YANOLJA RESEARCH BRIEF

South Korea's 2025 Inbound Tourism Demand Forecast
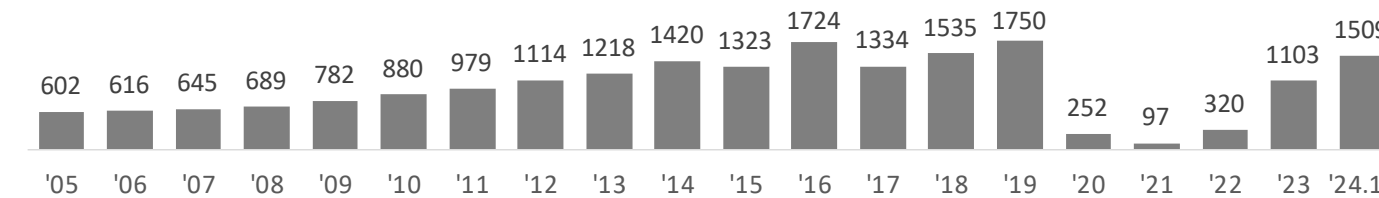
Yanolja Research

South Korea's 2025 Inbound Tourism Demand Forecast

Inbound tourism is a vital driver of economic growth and cultural exchange. To promote its development, it is essential to utilize data-driven demand forecasting to minimize inefficiencies in the tourism industry and strengthen its competitiveness. This brief aims to project South Korea's inbound tourism demand for 2025 using an AI forecasting model developed by Yanolja Research. Moreover, it includes demand forecasts for key countries to provide more detailed insights.
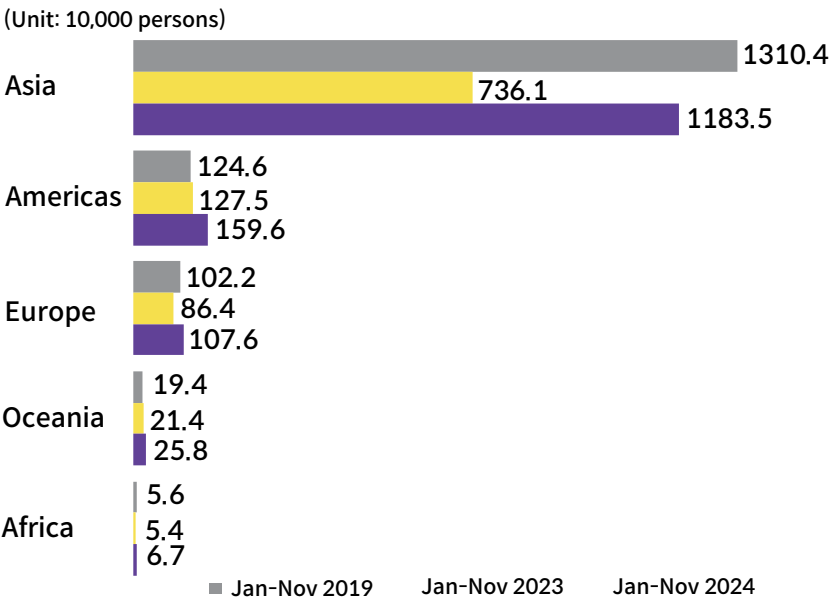
Post-Pandemic Recovery of South Korea's Inbound Tourism Demand by Continent and Country

·Before forecasting inbound tourism demand for 2025, recent figures provide key insights. From Jan. to Nov. 2024, South Korea recorded 15,098,766 foreign visitors, recovering to 94.1% of the 2019 pre-pandemic peak of 17.5M. This represents a 51.1% increase compared to the same period in 2023, reflecting a continuous recovery trend since the pandemic. South Korea's inbound tourism had been on a steady rise since 2005, peaking in 2019, but decreased to 2.52M in 2020 and a record low of 970,000 in 2021 due to COVID-19. The subsequent years have seen rapid recovery, nearing pre-pandemic levels.

