



The direction of tourism policy in the post-COVID-19 era



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Contents

- 1. The impact of COVID-19 on tourism sector**
- 2. Prospects of changes in the tourism environment**
- 3. The direction of tourism policy in the post-COVID-19 era**

01

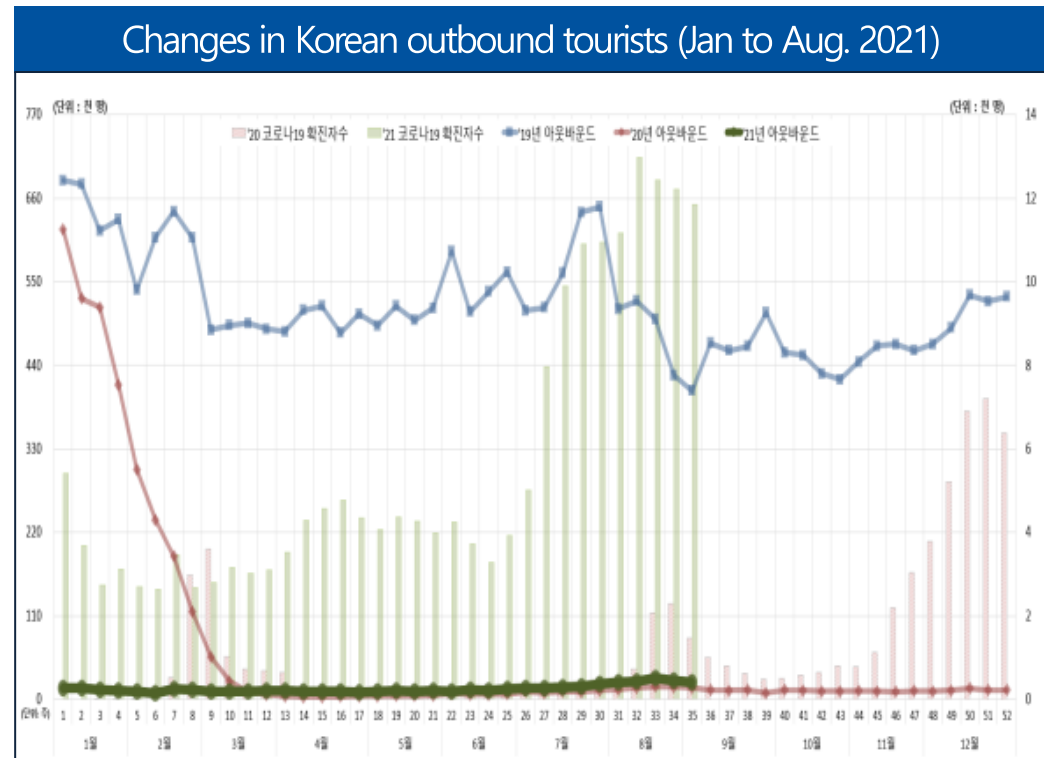
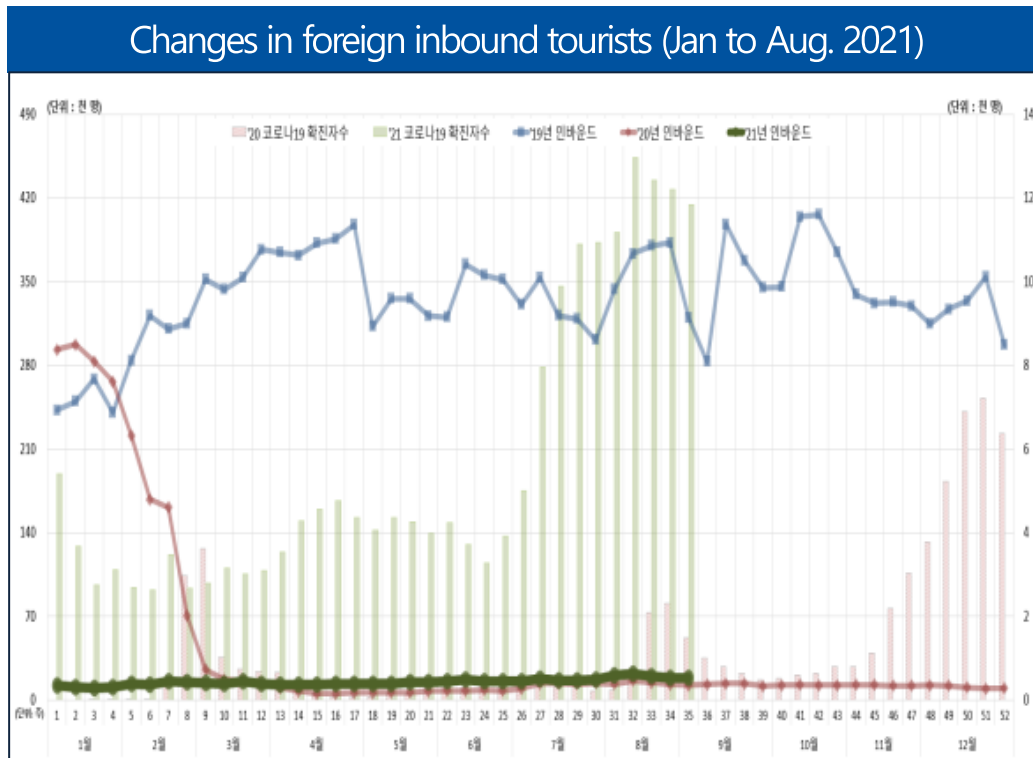
The impact of COVID-19 on tourism sector

