

Required Report: Required - Public Distribution

Date: December 30, 2025

Report Number: KS2025-0037

Report Name: Food Service - Hotel Restaurant Institutional Annual

Country: Korea - Republic of

Post: Seoul ATO

Report Category: Food Service - Hotel Restaurant Institutional

Prepared By: Joohyun Lee

Approved By: Lisa Allen

Report Highlights:

Sales of the Republic of Korea's food service industry reached KRW 191.7 trillion (USD 146.7 billion) in 2023, up 8.3% from the previous year. Despite inflation and rising costs, the sector remains stable as businesses adapt to changing consumer demand and focus on improving cost efficiency while consumers continue to seek alternative dining experiences such as affordable yet quality options.

MARKET FACT SHEET: REPUBLIC OF KOREA

Executive Summary

The Republic of Korea (ROK) had the 12th largest economy in the world with a GDP of \$1.87 trillion and a per capita GNI of \$36,624 in 2024. It is about the size of Indiana, with a population of 51.8 million. Over 80 percent of Koreans live in urban areas. Domestic production meets only 46 percent of food demand. The United States exported \$8.9 billion in agricultural and related products to the ROK in 2024, making it our fifth largest country export market. The United States supplies around 21 percent of the ROK's agricultural imports

Consumer-Oriented Agricultural Imports

In 2024, ROK imported consumer-oriented agricultural products totaling around \$20.6 billion. There are many opportunities for U.S. export growth in this segment, including for beef, pork, fruits, tree nuts, dairy products, confectioneries, beverages, and further prepared foods.

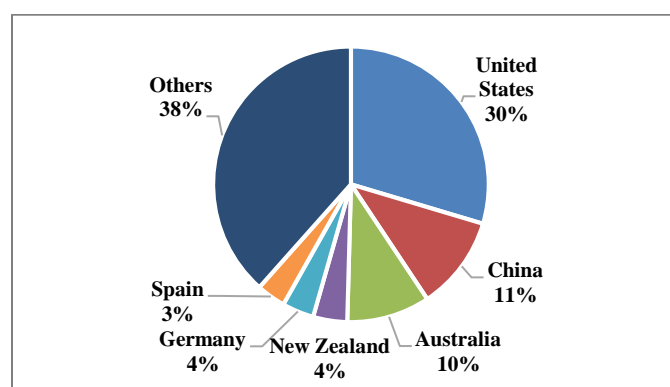


Chart 1: Top Exporting Countries to South Korea

Food Retail Industry

Korean retail food sales totaled \$132 billion in 2024, accounting for 31 percent of total retail sales (excluding automobiles). Among grocery retailers, except for e-commerce sellers, convenience stores were the leading retail channel, followed by grocery supermarkets, hypermarket discount stores, and warehouse clubs.

Food Processing Industry

In 2023, Korea had over 31,075 food processing companies, which generated \$65.0 billion in sales. Korean food processing companies rely heavily on imported commodities and ingredients. Imports of basic and intermediate agricultural products totaled \$16.9 billion in 2024. Eighteen percent (\$3.2 billion) of these imports came from the United States.

Food Service Industry

The Korean HRI sector reached \$146.7 billion in 2023 (the latest official data available), an 8.3% increase from the previous year. The industry faced challenges due to economic uncertainties and weakening consumer confidence in 2024. However, industry is expected to see gradual growth as businesses evolve to meet growing consumer demand for convenience and new experiences.

Quick Facts CY 2024

Imports of Consumer-Oriented Products

\$20.6 billion (\$6.1 billion from the United States)

*Based on Korean import data

Top 10 Import Growth (%) Products in the ROK, by value (BICO, 2023-2024)

- 1) Fruit & Vegetable Juices (25%)
- 2) Fresh Fruit (21%)
- 3) Chocolate & Cocoa Products (18%)
- 4) Tree Nuts (18%)
- 5) Processed Fruits (17%)
- 6) Spices (12%)
- 7) Condiments & Sauces (12%)
- 8) Bakery Goods, Cereals, & Pasta (10%)
- 9) Dog & Cat Food (10%)
- 10) Fresh Vegetables (9%)