·Asia remains the core market for inbound tourism. By Nov. 2024, 11.83M Asian tourists visited South Korea, recovering to 90.3% of 2019 levels. In the Americas, 1.60M visitors were recorded, marking a 28.1% increase from 2019. European visitors totaled 1.08M, exceeding 2019 figures by 5.3%. Tourism from Oceania saw 258,000 visitors, reflecting a 33.0% growth compared to 2019, while Africa, with 67,000 visitors, remains a small but steadily growing market.

·Recovery rates vary by country. Compared to 2019, declines were observed in China (-22.1%) and Japan (-1.4%). The United States (+26.6%), Taiwan (+15.8%), and Singapore (+53.9%) exhibited robust recovery. Notable increases were also seen in European countries like France (+49.0%) and Germany (+31.9%), as well as emerging Asian markets such as Mongolia (+25.0%) and India (+24.8%), signaling growth potential.

Trends in Inbound Tourist Numbers (Unit: 10,000 people)

'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24.11
602	616	645	689	782	880	979	1114	1218	1420	1323	1724	1334	1535	1750	252	97	320	1103	1509

Trends in Inbound Tourists to S.Korea by continent

(Unit: 10,000 persons)

Continent	Jan-Nov 2019	Jan-Nov 2023	Jan-Nov 2024
Asia	1310.4	736.1	1183.5
Americas	124.6	127.5	159.6
Europe	102.2	86.4	107.6
Oceania	19.4	21.4	25.8
Africa	5.6	5.4	6.7

Top Countries for Inbound Tourists in 2024

	Jan-Nov 2019	Jan-Nov 2023	Jan-Nov 2024
China	551.4	176.6	429.6 (-22.1%)
Japan	301.6	212.1	297.4 (-1.4%)
Taiwn	117.0	88.0	135.5 (+15.8%)
United States	96.7	100.8	122.4 (+26.6%)
Hong Kong	62.3	36.1	51.3 (-17.7%)
Vietnam	52.3	38.9	47.5 (-9.2%)
Philippines	46.1	30.8	46.7 (-1.3%)
Indonesia	24.9	22.3	30.2 (+21.3%)
Singapore	20.4	29.1	31.4 (+53.9%)
Thailand	51.6	34.6	29.1 (-43.6%)
Malaysia	35.1	22.7	26.9 (-23.4%)
Canada	19.0	18.7	23.8 (+25.3%)
Austrailia	15.4	17.6	21.8 (+41.6%)
Russia	31.6	14.7	18.5 (-41.5%)
India	13.3	11.4	16.6 (+24.8%)
France	10.4	12.6	15.5 (+49.0%)
Germany	11.3	12.6	14.9 (+31.9%)
United Kingdom	13.5	11.4	13.9 (+3.0%)
Mongolia	10.4	12.4	13.0 (+25.0%)
Myanmar	6.7	5.1	7.0 (+4.45%)

Unit: 10,000 people
(Figures in parentheses indicate growth rate compared to 2019)

Forecasting South Korea's Inbound Tourism Demand Using an AI-Based LSTM Model

·Yanolja Research developed and applied an AI-based model to forecast inbound tourism demand by leveraging global mobility data, economic indicators, and social trend data. Inbound tourism demand is closely linked to economic, social, and political factors and exhibits time-dependent characteristics. To effectively capture these dynamics, the model employs the LSTM (Long Short-Term Memory) algorithm.

·The analysis utilized diverse datasets spanning 2005 to 2024, including key economic indicators such as GDP growth and exchange rates as well as global mobility trends, search volumes for Korea tourism-related keywords, and social media mentions. These inputs were fed into the LSTM model, with the output being the number of inbound tourists for the next year. Additionally, forecasts were conducted for key source countries such as China, Japan, Taiwan, and the United States, allowing for detailed, country-specific demand analysis.

