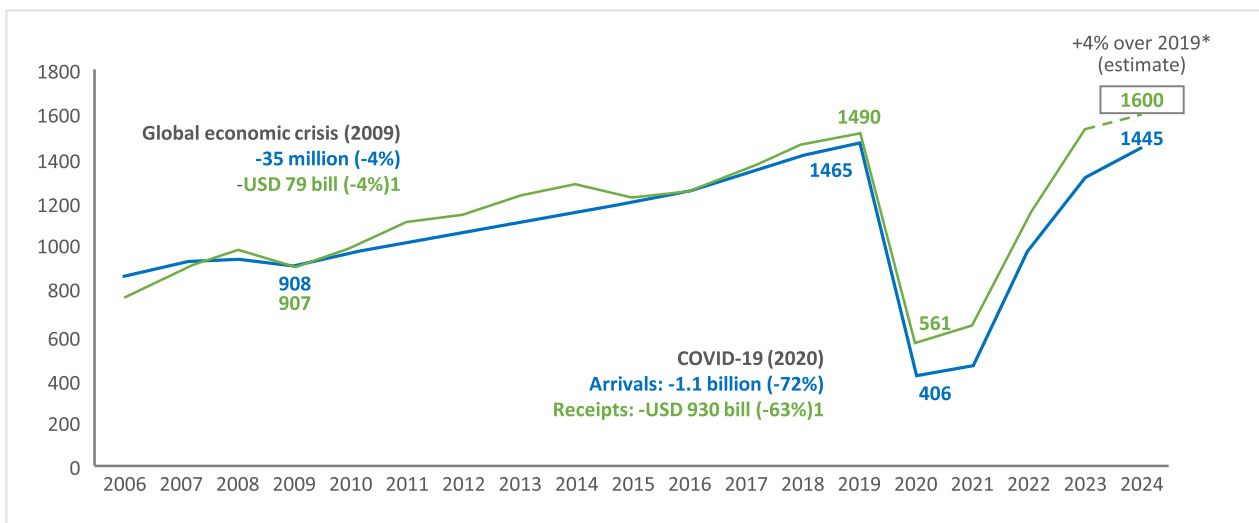


# TOURISM

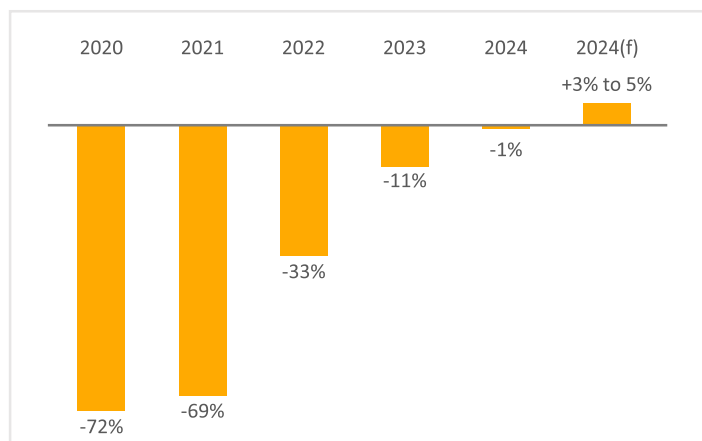
## Global Market Size/Forecast

- ▶ In 2024, international tourist arrivals are expected to reach 1.445 billion, a decrease of about 1% compared to 1.465 billion in 2019. However, it appears that the market is recovering to pre-COVID levels.
- The blue line represents international tourist arrivals, while the green line represents international tourist receipts.
- In 2024, international tourism receipts are expected to increase by about 4% compared to pre-COVID levels.



\* Source: UNWTO, World Tourism Barometer)

- ▶ **(GLOBAL MARKET OUTLOOK)** The international tourism market is expected to grow by about 5% annually. The key factor affecting international tourism is "high tourism costs," which accounts for 58% of the total. Other factors include geopolitical issues, climate change, and labor shortages. The UNWTO forecasts a growth rate of about 3-5% in 2025 compared to 2019.

