



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.

Year-to-date July 2020 Quick Facts¹

Visitor Expenditures:	NA (Not available)
Primary Purpose of Stay:	Pleasure (9,067) vs. MCI (455)
Average Length of Stay:	9.03 days
First Time Visitors:	71.6%
Repeat Visitors:	28.4%

	2018	2019	% Change 2019 vs 2018	2020* Forecast	% Change 2019 vs 2020 Forecast	YTD July 2020P	YTD July 2019	% change YTD
CHINA (by Air)								
Visitor Expenditures* (\$ Millions)	330.5	242.8	-26.5%	NA	NA	NA	161.1	NA
Visitor Days	946,780	737,950	-22.1%	NA	NA	90,525	489,845	-81.5%
Arrivals	123,246	92,082	-25.3%	NA	NA	10,023	61,703	-83.8%
Average Daily Census	2,594	2,022	-22.1%			425	2,311	-81.6%
Per Person Per Day Spending* (\$)	349.1	329.0	-5.8%	NA	NA	NA	328.9	NA
Per Person Per Trip Spending* (\$)	2,681.9	2,636.6	-1.7%	NA	NA	NA	2,611.4	NA
Length of Stay (days)	7.68	8.01	4.3%	NA	NA	9.03	7.94	13.8%

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

Contact Information

Hawai'i Tourism Authority: Jadie Goo
 Director of Marketing
 Tel: (808) 973-2252
jadie@gohta.net

Hawai'i Tourism China: Dennis Suo
 Chief Executive Officer
 Tel: (808) 926-1888
dennis.suo@htchina.net.cn

¹ 2020 visitor data are preliminary. 2019 and 2018 visitor data are the final numbers and reflect updated airfare statistics from DIO Mi Airline database, and final passenger counts from Airline Traffic Summary reports.

Market Summary

Due to the COVID-19 pandemic, all passengers arriving from out-of-state during July were required to abide by a mandatory 14-day self-quarantine. Exemptions include travel for essential reasons like work or healthcare. The U.S. Centers for Disease Control and Prevention (CDC) also continued to enforce its “No Sail Order” on all cruise ships.

There were 20 visitors in July compared to 8,562 visitors a year ago. Visitor spending data were not available.

- Through the first seven months of 2020, arrivals dropped 83.8 percent to 10,023 visitors. Chinese visitor distributions to O‘ahu, the island of Hawai‘i, Maui, and Kaua‘i were at 95.5 percent, 39.0 percent, 23.9 percent, and 6.0 percent, respectively. The length of stay for Chinese visitors was 9.03 days. During this period, 71.6 percent of Chinese visitors were first time visitors, 8.6 percent came on group tours, and 62.2 percent were True Independent.
- Due to Covid-19 and the travel ban, direct service from Shanghai to Hawai‘i was suspended as of February 3, 2020. Through the first seven months of 2020, air capacity from China decreased 89.2 percent to 8,176 seats.
- In 2019, spending by Chinese visitors declined (-26.5% to \$242.8 million) compared to the previous year. Arrivals were down 25.3 percent compared to 2018 to 92,082 visitors. In 2019, average daily spending by Chinese visitors decreased 5.8 percent to \$329 per person but remained the highest among all visitors to Hawai‘i. Shopping continued to be their number one expenditure (\$99), followed by lodging (\$96), food and beverage (\$54), transportation (\$37), entertainment and recreation (\$36), and unspecified others (\$8).
- In 2019, distribution of Chinese visitors to O‘ahu, the island of Hawai‘i, Maui, and Kaua‘i was 96.2 percent, 37.4 percent, 21.1 percent, and 4.1 percent, respectively. The length of stay for Chinese visitors was 8.01 days. In 2019, 77.7 percent of Chinese visitors to Hawai‘i were first time visitors, 17.6 percent came on group tours, while 49.8 percent made their own travel arrangements (i.e., 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.

