China: Largely stable tourism momentum during the National Day Golden Week

Yuting Yang
+852-2978-7283 |
yuting.y.yang@gs.com
Goldman Sachs (Asia) L.L.C.

Bottom line: Domestic hospitality activity remained broadly stable during the National Day Golden Week compared with previous long holidays, but the gap between solid passenger flows and weak per-capita spending persisted. Adjusted for differences in holiday length using daily averages, domestic visitor trips rose 6.3% yoy, domestic tourism revenue increased 4.3% yoy, and cross-border passenger trips grew 6.7% yoy. With the Mid-Autumn Festival falling on September 25–27, travelers could combine three days of annual leave with the holidays to create a 13-day break, supporting earlier departures and longer-haul departures. That said, domestic tourism revenue per traveler remained 4.5% below the pre-pandemic level, signaling continued consumption downgrading. Recent policy communications suggest that policymakers continue to prioritize high-tech industries and investment—particularly the "Six Networks" projects ("六张网项目")[1]—over consumption. We therefore maintain our view that any incremental consumption stimulus is likely to be modest in scale.

Main points:

1. According to data from official and private sources, growth momentum in the hospitality sector appeared largely stable during the National Day Golden Week (1-7 October 2026), compared to previous long holidays such as Dragon Boat Festival (19-21 June 2026) and Labor Day holiday (1-5 May 2026). This year's Mid-Autumn Festival ran from September 25 to 27, and travelers could take three days off before National Day to create a 13-day break, supporting earlier departures and longer-haul trips from late September through the first week of October. By contrast, the two holidays overlapped last year, creating an eight-day combined holiday.

- Based on our estimates using data from the Ministry of Culture and Tourism (MCT), daily averages of nationwide domestic visitor trips and domestic tourism revenue during the National Day Golden Week were 6.3% and 4.3%, respectively, above year-ago levels, compared to +4.4%/+4.0% during the Dragon Boat Festival and +3.6%/+2.9% during the Labor Day holiday.
- We estimate that the daily average of nationwide domestic visitor trips was 19.0% above the pre-pandemic (2019) level during the National Day Golden Week on a comparable basis[2] (Exhibit 1). Domestic tourism revenue was 13.7% above the pre-pandemic level.

[1] "Six Networks" projects include water networks, new power grids, computing power networks, next-generation communication networks, urban underground pipeline networks, and logistics networks.

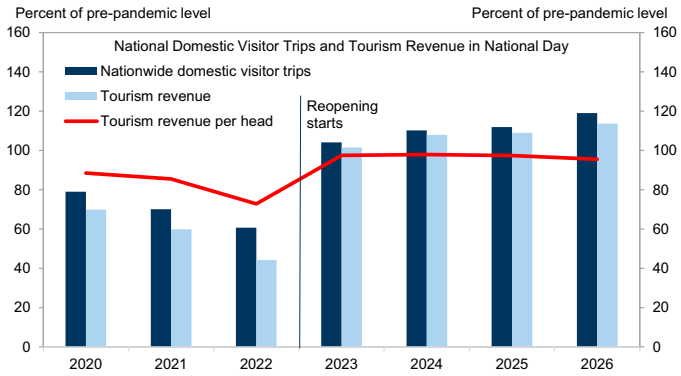
[2] The "pre-pandemic level" refers to the level during the same holiday in 2019. "On a comparable basis" refers to estimates adjusted for the difference in holiday length across years.

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- Tourism revenue per head was 4.5% below the pre-pandemic level. Compared to year-ago level, tourism revenue per head was 1.9% lower during the National Day Golden Week. According to DAST (航班管家), domestic airfares including fuel surcharges rose 9.5% yoy, while international airfares increased 6% yoy, implying that non-airfare spending was even weaker than the headline figure.
- Travel-platform data point to longer and more multi-destination trips during the Mid-Autumn Festival and National Day holiday. Ctrip reported that one in ten travelers combined the two holidays into an extended break, with nearly half of these travelers taking trips lasting more than eight days; interprovincial trips accounted for 82% of National Day holiday travel. Meituan data also showed that the number of users booking flights to two or more destinations rose 70% yoy, while the number of travelers using a combination of flights and high-speed rail to visit multiple cities increased 14% yoy.