·To validate the model's accuracy, past data was used to compare predicted and actual values. Using data up to Oct. 2023, the model forecasted inbound tourism demand from Nov. 2023 to Oct. 2024. The total predicted number of tourists was 16.08 million, compared to the actual figure of 15.88 million, resulting in an error of approximately 1.3% (190,000 tourists). This demonstrates the model's high reliability. Similarly, forecasts for major countries showed comparable levels of accuracy, further proving the model's applicability.
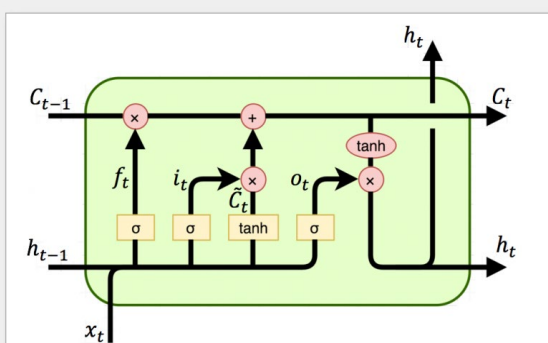
Inbound tourism demand forecasting model
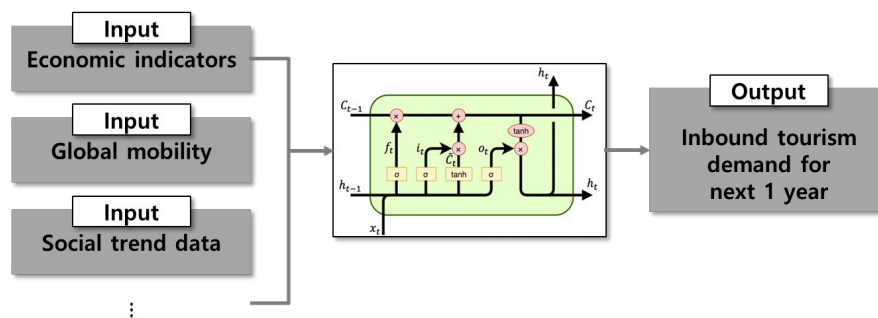
Performance evaluation results

Predicted value	Actual value
16.08M	15.88M

1.3% error

Structure and Advantages of Long Short-Term Memory (LSTM)

·LSTM is a type of recurrent neural network (RNN) designed for time series data analysis. Its architecture effectively handles long-term dependencies by using mechanisms that remember important information and forget irrelevant details within sequential data.

·Utilizing LSTM for forecasting inbound tourism demand offers the following advantages:

- The model captures seasonal variations and cyclical patterns in inbound tourism demand data.
- By leveraging cell and gate structures, LSTM integrates the long-term impact of historical data with recent trends, enabling a well-rounded analysis of inbound tourism demand.
- LSTM learns interactions among input variables, allowing for an integrated analysis of various factors influencing inbound tourism demand.
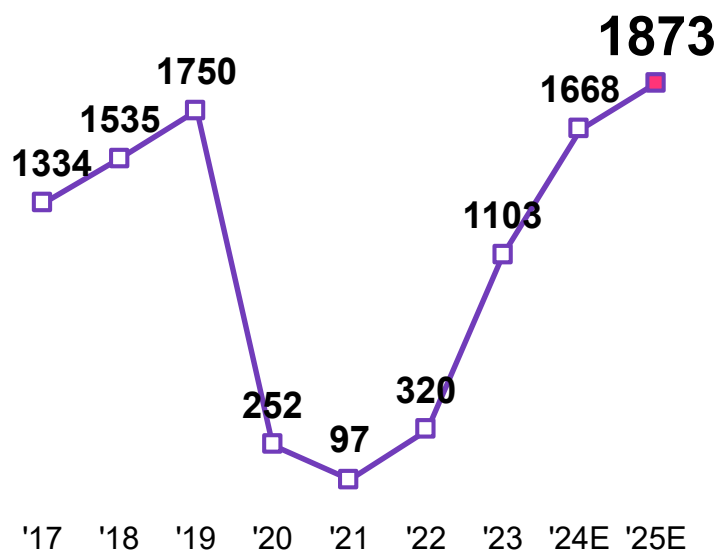

