



Korea Fact Sheet

Korea Overview

Aviareps Marketing Garden Holdings Ltd. is contracted by HTA for Brand Marketing and Management Services in Korea. Korea is an important source market from Asia for Hawai'i. Affluent travelers from high-end market segments are primarily from the Seoul and Busan regions. Hawai'i continues to be a favored romance destination for Koreans. In 2022, the core branding message is Mālama Hawai'i and the marketing strategy to recover the Hawai'i travel market from the COVID-19 pandemic is to revitalize travel demand in collaboration with industry partners, accelerate booking pace in partnership with online booking platforms, and develop marketing co-ops with key airlines to stimulate resumption and growth in air services to Hawai'i.

Year-to-date July 2022 Quick Facts^{1/}

| | |
|--------------------------|-----------------------------------|
| Visitor Expenditures: | \$130.0 million |
| Primary Purpose of Stay: | Pleasure (43,722) vs. MCI (2,741) |
| Average Length of Stay: | 9.28 days |
| First Time Visitors: | 70.8% |
| Repeat Visitors: | 29.2% |

| | 2019 | 2020 | 2021 | 2022 Annual Forecast* | YTD July 2022P | YTD July 2021 | % Change YTD |
|------------------------------------|-----------|---------|---------|-----------------------------|-------------------|------------------|--------------------|
| Korea (by Air) | | | | | | | |
| Visitor Expenditures (\$ Millions) | 497.9 | NA | 41.6 | 192.6 | 130.0 | 14.5 | 799.1% |
| Visitor Days | 1,745,666 | 404,206 | 149,496 | 641,680 | 450,126 | 54,698 | 722.9% |
| Arrivals | 229,056 | 46,884 | 10,652 | 80,957 | 48,495 | 2,624 | 1748.3% |
| Average Daily Census | 4,783 | 1,104 | 410 | 1,758 | 2,123 | 258 | 722.9% |
| Per Person Per Day Spending (\$) | 285.2 | NA | 278.0 | 300.1 | 288.8 | 264.3 | 9.3% |
| Per Person Per Trip Spending (\$) | 2,173.7 | NA | 3,901.5 | 2,378.5 | 2,680.4 | 5,509.8 | -51.4% |
| Length of Stay (days) | 7.62 | 8.62 | 14.03 | 7.93 | 9.28 | 20.85 | -55.5% |

NA= Comparative annual 2020 visitor spending statistics were not available, as the Departure Survey could not be conducted between April to October 2020 due to COVID-19 restrictions.

*Dept. of Business, Economic Development & Tourism (DBEDT) 2022 annual forecast (Quarter 1, 2022).

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^{1/} 2022 visitor data are preliminary. 2021, 2020 and 2019 visitor data are the final numbers and reflect updated airfare statistics from DIIO Mi Airline database, data from the National Travel and Tourism Office, and final passenger counts from Airline Traffic Summary reports.

Market Summary

Prior to the global COVID-19 pandemic, Hawai'i achieved record-level visitor expenditures and arrivals in 2019 through February 2020. On March 26, 2020, the state implemented mandatory quarantine and travel restrictions. Subsequently, nearly all trans-Pacific and interisland flights were canceled, cruise ship activities were suspended and tourism to the islands all but shut down. In October 2020, the state initiated the Safe Travels program, which allowed travelers to bypass quarantine if they had a valid negative COVID test. Through March 25, 2022, domestic passengers could bypass the state's mandatory self-quarantine if they were vaccinated or have a negative COVID pre-travel test. The Safe Travels Program ended on March 26, 2022. In July 2022, there were no travel restrictions for passengers arriving to Hawai'i on domestic direct flights from the U.S. Mainland, or for passengers arriving on direct international flights.

- Through the first seven months of 2022, there were 48,495 visitors from Korea, compared to 129,707 visitors in the first seven months of 2019.
- There were 320 scheduled flights with 98,427 seats in the first seven months of 2022, compared to 580 flights with 185,663 seats in the first seven months of 2019.
- For all of 2021, 10,652 visitors arrived from Korea. In comparison, there were 46,884 visitors (-77.3%) from Korea in 2020, and versus 229,056 visitors (-95.3%) in 2019.
- There were 140 scheduled flights and 39,160 seats from Korea in 2021, compared to 238 flights and 72,287 seats in 2020, and 1,027 flights and 326,398 seats in 2019.

Market Conditions

- In July 2022, South Korea's exports rose 9.4 percent year on year to US \$60.70 billion. South Korean exchange rate was 1,309.05 (KRW/USD), up from the previous month's 1,281.95 (KRW/USD).
- Korea recorded 87.0 percent vaccination rate and 65.2 percent booster rate as of July 31, 2022.
- Reservations for overseas flights in June 2022, ahead of the full-fledged summer peak season, increased by 1,908 percent compared to the previous year and 36 percent from the previous month, according to Interpark. By major routes, Southeast Asia and Oceania showed a remarkable rise, increasing 91 percent and 64 percent month-on-month, respectively.
- Bangkok is the number one destination for overseas travel this summer. It was followed by Guam, Da Nang, Ho Chi Minh City, and Hanoi in order of popularity. In particular, 11 Southeast Asian cities were ranked in the top 15. LCCs and Southeast Asian airlines have driven demand by resuming services to resorts and conducting special promotions.
- The number of passengers using Incheon International Airport in July 2022 was 1,73,706 (estimated), nearly 6 times higher than the 289,990 passengers in the same period last year. This increase is due to the release of all major regulations necessary for international flight operations, which were strengthened after the COVID-19 outbreak, such as slot limit at Incheon International Airport and curfew from last June. The public's anticipation for overseas travel is working in earnest during the peak season.
- Korean Air increased its frequency from the previous 5 weekly to daily flights in July 2022.
- Asiana Airlines increased its frequency from the previous 3 weekly to 5 weekly in July 2022.