Food Industry by Channels (\$U.S. billion)

Retail Food Industry (2024)	\$132
Food Service-HRI (2023)	\$147
Food Processing (2023)	\$65
Food and Agriculture Exports (2024)	\$11

Top 10 Korean Retailers

Coupage LLC, Shinsegae Co Ltd, Naver Corp, Lotte Group, GS Holdings Corp, SK Telecom Co Ltd, Hyundai Department Store Co Ltd, BGF Retail Co Ltd, Alphabet Inc, Homeplus Co Ltd

GDP/Population (2024)

Population: 51.8 million

GDP: US\$ 1.87 trillion

GDP per capita: US\$ 36,113

Strengths/Weaknesses/Opportunities/Threats

Strengths	Weaknesses
<ul style="list-style-type: none">- Well established market with modern distribution channels- Consumer income level continues to increase	<ul style="list-style-type: none">- High logistics cost to ship American products- Consumers have limited understanding of innovative American food products
Opportunities	Threats
<ul style="list-style-type: none">- Strong consumer demand for value, quality, and diversity- KORUS FTA reduces tariff barriers	<ul style="list-style-type: none">- Elevated competition from export-oriented competitors- Discrepancies in food safety and labeling regulations

Data and Information Sources: Latest available statistics are used in this publication and will continue to be updated throughout the year as new data is available. Global Agricultural Trade System (GATS), Korea Ministry of Food & Drug Safety, Korea National Statistics Office, CIA Factbook, Int'l Monetary Fund (IMF), Korea Int'l Trade Association, Euromonitor Int'l.

Contact: U.S. Agricultural Trade Office Seoul
(atoseoul@usda.gov)

Section I: Market Summary

Sales in the Food Service – Hotel Restaurant Institutional (HRI) sector in the Republic of Korea (ROK) have continued their post-pandemic rebound for consecutive years. In 2023¹, sales reached 191.74 trillion KRW (146.7 USD²), an 8.3 percent increase from the previous year. In 2024, monthly per capita spending³ on the sector reached 190,738 KRW (139.84 USD⁴), up 6.17 percent from 2023 and up 17.49 percent from 2022. Dining out accounted for 14.85 percent of total household consumption and 48.36 percent of food and beverage expenditures. The labor situation in this sector showed a mild increase in the rate of employment (1.13 percent) while the increase rate across all industries was 0.56 percent.

While official statistics for 2024 have not yet been released, industry sources indicate that overall sales in 2024 will likely remain similar to 2023 levels or show moderate growth due to multiple factors. Rising costs of labor, delivery app fees, and raw material prices have forced businesses to raise menu prices, which have been burdensome to consumers who are already cautious about their expenditures amid a sluggish economy. Shrinkflation has also been observed in the dining scene in ROK as rising costs have led some businesses to reduce portion sizes or simplify menus. In this inflation era, consumers have increasingly become valued-oriented and looked for cost effective yet quality dining experience. The “cheapremium” (cheap + premium) trend has gained momentum, with mid-priced buffets and casual fusion restaurants gaining popularity.

Despite ongoing challenges, the sector is expected to continue its slow yet constant growth. Businesses try to adapt to changing consumer needs and to become cost-effective by adopting new technologies (e.g. self-order system etc.) and improving ways to source ingredients. These efforts are expected to strengthen their business competitiveness and ultimately contribute to further development of ROK’s food service industry.

Section II: Roadmap for Market Entry

Entry Strategy

Most business operators in Republic of Korea’s HRI food service sector tend to source imported food supplies through independent importers, trading agents or intermediary distributors. However, some large-scale operators have begun sourcing directly without middlemen to reduce costs and to improve product assortments. Their focus with direct import is primarily on high-volume products such as meats and fresh fruits, and sometimes wine. Additionally, some operators, though they do not handle imports directly, closely coordinate with intermediary distributors and are involved early from the product selection phase to source competitive products from abroad.

¹ It is the latest official data available.

