



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 November 2020 Quick Facts¹

Visitor Expenditures:	NA (Not available)
Primary Purpose of Stay:	Pleasure (39,970) vs. MCI (748)
Average Length of Stay:	8.66 days
First Time Visitors:	75.4%
Repeat Visitors:	24.6%

	2018	2019	% Change 2019 vs 2018	2020* Forecast	% Change 2019 vs 2020 Forecast	YTD Nov. 2020P	YTD Nov. 2019	% change YTD
Korea (by Air)								
Visitor Expenditures* (\$ Millions)	496.6	497.9	0.3%	NA	NA	NA	442.6	NA
Visitor Days	1,698,940	1,745,666	2.8%	NA	NA	363,520	1,581,944	-77.0%
Arrivals	228,350	229,056	0.3%	NA	NA	41,959	206,223	-79.7%
Average Daily Census	4,655	4,783	2.8%			1,085	4,736	-77.1%
Per Person Per Day Spending* (\$)	292.3	285.2	-2.4%	NA	NA	NA	279.8	NA
Per Person Per Trip Spending* (\$)	2,174.8	2,173.7	-0.1%	NA	NA	NA	2,146.3	NA
Length of Stay (days)	7.44	7.62	2.4%	NA	NA	8.66	7.67	12.9%

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

Contact Information

Hawai'i Tourism Authority: Minami Aoki, Market Manager
 Tel: (808) 973-2262
minami.aoki@gohta.net

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

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

Beginning October 15, passengers arriving from out-of-state and traveling inter-county could bypass the mandatory 14-day self-quarantine with a valid negative COVID-19 NAAT test result from a Trusted Testing and Travel Partner. A new policy went into effect on November 24 requiring all trans-Pacific travelers participating in the pre-travel testing program to have a negative test result before their departure to Hawai'i, and test results would no longer be accepted once a traveler arrives in the state. Kaua'i, Hawai'i Island, Maui, and Moloka'i also had a partial quarantine in place in November. Lāna'i residents and visitors were under a stay-at-home order from October 27 to November 11. In addition, the U.S. Centers for Disease Control and Prevention (CDC) continued to enforce the "No Sail Order" on all cruise ships.

Korean citizens were allowed to visit the U.S. but were required to comply with state quarantine requirements. Residents returning to Korea were tested on arrival for COVID-19, required to install a Self-Quarantine Safety Protection App on their phone to monitor their health, and subject to a mandatory 14-day quarantine.

There were 97 visitors in November versus 20,272 visitors a year ago. Of the 97 visitors, 83 arrived on domestic flights and 14 arrived on an international flight from a major carrier which flies both domestic and international routes. Visitor spending data were not available.

- Through the first 11 months of 2020, arrivals decreased 79.7 percent to 41,959 visitors. Visitor days declined 77.0 percent. The average daily census showed 1,085 visitors per day, a 77.1 percent drop compared to the first 11 months of 2019.
- Through the first 11 months of 2020, 98.4 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 (58.1%) were True Independent travelers. First timers accounted for 75.4 percent, and 24.6 percent were repeat visitors.
- Through the first 11 months of 2020, air capacity from Seoul decreased 75.9 percent from the previous year to 71,453 seats.
- 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

- Korea Institute for Industrial Economics and Trade (KIET) forecasted real GDP growth for Korea in 2021 at 3.2 percent. Uncertainty caused by COVID-19 would continue, but the growth rate would recover smoothly due to gradual improvement in domestic and foreign demands and the base effect of reverse growth this year. Hyundai Research Institute also predicted that Korea's

economy will start to recover from Quarter 3 2021. The country's economic conditions show signs of modest recovery after hitting the bottom in the second quarter of this year. OECD also forecasted Korea GDP is projected to increase by 2.8 percent and 3.4 percent in 2021 and 2022 respectively.

