



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 August 2020 Quick Facts¹

Visitor Expenditures:	NA (Not available)
Primary Purpose of Stay:	Pleasure (9,079) vs. MCI (455)
Average Length of Stay:	9.14 days
First Time Visitors:	71.5%
Repeat Visitors:	28.5%

	2018	2019	% Change 2019 vs 2018	2020* Forecast	% Change 2019 vs 2020 Forecast	YTD Aug. 2020P	YTD Aug. 2019	% change YTD
CHINA (by Air)								
Visitor Expenditures* (\$ Millions)	330.5	242.8	-26.5%	NA	NA	NA	182.1	NA
Visitor Days	946,780	737,950	-22.1%	NA	NA	91,944	560,682	-83.6%
Arrivals	123,246	92,082	-25.3%	NA	NA	10,062	69,626	-85.5%
Average Daily Census	2,594	2,022	-22.1%	NA	NA	377	2,307	-83.7%
Per Person Per Day Spending* (\$)	349.1	329.0	-5.8%	NA	NA	NA	324.7	NA
Per Person Per Trip Spending* (\$)	2,681.9	2,636.6	-1.7%	NA	NA	NA	2,615.0	NA
Length of Stay (days)	7.68	8.01	4.3%	NA	NA	9.14	8.05	13.5%

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

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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 August 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 39 visitors in August compared to 7,924 visitors a year ago. Visitor spending data were not available.

- Through the first eight months of 2020, there were 10,062 visitors from China, down 85.5 percent from the same period last year. Chinese visitor distributions to O’ahu, the island of Hawai’i, Maui, and Kaua’i were at 95.4 percent, 38.9 percent, 23.9 percent, and 6.0 percent, respectively. The length of stay for Chinese visitors was 9.14 days. During this period, 71.5 percent of Chinese visitors were first time visitors, 8.5 percent came on group tours, and 62.3 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 eight months of 2020, air capacity from China decreased 90.5 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

- For the first half of the year, China economy contracted 1.6 percent. In August 2020, the Consumer Price Index (CPI) went up by 2.4 percent year-on-year. From January to August, on average, the overall consumer prices were up by 3.5 percent from the same period of the previous year.
- China is preparing for travel boom during October's National Day as the COVID-19 epidemic has been mostly subdued in the country. High-speed train tickets to many destinations already sold out for the first day of the National Day holiday on October 1. The country's civil aviation sector has also braced for the increase in visitors. Haikou Meilan International Airport in the capital of Hainan province, for example, will add and resume more than 1,500 flights to meet the demand of the travel peak for the National Day and Mid-Autumn Festival holidays.
- The number of daily passenger flights in China has rebounded to 80 percent of pre-coronavirus levels, according to China's aviation regulator, as the aviation industry recovers from the plunge in travel demand caused by the COVID-19 pandemic. Daily passenger traffic was nearly 70

percent of the level seen last year, with load factors, a measure of how well airlines are filling available seats, averaging 73.6 percent.

- Utah announced to invest USD 23.4 million in China market to promote Utah as tourism destination.
- Finland announced to open border to welcome Chinese visitors.
- Seychelles launched October and Chinese New Year promotion to Chinese visitors.

China: Distribution by Island

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Aug. 2020P	YTD Aug. 2019	% change YTD
O'ahu	119,837	88,596	-26.1%	9,600	67,210	-85.7%
Maui County	27,555	19,743	-28.4%	2,459	15,670	-84.3%
Maui	26,654	19,387	-27.3%	2,408	15,356	-84.3%
Moloka'i	1,173	718	-38.8%	75	492	-84.8%
Lāna'i	836	847	1.3%	56	671	-91.7%
Kaua'i	3,997	3,781	-5.4%	605	2,883	-79.0%
Hawai'i Island	40,966	34,445	-15.9%	3,913	26,771	-85.4%

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: Diao 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 Aug. 2020P	YTD Aug. 2019	% change YTD
Group vs True Independent (Net)						
Group tour	31,735	16,198	-49.0%	860	12,279	-93.0%
True Independent (Net)	54,894	45,857	-16.5%	6,268	34,295	-81.7%
Leisure vs business						
Pleasure (Net)	109,744	80,528	-26.6%	9,079	62,102	-85.4%
MCI (Net)	9,104	7,246	-20.4%	455	4,498	-89.9%
Convention/Conf.	4,629	3,544	-23.4%	264	1,818	-85.5%
Corp. Meetings	1,325	1,158	-12.6%	87	924	-90.6%
Incentive	3,381	2,693	-20.3%	105	1,851	-94.4%

China: First Timers vs. Repeat Visitors

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Aug. 2020P	YTD Aug. 2019	% change YTD
1st timers (%)	78.1	77.7	-0.4	71.5	78.9	-7.4
Repeaters (%)	21.9	22.3	0.4	28.5	21.1	7.4

Tax Revenue

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Aug. 2020P	YTD Aug. 2019	% change YTD
State tax revenue generated* (\$ Millions)	38.58	28.34	-26.5%	NA	21.25	NA

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