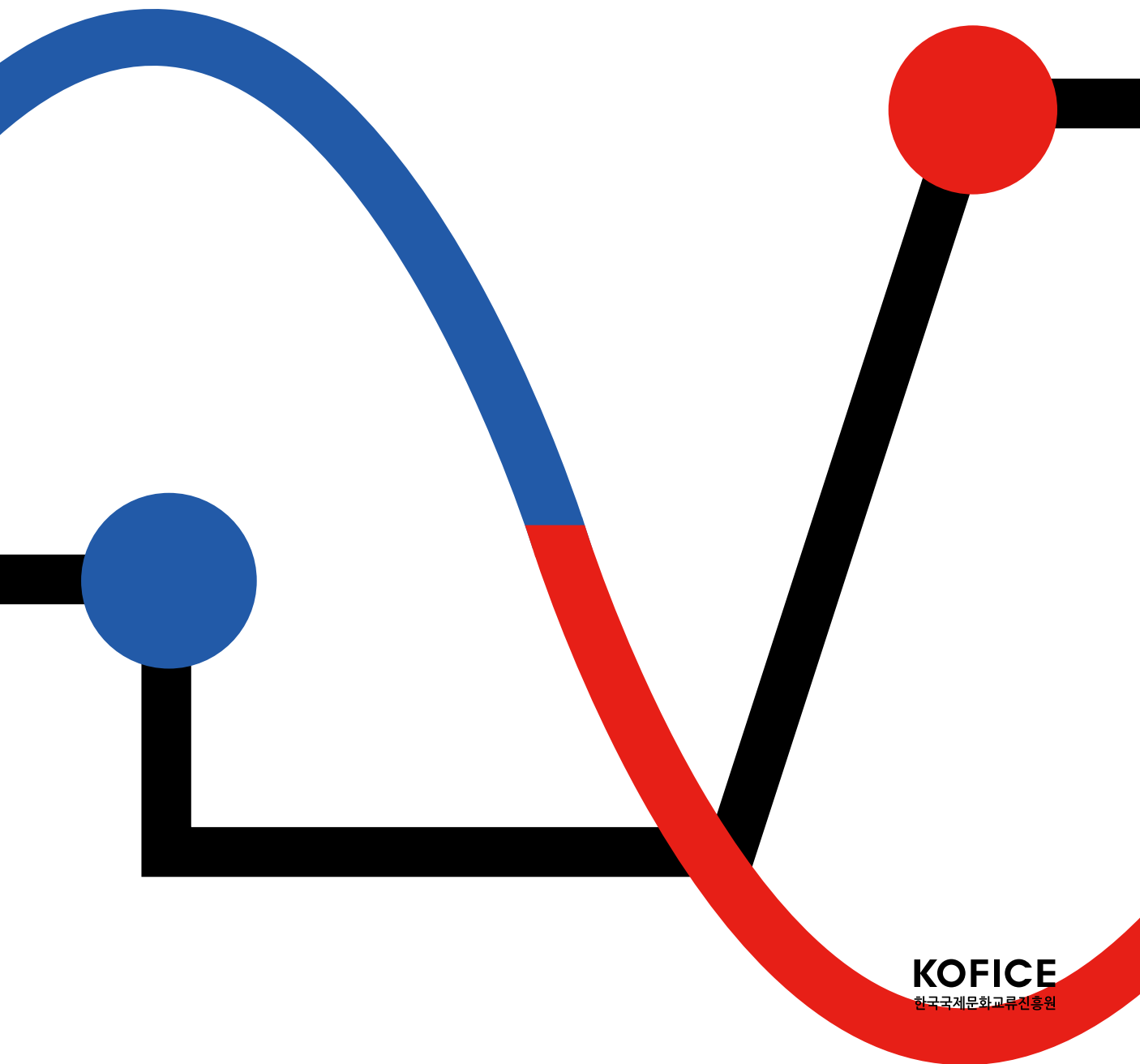


GLOBAL HALLYU
ISSUE MAGAZINE

〈한류NOW〉
한류 심층 분석 보고서

HALLYU NOW

HALLYU STORY
WITH STATISTICS
ARGENTINA



KOFICE
한국국제문화교류진흥원

HALLYU NOW

GLOBAL HALLYU ISSUE MAGAZINE

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A Deep Dive Into Hallyu in Argentina



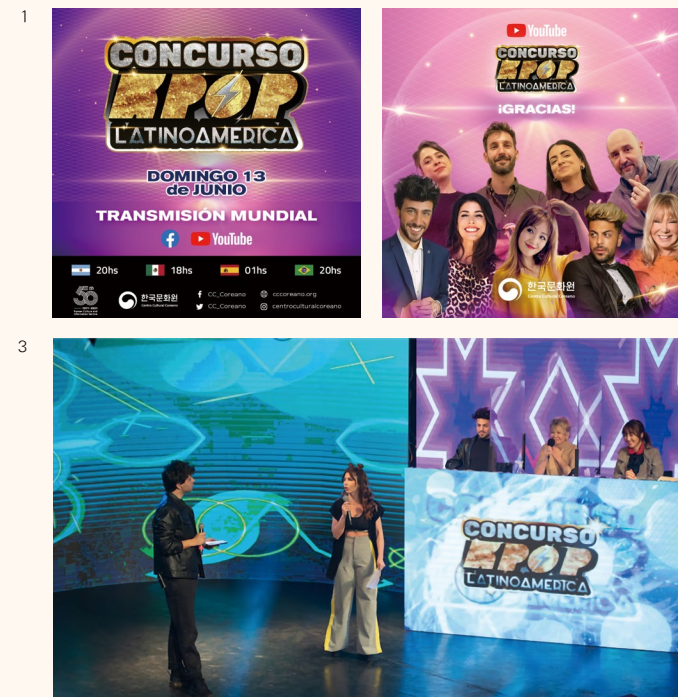
Argentina, a country that has been actively supporting Korea on the international stage such as the UN grounded in a friendly cooperative relationship with Korea, has been reporting on a diverse array of Hallyu culture. The country has highly praised K-culture (i.e., K-pop, K-classic, K-drama, K-food, K-beauty, K-fashion, K-games, etc.) for its artistic value and wide impact and has recognized Korea for being successful in venturing overseas. The Korean Culture and Information Service (KOCIS) of South America, located in Argentina, actively promotes Korean cultural products through local press articles and satellite channel programs and leverages social media to build awareness and pique curiosity about Korea, while working together with the Korean Embassy in Argentina to offer a wide spectrum of cultural programs so that more locals have the opportunity to directly experience Korean culture. The Korean wave is driven by Hallyu fandom in Argentina. To further expand Hallyu in Argentina, joint marketing efforts and further research is necessary using the findings from the *2021 Survey on Overseas Hallyu Status-Argentina*, which includes data on the levels of likability, factors that undermine likability, and an analysis of positive and negative perceptions.

Su-Jin Son, Ph.D. — Professor, Division of Hotel and Tourism, Baeksuk Arts University

1 Hallyu in Argentina

The strong support and interest in Hallyu in Latin America started to gain traction in 2015. The growth of Hallyu has been especially evident in Argentina where diverse genres of Hallyu—including music, drama, film, cuisine, video games, and beauty products—are widely being reported by local media. In 2019, Argentinian fan clubs for the global sensational K-pop group “BTS” came together and petitioned to invite BTS to Argentina using the hashtag #BTSenArgentina, which became a popular search word trending on major social networking services for an entire day. The fans developed and implemented a plan for BTS to hold their first concert in Argentina which paved the way for more K-pop idols to make inroads into the global market.

Buenos Aires was home to the first *K-pop Contest* in Latin America. The line for tickets on the day of the event went on for more than 200 meters, which is evidence for the popularity of K-pop. Fans from all corners of Latin America, including Argentina, Brazil, Chile, Columbia, Ecuador, Mexico, and Venezuela, gathered to compete in the preliminary and final rounds. Also called “KCON”, the contest has been hosted by the Ministry of



1. 2. 3.
K-pop Contest held on June 13th, 2021 (Source: Argentina Korean Culture Infobae / Korean Cultural Center (KCC) in Argentina / Jeong Eun Lee, correspondent, KOFICE)

Culture, Sports and Tourism of Korea and the Korean Embassy in Argentina and organized by the Korean Cultural Center (KCC) in Argentina since 2010. This year, the 12th *K-pop Contest* took place on June 13th. This year was special in that the event was held online in collaboration with members of ARMY (BTS’s fan club) residing in Latin America to celebrate the 8th anniversary of BTS. *K-pop Contest* has established itself as a Korean culture festival that encompasses the most recent Hallyu content including drama and film. *K-pop Contest* allowed Latin American Hallyu fans to enjoy energetic dance competitions and various shows without leaving home amid COVID-19 prohibiting in-person events.

