

**YANOLJA RESEARCH BRIEF**

**2025 Q1**

# **Korea Inbound & Outbound Tourism Performance**

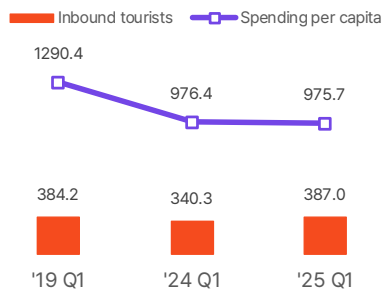
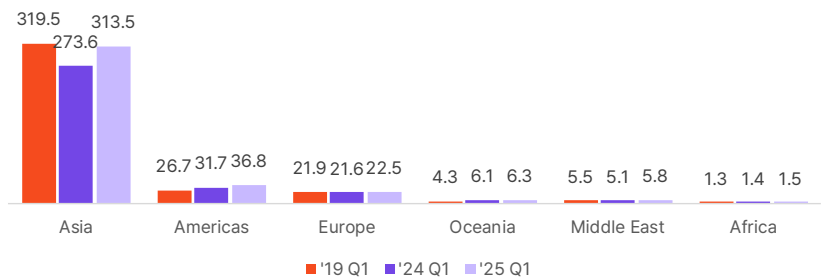
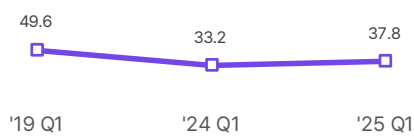
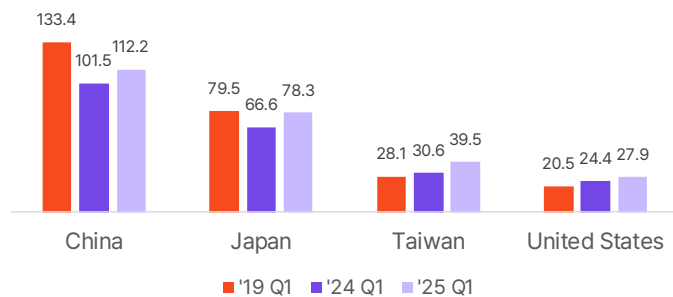
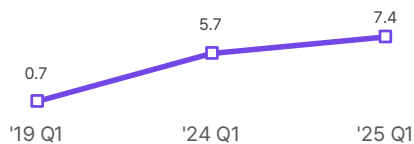
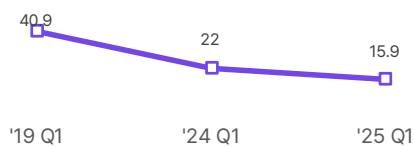
# 2025 Q1 Korea Inbound & Outbound Tourism Performance

## Inbound Tourism: Beyond Recovery in Numbers, Toward a Need for Qualitative Transformation

- In the first quarter of 2025, the number of foreign tourists visiting Korea totaled 3,870,247, marking a 13.7% increase year-on-year and a 0.7% rise compared to the same period in 2019, pre-COVID-19. This is the highest Q1 figure on record, indicating that inbound demand has fully recovered in quantitative terms.
- However, unlike the increase in visitor numbers, tourism revenue remains stagnant. In Q1 2025, tourism revenue reached USD 3.78 billion, representing a 13.7% increase from the previous year, but still 23.8% lower than the same period in 2019. Moreover, average spending per visitor fell by 24.4%, from approximately USD 1,290 in Q1 2019 to USD 976. This disparity clearly highlights that a mere quantitative rebound is insufficient to improve profitability in Korea's tourism sector.
- By region, visitors from Asia overwhelmingly dominate, accounting for 81.0% (approximately 3.14 million people) of total inbound tourists. This underscores Korea's continued heavy reliance on geographically proximate markets. However, Asian arrivals are still only at 98.1% of 2019 levels, indicating an incomplete recovery.
- A key factor behind this lag is the delayed recovery of the Chinese market. In Q1 2025, 1.334 million Chinese tourists visited Korea, about 84% of the Q1 2019 figure (over 1.6 million). This appears to result from a mix of political and economic factors as well as changing consumer trends both within and outside China.
- Japan stands out as a leading case of inbound tourism recovery. Japanese visitors to Korea in Q1 2025 numbered around 1.12 million—98.5% of the pre-pandemic level (approx. 1.14 million). Notably, the increase is driven by individual rather than group travelers, indicating sustained popularity of Korean pop culture.
- Taiwan provides a hint toward structural transformation. Since 2023, Taiwanese tourist arrivals have surpassed those from the U.S., reaching 395,000 in Q1 2025—over 40% growth compared to 2019. Of these, more than 38% entered Korea through regional airports such as Gimhae, Jeju, and Daegu. This suggests that a diversified supply of flights operated by both national and foreign carriers contributed to demand expansion.
- One major reason for sluggish recovery in tourism revenue is the sharp rise in cruise tourists. As of Q1 2025, cruise passengers accounted for 7.4% of total inbound visitors, up significantly from 0.7% in 2019. Due to their short stays and limited spending on accommodation and food & beverage, their economic impact on local areas is relatively low.
- Another factor is the steep decline in duty-free sales. Sales to foreign visitors dropped from USD 4.09 billion in 2019 to USD 1.59 billion in 2025, a result of reduced spending—particularly by Chinese tourists—and shifts in their consumption patterns.

