China Travel Retail Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

> **Industry:** Travel Retail & Duty Free (Retail)
> **Source:** https://www.mordorintelligence.com/industry-reports/china-travel-retail-market
> **Scraped Date:** 2026-09-17

Executive Market Summary

Market Metric	Details
Base Market Size	USD 20.70 billion
Projected Forecast (2031)	USD 20.70 billion
Growth Rate (CAGR)	10.30 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

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![Major players in China Travel Retail industry](images/chart_2.png)

![China Travel Retail Market (2025 - 2030)](images/chart_3.png)

![China Travel Retail Market: Market Share by Product Type](images/chart_4.png)

![China Travel Retail Market: Market Share by Distribution Channel](images/chart_5.png)

![China Travel Retail Market Concentration](images/chart_6.png)

![Icon](images/chart_7.png)

![footer background image](images/chart_9.png)

![Mordor Intelligence on Facebook](images/chart_11.svg)

![Mordor Intelligence on Pinterest](images/chart_13.svg)

![Mordor Intelligence on Instagram](images/chart_14.svg)

![ESOMAR](images/chart_16.png)

![GPTW](images/chart_18.png)
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Comprehensive Research Analysis

Overview Points List Flex 49 Share Feature End

Market Overview

Study Period | 2021 - 2031 |
Forecast Data Period | 2026 - 2031 |
Base Year Market Size (2025) | USD 18.77 Billion |
Market Size (2026) | USD 20.70 Billion |
Market Size (2031) | USD 33.78 Billion |
Growth Rate (2026 - 2031) | 10.30 % |
Market Concentration | High |
Major Players*Disclaimer: Major Players sorted in no particular order

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Market Overview

China Travel Retail Market Analysis by Mordor IntelligenceThe China Travel Retail Market size is expected to grow from USD 18.77 billion in 2025 to USD 20.7 billion in 2026 and is forecast to reach USD 33.78 billion by 2031 at a 10.30% CAGR over 2026-2031. Hainan Free Trade Port’s December 2025 shift to island-wide special customs operations reduced import costs and enabled competitive pricing against mainland channels, boosting duty-free operator conversions as the China travel retail market expanded. Civil aviation volumes in 2025 reached 770 million passengers, with international routes rebounding strongly, increasing store traffic and demand across categories. Fragrances and cosmetics accounted for the highest revenue share in 2025, while wine and spirits emerged as the fastest-growing category, a trend expected to continue through 2031. These developments supported margin growth and investments in experiential retail. Cruise retail is projected to grow faster than other formats as partnerships expand shipboard footprints, and homeports increase sailings, creating new opportunities to engage high-intent shoppers in the China travel retail market.

Key Report Takeaways

* By product type, fragrances and cosmetics led with 36.12% of the China travel retail market share in 2025. Wine and spirits are forecast to expand at an 11.18% CAGR through 2031.
* By distribution channel, airports held 66.05% of the China travel retail market share in 2025. Cruise liners are forecast to expand at a 13.55% CAGR through 2031.
* By traveler demographics, leisure travelers accounted for 47.05% of the China travel retail market share in 2025. Student travelers are forecast to expand at a 12.68% CAGR through 2031.
* By geography, Hainan Province accounted for 29.82% of the China travel retail market share in 2025. Southwest China is forecast to record a 9.26% CAGR through 2031.

Key Market Trends

China Travel Retail Market Trends and InsightsDrivers Impact Analysis*

Drivers	(~) % Impact on CAGR Forecast	Geographic Relevance	Impact Timeline
Offshore duty-free quota expansion and Hainan Free Trade Port policies are accelerating growth	+2.8%	Hainan Province; spillover effects to South-Central and Southwest China	Medium term (2-4 years)
Domestic and outbound passenger traffic is rebounding strongly post-COVID	+2.5%	Global; concentration in North China (Beijing), East China (Shanghai, Hangzhou), South-Central China (Guangzhou, Shenzhen)	Short term (≤ 2 years)
Chinese travelers are increasingly trading up to premium beauty and luxury products	+1.9%	First-tier and new first-tier cities (Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu); Hainan Province	Long term (≥ 4 years)
Experiential digital-heritage retail concepts are boosting shopper spending	+1.4%	Tier-1 urban hubs (Shanghai, Beijing); Hainan resorts; select high-speed rail corridors	Medium term (2-4 years)
Ultra-high-net-worth private-jet lounge retailing is gaining momentum	+0.6%	Beijing, Shanghai, Guangzhou, Shenzhen, Hangzhou, Macau, Hong Kong	Long term (≥ 4 years)
AI-driven personalization and virtual shopping concierges are enhancing customer engagement	+1.9%	Tier-1 and Tier-2 urban airports and downtown duty-free stores	Medium term (2-4 years)

Source: Mordor Intelligence |

Competitive Landscape

Competitive Landscape

The duty-free sector in China is highly concentrated, with a state-backed operator expected to hold a 78.7% market share in 2024, further strengthening its position in Hainan by 2025. This dominance impacts pricing, concession policies, and supplier agreements. Approved entities control tender eligibility for new arrivals stores, while provincial delegation for departure shops fosters localized competition. Key strategies include omnichannel integration, enhanced customer experiences, and domestic brand inclusion, supported by regulations requiring store space for Chinese products with export-related tax benefits. Technology enhances retail operations through pre-order systems, app reservations, and on-site collection. Brands use activation calendars to promote discovery, trials, and gifting, consolidating shopper engagement across Hainan and Tier-1 airports.