$$f_t = \sigma\left(W_{xh_f}x_t + W_{hh_f}h_{t-1} + b_{h_f}\right)$$
$$i_t = \sigma\left(W_{xh_i}x_t + W_{hh_i}h_{t-1} + b_{h_i}\right)$$
$$o_t = \sigma\left(W_{xh_o}x_t + W_{hh_o}h_{t-1} + b_{h_o}\right)$$
$$\tilde{c}_t = tanh\left(W_{xh_g}x_t + W_{hh_g}h_{t-1} + b_{h_g}\right)$$
$$c_t = f_t \otimes c_{t-1} \oplus i_t \otimes \tilde{c}_t$$
$$h_t = o_t \otimes \tanh(c_t)$$

2025 Inbound Tourism to South Korea: 18.73 Million Visitors Forecasted Amid High Volatility Due to Political and Economic Uncertainties
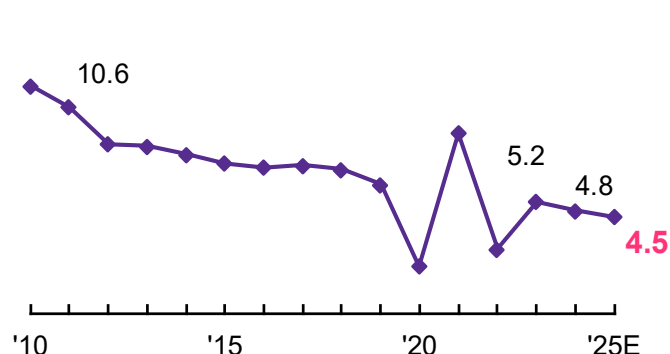
· Based on Yanolja Research's LSTM model, 18.73M foreign tourists are projected to visit South Korea in 2025, marking a 7% increase compared to the pre-pandemic peak in 2019. While the rapid recovery of inbound tourism demand post-pandemic is expected to continue, political and economic uncertainties could significantly impact these projections.

· One of the most critical factors is political instability. The declaration of emergency martial law in December 2024 and the resulting political unrest may raise safety concerns among potential tourists, negatively affecting inbound demand. Additionally, economic challenges in key source markets, such as China, pose substantial risks. As South Korea's largest source of foreign tourists, China's ongoing economic slowdown, driven by a stagnant real estate market and weak consumer spending, could lead to a decline in the number of Chinese visitors, significantly impacting overall tourism demand.

· Given these uncertainties, the actual inbound tourism figures for 2025 may diverge from the forecast. If negative factors such as political instability and weakened Chinese outbound travel materialize, tourism demand could stagnate or regress to 2024 levels. On the other hand, if positive factors, such as the continued global popularity of K-culture, gain momentum, South Korea could exceed the forecast, attracting over 20 million foreign visitors in 2025.

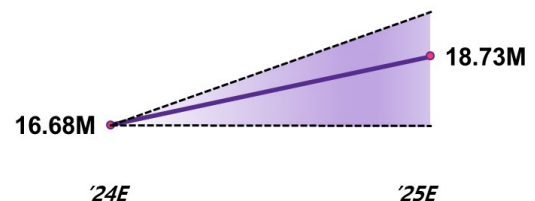## Forecasted inbound tourism demand for 2025 (Unit: 10,000 people)

1334 — '17
1535 — '18
1750 — '19
252 — '20
97 — '21
320 — '22
1103 — '23
1668 — '24E
1873 — '25E

2025 Inbound tourism demand forecast by scenario

16.68M — '24E
18.73M — '25E

"Over 20M visitors possible with small political uncertainties and positive factors at play"

"Strong political uncertainties could lower visits to 2024 levels or below"

Economic uncertainties

China economic growth rate (%)

10.6
5.2
4.8
4.5

'10   '15   '20   '25E

Political uncertainties

Travel advisories due to martial law in S. Korea

U.S. Embassy
Safety warning on S. Korea's political situation
"Avoid large public gatherings as protests and traffic disruptions are expected."

