



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 May 2020 Quick Facts¹

Visitor Expenditures:	NA (Not available)
Primary Purpose of Stay:	Pleasure (9,042) vs. MCI (455)
Average Length of Stay:	8.90 days
First Time Visitors:	71.7%
Repeat Visitors:	28.3%

	2018	2019P	% Change 2019 vs 2018	2020* Forecast	% Change 2019 vs 2020 Forecast	YTD May 2020P	YTD May 2019P	% change YTD
CHINA (by Air)								
Visitor Expenditures* (\$ Millions)	330.5	244.3	-26.1%	NA	NA	NA	117.7	NA
Visitor Days	946,780	751,873	-20.6%	NA	NA	88,784	359,697	-75.3%
Arrivals	123,246	93,703	-24.0%	NA	NA	9,975	44,041	-77.4%
Average Daily Census	2,594	2,060	-20.6%			584	2,382	-75.5%
Per Person Per Day Spending* (\$)	349.1	324.9	-6.9%	NA	NA	NA	327.4	NA
Per Person Per Trip Spending* (\$)	2,681.9	2,606.8	-2.8%	NA	NA	NA	2,673.6	NA
Length of Stay (days)	7.68	8.02	4.5%	NA	NA	8.90	8.17	9.0%

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

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¹ 2020 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

Due to the COVID-19 pandemic, all passengers arriving from out-of-state and traveling interisland during May 2020 were required to abide by a mandatory 14-day self-quarantine. Exemptions include travel for essential reasons like work or health care. During last month, Governor David Ige's stay-at-home order transitioned to the safer-at-home order, then eventually the state entered the "Act with Care" phase. The U.S. Centers for Disease Control and Prevention (CDC) also continued to enforce the "No Sail Order" on all cruise ships.

There were 16 visitors from China in May 2020, compared to 8,199 visitors a year ago. Visitor spending data were not available.

- Through the first five months of 2020, arrivals dropped 77.4 percent to 9,975 visitors. Chinese visitor distributions to O'ahu, the island of Hawai'i, Maui, and Kaua'i were at 95.6 percent, 39.1 percent, 23.9 percent, and 6.1 percent, respectively. The length of stay for Chinese visitors was 8.90 days; 71.7 percent of Chinese visitors were first time visitors; 8.6 percent came on group tours while 62.1 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 five months of 2020, air capacity from China decreased 84.9 percent compared to the first five months of 2019.
- In 2019, spending by Chinese visitors declined (-26.1% to \$244.3 million) compared to the previous year. Arrivals were down 24.0 percent compared to 2018 to 93,703 visitors. 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 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. The length of stay for Chinese visitors was 8.02 days. 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 (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

- China's economy shrank by 6.8 percent in the first quarter of 2020, the first contraction since the end of the Cultural Revolution in 1976, confirming the economic damage done by the coronavirus pandemic. China still remains the world's second-largest economy and the latest forecast is growth of 1.2 percent this year.
- In Q1 2020, China domestic retail sales, a key measurement of consumption in the world's most populous nation, fell by 15.8 percent, following a record 20.5 percent collapse in the first two months, much worse than forecasts of a 10.0 percent slump.
- China's central bank cut the interest rate on its targeted medium-term lending facility (TMLF) on April 24, 2020, following similar reductions to borrowing costs on other liquidity tools in the past few weeks to support the economy. The central bank also injected 56.1 billion yuan (US\$7.93 billion) into the economy, when a batch of 267.4 billion yuan of TMLF loans was due to expire.

