



## China Fact Sheet

### China Overview

The HTA, through Hawai'i Tourism China (HTC), implements targeted marketing programs to increase brand awareness and drive high-value visitation to Hawai'i. The HTA selected a marketing contractor, TRAVLOCAL LIMITED, to provide destination representation services for the Hawaiian Islands in Mainland China effective January 1, 2020. TRAVLOCAL has offices in Beijing, Shanghai, Chengdu, and Hawai'i. In 2020, HTC focuses on integrated digital marketing to build Hawai'i as a unique and rich destination by using Chinese consumer preferred social and digital media platforms highlighting Hawai'i's culture, natural resources, community and responsible tourism.

### January 2020 Quick Facts<sup>1</sup>

Visitor Expenditures:	\$22.9 million
Primary Purpose of Stay:	Pleasure (7,951) vs. MCI (429)
Average Length of Stay:	8.83 days
First Time Visitors:	72.4%
Repeat Visitors:	27.6%

CHINA (by Air)	2018	2019P	% Change 2019 vs 2018	2020* Forecast	% Change 2019 vs 2020 Forecast	YTD Jan. 2020P	YTD Jan. 2019P	% change YTD
Visitor Expenditures* (\$ Millions)	330.5	244.3	-26.1%	NA	NA	22.9	29.8	-23.3%
Visitor Days	946,780	751,873	-20.6%	NA	NA	77,105	99,012	-22.1%
Arrivals	123,246	93,703	-24.0%	NA	NA	8,729	10,956	-20.3%
Per Person Per Day Spending* (\$)	349.1	324.9	-6.9%	NA	NA	296.6	301.0	-1.5%
Per Person Per Trip Spending* (\$)	2,681.9	2,606.8	-2.8%	NA	NA	2,619.5	2,720.7	-3.7%
Length of Stay (days)	7.68	8.02	4.5%	NA	NA	8.83	9.04	-2.3%

\*Dept. of Business, Economic Development & Tourism (DBEDT) 2020 forecasts were not available at the time of report publication.

### Contact Information

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<sup>1</sup> 2020 and 2019 visitor data are preliminary. 2018 visitor data are the final numbers and reflect updated airfare statistics from DIO Mi Airline database, and final passenger counts for Airline reports.

## Market Summary

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- In 2019, spending by Chinese visitors declined (-26.1% to \$244.3 million) compared to 2018. In January 2020 visitor spending decreased (-23.3% to \$22.9 million) from January of last year.
- In 2019, arrivals were down (-24.0% to 93,703 visitors) compared to 2018. In January 2020 arrivals dropped (-20.3% to 8,729 visitors) compared to January 2019.
- In 2019, Chinese visitor distributions to O‘ahu, the island of Hawai‘i, Maui, and Kaua‘i were at 96.2 percent, 37.5 percent, 21.0 percent, and 4.1 percent, respectively. In January 2020, visitor distributions to O‘ahu, the island of Hawai‘i, Maui, and Kaua‘i were at 96.2 percent, 38.8 percent, 23.9 percent, and 6.0 percent, respectively.
- For 2019, the length of stay for Chinese visitors was 8.02 days. In January 2020, the length of stay was 8.83 days.
- In 2019, average daily spending by Chinese visitors decreased 6.9 percent to \$325 per person but remained the highest among all visitors to Hawai‘i. Shopping continued to be their number one expenditure (\$99), followed by lodging (\$94), food and beverage (\$52), transportation (\$37), entertainment and recreation (\$35), and unspecified others (\$8). In January 2020, daily spending declined (-1.5%) to \$297 per person.
- In 2019, 77.6 percent of Chinese visitors to Hawai‘i were first time visitors, 17.6 percent came on group tours, while 49.9 percent made their own travel arrangements (True Independent). In January 2020, 72.4 percent of Chinese visitors to Hawai‘i were first time visitors, 9.2 percent came on group tours, while 61.6 percent were True Independent.
- In 2019, air capacity from China decreased 26.6 percent from 2018 to 116,539 seats. In late August 2019, Air China ended thrice-weekly nonstop flights between Honolulu and Beijing. In January 2020, air capacity from China dropped 30.6 percent compared to last January to 7,592 seats.