British government
Travel warning due to political tensions in S. Korea
"Large-scale protests expected near Gwanghwamun, the presidential office, and the national assembly. Avoid large public gatherings."
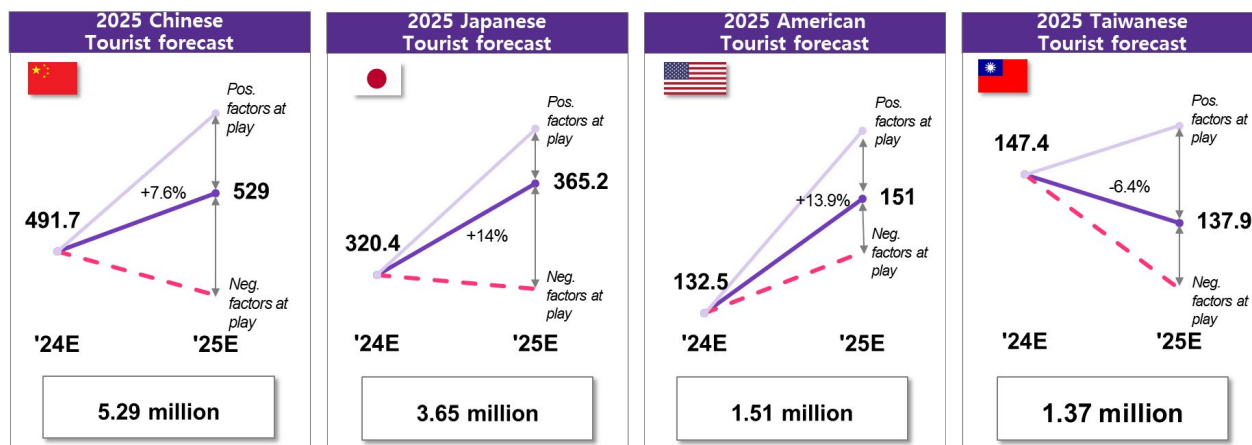
Japanese embassy
Caution for Japanese citizens residing in S. Korea
"Citizens are advised to stay informed about upcoming announcements."

Singaporean embassy
Avoid participation in politically sensitive events
"Refrain from joining politically sensitive events."

China, Japan, the United States, and Taiwan are expected to account for 63% of inbound tourism demand in 2025

·According to forecasts by major countries, the tourism demand in 2025 for the top four countries (China, Japan, the United States, and Taiwan) is expected to rank as follows: China (5.29 million visitors), Japan (3.65 million visitors), the United States (1.51 million visitors), and Taiwan (1.379 million visitors). These four countries are projected to account for approximately 63% of the total number of inbound tourists.

2025 Chinese Tourist forecast	2025 Japanese Tourist forecast	2025 American Tourist forecast	2025 Taiwanese Tourist forecast
Pos. factors at play	Pos. factors at play	Pos. factors at play	Pos. factors at play
491.7 → 529 (+7.6%)	320.4 → 365.2 (+14%)	132.5 → 151 (+13.9%)	147.4 → 137.9 (−6.4%)
Neg. factors at play	Neg. factors at play	Neg. factors at play	Neg. factors at play
'24E '25E	'24E '25E	'24E '25E	'24E '25E
5.29 million	3.65 million	1.51 million	1.37 million

China's Inbound Tourists Expected to Reach 5.29 Million

·The number of Chinese tourists visiting South Korea in 2025 is projected to reach approximately 5.29 million, accounting for about 28% of the total inbound tourism demand. This represents the largest share among all inbound tourists, highlighting China's continued role as a key market. Factors influencing Chinese tourism demand include the ratio of port arrivals, interest in Korean tourism on Chinese social media, exchange rates, and the state of the Chinese economy.

·The ratio of Chinese tourists arriving through ports increased from 7.7% in January 2024 to 23% in October, showing an upward trend. Alongside this, interest in Korean tourism on Chinese social media has been steadily growing since the COVID-19 pandemic, supporting the stability of demand in 2025. Additionally, the appreciation of the Korean won against the Chinese yuan is expected to enhance South Korea's price competitiveness. The government's consideration of visa-free entry for Chinese tourists may further boost demand.

