



## 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 December 2020 Quick Facts<sup>1</sup>

Visitor Expenditures: NA (Not available)  
 Primary Purpose of Stay: Pleasure (40,091) vs. MCI (749)  
 Average Length of Stay: 8.71 days  
 First Time Visitors: 75.4%  
 Repeat Visitors: 24.6%

	2018	2019	% Change 2019 vs 2018	2020* Forecast	% Change 2019 vs 2020 Forecast	YTD Dec. 2020P	YTD Dec. 2019	% change YTD
Korea (by Air)								
Visitor Expenditures* (\$ Millions)	496.6	497.9	0.3%	118.0	-76.3%	NA	497.9	NA
Visitor Days	1,698,940	1,745,666	2.8%	466,801	-73.3%	367,516	1,745,666	-78.9%
Arrivals	228,350	229,056	0.3%	49,771	-78.3%	42,179	229,056	-81.6%
Average Daily Census	4,655	4,783	2.8%	1,393	-70.9%	1,004	4,783	-79.0%
Per Person Per Day Spending* (\$)	292.3	285.2	-2.4%	252.8	-11.4%	NA	285.2	NA
Per Person Per Trip Spending* (\$)	2,174.8	2,173.7	-0.1%	2,371.1	9.1%	NA	2,173.7	NA
Length of Stay (days)	7.44	7.62	2.4%	9.38	23.1%	8.71	7.62	14.3%

\*Dept. of Business, Economic Development & Tourism (DBEDT) 2020 forecasts.

### 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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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 through the state's Safe Travels program. Effective November 24, all trans-Pacific travelers participating in the pre-travel testing program were required to have a negative test result before their departure to Hawai'i, and test results would no longer be accepted once a traveler arrived in Hawai'i. On December 2, Kaua'i County temporarily suspended its participation in the state's Safe Travels program, making it mandatory for all travelers to Kaua'i to quarantine upon arrival. On December 10, the mandatory quarantine was reduced from 14 to 10 days in accordance with the U.S. Centers for Disease Control and Prevention's (CDC) guidelines. The counties of Hawai'i, Maui, and Kalawao (Moloka'i) also had a partial quarantine in place in December. In addition, the CDC continued to enforce the "No Sail Order" on all cruise ships.

All incoming travelers including returning Korean nationals shall be subject to mandatory 14-day quarantine. The Korean foreign ministry extended the special advisory recommending against traveling overseas until February 15, 2021.

There were 219 visitors in December 2020 versus 22,833 visitors a year ago. Of the 219 visitors, 125 arrived on domestic flights and 94 arrived on an international flight from a major carrier which flies both domestic and international routes. Visitor spending data were not available.

- For all of 2020, arrivals fell 81.6 percent to 42,179 visitors. Visitor days declined 78.9 percent. The average daily census showed 1,004 visitors per day, a 79.0 percent drop compared to 2019.
- In 2020, 98.3 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 (58.3%) were True Independent travelers. First timers accounted for 75.4 percent, and 24.6 percent were repeat visitors.
- In 2020, air capacity from Seoul decreased 77.9 percent from the previous year to 72,287 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

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- South Korean economy is expected to grow 3.2 percent in 2021, following this year's estimated contraction of 1.1 percent. Korea is expected to rebound next year on improving exports and domestic demands although economic uncertainty remains high due to COVID-19 outbreak.
- South Korean economy is expected to recover much faster than those of many advanced countries in 2021. According to Fitch ratings, coronavirus will pose a threat to Korea's export-

reliant economy, but it will rebound to its pre-pandemic level faster due to its fast response to the COVID-19 pandemic and the solid demand for information technology goods as businesses increasingly go contactless.

- The composite consumer sentiment index (CCSI) for December recorded 89.8, with 8.1 points decrease from the previous month, recording the first drop in three months in December due to tougher antivirus measures and worsened economic expectations, according to Bank of Korea.
- Retail sales in South Korea moved up 6.3 percent in November from a year earlier on the back of the nationwide consumption-boosting events aimed at overcoming the economic jitters from the COVID-19 pandemic. The combined sales of 26 major offline and online retailers reached 12.41 trillion won (\$11.2 billion) last month, up from 11.68 trillion won a year earlier, according to the Ministry of Trade, Industry and Energy.
- The foreign ministry extended the special advisory recommending against traveling overseas for another month amid the prolonged coronavirus pandemic. The measure will be effective until February 15 2021.
- According to the Quarantine Act by government, all incoming travelers regardless of nationality shall be subject to mandatory 14-day quarantine.
- The average USD/WON exchange rate in December was KRW 1,054.04 won, a slight decrease from the previous rate of 1,068.43 won in November.
- According to Seoul Tourism Foundation, 72.9 percent of Koreans has desires to travel abroad. When asked how to relieve their desires to travel abroad, 49.7 percent look for travel photos that were taken in the past, followed by YouTube videos (38.2%) and researching travel-inspiring photos on the social media (33.6%). Regarding the type of digital contents that stimulate the desires to travel, most of the respondents said it was landscape-oriented video content.
- Korean Air has begun to take over Asiana Airlines from December 14 ending the acquisition of Asiana Airlines and integrating the two national flag carriers. Korean Air plans to closely inspect the overall situation of Asiana Airlines including its financial, operational, labor and sales part before submitting the acquisition integration plan on March 17, 2021.
- Korean Air extended its suspension of flight services on ICN-HNL route (KE053) and ICN-NRT-HNL route (KE001) till February 28.
- Asiana Airlines halted flights service of ICN-HNL route (OZ232) until March 31.
- Hawaiian Airlines started to operate its weekly flight from ICN to HNL (HA 460).

## Distribution by Island

Korea (by Air)	2018	2019	% Change 2019 vs 2018	YTD Dec. 2020P	YTD Dec. 2019	% change YTD
O'ahu	222,760	225,488	1.2%	41,470	225,488	-81.6%
Maui County	32,253	29,619	-8.2%	4,267	29,619	-85.6%
Maui	31,753	29,303	-7.7%	4,224	29,303	-85.6%
Moloka'i	788	846	7.4%	60	846	-93.0%
Lāna'i	664	499	-24.9%	94	499	-81.2%
Kaua'i	9,165	7,191	-21.5%	1,221	7,191	-83.0%
Island of Hawai'i	24,279	25,273	4.1%	6,161	25,273	-75.6%

## 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 Diio 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 Dec. 2020P1/	YTD Dec. 2019	% change YTD
Group vs True Independent (Net)						
Group tour	33,724	35,289	4.6%	6,960	35,289	-80.3%
True Independent (Net)	124,023	134,413	8.4%	24,569	134,413	-81.7%
Leisure vs business						
Pleasure (Net)	217,332	218,691	0.6%	40,091	218,691	-81.7%
MCI (Net)	6,347	5,574	-12.2%	749	5,574	-86.6%
Convention/Conf.	3,771	3,184	-15.6%	281	3,184	-91.2%
Corp. Meetings	416	232	-44.4%	23	232	-90.3%
Incentive	2,167	2,183	0.7%	446	2,183	-79.6%

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 Dec. 2020P1/	YTD Dec. 2019	% change YTD
1st timers (%)	78.3	73.7	-4.6	75.4	73.7	1.6
Repeaters (%)	21.7	26.3	4.6	24.6	26.3	-1.6

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 Dec. 2020P	YTD Dec. 2019	% change YTD
State tax revenue generated* (\$ Millions)	57.97	58.12	0.3%	NA	58.12	NA

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