## Market Conditions

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- China remains the world’s second-largest economy and tops the world in economic growth (+6.1% YOY) in 2019. China may revise down its annual economic growth target for 2020 in response to the impact of the coronavirus outbreak, but will still not give up the overall target of maintaining economic growth “in a reasonable range”, according to a Chinese government researcher.
- The outbreak of COVID-19 in China has caused an unprecedented and substantial setback in flight bookings for the Chinese New Year period from January 10 to February 6, 2020. More than 25,000 flights to, from and within China were canceled as more than two dozen airlines suspended services. Because of foreign airlines cutting flights to China, international capacity was expected to fall by 4.4 million seats a week. The loss in seats is equivalent to the entire Indian market. As of February 2, 2020, China Eastern Airlines suspended its direct service (6x per week) from Shanghai to Honolulu.
- Australia is one of the top vacation destinations for Chinese tourists. Visitors from mainland China spend an estimated \$8.3 billion annually in the land down under, with trips in January and February accounting for almost a quarter of annual arrivals. Images of the fires broadcast worldwide may have a lasting impact on international arrivals, the nation’s third-largest export earner.

- A total of 75 destinations, including countries along China's One Belt Road initiative, are offering visa waiver or visa-upon-arrival to entice the Chinese market. Competition continues to intensify as destinations are investing heavily to gain access to the Chinese travel market.
- Shanghai became the first city in China to conduct mandatory waste-sorting from July 1, 2019. Spearheaded by the Chinese government, 46 major cities across China, including Shanghai, will complete the implementation of waste-sorting by 2020. The Chinese government's promotion on waste sorting will enhance eco-consciousness and responsible travel among Chinese public.

## China: Distribution by Island

CHINA (by Air)	2018	2019P	% Change 2019 vs 2018	YTD Jan. 2020P	YTD Jan. 2019P	% change YTD
O'ahu	119,837	90,147	-24.8%	8,397	10,621	-20.9%
Maui County	27,555	20,061	-27.2%	2,136	2,906	-26.5%
Maui	26,654	19,701	-26.1%	2,086	2,893	-27.9%
Moloka'i	1,173	723	-38.4%	72	78	-7.8%
Lāna'i	836	853	2.1%	50	100	-49.5%
Kaua'i	3,997	3,878	-3.0%	527	577	-8.6%
Hawai'i Island	40,966	35,145	-14.2%	3,390	4,508	-24.8%

## China: Airlift

Departure City	2020					2019					%CHANGE				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
Beijing	0	0	0		0	9,954	9,299	5,688		24,941	-100.0	-100.0	-100.0		-100.0
Hangzhou	0				0	786				786	-100.0				-100.0
Shanghai	9,928	0	0	16,936	26,864	22,484	22,484	22,776	23,068	90,812	-55.8	-100.0	-100.0	-26.6	-70.4

Source: Diao Mii airline schedules, updated February 26, 2020

## China: Group vs. True Independent; Leisure vs. Business

CHINA (by Air)	2018	2019P	% Change 2019 vs 2018	YTD Jan. 2020P	YTD Jan. 2019P	% change YTD
Group vs True Independent (Net)						
Group tour	31,735	16,504	-48.0%	802	901	-11.0%
True Independent (Net)	54,894	46,728	-14.9%	5,375	6,443	-16.6%
Leisure vs business						
Pleasure (Net)	109,744	81,979	-25.3%	7,951	9,256	-14.1%
MCI (Net)	9,104	7,340	-19.4%	429	1,331	-67.8%
Convention/Conf.	4,629	3,565	-23.0%	242	441	-45.1%
Corp. Meetings	1,325	1,184	-10.7%	86	532	-83.8%
Incentive	3,381	2,746	-18.8%	100	394	-74.5%

## China: First Timers vs. Repeat Visitors

CHINA (by Air)	2018	2019P	% Change 2019 vs 2018	YTD Jan. 2020P	YTD Jan. 2019P	% change YTD
1st timers (%)	78.1	77.6	-0.5	72.4	77.8	-5.4
Repeaters (%)	21.9	22.4	0.5	27.6	22.2	5.4

## Tax Revenue

CHINA (by Air)	2018	2019P	% Change 2019 vs 2018	YTD Jan. 2020P	YTD Jan. 2019P	% change YTD
State tax revenue generated* (\$ Millions)	38.58	28.51	-26.1%	2.67	3.48	-23.3%

\*State government tax revenue generated (direct, indirect, and induced)