



WORLD
TRAVEL &
TOURISM
COUNCIL



Research Briefing

TRAVEL & TOURISM IN HONG KONG SAR, CHINA

Recovery, Gaps, and the Road Ahead

April 2026

EXECUTIVE SUMMARY

The Travel & Tourism sector in Hong Kong SAR, China has made meaningful progress since the dual shocks of the 2019 turmoil and COVID-19 pandemic. By 2025, Travel & Tourism Total GDP had recovered to **98.5% of 2018 levels**, but the international visitor segment has been slower to recover, especially compared to regional competitors like Macao SAR, China and Singapore.



Structural Shifts Identified

This research briefing identifies several structural shifts:

- The Mainland China market remains central, but their numbers are lower
- Long-haul markets, such as the US and the UK, are gradually coming back
- Business travel represents a significant opportunity for accelerated recovery
- Retail spending is still important but has yet to fully recover. It could benefit from offerings that add meaningful, complementary experiences



Recommended Actions

The city's Travel & Tourism sector would benefit greatly from the following recommended actions:

1. Invest in promotion in key source markets and diversify source markets
2. Re-energise business travel
3. Rebuild long-haul demand
4. Rethink tourism offerings
5. Enhance visitor value & length of stay
6. Strengthen public-private collaboration

With the sector accounting for **14% of the city's entire GDP**, it is crucial to ensure its quick recovery, and in this, the Hong Kong Tourism Board (HKTB) has a critical role to play.

1. Travel & Tourism in Hong Kong SAR, China: Setting the Scene

Key Takeaways:



Travel & Tourism is a major economic engine and employer in Hong Kong SAR, China



The sector is highly inbound-driven, with international visitors accounting for **77.3% of total spending**



The sector faced dual shocks (2019 turmoil and COVID-19) unlike its regional peers such as Singapore and Macao SAR, China



In 2025, the sector contributed **US\$56.4 billion** and supported **587,000 jobs** in the city

1.1 Position in 2018

In 2018, Hong Kong's Travel & Tourism (T&T) sector was the 23rd largest globally and 9th largest in Asia-Pacific. The sector's heavy reliance on revenues from inbound visitors reflects its role as a popular destination among global travellers. However, it also makes the sector vulnerable to changes in inbound travel trends.

US\$57.2 bn

Economic Contribution

Representing 14% of Hong Kong's total GDP

661,800

Employment

Supporting 17.1% of total employment in the city

US\$49.2 bn

Inbound Spending

Accounting for 77.3% of all travel spending

Rank #9

Regional Position

9th largest T&T sector in Asia-Pacific region

Inbound Dependency: A Regional Comparison

In comparative destinations such as Singapore and Macao SAR, China, the share of spending by inbound visitors was 72.7% and 97.2% respectively.

1.2 Dual Shocks (2019 – 2022)

Between 2019 and 2022, Hong Kong experienced shocks from the 2019 turmoil in the city and then COVID-19 restrictions. In contrast, neither Macao nor Singapore experienced these dual shocks.

Shock 1: 2019 Turmoil Impact

Hong Kong's international visitor spending fell from US\$49.2 billion in 2018 to US\$38.8 billion in 2019, a 21% decline. Total T&T GDP, as a result, fell 14.3%, leading to a loss of 93,000 jobs. T&T investment responded quickly to the deteriorating environment, declining from US\$8 billion in 2018 to US\$6.8 billion in 2019, signalling an early loss of investor confidence.

↓ 21%

Visitor Spending (2019)

Decline from US\$49.2bn to US\$38.8bn in one year

Shock 2: COVID-19 Pandemic (2020-2022)

Following the outbreak of the COVID-19 pandemic, the city's Travel & Tourism experienced an even sharper decline as travel activities ground to a halt with ongoing restrictions. International visitor spending was particularly impacted, falling 90.1% in 2020 and a further 36.3% in 2021. Spending by domestic visitors reduced by 38.6% in 2020 but rebounded by 32.6% in 2021. Travel & Tourism's total GDP contribution contracted by 73.6% in 2020, leading to a loss of almost 128,000 sector-supported jobs.

↓ 90.1%

Int'l Visitor Spending (2020)

Collapse in international visitor spending during pandemic

↓ 73.6%

T&T GDP Contribution (2020)

Massive contraction in Travel & Tourism's Contribution to GDP

 **-128,000**

Job Losses (2020)

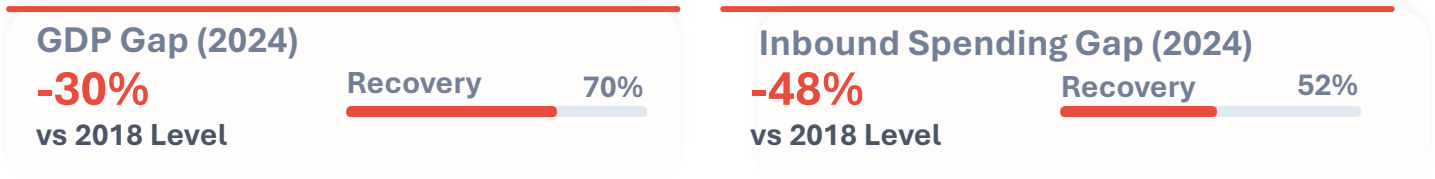
Sector-supported jobs lost due to pandemic restrictions

