



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 strong 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.

October 2017 Quick Facts¹

Visitor Expenditures:	\$413.4 million
Primary Purpose of Stay:	Pleasure (194,416) vs. MCI (3,777)
Average Length of Stay:	7.37 days
First Time Visitors:	81.8 %
Repeat Visitors:	18.2 %

	2015	2016	% Change 2016 vs 2015	2017 Forecast (Aug. 2017)	% Change 2016 vs 2017 Forecast	YTD Oct. 2017P	YTD Oct. 2016	% change YTD
Korea (by Air)								
Visitor Expenditures* (\$ Millions)	395.4	585.3	48.0%	508.0	-13.2%	413.4	471.5	-12.3%
Visitor Days	1,345,225	1,849,761	37.5%	1,773,846	-4.1%	1,490,376	1,520,352	-2.0%
Arrivals	193,658	257,189	32.8%	244,741	-4.8%	202,216	208,529	-3.0%
Per Person Per Day Spending* (\$)	293.9	316.4	7.7%	286.4	-9.5%	277.4	310.1	-10.6%
Per Person Per Trip Spending* (\$)	2,041.7	2,275.8	11.5%	2,075.8	-8.8%	2,044.2	2,261.0	-9.6%
Length of Stay (days)	6.95	7.19	3.5%	7.25	0.8%	7.37	7.29	1.1%

*Excludes supplemental business spending

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¹ 2016 visitor data are the final numbers and reflect data from the National Travel and Tourism Office and updated reports from airlines. 2017 data are preliminary.

Market Summary

- In 2016, Korean arrivals increased 32.8 percent compared to 2015 to 257,189 visitors. Through October 2017, arrivals declined 3 percent to 202,216 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 October 2017, 98% of Korean visitors went to O'ahu, while 18% went to Maui, 11% 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 October 2017, 51% were FIT.
- For 2016, first time visitors comprised 82.2% of Korean visitors while 17.8% were repeat visitors. Through October 2017, first time visitors accounted for 81.8% of Korean visitors and 18.2% were repeat visitors.
- For 2016, there were 375,920 air seats from Seoul, which was a 26.2 percent increase from the prior year. Through October 2017, Seats from Seoul dropped 4.5 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 October was 2,385,301, a year-on-year increase of 15.6%.
- The number of South Koreans who traveled abroad continued to grow in September as more people took advantage of cheaper tickets offered by low-cost carriers. The trend was maintained during the unusually long Chuseok (Korean Thanksgiving Day) holiday from September 29 to October 9. Many South Koreans traveled overseas and a total of 2,060,000 people, a daily average of 187,000, used Incheon airport to travel abroad.
- South Korea's economy is expected to grow 2.8% this year according to the Korea Economic Research Institute (KERI) which has lowered its estimate from an earlier forecast of 2.9%. It predicts growth in 2018 will be around 2.7%.
- South Korea's gross domestic product ranked 11th in the world in 2016, with its per capita income based on purchasing power remaining unchanged, according to recent data from the World Bank.
- The average USD/WON exchange rate in October was 1,135.39 won, a slight increase from the previous rate of 1,128.61 won in September. Fuel surcharges were imposed in October up to 19,200 won (\$17) for a round trip between Korea and the U.S.
- Nuclear assault threats against Guam have not deterred South Koreans from visiting the U.S. Western Pacific territory. Travel agents in South Korea and Guam say they have fielded lots of inquiries from South Koreans, who make up about 46% of visitors, but few have actually canceled their vacations, the Herald Business News and Guam's Pacific Daily News reported.
- Hawai'i reclaimed the No. 1 honeymoon destination among Koreans in 2016, defeating Phuket and Western Europe. HTK is targeting the Busan market with a neighbor island honeymoon promotion.
- Research shows the demand for overseas travel has grown about 20% during the first half of this year. The research shows the female proportion of overseas travel has gradually increased since 2012 and 'Active Seniors' aged from 50 to 60 are the largest segment of outbound travel. The demand for themed package products is also rising.
- Asiana Airlines increased its Incheon/Honolulu service to daily this year from October 29 in time for Korea's high winter travel season. Over 6,000 seats will be added to the flight supply.
- HTK organized a three-city roadshow with Hanjin Travel. It covered the major cities of Seoul, Daegu and Busan from November 8 to 9.
- HTK participated in the Mode Tour International Travel Show (MITS) at COEX, Seoul, from November 16 to 18. The Hawai'i Pavilion was set up to accommodate 15 partners in 12 booths.

Visitor Statistics

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Length of Stay (days)	6.95	7.19	3.5%	7.25	0.8%	7.37	7.29	1.1%

*Excludes supplemental business spending

Distribution by Island

Korea (by Air)	2015	2016	% Change 2016 vs 2015	YTD Oct. 2017P	YTD Oct. 2016	% change YTD
O'ahu	189,159	252,467	33.5%	198,753	204,703	-2.9%
Maui County	44,273	49,122	11.0%	37,387	42,758	-12.6%
...Maui	43,891	48,961	11.6%	36,986	42,673	-13.3%
...Moloka'i	419	827	97.3%	944	578	63.5%
...Lāna'i	533	594	11.4%	740	582	27.1%
Kaua'i	7,312	7,827	7.0%	8,817	6,260	40.8%
Island of Hawai'i	15,439	20,674	33.9%	21,788	18,587	17.2%

Airlift

DepCity	2017					2016					CHANGE2017 vs. 2016 (%)				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
Seoul	87,365	79,899	97,517	103,918	368,699	93,947	90,873	95,508	95,592	375,920	-7.0%	-12.1%	2.1%	8.7%	-1.9%

Source: Diio Mii airline schedules, updated June 2017.

Group vs. FIT; Leisure vs. Business

Korea (by Air)	2015	2016	% Change 2016 vs 2015	YTD Oct. 2017P	YTD Oct. 2016	% change YTD
Group vs FIT						
Group tour	32,105	35,237	9.8%	30,773	28,755	7.0%
True Independent	74,652	119,206	59.7%	103,765	101,208	2.5%
Leisure vs business						
Pleasure (Net)	181,827	244,910	34.7%	194,416	197,069	-1.3%
MCI (Net)	7,270	6,172	-15.1%	3,777	5,735	-34.1%
Convention/Conf.	4,556	3,410	-25.2%	1,711	3,183	-46.2%
Corp. Meetings	316	302	-4.3%	182	296	-38.7%
Incentive	2,519	2,502	-0.7%	1,922	2,299	-16.4%

First Timers vs. Repeat Visitors

Korea (by Air)	2015	2016	% Change 2016 vs 2015	YTD Oct. 2017P	YTD Oct. 2016	% change YTD
1st timers (%)	82.6	82.2	-0.4	81.8	80.2	-1.6
Repeaters (%)	17.4	17.8	0.4	18.2	19.8	1.6

Tax Revenue

Korea (by Air)	2015	2016	% Change 2016 vs 2015	YTD Oct. 2017P	YTD Oct. 2016	% change YTD
State tax revenue generated* (\$ Millions)	44.68	68.32	52.9%	48.25	55.03	-12.3%

*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