

YANOLJA RESEARCH BRIEF

Korea's Inbound and Outbound Tourism Performance in 2024



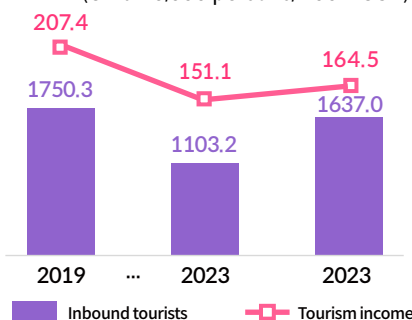
Korea's Inbound and Outbound Tourism Performance in 2024

Surge in Inbound tourist arrivals in 2024, but tourism income stagnates

- In 2024, the number of foreign tourists visiting Korea was recorded at 16,369,629, recovering to 93.5% of the record-high level seen in 2019. This represents a remarkable 48.4% increase compared to 2023, indicating that inbound tourism demand in Korea has been steadily recovering since the COVID-19 pandemic.
- Tourists from Asia accounted for approximately 12.86 million visitors, making up 78.6% of the total—by far the largest share. However, the recovery rate from the Asian market reached only 89.7% of the 2019 level, showing that full recovery has yet to be achieved. In contrast, visitor numbers from the Americas, Europe, Africa, and Oceania have surpassed 2019 levels by 27.8%, 4.2%, 17.4%, and 32.9%, respectively. The Middle East, however, saw a slight decline of 1.5% compared to 2019, signaling a slower recovery in that region.
- Despite the significant increase in tourist arrivals, tourism revenue remained stagnant at \$16.45 billion—only 80% of the 2019 level. This was a modest 9.2% increase from 2023, highlighting that revenue recovery is lagging behind the growth in visitor numbers. A key factor behind the underperformance in tourism revenue is a decline in duty-free sales. In 2019, foreigner spending at domestic duty-free shops amounted to \$17.84 billion, but it fell to \$8.47 billion in 2023 and further declined to \$8.16 billion in 2024.
- The sharp rise in cruise travelers is also cited as a factor behind the slower recovery of tourism revenue. While cruise tourist numbers rose slightly from 171,000 in 2019 to 202,000 in 2023, they surged to 731,000 in 2024, making up a much larger proportion of total foreign visitors. However, cruise tourists tend to have shorter stays and lower spending levels, offering limited impact on revenue expansion.
- Additionally, a decrease in business-related travel also slowed revenue recovery in 2024. From January to September, the share of business travelers fell from 17.9% in 2019 and 18.6% in 2023 to 14.7% in 2024. This decline in high-spending business travel likely had a negative impact on total tourism revenue.

Inbound tourists & Tourism income

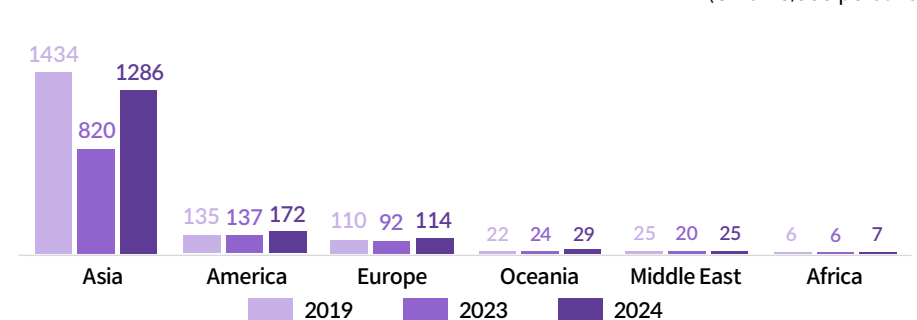
(Unit: 10,000 persons, 100M USD)



Source: KCTI, Reorganized by Yanolja Research

Inbound tourists by continent

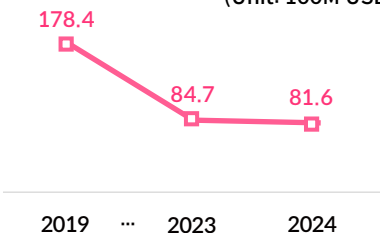
(Unit: 10,000 persons)