·On the other hand, China's economic slowdown poses a potential risk to outbound travel demand. The ongoing downturn in the real estate market, weakened consumer sentiment, uncertainties in public policy, and worsening exports could exacerbate economic instability. These factors may negatively impact the demand for Korean tourism.
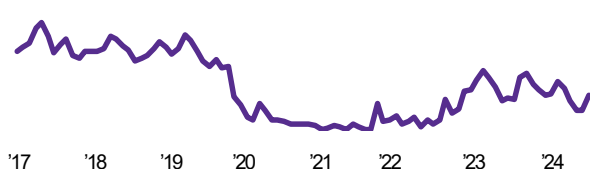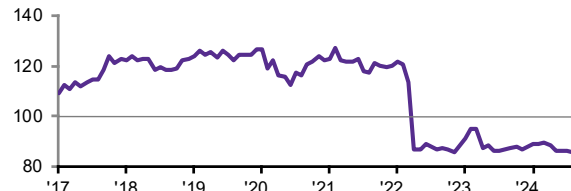
Port entry ratio for Chinese tourists

'19.3% (Oct. 2024)
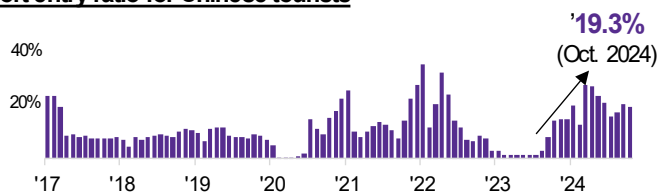
CNY-KRW exchange rate

182.11   197.37
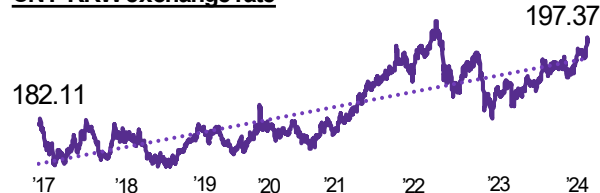
**Interest on Korea travel in Chinese Social Media**

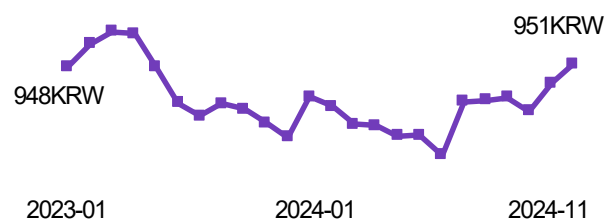**Chinese Consumer confidence inddex**

Japanese Inbound Tourists Expected to Reach 3.65 Million

· The number of Japanese tourists visiting South Korea in 2025 is projected to reach approximately 3.65 million, reflecting a 14% increase compared to the estimated 3.2 million in 2024. Key factors influencing this trend include social media interest, the JPY-KRW exchange rate, and the real effective exchange rate.

· Interest in Korean tourism-related keywords on Japanese social media has been steadily rising, supporting positive demand for visits to South Korea in 2025. Additionally, the Bank of Japan's interest rate hike in the latter half of 2024 stabilized the JPY-KRW exchange rate at the 900 KRW level. Announcements of further rate increases in 2025 are expected to mitigate yen depreciation, reduce the financial burden of currency exchange, and stimulate demand for travel to South Korea.