1.3 Recovery Phase (2023 – 2025)



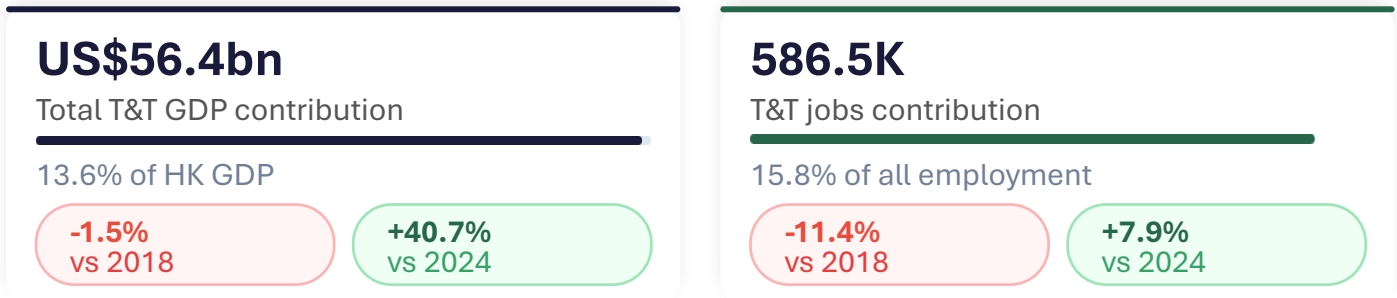
Since the reopening of borders in early 2023, Hong Kong's Travel & Tourism sector has been gradually recovering, but there are still areas of vulnerability that require close attention. By 2024, the recovery in Hong Kong lagged considerably compared to its regional competitors; Total T&T GDP was 30% behind the 2018 level and international visitor spending was 48% below 2018.

2024: A Lagging Recovery

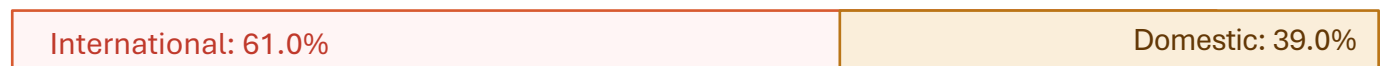
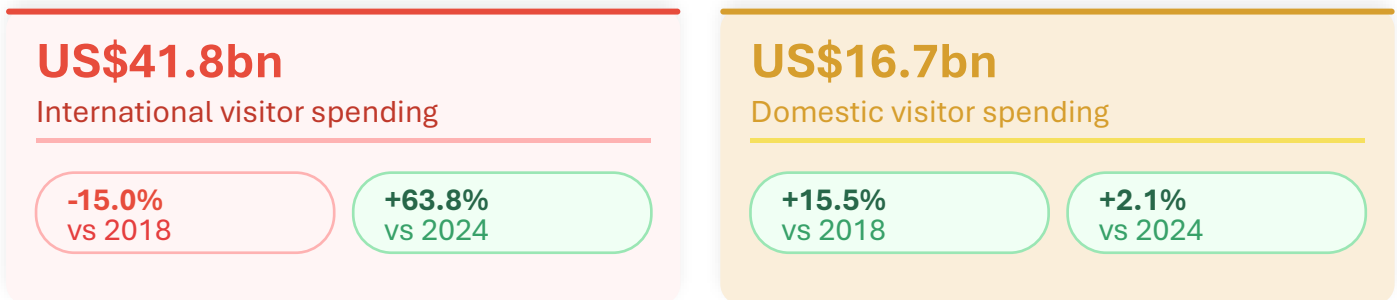


2025 Forecast: The "Two-Speed" Recovery

In 2025, Hong Kong's T&T Total GDP is expected to have recovered to 98.5% of the 2018 level. However, this is primarily helped by strength in domestic demand (up 15.5% vs 2018). The spending by inbound travellers, which accounts for a higher share and thus is more significant, is expected to be 15% below the 2018 level. In comparison, spending by inbound visitors in Macao in 2025 is forecast at 2.4% above 2018, and in Singapore, at 3.6% above.