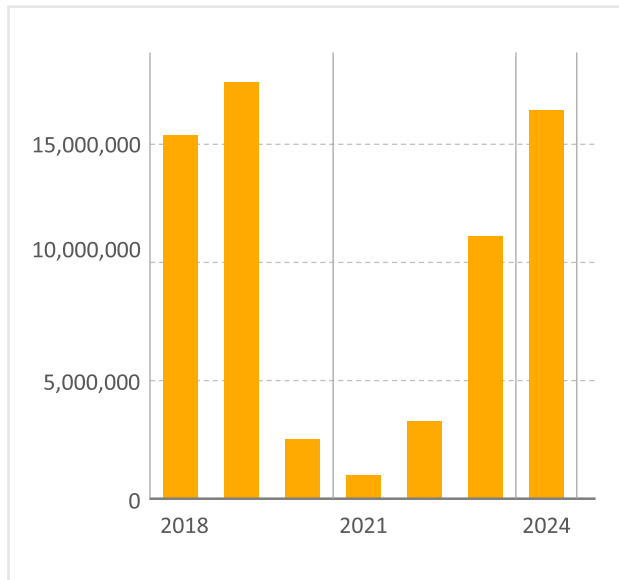


\* Source: UNWTO, World Tourism Barometer

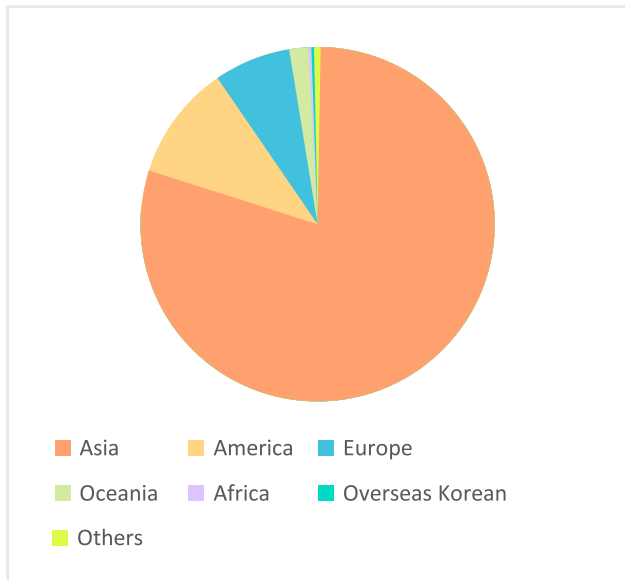
## Domestic Market Size/Forecast

- Following the reopening of international tourism after the COVID pandemic, there has been a focus on marketing efforts to attract inbound tourists. As a result, inbound tourist numbers gained a growth momentum in 2024. Marketing efforts will focus on individual tourists from China, Japan, and Southeast Asia, which is expected to diversify the inbound tourism market.

