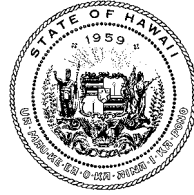


NEIL ABERCROMBIE
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COUNCIL ON REVENUES

STATE OF HAWAII
P.O. BOX 259
HONOLULU, HAWAII 96809-0259

November 4, 2013

The Honorable Neil Abercrombie
Governor, State of Hawaii
Executive Chambers
State Capitol, Fifth Floor
Honolulu, HI 96813

Dear Governor Abercrombie:

In its meeting on October 31, 2013, the Council on Revenues lowered its forecast for growth in Hawaii total personal income (TPI) for calendar year 2013 from 4.3% to 3.1%. The Council also lowered its forecast for the calendar year 2014 from 4.9% to 4.5%.

On September 30, 2013, the U.S. Bureau of Economic Analysis (BEA) lowered its estimate of the growth rate of Hawaii's TPI in 2012 from 3.9% to 3.7% and lowered the growth rate for the first quarter of 2013 from 3.6% to 2.9%. BEA also estimated that the growth rate was 2.8% for the second quarter of 2013. The downward revisions in the growth rates of TPI, the continued below-trend economic growth of the US economy, and the slowing growth in visitor arrivals were all factors in lowering the 2013 forecast.

The revised data for Hawaii's TPI for calendar years 2008 through 2012, along with the Council's forecasts for 2013 and 2014, are shown below:

Calendar Year	Millions of Dollars	% Growth From Previous Year
2008	\$55,223	4.82%
2009	\$55,666	0.80%
2010	\$56,827	2.09%
2011	\$60,095	5.75%
2012	\$62,330	3.72%
2013 (Forecast)	\$64,262	3.10%
2014 (Forecast)	\$67,154	4.50%

The Honorable Neil Abercrombie
November 4, 2013
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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". The signature is fluid and cursive, with a large initial "K" and a long, sweeping tail.

KURT KAWAFUCHI
Chair, Council on Revenues