How Korea's cultural product is converted into measurable economic indicators between 2015 and 2025 (exports, tourism, investments, etc.) in the country?

Pak Mariya

Abstract

This study examines how Korean culture is transforming into a measurable economic resource and influencing South Korea's economic development. Particular attention is paid to the Hallyu (Korean Wave) phenomenon-encompassing K-pop, TV dramas, cosmetics, fashion, and other cultural products. The study conducted a quantitative analysis of data collected between 2015 and 2025.The study aims to determine how their popularity translates into measurable economic indicators, such as growth in exports, tourism, and foreign investment. It also explores the indirect effects of Hallyu, whereby cultural interest drives demand for Korean goods and enhances the country's overall appeal to tourists and investors. Given the widespread reach of the Hallyu phenomenon, the study anticipates demonstrating its significant impact as an economic driver.This significance of this study lies in the fact that it reveals a direct link between Halluy, export, tourism, and investment.

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Introduction

The global spread of South Korean culture, the so-called “Hallyu” phenomenon has evolved from a mere trend into a key driver of South Korea’s economic growth (Kim et al., 2021). Originating with the popularization of K-dramas and K-pop in the global market, Hallyu gradually expanded its reach to audiences worldwide through music, cosmetics, film, and fashion.This cultural success can be viewed not only through the lens of the arts but also economic growth(Kim,2025). However, the question remains: how does the popularity of cultural products translate into measurable economic indicators such as exports, tourism, and investment. The study will examine the impact of the Hallyu on South Korea’s economy. The first section covers the development of Hallyu and its primary cultural products. The second section examines how cultural products generate economic outcomes; this section is divided into two subsections-the first focusing on exports and the second on international tourism. The third section explores the relationship between the Hallyu phenomenon and economic growth. Although the economic benefits of Hallyu depend on various market factors, this study demonstrates that South Korea's cultural products exert a significant influence on the nation's economy.

Hallyu as a Korean Cultural Product

"Hallyu," or the "Korean Wave," refers to the phenomenon of the global spread of South Korean culture. This encompasses areas such as K-pop, TV dramas, cosmetics, and cuisine. While the phenomenon was initially linked primarily to the popularity of music and television series, its influence has since expanded significantly. First and foremost, Korean culture became popular in Asian countries, where TV dramas and K-pop played a key role. Social media then influenced its further development, enabling Korean culture to spread to the global market. For example, music videos by Korean groups on YouTube helped them reach an international audience. As a result, the rapid growth of social media has had a significant impact on the global spread of Hallyu.

Development of Hallyu

The Hallyu phenomenon began to take shape in the 1990s, when South Korea TV dramas and music started to spread to neighbouring Asian countries. In the 2000s, TV series and music became even more widespread, driven by the growth of television and the internet. By the 2010s, Hallyu had spread worldwide through social media, which in turn made Korean

concert more accessible to international audiences. The music industry gained a large international following. But today, the main Korean products are K-pop, TV dramas, cosmetics, fashion, and Korean cuisine. Once again, K-pop and TV dramas have become the main drivers behind Hallyu's international popularity. Through these sectors, the spread of the Korean Wave has, in turn, benefited other products related to the country's culture. K-beauty plays an important role due to the growing popularity of Korean cosmetics among international consumers. From this, we can see that interest in a particular cultural product can lead to demand for South Korean goods and services.

