



## Korea Fact Sheet

### Korea Overview

HTA has contracted with Aviareps to provide marketing services in Korea. Hawai'i Tourism Korea (HTK) aims to grow awareness for the Hawaiian Islands. HTK is focused on sustaining airlift, stimulating travel demand, increasing visitor expenditures, strengthening Hawai'i's presence in online and offline initiatives, and promoting visitation across the Hawaiian Islands.

### Year-to-date July 2020 Quick Facts<sup>1</sup>

Visitor Expenditures:	NA (Not available)
Primary Purpose of Stay:	Pleasure (39,896) vs. MCI (747)
Average Length of Stay:	8.38 days
First Time Visitors:	75.7%
Repeat Visitors:	24.3%

	2018	2019	% Change 2019 vs 2018	2020* Forecast	% Change 2019 vs 2020 Forecast	YTD July 2020P	YTD July 2019	% change YTD
Korea (by Air)								
Visitor Expenditures* (\$ Millions)	496.6	497.9	0.3%	NA	NA	NA	277.2	NA
Visitor Days	1,698,940	1,745,666	2.8%	NA	NA	349,479	1,002,759	-65.1%
Arrivals	228,350	229,056	0.3%	NA	NA	41,688	129,707	-67.9%
Average Daily Census	4,655	4,783	2.8%	NA	NA	1,641	4,730	-65.3%
Per Person Per Day Spending* (\$)	292.3	285.2	-2.4%	NA	NA	NA	276.5	NA
Per Person Per Trip Spending* (\$)	2,174.8	2,173.7	-0.1%	NA	NA	NA	2,137.3	NA
Length of Stay (days)	7.44	7.62	2.4%	NA	NA	8.38	7.73	8.4%

\*Dept. of Business, Economic Development & Tourism (DBEDT) 2020 forecasts were not available at the time of report publication.

### Contact Information

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<sup>1</sup> 2020 visitor data are preliminary. 2019 and 2018 visitor data are the final numbers and reflect updated airfare statistics from DIIO Mi Airline database, and final passenger counts from Airline Traffic Summary reports

## **Market Summary**

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Due to the COVID-19 pandemic, all passengers arriving from out-of-state during July were required to abide by a mandatory 14-day self-quarantine. Exemptions include travel for essential reasons like work or healthcare. The U.S. Centers for Disease Control and Prevention (CDC) also continued to enforce its “No Sail Order” on all cruise ships.

There were 16 visitors in July versus 16,109 visitors a year ago. Visitor spending data were not available.

- Through the first seven months of 2020, arrivals decreased 67.9 percent to 41,688 visitors. Visitor days declined 65.1 percent. The average daily census showed 1,641 visitors per day, a 65.3 percent drop compared to the first seven months of 2019.
- Through the first seven months of 2020, 98.6 percent of visitors went to O‘ahu, 14.6 percent went to the island of Hawai‘i, 10.0 percent went to Maui and 2.9 percent went to Kaua‘i. Over half (57.9%) were True Independent travelers. First timers accounted for 75.7 percent, and 24.3 percent were repeat visitors.
- Through the first seven months of 2020, air seat capacity from Seoul decreased 61.7 percent from the previous year.
- In 2019, visitor spending rose slightly (+0.3%) to \$497.9 million. Visitor arrivals (+0.3% to 229,056 visitors) and visitor days (+2.8%) increased but daily spending (-2.4% to \$285 per person) decreased compared to 2018. The average daily census showed 4,783 visitors per day in 2019, an increase of 2.8 percent compared to 2018.
- In 2019, 98.4 percent of Korean visitors went to O‘ahu, 12.8 percent went to Maui, 11.0 percent went to the island of Hawai‘i, and 3.1 percent went to Kaua‘i. Over half (58.8%) made their own travel arrangements (i.e., True Independent). First timers comprised 73.6 percent and 26.4 percent were repeaters.
- In 2019, seats from Seoul declined (-7.0% to 326,398) compared to 2018.

## **Market Conditions**

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- Global credit rating agencies and foreign investment banks forecasted optimistic outlook for Korean economy. S&P Global Ratings Asia-Pacific predicted that Korea is set to perform better than other countries this year with a modest contraction of 1.5 percent, unchanged from last forecast. Moody’s Investors Services also predicted that Korea would become the only advanced economy whose real output next year would exceed the pre-coronavirus level. Fitch Ratings upgraded its 2020 GDP forecast for Korea to a contraction of 0.9 percent from a contraction of 1.2 percent, citing better-than-expected incoming economic data and relative success in virus containment. HSBC even forecasts the Korean economy would grow 0.3 percent this year and 2.9 percent next year.
- South Korea’s annual inflation rose 0.3 percent in July, marking the first upturn in 3 months, as signs of a recovery in consumer sentiment have appeared amid COVID-19. Exports fell 7 percent in July, extending the slump to a 5th consecutive month. However, it marked the slowest decline in four months, suggesting that an economic recovery is gaining momentum.

