

Korean Tourism Policy

- Today and the Future-

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I

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)

II

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.

II

The present feature of Korean tourism

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

Country	2004	2005	Growth Rate (%)
Japan	2,443,070	2,439,809	- 0.1
China	627,264	709,836	13.2
Taiwan	304,908	351,421	15.3
Hong Kong	155,058	166,204	7.2
Thailand	102,588	112,724	9.9
Singapore	85,202	81,751	- 4.1
U.S.A	511,170	530,629	3.8
Canada	77,597	86,399	11.3
Argentina	1,390	1,707	22.8
U.K	65,981	72,582	10.0
Germany	68,850	74,962	8.9
Total	4,443,078	4,628,024	4.2

Source: KTO Statistics

II

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 \$400million 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)



Korean Tourism policy

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