VISITOR SPENDING BREAKDOWN

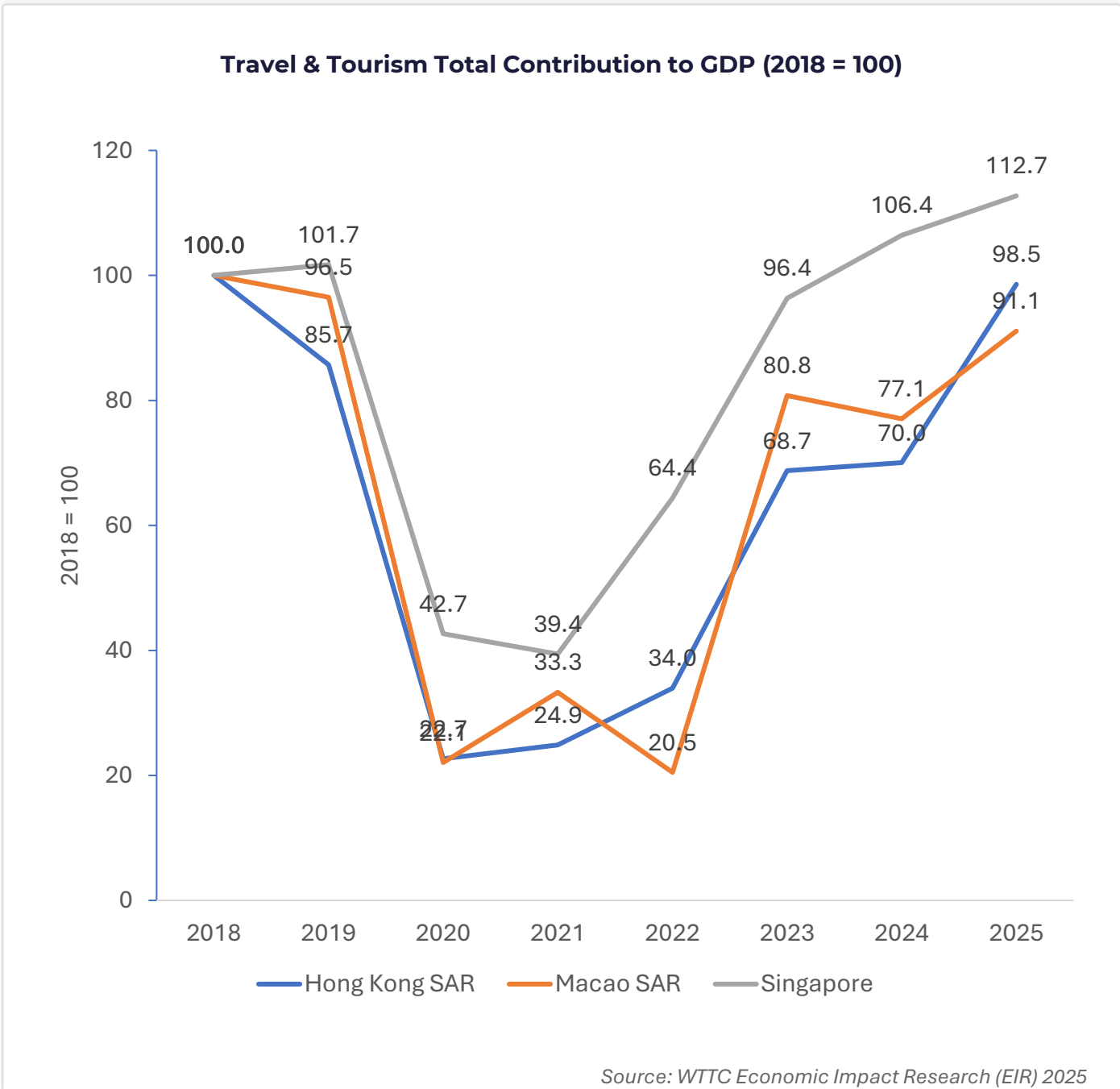


Regional Recovery Comparison: T&T GDP Contribution



The recovery trajectory of Travel & Tourism's contribution to GDP varies significantly across the region. While Singapore surpassed its 2018 levels by 2024, Hong Kong SAR and Macao SAR faced a more gradual path.

Key Insight: In 2025, Hong Kong's T&T GDP contribution is expected to have reached **98.5%** of its 2018 baseline. This represents a significant rebound from the 2020 low of 22.7%, yet it still trails Singapore's accelerated growth.