1. The impact of COVID-19 on tourism sector

Brought international tourism exchanges to a halt in 2021,
and the number of inbound and outbound tourists continues to fell by 95% compared to 2019

Foreign visitors - 582,000 foreign tourists visited Korea from Jan to Aug in 2021 (fell 94.9% compared to the same period in 2019, fell 74.3% compared to the same period in 2020)
- 87,000 foreign tourists visited Korea in Aug 2021 (fell 94.5% compared to the same period in 2019, up 26.7% compared to the same period in 2020)

Korean outbound tourists - 639,000 Koreans visited overseas countries from Jan to Aug in 2021 (fell 96.8% compared to the same period in 2019, fell 83.9% compared to the same period in 2020)
- 110,000 Koreans visited overseas countries in Aug 2021 (fell 95.5% compared to the same period in 2019, up 23.8% compared to the same period in 2020)



Source: Korea Culture and Tourism Institute (2021). Impact of COVID-19 on culture, tourism, and content industries in 2021

1. The impact of COVID-19 on tourism sector

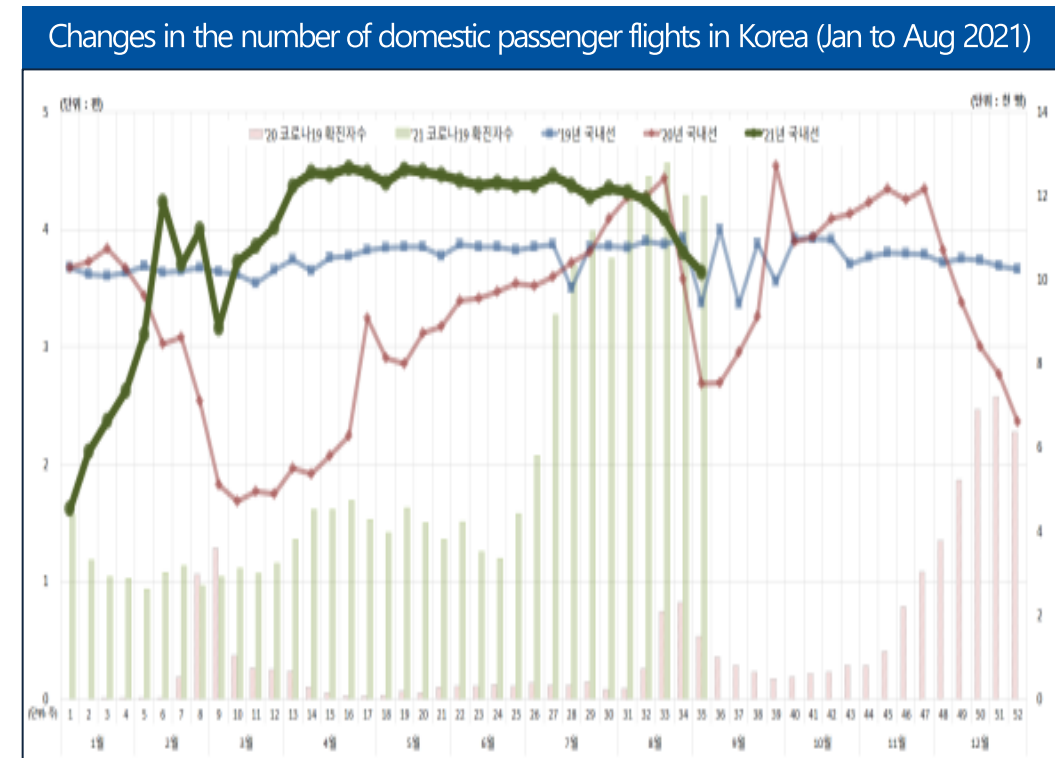
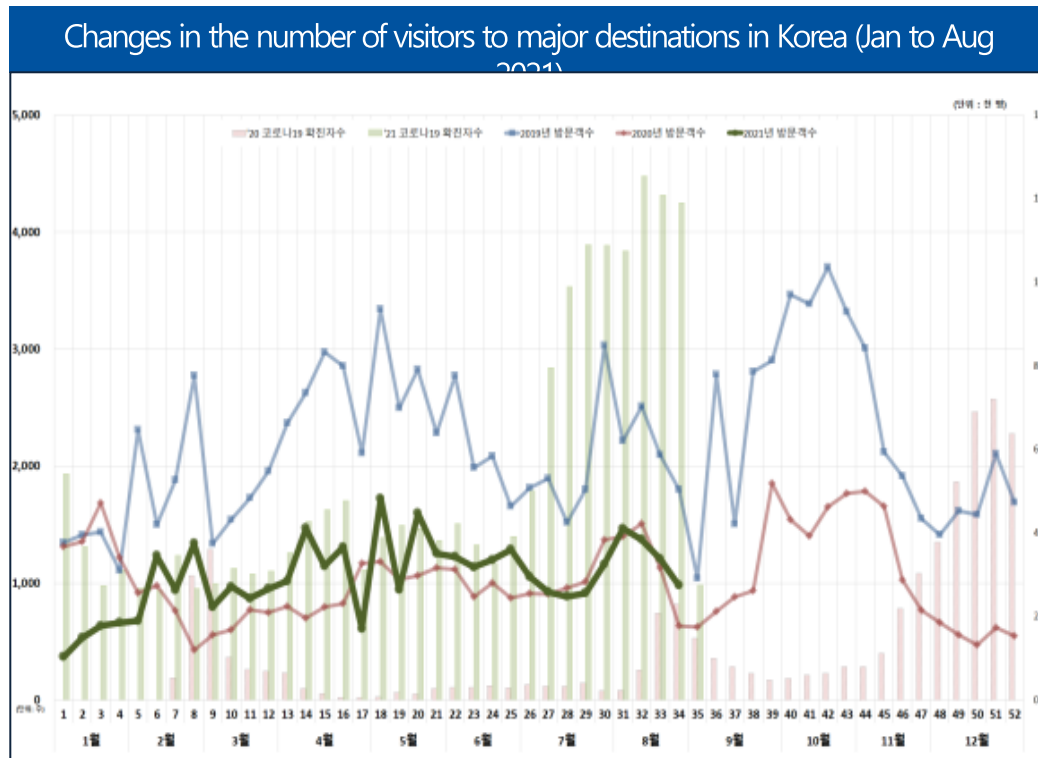
The number of visitors to major tourist destinations in 2021 declined by about 50% year-on-year

Visitors to major tourist destinations in Korea

- The number of visitors to major tourist destinations from Jan to Aug of 2021 was 37.06 million (fell 50.4% compared to the same period in 2019, up 4.3% compared to the same period in 2020)
- The number of visitors to major tourist destinations in Aug 2021 was 5.47 million (fell 41.6% compared to the same period in 2019, up 7.1% compared to the same period in 2020)

Number of domestic passenger flights in Korea

- The number of domestic passenger flights operated from Jan to Aug of 2021 was 137,063 flights (up 5.3% compared to the same period in 2019, up 25.1% compared to the same period in 2020)
- The number of domestic passenger flights operated in August 2021 was 18,043 flights (up 4.9% compared to the same period in 2019, fell 0.7% compared to the same period in 2020)