The Korean Cultural Center in Argentina opened in Buenos Aires in October 2006. The Center has been promoting Korea in Argentina by developing diverse and dynamic events and offering high quality content that envelops Korean culture, history, art, and society to contribute to cultural exchange and mutual understanding between the two countries. *The K-culture Quartet*, a project that takes into account the cultural characteristics of Argentina, focused on providing content on the four areas most popular in the region, which are K-pop, K-classic, K-cinema, and K-art. The continuous efforts of the Korean Embassy and the Korean Cultural Center in Argentina that have made Argentina the Latin American hot spot for Hallyu in a variety

of genres is especially notable. The KCC has organized *Festival Hansik* every year since 2015 to build awareness of Korean fine dining and has been running cooking courses to ensure that locals can gain direct experience. In addition, the King Sejong Institute offers Korean language courses to provide an opportunity for Argentines to learn various aspects of Korean culture in a fun and easy way. As can be seen, food and language (*Hangu*), elements of Hallyu that lacked awareness, have been recent priorities. On one hand, cultural exchange is concentrated on Korean film and Korean traditions such as *gugak* (traditional music), *taekwondo* (traditional martial arts), *hanok* (traditional architecture), *hanji* (traditional handmade paper), and *hanbok* (traditional clothes). On the other hand, efforts are being made to introduce more “modern” cultural genres such as cartoons, animation, characters, and video games to ensure that the K-culture strategy is in line with rapidly changing trends in the content industry.

According to the *2019 Analysis of Overseas Content Market* by the Korea Creative Content Agency (KOCCA), the Argentine content market is the fastest growing market in Latin America progressing at a compound annual growth rate (CAGR) of 6.35% (Brazil (5.80%), Mexico (4.48%), Chile (5.13%), Peru (3.85%)).

Argentina is still considered a potential market because of its rapid growth in terms of market size and media distribution despite its small size. Latin America is receiving more attention from Korea with the recent global spread of Hallyu and the dramatic increase in online consumption. Korean market players are looking to export to the region based on convergence with diverse industries.

4



5

6



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4. 5. 6. 7.
Events held by the Korean Cultural Center (KCC) in Argentina (Source: KCC in Argentina)

Argentine Content Market Size and Outlook (2014 – 2023)

(Unit: USD \$100mn, %)

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2018-23 CAGR*
Argentine Content Market	39	42	49	61	67	73	78	83	87	91	6.35

*CAGR(%) outlook 2018 – 2023
(Source: Korea Creative Content Agency (2019), *2019 Analysis of Overseas Content Market*.)

According to the *2021 Survey on Overseas Hallyu Status*, 69.0% of participants responded that their general perception of Korea was positive

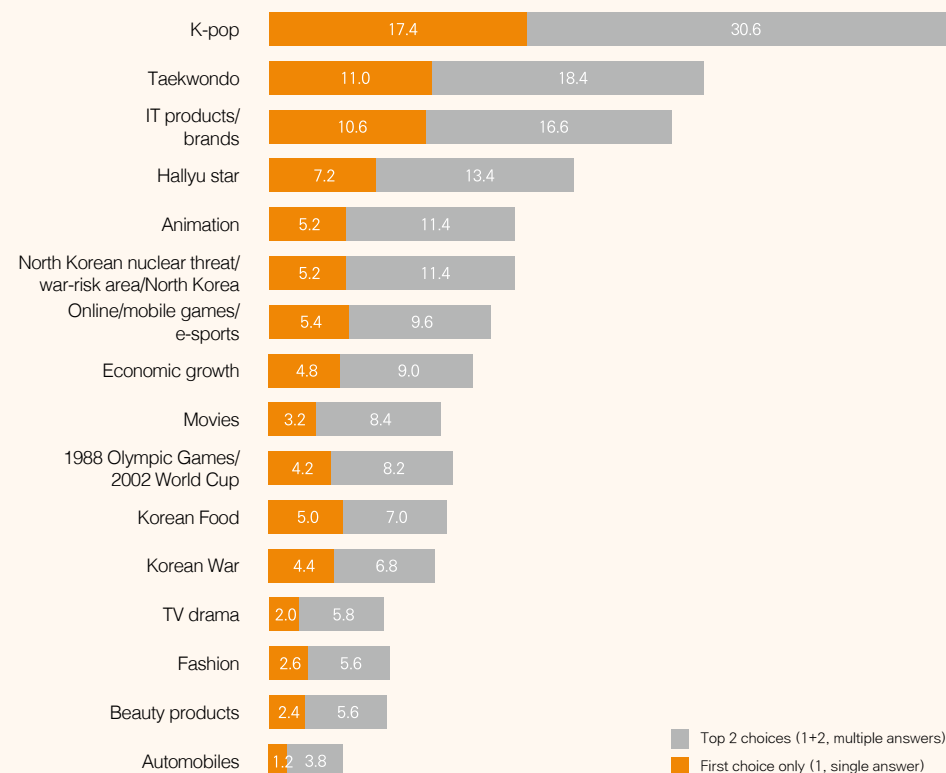
followed by neutral 27.2% and negative 3.8%. 77.0% replied that “South Korea is an economically advanced country,” 66.6% answered that “South Korea is a likable country,” and 54.6% responded that “South Korea is a cultural leader”, implying that overall perception was positive. When asked “What is the first thing that comes to mind when you think of South Korea?” “K-pop (17.4%)” was followed by “taekwondo (11.0%),” “IT products & brands (10.6%),” “Korean stars (7.2%),” and “animation (5.2%).” In contrast, “Korean food (5.0%),” “TV drama (2.0%),” “fashion (2.6%),” and “beauty products (2.4%)” scored low, highlighting the urgency of improving the image of Korea and K-culture.

Image of Korea

BASE: Argentina total, n=(500), Unit:%

Q. When you think of South Korea, what comes to mind first?

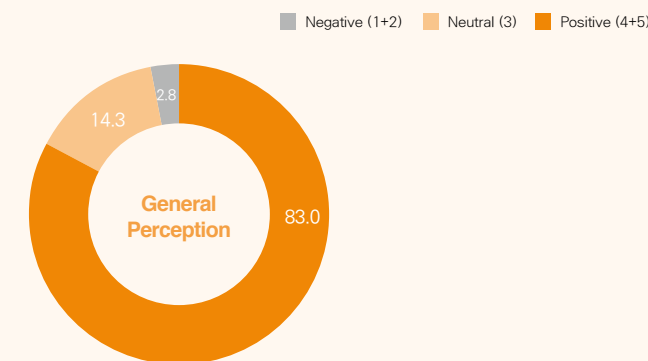
*ranking aggregate of first 3 choices (1+2+3), only response value of 4.0% and above presented