- The average USD/WON exchange rate in July was 1,198.86 won, slight decrease from the previous rate of 1210.01 won in June.
- South Korean airlines will not apply fuel surcharges on international routes in July to reflect falling oil prices.
- The number of outbound Korean travelers stood at 48,337 in June, down 99.8 percent from 2.4 million a year earlier according to Korea Tourism Organization.
- Ministry of Foreign Affairs extended the special travel advisory which had been issued in March 23 for Koreans to avoid non-essential overseas trips until August 19.
- Total of 139,544 tourists visited Jeju from July 31 to August 2, and it was 93 percent of visitors when comparing with same period last year according to Jeju Tourism Association. The number of domestic tourists already surpassed last year's level with 138,652 Korean tourists, 4,652 more than last year, which actually recovered to the pre COVID-19 level. Major hotels in Jeju are already fully booked on weekends through end of August, with reservations at some hotels also nearly full until early September.
- According to a survey of 300 Korean travelers aged 20 to 39, 73 percent enjoyed "hotel vacation" in Korea in the past 3 months as non-essential overseas travels were discouraged and hotels provided huge discount to overcome their losses. In addition, 56.7 percent said that they checked the cleanliness carefully before booking while 30.7 percent checked for hygiene-related measures such as identification of guests, temperature check or room disinfection.
- Korean Air suspended its flight services on ICN-HNL route (KE053) and ICN-NRT-HNL route (KE001) till September 30, 2020.
- Asiana Airlines extended the flights service suspension of ICN-HNL route (OZ232) until September 30, 2020.
- Hawaiian Airlines has halted its flight service of ICN-HNL routes through September 1, 2020.

## Distribution by Island

Korea (by Air)	2018	2019	% Change 2019 vs 2018	YTD July 2020P	YTD July 2019	% change YTD
O'ahu	222,760	225,488	1.2%	41,104	127,627	-67.8%
Maui County	32,253	29,619	-8.2%	4,212	17,585	-76.1%
Maui	31,753	29,303	-7.7%	4,169	17,428	-76.1%
Moloka'i	788	846	7.4%	60	399	-85.1%
Lāna'i	664	499	-24.9%	94	354	-73.5%
Kaua'i	9,165	7,191	-21.5%	1,207	4,369	-72.4%
Island of Hawai'i	24,279	25,273	4.1%	6,095	15,291	-60.1%

## Airlift

Departure City	2020					2019					%CHANGE				
	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual	Q1	Q2	Q3	Q4	Annual
Seoul	70,957	218	25,878	79,526	176,579	88,217	71,121	84,676	82,384	326,398	-19.6	-99.7	-69.4	-3.5	-45.9

Source: Diiio Mii airline schedules. Updated July 29, 2020.

## Group vs. True Independent; Leisure vs. Business

Korea (by Air)	2018	2019	% Change 2019 vs 2018	YTD July 2020P	YTD July 2019	% change YTD
Group vs True Independent (Net)						
Group tour	33,724	35,289	4.6%	6,947	19,570	-64.5%
True Independent (Net)	124,023	134,413	8.4%	24,136	77,325	-68.8%
Leisure vs business						
Pleasure (Net)	217,332	218,691	0.6%	39,896	123,775	-67.8%
MCI (Net)	6,347	5,574	-12.2%	747	3,349	-77.7%
Convention/Conf.	3,771	3,184	-15.6%	281	2,171	-87.1%
Corp. Meetings	416	232	-44.4%	20	111	-81.7%
Incentive	2,167	2,183	0.7%	446	1,070	-58.3%

## First Timers vs. Repeat Visitors

Korea (by Air)	2018	2019	% Change 2019 vs 2018	YTD July 2020P 1/	YTD July 2019	% change YTD
1st timers (%)	78.3	73.7	-4.6	75.7	73.4	2.4
Repeaters (%)	21.7	26.3	4.6	24.3	26.6	-2.4

## Tax Revenue

Korea (by Air)	2018	2019	% Change 2019 vs 2018	YTD July 2020P	YTD July 2019	% change YTD
State tax revenue generated* (\$ Millions)	57.97	58.12	0.3%	NA	32.36	NA

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