



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 August 2020 Quick Facts¹

Visitor Expenditures:	NA (Not available)
Primary Purpose of Stay:	Pleasure (39,906) vs. MCI (748)
Average Length of Stay:	8.50 days
First Time Visitors:	75.7%
Repeat Visitors:	24.3%

	2018	2019	% Change 2019 vs 2018	2020* Forecast	% Change 2019 vs 2020 Forecast	YTD Aug. 2020P	YTD Aug. 2019	% change YTD
Korea (by Air)								
Visitor Expenditures* (\$ Millions)	496.6	497.9	0.3%	NA	NA	NA	315.5	NA
Visitor Days	1,698,940	1,745,666	2.8%	NA	NA	354,955	1,159,169	-69.4%
Arrivals	228,350	229,056	0.3%	NA	NA	41,753	148,233	-71.8%
Average Daily Census	4,655	4,783	2.8%			1,455	4,770	-69.5%
Per Person Per Day Spending* (\$)	292.3	285.2	-2.4%	NA	NA	NA	272.2	NA
Per Person Per Trip Spending* (\$)	2,174.8	2,173.7	-0.1%	NA	NA	NA	2,128.7	NA
Length of Stay (days)	7.44	7.62	2.4%	NA	NA	8.50	7.82	8.7%

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

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¹ 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

Due to the COVID-19 pandemic, all passengers arriving from out-of-state during August 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 65 visitors in August versus 18,527 visitors a year ago. Visitor spending data were not available.

- Through the first eight months of 2020, arrivals decreased 71.8 percent to 41,753 visitors. Visitor days declined 69.4 percent. The average daily census showed 1,455 visitors per day, a 69.5 percent drop compared to the first eight months of 2019.
- Through the first eight 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 eight months of 2020, air seat capacity from Seoul decreased 67.4 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

- The Bank of Korea lowered its 2020 GDP growth forecast from negative 0.2 percent to negative 1.3 percent, factoring in the latest wave of COVID-19 infections. The Korea Development Institute (KDI), state owned think tank also forecast the Korean economy this year to shrink 1.1 percent.
- South Korea proposed a record 555.8 trillion-won (equivalent to US\$469.8 billion) budget for 2021 to kick-start a post-pandemic economic recovery, create more jobs, and expand social infrastructure and welfare schemes. The budget calls for boosting spending on job creation and social welfare by 20 percent and 10.7 percent, respectively.
- According to the Ministry of Trade, Industry and Energy, exports in August fell 9.9 percent compared to the same month last year to \$39.7 billion. In July, exports fell 7.1 percent year-on-year. Exports fell for the sixth consecutive month as the global pandemic continued to weigh on demand, though August was the second month in a row in which the drop was in single-digit percentage.

- The average USD/WON exchange rate in August was KRW 1186.26, a slight decrease from the previous rate of KRW1119.29 in July.
- South Korean airlines will not apply fuel surcharges on international routes in August to reflect falling oil prices.
- The number of outbound Korean travelers stood at 68,935 in July, down 90.8 percent from 2.6 million a year earlier according to Korea Tourism Organization.
- According to the recent survey by the Korea Transport Institute targeting 1,200 Koreans who plan to travel internationally within 1 year - 1) vaccines, 2) treatments and 3) self-quarantine requirement were ranked as the highest factors for overseas travel intentions. More than half of respondents said that they will consider traveling overseas if the two weeks self-quarantine is lifted when returning the country.
- Interpark, one of leading online travel agencies in Korea, reported that consumers' demands for domestic airlines have increased 120 percent year-on-year in August. As non-essential overseas travel has been discouraged, people selected to take a rest and recharge inside a country, which led a sharp rise of domestic flights demands.
- Korean travel industry continues to seek ways to stay afloat. The Korea Tourism Organization (KTO) has opened an academy for potential travel industry entrepreneurs where travel industry experts share their knowledge and experiences. The Seoul Tourism Foundation has geared up to train travel professionals with skills essential in the pandemic.
- Korean Air suspended its flight services on ICN-HNL route (KE053) and ICN-NRT-HNL route (KE001) till October 31, 2020.
- Asiana Airlines extended the flights service suspension of ICN-HNL route (OZ232) until October 24, 2020.
- Hawaiian Airlines has halted its flight service of ICN-HNL routes through October 1, 2020.

Distribution by Island

Korea (by Air)	2018	2019	% Change 2019 vs 2018	YTD Aug. 2020P	YTD Aug. 2019	% change YTD
O'ahu	222,760	225,488	1.2%	41,154	145,832	-71.8%
Maui County	32,253	29,619	-8.2%	4,212	19,213	-78.1%
Maui	31,753	29,303	-7.7%	4,169	19,024	-78.1%
Moloka'i	788	846	7.4%	60	429	-86.1%
Lāna'i	664	499	-24.9%	94	386	-75.7%
Kaua'i	9,165	7,191	-21.5%	1,209	4,744	-74.5%
Island of Hawai'i	24,279	25,273	4.1%	6,108	18,012	-66.1%

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: Diio Mii airline schedules. Updated July 29, 2020.

Group vs. True Independent; Leisure vs. Business

Korea (by Air)	2018	2019	% Change 2019 vs 2018	YTD Aug. 2020P	YTD Aug. 2019	% change YTD
Group vs True Independent (Net)						
Group tour	33,724	35,289	4.6%	6,953	22,437	-69.0%
True Independent (Net)	124,023	134,413	8.4%	24,194	89,526	-73.0%
Leisure vs business						
Pleasure (Net)	217,332	218,691	0.6%	39,906	141,238	-71.7%
MCI (Net)	6,347	5,574	-12.2%	748	3,848	-80.6%
Convention/Conf.	3,771	3,184	-15.6%	281	2,393	-88.3%
Corp. Meetings	416	232	-44.4%	21	143	-85.0%
Incentive	2,167	2,183	0.7%	446	1,317	-66.2%

First Timers vs. Repeat Visitors

Korea (by Air)	2018	2019	% Change 2019 vs 2018	YTD Aug. 2020P	YTD Aug. 2019	% change YTD
1st timers (%)	78.3	73.7	-4.6	75.7	72.5	3.1
Repeaters (%)	21.7	26.3	4.6	24.3	27.5	-3.1

Tax Revenue

Korea (by Air)	2018	2019	% Change 2019 vs 2018	YTD Aug. 2020P	YTD Aug. 2019	% change YTD
State tax revenue generated* (\$ Millions)	57.97	58.12	0.3%	NA	36.83	NA

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