



## 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 December 2020 Quick Facts<sup>1</sup>

Visitor Expenditures:	NA (Not available)
Primary Purpose of Stay:	Pleasure (9,696) vs. MCI (474)
Average Length of Stay:	9.52 days
First Time Visitors:	70.4%
Repeat Visitors:	29.6%

	2018	2019	% Change 2019 vs 2018	2020* Forecast	% Change 2019 vs 2020 Forecast	YTD Dec. 2020P	YTD Dec. 2019	% change YTD
CHINA (by Air)								
Visitor Expenditures* (\$ Millions)	330.5	242.8	-26.5%	NA	NA	NA	242.8	NA
Visitor Days	946,780	737,950	-22.1%	NA	NA	102,211	737,950	-86.1%
Arrivals	123,246	92,082	-25.3%	NA	NA	10,736	92,082	-88.3%
Average Daily Census	2,594	2,022	-22.1%			279	2,022	-86.2%
Per Person Per Day Spending* (\$)	349.1	329.0	-5.8%	NA	NA	NA	329.0	NA
Per Person Per Trip Spending* (\$)	2,681.9	2,636.6	-1.7%	NA	NA	NA	2,636.6	NA
Length of Stay (days)	7.68	8.01	4.3%	NA	NA	9.52	8.01	18.8%

<sup>1</sup>Dept. of Business, Economic Development & Tourism (DBEDT) 2020 forecasts were not available at the time of report publication.

### Contact Information

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<sup>1</sup> 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

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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 through the state's Safe Travels program. Effective November 24, all trans-Pacific travelers participating in the pre-travel testing program were required to have a negative test result before their departure to Hawai'i, and test results would no longer be accepted once a traveler arrived in Hawai'i. On December 2, Kaua'i County temporarily suspended its participation in the state's Safe Travels program, making it mandatory for all travelers to Kaua'i to quarantine upon arrival. On December 10, the mandatory quarantine was reduced from 14 to 10 days in accordance with the U.S. Centers for Disease Control and Prevention's (CDC) guidelines. The counties of Hawai'i, Maui, and Kalawao (Moloka'i) also had a partial quarantine in place in December. In addition, the 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 388 visitors in December 2020 compared to 6,980 visitors a year ago. There were no direct flights from China. These 388 visitors arrived on domestic flights. Visitor spending data were not available.

- For all of 2020, arrivals decreased 88.3 percent from the previous year to 10,736 visitors. Chinese visitor distributions to O'ahu, the island of Hawai'i, Maui, and Kaua'i were at 94.7 percent, 38.3 percent, 23.8 percent, and 6.0 percent, respectively. The length of stay for Chinese visitors was 9.52 days. In 2020, 70.4 percent of Chinese visitors were first time visitors, 8.1 percent came on group tours, and 63.6 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. For all of 2020, air capacity from China decreased 93.0 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 Quarter 3 2020, China GDP increased 4.9 percent overall, compared to a year earlier. The GDP of China was 72,278.6 billion yuan in the first three quarters, a year-on-year growth of 0.7 percent. Specifically, the GDP for the first quarter declined by 6.8 percent, increased by 3.2 percent for the second quarter, and up by 4.9 percent for the third quarter.
- In December, new locally transmitted COVID-19 cases appeared in Beijing, Daliang and Shenyang in Liaoning province; some areas in these cities rose to medium-risk level.
- With lockdowns back across several countries to contain the possible second or third wave of COVID-19, China's domestic travel rebound has fueled discussions in the travel and tourism sector and its recovery caused Hyatt, Hilton and Marriott to experience an occupancy upswing.
- Travel bookings in China for the New Year holiday have reached a peak, according to the country's largest online travel agency Trip.com Group, which revealed that the popularity of domestic deep-travel destinations during the holiday increased by 320 percent month-on-month. The average price for four or five-star hotels in some cities has risen by 20 percent - 35 percent year on year.
- Winter Olympics prompts skiing construction boom in China. The 2022 Beijing Winter Games have inspired a boom in construction of snow resorts; their numbers have rocketed nearly fourfold, fueled by demand from China's swelling middle class. A decade ago, there were only over 200 ski resorts in China -- at the end of last year, that figure had jumped to 770.
- Cathay Pacific is reportedly aiming to take over slightly more than half of the routes previously flown by Cathay Dragon, with the rest assigned to low-cost carrier HK Express. However, some key routes may also be opened up to rival Hong Kong Airlines and newly-minted competitor Greater Bay Airlines, which plans to launch in mid-2021 with a fleet of Boeing 737 jets.

## China: Distribution by Island

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Dec. 2020P	YTD Dec. 2019	% change YTD
O'ahu	119,837	88,596	-26.1%	10,117	88,596	-88.6%
Maui County	27,555	19,743	-28.4%	2,608	19,743	-86.8%
Maui	26,654	19,387	-27.3%	2,554	19,387	-86.8%
Moloka'i	1,173	718	-38.8%	75	718	-89.6%
Lāna'i	836	847	1.3%	58	847	-93.1%
Kaua'i	3,997	3,781	-5.4%	649	3,781	-82.8%
Hawai'i Island	40,966	34,445	-15.9%	4,114	34,445	-88.1%

## 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 Dec. 2020P	YTD Dec. 2019	% change YTD
Group vs True Independent (Net)						
Group tour	31,735	16,198	-49.0%	873	16,198	-94.6%
True Independent (Net)	54,894	45,857	-16.5%	6,823	45,857	-85.1%
Leisure vs business						
Pleasure (Net)	109,744	80,528	-26.6%	9,696	80,528	-88.0%
MCI (Net)	9,104	7,246	-20.4%	474	7,246	-93.5%
Convention/Conf.	4,629	3,544	-23.4%	267	3,544	-92.5%
Corp. Meetings	1,325	1,158	-12.6%	88	1,158	-92.4%
Incentive	3,381	2,693	-20.3%	119	2,693	-95.6%

## China: First Timers vs. Repeat Visitors

CHINA (by Air)	2018	2019	% Change 2019 vs 2018	YTD Dec. 2020P	YTD Dec. 2019	% change YTD
1st timers (%)	78.1	77.7	-0.4	70.4	77.7	-7.2
Repeaters (%)	21.9	22.3	0.4	29.6	22.3	7.2

## Tax Revenue

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

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