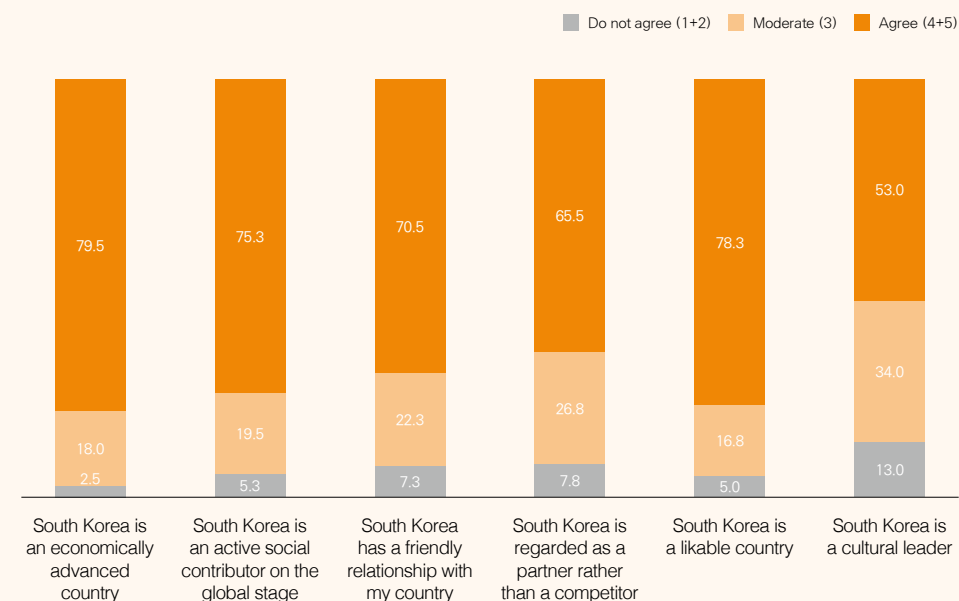
Perception of Korea

BASE: Argentina total, n=(500), Unit: %

Q. What do you think about South Korea in general?



Q. Please read each of the following descriptions of Korea and select how you agree/disagree with each statement.

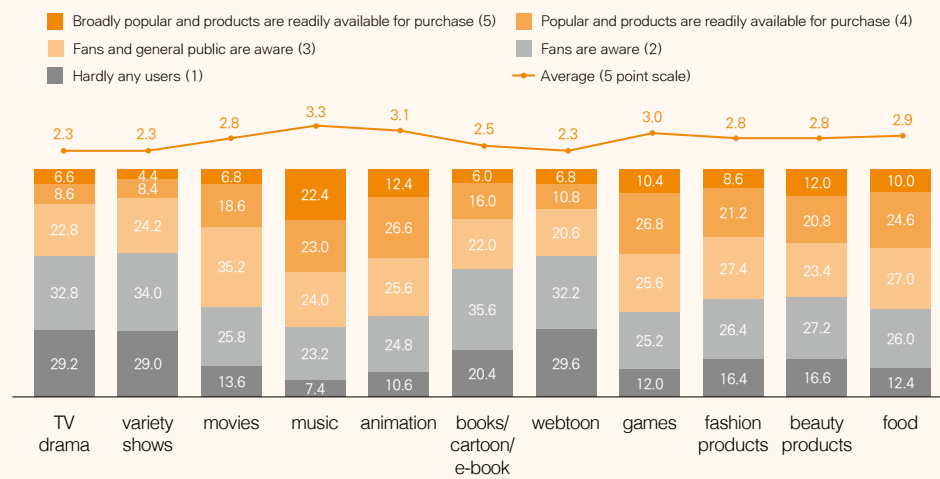


Looking at the popularity of each type of content, 22.4% answered that Korean music is “widely popular and easily accessible,” which was the highest, evidencing that music was the most sought-after type of content in Argentina. In contrast, webtoons, drama, variety shows, and books/comics/ e-books were found to be least popular as many responded that “there are hardly any users.”

Popularity by Content Type

BASE: Argentina total, n=(500), Unit: %

Q. What is your general perception of Korea?

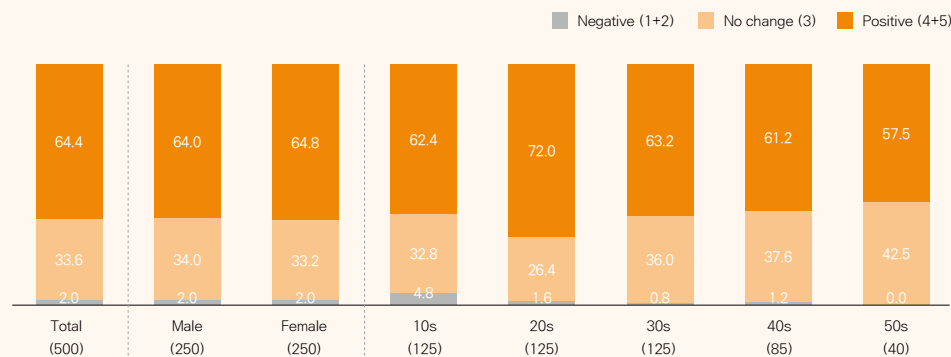


64.4% replied that their perception of Korea “turned positive” after experiencing Korean cultural content. Only 2.0% responded that their perception of Korea “turned negative.” The main factor causing negative perception was that “content is excessively commercial, aggressive and suggestive,” while political/social/historical issues were also found to influence the consumption of cultural content. With respect to age, the 20s age group scored the highest in replying that their perception of Korea “turned positive” after experiencing Korean cultural content.

Change in Perception of Korea After Experiencing Korean Cultural Content

BASE: Argentina total, n=(500), Unit: %

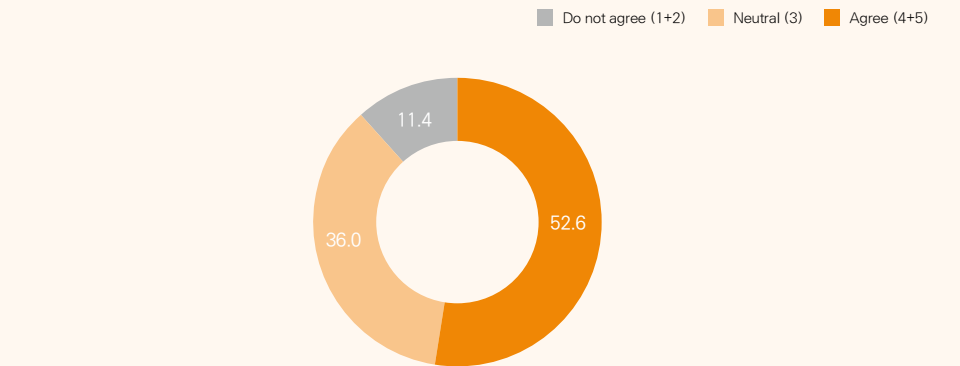
Q. How has your overall perception of Korea changed since you experienced Korean cultural content?



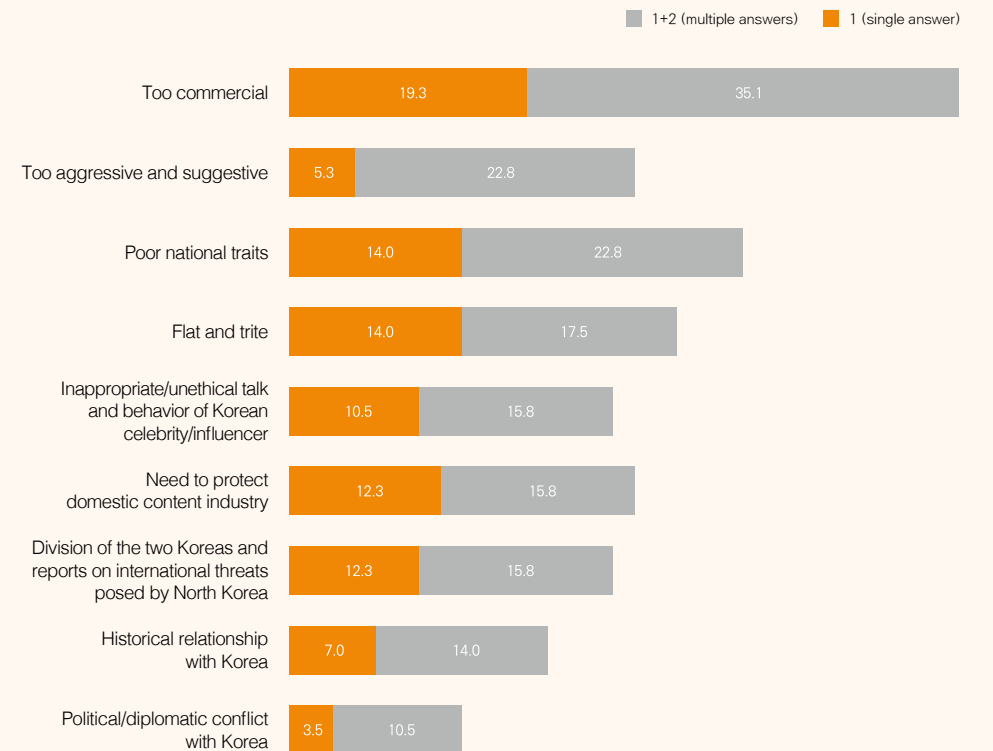
Negative Perception of Hallyu

BASE: Argentina total, n=(500), Unit: %

Q. How much do you agree with negative perception of Hallyu?



Q. Why do you agree with the negative perception of Hallyu? Please select two and rank in order.



2 The Importance of Hallyu Fandom in Argentina

Fandoms are not mere recipients of one-way communication. Driven by voluntary participation, fandoms play the role of producing new cultures and have a significant influence on the official culture industry because of its economic capital. In a fandom, fans feel a sense of belonging, because they are woven together by a common thread. They not only express their individual passion but also share joy and interests to establish relationships. Fandom goes beyond a common consumption behavior by playing a role as a guide through recommending and spreading high quality cultural content so that it can be enjoyed by a larger audience. The Hallyu fervor that started in Northeast Asia (e.g., China, Japan, Hong Kong, and Taiwan) has spread to Southeast Asia (e.g., Vietnam, Thailand, Malaysia, and Singapore) and is now making inroads globally, to Central Asia, Southwest Asia, Europe, North America, and South America.