² Calculated at an average exchange rate in 2023 of 1,307 KRW/USD

³ Household Expenditure Survey, Korea National Statistical Service (<http://kosis.kr>)

⁴ Calculated at an average exchange rate in 2024 of 1,364 KRW/USD

Therefore, exhibiting at food-focused trade shows is one of the most effective ways to showcase products and to develop contacts with potential business partners. There are many trade shows held in ROK, and the U.S. Agricultural Trade Office (ATO) in Seoul can provide relevant information upon request. A few local trade shows that U.S. food exporters may consider participating in include [Seoul Food and Hotel Show](#), [the Korea International Beer Expo \(KIBEX\)](#), and the [Busan International Seafood and Fishery Expo \(BISFE\)](#). At each of these shows, the ATO organizes a U.S. pavilion, which helps U.S. companies effectively engage with Korean buyers and potential consumers while gaining hands-on knowledge about the market. Additionally, the Seoul Food and Hotel Show is the only USDA-endorsed and the largest food-focused industry show in ROK.

Advantages and Challenges

ADVANTAGES	CHALLENGES
Korean consumers' openness to new tastes, coupled with rising food consumption levels, creates demand for quality new-to-market products and international cuisines.	U.S. products face competition with low-priced products sourced from other countries, and price remains as a main factor for Korean consumers' purchasing decision with the sluggish economy situation.
The country's heavy dependence on imports of food and agricultural products, coming from its limited production capacity, creates market opportunities for products sourced abroad.	Korean consumers are generally biased towards locally produced food and agricultural products, especially fresh produce, believing the quality and food safety are superior.
Korean consumers highly value food safety, and the U.S.' positive image as a trusted origin helps its products well positioned in the market.	Food imports face regulatory barriers. Food safety and labeling standards are frequently modified, and some regulations such as food additives rules differ between the United States and ROK.
KORUS FTA improves market access to ROK by eliminating large number of import barriers.	ROK is signing trade agreements with multiple partners which intensifies competition between the United States and export-oriented countries.
An increasing number of international brand restaurants, including well-known American food service chains, are opening stores in ROK.	American cuisine is perceived relatively less healthy compared to other international cuisines.

U.S. companies may find additional information and guidance on exporting to ROK at following reports and websites:

- [Korea FAIRS Report](#) and [Export Certificate Report](#) provide ROK government regulations and standards on imported food and agricultural products.
- [Korea Exporter Guide](#) provides market entry guidance for U.S. suppliers.
- The ATO in Seoul publishes useful information including product briefs, food news clippings, updates on the KORUS FTA, and other resources. Please review [Seoul GAIN reports](#) or contact ATO Seoul for more information.

- [Doing Business in Korea](#) published by the U.S. Commercial Service is another useful source of information about exporting to ROK.

Market Structure and Distribution

The ROK's HRI food service sector is divided into three major subsectors based on the type of business and distribution channel: 1) hotels, 2) restaurants, cafes and bars, and 3) institutional food service. Wholesalers and intermediary distributors are main players sourcing products for business operators in the HRI food service sector as shown in Figure 1.

