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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. New HTK is focused on expanding airlift, driving up visitor expenditures, strengthening Hawai'i's presence in online and social media, and promoting neighbor islands.

Year-to-Date November 2016 Quick Facts¹

Visitor Expenditures: \$423.6 million
 Primary Purpose of Stay: Pleasure (193,868) vs. MCI (5,009)
 Average Length of Stay: 7.12 days
 First Time Visitors: 81.7%
 Repeat Visitors: 18.3%

Korea MMA (by Air)	2014R	2015	% Change 2015 vs 2014R	2016 Forecast (Oct. 2015)	% Change 2015 vs 2016 Forecast	YTD Nov. 2016P	YTD Nov. 2015F	% change YTD
Visitor Expenditures* (\$ Millions)	333.6	395.4	18.5%	388.1	-1.8%	423.6	349.7	21.1%
Visitor Days	1,233,910	1,345,225	9.0%	1,313,056	-2.4%	1,452,567	1,200,041	21.0%
Arrivals	178,118	193,658	8.7%	187,461	-3.2%	203,922	172,138	18.5%
Per Person Per Day Spending* (\$)	270.4	293.9	8.7%	295.6	0.6%	291.6	291.4	0.1%
Per Person Per Trip Spending* (\$)	1,872.9	2,041.7	9.0%	2,070.5	1.4%	2,077.4	2,031.6	2.3%
Length of Stay (days)	6.93	6.95	0.3%	7.00	0.8%	7.12	6.97	2.2%

*Excludes supplemental business spending

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¹ Data for 2014R and 2015 were revised based on updated statistics from the Federal Office of Travel and Tourism Industries (OTTI) and from updated reports from airlines. 2016 data are preliminary.



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Market Summary

- In 2015, Korean arrivals increased 8.7 percent compared to 2014 to 193,658 visitors. Through November 2016, arrivals rose 18.5% to 203,922 supported by new air service out of Seoul Korea.
- For 2015, 98% of Korean visitors went to O'ahu, while 23% went to Maui, 8% went to the Island of Hawai'i and 4% went to Kaua'i. Through November 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.
- In 2015, 39% of Korean visitors were true independent travelers (FIT). Through November 2016, 47% were FIT.
- For 2015, first time visitors comprised 82.6% of Korean visitors while 17.4% were repeat visitors. Through November 2016, first time visitors accounted for 81.7% of Korean visitors and 18.3% were repeat visitors.
- For 2015, there were 297,964 air seats from Seoul, which was a 10.9 percent decrease from the prior year. Through November 2016, Seats from Seoul climbed 26.4 percent, boosted by new service from Jin Air.

Market Conditions

- HTA sees a great opportunity to grow Hawai'i's share of the Korean travel market. With a population of 50 million, Korea has 16 million outbound travelers. Approximately, 1.5 million travel to the U.S., and only 12% visit Hawai'i. Considering Hawaii is the closest state to Korea, the possibilities are immense.
- Jin Air launched service from Incheon to Honolulu on December 19th, 2015. This has added more than 100,000 seats annually. HTA will continue to grow the awareness and allure of our islands to drive up visitor expenditures, maintaining healthy load factors for all airlifts to Hawai'i and spread visitor numbers across all islands.
- South Korea's economy continued its flat performance for three straight fiscal quarters, growing 0.7 percent in the second quarter of 2016, according to the Bank of Korea.
- The average USD/WON exchange rate in October 2016 was 1129.2 won, up from 1,109.3 won in September 2016.
- The unemployment rate is projected to be 3.7% in 2016.
- According to the Ministry of Science, ICT, and Future Planning, the number of smartphones (84.1%) has surpassed that of PCs (78.2%). The use of Kakao-talk or Line (the two major instant messaging systems Koreans use) has increased from 60% in 2012 to 89.2% in 2014.
- Major purposes of travel: Pleasure (52%), Honeymoon (39%), Business (3.6%)