- Hawaiian Airlines increased to 5 weekly flights during June and July 2022 and will revert to 4 weekly flights in August 2022.

Distribution by Island

| Korea (by Air) | 2019 | 2020 | 2021 | YTD July 2022P | YTD July 2021 | % Change YTD |
|-------------------|---------|--------|-------|----------------|---------------|--------------|
| O'ahu | 225,488 | 46,133 | 9,678 | 47,261 | 2,222 | 2026.8% |
| Mauí County | 29,619 | 4,711 | 1,299 | 4,403 | 319 | 1280.3% |
| Mauí | 29,303 | 4,668 | 1,268 | 4,375 | 313 | 1299.3% |
| Moloka'i | 846 | 71 | 31 | 100 | 3 | 3089.9% |
| Lāna'i | 499 | 105 | 14 | 73 | 8 | 772.4% |
| Kaua'i | 7,191 | 1,361 | 332 | 1,372 | 130 | 957.3% |
| Island of Hawai'i | 25,273 | 6,923 | 1,215 | 5,934 | 282 | 2001.7% |

Airlift: Scheduled Seats and Flights

| Scheduled seats | 2022 | | | | | 2022 | | | | | %CHANGE | | | | |
|-----------------|--------|--------|--------|--------|---------|-------|-------|--------|--------|--------|---------|-------|-------|-------|--------|
| | Q1 | Q2 | Q3 | Q4 | Annual | Q1 | Q2 | Q3 | Q4 | Annual | Q1 | Q2 | Q3 | Q4 | Annual |
| Seoul | 25,636 | 48,135 | 70,482 | 91,138 | 235,391 | 3,614 | 6,950 | 10,008 | 18,588 | 39,160 | 609.4 | 592.6 | 604.3 | 390.3 | 501.1 |

Source: DBEDT analysis based on scheduled seats from Diio Mi flight schedules as of June 24, 2022, subject to change.

| Scheduled flights | 2022 | | | | | 2022 | | | | | %CHANGE | | | | |
|-------------------|------|-----|-----|-----|--------|------|----|----|----|--------|---------|-------|-------|-------|--------|
| | Q1 | Q2 | Q3 | Q4 | Annual | Q1 | Q2 | Q3 | Q4 | Annual | Q1 | Q2 | Q3 | Q4 | Annual |
| Seoul | 91 | 152 | 219 | 305 | 767 | 13 | 25 | 36 | 66 | 140 | 600.0 | 508.0 | 508.3 | 362.1 | 447.9 |

Source: DBEDT analysis based on scheduled flights from Diio Mi flight schedules as of June 24, 2022, subject to change.

Group vs. True Independent; Leisure vs. Business

| Korea (by Air) | 2019 | 2020* | 2021 | YTD July 2022P | YTD July 2021 | % Change YTD |
|---------------------------------|---------|--------|-------|----------------|---------------|--------------|
| Group vs True Independent (Net) | | | | | | |
| Group tour | 35,289 | NA | 801 | 4,868 | 174 | 2704.9% |
| True Independent (Net) | 134,413 | NA | 7,747 | 32,130 | 2,142 | 1400.3% |
| Leisure vs business | | | | | | |
| Pleasure (Net) | 218,691 | 44,623 | 8,533 | 43,722 | 1,779 | 2357.1% |
| MCI (Net) | 5,574 | 840 | 299 | 2,741 | 78 | 3406.4% |
| Convention/Conf. | 3,184 | 331 | 110 | 1,227 | 13 | 9629.9% |
| Corp. Meetings | 232 | 23 | 86 | 42 | 30 | 41.0% |
| Incentive | 2,183 | 487 | 111 | 1,496 | 36 | 4106.2% |

NA = Visit Status/Travel Method data statistics were not available from May – October 2020 as a result of limited fielding due to COVID-19 restrictions.

First Timers vs. Repeat Visitors

| Korea (by Air) | 2019 | 2020* | 2021 | YTD July 2022P | YTD July 2021 | % Change YTD |
|----------------|------|-------|------|----------------|---------------|--------------|
| 1st timers (%) | 73.7 | NA | 49.4 | 70.8 | 39.7 | 31.1 |
| Repeaters (%) | 26.3 | NA | 50.6 | 29.2 | 60.3 | -31.1 |

NA = Visit Status/Travel Method data statistics were not available from May – October 2020 as a result of limited fielding due to COVID-19 restrictions.

Tax Revenue

| Korea (by Air) | 2019 | 2020* | 2021 | YTD July 2022P | YTD July 2021 | % Change YTD |
|---|-------|-------|------|----------------|---------------|--------------|
| State tax revenue generated (\$ Millions) ^{2/} | 58.12 | NA | 4.85 | 15.08 | 1.69 | 793.5% |

^{2/}State government tax revenue generated (direct, indirect, and induced).