Figure 1. Import and Distribution Process

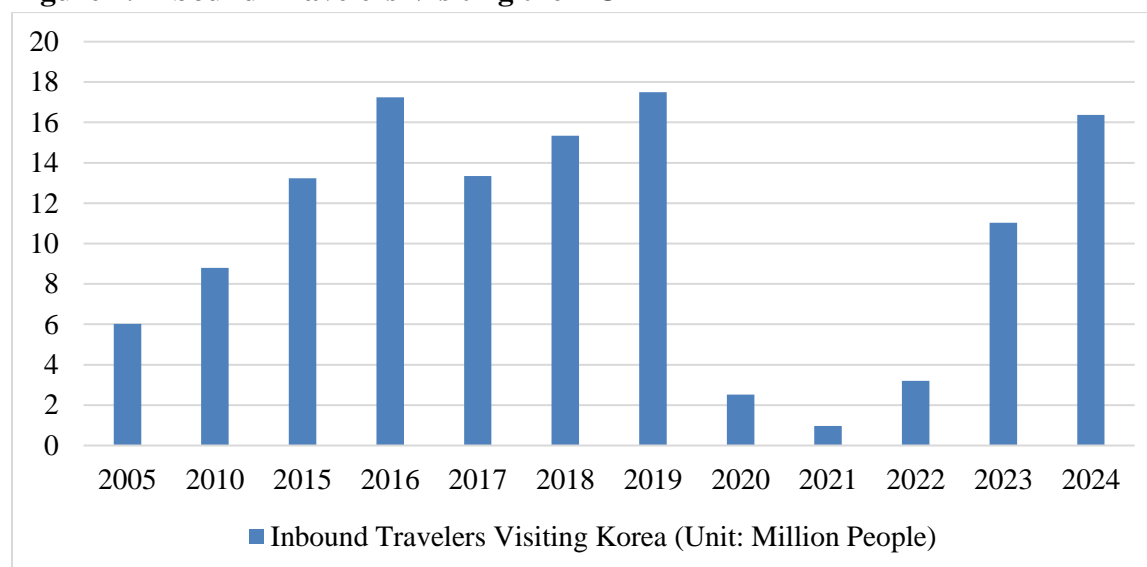


Hotels

The ROK's hotel industry has experienced significant fluctuations, largely affected by changing volume of inbound travelers. Until 2016, the industry worked on increasing its room supply to keep up with growing demand from foreign travelers. However, in late 2016, political tensions between the ROK and China led to a sharp decline in Chinese visitors to the ROK. As nearly half of all foreign tourist in the ROK were from China at that time, it heavily hit the overall travel industry and caused a significant drop in the hotel guestroom occupancy rate. This was followed by the COVID pandemic, which saw another dramatic drop in traveler numbers between 2020 and 2022. In 2024, the number of visitors finally rebounded with 16.4 million travelers visiting the ROK, an increase of 48.39 percent from the previous year and an impressive 16-fold increase (1,592.9 percent) compared to the lowest number in 2021. In 2025, it will likely reach a higher level with the ongoing recovery momentum along with the new government policy that grants visa-free entry to Chinese group tourists starting from September 2025 until June 2026. Figure 2 depicts the trend of inbound travelers to the ROK for the past years.

As travel demand returns, the hotel industry is preparing to meet the demand by enhancing their capacity and food and beverage services. Some hotel brands are expanding with new properties not only in Seoul but also in regional cities, and several global hotel groups are also preparing to open new hotels in the ROK. Hotels have traditionally been a key venue showcasing upscale menus to customers via their food and beverage services such as restaurants, bars, lounges, cafes, and banquet services, for both guestroom users and non-staying customers who seek premium food and beverage experience. Recently, many hotels have worked with well-known chefs to create special menus and organize pop-up events at their restaurants. Hotel bakeries and cafes have also showcased eye-catching designed premium cakes, targeting younger generations who value an “Instagrammable” experience, while renovating their afternoon tea lounge area to appeal to a wider range of customers. With the return of foreign tourists and strong demand from domestic visitors, hotel operations are expected to grow steadily. A list of hotel chains is provided in Table 1-1 of the attachment.