**Inbound tourists & spending per capita**

(Unit: 10000 persons, USD)

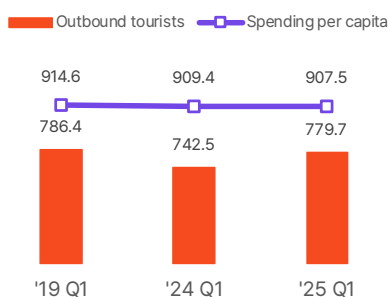
**Inbound tourists by continents** (Unit: 10000 persons)**Tourism Income** (Unit: 100M USD)**Inbound tourists by countries** (Unit: 10000 persons)**Share of cruise arrivals** (Unit: %)**Foreigners' duty-free shop spending** (Unit: 100M USD)

# Outbound Tourism: Robust Recovery in Travel and Spending, Main Driver of Worsening Tourism Balance

- In the first quarter of 2025, a total of 7,796,521 Koreans traveled abroad, reaching 99.1% of the Q1 2019 level. This figure represents a 5.0% year-on-year increase and marks the highest quarterly outbound travel volume since the onset of the pandemic. It reflects the continued surge in overseas travel demand that began in the second half of 2024.
- By destination, Japan remains the clear leader. In Q1 2025, 2.506 million Koreans visited Japan, a 20.4% increase compared to 2019. This surge was driven by a combination of factors including visa exemptions, favorable exchange rates, and the expansion of low-cost carrier routes.
- Vietnam (1.26 million visitors, +13.8%) continues its upward trend thanks to strong air connectivity, low prices, and abundant tourism resources. In contrast, the Philippines (-24.1%), Hong Kong (-24.9%), and Macau (-34.3%) experienced significant declines compared to pre-pandemic levels.
- The most notable trend in outbound tourism is the recovery of spending. In Q1 2025, Korean overseas travel expenditure totaled USD 7.08 billion, only 1.6% below the 2019 level and up 4.8% year-on-year. Average spending per traveler also nearly returned to pre-pandemic levels, reaching USD 908 compared to USD 914 in Q1 2019. This indicates that Korean consumers are now actively unleashing the pent-up demand for overseas spending that accumulated during the pandemic.
- On the other hand, the average spending by inbound tourists has not recovered, leading to a tourism balance deficit of -USD 3.30 billion in Q1 2025—a 50% increase from the Q1 2019 deficit (-USD 2.23 billion). This widening gap suggests that Korea's tourism economy is becoming increasingly reliant on outbound spending, while its ability to generate inbound tourism revenue remains relatively weak.