From Cultural Popularity to Economic Outcomes

The popularity of Korean cultural products has expanded beyond the entertainment industry and has become a source of measurable economic profit in South Korea. Key Hallyu products and specifically their popularity drive demand not only for the cultural content itself but also, in particular, for Korean goods, tourism, and business startups. Hallyu-related exports reached approximately $18.98 billion in 2025, representing a 15.9% increase compared to 2024 (Marlowe, 2026). These figures clearly demonstrate how cultural products are becoming a measurable component of exports. This growth demonstrates that cultural popularity can become a very important economic tool, thereby expanding opportunities for domestic companies. Another striking economic indicator is the growth in cultural exports. The largest Hallyu categories in 2025 were video games, which generated $7.83 billion, while music exports increased by 84% to reach $3.1 billion, and broadcasting content exports grew to $1.6 billion (Marlowe, 2026). The study also examines the impact of cultural content on goods such as cosmetics and food products. This is justified by the fact that people interested in music or K-dramas take a direct interest in Korean goods and, as a result, may begin purchasing them, generating revenue for Korean companies. From this, we can draw the conclusion that a cultural product can be more than just an export commodity and can help promote other economic sectors. Another equally important example of the link between cultural products and a country's economy is tourism. The study also examines the impact of cultural content on goods such as cosmetics and food products. This is justified by the fact that people interested in music or K-dramas take a direct interest in Korean products and, as a result, may begin purchasing them,

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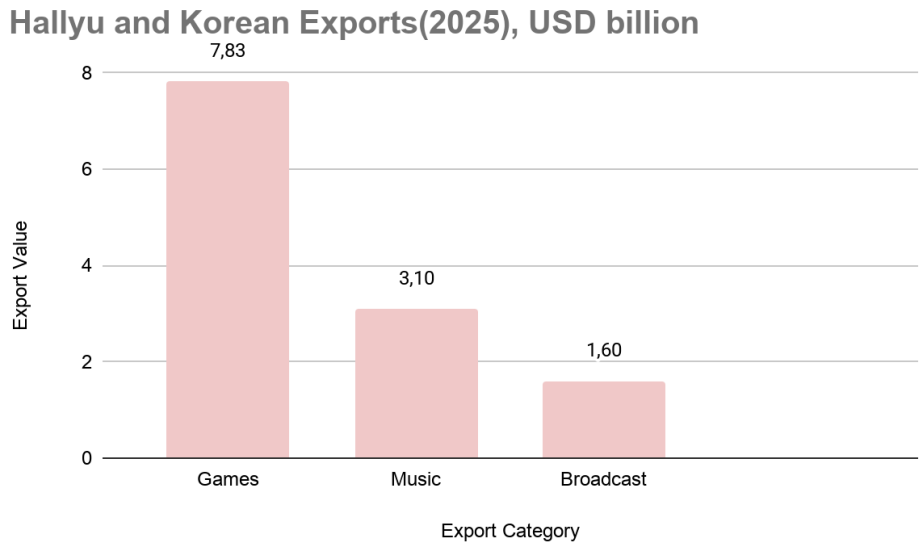


Figure 1. Hallyu And Korean Exports(2025)

Another equally important example of the link between cultural products and a country's economy is tourism. The South Korean government reports that in 2025, the number of foreign tourists 18.7 million exceeded the previous record of 17.5 million set in 2019. The Ministry of Culture, Sports, and Tourism attributes this increase, in particular, to the global popularity of Hallyu in attracting foreign tourists (Lee, 2025). As a result, tourists spent approximately $16.7 billion in 2024 (Lee, 2025). The spread of Korean culture is helping to spark interest in the country not just as a vacation destination, but also as a place where people can meet their idols. As a result, the widespread dissemination of Korean culture leads to actual tourist spending, generating profits for hotels, restaurants, and other local businesses. In addition, K-beauty exports are growing; for example, in 2025, figures rose by 12.3% compared to 2024, meaning that cosmetics exports reached a record $11.43 million. Skin care products accounted for $8.54 billion, representing nearly 75% of total cosmetics exports (Meintjes, 2026). At the same time, Korean companies are seeking investment to enter the global market. For example, Goodai Global raised approximately $545 million through convertible bonds (Lee, 2026). As a result, the influence of Hallyu not only promotes the country's culture but also generates economic benefits through exports, tourism spending, and investment.