Source: KCTI, Reorganized by Yanolja Research

Duty-free sales revenue from foreigners

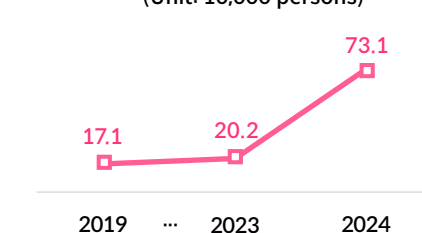
(Unit: 100M USD)



Source: KDFA, Reorganized by Yanolja Research

Cruise passengers visiting Korea

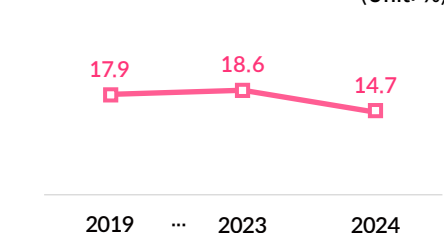
(Unit: 10,000 persons)



Source: KTO, Reorganized by Yanolja Research

Proportion of business travelers to Korea

(Unit: %)



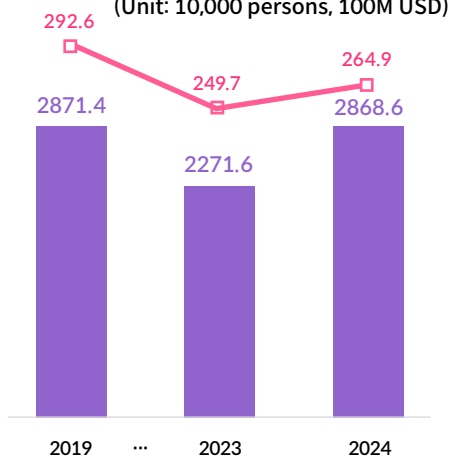
Note: Figures are averages for the Jan-Sep
Source: KTO, Reorganized by Yanolja Research

Outbound travel surges in 2024, tourism deficit widens

- In 2024, the number of Koreans traveling abroad reached 28,686,435—nearly 99.9% of the 2019 peak—indicating a near-complete recovery to pre-pandemic levels. This marks a 26.3% increase from 2023, reflecting a strong rebound in outbound travel demand.
- Excluding countries like China that do not disclose nationality-specific inbound data, post-pandemic trends reveal notable variations by destination. Travel to Japan surged, with 6.96 million Korean visitors in 2023—already 24.6% above 2019 levels—and further rising to 8.82 million in 2024, solidifying Japan's position as a top destination. Travel to Vietnam and Indonesia, which briefly declined in 2023, rebounded in 2024 to 4.57 million and 436,000 respectively—up 6.5% and 12.2% from 2019. Travel to Thailand also showed stable recovery, reaching 98.8% of 2019 levels.
- In contrast, travel demand for Singapore, Hong Kong, and Macau remained sluggish, down 7.9%, 20.2%, and 33.8% from 2019, respectively. While demand for long-haul destinations like the U.S. and Spain was still below pre-pandemic levels, Australia stood out, exceeding its 2019 numbers by 19.8% as of November 2024.
- Overseas travel spending reached \$26.49 billion in 2024—90.5% of the 2019 level and a 6.1% increase from 2023. However, since 2023, the recovery of tourism revenue has lagged behind the recovery of tourism spending, leading to a widening tourism deficit. Compared to 2019, spending recovery rates were 84.6% in 2023 and 90.5% in 2024, whereas tourism revenue recovery rates were only 72.6% and 79.3%, respectively.
- As a result, the tourism balance, which stood at a deficit of \$8.52 billion in 2019, worsened to a \$9.69 billion deficit in 2023, and further expanded to \$10.04 billion in 2024—underscoring the urgent need to address the widening tourism deficit.

Outbound tourists & Tourism expenditure

(Unit: 10,000 persons, 100M USD)



Source: KCTI, Reorganized by Yanolja Research

Number of outbound tourists to top destination countries in 2024

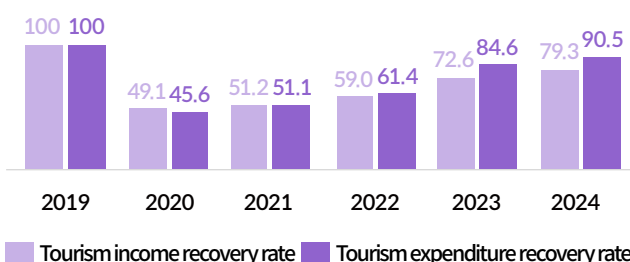
(Unit: 10,000 persons)

