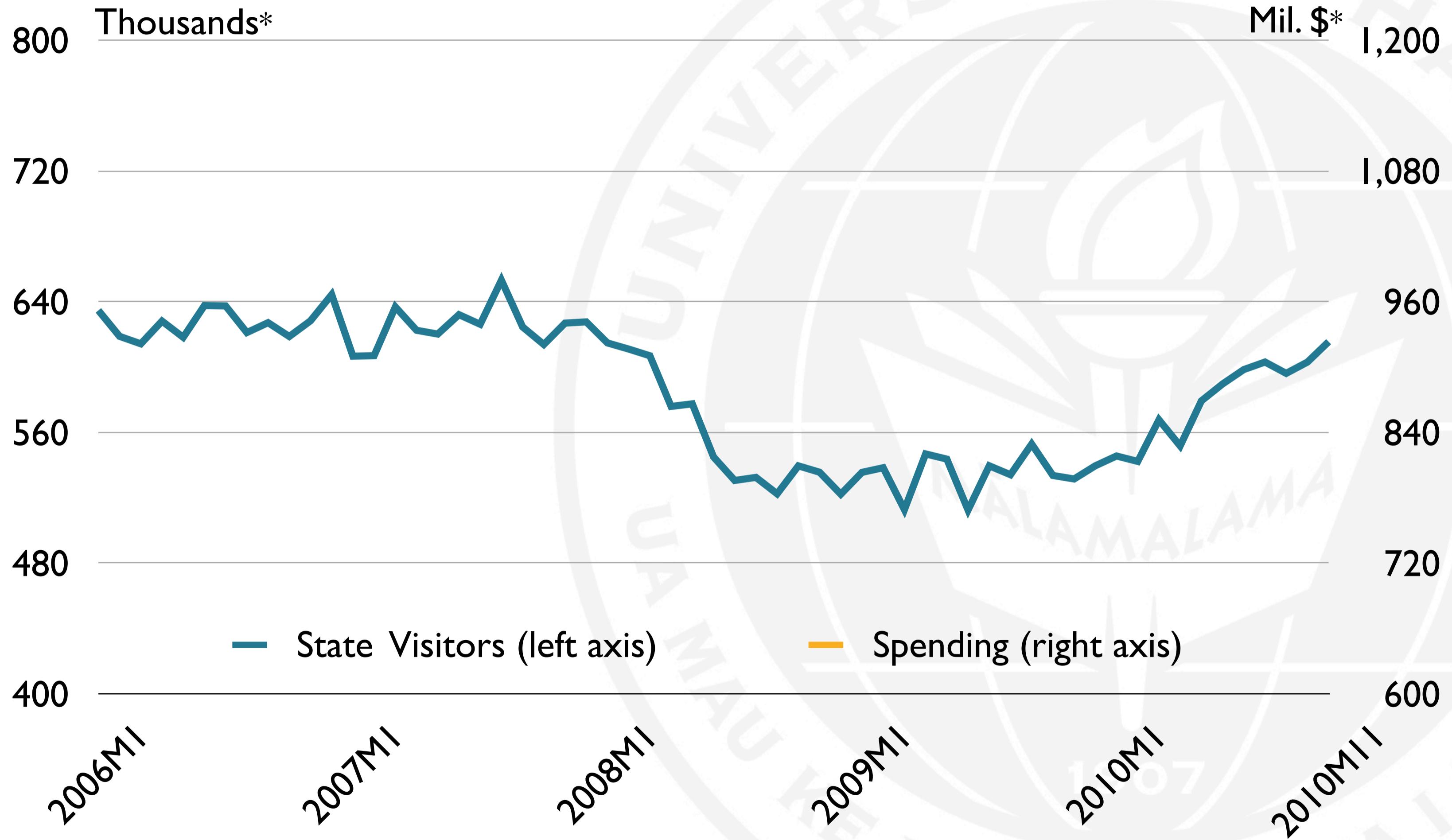
- Management
- Architect & Engineering
- Legal
- Healthcare practitioner

- Business and Fin
- Life, Physical, Social Science
- Education

- Computer & Math Science
- Social Service
- Arts, Design, Media...

