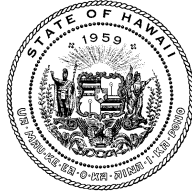


DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



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COUNCIL ON REVENUES

STATE OF HAWAII
P.O. BOX 259
HONOLULU, HAWAII 96809

October 26, 2017

The Honorable David Y. Ige
Governor, State of Hawaii
Executive Chambers
State Capitol, Fifth Floor
Honolulu, Hawaii 96813

Dear Governor Ige:

In its meeting on October 25, 2017, the Council on Revenues (the "Council") lowered its forecast for the growth rate of Hawaii Total Personal Income (TPI) for calendar year 2017 to 3.0%. The Council kept its forecast for TPI growth for calendar year 2018 at 3.5%.

The new TPI forecast reflects lower than expected TPI numbers from the first two quarters of CY 2017. The Council expected growth to rebound in CY 2018 given the relatively strong performance of the Hawaii economy. The Council also briefly discussed visitor activity and concluded that it also remained strong.

The updated data for Hawaii's TPI for calendar years 2012 through 2016, along with the Council's current forecasts for 2017 and 2018, are shown below:

Calendar Year	Millions of Dollars	% Growth From Previous Year
2012	\$61,836	4.7%
2013	\$62,784	1.5%
2014	\$66,122	5.3%
2015	\$69,638	5.3%
2016	\$71,946	3.3%
2017 (Forecast)	\$74,104	3.0%
2018 (Forecast)	\$76,698	3.5%

The Honorable David Y. Ige
October 26, 2017
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Please advise us if we can be of further assistance or if you have any questions concerning the foregoing estimates.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Kurt Kawafuchi', written in a cursive style.

KURT KAWAFUCHI
Chair, Council on Revenues