



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 September 2020 Quick Facts ¹

Visitor Expenditures:	NA (Not available)
Primary Purpose of Stay:	Pleasure (9,089) vs. MCI (456)
Average Length of Stay:	9.26 days
First Time Visitors:	71.4%
Repeat Visitors:	28.6%

	2018	2019	% Change 2019 vs 2018	2020* Forecast	% Change 2019 vs 2020 Forecast	YTD Sep. 2020P	YTD Sep. 2019	% change YTD
CHINA (by Air)								
Visitor Expenditures* (\$ Millions)	330.5	242.8	-26.5%	NA	NA	NA	199.1	NA
Visitor Days	946,780	737,950	-22.1%	NA	NA	93,401	610,356	-84.7%
Arrivals	123,246	92,082	-25.3%	NA	NA	10,088	75,805	-86.7%
Average Daily Census	2,594	2,022	-22.1%			341	2,236	-84.8%
Per Person Per Day Spending* (\$)	349.1	329.0	-5.8%	NA	NA	NA	326.2	NA
Per Person Per Trip Spending* (\$)	2,681.9	2,636.6	-1.7%	NA	NA	NA	2,626.1	NA
Length of Stay (days)	7.68	8.01	4.3%	NA	NA	9.26	8.05	15.0%

*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 DIIO 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 September 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.

Since February 2, 2020, there is a proclamation prohibiting Chinese citizens to enter the U.S. due to COVID-19. Returning Chinese nationals must have proof of a negative result for COVID-19 issued no more than 72 hours before departure, performed by an approved provider and must undergo a 14-day mandatory quarantine.

In September, 26 visitors arrived from China, versus 6,179 visitors a year ago. Visitor spending data were not available.

- Through the first nine months of 2020, arrivals decreased 86.7 percent from the same period last year to 10,088 visitors. Chinese visitor distributions to O‘ahu, the island of Hawai‘i, Maui, and Kaua‘i were at 95.3 percent, 38.8 percent, 23.9 percent, and 6.1 percent, respectively. The length of stay for Chinese visitors was 9.26 days. During this period, 71.4 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 nine months of 2020, air capacity from China decreased 91.3 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 September, the Chinese Yuan continues to strengthen against the USD from 6.86 to 6.75.
- In September 2020, the Consumer Price Index went up by 1.7 percent year-on-year. From January to September, on average, the overall consumer prices were up by 3.3 percent from the same period of the previous year. Overall, China inflation hit a 19-month low in September 2020.
- China eased restrictions on some foreigners’ entry into the country, almost six months after it nearly sealed its borders to limit the spread of the coronavirus pandemic. Foreigners holding residence permits for work, personal matters and reunions will be allowed to enter China starting September 28, 2020.

- Although most air travel markets have been hit hard by COVID-19, the volume of domestic flights in mainland China during this year's national holiday looks set to push well past last year's record, according to the global travel data and analytics expert Cirium. A snapshot of Cirium Core data taken on September 23, 2020 shows more than 164,700 domestic flights scheduled during the period. This represents an increase of more than 11 percent compared with the same time in 2019 when 148,000 flights flew.
- During the Shanghai Tourism Festival which is from September 12 to 27, Shanghai's tourist attractions registered 3.5 million visits, an increase of 28 percent month on month; hotel average occupancy stood at 64 percent during the period, up by 8 percent compared with the same period in August; revenues from the city's hospitality industry during the festival also rose by 21.6 percent over the year-earlier level, marking the first yearly rise this year, according to the city's tax administration.
- All Nippon Airways has resumed flights between Qingdao and Tokyo Narita, Guangzhou and Tokyo Narita after September 30, 2020. Japan Airlines has resumed flights between Dalian and Tokyo Narita, Guangzhou and Tokyo Narita in October 2020.

China: Distribution by Island

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Sep. 2020P	YTD Sep. 2019	% change YTD
O'ahu	119,837	88,596	-26.1%	9,619	73,269	-86.9%
Maui County	27,555	19,743	-28.4%	2,460	16,691	-85.3%
Maui	26,654	19,387	-27.3%	2,409	16,375	-85.3%
Moloka'i	1,173	718	-38.8%	75	605	-87.6%
Lāna'i	836	847	1.3%	56	734	-92.4%
Kaua'i	3,997	3,781	-5.4%	612	3,070	-80.1%
Hawai'i Island	40,966	34,445	-15.9%	3,918	28,767	-86.4%

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	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	8,176				8,176	22,484	22,484	22,776	23,068	90,812	-63.6	-100.0	-100.0	-100.0	-91.0

Source: HTA analysis based on scheduled Seats from Diio Mi flight schedules as of October 27, 2020, subject to change.

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

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Sep. 2020P	YTD Sep. 2019	% change YTD
Group vs True Independent (Net)						
Group tour	31,735	16,198	-49.0%	861	13,235	-93.5%
True Independent (Net)	54,894	45,857	-16.5%	6,286	37,381	-83.2%
Leisure vs business						
Pleasure (Net)	109,744	80,528	-26.6%	9,089	66,713	-86.4%
MCI (Net)	9,104	7,246	-20.4%	456	5,750	-92.1%
Convention/Conf.	4,629	3,544	-23.4%	264	2,766	-90.5%
Corp. Meetings	1,325	1,158	-12.6%	88	989	-91.1%
Incentive	3,381	2,693	-20.3%	105	2,103	-95.0%

China: First Timers vs. Repeat Visitors

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Sep. 2020P	YTD Sep. 2019	% change YTD
1st timers (%)	78.1	77.7	-0.4	71.4	78.5	-7.1
Repeaters (%)	21.9	22.3	0.4	28.6	21.5	7.1

Tax Revenue

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Sep. 2020P	YTD Sep. 2019	% change YTD
State tax revenue generated* (\$ Millions)	38.58	28.34	-26.5%	NA	23.24	NA

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