HAWAII TOURISM RECOVERY ON TRACK

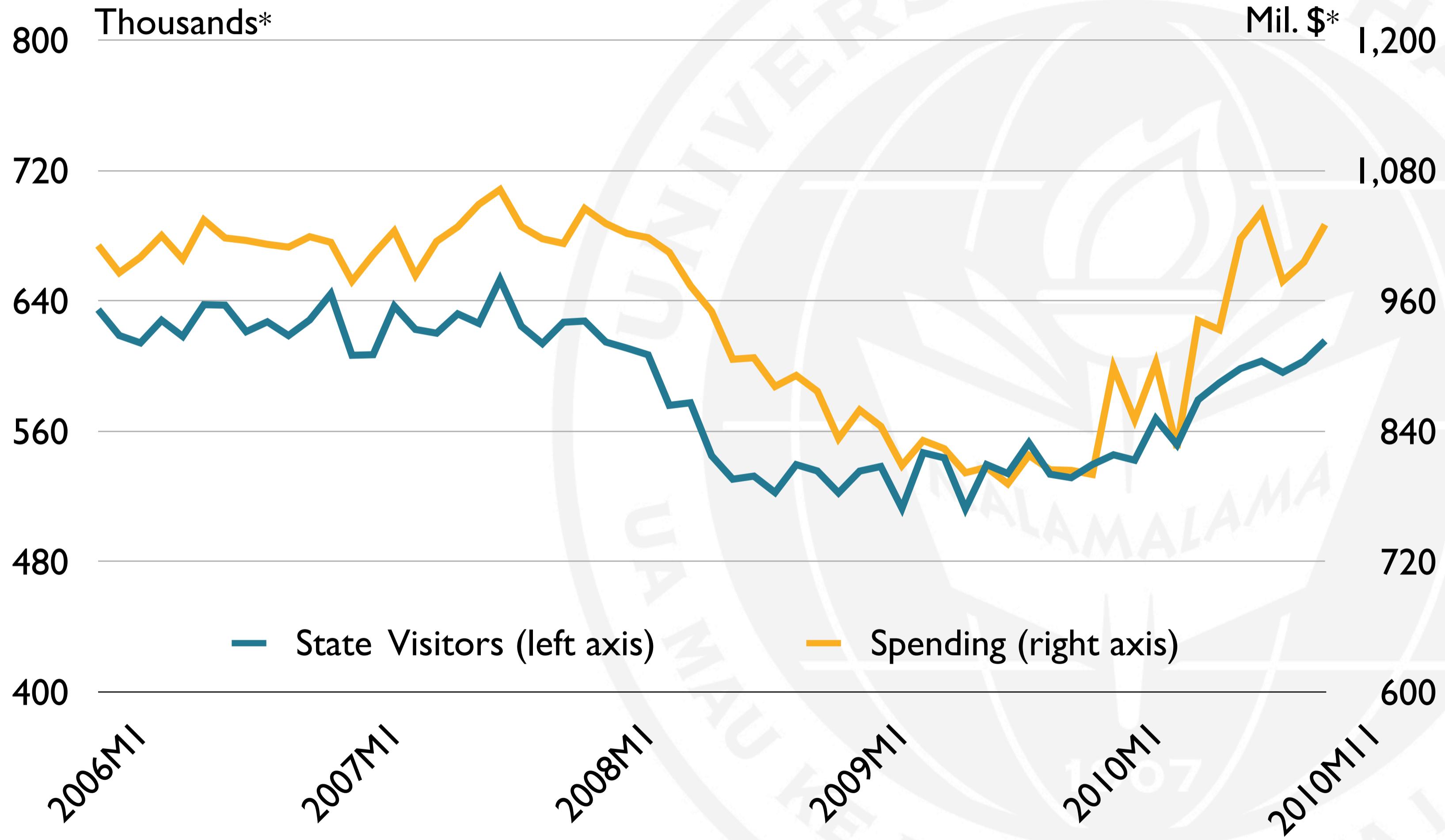
State Visitor Arrivals & Spending



* Seasonally adjusted

HAWAII TOURISM RECOVERY ON TRACK

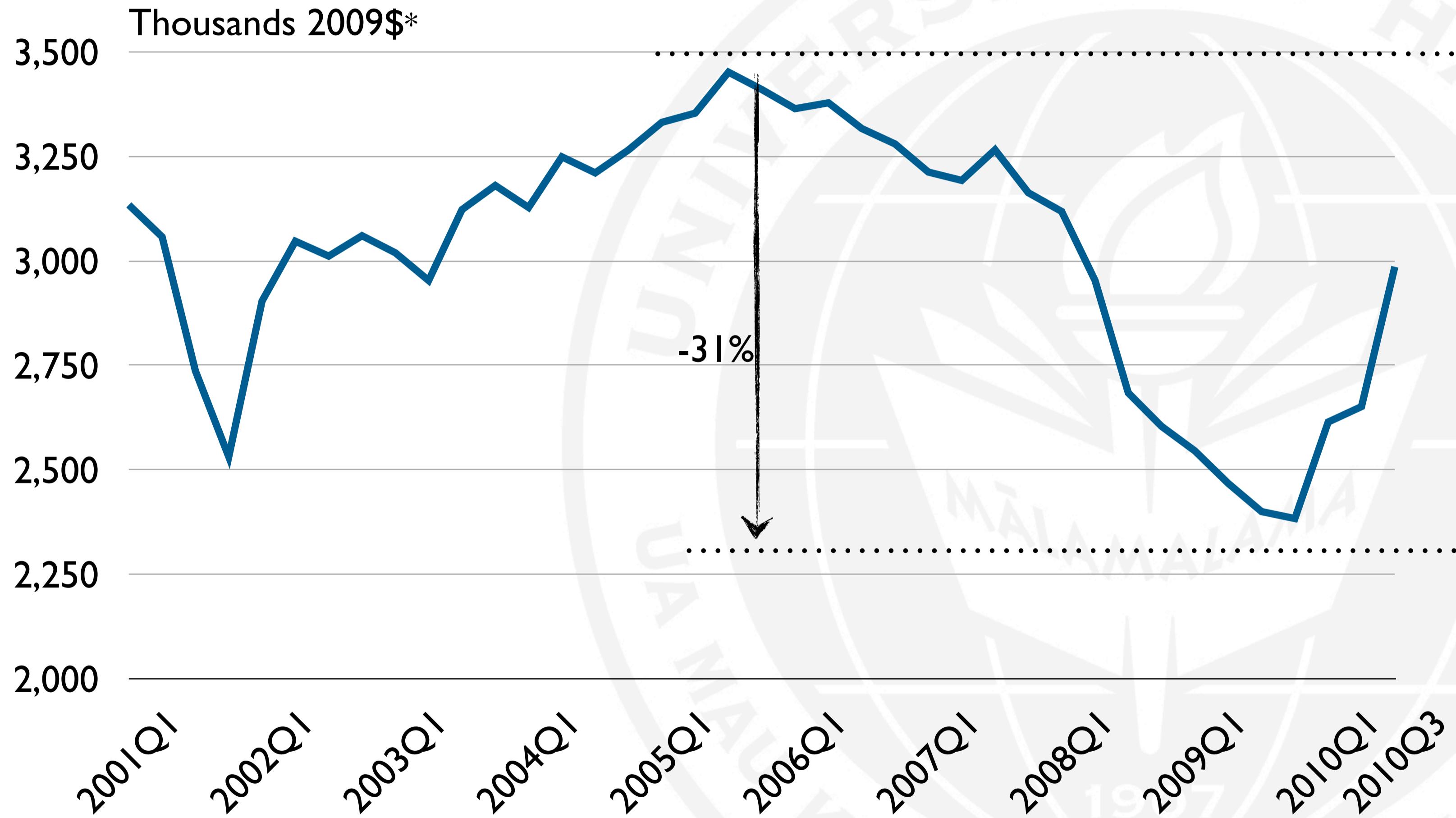
State Visitor Arrivals & Spending



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BUT REAL VISITOR SPENDING STILL LAGS