Source: Korea Culture and Tourism Institute (2021). Impact of COVID-19 on culture, tourism, and content industries in 2021

02

Prospects of changes in the tourism environment

» Crisis and opportunities brought by COVID-19

S

- Having **experience of tourism recovery** from past crises
- **Domestic tourism** serves as a **buffer** against international tourism
- **Government support** for the **tourism industry**

W

- **Severe downturn** in the **aviation industry**
- Unprecedented **crisis**
(Lack of lessons learned from previous experiences)
- Perception that **travel can be risky** may increase

O

- Opportunity to reconsider **business models**
- **Innovation** and **digitization**
- Emergence of tourism aiming for **Sustainability**
(Rural, Nature, Health, etc.)

T

- **Unfavorable economic environment** (global recession, increased unemployment, etc.)
- **Uncertainties in vaccination**
- **'New Normal'** of unknown type

2. Prospects of changes in the tourism environment

1 Safe mobility

Restoring and maintaining travel confidence

2 Crisis management

Minimizing the impact of future crises affecting tourism

3 Resilience

Preparing a solid and stable foundation for tourism industry in uncertain times

4 Inclusiveness

Participation of the local community and expansion of tourism benefits

5 Green transformation

Tourism management to maintain the global and local environment

6 Digital transition

Creating an environment where all stakeholders can fully harness digital opportunities

7 Investment and Infrastructure

Focusing resources on a sustainable future of tourism

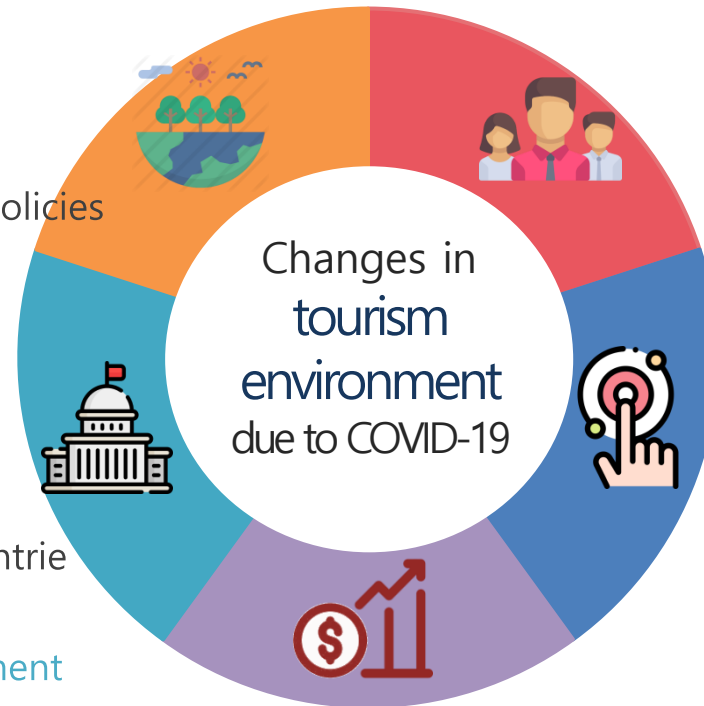


✓ Environmental sector

- Emergence of **sustainable** tourism
- Increasing demand for carbon-neutral policies in dealing with climate changes

✓ Political sector

- Strengthening cooperation between countries for **safe tourism exchange**
- Establishing cross-border **crisis management** governance



✓ Social sector

- Growing interest in personal **hygiene and safety**
- Widening the **gap in tourism enjoyment and consumption** between classes

✓ Technological sector

- **Digital transformation** in tourism industry
- Changes in the structure of the tourism industry based on **platform**

✓ Economic sector

- Sluggish global economic growth
- Growing demand for **innovative growth** including new business models for tourism companies

03

The direction of tourism policy in the post-COVID-19 era

3. The direction of tourism policy in the post-COVID-19

After going through the crisis caused by an infectious disease, COVID-19, the basis of future tourism policy is to highlight **the multifaceted value orientation of growth, sustainability, and inclusiveness** based on **innovation**.