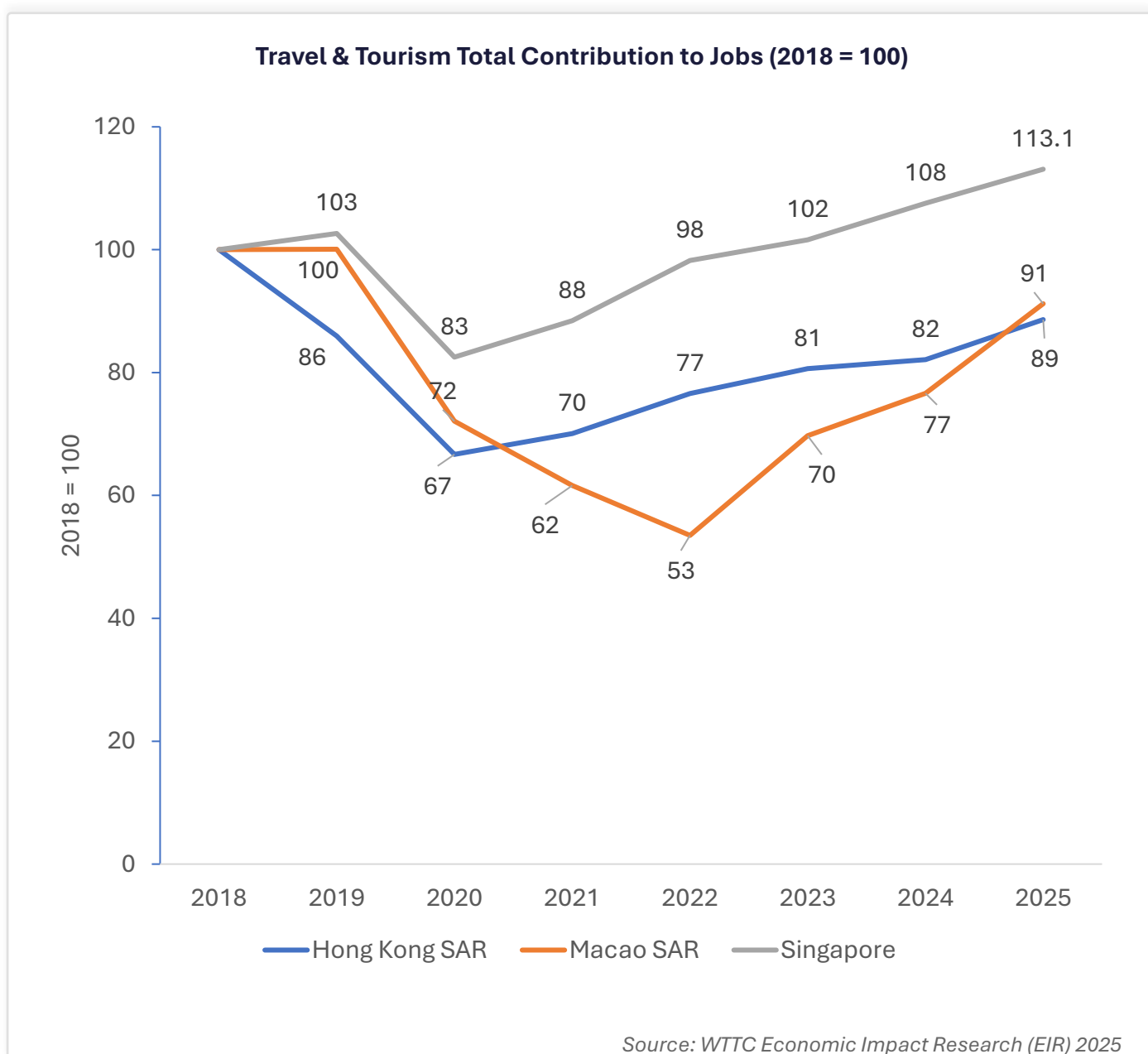


Regional Recovery Comparison: T&T Contribution to Jobs



The impact on employment within the Travel & Tourism sector also shows divergent trends. In 2025, Singapore has successfully surpassed its 2018 employment levels. In contrast, Hong Kong SAR and Macao SAR are still in the process of rebuilding their workforce, with 2025 levels projected at 89% and 91% of their 2018 baselines, respectively.

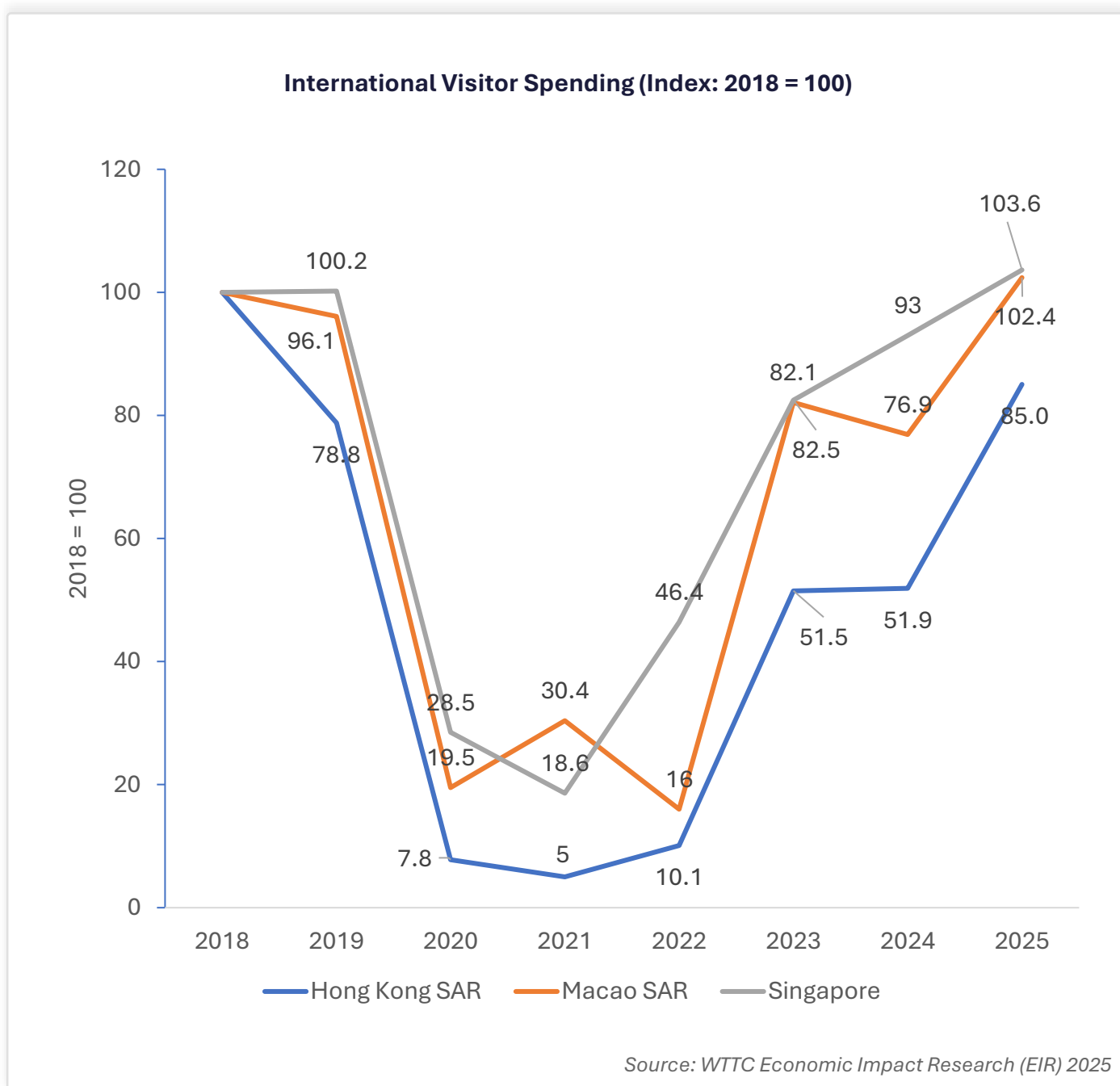
Key Insight: The lag in job recovery for Hong Kong (at 89%) highlights the long-term impact of the dual shocks on sector employment, suggesting a need for targeted workforce development initiatives to support full recovery.