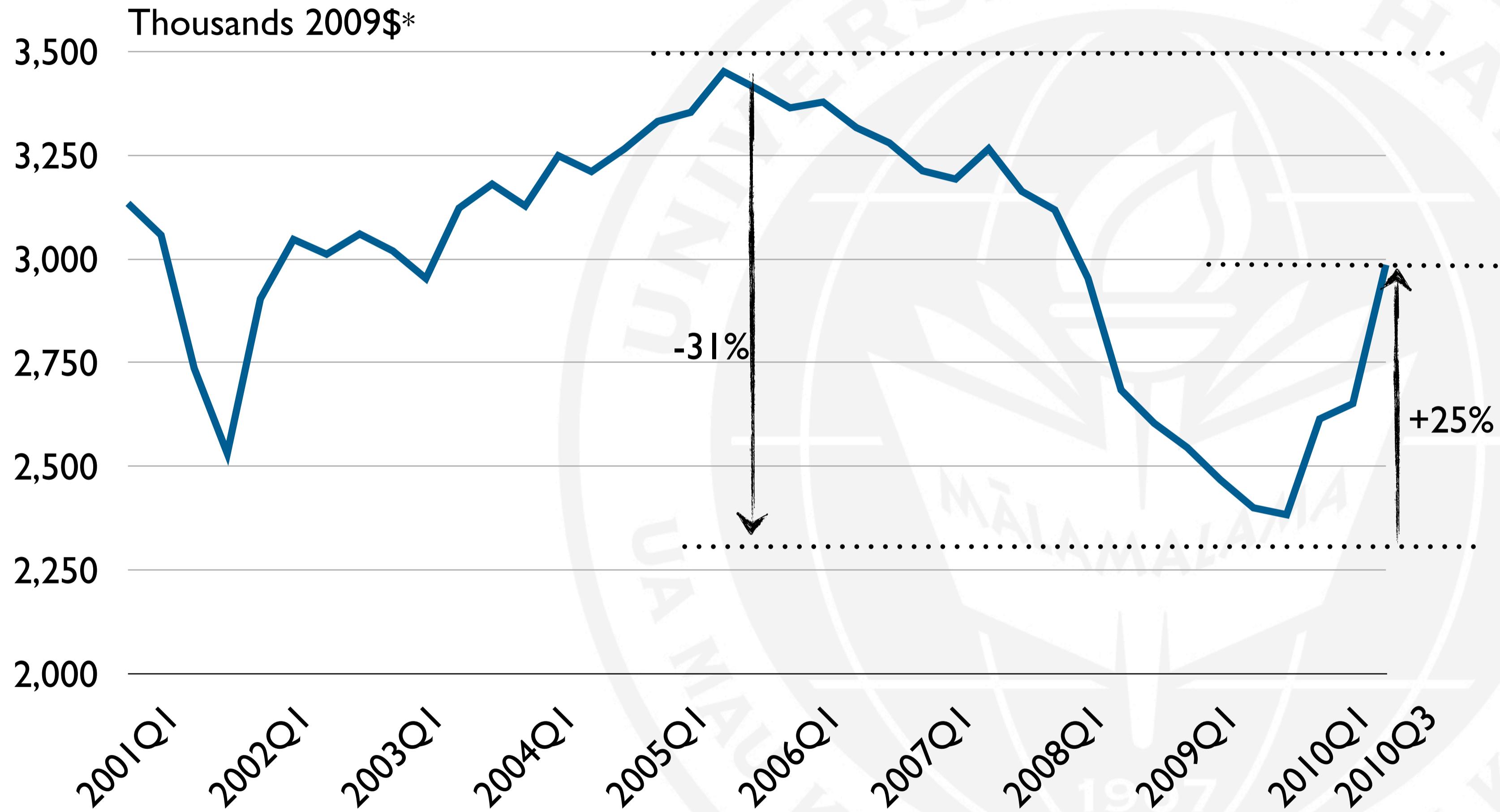
Statewide Visitor Spending



* Seasonally adjusted and deflated using Honolulu CPI

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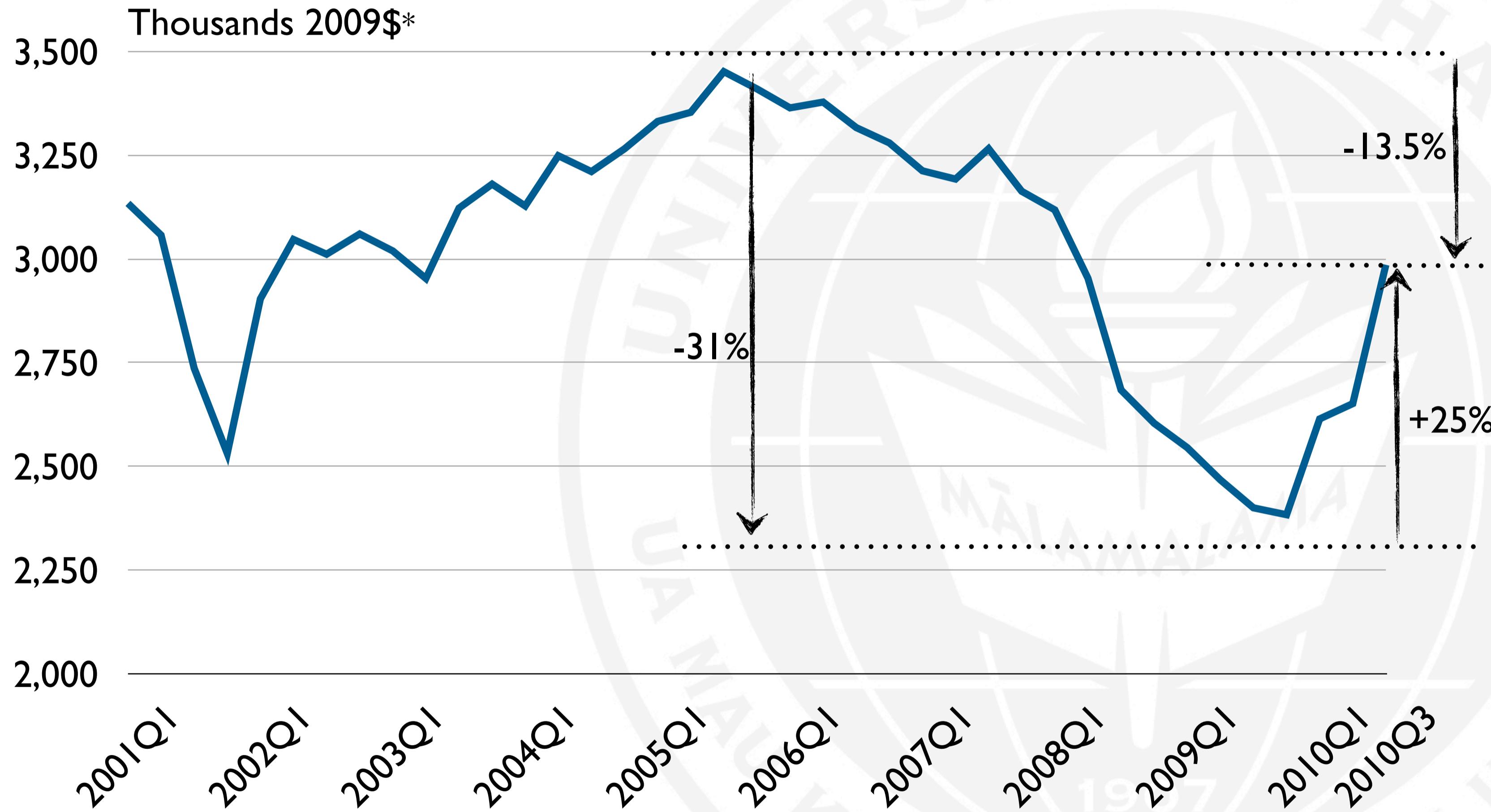