SWOT analysis for setting the direction of tourism policy

		Internal competency	Strength	Weakness
		External environment and conditions	[S1] Increased interest and preference for Hallyu contents such as BTS and Squid Game [S2] Policy project promotion for implementing region-driven tourism policies (Korean DMO, Tour Dure, etc.)	[W1] Size of tourism companies, lack of digital capabilities [W2] Limitations of attractiveness of domestic tourism [W3] High demand for tourism focused on tier 1 cities in Korea [W4] Lack of tourism readiness and content for individual tourists
Opportunity	[O1] Increasing possibility of gradual resumption of international tourism exchange	[SO Strategy] Take advantage of strength-based opportunities	[WO Strategy] Taking advantage of opportunities to supplement weaknesses	
	[O2] Transfer of central government authority to local governments			
	[O3] Accelerating technological development including digital transformation			
	[O4] Increasing demand for climate change response such as carbon neutrality			
Threat	[T1] Increased threat of periodic outbreaks of infectious diseases	[ST Strategy] Responding to strengthen-based threat	[WT Strategy] Preventing threat by supplementing weaknesses	
	[T2] Intensifying competition among countries to attract tourists			
	[T3] Concerns over domestic tourism demand to be reduced due to increased demand for overseas travel during the recovery phase of the tourism market			
	[T4] Deepening the tourism gap between classes and regions			

3. The direction of tourism policy in the post-COVID-19 era

Analysis of internal capabilities and policy directions for key tourism policy area



Keyword :

[Innovation, Digital]

[Inclusiveness, Qualitative Transformation]

[Reconstruction, High value-added]

[Leading, collaboration]

internal capabilities

Depart from traditional business models and start-up ecosystem-oriented growth
Strengthen digital capabilities of tourism companies

Overcome the limitations of domestic tourism attractiveness
Due to COVID-19
Change the perception of domestic tourism

Interest and preference for Hallyu content
Concentration of tourism demand in the first-tier cities
Expand the tourism readiness to accept individuals

Insufficient institutional basis for promoting local tourism
Lack of differentiation of local tourism content

Policy directions

Evolution and innovative growth of the tourism industry

Qualitative transformation of domestic tourism based on inclusiveness

Securing a global competitive edge through high value-added tourism

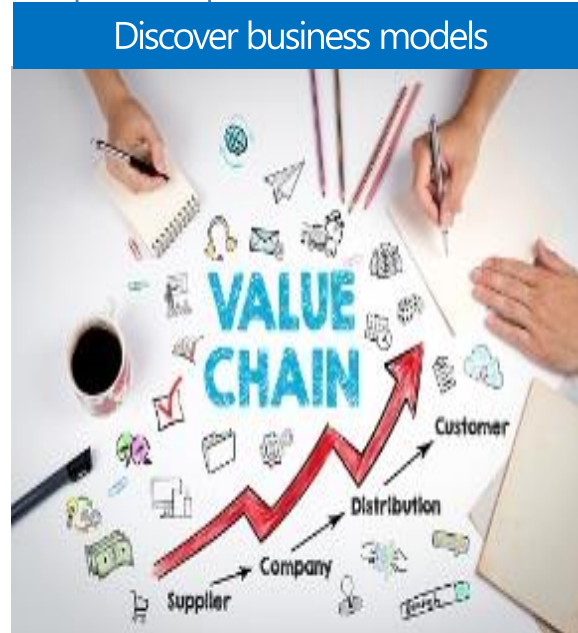
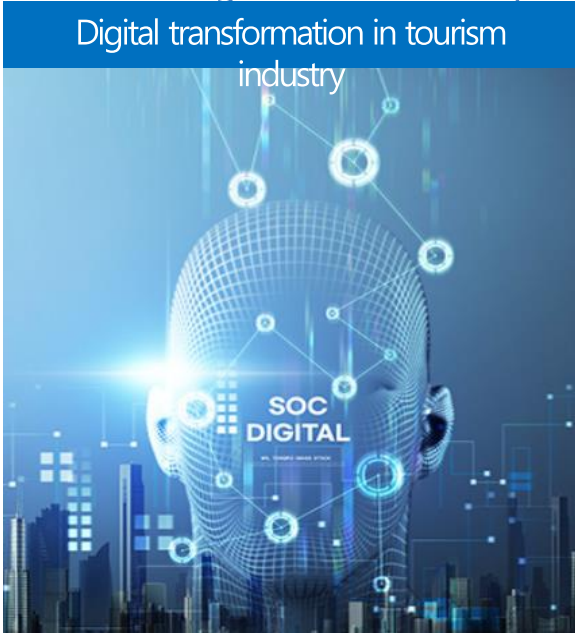
Realization of sustainable local tourism led by the region

Source: Hyun Ju Kim, Kyung-Eun Choi, Donghyun Kim & Heeja An(2021), Adapted from "A Study on the Formulation of the Sixth National Tourism Promotion Plan (2023-2027)", Korea Culture and Tourism Institute.