Regional Recovery Comparison: International Visitor Spending



While regional competitors Macao SAR and Singapore are projected to have fully recovered and exceeded 2018 visitor spending levels in 2025, Hong Kong faces a more challenging trajectory. The data highlights a structural gap in the recovery of inbound tourism.



2. Understanding the Areas of Vulnerability

Key Takeaways:

Since the reopening of borders in early 2023, Hong Kong's Travel & Tourism sector has been gradually recovering. However, significant structural shifts and competitive pressures have created distinct areas of vulnerability that require immediate strategic attention.



Total International Arrivals

Estimates for 2025 remain 22.9% below 2018 peaks, lagging regional competitors like Macao and Singapore.



Mainland China Market

Dominant but structurally weakened. Overnight arrivals are down 23.4%, impacted by day-tripping trends and domestic competition.



Key Long-Haul Markets

Substantial recovery potential but current disconnect in recovery from Western markets (UK: -40.5%, US :-28.1%) compared to regional peers.



Business & MICE Travel

Spending by business travellers was 16.8% below 2018, a disproportionate impact given their higher spending. MICE arrivals fell from 2.0m to 1.4m in 2025.



Retail Spending

Price advantages have eroded due to e-commerce and Hainan's rise, leading to a shift in visitor spending behaviours.



This section provides a detailed analysis of these critical gaps, benchmarking Hong Kong's performance against key regional competitors to highlight the urgency of the challenge.

2.1 Overall International Arrivals: Still Below 2018 Benchmarks

Total international visitor arrivals to Hong Kong in 2025 are forecast to have reached 50.3 million, still 22.9% below the 2018 peak of 65.3 million. By comparison, Macao and Singapore are 12.6% and 12.4% below their previous peaks in 2019 respectively. This divergence is significant and speaks to the headwinds unique to Hong Kong.

Air Connectivity Constraints: The overall number of flights to and from Hong Kong International Airport in 2025 stood at 307,000 – considerably lower than the 361,000 recorded in 2018, limiting recovery potential.

Source: Hong Kong Tourism Board: Hong Kong Tourism Industry Snapshot, February 2026





Destination Arrivals (000s)	2018	2019	2022	2023	2025 (f)	vs Previous Peak
Hong Kong (Peak Year = 2018)	65,259	56,036	606	34,101	50,332	-22.9%
Macao (Peak Year = 2019)	35,804	39,406	5,700	35,251	34,437	-12.6%
Singapore (Peak Year = 2019)	17,878	18,557	5,636	12,807	16,252	-12.4%

Source: Oxford Economics

2.2 Mainland China: Dominant But Structurally Weakened

Mainland China accounted for 76% of all visitors to Hong Kong in 2025 and remains by far the largest source market. However, overnight arrivals from Mainland China are still 23.4% below 2018 levels (15.2 million vs 19.9 million). This compares unfavourably with Macao, where Mainland overnight arrivals are only 11.2% below 2018. Furthermore, the spend per visitor is also declining.


STRUCTURAL FACTORS ALTERING VISITATION:

-  **Shenzhen Bay Bridge:** This has lowered friction for short visits, encouraging more Mainland Chinese visitors to stay in Shenzhen and take day trips from there to Hong Kong rather than book multi-night stays in Hong Kong.
-  **Luxury Retail Erosion:** Tariff changes, cross-border e-commerce, and luxury retail maturation in Tier 1 cities have removed a primary motivation for repeat visits, and eroded Hong Kong's luxury retail price advantage.
-  **Hainan Island Free Trade Port:** Officially a free trade port as of Dec 2025, directly competing for the duty-free luxury spend that previously drove Mainland visitors to Hong Kong.
-  **Domestic Tourism Promotion:** China's push for domestic tourism and economic caution among Mainland consumers has reduced outbound spend across all destinations, not just Hong Kong. Total outbound travel from China in 2025 is expected to be around 25% below its 2019 high.