Country	2019	2023	2024
Japan	558.5	695.8	881.8 (+57.9%)
Vietnam	429.1	359.5	456.9 (+6.5%)
Thailand	189.1	166.0	186.8 (-1.2%)
USA	229.8	160.0	170.0 (-26.0%)
Philippines	198.9	145.1	156.9 (-21.1%)
Hong Kong	107.1	41.0	85.5 (-20.2%)
Taiwan*	124.3	74.5	88.0 (-29.2%)
Singapore	64.6	57.1	59.5 (-7.9%)
Macau	74.3	20.5	49.2 (-33.8%)
Indonesia	38.8	34.7	43.6 (+12.2%)
Spain	63.1	43.5	38.8 (-38.4%)
Australia*	28.0	28.8	33.6 (+19.8%)

*For countries marked with an asterisk, figures reflect outbound travel demand from Jan to Nov.

Recovery rates of tourism income and expenditure compared to 2019

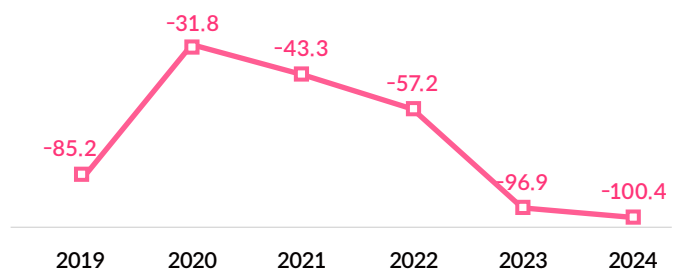
(Unit: %)



Source: KCTI, Reorganized by Yanolja Research

Tourism balance

(Unit: 100M USD)