- China needs to create at least 10 million new jobs this year to keep the unemployment rate steady at the target rate of 6.0 percent. In a report published in May 2020, Tsinghua University researchers led by David Li Daokui, a professor at Tsinghua University and former adviser to China's central bank estimated that China would need to grow between 3 per cent to 4 per cent this year, backed by an additional job-focused stimulus of 3 trillion yuan (US\$423.8 billion), to create the 10 million new jobs.
- China's exports fell by 3.3 percent in May, down from a surprise return to growth of 3.5 percent in April but a smaller drop than analysts expected. The better-than-expected figure was due largely to continued strong exports of medical equipment and supplies used in fighting the coronavirus. Imports plunged 16.7 percent in May, deteriorating from April, a sign that demand remains weak in the world's second largest economy.
- Online travel giant Trip.com Group (formerly Ctrip) announced a travel revival plan by investing 1 billion yuan (USD 144 million) with hundreds of destinations and some 10,000 tourism suppliers. To deal with the impact of the outbreak, Trip.com has launched presales of admissions to some 300 scenic spots, air tickets, accommodation and tour packages for 1,000 tourist routes which can be used anytime within the year, with free refunds offered for expiry or cancellation, to tackle the funding woes of its tourism partners.
- Live streaming to Chinese audiences has become one of the most effective ways to establish connections among destinations, online travel agencies and consumers, helping tourism consumption to maximize its potential, experts say. Beijing-based online travel platform Mafengwo Tourism's live stream viewers have doubled daily since April, the company says. Internet users of means who were born after 1985 account for over 50 per cent. People from first-tier cities, including Beijing, Shanghai and Guangzhou province, account for a large segment of the audiences. Internet giant Alibaba's online travel agency, Fliggy, has staged over 25,000 live streaming sessions hosted by influencers, officials and tourism businesses since February 2020.
- The US State Department intends to reopen the consulate in Wuhan on June 22, 2020.

China: Distribution by Island

CHINA (by Air)	2018	2019P	% Change 2019 vs 2018	YTD May 2020P	YTD May 2019P	% change YTD
O'ahu	119,837	90,147	-24.8%	9,535	42,406	-77.5%
Maui County	27,555	20,061	-27.2%	2,437	10,373	-76.5%
Maui	26,654	19,701	-26.1%	2,386	10,131	-76.4%
Moloka'i	1,173	723	-38.4%	75	402	-81.4%
Lāna'i	836	853	2.1%	56	529	-89.5%
Kaua'i	3,997	3,878	-3.0%	605	1,963	-69.2%
Hawai'i Island	40,966	35,145	-14.2%	3,899	16,761	-76.7%

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	8,176	0	0	0	8,176	22,484	22,484	22,776	23,068	90,812	-63.6	-100.0	-100.0	-100.0	-91.0

Source: Diao Mii airline schedules. Q2-Q4 2020 air seat forecasts are not available at the time of report publication due to the continuously changing COVID-19 pandemic.

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

CHINA (by Air)	2018	2019P	% Change 2019 vs 2018	YTD May 2020P	YTD May 2019P	% change YTD
Group vs True Independent (Net)						
Group tour	31,735	16,504	-48.0%	858	6,559	-86.9%
True Independent (Net)	54,894	46,728	-14.9%	6,197	22,881	-72.9%
Leisure vs business						
Pleasure (Net)	109,744	81,979	-25.3%	9,042	38,832	-76.7%
MCI (Net)	9,104	7,340	-19.4%	455	3,227	-85.9%
Convention/Conf.	4,629	3,565	-23.0%	264	1,248	-78.9%
Corp. Meetings	1,325	1,184	-10.7%	87	818	-89.4%
Incentive	3,381	2,746	-18.8%	105	1,239	-91.6%

China: First Timers vs. Repeat Visitors

CHINA (by Air)	2018	2019P	% Change 2019 vs 2018	YTD May 2020P	YTD May 2019P	% change YTD
1st timers (%)	78.1	77.6	-0.5	71.7	78.8	-7.1
Repeaters (%)	21.9	22.4	0.5	28.3	21.2	7.1

Tax Revenue

CHINA (by Air)	2018	2019P	% Change 2019 vs 2018	YTD May 2020P	YTD May 2019P	% change YTD
State tax revenue generated* (\$ Millions)	38.58	28.51	-26.1%	NA	13.74	NA

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