Overnight Arrivals from Mainland China: Recovery Gap (2025 vs 2018)

Destination	2018 (000s)	2019 (000s)	2023 (000s)	2025 (000s)	2025 vs 2018
Hong Kong	19,902	16,227	12,389	15,242	-23.4%
Macao	13,315	13,235	9,745	11,827	-11.2%
Singapore	2,576	2,787	1,071	2,445	-5.1%

Source: Oxford Economics

-  **Reverse Trend Risk:** In 2025, visits by Hong Kong residents to Mainland China increased 24.3% compared to 2018 levels, with Shenzhen, Chongqing, Hangzhou, and Guangzhou experiencing the largest increase in visitor volumes from Hong Kong. This, of course, poses a threat to the domestic travel market in Hong Kong.

2.3 Key Long-Haul and Regional Markets

Long-haul source markets show substantial room for recovery. The table below summarises the recovery of inbound arrivals (or lack thereof) across key markets, benchmarked against Macao and Singapore to highlight competitive gaps.

The data reveals a competitive disadvantage for Hong Kong in key Western and East Asian source markets compared to Singapore, which has largely recovered or exceeded 2018 levels.

However, there are hopeful signs. Hong Kong Airport was the world's fastest-growing airport in 2025 by seat capacity (up 12.3% to 38.4 million seats), driven by the concurrent operation of all three runways for the first time. The Hong Kong–Taipei route also ranked as the world's busiest cross-border airline route in 2025 (source: OAG).

Origin	Destination	2018 (000s)	2019 (000s)	2023 (000s)	2024 (000s)	2025 (f) (000s)	vs 2018
South Korea	Hong Kong	1,116	780	319	712	790	-29.2%
	Macao	512	543	141	314	320	-37.5%
	Singapore	475	480	455	465	452	-4.8%
United States	Hong Kong	932	761	402	584	670	-28.1%
	Macao	100	101	54	75	77	-23.0%
	Singapore	526	601	508	552	562	+6.8%
Japan	Hong Kong	852	661	238	410	548	-35.7%
	Macao	188	185	47	77	90	-52.1%
	Singapore	702	754	344	460	507	-27.8%
United Kingdom	Hong Kong	452	402	167	232	269	-40.5%
	Macao	29	28	16	19	20	-31.0%
	Singapore	486	496	392	467	484	-0.4%
Taiwan, China	Hong Kong	807	597	425	722	892	+10.5%
	Macao	526	496	273	447	474	-9.9%
	Singapore	318	321	259	300	308	-3.1%
India	Hong Kong	276	232	138	231	260	-5.8%
	Macao	116	95	43	79	76	-34.5%
	Singapore	1,121	1,110	805	937	947	-15.5%

Source: Oxford Economics

Competitive Headwinds

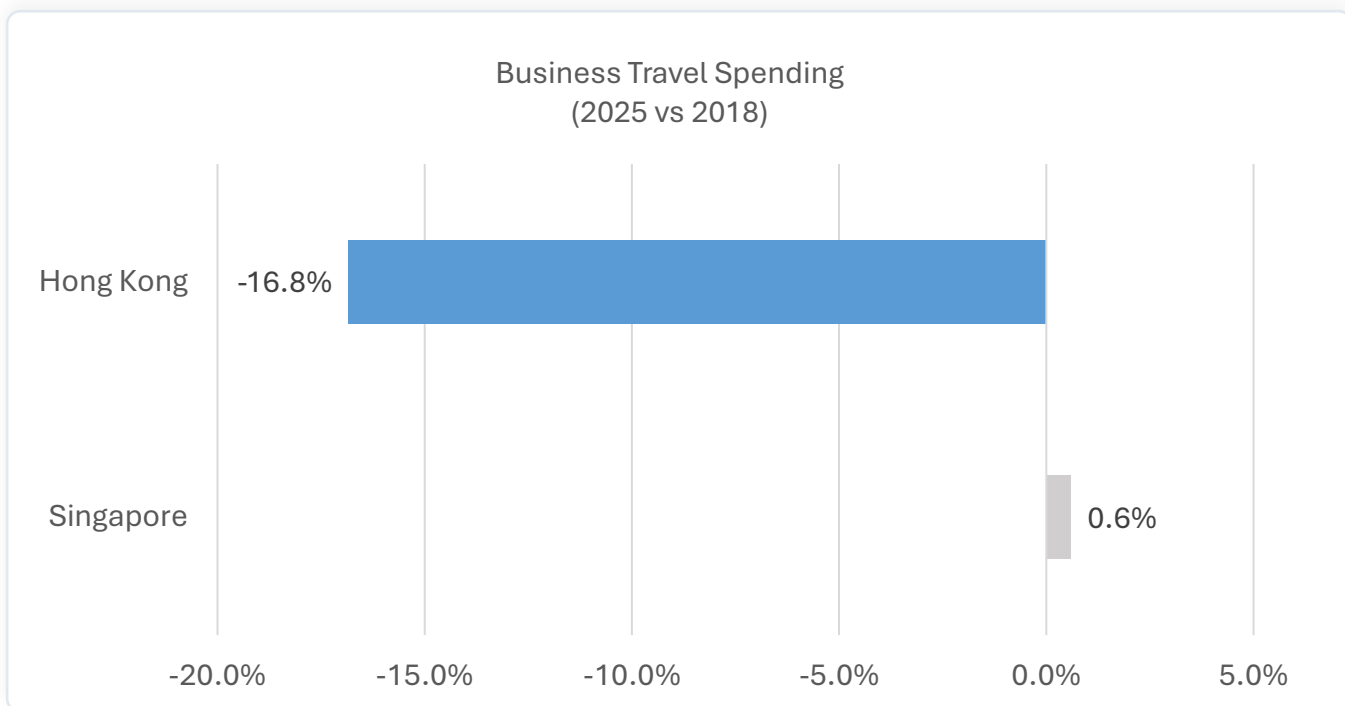
Factors: Geopolitical perceptions and the increased pull of Singapore as an alternative business and leisure hub in Asia.