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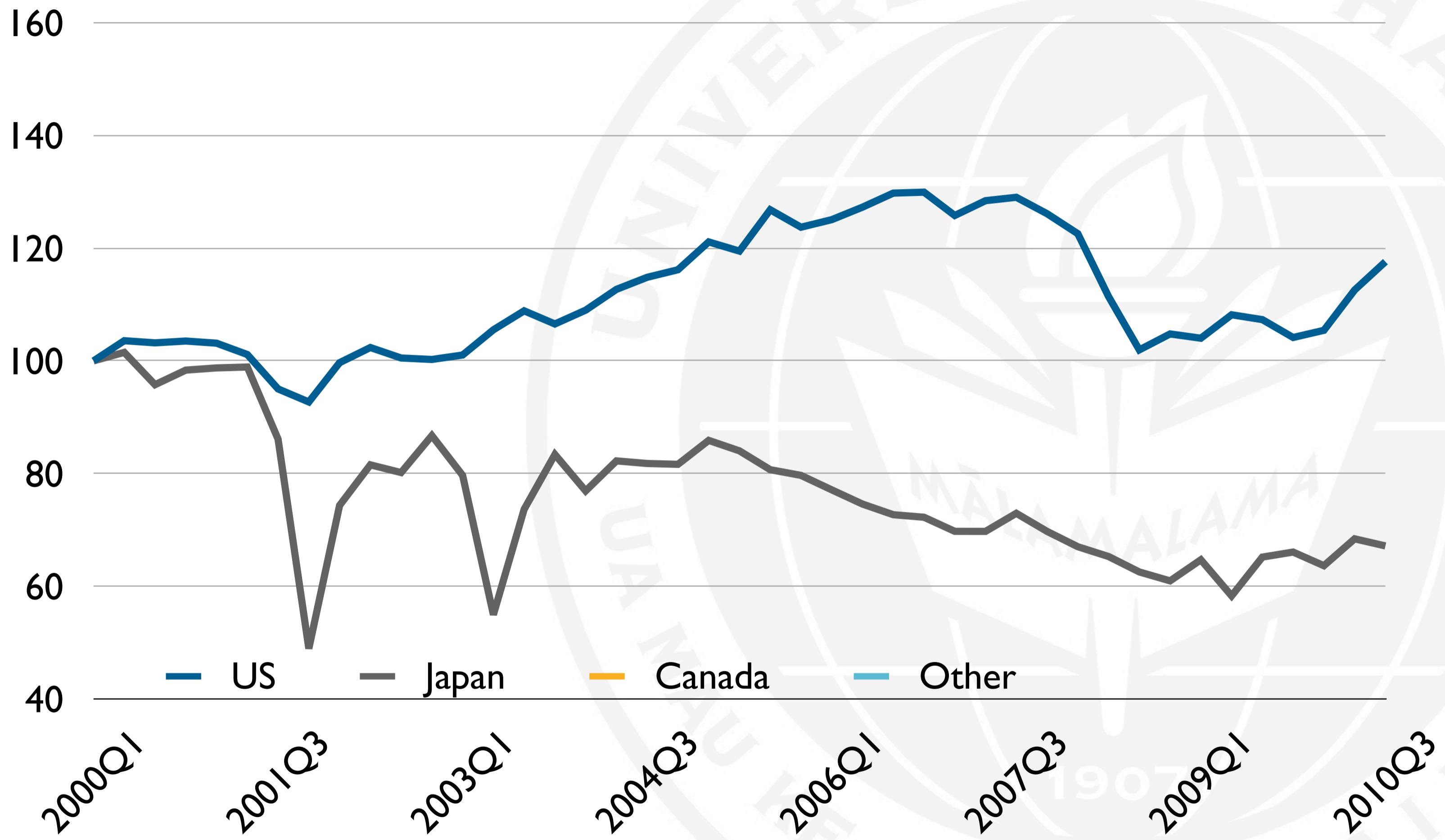
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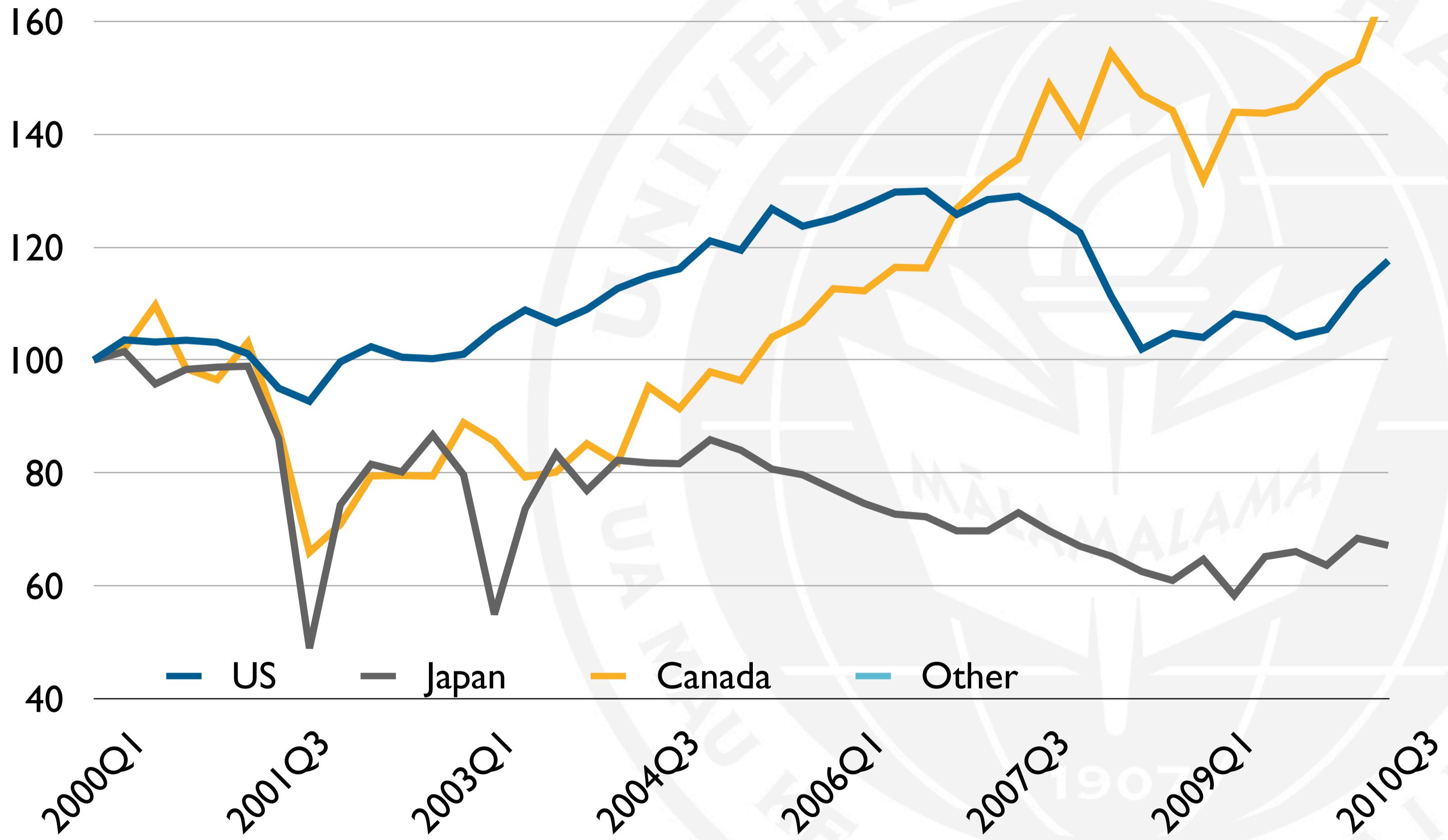
STRONG ECONOMIES DRIVE ARRIVALS GROWTH