· However, a decline in the real effective exchange rate could weaken Japanese consumers' purchasing power, potentially increasing their preference for domestic over international travel. This may negatively affect the demand for visits to South Korea.
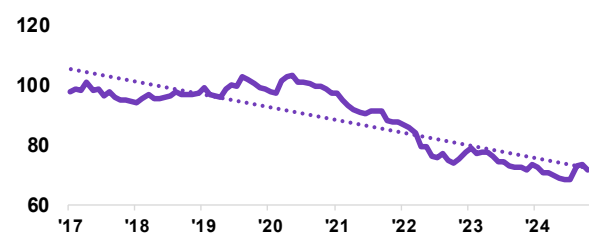
Interest on Korea travel in Japanese SNS
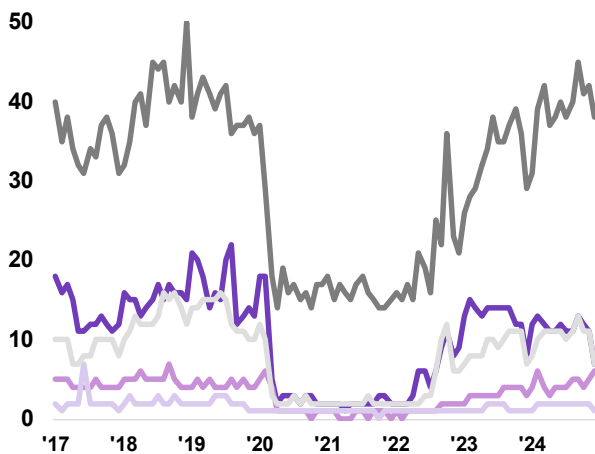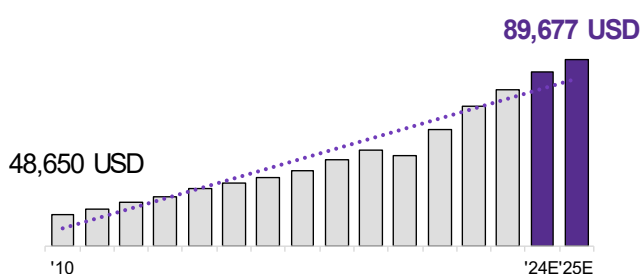
JPY-KRW exchange rate
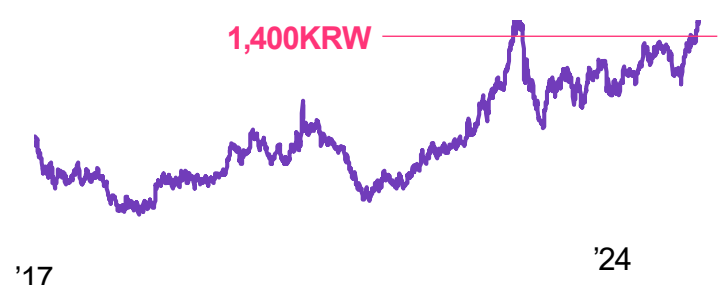
Japanese real effective exchange rate

U.S. Inbound Tourists Expected to Reach 1.51 Million

· The number of American tourists visiting South Korea in 2025 is projected to reach approximately 1.51 million, representing a 13.9% increase from the estimated 1.32 million in 2024. Key factors influencing this trend include the U.S. economic outlook, the USD-KRW exchange rate, and social media interest in Korean tourism.

· The U.S. is expected to maintain stable economic growth, with the IMF forecasting a per capita GDP of approximately $89,677 in 2025. This robust economic performance is likely to support strong demand for international travel among Americans.

