



## International Market Insight (IMI) - Korean RV Market

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### Actionable Information

- Organize a seminar at the 83<sup>rd</sup> International Rally of the International Federation of Camping & Caravanning (FICC), hosted by Wanju City, Jeolla Province, South Korea. The event is from July 30 - August 8, 2015. The Minister of Culture, Sports & Tourism and his deputies will be attending this event. This is an opportunity to inform the Korean government on the kind of regulatory environment that would help Korea both grow its domestic tourism as well as attract international tourists to their +2,000 campgrounds (i.e. Chinese camping enthusiasts).
- Exhibit American-made RVs at the 83<sup>rd</sup> International FICC Rally in Wanju City. Over 2,500 international and Korean camping enthusiasts will be attending this event.

### Readout of Meeting with KCCF

On December 18, 2014, the U.S. Commercial Service in Korea met with the Korean Caravanning and Camping Federation (KCCF). It is a member of FICC (International Federation of Camping & Caravanning; [www.ficc.org](http://www.ficc.org)). FICC has 40 member countries of which four are from Asia (China, Japan, South Korea and Taiwan). Korea has been a member for over 20 years.

KCCF will be hosting the 83<sup>rd</sup> International FICC Rally in Wanju City, Jeolla Province from July 30 - August 8, 2015 ([www.koreacamping.org](http://www.koreacamping.org)). Wanju City is approximately 3.5 hours away from Seoul. An Asia-Pacific Rally for the four Asian member countries will take place in the Hannam, South Korea sometime in October 2015. This will be the year for Korea to highlight its camping tourism and the Ministry of Culture, Sports & Tourism (MCST) will be providing a lot of support.

Approximately 2,500 people (both international and domestic camping enthusiasts) are expected to attend the international rally and about 400 people for the Asia-Pacific Rally.

KCCF membership is \$50/year. KCCF has over 5,000 members.

### Korean Camping Trends and Market for RVs

There are four million Korean campers. There are over 2,000 campgrounds, and approximately 900 have been developed to accommodate trailers. Of the 900, approximately 300 are government-owned.

There is currently very little campground regulation and many new campgrounds are being created without uniform standards. MCST is considering to adopt FICC standards, designating KCCF as the certifying authority.

Korean families want to introduce nature to their young children. A Korean TV episode of “Daddy, Where Are We Going?” featured an RV. This created broad consumer awareness of RV-style camping.

Some Korean drivers purchase Hyundai/Kia van chassis and retrofit them into recreation vehicles. The cost to do this is about \$30,000 plus modifications. Therefore, a good price range for imported RVs from the U.S. would be between \$40 - 60,000.

Features that are important: easy maintenance/serviceability, compact; automatic transmission; diesel fuel.

There are approximately five local manufacturers of RVs. Doosung is one of the larger ones. They sell about 1,000 units per year and are relatively expensive due to imported German parts (finished unit price between \$50-60,000).

[NOTE: U.S. Embassy motorpool drivers are interested in purchasing an American-made RV (see Mr. Cheon-gi Shin).]

### **Market Access Issues**

The tariff now for RVs is around 15%.

Most Korean men have a Type 1 driver’s license, which qualifies them for driving RVs in South Korea. Therefore, advocacy to change driver’s licensing laws is not a major issue.

Foreign imports of non-motorized trailers in Korea is about 1,000 units. A major barrier against motorized trailers is the emissions test. There will be a difference between whether OEM or importer is requesting the emissions test. OEMs can receive a type certification; so, all exporters using the same type would automatically be qualified. Whereas importers will have to test each class of vehicle every time it is being imported.

The relevant Korean ministries (i.e., Ministry of Environment, Ministry of Land, Infrastructure & Transportation) need to make a new category for RVs. Without the new category, then emissions will be a constant problem.

Hyundai/Kia will not want new motorhome category because this would take away from their chassis business.

Chairman Chang of KCCF was the 1<sup>st</sup> importer of caravans in Korea: 100 units in 2002 from U.K. and Germany for the first FICC Rally in Korea. KCCF can request exception for U.S. RV imports for the purpose of the FICC Rally, similar to when KCCF received exceptions for the first non-motorized trailers in Korea in 2002.