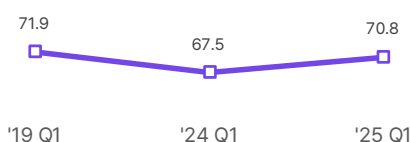
## Outbound tourists & spending per capita

(Unit: 10000 persons, USD)



## Tourism Expenditure

(Unit: 100M USD)



## Top destinations by number of outbound tourists in 2025 Q1

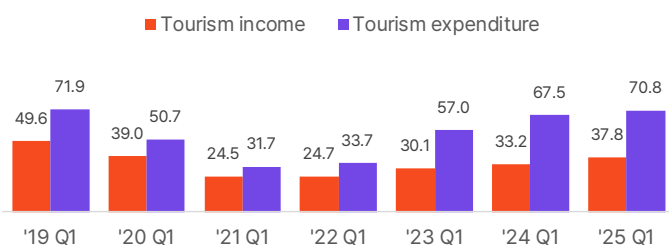
(Unit: 10000 persons)

Country	2019 Q1	2024 Q1	2025 Q1	Growth rate in Q1 2025 compared to 2019 Q1
Japan	208.1	233.9	250.6	+20.4%
Vietnam	110.8	123.3	126.0	+13.8%
Thailand	53.7	55.9	49.8	-7.3%
United States	52.2	43.2	37.7	-4.6%
Philippines	52.0	45.8	39.4	-24.1%
Hong Kong	45.1	25.3	33.8	-24.9%
Taiwan*	32.6	31.8	22.7	-
Singapore	18.2	19.0	18.9	+4.3%
Macau	26.2	13.0	17.2	-34.3%

\* For countries where March 2025 data is unavailable, the figures represent outbound travel demand for January–February only.

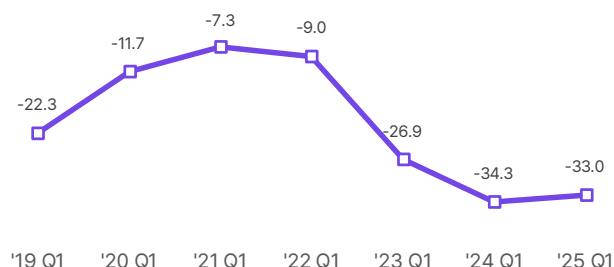
## Tourism income & expenditure

(Unit: 100M USD)



## Korea's tourism balance

(Unit: 100M USD)



## Implications: Seeking Solutions through the Activation of Regional Airports

- While Korea's tourism industry has entered a nominal recovery phase post-pandemic, the tourism account deficit has worsened. Addressing this issue requires attracting high-spending inbound tourists and encouraging longer stays in regional areas. To achieve this, the development of high value-added tourism products and expanded air service to regional airports will be essential.
- The cases of Taiwan and China highlight the potential of regional airport utilization. In Taiwan's case, over 38% of visitors entered Korea via regional airports such as Gimhae, Jeju, and Daegu. Similarly, about 840,000 Chinese tourists arrived through Jeju Airport. This trend is closely tied to the availability of flights operated by foreign airlines. In contrast, although demand from Japan is strong, regional airports in Korea lack regular routes from Japanese carriers, leaving Korean airlines solely responsible for meeting this demand. This supply-demand imbalance reinforces the metropolitan-centered recovery.
- Therefore, policy incentives such as priority slot allocation, operating subsidies, and tax benefits to encourage foreign airlines to serve regional airports are crucial. It would be most effective to implement these strategies first in proven markets like Japan and Taiwan. In the short term, such initiatives could revitalize regional economies, while in the mid-to-long term, they could lay the groundwork for improving Korea's tourism balance.
- In summary, the limitations of inbound tourism are largely tied to a "supply-side bottleneck." The slow recovery of demand from Asian markets post-pandemic is not solely due to weak economic conditions in countries like China, but also to structural constraints—especially limited accessibility to regional airports. It is now critical to address these challenges through serious consideration of regional airport revitalization.

### Number of scheduled flights by airports in 2024

	Japan			China			Taiwan		
	Tourists	Flights by Korean carriers	Flights by foreign carriers	Tourists	Flights by Korean carriers	Flights by foreign carriers	Tourists	Flights by Korean carriers	Flights by foreign carriers
Incheon airport	2,190,361	85,467	4,964	2,519,848	27,920	43,874	722,453	6,176	4,908
Gimpo airport	557,290	8,746	4,281	213,255	2,375	2,899	123,098	1,026	1,360
Gimahe airport	295,651	19,228	0	100,974	3,181	2,271	361,863	4,396	2,010
Jeju airport	21,110	786	0	842,498	1,833	9,394	133,256	1,179	596
Daegu airport	13,507	2,729	0	12,873	424	852	73,467	1,439	53
Others	62,826	4,525	0	530,777	860	398	47,915	1,394	0



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