



China Fact Sheet

China Overview

The Hawai'i Tourism Authority selected TRAVLOCAL LIMITED for Brand Marketing and Management Services in China. China market continues to lead in per person per day spending among all major source markets for Hawai'i. In 2022, Hawai'i Tourism China (HTC) focuses on market education with Mālama Hawai'i messaging. An integrated digital marketing strategy is deployed to elevate Hawai'i's image and brand awareness by using Chinese consumer preferred social and digital media platforms highlighting Hawai'i's culture, natural resources, community and regenerative tourism.

Year-to-date September 2022 Quick Facts¹

Visitor Expenditures:	\$22.9 million
Primary Purpose of Stay:	Pleasure (7,235) vs. MCI (334)
Average Length of Stay:	8.49 days
First Time Visitors:	66.8%
Repeat Visitors:	33.2%

CHINA (by Air)	2019	2020	2021	2022 Annual Forecast*	YTD Sep. 2022P	YTD Sep. 2021	% Change YTD
Visitor Expenditures* (\$ Millions)	242.8	NA	22.4	NA	22.9	11.2	103.8%
Visitor Days	737,950	151,110	70,468	NA	67,191	35,653	88.5%
Arrivals	92,082	15,878	6,686	NA	7,914	3,112	154.3%
Average Daily Census	2,022	413	193	NA	246	131	88.5%
Per Person Per Day Spending* (\$)	329.0	NA	317.8	NA	340.3	314.7	8.1%
Per Person Per Trip Spending* (\$)	2,636.6	NA	3,349.0	NA	2,889.1	3,606.1	-19.9%
Length of Stay (days)	8.01	9.52	10.54	NA	8.49	11.46	-25.9%

*Dept. of Business, Economic Development & Tourism (DBEDT) 2022 forecasts were not available at the time of report publication.

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¹ 2022 visitor data are preliminary. 2021, 2020 and 2019 visitor data are the final numbers and reflect updated airfare statistics from DIIO Mi Airline database, data from the National Travel and Tourism Office, and final passenger counts from Airline Traffic Summary reports.

Market Summary

Prior to the COVID-19 pandemic, Hawai'i achieved record-level visitor expenditures and arrivals in 2019 through February 2020. On March 26, 2020, the state implemented mandatory quarantine and travel restrictions. Subsequently, nearly all trans-Pacific and interisland flights were canceled, cruise ship activities were suspended and tourism to the islands all but shut down. In October 2020, the state initiated the Safe Travels program, which allowed travelers to bypass quarantine if they had a valid negative COVID test. Through March 25, 2022, domestic passengers could bypass the state's mandatory self-quarantine if they were vaccinated or have a negative COVID pre-travel test. The Safe Travels program ended on March 26, 2022. In September 2022, there were no travel restrictions for passengers arriving to Hawai'i on domestic direct flights from the U.S. Mainland, or for passengers arriving on direct international flights.

- Through the first nine months of 2022, there were 7,914 visitors from China compared to 75,805 visitors in the first nine months of 2019.
- There have been no direct flights from China to Hawai'i since service ended in early February 2020. There were 340 flights with 93,471 seats in the first nine months of 2019.
- For all of 2021, 6,686 visitors arrived from China. In comparison, there were 15,878 visitors (-57.9%) from China in 2020, and 92,082 visitors (-92.7%) in 2019.
- There were 28 scheduled flights and 8,176 seats from Shanghai China in 2020, compared to 419 flights and 116,539 seats in 2019 with service to Shanghai (90,812 seats), Beijing (24,941) and Hangzhou (786).