Green Shoots

The positive trajectory in air passenger growth between the US and Hong Kong (up 30% year-on-year to September 2025 (source: US Department of Transportation, March 2026) and Cathay Pacific's new Dallas and Seattle routes are also encouraging.

2.4 The Loss of Business Travellers

Another alarming datapoint in this report is the huge loss of business travel. In 2025, spending by business travellers in the city is estimated to have been 16.8% below 2018 levels, which has a disproportionate impact due to the higher spending tendencies of business travellers.



Structural Factors & MICE

The number of regional headquarters in the city has declined between 2019 and 2025, with some relocating to Singapore, citing political and economic factors. This structural shift has directly impacted business travel inflows.

MICE (Meetings, Incentives, Conferences & Exhibitions) Travellers Decline	2.0m	→	1.4m
	2018		Vs 2025

(Source: Hong Kong Tourism Board, February 2026)

2.5 Retail Spending: Structural Shifts & Recovery Gaps

Retail spending by international visitors has been one of the hardest-hit segments of Hong Kong's Travel & Tourism economy. The data shows a dramatic collapse and only partial recovery, driven by structural shifts rather than just cyclical downturns.

⚠ Critical Gap: Even at the 2025 forecast of US\$7.0 billion, inbound retail spending remains 21.7% below the 2018 peak of US\$9.0 billion.

Structural Challenges:

Eroded Price Advantage: Mainland shoppers seeking luxury, cosmetics, and electronics now find competitive prices domestically and online.

Hainan Free Trade Port: In Mainland China, Hainan's formalisation as a free trade port in December 2025 directly competes for duty-free luxury spend.

Strategic Pivot Needed:

Reimagine Hong Kong as an experiential destination that enhances shopping, while capitalising on luxury retail for long-haul and high-net-worth visitors.

Year	Inbound Retail Spend	Annual Change	Change vs 2018
2018	US\$ 9.0 billion	Baseline	Baseline
2019	US\$ 6.9 billion	-23.7%	-23.7%
2020	US\$ 0.6 billion	-91.1%	-93.2%
2023	US\$ 5.0 billion	+698%	-44.7%
2024	US\$ 5.3 billion	+7.4%	-40.6%
2025 (f)	US\$ 7.0 billion	+31.8%	-21.7%

Source: Oxford Economics

3. THE PATH FORWARD: A CALL TO ACTION

In light of the identified structural changes and areas of vulnerability in Hong Kong's Travel & Tourism sector, this section provides recommendations to attract more travellers and spending, boosting the city's economy and jobs.



1. Invest in Promotion in Key Source Markets and Diversify Source Markets

- Invest in promotion in key target source markets.
- Build on the strong Mainland base by expanding reach into higher-value segments and new geographies.
- Hong Kong Tourism Board (HKTB) is right to target Mainland visitors beyond Guangdong, and ASEAN and Middle East markets.
- India is another opportunity as it is a fast-growing outbound market with a rising middle-class population.
- Tailor offerings to diverse visitor segments to maximise yield and reduce reliance on single regions.



2. Re-energise Business Travel

- Position Hong Kong as a leading platform for regional and global business events.
- Enhance competitiveness through targeted incentives for event organisers and competitive venue pricing.
- Implement streamlined entry processes and strategic bidding for international conferences.
- Leverage business travel to drive high-value visitor flows and ecosystem benefits.



3. Rebuild Long-Haul Demand

- Capitalise on restored and expanding air connectivity.
- Strengthen Hong Kong's positioning in key long-haul markets (US, UK, Europe).
- Partner with airlines and industry stakeholders in a targeted way to convert capacity into sustained demand.

