

Unveiling Korea's beauty, treasures

Visiting my hometown of Munich, Germany, during my summer vacation, I was again struck by the region's attractiveness for leisure and tourism: spectacular mountains, scenic lakes, a clean environment, rich historic sites and popular food and beer. No wonder that Germany has traditionally been among the world's top 10 tourist destinations — just like other European nations such as France, Spain, Italy and the U.K. International tourism has become a major export industry, accounting for up to 5 percent of GDP in some countries.

On the other hand, Korea's tourism industry remains underdeveloped — accounting for less than 1 percent of GDP. Some lament that Korea does not possess treasures as rich as those of Germany or other European countries. I disagree. Anybody who has seen Korea's spectacular coastline, beautiful islands, and attractive mountains will appreciate its natural beauty. Anybody who has grasped Korea's rich history, traditions and cultural treasures will understand the potential of its past. Anybody who has witnessed Korea's recent strides in electronics and entertainment will realize the potential for combining these elements into unique tourist and leisure destinations.

Others complain that Koreans are spending too much time and money abroad, "wasting" valuable foreign currency. They point to Korea's spectacular

An Outsider's Insight

By Tariq Hussain



"tourism trade deficit" which now stands at a whopping 6 trillion won per year. Again, this logic is flawed. The best way to improve Korea's tourism trade deficit is simply to attract more foreign tourists. More than 30 percent of the world's population lives within 3.5 hours flying distance from Incheon airport — yet today Korea has less than 1 percent of all international tourist arrivals. The biggest prize lies in the ever more and ever richer Chinese tourists. According to data from the Korea National Tourism Organization, Chinese tourists on average spend seven days and \$1,522 on their trips to Korea — more than Japanese, Singaporeans and Taiwanese.

Korea does have the potential for building a successful tourism sector. Doing so will require the country to tackle at least four challenges.

First, providing fast, predictable access to major tourist destinations. Korea's traffic conditions are a major impediment. One foreign executive wanted to take his family to Everland on his first

weekend in Korea. Full of enthusiasm, he left his house in Hannam-dong, but then "gave up on the idea after it took me two hours to get over Hannam Bridge. I never went again on a weekend." Many domestic tourists have no choice but to put up with horrible traffic jams. Overseas tourists, on the other hand, will only come if they have fast, predictable access.

Second, developing the right destinations — innovative, unique and integrated. Korea has many local traits which could be combined into an attractive destination. One example would be the country's strengths in online gaming. It would be a natural extension to use sophisticated online games as a core attraction for a leisure destination — with ongoing events drawing Korean and overseas tourists. In fact, one of the country's leading online game companies is already exploring such opportunities. Edutainment concepts could also do well in Korea. Given Asia's high spending on learning and education, any top quality destination would at-

tract large crowds from Korea and abroad.

Third, tourism and leisure require "software" skills which Korea is currently lacking. Understanding customers is the most fundamental requirement — where exactly they come from, who they are, where they go, how much they spend on an attractions, food and accommodation. The world's best tourist destinations have developed sophisticated tools to understand their customers' needs. Moreover, tourism thrives on packaging and partnering. At a wellness resort I visited during my vacation, I was handed a booklet with 12 different attractions — all part of the hotel price and negotiated through the hotel. Developing such packages requires the ability to partner with other companies, or even competitors, in multiple ways. This may range from co-marketing programs and sponsoring agreements to more sophisticated sharing of investments.

Finally, the top decision-makers in both the public and private sector have to embrace change. In government, it will require recognition of the potential of tourism and leisure, including much more flexible regulations to attract more private investment. In particular, foreign direct investment will be crucial to unlock Korea's full potential — not only as a source of capital, but rather to help transfer the much needed "soft-

ware" capabilities. The executive of one global real estate company notes: "Ultimately, government bureaucracy controls approvals for new projects. Few of them seem to care whether we create investment, jobs and tax revenues. What we need are true public-private sector partnerships."

Of course, the private sector also needs to step up. Domestic investors, in particular, construction companies focus on apartment complexes or golf courses and often fail to understand complex projects. Without more sophisticated thinking about interesting and innovative destinations, even those with compelling concepts and financials will not get off the ground.

On my flight back to Seoul, the airline magazine carried an ad targeted at overseas tourists, asking them to visit and "become a part of Korea." Yet none of the passengers I talked to found Korea by itself attractive enough for a tourist trip from Europe. Korea's beauty and treasures have yet to reveal themselves to international tourists.

This column appears monthly. Tariq Hussain is the author of "The Diamond's Dilemma — Shaping Korea for the 21st Century" and "Country Representative of Maxmakers Korea." He can be contacted at tariq@diamond-dilemma.com — Ed.