



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 November 2020 Quick Facts¹

Visitor Expenditures:	NA (Not available)
Primary Purpose of Stay:	Pleasure (9,321) vs. MCI (467)
Average Length of Stay:	9.45 days
First Time Visitors:	70.9%
Repeat Visitors:	29.1%

	2018	2019	% Change 2019 vs 2018	2020* Forecast	% Change 2019 vs 2020 Forecast	YTD Nov. 2020P	YTD Nov. 2019	% change YTD
CHINA (by Air)								
Visitor Expenditures* (\$ Millions)	330.5	242.8	-26.5%	NA	NA	NA	224.2	NA
Visitor Days	946,780	737,950	-22.1%	NA	NA	97,805	678,665	-85.6%
Arrivals	123,246	92,082	-25.3%	NA	NA	10,348	85,102	-87.8%
Average Daily Census	2,594	2,022	-22.1%			292	2,032	-85.6%
Per Person Per Day Spending* (\$)	349.1	329.0	-5.8%	NA	NA	NA	330.3	NA
Per Person Per Trip Spending* (\$)	2,681.9	2,636.6	-1.7%	NA	NA	NA	2,634.0	NA
Length of Stay (days)	7.68	8.01	4.3%	NA	NA	9.45	7.97	18.5%

*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

Beginning October 15, passengers arriving from out-of-state and traveling inter-county could bypass the mandatory 14-day self-quarantine with a valid negative COVID-19 NAAT test result from a Trusted Testing and Travel Partner. A new policy went into effect on November 24 requiring all trans-Pacific travelers participating in the pre-travel testing program to have a negative test result before their departure to Hawai'i, and test results would no longer be accepted once a traveler arrives in the state. Kaua'i, Hawai'i Island, Maui, and Moloka'i also had a partial quarantine in place in November. Lāna'i residents and visitors were under a stay-at-home order from October 27 to November 11. In addition, the U.S. Centers for Disease Control and Prevention (CDC) continued to enforce the "No Sail Order" on all cruise ships.

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.

There were 188 visitors in November 2020 compared to 4,258 visitors a year ago. Visitor spending data were not available.

- Through the first 11 months of 2020, arrivals decreased 87.8 percent from the same period last year to 10,348 visitors. Chinese visitor distributions to O'ahu, the island of Hawai'i, Maui, and Kaua'i were at 94.7 percent, 38.6 percent, 23.8 percent, and 6.2 percent, respectively. The length of stay for Chinese visitors was 9.45 days. During this period, 70.9 percent of Chinese visitors were first time visitors, 8.4 percent came on group tours, and 62.8 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 11 months of 2020, air capacity from China decreased 92.4 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

- Despite the pandemic, recent research says that China will still be the number one source market for international tourism. According to quantitative research of China Outbound Tourism Research Institute, China will reclaim its top position in 2020 with 18 million Chinese international trips, most of which however happened in January, representing about 10 percent of the number for 2019. A number of other countries in Asia welcome Chinese visitors again, including

Thailand, Laos, Japan, Singapore and others. Chinese citizens within the Schengen region in Europe can also travel between European countries.

- China's domestic tourism market has seen an accelerated rebound amid regular epidemic prevention and control. A sizable 637 million domestic tourist visits were made during the eight-day Golden Week holiday in October, generating overall tourism revenue of 466.56 billion yuan (about 70.5 billion U.S. dollars), according to the official data from the Ministry of Culture and Tourism.
- China will further boost its consumption upgrade and maintain a stable market in 2021, according to the Ministry of Commerce (MOC). The MOC called for a consumption upgrade in both urban and rural areas, the transformation of more cities into international consumption centers, and enhanced e-commerce development in rural areas.
- Japan and China are resuming business travel between the countries on December 7, 2020, as part of efforts to ease entry restrictions and promote economic activities. Business people are now allowed to make trips for both short- and long-term stays. An influx of Chinese travelers is expected at Narita Airport. About 20 flights to and from Chinese cities are operated weekly.
- Marriott said that it plans to launch its 400th hotel in China next year, and that Shanghai will be the company's first market in Asia Pacific to have 50 Marriott hotels in operation. The world's biggest hotel group will introduce three new brands to China, including Moxy Hotels and AC Hotels. Chinese are most familiar with brand names when travelling overseas and Marriott is a key brand in their searches.
- Air China's flights from Los Angeles to Tianjin were suspended for four weeks starting from November 23, 2020, marking the first "circuit breaker" on the U.S.-China air routes. The Chinese flag carrier reported 10 COVID-19 positive cases on the CA988 flight on November 9, 2020.
- Delta will return to Shanghai after it suspended service to the Chinese city in the early days of the coronavirus pandemic. The One world alliance carrier will offer a weekly direct flight to Shanghai Pudong from Seattle and Detroit. The airline plans to fly the route beginning December 2, 2020.

China: Distribution by Island

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Nov. 2020P	YTD Nov. 2019	% change YTD
O'ahu	119,837	88,596	-26.1%	9,799	82,163	-88.1%
Maui County	27,555	19,743	-28.4%	2,521	18,187	-86.1%
Maui	26,654	19,387	-27.3%	2,467	17,862	-86.2%
Moloka'i	1,173	718	-38.8%	75	647	-88.4%
Lāna'i	836	847	1.3%	58	802	-92.8%
Kaua'i	3,997	3,781	-5.4%	645	3,427	-81.2%
Hawai'i Island	40,966	34,445	-15.9%	3,996	31,682	-87.4%

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 Nov. 2020P	YTD Nov. 2019	% change YTD
Group vs True Independent (Net)						
Group tour	31,735	16,198	-49.0%	869	15,340	-94.3%
True Independent (Net)	54,894	45,857	-16.5%	6,499	41,841	-84.5%
Leisure vs business						
Pleasure (Net)	109,744	80,528	-26.6%	9,321	74,651	-87.5%
MCI (Net)	9,104	7,246	-20.4%	467	6,394	-92.7%
Convention/Conf.	4,629	3,544	-23.4%	264	3,014	-91.2%
Corp. Meetings	1,325	1,158	-12.6%	88	1,116	-92.1%
Incentive	3,381	2,693	-20.3%	116	2,411	-95.2%

China: First Timers vs. Repeat Visitors

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Nov. 2020P	YTD Nov. 2019	% change YTD
1st timers (%)	78.1	77.7	-0.4	70.9	78.1	-7.3
Repeaters (%)	21.9	22.3	0.4	29.1	21.9	7.3

Tax Revenue

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Nov. 2020P	YTD Nov. 2019	% change YTD
State tax revenue generated* (\$ Millions)	38.58	28.34	-26.5%	NA	26.17	NA

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