Exhibit 1: Domestic tourism volume and revenue appeared largely stable during the National Day Golden Week



Source: Ministry of Culture and Tourism, Data compiled by Goldman Sachs Global Investment Research

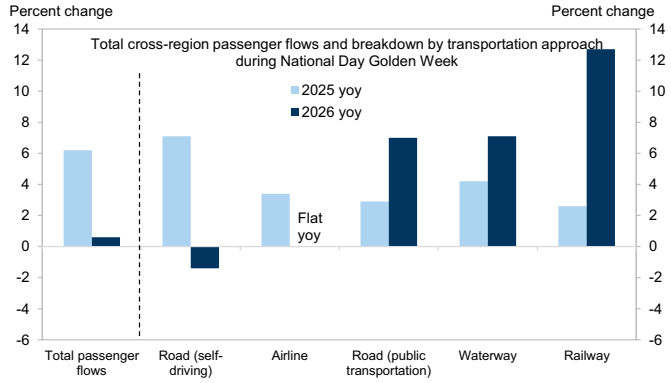
2. Domestic passenger traffic growth slowed during the National Day Golden Week, while cross-border travel remained robust.

- Based on the Ministry of Transport's (MOT) estimates, domestic inter-regional passenger traffic flows —encompassing public and private transport for commuting, business, education, and leisure— rose 0.6% year-on-year during the National Day Golden Week (Exhibit 2). This growth rate is much smaller than +6.2% yoy during the same holiday last year. By transport mode, self-driving traffic (around 80% of total traffic) fell 1.4% yoy and air passenger traffic was flat, while public transportation and railway traffic rose 7.0% and 12.7%, respectively, potentially reflecting higher domestic fuel prices.
- According to the National Immigration Administration, average daily inbound and outbound cross-border trips during the National Day Golden Week rose 6.7% yoy and were 12.4% above the 2019 level, accelerating from increases of 3.5% yoy and 6.7% versus 2019 during the Labor Day holiday (Exhibit 3). Tencent reported that Hong Kong and Macau remained mainland travelers' preferred destinations, with WeChat payment spending in Hong Kong rising nearly 30% yoy. Our Asia Transport

research team noted that mainland travel to Hong Kong and Macau accelerated, partly supported by the strengthened CNY against USD or HKD.