<Inbound Tourist Trends>



<Inbound Tourist Nationality Breakdown>



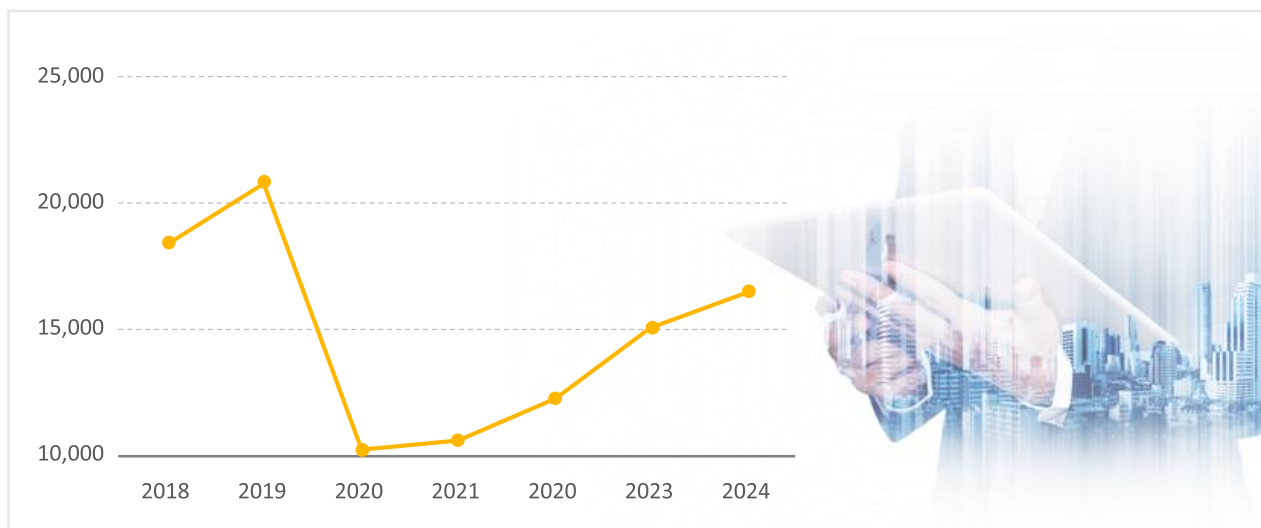
\* Source: Korea Tourism Organization Data Lab

<Inbound Tourist Numbers and Growth Rate (Unit: Thousands, %)>

YEAR	2016	2017	2018	2019	2020	2021	2022	2023	2024
Numbers	17,242	13,336	15,347	17,503	2,519	967	3,198	11,032	16,370
Growth Rate	30.3	-22.7	15.1	14.0	-85.6	-61.6	230.7	245.0	48.4

\* Source: Tourism Knowledge& Information System, Inbound Tourism Statistics

<Tourism Revenue Trends (Unit: USD million)>



\* Source: Korea Tourism Statistics

# Trends in Foreign Investment in South Korea

## <Foreign Investment Trends by Sector in Tourism and Leisure (2020-2024)>

(Unit: Million USD, Based on Filings)

Sub-industry	2020		2021		2022		2023		2024	
	Case	Amount	Case	Amount	Case	Amount	Case	Amount	Case	Amount
Accommodation, Food Service	105	153	163	459	203	145	298	323	256	174
Leisure, Sports, Entertainment	25	241	15	272	29	83	25	144	52	257
<b>Total</b>	<b>130</b>	<b>394</b>	<b>178</b>	<b>731</b>	<b>232</b>	<b>229</b>	<b>323</b>	<b>467</b>	<b>308</b>	<b>431</b>

## INTEGRATED RESORTS

➤ Ongoing investment continues in integrated resorts. Key investment details are as follows

- **Paradise:** Expected 2024 revenue of KRW 1.07 trillion with an operating profit of KRW 74.7 billion.
- **Inspire:** Opening in March 2024, with plans for a four-stage expansion.
- **Jeju Dream Tower:** Expected 2024 revenue of KRW 471.4 billion with an operating profit of KRW 39.2 billion.

\* The global tourism recovery is expected to lead to improved profitability starting in 2025.