Arrivals Indexed to 2000 Q1



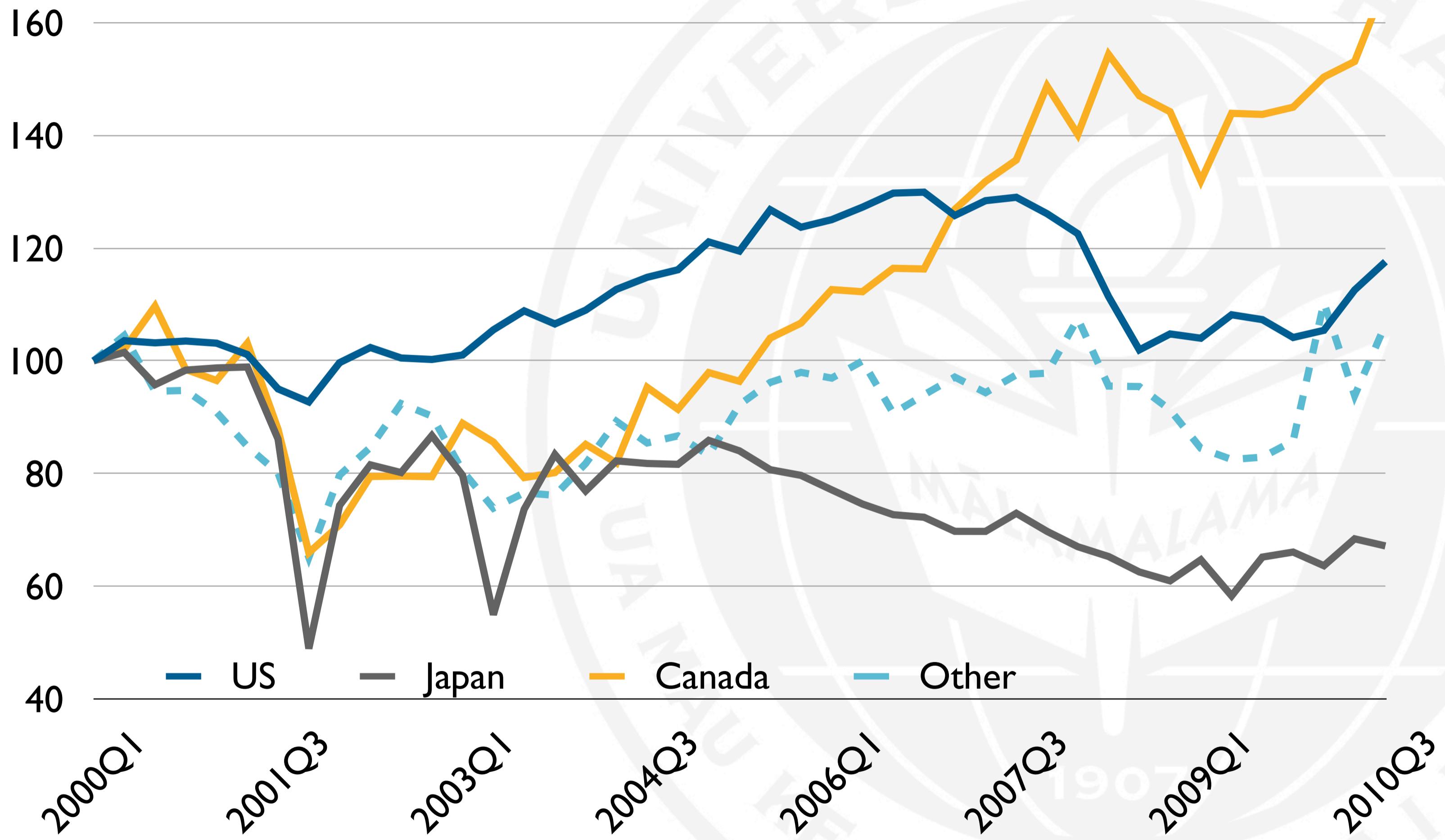
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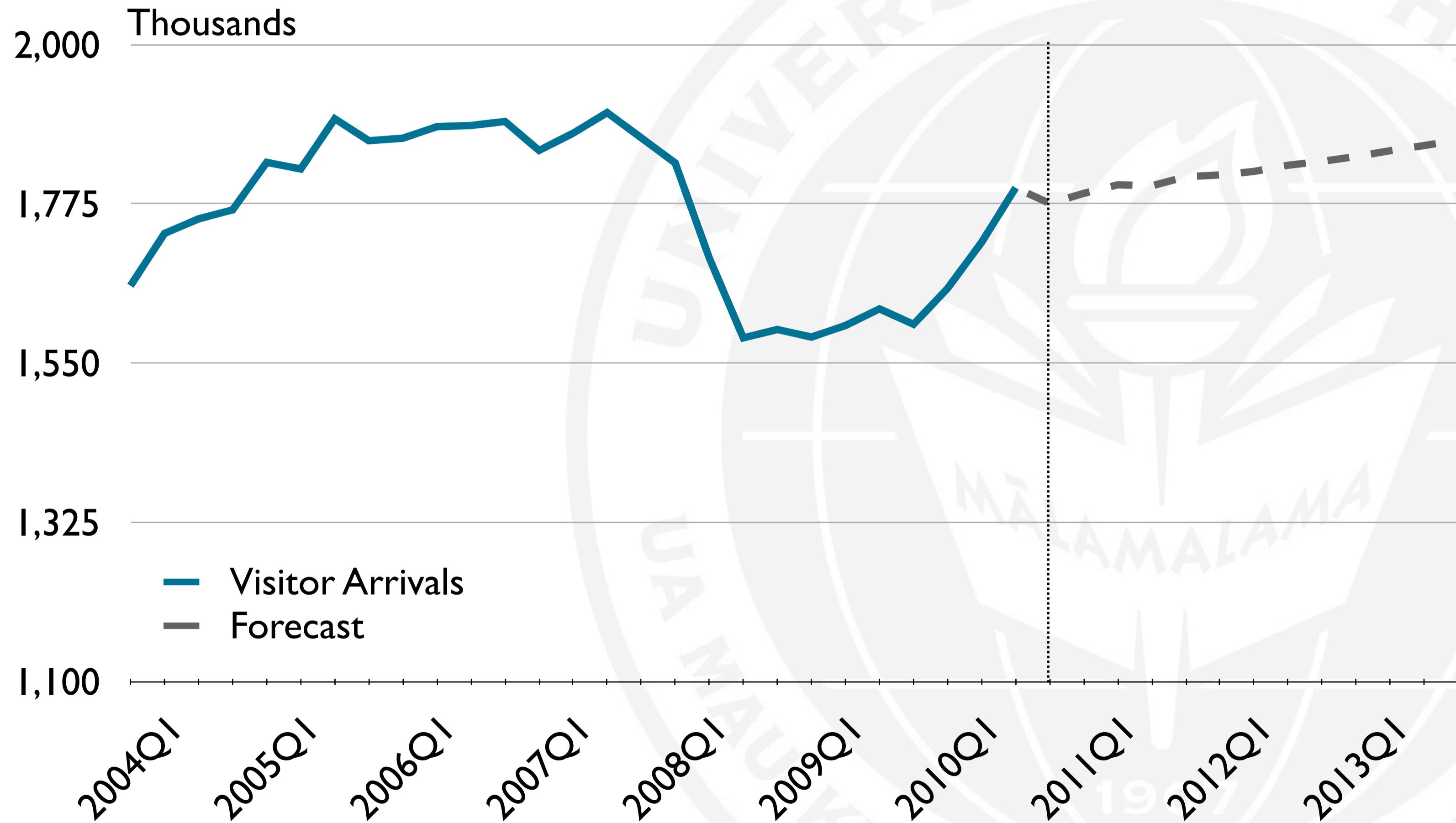
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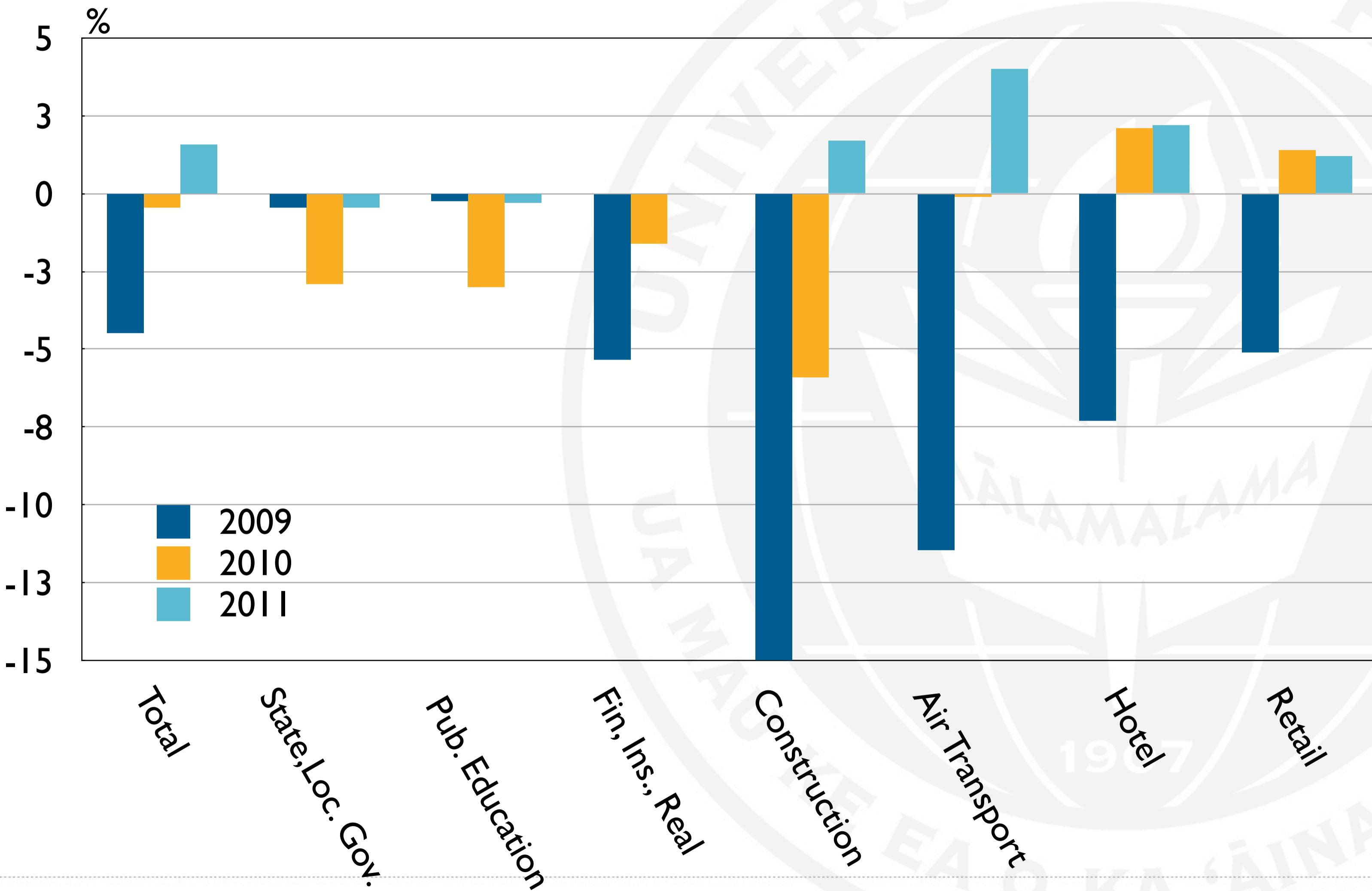
GROWTH EXPECTED TO SLOW

