



## Korea Fact Sheet

### Korea Overview

HTA has contracted with Aviareps to provide marketing services in Korea. There is great opportunity to grow Hawai'i's share of the Korean travel market. A blossoming relationship between HTA and Hawai'i Tourism Korea (HTK) aims to grow the awareness and allure of our islands. HTK is focused on expanding airlift, increasing visitor expenditures, strengthening Hawai'i's presence in online and social media, and promoting the neighbor islands.

### March 2017 Quick Facts<sup>1</sup>

Visitor Expenditures:	\$128.7 million
Primary Purpose of Stay:	Pleasure (59,269) vs. MCI (1,333)
Average Length of Stay:	7.49 days
First Time Visitors:	80.9 %
Repeat Visitors:	19.1 %

	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Mar. 2017)	% Change 2016P vs 2017 Forecast	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
Korea (by Air)								
Visitor Expenditures* (\$ Millions)	395.4	515.4	30.4%	523.8	1.6%	128.7	139.3	-7.6%
Visitor Days	1,345,225	1,744,310	29.7%	1,809,413	3.7%	463,018	465,746	-0.6%
Arrivals	193,658	245,857	27.0%	255,344	3.9%	61,827	62,799	-1.5%
Per Person Per Day Spending* (\$)	293.9	295.1	0.4%	301.1	2.0%	277.9	299.1	-7.1%
Per Person Per Trip Spending* (\$)	2,041.7	2,096.3	2.7%	2,051.5	-2.1%	2,081.2	2,218.5	-6.2%
Length of Stay (days)	6.95	7.09	2.1%	7.09	-0.1%	7.49	7.42	1.0%

\*Excludes supplemental business spending

### Contact Information

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<sup>1</sup> 2016 and 2017 data are preliminary.

## Market Summary

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- In 2016, Korean arrivals increased 27 percent compared to 2015 to 245,857 visitors. Through March 2017, arrivals declined 1.5 percent to 61,827 visitors.
- For 2016, 98% of Korean visitors went to O'ahu, while 19% went to Maui, 8% went to the Island of Hawai'i and 3% went to Kaua'i. Through March 2017, 99% of Korean visitors went to O'ahu, while 20% went to Maui, 10% went to the Island of Hawai'i and 5% went to Kaua'i.
- In 2016, 46% of Korean visitors were true independent travelers (FIT). Through March 2017, 52% were FIT.
- For 2016, first time visitors comprised 82.7% of Korean visitors while 17.3% were repeat visitors. Through March 2017, first time visitors accounted for 80.9% of Korean visitors and 19.1% were repeat visitors.
- For 2016, there were 375,920 air seats from Seoul, which was a 26.1 percent increase from the prior year. Through March 2017, Seats from Seoul dropped 7 percent.

## Market Insights

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- With a population of 50 million, Korea has 16 million outbound travelers. Approximately 1.5 million travel to the U.S., and 12% visit Hawai'i.
- The Korea Tourism Organization reported the number of Korean outbound travelers in February was 2,231,269, a year-on-year increase of 18.9%.
- The demand and supply of low-cost carrier (LCC) services in South Korea is rapidly increasing, per statistics published by Global Tourism Newspaper. It reported 37% of Korea's outbound travelers chose LCCs when they traveled in January.
- Jin Air launched service from Incheon to Honolulu on December 19, 2015. This has added more than 100,000 seats annually. However, Jin Air has temporarily discontinued its regular service from March 6 - May 27, 2017 due to the scheduled aircraft maintenance check.
- South Korea's central bank has lowered its 2017 growth outlook to 2.5 percent. The Bank of Korea (BOK) said in an economic outlook report that it adjusted its forecast from the October prediction of 2.8 percent as domestic demand will turn weaker than previously expected, although exports should do better than last year.
- The average USD/WON exchange rate in March was 1,148.02 won, a slight increase from the February rate of 1,139.07 won.
- South Korea is considering easing the 'Kim Young-ran Law' which was promulgated in 2016 to address corruption. The law has been affecting tourism industry activity related to holding media trips or events. The law currently bans those working in government, schools, and the media industry from receiving free meals priced higher than KRW 30,000 (US\$25), gifts exceeding KRW 50,000, and congratulatory and condolence money over KRW 100,000. The government is reportedly considering changing the price limit on meals to KRW 50,000 from KRW 30,000 in revisions to the ordinance in March.
- The Korea Presidential Election will be the key external factor for MCI Business in the first half of the year since the Korean Government and corporates will avoid its incentive travel to overseas destinations until the new Korean cabinet is settled. HTK's MCI team forecasts the Korean MCI Market will be sluggish until October, but will be recovered after November.
- Hawai'i reclaimed the No. 1 honeymoon destination among Koreans in 2016, defeating Phuket and Western Europe. HTK is conducting a honeymoon promotion to showcase Hawai'i as a romance destination and aims to boost neighbor island visitation.

## Visitor Statistics

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## Distribution by Island

Korea (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
O'ahu	189,159	241,277	27.6%	60,940	61,470	-0.9%
Maui County	44,273	46,371	4.7%	12,355	13,215	-6.5%
...Maui	43,891	46,208	5.3%	12,265	13,211	-7.2%
...Moloka'i	419	655	56.2%	190	81	133.8%
...Lāna'i	533	350	-34.3%	181	4	4108.2%
Kaua'i	7,312	7,317	0.1%	3,039	2,442	24.4%
Island of Hawai'i	15,439	19,183	24.2%	6,253	6,606	-5.3%

## Airlift

	2017					2016					2017 vs. 2016 (%)				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
Seoul	87,380	79,512	97,348	97,348	361,588	93,947	90,873	95,508	95,592	375,920	-7.0%	-12.5%	1.9%	1.8%	-3.8%

Source: Diio Mii airline schedules

## Group vs. FIT; Leisure vs. Business

Korea (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
Group vs FIT						
Group tour	32,105	33,983	5.8%	9,838	11,822	-16.8%
True Independent	74,652	112,763	51.1%	32,143	29,368	9.4%
Leisure vs business						
Pleasure (Net)	181,827	234,598	29.0%	59,269	59,184	0.1%
MCI (Net)	7,270	5,685	-21.8%	1,333	1,829	-27.1%
Convention/Conf.	4,556	3,134	-31.2%	537	1,056	-49.1%
Corp. Meetings	316	282	-10.7%	28	59	-53.1%
Incentive	2,519	2,308	-8.4%	768	721	6.5%

## First Timers vs. Repeat Visitors

Korea (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
1st timers (%)	82.6	82.7	0.1	80.9	81.2	0.3
Repeaters (%)	17.4	17.3	-0.1	19.1	18.8	-0.3

## Tax Revenue

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Korea (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Mar. 2017P	YTD Mar. 2016P	% change YTD
State tax revenue generated* (\$ Millions)	42.11	60.16	42.9%	15.02	16.26	-7.6%

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

## Industry

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### Major Tour Operators

This list shows the current top 10 leisure tour operators in Korea.

- Hana Tour
- Mode Tour
- Interpark Tour
- Hanjin Travel
- Very Good Tour
- Red Cap Tour
- YB Tour
- Online Tour
- KRT Travel
- Honeymoon Resort

This list shows the current top 5 MCI TMC's in Korea.

- Hana Tour
- Mode Tour
- KRT Travel
- SM C&C (BT&I)
- Sharp Travel