This week, I went to Los Angeles to attend the Americas Lodging Investment Summit (ALIS), an annual gathering of hospitality industry leaders. The heads of Hilton, Marriott, InterContinental, and Starwood attended and addressed the gathering, along with many others. They focused on a broad range of topics, all of which will significantly affect the hospitality industry in the coming months and years.

The good news is that most of those attending the conference feel that hotels will enjoy good business in 2007. The consensus was that while occupancies will be down slightly compared to 2006, they will remain high. There will be lots of employment opportunities in the hotel industry for people with all kinds of skills.

There is no question that our nation’s economy has been very good for the past few years. So the question asked of many speakers was, “Are we coming to the end of an economic cycle?” Most replied, “No.” Bill Marriott used a baseball metaphor, saying, “With oil prices coming down worldwide, the boom will last for a while. We are not in the eighth inning or the bottom of the ninth. I feel we’re in the second or third inning of this game.”

However, all those who made predictions about the future also hedged a bit, saying that a major act of terrorism, a pandemic, or a natural disaster could change things dramatically overnight.

Likewise, overbuilding of hotels could soon become an issue. As reported by Hotel Interactive, Lodging Econometrics, a company that tracks hotel industry construction, estimates that 1,001 new hotels will open this year across the U.S. That’s a significant increase from the 717 hotels that opened in 2006 and the 657 that opened in 2005. In 2004 only 555 hotels opened.

All the major hotel companies are bullish on the opportunities in China and India. Super 8 has opened more than 50 properties in China. Marriott has 32 properties in China with 15 more in the pipeline. Mr. Marriott noted that his company’s Chinese partners prefer to have an American company operate the Marriott hotels in China, feeling that for the present, at least, U.S.-based companies do a better job.

India also presents tremendous opportunities. John Lee, Brand Marketing and Communications VP for Embassy Suites, pointed out that the city of Orlando, Florida, has more hotels than the entire nation of India. Accordingly, Hilton has 75 deals in place to build properties in India under various flags.

Outrigger and OHANA are also moving in that direction and will open the 114-unit Outrigger O-CE-N Bali in the second quarter of this year, and we are looking at other projects in Southeast Asia.

Many noted that the United States is rapidly losing its share of the worldwide international travel market. Addressing this point directly was Jean-Claude Baumgarten, President of the World Travel & Tourism Council. He presented figures showing that international arrivals to the U.S. have been in a double-digit decline since 2000 and that the U.S. share of international tourism is at an all-time low. That is costing our country billions of dollars in revenue and the loss of countless jobs in Travel & Tourism every year.

There are two major reasons for the U.S. decline in international tourism.

• In many countries, it is difficult to get a visa to enter the U.S. I have pointed out before in this column how difficult it is for Chinese citizens to get a U.S. visa. Potential visitors must apply in person at a U.S. consulate and post a 100,000-yuan bond (approximately $12,000). As a result, barely 200,000 Chinese visit the U.S. each year while some 33 million—165 times as many!—travel to other countries around the world. Brazil is another example of a country with great tourism potential where U.S. policies make travel to our country difficult. Brazil is a big country—nearly as large as the United States, with a population of 188 million—but the U.S. has only four consular offices there to do the personal interviews needed for a visa. Visa applicants must often travel hundreds of miles.

• In addition, the U.S. is the only major country in the world that does not have a significant tourism promotional fund in its national government’s budget. Mr. Baumgarten estimated that the U.S. federal government should be spending at least $200 million per year on tourism promotion. He added that such a fund would easily pay for itself since a mere one percent increase in world market share would mean 8.1 million additional visitors per year, which would increase our nation’s gross domestic product (GDP) by $13.4 billion!

Speakers at ALIS discussed many of the other issues facing Travel & Tourism today, including some major shifts in the demographics of travelers and workers. Those will be topics for future issues of Saturday Briefing.

In the meantime, in Hawaii, we are now in the peak winter season and everyone in our ‘ohana is working hard to make sure all our guests have a memorable experience. Judging by the wonderful feedback we get from guests (see Moments of Aloha on Pages 3-5), that is just what we do. And it is important, because unlike all those global trends we have no control over, creating memorable guest experiences is something we have the power to do, and the “word of mouth” that results is the most powerful form of marketing there is. So your efforts to give our guests a memorable experience will pay off in additional guests for years to come. I am proud of you all.