State Visitor Arrivals Forecasts



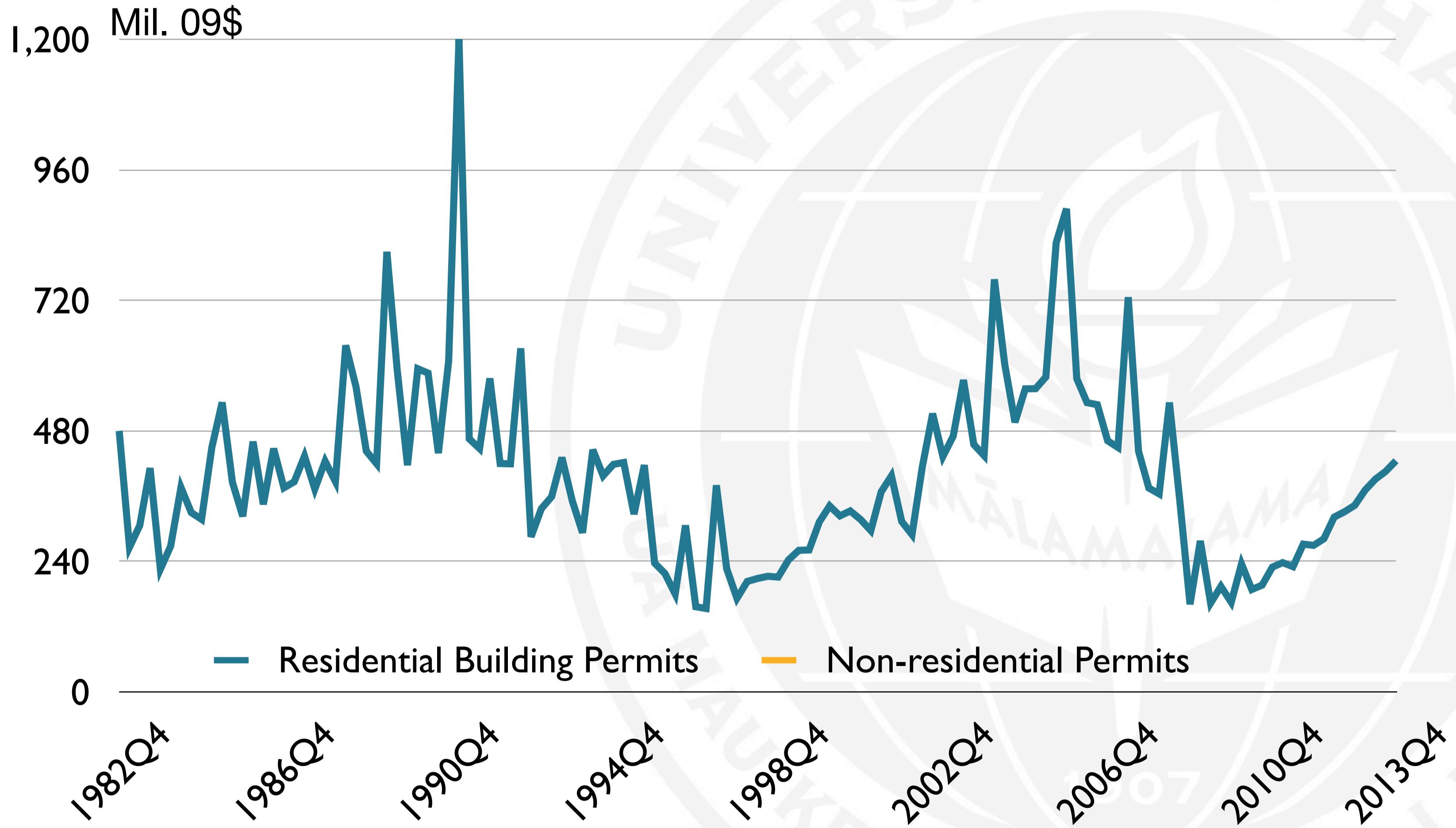
TOURISM CENTRIC GROWTH NEAR TERM

State Job Growth by Sector



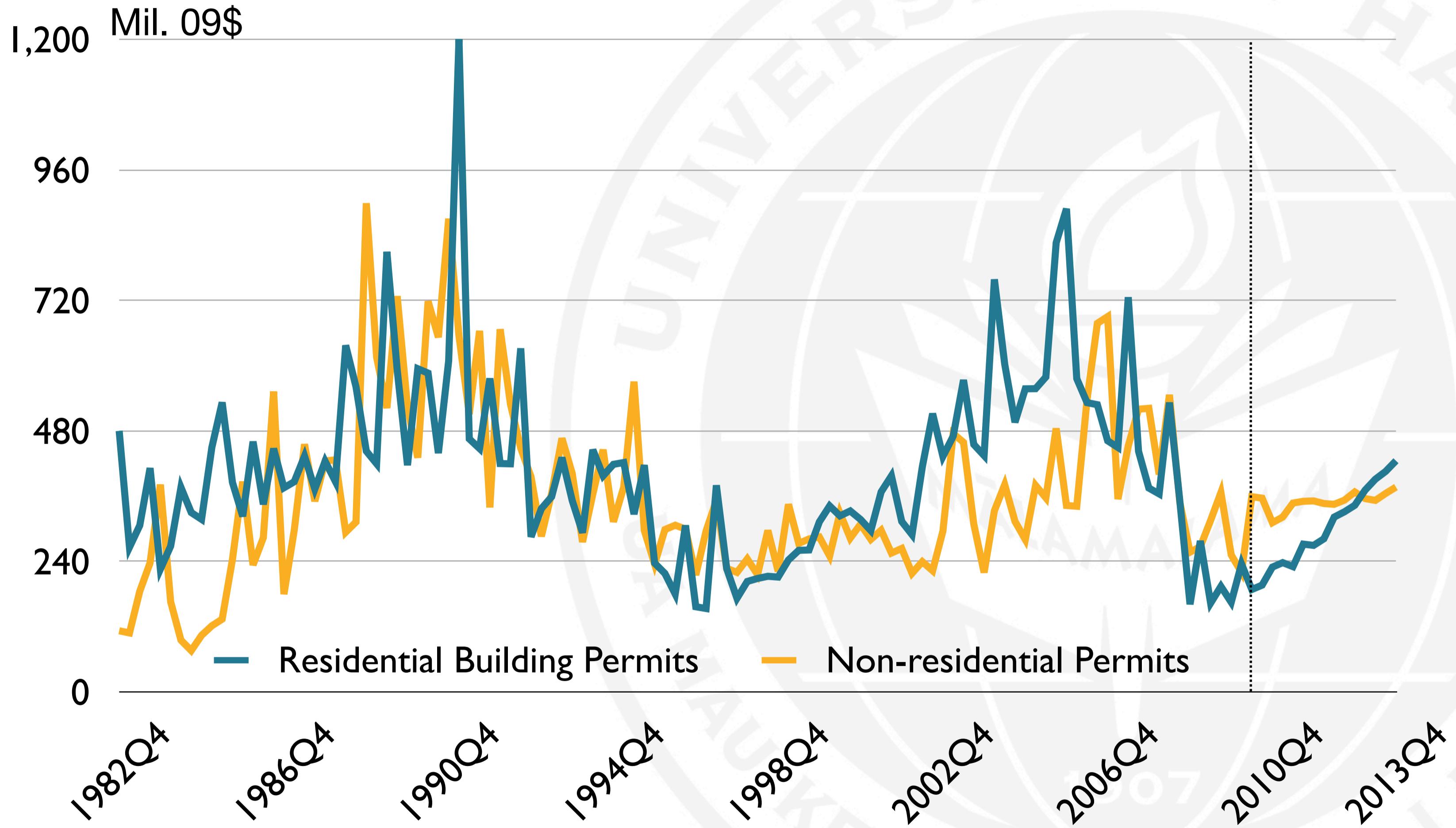
BUT CONSTRUCTION SECTOR POISED FOR RECOVERY