3. THE PATH FORWARD: A CALL TO ACTION (CONTINUED)



4. Rethink Tourism Offerings

- Position the city as a multi-dimensional destination where retail complements a broader traveller experience. This is crucial as changes to Mainland China's retail landscape have reduced Hong Kong's price advantage.
- Build on Hong Kong's strengths to deliver authentic cultural and heritage experiences
- Showcase world-class, high-end dining and entertainment options
- Develop signature events and festivals that drive visitation beyond shopping



5. Enhance Visitor Value and Length of Stay

- Reverse the trend of contracting stay duration (from 3.3 nights in 2019 to 3.1 nights in 2025) which limits per-visitor revenue potential.
- Encourage longer stays through curated itineraries and bundled experiences
- Develop targeted propositions for high-value segments, including luxury and repeat visitors
- Create incentives for extended visits that explore diverse neighbourhoods



6. Strengthen Public-Private Collaboration

- Deepen coordination between government, HKTB, and sector stakeholders to ensure a unified strategic direction.
- Align investment, marketing, and product development strategies across the ecosystem
- Foster innovation through joint initiatives and partnerships
- Establish regular dialogue platforms to address emerging challenges and opportunities

Role of Hong Kong Tourism Board (HKTB)

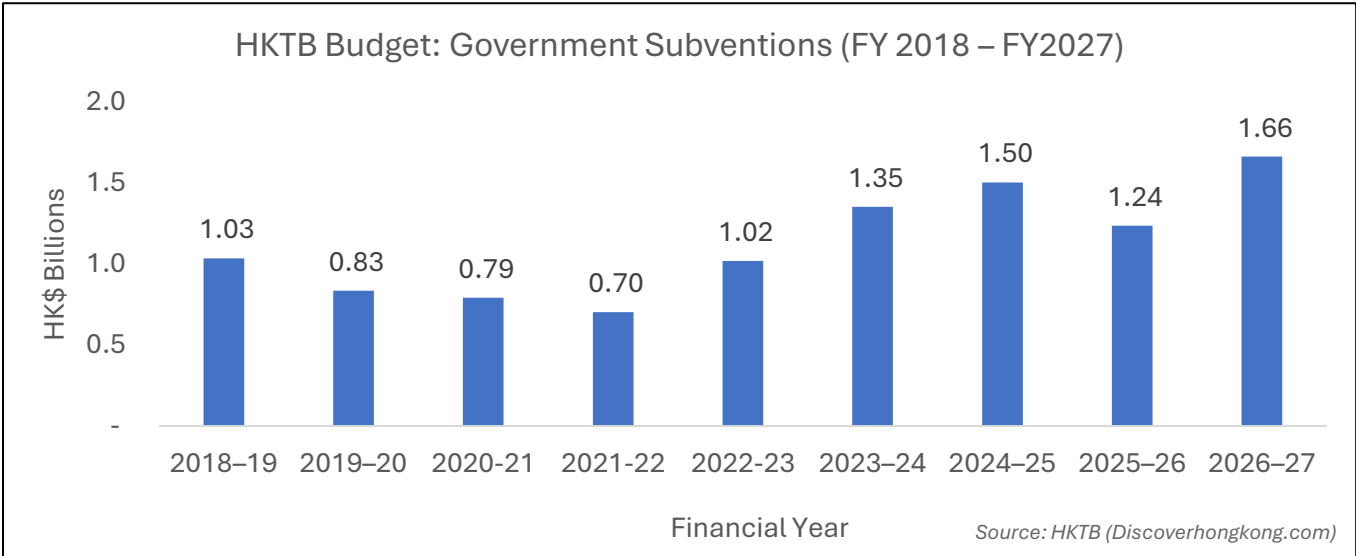


The government's financial commitment to the HKTB has fluctuated significantly over the period under review, reflecting the difficult operating environment. Funding reached its nadir during the COVID years (2020-2022) and has since been rebuilt, with a substantial uplift announced in the 2026–27 Budget.

HKTB's Budget Focus

The budget is focused on:

- Scaling flagship events and festivals
- Expanding promotion into Mainland cities beyond Guangdong. It is focused on building appeal among longer-stay visitors from Shanghai, Beijing, and Tier 2 cities in mainland China
- Attracting more visitors from ASEAN and Middle East emerging markets
- Growing international cruise calls (189 ship calls in 2025, up 26% year-on-year)
- Supporting MICE growth



This increased funding and the budget focus that has been announced represents a welcome signal of intent for the sector. The HKTB's continued collaboration with the private sector is crucial to help Hong Kong's Travel & Tourism regain its leading global prominence.

4. Conclusion

Hong Kong's fundamentals, such as its tourism infrastructure, world-class hospitality, and unique position at the intersection of the East and the West, remain intact. It is important that investment goes into promoting this in key target source markets.

Enduring Fundamentals



Tourism Infrastructure

State-of-the-art facilities and connectivity that underpin the sector's capacity.



World-Class Hospitality

A deep culture of service excellence and premium accommodation standards.



Unique Position

Strategic intersection of East and West, serving as a vital global gateway.

A Recoverable Gap



The gap between its current position and its 2018 high is real but recoverable.



Collaboration & Engagement

What is required is a collaboration between the HKTB and the private sector to understand the sector's requirement and identify solutions, as well as proactive engagement with international organisations such as WTTC with a view to positioning Hong Kong more strategically across the global value chain. This briefing is intended to start that conversation and collaboration.

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