- The strong Korean Won exchange rate against the U.S. Dollar will continue to increase the Korean stock index KOSPI until first quarter of 2021. KOSPI set a record high of 2,731.45 points in the week of Nov 30. The vaccine development will speed up the economic rebound, and under such hopes Korean stocks will attract more attentions from foreign investors who are likely to opt for risky bets on stocks from emerging markets. The economists expect the KOSPI to set a record of at least 2,900 points by the end of March 2021.
- The Ministry of Foreign Affairs extended its special travel advisory for Koreans to avoid non-essential overseas trips until December 17.
- The average USD/WON exchange rate in November was KRW 1,086.43, a slight increase from the previous rate of 1085.99 won in October.
- South Korean airlines will not apply fuel surcharges on international routes in December to reflect falling oil prices.
- Booking.com announced five leading Korean travel trends it expected for 2021: 1) 42 percent of Koreans would travel alone after COVID-19, compared to 15 percent before the virus; 2) 50 percent of Koreans would consider traveling for a special event; 3) 63 percent of Koreans would plan for a trip to relax outside of daily routines; 4) 50 percent of Koreans would opt for a shorter domestic travel itinerary than they did in 2019; 5) 35 percent of Koreans showed strong demand for overseas travel, saying they would go abroad in the first weekends of restrictions being eased.
- Local Korean OTAs such as Yanolja, Goodchoice and Naver have achieved rapid growth while global OTAs have struggled during COVID-19. An annual survey of travel platform user experience ranked Yanolja as the most used OTA platform; Goodchoice and Naver ranked 2nd and 3rd after being 4th and 8th respectively last year. Global platforms achieved less growth as demand for international flights and hotels dropped significantly.
- For the first time among Korean travel agencies since the COVID-19 outbreak, Very Good Tour, one of major travel agencies, started selling overseas tour products which depart from next summer. On the first day of sales, Very Good Tour's server was down due to web traffic surge. The travel agency achieved more than US\$9 million in sales revenue with more than 6,000 bookings for North America and Europe. This meaningful result reflects consumers' desire to travel abroad.
- The Seoul (Gimpo) - Jeju route has been ranked as the world's number one in terms of monthly passenger counts by route. It is the only route to exceed 1 million seats in one month in the world, according to OAG (Official Airline Guide) Aviation Worldwide. The first to tenth places are all Asian countries including Korea, Vietnam, China and Japan, reflecting clear signals of travel business recovery in the Asian region.
- Korean Air extended its suspension of flight services on the ICN-HNL route (KE053) and ICN-NRT-HNL route (KE001) until January 31.
- Asiana Airlines halted flight services on the ICN-HNL route (OZ232) until March 27.
- Hawaiian Airlines started to operate weekly flights from ICN to HNL (HA 460) starting November 27. The flights will depart on Wednesdays.

Distribution by Island

Korea (by Air)	2018	2019	% Change 2019 vs 2018	YTD Nov. 2020P	YTD Nov. 2019	% change YTD
O'ahu	222,760	225,488	1.2%	41,289	202,984	-79.7%
Maui County	32,253	29,619	-8.2%	4,240	27,191	-84.4%
Maui	31,753	29,303	-7.7%	4,196	26,879	-84.4%
Moloka'i	788	846	7.4%	60	801	-92.6%
Lāna'i	664	499	-24.9%	94	497	-81.1%
Kaua'i	9,165	7,191	-21.5%	1,220	6,228	-80.4%
Island of Hawai'i	24,279	25,273	4.1%	6,144	23,158	-73.5%

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	0	17,246	88,421	88,217	71,121	84,676	82,384	326,398	-19.6	-99.7	-100.0	-79.1	-72.9

Source: HTA analysis based on scheduled Seats from Diao Mi flight schedules as of October 27, 2020, subject to change.

Group vs. True Independent; Leisure vs. Business

Korea (by Air)	2018	2019	% Change 2019 vs 2018	YTD Nov. 2020P1/	YTD Nov. 2019	% change YTD
Group vs True Independent (Net)						
Group tour	33,724	35,289	4.6%	6,956	30,607	-77.3%
True Independent (Net)	124,023	134,413	8.4%	24,369	122,859	-80.2%
Leisure vs business						
Pleasure (Net)	217,332	218,691	0.6%	39,970	197,247	-79.7%
MCI (Net)	6,347	5,574	-12.2%	748	4,853	-84.6%
Convention/Conf.	3,771	3,184	-15.6%	281	2,922	-90.4%
Corp. Meetings	416	232	-44.4%	21	231	-90.7%
Incentive	2,167	2,183	0.7%	446	1,725	-74.2%

1/ Note: Beginning November 2020, certain categories reflect only domestic data (italicized) as international data were not available.

First Timers vs. Repeat Visitors

Korea (by Air)	2018	2019	% Change 2019 vs 2018	YTD Nov. 2020P1/	YTD Nov. 2019	% change YTD
1st timers (%)	78.3	73.7	-4.6	75.4	73.1	2.3
Repeaters (%)	21.7	26.3	4.6	24.6	26.9	-2.3

1/ Note: Beginning August 2020, certain categories reflect only domestic data (italicized) as international data were not available.

Tax Revenue

Korea (by Air)	2018	2019	% Change 2019 vs 2018	YTD Nov. 2020P	YTD Nov. 2019	% change YTD
State tax revenue generated* (\$ Millions)	57.97	58.12	0.3%	NA	51.66	NA

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