Real Building Permits—Statewide at Record lows



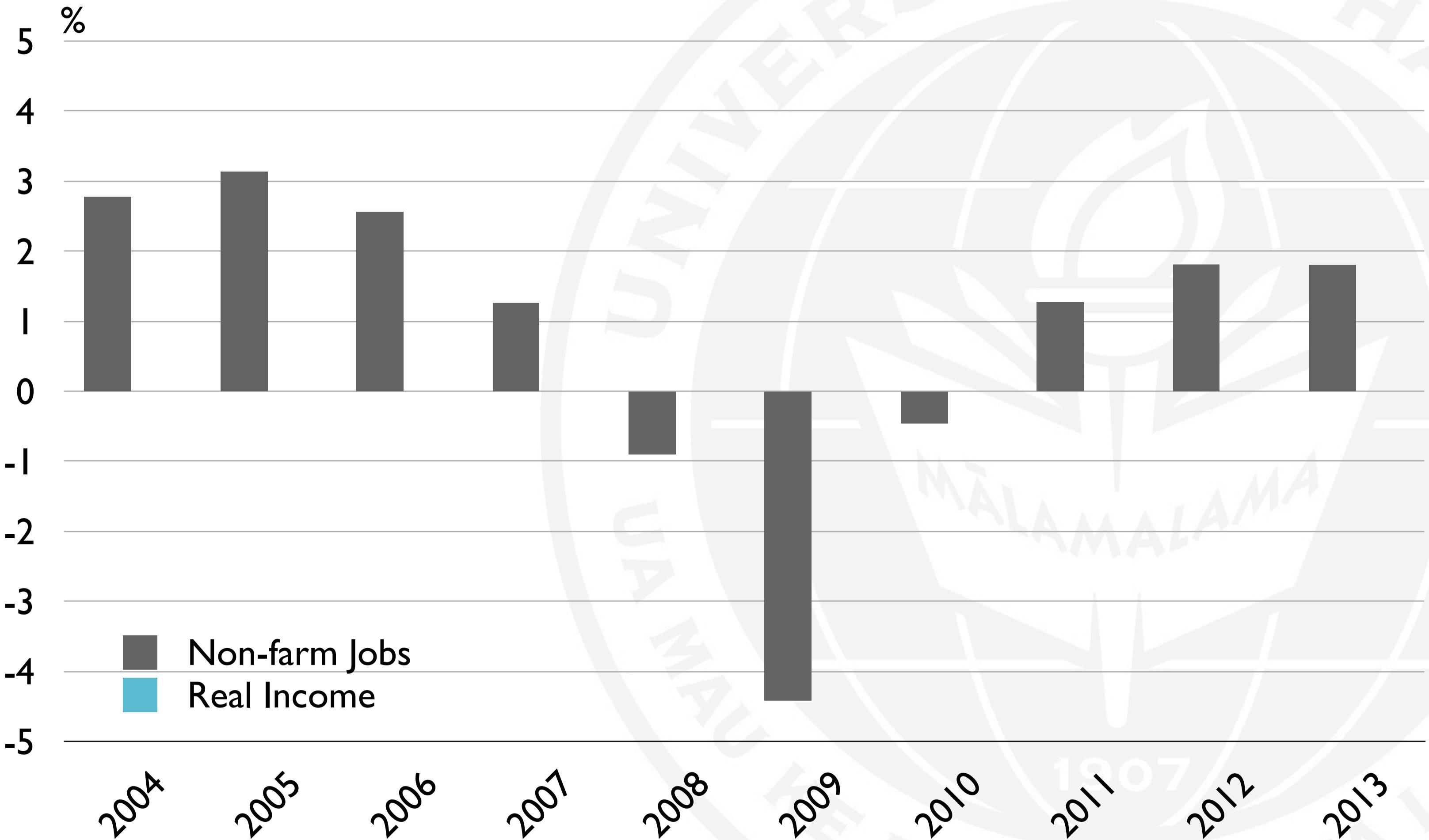
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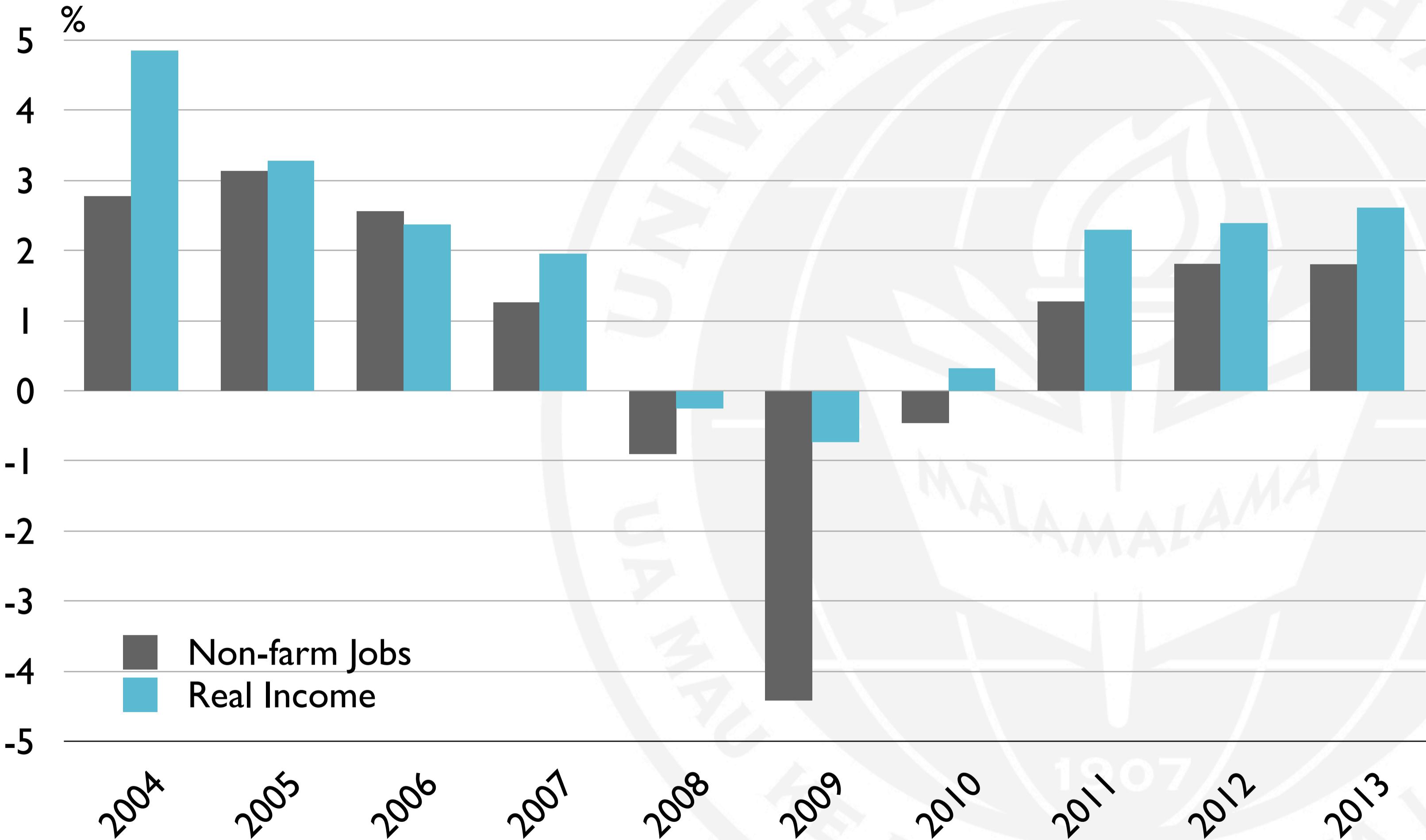
SLOW RECOVERY FROM DEEP RECESSION

Job and Income Forecasts



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Job and Income Forecasts



BEYOND THE RECOVERY: PROSPECTS

APEC provides an opportunity to showcase Hawaii

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Investment in physical capital

- Transformation of energy production

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Investing in human capital

- Outpaced growth in US high capital occupations

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- Outpaced growth in US high capital occupations
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APEC provides an opportunity to showcase Hawaii

Investment in physical capital

- Transformation of energy production

Investing in human capital

- Outpaced growth in US high capital occupations
- Outpaced growth in less skilled occupations
- Directly influenced by University research
- Plays important role in regional productivity growth
- And raising living standards