· The strength of the U.S. dollar and the relative weakness of the Korean won, with the exchange rate remaining in the 1,400 KRW range, position South Korea as a cost-effective travel destination for Americans. However, the recent sharp rise in exchange rates has been partly attributed to political uncertainties in South Korea, including emergency declarations and impeachment events. These political risks could negatively impact American sentiment toward visiting South Korea.
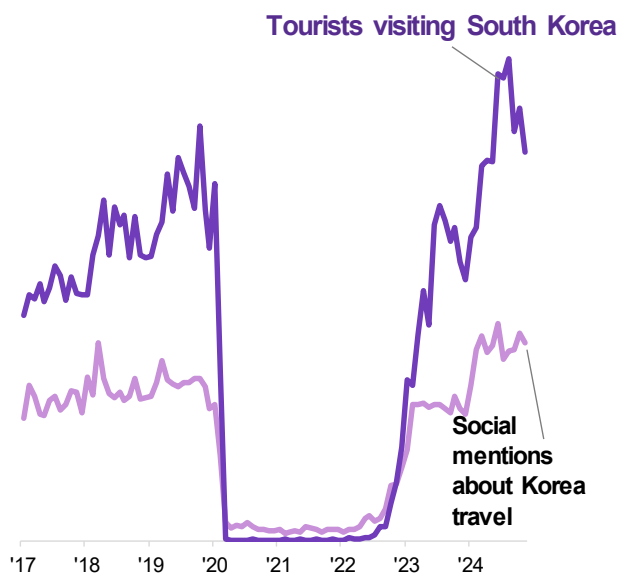
U.S. GDP per capita
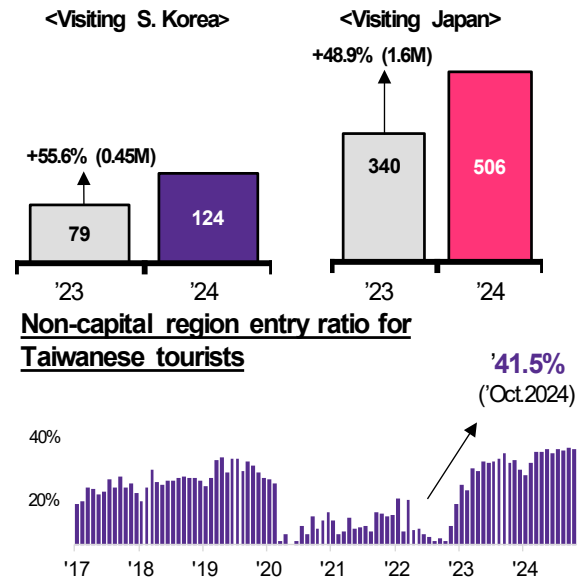
USD-KRW exchange rate

Taiwanese Inbound Tourists Expected to Reach 1.38 Million

· The number of Taiwanese tourists visiting South Korea in 2025 is projected to reach approximately 1.38 million, with the potential to rise to 1.57 million. Key influencing factors include social media interest, economic growth, the proportion of visits to non-metropolitan areas, and trends in Taiwanese tourism to Japan.

· Interest in Korean tourism on Taiwanese social media has been steadily increasing. In 2024, the number of Taiwanese visitors to South Korea grew by 55.6% compared to the previous year, surpassing the growth rate of Taiwanese tourists to Japan (48.9%). This trend supports continued growth in demand for visits to South Korea in 2025.

· Taiwan's stable economic growth rate of 3.29% and rising disposable income are expected to drive strong demand for international travel. The depreciation of the Korean won (-3.4%) compared to the Taiwanese dollar has been more significant than the depreciation of the Japanese yen (-1.8%), enhancing South Korea's price competitiveness.

· The proportion of Taiwanese tourists visiting non-metropolitan areas rose to 42% in 2024, supported by diversified flight and ferry options and South Korea's political stability. However, disruptions to certain routes are expected following the Muan Airport incident.

· In 2025, Taiwan will have six long holidays, an increase from 2024, which is anticipated to boost travel demand to South Korea. Additionally, the potential extension of the K-ETA exemption is likely to have a positive impact on Taiwanese tourism to South Korea.

Taiwan SNS trends and the number of tourists visiting South Korea

Tourists visiting South Korea

Social mentions about Korea travel

'17 '18 '19 '20 '21 '22 '23 '24

Taiwanese tourists visiting South Korea and Japan

<Visiting S. Korea>

+55.6% (0.45M)

79 | 124
'23 | '24

<Visiting Japan>

+48.9% (1.6M)

340 | 506
'23 | '24

Non-capital region entry ratio for Taiwanese tourists

'41.5%
('Oct.2024)

40%
20%

'17 '18 '19 '20 '21 '22 '23 '24

Yanolja Research utilized an AI-based LSTM model to forecast inbound tourism demand for South Korea in 2025, estimating approximately 18.73 million visitors. The study also suggests that this demand is likely to exhibit significant variability depending on external factors.

yanolja **research**