3. The direction of tourism policy in the post-COVID-19 era

1 Leaping to an advanced country in tourism with the evolution and innovation of the tourism industry

- Strengthening the digital competitiveness of the tourism industry to respond to the acceleration of technological innovation in the post-Covid-19 era
 - Providing policy support to enable major players in the tourism ecosystem to lead in accepting the changes in **tourism-related technologies and information after COVID-19**
- Discovering new business models in the tourism industry and build an innovative ecosystem
 - Expanding R&D support to strengthen innovation capabilities of tourism companies, and creating an innovative ecosystem for tourism industry
- Establishing tourism industry roadmap to respond to future climate environment changes including carbon neutrality

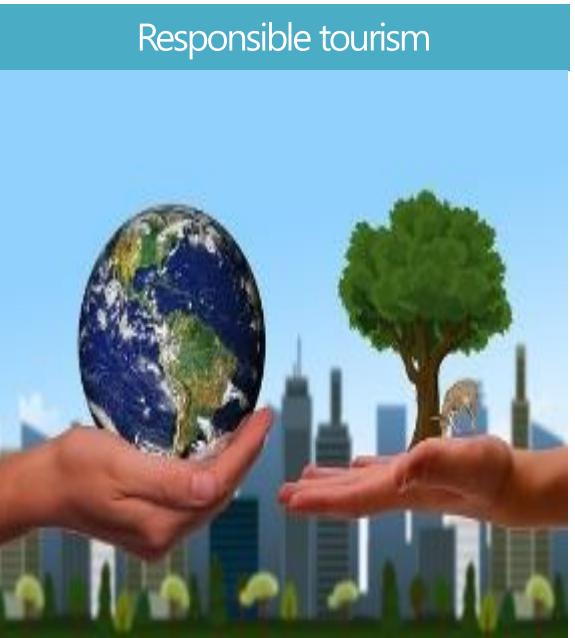


Create innovative ecosystem for tourism industry

<p>Foster startups</p>	<p>Discover business models</p>	<p>Diversify policy finance</p>	<p>Tourism R&D</p>	<p>Industry, academia, and government collaboration</p>
<ul style="list-style-type: none">• Lay the foundation for nurturing startups such as unicorn companies in the tourism sector	<ul style="list-style-type: none">• Discover business models for the tourism industry and expand patents	<ul style="list-style-type: none">• Diversify policy finance including project finance investment and loan system introduction	<ul style="list-style-type: none">• Establish R&D system considering the nature of each type of tourism industry	<ul style="list-style-type: none">• Operate program to strengthen innovative capabilities with industry, academia, and government collaboration

2 Qualitative transformation of domestic tourism based on inclusiveness

- Prepare a development model for existing policies and discover new policy tools to improve the quality of the people's tourism experience
 - Review the introduction of the national travel safe system, such as promoting the worker vacation support project 2.0 and accumulating domestic travel expenses in connection with the financial model
- Support for domestic tourism activities that everyone can enjoy
 - Improve access to domestic tourism for vulnerable groups such as open tourist destinations and open tourist cities
 - Expand opportunities to enjoy domestic tourism for children, adolescents and the elderly in low-income families
- Raise tourist awareness for responsible tourism, and prepare a system to reduce carbon dioxide in tourist destinations and tourist facilities



3 Securing a global competitive edge through high value-added tourism to Korea

- Reorganizing policy implementation system to prepare for the resumption of safe international tourism exchanges
 - Reorganizing tourism readiness including immigration, such as vaccine passports and visas, and resumption of flight operations, and establishing international tourism reconstruction strategies and roadmaps
- Promote high value-added inbound tourism in Korea and in connection with local tourism
 - Convergence with other industries to expand the tourism industry, and discover high value-added tourism content to secure future growth engines
 - Promote local visits and stays of foreign tourists visiting Korea

