



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.

June 2017 Quick Facts¹

Visitor Expenditures:	\$236.3 million
Primary Purpose of Stay:	Pleasure (108,760) vs. MCI (2,357)
Average Length of Stay:	7.33 days
First Time Visitors:	83.0 %
Repeat Visitors:	17.0 %

	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Jun. 2017)	% Change 2016P vs 2017 Forecast	YTD Jun. 2017P	YTD Jun. 2016P	% change YTD
Korea (by Air)								
Visitor Expenditures* (\$ Millions)	395.4	515.4	30.4%	523.8	1.6%	236.3	250.1	-5.5%
Visitor Days	1,345,225	1,744,310	29.7%	1,809,413	3.7%	830,412	826,329	0.5%
Arrivals	193,658	245,857	27.0%	255,344	3.9%	113,301	116,993	-3.2%
Per Person Per Day Spending* (\$)	293.9	295.1	0.4%	301.1	2.0%	284.6	302.6	-6.0%
Per Person Per Trip Spending* (\$)	2,041.7	2,096.3	2.7%	2,051.5	-2.1%	2,085.9	2,137.4	-2.4%
Length of Stay (days)	6.95	7.09	2.1%	7.09	-0.1%	7.33	7.06	3.8%

*Excludes supplemental business spending

Contact Information

Hawai'i Tourism Authority: Laci Goshi, Tourism Brand Manager
 Tel: (808) 973-2268
 Laci@gohta.net

Hawai'i Tourism Korea: Irene Lee, Korea Country Director
 Tel: 82 (2) 777-0033
 llee@aviareps.com

¹ 2016 and 2017 data are preliminary.

Market Summary

- In 2016, Korean arrivals increased 27 percent compared to 2015 to 245,857 visitors. Through June 2017, arrivals declined 3.2 percent to 113,301 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 June 2017, 99% of Korean visitors went to O'ahu, while 20% went to Maui, 9% went to the Island of Hawai'i and 4% went to Kaua'i.
- In 2016, 46% of Korean visitors were true independent travelers (FIT). Through June 2017, 48% were FIT.
- For 2016, first time visitors comprised 82.7% of Korean visitors while 17.3% were repeat visitors. Through June 2017, first time visitors accounted for 83% of Korean visitors and 17 % 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 June 2017, Seats from Seoul dropped 9.5 percent.

Market Insights

- 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. Korea Tourism Organization reported the number of Korean outbound travelers in May was 2,003,834, a year-on-year increase of 21%.
- Korea's projected real GDP will increase by 2.6% in 2017 and by 2.9% in 2018 as the global economy continues to improve, according to the Bank of Korea.
- Another six low-cost carriers (LCCs) have announced plans to enter the busy Korean travel market. The planned new carriers – K Air, Nambu Air, Fly Yangyang, Air Pohang, Air Daegu and Prime Airline – intend to operate from regional airports such as Gimhae. The six established no-frills airlines in Korea are: Jeju Air, Jin Air, T'way, Air Seoul, Eastar Jet and Air Busan.
- Jin Air launched service from Incheon to Honolulu on December 19, 2015. This has added more than 100,000 seats annually. However, Jin Air was temporarily out of service from March 6 - May 27, 2017 for a scheduled aircraft maintenance check.
- Asiana Airlines announced it will increase its Incheon/Honolulu service to a daily operation this year from October 29 in time for Korea's high winter travel season. As a result, over 6,000 seats will be added to the flight supply in 2017.
- The Bank of Korea has lowered its 2017 growth outlook to 2.5 percent. BOK said in an economic outlook 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 June was 1,123.56 won, a slight decrease from the May at 1,126.80 won. Fuel surcharges in June were zero for a roundtrip between Korea and the U.S.
- 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.
- 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.
- The Korea team joined the 2017 Brand USA Korea Sales Mission held at JW Marriott Dongdaemun Square from July 12 to 13. HTK held one-on-one meetings with travel agencies at the mission's B2B Travel Mart on July 13.

Visitor Statistics

	2015	2016P	% Change 2016P vs 2015	2017 Forecast (Jun. 2017)	% Change 2016P vs 2017 Forecast	YTD Jun. 2017P	YTD Jun. 2016P	% change YTD
Korea (by Air)								
Visitor Expenditures* (\$ Millions)	395.4	515.4	30.4%	523.8	1.6%	236.3	250.1	-5.5%
Visitor Days	1,345,225	1,744,310	29.7%	1,809,413	3.7%	830,412	826,329	0.5%
Arrivals	193,658	245,857	27.0%	255,344	3.9%	113,301	116,993	-3.2%
Per Person Per Day Spending* (\$)	293.9	295.1	0.4%	301.1	2.0%	284.6	302.6	-6.0%
Per Person Per Trip Spending* (\$)	2,041.7	2,096.3	2.7%	2,051.5	-2.1%	2,085.9	2,137.4	-2.4%
Length of Stay (days)	6.95	7.09	2.1%	7.09	-0.1%	7.33	7.06	3.8%

*Excludes supplemental business spending

Distribution by Island

Korea (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Jun. 2017P	YTD Jun. 2016P	% change YTD
O'ahu	189,159	241,277	27.6%	111,613	114,950	-2.9%
Maui County	44,273	46,371	4.7%	22,299	23,471	-5.0%
...Maui	43,891	46,208	5.3%	22,204	23,457	-5.3%
...Moloka'i	419	655	56.2%	293	201	46.0%
...Lāna'i	533	350	-34.3%	219	45	382.3%
Kaua'i	7,312	7,317	0.1%	5,031	3,462	45.3%
Island of Hawai'i	15,439	19,183	24.2%	10,417	9,470	10.0%

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 Jun. 2017P	YTD Jun. 2016P	% change YTD
Group vs FIT						
Group tour	32,105	33,983	5.8%	15,906	18,200	-12.6%
True Independent	74,652	112,763	51.1%	54,748	53,530	2.3%
Leisure vs business						
Pleasure (Net)	181,827	234,598	29.0%	108,760	111,246	-2.2%
MCI (Net)	7,270	5,685	-21.8%	2,357	2,641	-10.8%
Convention/Conf.	4,556	3,134	-31.2%	1,143	1,450	-21.1%
Corp. Meetings	316	282	-10.7%	68	155	-56.4%
Incentive	2,519	2,308	-8.4%	1,180	1,051	12.3%

First Timers vs. Repeat Visitors

Korea (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Jun. 2017P	YTD Jun. 2016P	% change YTD
1st timers (%)	82.6	82.7	0.1	83.0	83.2	0.1
Repeaters (%)	17.4	17.3	-0.1	17.0	16.8	-0.1

Tax Revenue

Korea (by Air)	2015	2016P	% Change 2016P vs 2015	YTD Jun. 2017P	YTD Jun. 2016P	% change YTD
State tax revenue generated* (\$ Millions)	42.11	60.16	42.9%	27.59	29.19	-5.5%

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

Industry

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