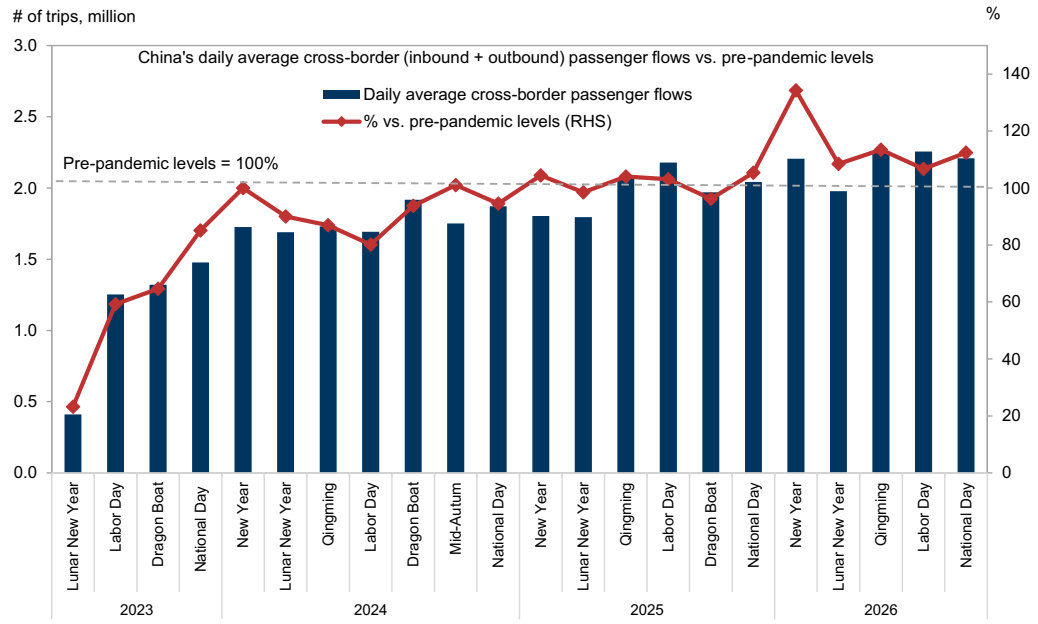
- Based on data from the Hong Kong Immigration Department, we estimate that the daily average number of visitors from mainland China to Hong Kong during the National Day Golden Week was 15.4% above year-ago level (adjusted for differences in the holiday length across years). The aggregate number of mainland Chinese visitors during the 7-day holiday (1.42mn trips) exceeded Hong Kong government's previous projection (1.29mn trips). Mainland visitor arrivals have continued to recover since China's reopening in late 2022. So far this year, they have reached around 87% of 2018 levels—before the social unrest and Covid—up from 75% last year (Exhibit 4).

Exhibit 2: The muted year-on-year growth in cross-region passenger flows during the National Day Golden Week was driven by a decline in self-driving traffic



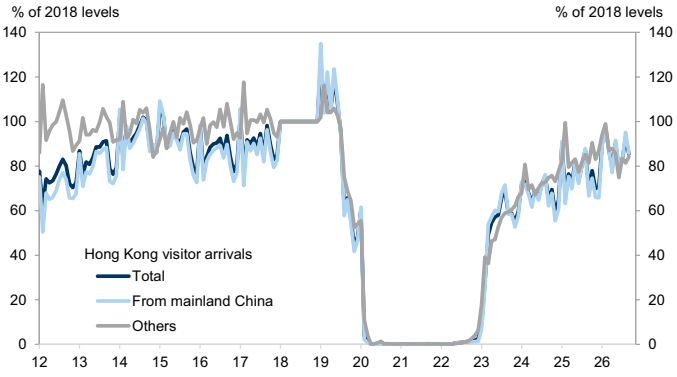
Source: MOT, Data compiled by Goldman Sachs Global Investment Research

Exhibit 3: Cross-border passenger flows remained above pre-pandemic levels during the National Day Golden Week



Source: National Immigration Administration, Goldman Sachs Global Investment Research

Exhibit 4: Visitor numbers from mainland China to Hong Kong have experienced a bumpy recovery since mainland China's reopening



Different from other indicators, we use 2018 as a benchmark to avoid distortions from the social unrest and Covid restrictions in Hong Kong.

Source: CEIC, Goldman Sachs Global Investment Research

Yuting Yang

The China Economics Team

Andrew Tilton
+852-2978-1802
andrew.tilton@gs.com
Goldman Sachs (Asia) L.L.C.

Hui Shan
+852-2978-6634
hui.shan@gs.com
Goldman Sachs (Asia) L.L.C.

Lisheng Wang
+852-3966-4004
lisheng.wang@gs.com
Goldman Sachs (Asia) L.L.C.

Xinquan Chen
+852-2978-2418
xinquan.chen@gs.com
Goldman Sachs (Asia) L.L.C.

Yuting Yang
+852-2978-7283
yuting.y.yang@gs.com
Goldman Sachs (Asia) L.L.C.

Chelsea Song
+852-2978-0106
chelsea.song@gs.com
Goldman Sachs (Asia) L.L.C.