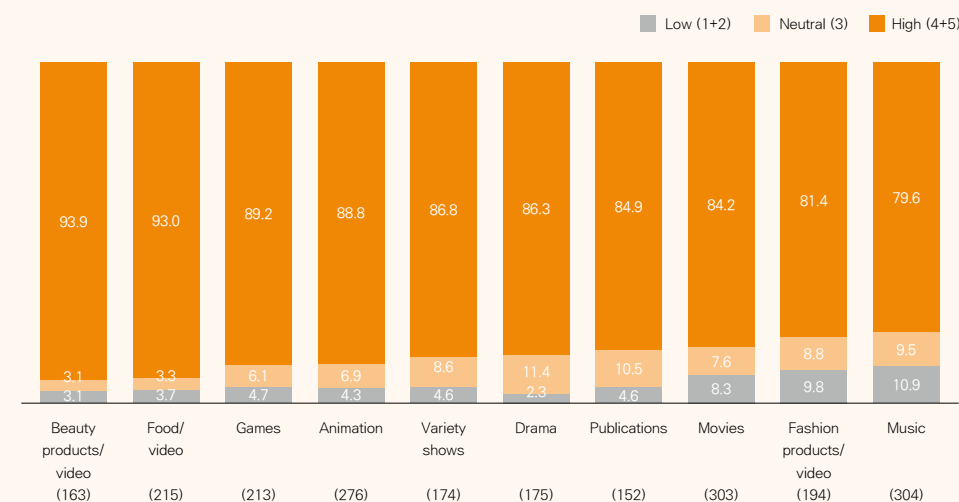
Latin America is perceived as a promising potential market with a positive outlook for Hallyu given that 35% of global Hallyu fans are from Latin America. The large fanbase is evidenced by the Latin American *K-pop Contest* held in Argentina which is celebrating its 12th anniversary this year. Argentina is playing an important role in terms of supporting the rapid growth and inflow of Korean culture into the region, and often, positive press coverage is generated by local media. In addition, Korean government agencies such as the Korean Embassy and the KCC in Argentina are leading Hallyu fandom by enabling fans to experience diverse elements of Korean culture via *K-pop Contest*, small-scale live K-pop performances, Korean film screenings, Korean language and cooking courses, and art/Korean painting exhibitions they hold. Such efforts are bearing fruit. The KCC in Argentina has 31,962 Facebook followers, 16,883 tweets on Twitter, 17,500 subscribers on YouTube, and 43,710 followers on Instagram.

The 2021 Survey on Overseas Hallyu Status shows that the likability of Korean content in Argentina is high with “beauty product/video” and “food/video recording,” having 93.9% and 93.0% likability respectively. These strong figures were driven by government agencies that have made utmost effort to directly reach out to locals with diverse programs to introduce and encourage experiencing Korean culture. Just a few years ago, Korean culture in Argentina was limited to K-pop, drama, and film but more recently, K-beauty and cuisine have been playing a leading role in enhancing likability. In result, Argentina has become a key Latin American country for Hallyu in terms of broad following for a variety of cultural genres and very high likability.

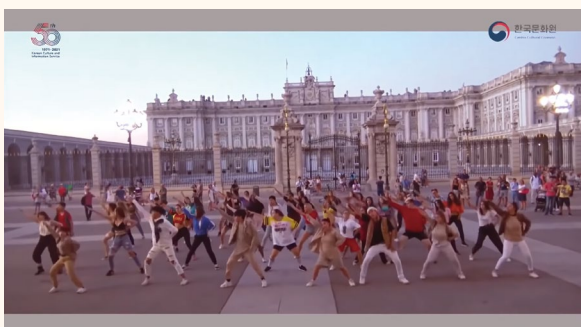
The likability of all types of cultural content exceeded 80% with exceptionally high support and optimistic outlook for “games (89.2%),” “animation (88.8%),” “variety shows (86.8%),” and “drama (86.3%).”

Overall Likability of Korean Cultural Content

BASE: Argentines with experience of using each type of Korean cultural content, Unit: %



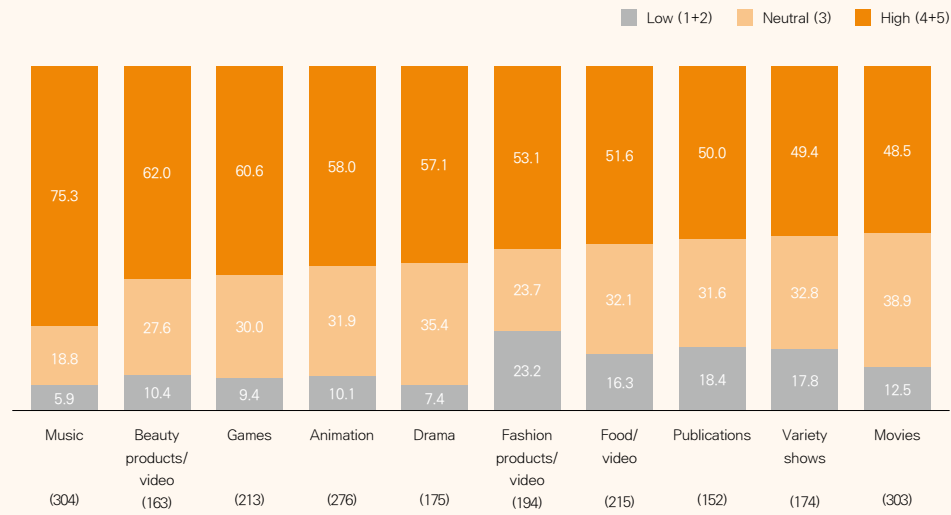
In terms of accessibility, “music” ranked the highest with 75.3%, followed by “beauty products/videos” with 62.0%. However, “fashion products/videos” and “publications” scored low, evidencing relatively lower accessibility. Overall, the level of accessibility seems to significantly vary amongst content types which suggests the need to develop measures to invigorate content types that showed low accessibility such as film, variety shows, publications, music, and fashion. By demography, people in their 20s showed the highest positive response for accessibility.



8. Argentine K-pop fans covering BTS
(Source: Korea Cultural Center in Argentina)

Accessibility of Korean Cultural Content

BASE: Argentines with experience of using each type of Korean cultural content, Unit: %



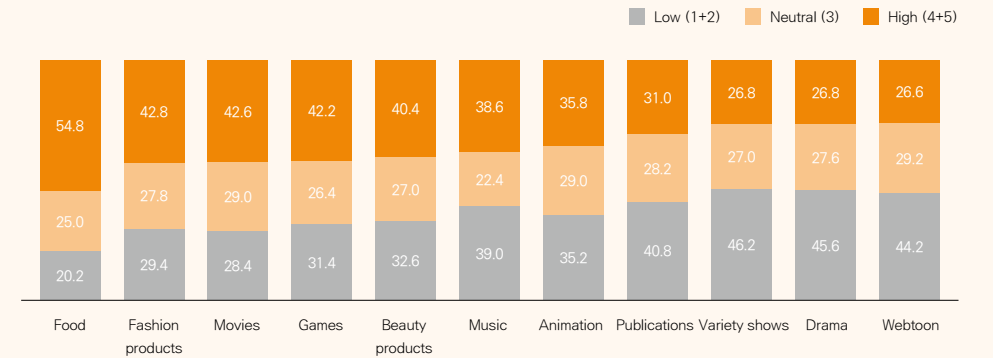
When asked about willingness to pay for content, “food (54.8%)” received the strongest support, followed by “fashion products/videos (42.8%),” “film (42.6%),” “games (42.2%),” “beauty products (40.4%),” “music (38.6%),” and “animation (35.8%).”

In Argentina, “online/mobile platforms” were the main channel of distribution for dramas, variety shows, cinema, music, and animation. Fashion, beauty, and food were all mainly exposed by “videos/images on SNS platforms.” Netflix was the main channel for Korean dramas and movies while YouTube was widely used to watch variety shows/animation and to listen to music. Understanding the characteristics of each distribution channel should provide insights for developing marketing strategies tailored to each type of content. Given that Argentina is a potential market, the development and distribution of content should be implemented with attention to detail, taking advantage of online/mobile platforms in the long-term.