HAWAII TOURISM

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Visitor Statistics

Korea MMA (by Air)	2012	2013	2014R	2015	% Change 2015 vs 2014R	2016 Forecast (Oct. 2015)	% Change 2015 vs 2016 Forecast	YTD Nov. 2016P	YTD Nov. 2015F	% change YTD
Visitor Expenditures* (\$ Millions)	282.4	331.4	333.6	395.4	18.5%	388.1	-1.8%	423.6	349.7	21.1%
Visitor Days	1,078,814	1,235,622	1,233,910	1,345,225	9.0%	1,313,056	-2.4%	1,452,567	1,200,041	21.0%
Arrivals	153,338	177,113	178,118	193,658	8.7%	187,461	-3.2%	203,922	172,138	18.5%
Per Person Per Day Spending* (\$)	261.8	268.2	270.4	293.9	8.7%	295.6	0.6%	291.6	291.4	0.1%
Per Person Per Trip Spending* (\$)	1,841.9	1,871.0	1,872.9	2,041.7	9.0%	2,070.5	1.4%	2,077.4	2,031.6	2.3%
Length of Stay (days)	7.04	6.98	6.93	6.95	0.3%	7.00	0.8%	7.12	6.97	2.2%

*Excludes supplemental business spending

Distribution by Island

Korea MMA (by Air)	2012	2013	2014R	2015	% Change 2015 vs 2014R	YTD Nov. 2016P	YTD Nov. 2015F	% change YTD
O'ahu	147,039	173,088	172,219	189,159	9.8%	200,380	168,133	19.2%
Maui County	43,611	46,629	42,452	44,273	4.3%	38,563	39,973	-3.5%
...Maui	43,413	46,314	42,050	43,891	4.4%	38,487	39,640	-2.9%
...Moloka'i	363	739	527	419	-20.4%	341	372	-8.3%
...Lāna'i	291	345	444	533	20.1%	340	485	-29.8%
Kaua'i	2,503	5,060	5,233	7,312	39.7%	6,269	6,699	-6.4%
Island of Hawai'i	13,392	15,430	15,144	15,439	1.9%	16,578	13,546	22.4%

Airlift

	2016 Outlook					2015P					2016 Outlook vs. 2015P (%)				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
Seoul	93,933	93,275	107,182	89,902	384,292	70,388	70,182	79,368	78,026	297,964	33.5%	32.9%	35.0%	15.2%	29.0%

Source: Diio Mii airline schedules

Group vs. FIT; Leisure vs. Business

Korea MMA (by Air)	2012	2013	2014R	2015	% Change 2015 vs 2014R	YTD Nov. 2016P	YTD Nov. 2015F	% change YTD
Group vs FIT								
Group tour	41,870	37,643	35,166	32,105	-8.7%	28,542	28,874	-1.1%
True Independent	50,815	65,059	70,463	74,652	5.9%	95,694	66,849	43.1%
Leisure vs business								
Pleasure (Net)	137,317	161,981	164,644	181,827	10.4%	193,868	161,551	20.0%
MCI (Net)	9,218	8,217	6,581	7,270	10.5%	5,009	6,159	-18.7%
Convention/Conf.	4,726	4,205	3,448	4,556	32.1%	2,812	4,085	-31.2%
Corp. Meetings	612	1,261	631	316	-50.0%	270	265	1.7%
Incentive	3,968	2,929	2,645	2,519	-4.7%	1,968	1,930	2.0%



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First Timers vs. Repeat Visitors

Korea MMA (by Air)	2012	2013	2014R	2015	% Change 2015 vs 2014R	YTD Nov. 2016P	YTD Nov. 2015F	% change YTD
1st timers (%)	85.3	82.8	82.8	82.6	-0.2	81.7	82.3	-0.6
Repeaters (%)	14.7	17.2	17.2	17.4	0.2	18.3	17.7	0.6

Tax Revenue

Korea MMA (by Air)	2012	2013	2014R	2015	% Change 2015 vs 2014R	YTD Nov. 2016P	YTD Nov. 2015F	% change YTD
State tax revenue generated* (\$ Millions)	30.77	35.29	35.53	42.11	18.5%	45.12	37.25	21.1%

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