Market Conditions

- In Q2 2020, China GDP increased 3.2 percent, compared to a year earlier. This was a surprise, after a 6.8 percent contraction in Q1 2020. Overall, for the first half of the year, China economy contracted 1.6 percent.
- China’s official manufacturing purchasing managers’ index (PMI) was 51.1 for July, with a reading above 50.0 signifying growth in factory output. Non-manufacturing PMI was 54.2, showing positive outlook.
- Chinese domestic air volumes almost back to normal. Chinese domestic flights started to increase, reaching 11,504 flights on July 27, 2020, only 18 percent below pre-COVID levels.
- China’s provinces slashed prices at tourist sites in order to drive more domestic tourism. More than 500 tourist sites in Shandong, Shanxi, Henan, Shaanxi, Guizhou and Gansu provinces have issued plans to cut ticket prices to attract more tourists and revive the industry that has been marred by the COVID-19 pandemic.

- China allowed more scheduled passenger flights from Japan and South Korea as the Asian countries gradually ease coronavirus travel curbs. But finding affordable tickets is still difficult for many travelers as average prices are up nearly tenfold amid high demand. There will be 15 passenger flights between China and Japan every week in August, up from 12 a week last month. Weekly flights between China and South Korea are also increasing to 15 in August from nine in July.
- United Airlines said on August 18, 2020 that it will increase flights to China to four flights per week from San Francisco to Shanghai starting Sept. 4, 2020. Delta is also going for more flights after it said in June it would operate flights to Shanghai from Seattle and Detroit beginning in July, all via Seoul.
- Alibaba's travel brand, Fliggy said it has hosted more than 25,000 travel live streams to more than 70 million viewers since February 2020. It now plans to hire travel influencers from more than 30 countries to showcase destinations worldwide with more than 100 live-streaming sessions a day.

China: Distribution by Island

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD July 2020P	YTD July 2019	% change YTD
O'ahu	119,837	88,596	-26.1%	9,576	59,610	-83.9%
Maui County	27,555	19,743	-28.4%	2,447	13,687	-82.1%
Maui	26,654	19,387	-27.3%	2,396	13,375	-82.1%
Moloka'i	1,173	718	-38.8%	75	487	-84.6%
Lāna'i	836	847	1.3%	56	654	-91.5%
Kaua'i	3,997	3,781	-5.4%	605	2,667	-77.3%
Hawai'i Island	40,966	34,445	-15.9%	3,906	23,265	-83.2%

China: Airlift

Departure City	2020					2019					%CHANGE				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
Beijing						9,954	9,299	5,688		24,941					
Hangzhou						786				786					
Shanghai	8,176				8,176	22,484	22,484	22,776	23,068	90,812	-63.6				-91.0

Source: Diio Mii airline schedules. Updated July 29, 2020.

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

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD July 2020P	YTD July 2019	% change YTD
Group vs True Independent (Net)						
Group tour	31,735	16,198	-49.0%	858	11,490	-92.5%
True Independent (Net)	54,894	45,857	-16.5%	6,239	30,345	-79.4%
Leisure vs business						
Pleasure (Net)	109,744	80,528	-26.6%	9,067	54,642	-83.4%
MCI (Net)	9,104	7,246	-20.4%	455	4,387	-89.6%
Convention/Conf.	4,629	3,544	-23.4%	264	1,760	-85.0%
Corp. Meetings	1,325	1,158	-12.6%	87	901	-90.3%
Incentive	3,381	2,693	-20.3%	105	1,814	-94.2%

China: First Timers vs. Repeat Visitors

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD July 2020P	YTD July 2019	% change YTD
1st timers (%)	78.1	77.7	-0.4	71.6	78.3	-6.7
Repeaters (%)	21.9	22.3	0.4	28.4	21.7	6.7

Tax Revenue

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD July 2020P	YTD July 2019	% change YTD
State tax revenue generated* (\$ Millions)	38.58	28.34	-26.5%	NA	18.81	NA

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