Willingness to Use Paid Content

BASE: Argentina total, n=(500), Unit: %

Q. Are you willing to pay for the following type of Korean content?



Main Online/Mobile Platforms

Base: Argentines who have experience using online/mobile platforms when consuming Korean content, Unit:%, multiple answers

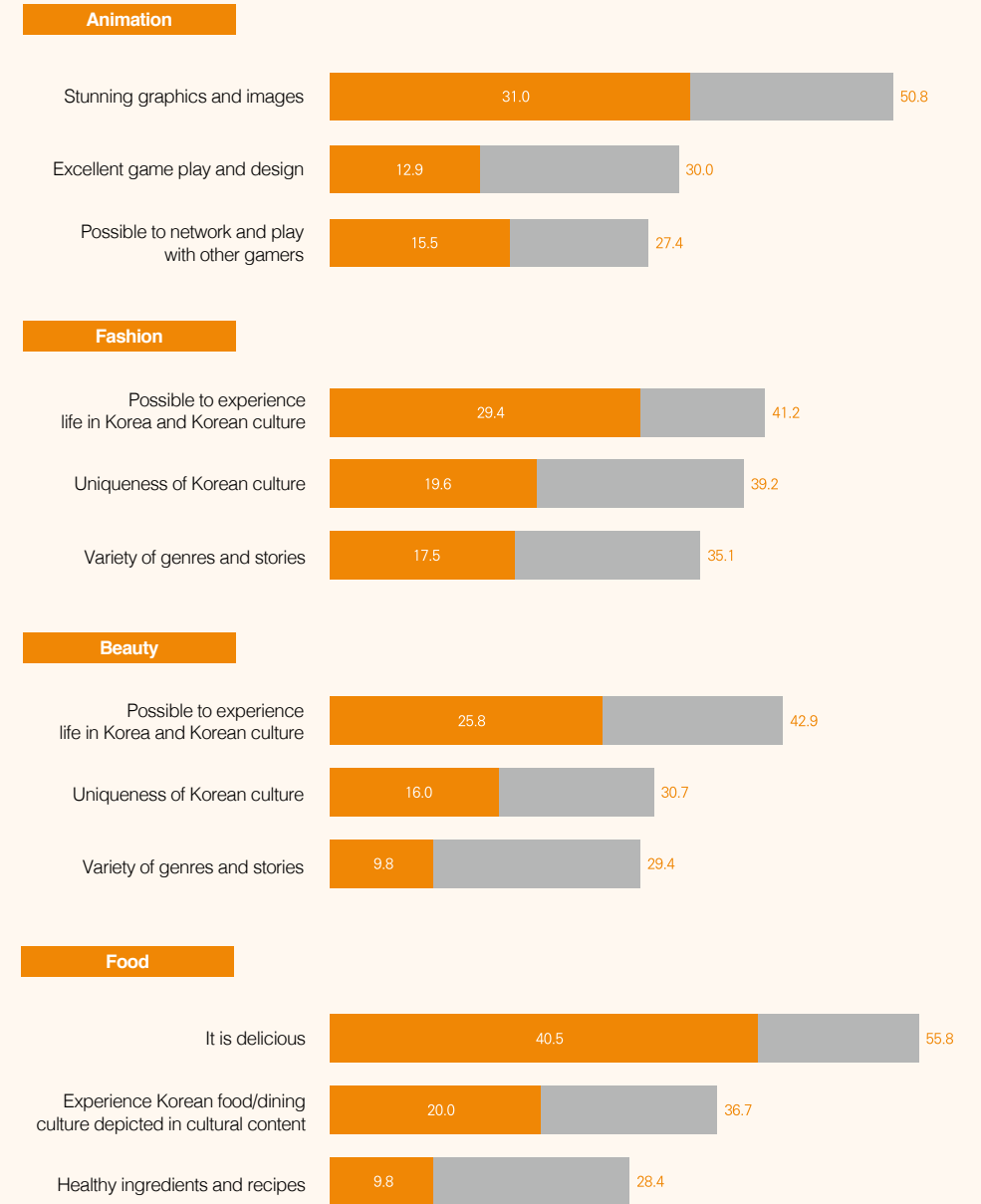
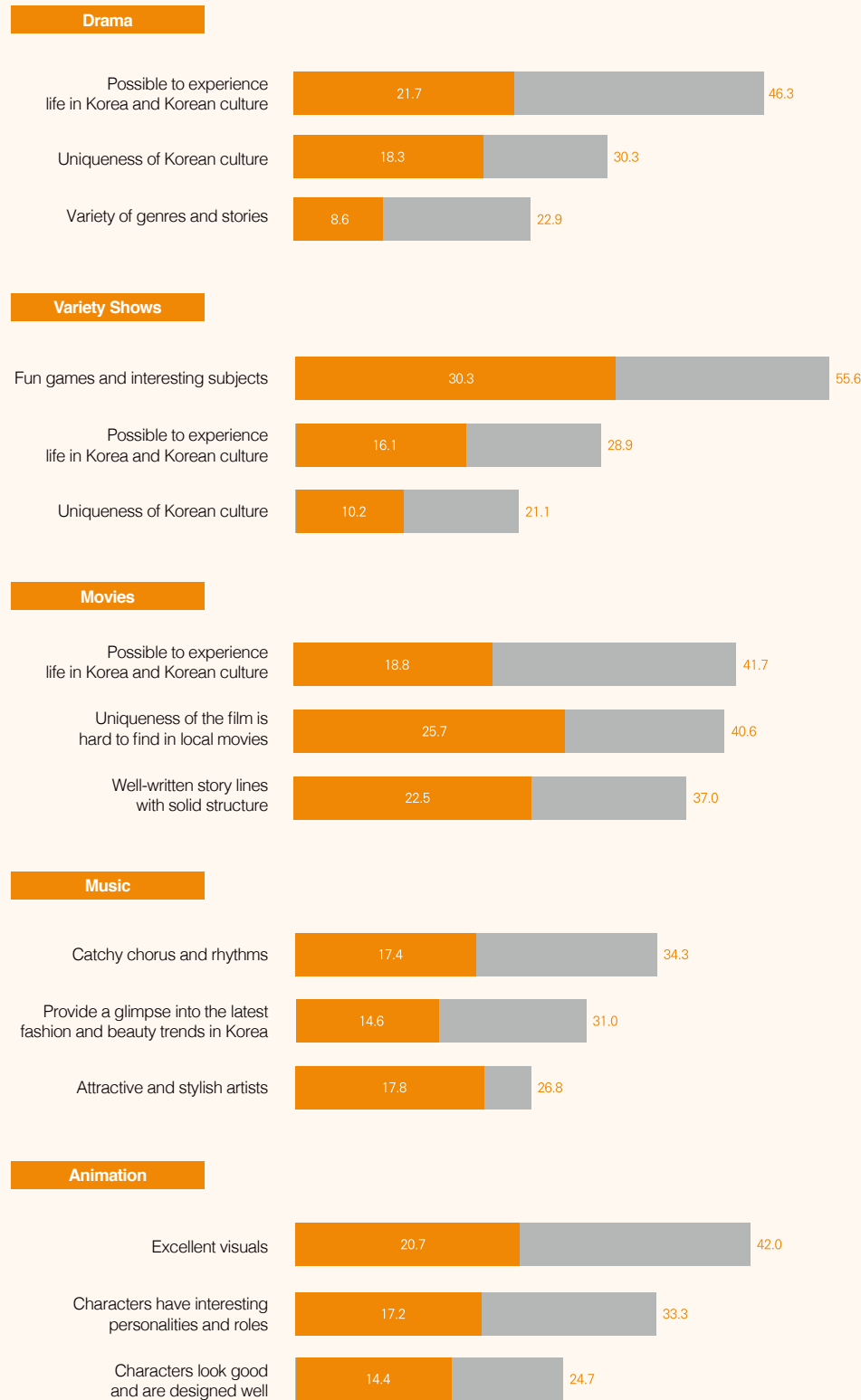
Q. Are you willing to pay for the following type of Korean content?

	Drama	Variety show	Movies	Animation	Music
Sample size	(145)	(145)	(242)	(223)	(279)
Netflix	87.2	71.8	87.2	69.5	YouTube 88.9
YouTube	73.0	81.4	70.7	83.4	Spotify 69.9
Amazon Prime	39.0	28.3	32.6	22.4	Google Play Music 17.6
YouTube Premium	24.8	26.2	18.6	21.1	Amazon Music 11.5
Youku	11.3	8.3	7.0	6.3	Apple Music 11.1
Hulu	9.9	7.6	8.3	4.5	iTunes 9.0
iQiyi	7.1	7.6	2.5	1.8	Deezer 5.7
SlingTV	3.5	2.1	2.5	0.9	QQ Music 1.8
Iflix	2.1	2.8	0.8	0.9	Others 1.4
Others	6.4	4.8	6.6	5.8	

Factors Driving Popularity (Top 3 choices for each genre presented only)

Q. What drives popularity of Korean cultural content in your home country?
Please choose two, in order.

■ Top 2 choices (1+2, multiple answers) ■ First choice only (1, single answer)



2021 Survey on Overseas Hallyu Status showed that *It's Okay to Not Be Okay* (2020) and *Stairway to Heaven* (2003) were the most popular dramas in Argentina, while *Parasite* (2019) was the most popular movie with a preference rate of 35%. The most coveted K-pop stars were BTS (31.9%) and Blackpink (13.8%), while the most popular actor was Lee Min-ho (8.6%) followed by Lee Jong-suk (3.0%), Hyun Bin (3.0%), Gong Yoo (2.2%), Park Shin-hye (2.2%), and Jisoo (2.0%). Pucca received dominant support (58.0%) in the animation character category.