Market Conditions

- September 2022 month-end (ME) rate for Chinese Yuan (CNY) vs. USD was 7.10, versus August 2022 ME rate of 6.88, versus September 2021 ME rate of 6.49.
- China's year-to-date June 2022 GDP stood at 56.26 trillion-yuan (US\$8.35 trillion) +2.5 percent, per National Bureau of Statistics (NBS). China's 2022 Quarter 2 GDP stood at 29.24 trillion-yuan (US\$4.34 trillion) +0.4 percent, per NBS.
- In September 2022, the Purchasing Manager Index (PMI) of China's manufacturing industry was 50.1 percent, an increase of 70 basis points from the prior month figure of 49.5 percent. In terms of enterprise size, the PMI of large enterprises was 51.1 percent, up 0.6 percentage points from the previous month. The PMI for small and medium enterprises was 49.7 percent and 48.3 percent, respectively, up 0.8 and 0.7 percentage points from the previous month.
- Morgan Stanley predicts China will reopen next spring. Morgan Stanley published an article on September 26: "China's Covid Management is about to Change." It noted that the pandemic has led to significantly weaker income growth and a sharp rise in youth unemployment, while weak exports and real estate mean the remaining source of growth is consumption. To unleash this force, China's approach to Covid management will need to shift, and reopening is expected to begin in spring 2023.
- From September 26, Hong Kong will go to a 0+3 (zero days hotel quarantine with three days self-quarantine). Previously, Hong Kong had a 3+4 (three days hotel quarantine with four days self-quarantine) policy. In November 2022, Hong Kong is planning to eliminate all quarantines.
- The Hong Kong (HK) Tourism Board will be giving out 500,000 free airline tickets (worth US\$255M) to tempt tourists to come back once HK eliminates all remaining coronavirus

restrictions for inbound travelers. The tickets were purchased during the pandemic to support HK's airlines.

- China's tourism consumption during the coming National Day holidays is likely to see continued recovery as train tickets for many popular routes on the first day of the holidays have been sold out and airfares are increasing too. Tickets to some scenic spots are back to full price.
- China Southern Airlines resumed London-Guangzhou passenger service on September 15, marking the first resumption since January 2021.
- The number of flights between China and South Korea will be increased to 64 per week from the current 27, as agreed by Chinese and South Korean government. Chinese and South Korean airlines will each launch 32 more flights.

Distribution by Island

CHINA (by Air)	2019	2020	2021	YTD Sep. 2022P	YTD Sep. 2021	% Change YTD
O'ahu	88,596	15,167	5,526	6,518	2,537	157.0%
Maui County	19,743	4,000	1,400	1,610	649	148.2%
Maui	19,387	3,925	1,349	1,545	629	145.7%
Moloka'i	718	107	20	64	11	501.9%
Lāna'i	847	79	62	80	32	154.9%
Kaua'i	3,781	1,004	438	432	178	143.0%
Hawai'i Island	34,445	6,412	1,980	2,278	872	161.2%

Group vs. True Independent; Leisure vs. Business

CHINA (by Air)	2019	2020	2021	YTD Sep. 2022P	YTD Sep. 2021	% Change YTD
Group vs True Independent (Net)						
Group Tour	16,198	NA	222	409	81	404.0%
True Independent (Net)	45,857	NA	5,289	5,913	2,444	141.9%
Leisure vs Business						
Pleasure (Net)	80,528	14,405	6,276	7,235	2,894	150.0%
MCI (Net)	7,246	684	69	334	26	1168.4%
Convention/Conf.	3,544	392	23	235	12	1932.7%
Corp. Meetings	1,158	131	14	34	5	536.4%
Incentive	2,693	162	40	90	15	507.8%

First Timers vs. Repeat Visitors

CHINA (by Air)	2019	2020	2021	YTD Sep. 2022P	YTD Sep. 2021	% Change YTD
First Time Visitors (%)	77.7	NA	65.7	66.8	62.1	4.7
Repeat Visitors (%)	22.3	NA	34.3	33.2	37.9	-4.7

Tax Revenue

CHINA (by Air)	2019	2020	2021	YTD Sep. 2022P	YTD Sep. 2021	% Change YTD
State tax revenue generated* (\$ Millions)	28.34	NA	2.61	2.65	1.31	102.5%

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