

REVIEW OF KOREA NATIONAL TOURISM POLICY - CONCLUSIONS

Alike Japan, Korea has benefited from the rapid economic development experienced by the Asian countries. The contribution of tourism and culture industries to the overall economy is increasing, with a high impact on growth and employment. In 1998, the tourism industry was estimated to account for about 4.7% of GDP. Internal tourism revenues totalled US\$ 29.3 billion. In 2001, international travel receipts totalled US\$ 6.3 billion, while travel expenditure were US\$ 6.9 billion. In 2001, the number of inbound tourists recorded 5.1 million (-3.3% compared to previous year) while the number of Korean departures was up by 10.5% to 6.1 million.

The OECD Tourism Committee reviewed Korea's tourism policy, programmes and instruments on 11th July 2002 under the Chairmanship of Mr. Peter Keller, Chairman of the Tourism Committee.

Amongst the new orientations and reforms implemented in recent years by tourism policy in Korea, the Tourism Committee noted:

- The **strengthening of the National Tourism Administration in Korea** with the creation of the Ministry of Culture and Tourism and a reinforced organisational structure. Recognising the importance of the tourism sector for the national economy, significant efforts have been undertaken to create a long-term vision *Tourism Vision 21* (1999-2003) and formulate precise and quantified objectives with the second *Tourism Development Plan* (2002-2011).
- The **efforts undertaken to develop the integration and linkages** between tourism policies and related policies, for example through the existence of permanent policy forum supervised by the Prime Minister to review policy developments affecting tourism. In particular, the *Expanded meeting for tourism promotion* is seen as a valuable tool to promote the involvement of the private sector in tourism development.
- The **launching of a new tourism development plan** (2002-2011) for the forthcoming ten years with increased attention on sustainability, information-technology based instruments and competitiveness. The orientation towards a knowledge-based tourism industry is welcomed. The plan also ensures that tourism policy is harmonised with economic and environmental policies.
- The **continued actions to facilitate travel to and from the country**. Programmes like the visa exemption agreements with 60 countries or simplification of the immigration procedures support the development of international tourism.
- The undertaking of significant efforts to **create the necessary tourism infrastructure and expand services to visitors**. The launching of the tourism promotion and development fund is complementary and aimed at encouraging private investment in tourism. This fund (US\$ 421 million) is set up with both public and private sector support and involves local authorities. It aims to play an incentive role for the private sector to develop tourism resources (tourism attractions, tourism complexes and special tourism zone) to face the growing tourism demand.

- The undertaking of significant **efforts in research and development**, notably through the Korea Tourism Research Institute, with the development of the Korea Tourism Satellite Account in 2000 and other parallel work like the study on the scale and structure of tourism expenditure.

The Tourism Committee did note, however, that a number of problems remained and that reforms should be pursued and, in some cases, amplified in scope. The Tourism Committee invites Korea to:

- Maintain its efforts to improve the structure and quality of tourism services and products, and to adapt them to the new competitive environment.
- **Pay special attention to labour market conditions** in the tourism sector and undertake policy initiatives to address the shortage of human resources in tourism, taking into account the industry's needs.
- **Re-examine the mechanisms of financial aid to the tourism industry**, and in particular the criteria for allocating subsidies. This review should identify the achievements of this programme on the basis of the objectives specified in the second development plan, and of market failures.