3 Problems in the Dissemination of Korean Cultural Content in Argentina

While it is very natural that the main channel for experiencing Korean cultural content is social media, it is crucial that regional Korean government agencies continuously offer diverse opportunities for locals to directly experience Korean culture so that K-culture can be distributed through a variety of channels. In this regard, providing a direct way for locals to naturally absorb Korean culture should go hand in hand with promotional activities on such new experiences. In addition, credible information should be frequently distributed to local media to be published by the press. Another strategy is to ensure expedited word-of-mouth from Hallyu fans to their friends and acquaintances on various events and campaigns.

To this end, the KCC in Argentina supports the activities of honorary reporters and has formed the Korea Net Honorary Reporter Team in order to generate articles on the most recent news and policies of Korea in Spanish based on networking with the KCC. The Korea Net Honorary Reporter Team was launched in 2011 to distribute the latest Korean news in local languages overseas. In 2021, a total of 3,432 reporters across 105 countries have been selected of which 105 are Argentines. The content generated by Honorary Reporters focus on society, culture, and history unlike press articles which usually concentrates on politics and international relations. The Honorary reporters are able to create content tailored to the needs of the local environment and are making best efforts to enhance the understanding of Korea in their home country and to generate assorted content.

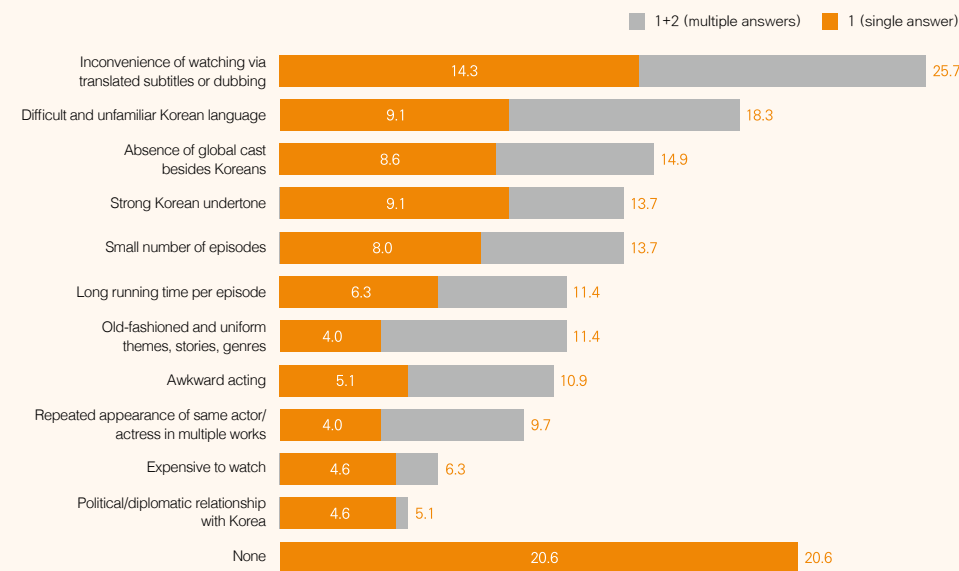
Recently, there has been strong demand for learning Korean language as many Argentines seek to acquire the language in order to deepen their understanding of Korean culture. In this sense, the importance Korean-Spanish/Spanish-Korean translation cannot be emphasized enough. According to the *2021 Survey on Overseas Hallyu Status*, 25.7% replied that “it is inconvenient to watch through translated subtitles or dubbing” and 18.3% responded that “the Korean language is difficult and too unfamiliar” as factors that hinder positive perception of Korean drama. The language issue was similarly pointed out for variety programs and cinema. In fashion, “limited size variation (36.6%)” and in cuisine, “difficulty of using Korean flatware (22.8%)” and “limited offering options (17.7%)” were found to undermine likability. The factors that hinder popularity are valuable insights that should be considered when developing Korean cultural content. A key takeaway of the survey results is that efforts

to overcome the language barrier such as Korean language programs and professional translation are essential for the advancement of Hallyu.

Factors Undermining Likability of Korean Drama

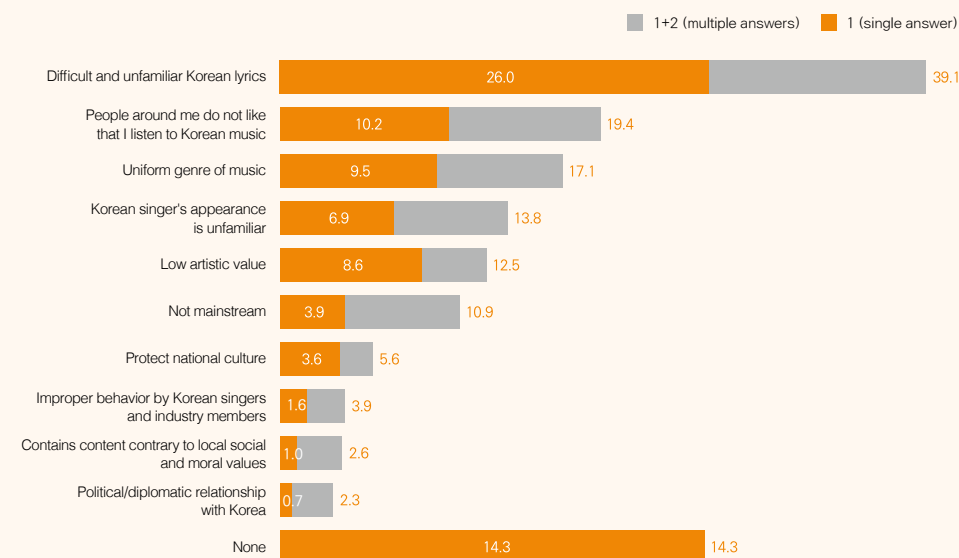
BASE: Argentines with experience of consuming Korea drama, n=(175), unit: %

Q. Which factors undermine likability of Korean drama? Please choose your top two reasons.



Factors Undermining Likability of Korean Music

BASE: Argentines with experience of consuming Korea music, n=(175), unit: %



4 The Era of Convergence - Developing High Value Adding Content for Korean Culture and Tourism

The true objective of Hallyu would be to go beyond a strong reception of Korean culture overseas. Hallyu should be able to encourage visitation to its source, Korea, and invigorate inbound tourism. In this sense, research on awareness of Korean tourism, surveys on likability, and development of tourism programs linked to Hallyu are urgent. To this end, tourism-related institutions and inbound travel agencies need to establish a new mindset and strengthen expertise. For example, programs that link elements of K-pop (e.g., music label tours, concerts, fan meetings, etc), which is immensely popular in Argentina, with K-cinema and K-drama (e.g., location, set, broadcasting company, celebrity hotel room, beauty company tours, etc) can be hugely successful. Dining at popular Korean restaurants to enjoy healthy Korean cuisine and attending cooking classes that allow participants to learn and directly experience Korean traditional dishes can be added to meet demands for “wellness tours” in the post-COVID era. In addition, Spanish is spoken in most of Latin America including Argentina. Nurturing professional Spanish speaking tour guides and providing information of tourist attractions in Spanish should be top priorities in order to welcome tourists from Latin America. Another recommendation would be to establish a “Hallyu Academy” to offer short-term learning programs for participants to learn Korean language and culture in a casual and entertaining environment in Korea. Likewise, a diverse array of Korean cultural tourism products can be developed to create demand for inbound tourism.

In Argentina, teenagers and those in their early 20s are the biggest followers of Hallyu. Mid/low priced products that can meet the relatively smaller purchasing power of such demography would be essential. Considering the fact that Argentina is quite distant from Korea, developing online tourism content and strengthening the establishment of databases as well as developing Korean cultural content in connection with tourism content would be proactive solutions. The first step to overcoming problems related with accessibility would be to create Korean and Spanish version videos of tourist attractions and regularly updating social media accounts to disseminate Korean tourism content (online travel). COVID-19 has not only reduced the demand for tourism but is also completely changing the dynamics of tourism. In light of the pandemic, hygiene and social distancing have become important factors to consider when determining tourist destinations and the

advancement of zero contact technology, such as VR/AR and the metaverse, are expected to accelerate digital transformation of the tourism industry.

Another marketing strategy to consider is to use product placement to feature major tourist attractions with popular Hallyu stars in music videos, games, animation, and commercials of beauty and fashion products, given the support Argentines have showed for Hallyu. Furthermore, if such productions can link its theme with tourism, the result can be impactful in a market like Argentina where awareness of Korean tourism is still relatively low. The same can be applied to Korean cuisine. Video content should not only focus on recipes, taste, decoration, or health. It should also link the food to its hometown or origin and show the major attractions of the area. In essence, Korean cultural tourism content should broadly follow Hallyu trends as Hallyu has already expanded into various segments of culture. Offering new content as solutions to geographic and cultural barriers that traditional content could not address can become a turning point in the advancement of Korean tourism.