Strengthening the international tourism cooperation network and foundation in preparation for the tourism crisis

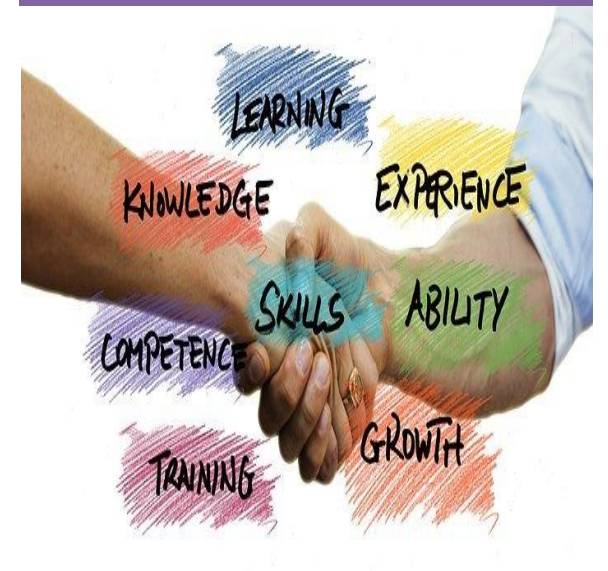
Immigration system such as visa



High value-added inbound tourism in Korea



International tourism cooperation network



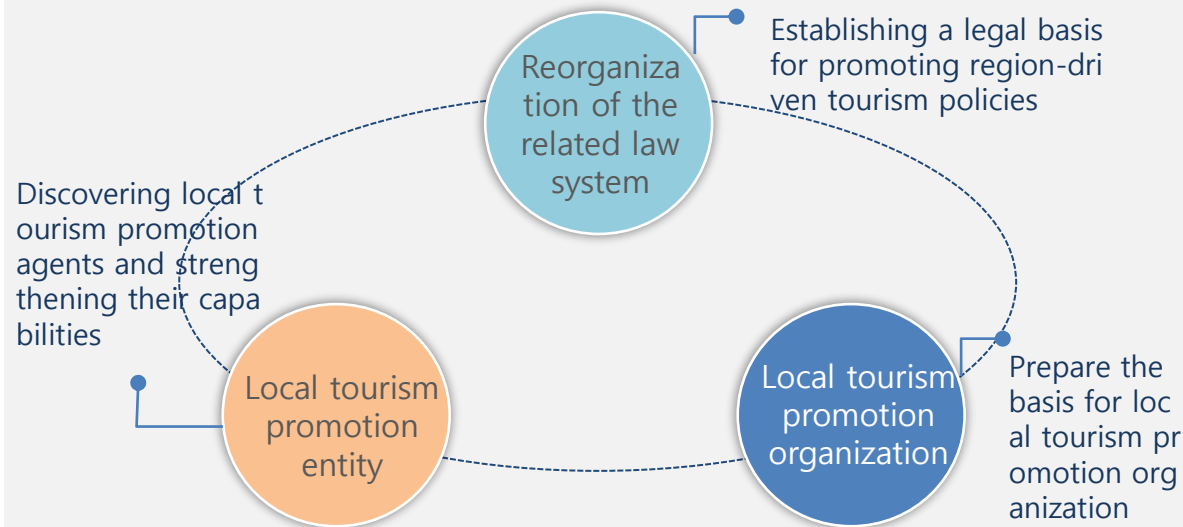
4 Realization of sustainable local tourism led by the region

- Laying the foundation to promote **region-driven tourism policy**
 - **Establish an institutional basis** for local tourism promotion entities, capacity building, and **local tourism policy promotion** (expanding related policies such as Korean DMO)
 - Expand **local tourism cooperation governance**
- **Enhancing the attractiveness of local tourism and competitiveness of tourism services**
 - Lay the foundation for attractive local tourism products, supporting branding of local tourism destinations, etc.
 - Improve local tourism service quality based on global standards

Strengthening the attractiveness of local tourism



Promotion of region-driven tourism policy



Enhancement of competitiveness in local tourism





Thank you