Korean Tourism Policy
– Today and the Future–

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Table of Contents

I  The importance of tourism industry
II General feature of Korean tourism
III Korean Tourism policy
IV Future Direction
The importance of tourism

- Tourism generates Jobs.
- Employment multiplier of tourism: 11.7/$1million (1.5 as high as an average of total industry) (Bank of Korea, 2004)
- “Tourism means jobs” (WTTC, 2005)

- Tourism is growing Industry.
- International visitors will grow by 4.2% every year until 2020 (WTO, 2004)
  (2004: 760 million → 2020: 1,560 million)
- Tourism Value Added in GDP: 10.2% International average/ Korea 7.5% (WTTC)
- Korean tourism still has high potential to be developed.

- Tourism is an effective way for better balanced National development
- Visitor’s flow takes place from wealthy areas to poor areas → redistribution of wealth
- Rural tourism (Green tourism)

The general feature of Korean tourism

The position

- Korean inbound tourism is 35th (6 million, 2005)
 ☞ 8th in Asia (China, Hong Kong, Thailand, Macao, Japan)
 ☞ World: France (75m), Spain(54m), USA(46m), China(41m)
- Korean outbound tourism is 18th, (10 million, 2005)
 ☞ Disparity between inbound and outbound tourism is getting wider.

The balance of payment

- Deficit in balance of payment increases
 ☞ -$63billion (’05)→ -$3.8billion(’04) ←-$2.9billion(’03) ←-$3.1billion(’02)
- The deficit accounts for 0.78% of Korean GDP.
 ☞ Higher than Japan and UK.
The present feature of Korean tourism

Table 2-1: Korea’s Inbound Tourism Source Markets, 2004 and 2005

<table>
<thead>
<tr>
<th>Country</th>
<th>2004</th>
<th>2005</th>
<th>Growth Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>2,443,070</td>
<td>2,439,809</td>
<td>-0.1</td>
</tr>
<tr>
<td>China</td>
<td>627,244</td>
<td>709,836</td>
<td>13.2</td>
</tr>
<tr>
<td>Taiwan</td>
<td>304,908</td>
<td>351,421</td>
<td>15.3</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>155,058</td>
<td>166,204</td>
<td>7.2</td>
</tr>
<tr>
<td>Thailand</td>
<td>102,588</td>
<td>112,724</td>
<td>9.9</td>
</tr>
<tr>
<td>Singapore</td>
<td>85,202</td>
<td>81,751</td>
<td>-4.1</td>
</tr>
<tr>
<td>U.S.A</td>
<td>511,170</td>
<td>530,629</td>
<td>3.8</td>
</tr>
<tr>
<td>Canada</td>
<td>77,597</td>
<td>86,399</td>
<td>11.3</td>
</tr>
<tr>
<td>Argentina</td>
<td>1,390</td>
<td>1,707</td>
<td>22.8</td>
</tr>
<tr>
<td>U.K</td>
<td>65,981</td>
<td>72,582</td>
<td>10.0</td>
</tr>
<tr>
<td>Germany</td>
<td>68,650</td>
<td>74,962</td>
<td>8.9</td>
</tr>
<tr>
<td>Total</td>
<td>4,443,078</td>
<td>4,429,024</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Source: KTO Statistics

The present feature of Korean tourism

Organisations in tourism
- Ministry of Culture of Tourism (Tourism Bureau)
- Korea Tourism Organisation
- Korea Culture and Tourism Research Institute
- Korea Travel Association

Tourism related regulations
- Tourism Promotion Act
  - Regulates and supports economic activities of tourism industry
- Tourism Promotion and Development Fund Act
  - Loans or subsidizes $400 million for tourism industry every year
- Convention Industry Promotion Act
Korean Tourism policy

Tourism policy Vision 2010

- Inbound tourism: 10 million foreign visitors
- Tourism revenue: $10 billion
- Domestic tourism: 700 million people
- Tourism V.A /GDP: 4%

* Source: Ministry of Culture and tourism (2005)

Tourism Development Strategies

Inbound Tourism Promotion

- Expansion of Chinese market (900 thousand visitors in 2006)
- Creation of a new Korean Tourism Brand
e.g “Truly Asia” (Malaysia), “100% Pure Newzealand”
- Establishment of “Korea Centres” in 14 countries
- Opening the door of new potential markets (India, Vietnam)
- Continue the “Dynamic Korean Wave Campaign”
III Korean Tourism policy

Tourism Resource Development

- Southern Coastal Area Tourism Development Project
- Jeju International Free City Development Plan
- Tourism & Leisure Cities (tourism+ industry+ residence)
- Inter-Korean Tourism Promotion (Geumgang Mountain)
- Facilitate Leisure and Sports tourism (golf, skiing, rafting)

III Korean Tourism policy

Improvement of tourism service quality

- Increase of low cost tourist hotels
  - Korean Budget hotel Brand will be launched soon (e.g. Ibis)
- U-Travel City Plan (Tourism+ IT)
- Better interpretation services (e.g. BBB campaign)
- Tourism Hub Network (www.etourkorea.com)
- Culture and Tourism Guide (Guide+ Storytelling)
III Korean Tourism policy

Domestic tourism and Welfare

- Travel Voucher System
  - Financial support system for workers in small and medium sized companies
- “See Korea First” Campaign
- Cultural Tourism Festivals
  - Korean government designate 30 festivals as good festivals
- Welfare tourism for the disabled and the elderly

IV The future direction of Korean tourism

- Network and Collaboration
- Contents, Creativity and Story telling
- High Value Added Industry
- Local autonomy in tourism
- Competitiveness of tourism businesses
Thanks for your patience