Proactive policy support by the government is essential to propel the development of technology and diverse production methods. Active promotion through events, international conferences and exhibitions, and a detailed improvement strategy would be required. Also, there is a need to actively initiate joint cooperative efforts centered around Korean cultural content with global brands. In this regard, the collaboration of Hallyu cultural content and the tourism sector based on invigoration of industrial convergence can greatly contribute to enhancing the national image and economic growth of Korea. A theme park grounded in animation content and art museums, events, and exhibitions inspired by cartoons, animation, and games are some examples. It is crystal clear that the convergence and integration of the cultural content business and the tourism sector can further strengthen the Hallyu fever in Argentina.

Hallyu needs to move beyond just economics. Hallyu should focus on the development and the rapid dissemination of a wide spectrum of tourism content that can overcome the geographic distance and cultural barrier. It should also actively promote the development of cultural tourism products leveraging the enthusiasm for Hallyu, rather than concentrating on transmission of content or the conveyance and supply of content from a mere economic perspective. Efforts should be made to gather wisdom for the Korean cultural content business to be recognized as a specialized industry that can create high value adding products and services to become

an essential contributor to the national economy. It is an important period to herald a new era of Korean cultural tourism content to attract potential customers such as Argentina. 🇰🇷



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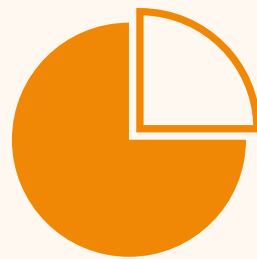
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STATISTIC



INSIDE

1 Hallyu-Manufacturing Sector

□ Cosmetics

Record Breaking Export Figures

K-beauty continued to grow as COVID-19 slightly calmed down in the second quarter. Cosmetic exports to major countries in Q2 2021 amounted USD \$2.39614bn (approx. KRW 2.6988tn) which is a 40.98% jump YoY and 13.15% growth QoQ, reaching historical highs. It is noteworthy that beauty product exports remained strong throughout and despite a prolonged coronavirus environment. Exports to China rose by 49.25% YoY to reach USD \$1.2946542 (approx. KRW 1.4563tn). China took up 54% of total cosmetic exports, driven by increasing demand for Korean products and the expansion of online distribution channels. Meanwhile, exports to Spain surged by 147.75% YoY to become the fastest growing market, followed by Kazakhstan, Vietnam, and Indonesia, which showed 98.11%, 90.92%, and 87.44% growth respectively. In Q2, exports to Europe and the US picked up as the economy broadly recovered thanks to accelerated vaccination. In addition, K-beauty products such as basic skin care, cleansing, and sheet masks were popular for their soothing effect on skin troubles occurring from wearing masks. Make-up products also showed signs of recovery as vaccination became widely available. The exponential growth of exports to major global markets despite COVID-19 was propelled by improved perception of Korean beauty products and is raising the outlook on earnings of Korean beauty companies. It will be interesting to see whether such performance can continue in Q3 amid resurgence of corona variants.*

Cosmetic Exports (Q2 2020~Q2 2021)

(Unit: \$ k)

Region	Country	2020			2021		Contribution	▲ YoY
		Q2	Q3	Q4	Q1	Q2		
Asia	Japan	190,306	162,784	174,561	204,396	207,504	8.98%	9.04%
	China	835,203	1,040,395	1,111,854	1,164,691	1,246,542	53.97%	49.25%
	Hong Kong	139,889	157,034	194,963	160,566	159,628	6.91%	14.11%
	Singapore	32,011	33,699	30,928	27,200	34,248	1.48%	6.99%
	Taiwan	38,686	39,751	45,026	45,852	45,018	1.95%	16.37%
	Vietnam	46,111	65,002	83,667	90,181	88,034	3.81%	90.92%
	Malaysia	19,917	22,237	25,753	30,318	31,254	1.35%	56.92%
	Indonesia	11,520	14,711	19,710	22,682	21,593	0.93%	87.44%
	Thailand	28,925	31,768	28,950	33,309	36,541	1.58%	26.33%
	Philippines	7,932	10,167	10,051	10,874	11,063	0.48%	39.47%
	Myanmar	2,856	5,645	6,297	4,567	2,974	0.13%	4.13%
	Cambodia	4,157	4,856	5,374	6,351	4,413	0.19%	6.16%
	Kazakhstan	6,510	8,030	10,924	12,376	12,897	0.56%	98.11%
	Mongolia	4,964	5,298	2,839	3,960	7,127	0.31%	43.57%
Americas	US	161,909	186,852	181,527	190,356	228,196	9.88%	40.94%
	Canada	7,488	13,126	10,588	7,933	10,961	0.47%	46.38%
	Mexico	1,890	2,140	2,731	2,816	3,266	0.14%	72.80%
	Brazil	1,213	872	1,899	1,374	1,175	0.05%	-3.13%
Europe	France	13,976	8,962	13,055	13,082	15,827	0.69%	13.24%
	UK	10,951	17,834	18,548	14,357	20,309	0.88%	85.45%
	Germany	5,065	4,267	4,171	5,485	8,851	0.38%	74.75%
	Italy	1,286	1,234	1,664	1,520	2,410	0.10%	87.40%
	Spain	2,151	3,178	4,206	3,971	5,329	0.23%	147.75%
	Hungary	355	341	311	509	356	0.02%	0.28%
	Russia	43,776	65,295	68,062	73,825	79,943	3.46%	82.62%
	Netherlands	5,643	5,285	6,265	7,509	9,399	0.41%	66.56%
	Romania	1,396	1,488	1,598	1,808	1,540	0.07%	10.32%
	Oceania	Australia	11,316	13,756	10,974	10,865	11,719	0.51%
New Zealand		804	1,123	1,537	1,281	1,497	0.06%	86.19%
Total		1,638,206	1,927,130	2,078,033	2,154,014	2,309,614	100.00%	40.98%

* Source : Korea International Trade Association website, 'K-Statistics-By Commodity (By Country) - MTI code 227 (Soaps, toothpaste and cosmetics),' as of August 4, 2021

□ Fashion

Exports Bounce Back amid Global Economic Recovery

Exports in Q2 2021 stood at USD \$525.416mn (approx. KRW 606.65386bn) which is a 20.60% growth QoQ and 24.63% increase YoY, a significant improvement from Q1 when exports recorded negative growth. Exports to Vietnam, the largest market (25.59), rose by 31.35% YoY to reach

USD \$134.476mn (approx. KRW 157.10832mn). This was followed by China, the former largest export market since Q3 2020, with USD \$195.339mn (approx. KRW 127.94550bn). Meanwhile, exports to Asia, the Americas, and Oceania continued the growth momentum from Q4 2020. Malaysia (+173.60%), Cambodia (+128.75%), Italy (+125.18%), and Thailand (+105.63%) showed the largest YoY growth. The strong performance seems to be mainly driven by the removal of lock downs, recovery of consumer sentiment and significant upward adjustment of growth outlooks of major economies. However, it is unclear whether this trend is sustainable given the global imbalance of vaccine distribution, side effects of inoculation, and spread of variants.*

Fashion Exports (Q2 2020~Q2 2021)

(Unit: \$ k)

Region	Country	2020			2021		Contribution	▲ YoY
		Q2	Q3	Q4	Q1	Q2		
Asia	Japan	75,069	83,465	103,486	89,210	88,692	16.88%	18.15%
	China	69,157	96,782	134,300	116,342	109,353	20.81%	58.12%
	Hong Kong	17,865	17,270	33,687	24,604	23,545	4.48%	31.79%
	Singapore	3,181	3,231	4,052	1,527	4,235	0.81%	33.13%
	Taiwan	14,298	14,389	22,188	17,542	15,194	2.89%	6.27%
	Vietnam	102,379	77,796	108,314	62,612	134,476	25.59%	31.35%
	Malaysia	750	1,109	997	519	2,052	0.39%	173.60%
	Indonesia	14,140	14,012	18,909	13,882	19,266	3.67%	36.25%
	Thailand	1,282	2,154	2,292	2,697	2,595	0.48%	105.63%
	Philippines	2,684	7,516	7,226	4,386	4,601	0.88%	71.42%
	Myanmar	9,641	2,743	5,389	3,901	7,945	1.51%	-17.59%
	Cambodia	1,148	2,532	2,634	1,842	2,626	0.50%	128.75%
	Kazakhstan	272	288	494	930	488	0.09%	79.41%
	Mongolia	951	1,199	950	1,348	1,773	0.34%	86.44%
Americas	US	49,616	72,619	55,208	54,569	69,388	13.21%	39.85%
	Canada	3,692	6,230	5,278	6,394	4,445	0.85%	20.40%
	Mexico	972	1,355	659	951	1,487	0.28%	52.98%
	Brazil	407	369	278	357	443	0.08%	8.85%

*Reference

Korea Federation of Textile Industries (2021), Korea Fashion Market Trend 2021.