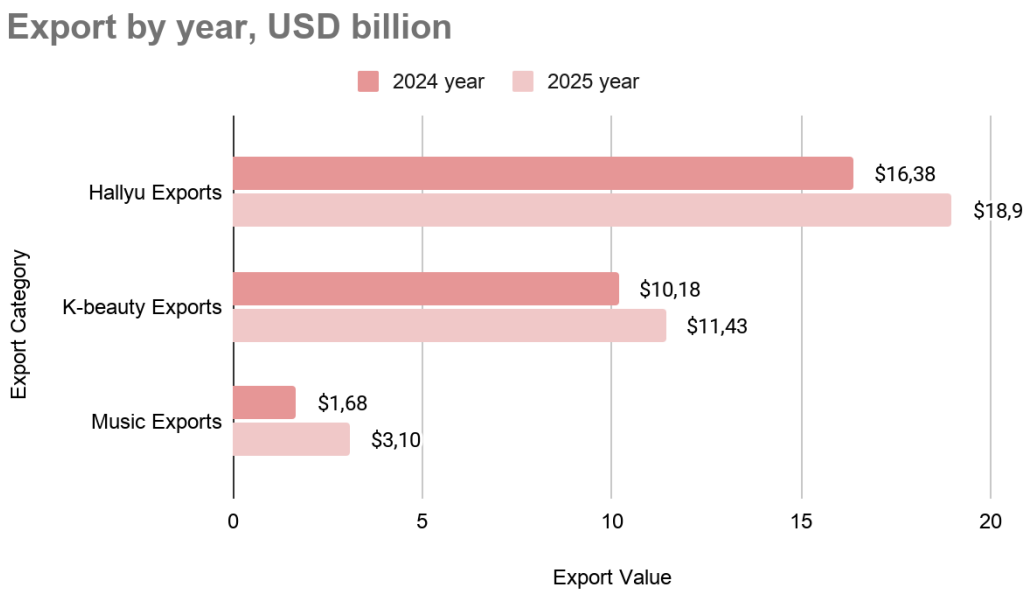


Figure 2. Export be year(2024 and 2025)

Hallyu and International Tourism

As we know, during the COVID-19 pandemic, borders were closed, which had a significant impact on the tourism sector. Before the pandemic, in 2019, South Korea welcomed 17.5 million tourists, but in 2020, that number plummeted to 2.52 million, and in 2021, the number of tourists fell even further to 967,000 approximately 94% less than in 2019 (OECD, 2024). In 2022, tourist numbers gradually began to rise again, reaching about $3.2 million, but this figure is still much lower than before the pandemic (OECD, 2024). In 2019, South Korea's international tourism receipts totaled $25.45 billion (OECD, 2024). In 2022, following the pandemic, they recovered to $14.97 billion. Of this amount, receipts from international travel alone totaled $12.46 billion (OECD, 2024). As a result, tourism became a very significant component of exports in 2023, with travel exports accounting for 12.3% of the country's total exports (OECD, 2024). This once again confirmed that South Korea's cultural products account for a substantial portion of its total exports.