Structural changes in 2026 included the sale of a major international operator’s Greater China retail business to China Tourism Group Duty Free, along with equity subscriptions into newly issued H-shares of the buyer. This transaction consolidates regional capabilities within a single platform supported by policy and network density. International players adjusted operations in Mainland China to recalibrate exposure and restore profitability through 2026 and 2027. Korean retailers focused on cruise channels as Chinese cruise activity increased, optimizing staffing and routes. Beauty brands aligned campaigns with operator-led experience zones to boost dwell time and social engagement.

Spirits companies managed tariffs and channel reactivation to stabilize global travel retail trends in Q2 FY26, despite uneven normalization. Airport authorities launched multi-terminal tenders in late 2025, shaping brand assortments and experiences at departures. South China introduced new inbound locations and discontinued others, prioritizing cruise and commuter corridors. Hainan’s large-scale projects aim to integrate retail and entertainment, ensuring resilience against market shifts. Policy, scale, and execution speed remain critical in determining market share trajectories.

China Travel Retail Industry Leaders* China Tourism Group Duty Free Corp. (CTGDF)

* Shenzhen Duty Free Group Co., Ltd.

* Sunrise Duty Free Co., Ltd.

* Zhuhai Duty Free Group Co., Ltd.

* Zhuhai Duty Free Group Co., Ltd.

* *Disclaimer: Major Players sorted in no particular order

Component Component 3 Scope Of The Report Bottom

China Travel Retail Market Report ScopeChina's travel retail industry includes duty-free and travel-related retailing at airports, cruise terminals, railway stations, border zones, and offshore duty-free hubs. It offers products such as beauty, fashion, alcohol, tobacco, and confectionery to domestic and international travelers. The market is segmented by: Product Type: Fragrances & cosmetics, wine & spirits, tobacco, fashion & accessories, food & confectionery, and others. Distribution Channel: Airports, cruise liners, railway stations, and other channels. Traveler Demographics: Business, leisure, visiting friends and relatives (VFR), medical/wellness, and student travelers. Geography: East, South-Central, North, Northeast, Southwest, Northwest China, and Hainan Province. The report revie ws the regulatory landscape, technological advancements, supply chain structure, and competitive dynamics. It includes profiles of major duty-free operators and travel retail players, highlighting strategies and market share insights. The study provides market size estimates and growth forecasts in value terms (USD) and concludes with emerging opportunities and the future outlook for China's travel retail industry.

By Product TypeFashion and Accessories |
Wine and Spirits |
Tobacco |
Food and Confectionery |
Fragrances and Cosmetics |
Other Product Types (Stationery, Electronics, Watches, Jewellery, etc.) |

Segmentation Accordion Item

By GeographyEast China |
South-Central China |
North China |
Northeast China |
Southwest China |
Northwest China |
Hainan Province |

Frequently Asked Questions

What is the current size and growth outlook for the China travel retail market?

The China Travel Retail Market is currently valued at USD 18.77 billion in 2025, expected to grow to USD 20.7 billion in 2026, and is forecast to reach USD 33.78 billion by 2031 at a 10.30% CAGR over 2026–2031, reflecting strong growth momentum and expansion potential.

Which product category leads sales within China’s duty-free ecosystem?

Fragrances and cosmetics lead with 36.12% share in 2025, supported by immersive counters and services that elevate conversion at airports and large downtown locations.

Which channels are growing fastest in the China travel retail market?

Cruise liners are projected to be the fastest-growing channel at a 13.55% CAGR through 2031 as operators expand shipboard retail and homeports increase sailings.

How are Hainan policies influencing the China travel retail market?

Hainan launched island-wide special customs operations in December 2025 and expanded zero-tariff lines to 6,637, which reduces import costs and strengthens pricing competitiveness for many eligible products.

Which regions hold the greatest potential for incremental growth?

Southwest China is projected to grow at a 9.26% CAGR through 2031 as rail corridors expand, while Hainan maintains a leading share under free trade policies and large-scale retail projects.

What recent transactions could reshape competitive dynamics?

In January 2026, DFS agreed to sell its Greater China retail business to China Tourism Group Duty Free, with LVMH and the Miller family subscribing to newly iss ued H-shares of the buyer, which consolidates capabilities in the region.