Region	Country	2020	2021	2020	2021	2020	2021	2020	2021
Europe	France	7,710	9,356	10,036	8,566	9,306	1.77%	20.70%	
	UK	5,877	6,216	8,094	8,587	6,681	1.27%	13.68%	
	Germany	4,033	4,881	6,183	4,103	4,896	0.93%	19.62%	
	Italy	1,807	4,085	3,224	3,247	4,069	0.77%	125.18%	
	Spain	716	54	392	506	265	0.05%	-62.99%	
	Hungary	247	114	222	470	183	0.03%	-25.91%	
	Russia	1,406	1,333	1,576	958	1,436	0.27%	2.13%	
	Netherlands	1,244	1,946	1,554	2,191	1,756	0.33%	41.16%	
	Romania	23,190	17,416	29	0	50	0.01%	-99.82%	
Oceania	Australia	2,489	2,626	2,903	2,882	3,615	0.69%	45.24%	
	New Zealand	324	389	421	526	555	0.11%	71.30%	
Total		421,557	453,465	541,055	435,654	525,416	100.00%	24.63%	

* Source : Korea International Trade Association website, 'K-Statistics - By Commodity (by country) - MTI code 441 (garments/clothes),' as of August 4, 2021

2 Hallyu-Tourism

Slight Pick Up of Inbound Tourists in Q2 2021

In Q2 2021, 190k foreign tourists visited Korea from major countries, which is a 127.34% jump from the same period last year, when the tourism industry was hit hard by COVID-19. This is a 13.30% increase QoQ, driven by global vaccine inoculation. In April, May, and June this year, 59,449, 64,641, and 65,912 foreign tourists visited Korea respectively. In Q2 2021, inbound tourists from the US took up the largest portion (25.50%), which actually shrank by 13,000 YoY to 48,381. Inbound tourists from China surged by 211.79% YoY to 43,993, taking up 23.19%, followed by the Philippines (14.19%) with 26,918 tourists, a 376.42% surge against Q2 2020. Many countries have agreed on vaccine passports and “travel bubbles,” however, the spread of highly transmissible variants and rising breakthrough infections are leading to repeated lockdowns. The global resurgence of COVID-19 will inevitably subdue global tourism. The World Tourism Organization (UNWTO) mentioned that it will take two to four years for the tourism industry to recover pre-COVID 2019 levels. Multi-faceted efforts to boost tourism including vaccination and diversification of the tourism sector would be of high priority.*

Inbound Tourist Arrivals (Q2 2020~Q2 2021)

(Unit: person)

Region	Country	2020			2021		Contribution	▲YoY
		Q2	Q3	Q4	Q1	Q2		
Asia	Japan	1,271	2,824	3,132	3,967	3,150	1.66%	147.84%
	China	14,110	41,320	28,638	38,308	43,993	23.19%	211.79%
	Hong Kong	121	360	207	279	212	0.11%	75.21%
	Singapore	147	265	731	261	273	0.14%	85.71%
	Taiwan	584	1,289	862	1,023	902	0.48%	54.45%
	Vietnam	9,010	4,445	3,891	4,858	5,208	2.75%	-42.20%
	Malaysia	363	598	609	964	828	0.44%	128.10%
	Indonesia	5,705	10,315	11,743	10,329	12,298	6.48%	115.57%
	Thailand	807	1,913	1,234	1,507	2,061	1.03%	155.39%
	Philippines	5,650	26,013	28,459	25,361	26,918	14.19%	376.42%
	Myanmar	2,439	12,843	15,627	14,289	13,618	7.18%	458.34%
	Cambodia	1,117	620	980	1,385	1,764	0.93%	57.92%
	Kazakhstan	372	988	784	1,832	1,716	0.90%	361.29%
Mongolia	818	881	381	624	721	0.38%	-11.86%	
Americas	US	24,869	37,716	37,568	35,546	48,381	25.50%	94.54%
	Canada	2,044	3,338	4,092	4,120	4,841	2.55%	136.84%
	Mexico	220	573	889	881	881	0.46%	300.45%
	Brazil	152	263	259	413	304	0.16%	100.00%
Europe	France	769	3,419	2,864	3,933	2,636	1.33%	242.78%
	UK	1,105	1,721	1,737	1,236	1,256	0.66%	13.67%
	Germany	3,585	3,746	3,386	3,674	3,714	1.96%	3.60%
	Italy	459	511	639	671	699	0.37%	52.29%
	Spain	149	333	284	479	325	0.17%	118.12%
	Hungary	24	232	228	207	168	0.03%	600.00%
	Russia	5,002	5,790	6,008	6,760	7,995	4.21%	59.84%
	Netherlands	1,764	2,392	3,145	3,170	3,628	1.91%	105.67%
	Romania	337	703	660	733	661	0.35%	96.14%
Oceania	Australia	372	506	638	564	536	0.28%	44.09%
	New Zealand	210	327	321	329	315	0.17%	50.00%
Total		83,575	166,244	159,936	167,703	190,002	100.00%	126.98%

* Source : Korea Tourism Organization website (Notice - Data - Korea Tourism Statistics) as of August 4, 2021

3 Hallyu-Education

Inflow of International Students·Trainees Continues Decline

A total of 8,072 foreigners entered Korea for the purpose of education and training from major countries in Q2 2021, which is a 61.18% decline from the previous quarter (20,792) and 25.17% decrease from Q2 2020 (10,787), as many decided to take leave from school or cancel admission because of COVID-19. Universities turning to contactless online courses would be another driver. 3,544 students and trainees came from China (43.9%) which is a 16.12% decline from Q2 2020. Entries from Vietnam for educational purposes, which took up 28.90%, plunged by 64.78% YoY to 2,337. The drop was especially evident in non-degree courses than degree courses. Regional universities are suffering a double whammy of a shrinking school-age population in Korea and a plunge in foreign non-degree students such as language trainees and exchange students. Foreign students usually start a degree program (bachelor, master, and doctorate degrees) after completing a non-degree course. In this regard, the recent steep decline of non-degree foreign students imply that foreign degree course students will drop in the future, which will eventually hit regional tertiary education hard. The downward trend is expected to continue as the 4th wave of the virus in Korea continues to spread despite increasing vaccination. * ④

Entry of International Students·Trainees (Q2 2020~Q2 2021)

(Unit: person)

Region	Country	2020			2021		Contribution	▲ YoY
		Q2	Q3	Q4	Q1	Q2		
Asia	Japan	125	666	374	1,352	757	9.38%	505.60%
	China	3,052	13,100	3,340	10,341	3,544	43.90%	16.12%
	Hong Kong	32	194	100	141	79	0.96%	146.88%
	Singapore	8	27	15	34	14	0.17%	75.00%
	Taiwan	84	445	121	271	120	1.49%	42.86%
	Vietnam	6,636	2,613	1,689	3,139	2,337	28.95%	-64.78%
	Malaysia	75	145	33	217	40	0.50%	-46.67%
	Indonesia	101	367	50	583	94	1.16%	-6.93%
	Thailand	32	137	67	135	54	0.67%	68.75%
	Philippines	14	25	61	65	17	0.21%	21.43%
	Myanmar	47	137	18	158	59	0.73%	25.53%
	Cambodia	5	71	19	79	19	0.24%	280.00%
	Kazakhstan	17	59	22	309	72	0.89%	323.53%
Mongolia	462	672	190	397	276	3.42%	-40.26%	
Americas	US	24	307	63	575	244	3.02%	916.67%
	Canada	3	50	18	50	25	0.31%	733.33%
	Mexico	2	40	8	99	9	0.11%	350.00%
	Brazil	6	37	7	70	12	0.15%	100.00%
Europe	France	19	751	125	1,241	14	0.17%	-26.32%
	UK	7	99	16	20	2	0.02%	-71.43%
	Germany	9	436	4	633	50	0.62%	455.56%
	Italy	3	75	28	149	28	0.35%	833.33%
	Spain	3	108	33	253	16	0.20%	433.33%
	Hungary	0	0	0	0	0	0.00%	0.00%
	Russia	12	248	177	375	172	2.13%	1333.33%
	Netherlands	6	32	7	61	8	0.10%	33.33%
	Romania	0	11	4	18	4	0.05%	400.00%
	Oceania	Australia	1	5	12	14	6	0.07%
New Zealand		2	3	2	3	0	0.00%	-100.00%
Total		10,787	20,860	6,639	20,792	8,072	100.00%	-25.17%

* Source : Source : Korea Tourism Organization website (Notice - Data - Korea Tourism Statistics, as of August 4, 2021)

*Reference

Korea Tourism Organization, Korea Tourism Statistics, April, May, June 2021

KBS NEWS (2021, February 9). "Steady Decline of International Students - Double Whammy for Universities."