AT A GLANCE

TABLES

GRAPHS

ANALYZER

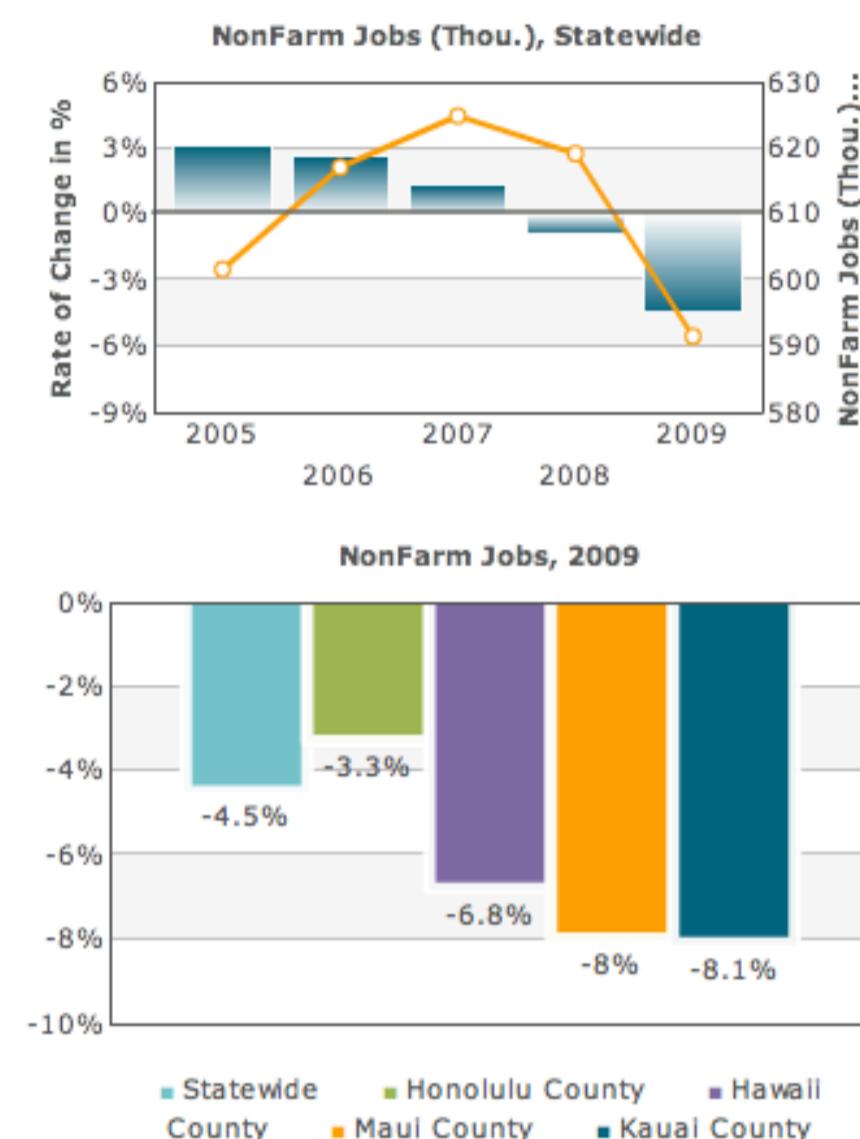
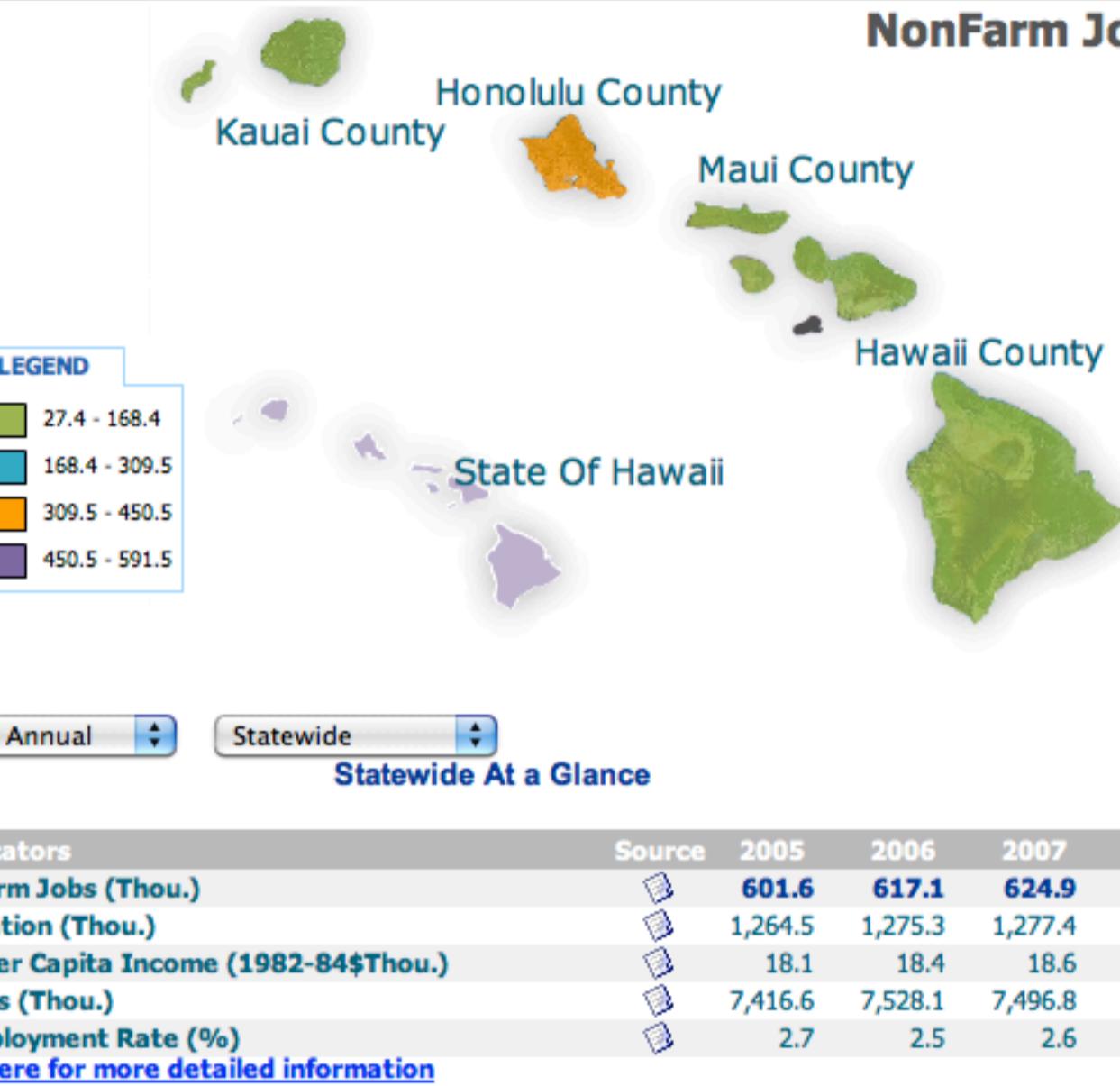
FORECASTS

UHERO HOME

HELP

EXPORT ▾

PRINT



- ▼ Visitor Industry
- ▼ Visitor Arrival
 - [Total Visitor Arrivals](#)
 - [Domestic Visitor Arrivals](#)
 - [US Visitor Arrivals](#)
 - [US East Visitor Arrivals](#)
 - [US West Visitor Arrivals](#)
 - [International Visitor Arrivals](#)
 - [Japanese Visitor Arrivals](#)
 - [Canadian Visitor Arrivals](#)
- ▶ Visitor Census
- ▶ Visitor Accommodation
- ▶ Visitor Expenditures
- ▶ Total Air Seats Outlook
- ▶ Income
- ▶ Employment and Jobs
- ▶ External Indicators
- ▶ Gross Domestic Product
- ▶ Population
- ▶ Construction
- ▶ State Revenue & Expenditure
- ▶ County Revenue & Expenditure
- ▶ Real Estate
- ▶ Agriculture
- ▶ Prices
- ▶ Discontinued series

[Source](#) [Go to Table](#) Number of scale:

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Total Visitor Arrivals (Seasonally Adjusted)

Statewide



Max. 2 series. Hold 'CTRL' key to select second series.

Frequency: From Year: Quarter: To Year: Quarter: Chart Type: Select Area: Compare To: Seasonally Adjusted

A wide-angle photograph of a coastal sunset. The sky is filled with large, billowing clouds that are illuminated from behind by the setting sun, transitioning from deep blue at the top to bright orange and yellow at the horizon. In the foreground, dark, silhouetted mountains and hills rise from the ocean. The ocean itself is a deep blue, with white-capped waves crashing against a dark, rocky shoreline in the lower left. The overall atmosphere is serene and dramatic.

MAHALO