Figure 2. Inbound Travelers Visiting the ROK



Source: Statistics from Korea Tourism Organization

Restaurants, Cafes and Bars

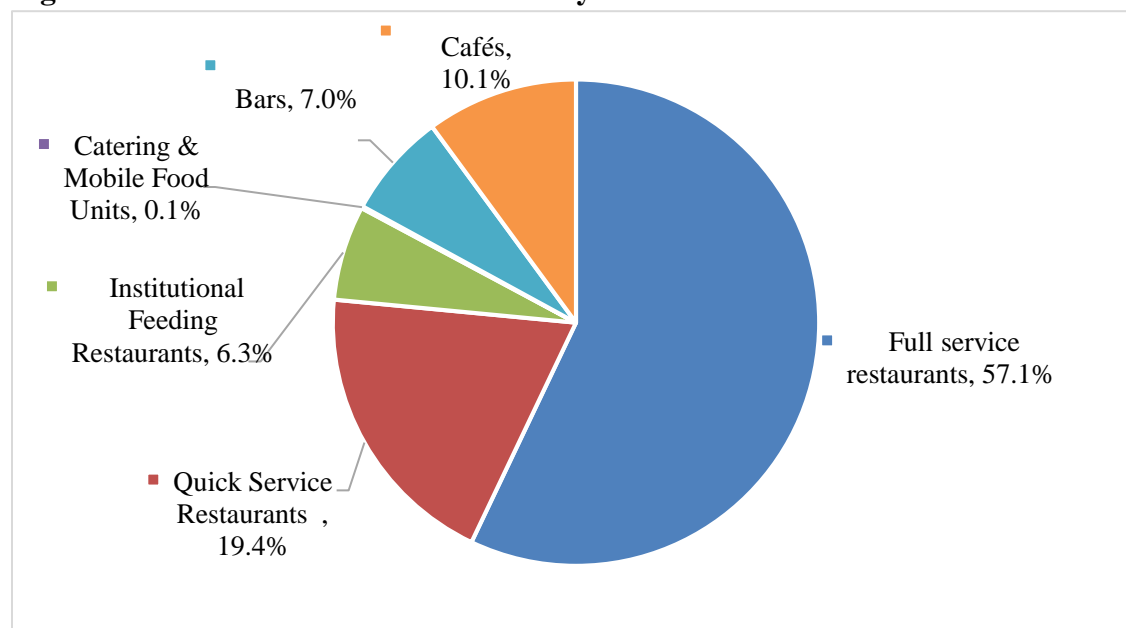
In 2023⁵, sales in the HRI food service sector reached 191.74 trillion KRW (146.7 billion USD), representing an increase of 8.3 percent from 2022.

2023 sales in full-service restaurants, which accounted for the largest share (57.1 percent) of the HRI food service sector, rose by 8.4 percent compared to the previous year. Quick-service restaurants grew by 4.3 percent, and bars and cafés saw increases of 13.7 percent and 13.6 percent, respectively. Shares of each category are described in Figure 3, and a further breakdown is provided in Table 2 of the attachment.

⁵ It is the latest official data available.

Sales in the sector have continuously shown growth in recent years not only led by the return to pre-pandemic dining habits but also by the increasing prices caused by ongoing inflation. Korean consumers are becoming more value-oriented and seeking cost-effective yet quality dining experience. According to the Korea Rural Economic Institute (KREI), food delivery sales through mobile apps have slowed down while online grocery and meal-kit sales are growing steadily. It appears that high menu prices and delivery fees have reduced demand for food delivery and led people to more at-home dining.

Figure 3. The ROK's HRI Food Service by Sales in 2023



Source: [Korea Statistical Information Service](#)

Meanwhile, the fine-dining segment, which drew lots of public attention following a popular TV show in 2024, has contributed to diversifying the ROK's food service scene. However, recently, visits to fine-dining restaurants have declined as many consumers have reduced the frequency of expensive dining experiences. While public interest in premium dining and culinary culture remains high, actual spending has shifted toward more affordable and value-oriented options. The “cheapremium” (cheap + premium) trend has gained popularity, with mid-priced buffets and casual restaurants featuring stylish interiors and quality dishes at reasonable prices becoming increasingly popular. A list of international restaurant chains is provided in Table 1-2 of the attachment.

Institutional Food Service

The institutional food service sector in the ROK encompasses businesses providing meal services at institutions such as schools, corporate cafeterias, and manufacturing facilities. In 2023, sales in this subsector amounted to 12.1 trillion KRW (9.24 billion USD), representing a 5.3 percent increase from 2022, and accounting for 6.3 percent of total HRI sales in 2023.

The institutional food service is viewed as attractive because it offers stable and high-volume demand although profit margins are relatively smaller compared to other food service businesses. According to the media, rising food prices (e.g. lunchflation) have led to increased traffic at corporate cafeterias as employees choose them over outside restaurants. In response, companies try to emphasize menu diversity, nutrition and competitive pricing to attract more.

