

A RANGE OF EVENTS AND DUTY-FREE SHOPPING REVIVED HAINAN TOURISM



The Covid-19 pandemic is having a drastic effect on the tourism industry worldwide, however, there are some countries and regions that are coming out of the crisis and recovering after months of unprecedented numbers.

One of these regions is also China's island province Hainan, which, besides being the southernmost point of the country, is also one of the most popular seaside destinations.

81 Million Tourists in 2021

According to local media, the Hainan tourism sector has fully recovered from the Covid-19 crisis, having welcomed 81 million tourists last year. This accounts to 25.5 % more than in 2020 and is basically equal to the pre-pandemic flow in 2019. Moreover, tourism income has increased to almost \$22 billion (+58.6 %).

One of the reasons for the recovery is the improvement of the local infrastructure. Moreover, the main driver of Hainan tourism was the organization of several high-level events along with the traditional island carnival at the end of the year.

In this context, the celebrations of the 100th anniversary of the Chinese Communist Party of China stand out, with large state-sponsored events and performances taking place on the island.

Furthermore, numerous sports events have also been held, including nationwide football, table tennis or horse racing competitions attended by thousands of people.

The Attraction of Duty-free Shopping

Another factor that has given the local tourism industry a boost is the island's one of a kind offshore duty-free policy, which came into effect on July 1, 2020.

Based on this policy, the province raised the annual tax-free shopping quota by two thirds to almost \$16 thousand. Also, the purchase limit for cosmetics was increased to 30 items from the original 12. And these measures have immediately made a difference.

According to recent data, the number of people purchasing duty-free products on the island increased by 73 %, while the income from duty-free sales reached almost \$8 billion (+83 %).

All in all, the Hainan province has taken very effective measures and the numbers are indeed impressive in the Covid-19 context, also in contrast to some other regions, especially in Europe, which are currently struggling with the spread of the Omicron variant.

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