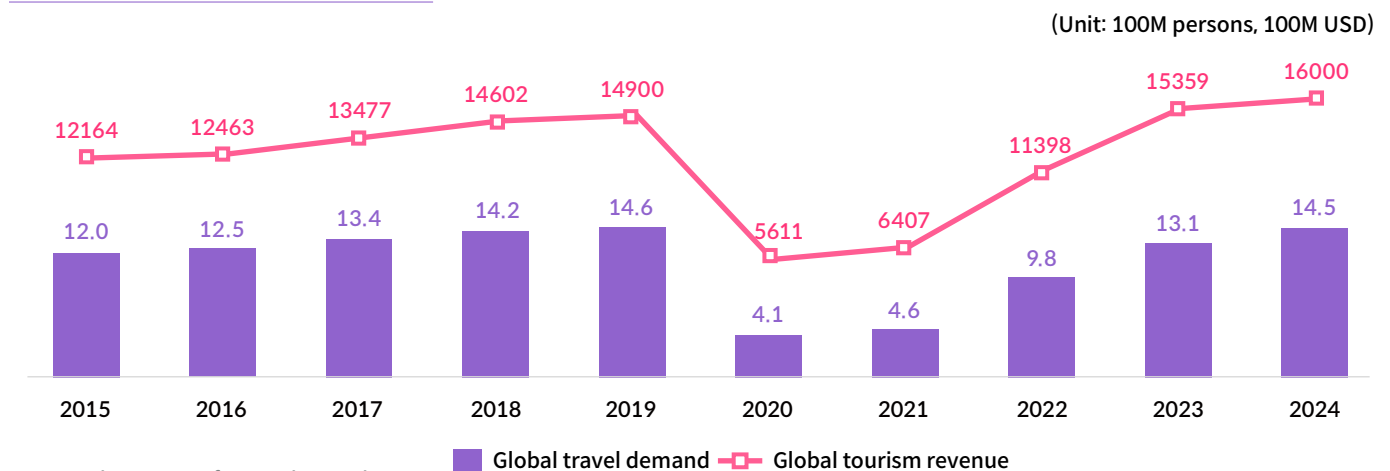


Source: KCTI, Reorganized by Yanolja Research

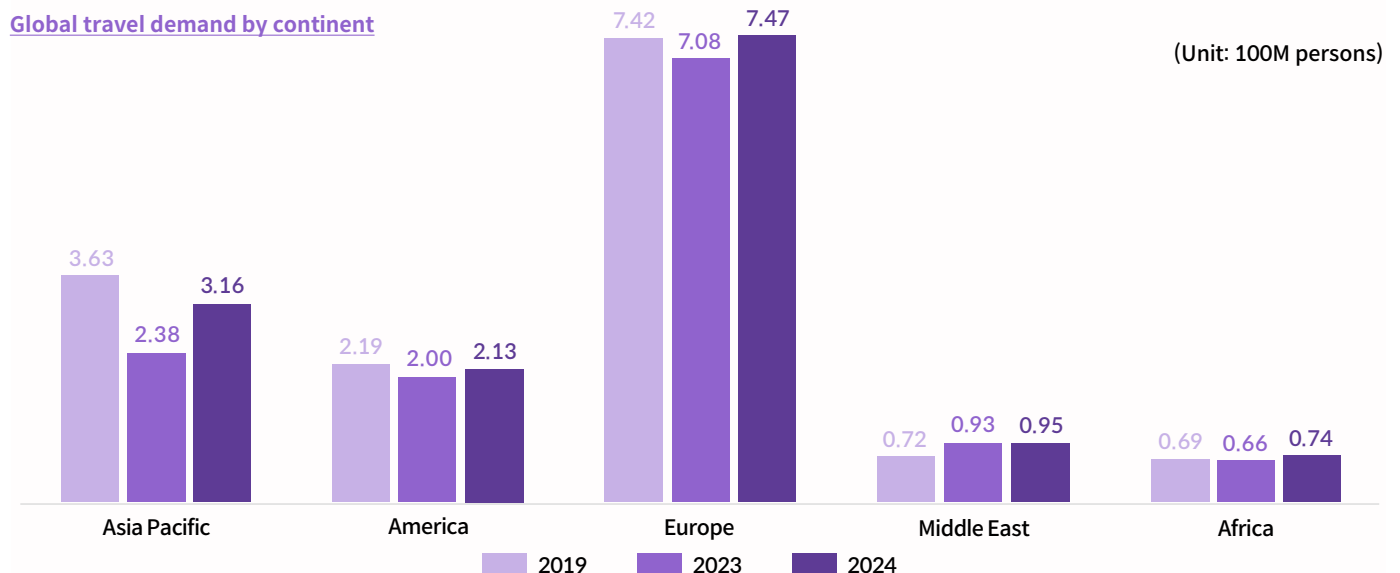
Global market growing at a steeper pace than Korea

- Let us examine Korea's tourism performance in the context of global tourism demand. Unlike Korea's inbound tourism, global travel demand and tourism revenue have shown a sharp growth trajectory, surpassing pre-pandemic levels.
- Global travel demand had been steadily increasing since 2015, reaching an all-time high in 2019. Although it plummeted due to the COVID-19 pandemic in 2020, it began a strong rebound in 2022 and recovered rapidly. By 2024, international tourist arrivals reached 1.45 billion—equivalent to 98.7% of the 2019 level—demonstrating the resilience of the global travel market.
- The pace of recovery in global tourism revenue was even more remarkable. By 2023, global tourism receipts had already exceeded 2019 levels, and in 2024, they are projected to reach approximately \$1.6 trillion—over 4% higher than in 2019. This reflects not only the recovery of travel demand but also the continued expansion of tourism-related spending.
- However, recovery varied by region. The Asia-Pacific region lagged behind, with international arrivals reaching only 87.1% of 2019 levels. In contrast, the Middle East saw a 32.4% increase and Africa a 6.9% increase in tourist numbers compared to 2019, both surpassing pre-pandemic levels. Europe showed a stable recovery with a 0.7% increase, while the Americas nearly returned to normal, recovering 97.4% of 2019 levels.
- While the global tourism market overall is showing a strong rebound, Korea's tourism performance appears to be trailing behind this global trend—highlighting the need for more proactive and strategic responses.