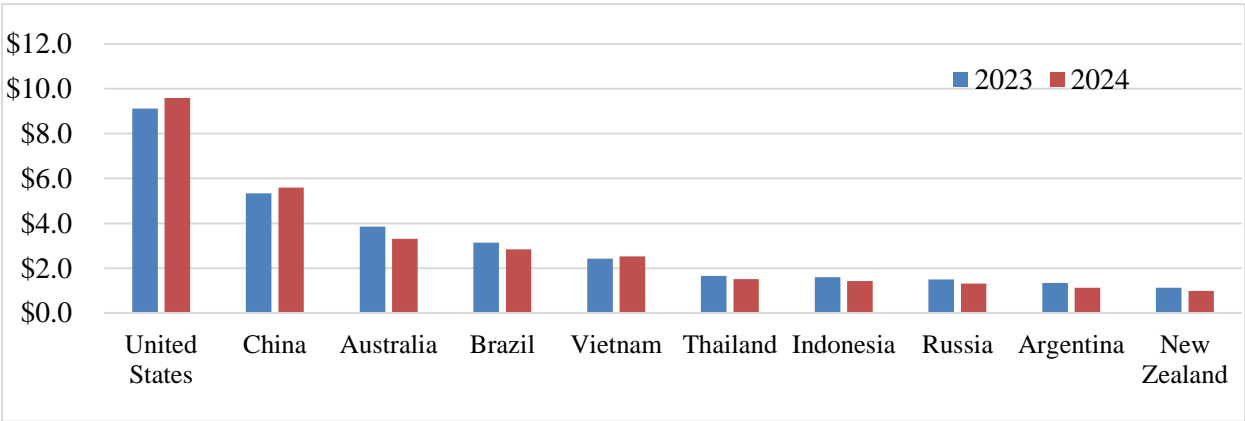
Traditionally, corporate cafeteria services were dominated by large conglomerates and their subsidiaries (e.g., Samsung Welstory, Hyundai Green Food, CJ Freshway, Ourhome etc.). However, in 2021, the Korea Fair Trade Commission (KFTC) reached an agreement with major conglomerates to open in-house cafeteria operations to a wider pool of businesses, including small and medium-sized enterprises (SMEs) by easing bidding processes and relevant requirements.

In contrast to the civilian food service sector, the operation of the military food service sector has been traditionally limited to SMEs. However, as demand for higher-quality meals at military facilities grows, the government has been gradually introducing competitive bidding and expanding opportunities for private contractors. Table 1-3 of the attachment lists key companies in the institutional food service sector.

Section III: Competition

In 2024, the ROK imported food and agricultural products worth 45.3 billion USD from the world, with the United States being the largest supplier, accounting for 21.2 percent of the market share. Other key suppliers include China (12.31 percent), Australia (7.3 percent), Brazil (6.3 percent), and Vietnam (5.6 percent) as shown in Figure 4.

Figure 4. The ROK’s Imports of Food and Agricultural Products (Unit: billion USD)



Source: Trade Data Monitor, South Korea Imports from _World (BICO - Agricultural and Related Products)

Within the food and agricultural products the ROK imported, consumer-oriented products accounted for the largest portion (41 percent, 18.6 billion USD), and the United States supplied about 32 percent of the total consumer-oriented products imported to Korea in 2023. Further

analysis of the ROK's food and agricultural import statistics and trends is available through ATO Seoul.

Section IV: Best Product Prospects

Top Consumer-Oriented Products Imported from the World

Within the consumer-oriented product category, the largest import by value in 2024 was food preparations followed by frozen pork, frozen beef, chilled beef, cheese, frozen chicken, wine, baked products, coffee and pet food. The United States was the largest supplier for multiple products within the category as shown in Table 3 of the attachment.

Top Consumer-Oriented Products the United States exported to the ROK

The highest-value imports from the United States to the ROK in 2024 include beef, pork, food preparations, dairy products, processed vegetables among others. Table 4 of the attachment shows the top 23 consumer-ready food products the ROK imported from the United States for the last three years.

