



China Fact Sheet

China Overview

The HTA, through Hawai'i Tourism China (HTC), implements targeted marketing programs to increase awareness and drive travel demand to Hawai'i. The HTA selected a marketing contractor, BrandStory, Inc. to provide destination representation services for the Hawaiian Islands in Mainland China effective January 1st, 2016. BrandStory China was established in 2006 with offices in Beijing, Shanghai, Guangzhou, and Chengdu. In 2019, HTC continues to attract high-spending visitors through increased online presence, direct consumer promotions, and close collaboration with travel trade partners. HTC continues to position Hawai'i as a desired stand-alone vacation destination for Chinese travelers.

Year-to-Date December 2019 Quick Facts¹

Visitor Expenditures:	\$244.3 million
Primary Purpose of Stay:	Pleasure (81,979) vs. MCI (7,340)
Average Length of Stay:	8.02 days
First Time Visitors:	77.6%
Repeat Visitors:	22.4%

	2018	2017	% Change 2018 vs 2017	2019 Forecast (Quarter 3 2019)	% Change 2018 vs 2019 Forecast	YTD Dec. 2019P	YTD Dec. 2018	% change YTD
CHINA (by Air)								
Visitor Expenditures* (\$ Millions)	330.5	366.0	-9.7%	261.5	-20.9%	244.3	330.5	-26.1%
Visitor Days	946,780	1,084,318	-12.7%	758,947	-19.8%	751,873	946,780	-20.6%
Arrivals	123,246	141,232	-12.7%	95,312	-22.7%	93,703	123,246	-24.0%
Per Person Per Day Spending* (\$)	349.1	337.6	3.4%	344.6	-1.3%	324.9	349.1	-6.9%
Per Person Per Trip Spending* (\$)	2,681.9	2,591.7	3.5%	2,744.0	2.3%	2,606.8	2,681.9	-2.8%
Length of Stay (days)	7.68	7.68	0.1%	7.96	3.7%	8.02	7.68	4.5%

*Excludes supplemental business spending

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¹ 2019 visitor data are preliminary. January – June 2019 data were updated with immigration statistics from the National Travel and Tourism Office (NTTO). 2018 and 2017R visitor data are the final numbers and reflect updated immigration statistics from NTTO; updated airfare statistics from DIIO Mi Airline database, and final passenger counts for Airline reports.

Market Summary

- Expenditures by Chinese visitors in 2018 totaled \$330.5 million, which was a decrease of 9.7 percent from 2017. In 2019, visitor expenditures declined (-26.1% to \$244.3 million) compared to 2018.
- In 2018, arrivals decreased 12.7 percent to 123,246 visitors. In 2019, arrivals were down (-24.0% to 93,703 visitors) compared to the previous year.
- In 2018, Chinese visitor distributions to O'ahu, the island of Hawai'i, Maui, and Kaua'i were at 97.2 percent, 33.2 percent, 21.6 percent, and 3.2 percent, respectively. In 2019, 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.
- For 2018, the length of stay for Chinese visitors was 7.68 days. In 2019, the length of stay was increased to 8.02 days.
- Average daily spending by Chinese visitors in 2018 increased (+3.4%) to \$349 per person. In 2019, daily spending 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 2018, 78.1 percent of Chinese visitors to Hawai'i were first time visitors, 25.7 percent came on group tours, while 44.5 percent made their own travel arrangements (True Independent). 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 were True Independent.
- In 2018, air capacity from China was 158,833 seats, a 3.1 percent decline compared to the previous year. In late August 2019, Air China ended thrice-weekly nonstop flights between Honolulu and Beijing. In 2019, air capacity from China dropped 26.6 percent to 116,539 seats.

Market Conditions

- China remains the world's second-largest economy and tops the world in economic growth (+6.1% YOY) in 2019. Chinese Yuan depreciated to 7 CNY to 1 USD in December this year, a substantial drop of 8.4 percent from two years ago.
- China's outbound travel recorded 140 million trips in 2018 (an increase of 13.5% YOY) and is expected to exceed 166 million in 2019. For Spring Festival 2020, Chinese tourists have booked trips to 419 overseas cities in over 100 countries and regions during the seven-day holiday beginning January 24, 2020, both figures are new highs according to Trip.com.
- As of October 2019, a total of 2.53 million Chinese traveled to the U.S., a 5.5 percent drop YOY. As of November, non-immigrant visa issuance was down 16.63 percent YOY according to U.S. Bureau of Consular Affairs.
- The number of valid Chinese passports for international travel reached 130 million, which is around 10 percent of the total population, illustrating high potential for growth.
- Beijing Daxing International Airport (PKX), the second international airport in Beijing opened on September 29, 2019, providing an alternative option for travelers flying from North China to America.

- 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.
- With the new A380 "Flying Honu", ANA made a strategic decision to enter the China market for Hawai'i and has been working with HTC to target upscale Chinese travelers transiting via Tokyo.

China: Distribution by Island

CHINA (by Air)	2018	2017R	% Change 2018 vs 2017	YTD Dec. 2019P	YTD Dec. 2018	% change YTD
O'ahu	119,837	136,316	-12.1%	90,147	119,837	-24.8%
Maui County	27,555	30,279	-9.0%	20,061	27,555	-27.2%
Maui	26,654	29,689	-10.2%	19,701	26,654	-26.1%
Moloka'i	1,173	722	62.4%	723	1,173	-38.4%
Lāna'i	836	960	-12.9%	853	836	2.1%
Kaua'i	3,997	4,549	-12.1%	3,878	3,997	-3.0%
Hawai'i Island	40,966	50,834	-19.4%	35,145	40,966	-14.2%

China: Airlift

Departure City	2019					2018					%CHANGE				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
Beijing	9,954	9,299	5,688	0	24,941	21,175	20,169	20,684	10,661	72,689	-53.0	-53.9	-72.5	-100.0	-65.7
Hangzhou	786				786	786				786	0.0				0.0
Shanghai	22,484	22,484	22,776	23,068	90,812	20,242	22,776	22,484	19,856	85,358	11.1	-1.3	1.3	16.2	6.4

Source: Diio Mii airline schedules, updated January 10, 2020

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

CHINA (by Air)	2018	2017R	% Change 2018 vs 2017	YTD Dec. 2019P	YTD Dec. 2018	% change YTD
Group vs True Independent (Net)						
Group tour	31,735	45,358	-30.0%	16,504	31,735	-48.0%
True Independent (Net)	54,894	58,685	-6.5%	46,728	54,894	-14.9%
Leisure vs business						
Pleasure (Net)	109,744	120,849	-9.2%	81,979	109,744	-25.3%
MCI (Net)	9,104	14,124	-35.5%	7,340	9,104	-19.4%
Convention/Conf.	4,629	5,276	-12.3%	3,565	4,629	-23.0%
Corp. Meetings	1,325	1,989	-33.4%	1,184	1,325	-10.7%
Incentive	3,381	7,189	-53.0%	2,746	3,381	-18.8%

China: First Timers vs. Repeat Visitors

CHINA (by Air)	2018	2017R	% Change 2018 vs 2017	YTD Dec. 2019P	YTD Dec. 2018	% change YTD
1st timers (%)	78.1	80.6	-2.5	77.6	78.1	-0.5
Repeaters (%)	21.9	19.4	2.5	22.4	21.9	0.5

Tax Revenue

CHINA (by Air)	2018	2017R	% Change 2018 vs 2017	YTD Dec. 2019P	YTD Dec. 2018	% change YTD
State tax revenue generated* (\$ Millions)	38.58	42.72	-9.7%	28.51	38.58	-26.1%

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