Global travel demand & tourism revenue



Global travel demand by continent

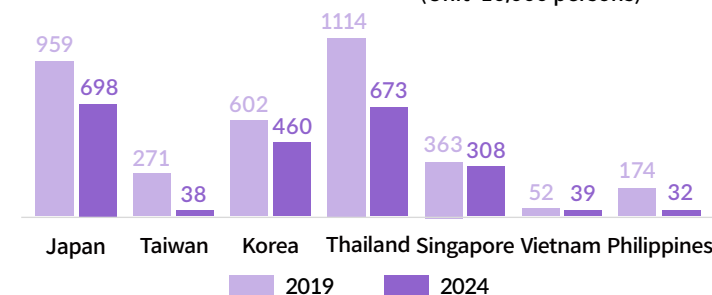


Korea tourism needs diversification beyond China

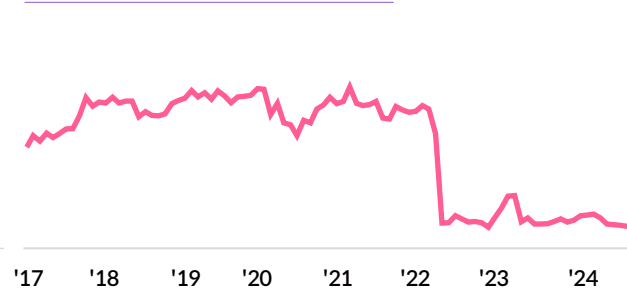
- Lastly, let's examine why travel demand recovery in Korea and the broader Asia region has been slower compared to the global trend. One of the key reasons is the sharp decline in overseas travel by Chinese tourists after the COVID-19 pandemic. Major Asian destinations such as Korea, Japan, Taiwan, Thailand, Singapore, Vietnam, and the Philippines saw a significant drop in Chinese visitors in 2024 compared to 2019. The number of outbound Chinese travelers fell from 46.04 million in 2019 to 25.83 million in 2024—a decrease of approximately 36.4%—directly impacting inbound demand across Asia.
- Country-level recovery rates highlight this divergence even further. Singapore saw a relatively strong recovery at 85% of 2019 levels, followed by Japan (72.8%), Korea (76.4%), and Vietnam (75.1%). In contrast, Thailand lagged with a 60.4% recovery rate, while the Philippines (18.3%) and Taiwan (13.9%) experienced particularly slow rebounds, widening regional disparities.
- The decline in Chinese outbound travel is closely tied to China's economic slowdown and changing external economic conditions. A prolonged slump in the real estate market and falling asset values have dampened consumer sentiment, limiting spending capacity for international travel. Also, rising tariffs from the U.S. and EU have dealt a blow to China's export-driven economy, increasing economic uncertainty. China's Consumer Confidence Index, which plummeted in 2022, has yet to recover.
- The sharp decline in Chinese overseas travel necessitates new strategic approaches to revitalize inbound tourism in Asian countries, including Korea. With Chinese tourists accounting for about 30% of Korea's inbound market, there is a clear need to shift from a China-dependent structure to a more balanced and diversified one. Japan, for example, experienced a 27.2% drop in Chinese visitors in 2024 compared to 2019, but offset this with increased arrivals from other countries, resulting in an overall rise in total visitors.
- Korea, too, can surpass its 2019 record for inbound tourism if it actively attracts travelers from a wider range of countries beyond China. To achieve this, Korea must develop customized marketing strategies aligned with global tourism trends and diversify its tourism offerings.

Number of Chinese arrivals in Asian Countries

(Unit: 10,000 persons)



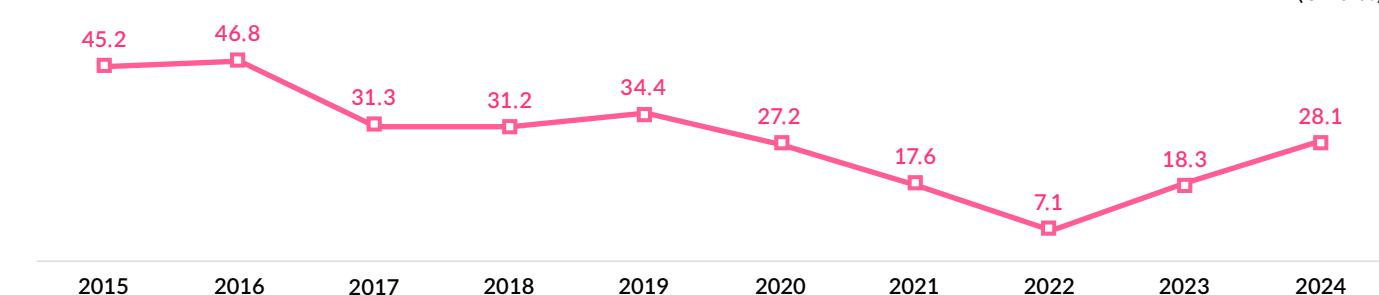
China's consumer confidence index



Source: Respective national statistics, Reorganized by Yanolja Research

Share of Chinese tourists among Inbound visitors

(Unit: %)



Source: KCTI, Reorganized by Yanolja Research



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