Products Present in Market with Good Sales Potential

Products with notable import growth in 2024 include American pistachios, which account for over 98 percent of the market share. The growing demand for snacks using pistachios appears to be the main reason for this increase. Also, as consumer interest in healthy beverages has grown, imports of related American products, including juice, have increased significantly. Additionally, there has been steady interest in vinegar in recent years, including apple cider vinegar, in the market. While the import volume of U.S. products remained modest, the ROK's overall global imports of these products increased. Table 5 of the attachment lists the top 10 products with the highest growth in terms of import value in 2024. U.S. products such as fruit juice, cocoa butter, and pistachios, saw notable growth in imports to the ROK in 2024.

Products Not Present in Market with Good Sales Potential

Some types of frozen fruits and vegetables from the United States: Demand for frozen fruits and vegetable products is expected to continue growing as busy lifestyles and the increasing number of small households drive the trend toward easy-to-store and ready-to-cook items. Not only frozen fruits but also frozen vegetables, such as green onions, radishes, spinach, and garlic, are widely available these days. The United States already supplies some, but the variety is limited. U.S. frozen fruits and vegetables that have market access to the ROK include frozen blueberries, frozen strawberries, frozen peaches, frozen onions, frozen carrots, frozen green onions, and frozen asparagus among others. However, not all of those are actually in the market.

Natural products such as low-sugar protein bars and fermented drinks: Healthy snack options, such as protein bars, nut-protein chocolates, and kombucha, available in the ROK are relatively limited compared to those in the United States and often taste sweeter with added artificial ingredients. As for kombucha products, a powder-type for mixing with water is common while the fermented liquid-type has not been widely introduced in the ROK yet. Interest

in healthy dietary habits has constantly grown in the ROK and customers are open to trying new products, especially with fewer artificial additives. Therefore, it is advisable for U.S. exporters to explore this segment including healthy snack products with less artificial additives, and fermented drinks.

Products Not Present in Market due to Significant Barriers

Limited market access for wider varieties of fresh fruit and vegetables from the United States:

Only a few varieties of fresh fruits from the United States are available in the ROK. Fruits like pears, apples, strawberries, peaches, and plums currently do not have market access due to quarantine restrictions. Additionally, many horticultural products have partial access only for a handful of states. Frozen raspberries and blackberries from the United States face quarantine restrictions.

Processed Beef Products from the United States: Prior to 2008, the ROK restricted imports of U.S. beef and beef products, citing concerns related to bovine spongiform encephalopathy (BSE). In 2008, the United States regained market access to the ROK for beef and beef products which are derived from animals less than 30 months of age. However, imports of processed beef products, such as ground beef patties, beef jerky, and beef sausage are still prohibited regardless of the age of animals from which the products were derived.

Section V: Key Contacts and Further Information

Host Country Government

[Ministry of Agriculture, Food and Rural Affairs \(MAFRA\)](#)

[Ministry of Foreign Affairs \(MOFA\)](#)

[Ministry of Food and Drug Safety \(MFDS\)](#)

[Ministry of Trade, Industry and Energy \(MOTIE\)](#)

USDA Cooperators, SRTG, State Offices and AMCHAM in Korea

[USDA Cooperators in Korea](#)

[U.S. State Regional Trade Groups \(SRTG\)](#)

[U.S. State Offices in Korea](#)

[American Chamber of Commerce \(AMCHAM\)](#)

Agricultural Trade Office (ATO)

Address: Room 303, Leema Building, 42 Jongro
1-gil, Jongro-gu, Seoul, Korea

Phone: +82-2 6951-6848

Email: atoseoul@usda.gov

Agricultural Affairs Office (AAO)

Address: U.S. Embassy, 188 Sejong-daero
Jongro-gu, Seoul, Korea

Phone: +82-2 397-4297

Email: agseoul@usda.gov

<https://kr.usembassy.gov/agricultural-affairs/>

Animal Plant and Health Inspection Service (APHIS)

Address: Room 303, Leema Building, 42 Jongro
1-gil, Jongro-gu, Seoul, Korea

Phone: +82-2 725-5495

Email: yunhee.kim@usda.gov

<http://www.aphis.usda.gov/>

Attachments:

[Tables for breakdown of HRI industry of
ROK.pdf](#)