## HOTEL

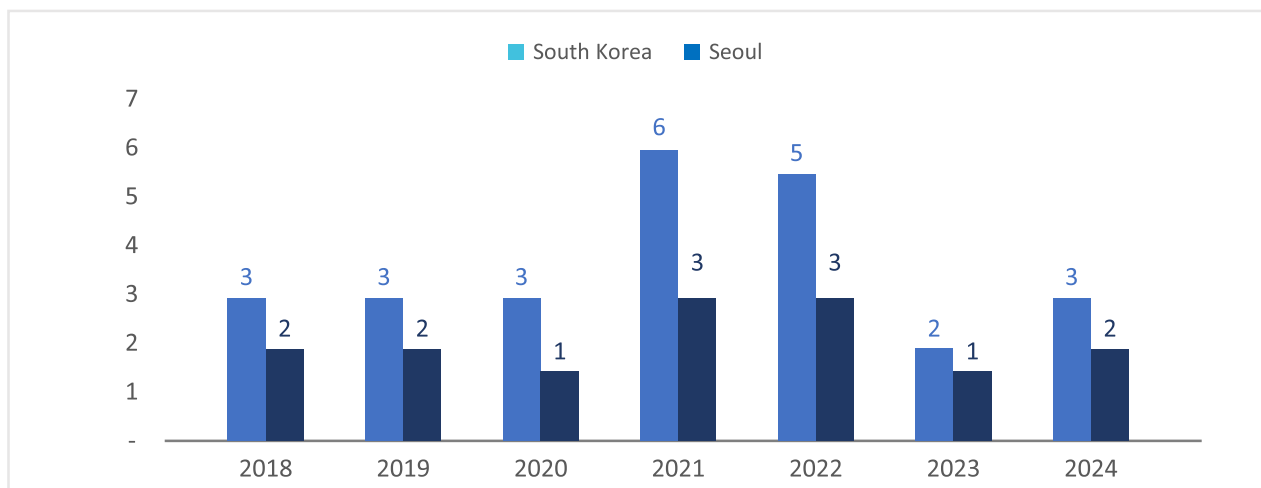
➤ Expectation of an increase in Average Daily Rate (ADR)

- South Korea's average hotel ADR has increased by 30%, from KRW 122,128 in 2019 to KRW 160,684 in 2023.

➤ Key investments are as follows, with over 2,800 luxury hotel rooms expected to be added by 2030

- **GIC:** Acquisition of Glad Hotel.
- **Blackstone:** Changing to Samra Midus Gangnam Hotel.
- **Accor (ennismore):** Maison Delano opening in Sinjeongneung Station in 2026.
- **Eleven Group:** Rosewood Hotel to open in Seoul in 2027.

## <Korean Hotel Investment Size (Unit: trillion KRW)>



\* Source: Colliers, MSCI

## Key Examples

### MOHEGAN GAMING ADVISORS/ INTEGRATED RESORT DEVELOPER / USA

#### [Company Overview]

- ▶ Mohegan Gaming Advisors, based in Connecticut, USA, operates four integrated resorts in the U.S. and two overseas. In May 2016, it was selected by the Ministry of Culture, Sports, and Tourism as a new casino-integrated resort operator and is investing in a consortium with Hanwha Construction at Incheon Airport IBRD-2 District.

#### [Investment Overview]

- ▶ Phase 1 (casino, hotel, and commercial facilities) is scheduled to open in May 2024.
- ▶ Phase 2 (theme park and other complex facilities) is expected to begin in October 2025.

#### [Special Note]

- ▶ The project is being developed jointly with Hanwha Construction, and the total development scale is KRW 6.4 trillion, divided into four stages. The first phase, including the casino and complex facilities, is expected to create 3,500 direct jobs and 20,000 indirect jobs.
- ▶ The development of this complex resort at Incheon Yeongjong Island, the gateway to Korea, is expected to attract foreign tourists and stimulate the regional economy.

### STANDFORD HOTEL & RESORT / HOTEL RESORT DEVELOPER / USA

#### [Company Overview]

- ▶ Stanford Hotel & Resort, established in 2014, operates in seven locations including the USA, Chile, Panama, and South Korea, and has been actively investing in South Korea.

#### [Investment Overview]

- ▶ In 2006, it received support from KOTRA for its investment in DMC Hotel in Seoul to get individual-type foreign investment designation, and in 2013, it applied for a designated foreign investment area for its Tongyeong Hotel & Resort in Gyeongnam. The company currently operates five hotels in South Korea (Seoul (Sangam, Myeongdong), Tongyeong, Busan, Jeju) and plans to develop a total of seven hotels.

#### [Special Note]

- ▶ The hotel investment in Andong, Gyeongbuk, opened in 2024 and has contributed to the local tourism industry, becoming a regional landmark. Additional hotel investments are planned for other areas.