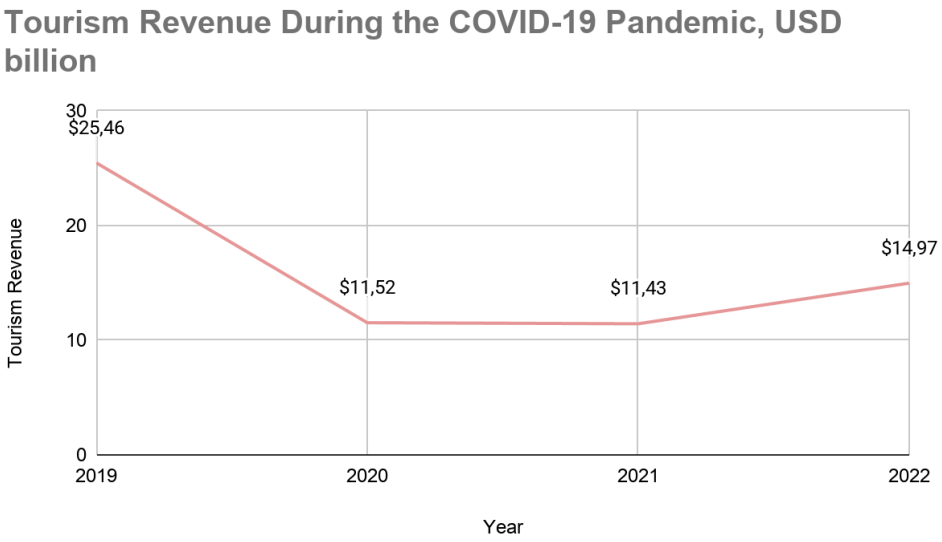


Figure 3. Tourism Revenue During the COVID-19 Pandemic

Measuring the Economic Impact of Hallyu

Relationship Between Hallyu and Economic Growth

The spread of Korean films, TV dramas, and music has boosted the country's popularity, and at the same time, exports of Korean cosmetics and food products have increased, as has the number of foreign tourists visiting South Korea. Thus, the influence of Hallyu is closely linked to various sectors of the economy. One of the main ways Hallyu influences the economy is precisely through the increase in exports of goods. The international popularity of Korean content helps boost interest in the country, its products, and its tourism opportunities (OECD, 2023). The creation of additional opportunities arising from consumption by international audiences in the global market provides Korean companies with good opportunities to enter foreign markets. Another striking example is the tourism sector mentioned earlier: when tourists visit the country, they spend money on food, hotels, entertainment, and so on. For example, in 2023, 11 million foreign tourists visited South Korea, and exports of tourism services accounted for 12.3% of the country's total service exports (OECD, 2023). Thus, this sector of the economy is becoming an attractive prospect for investors. In addition, investments in tourism can create new jobs and increase value added, particularly in less developed regions. This indicates that the development of cultural interest benefits not only major cities but also other regions of South

Korea (Joun&Kim, 2020). Overall, Hallyu contributes to economic growth by creating new opportunities across different sectors of the Korean economy.

Case Study: K-drama

Korean cosmetics have become an economically successful case study that clearly demonstrates how the popularity of a nation's culture influences international trade. Data from an analysis conducted across 14 countries in the Asia-Pacific region from 2010 to 2023 showed that a 1% increase in cultural content exports was associated with a 0.27% increase in cosmetics exports (Kim, 2025). This demonstrates the correlation between the spread of Hallyu and the demand for Korean cosmetics in the international market. One reason is the popularity of K-dramas and K-pop; exposure to actors, idols, and Korean beauty trends all influence consumer interest in Korean cosmetics brands. As a result, the country's cultural popularity can create new opportunities for manufacturers, thereby helping them capture international markets. Of course, export growth depends not only on Hallyu, but also on product quality and marketing. In summary, Korean cultural products can indeed influence the development of the cosmetics industry and strengthen South Korea's export position.

Conclusion

Based on our research, it is clear that the Korean Wave, or Hallyu, has evolved from a mere cultural phenomenon into one of South Korea's most important economic tools for exerting influence on the world stage. This phenomenon not only promotes the country but also provides opportunities for economic development in various sectors. Research has shown that the influence of Hallyu has been felt in many areas; in particular, the interest of international audiences in Korean idols, actors, and culture is driving demand for products such as cosmetics, clothing, food, and other Korean domestic goods. This has been greatly driven by the global success of Korean dramas and K-pop, which have attracted tourists who, in turn, make a significant contribution to the country's economy. Moreover, Hallyu helps strengthen relations with other countries through trade, thereby demonstrating the country's competitiveness. However, the popularity of a cultural product cannot guarantee sustained economic growth, as this is also influenced by global competition, changing trends, and the country's overall economic situation. Looking at South Korea's experience, we can conclude that

a cultural product can be not only a distinctive feature of a country but also a significant tool for economic development.

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Annotated Sources

Annotated Source One

Kim, B.-C.(2025).The Economic Effect of Hallyu Content on K-Beauty Exports: Focusing on the Asia-Pacific Region
https://www.kci.go.kr/kciportal/landing/article.kci?arti_id=ART003293893

This academic article examines the relationship between Hallyu and South Korea's cosmetics exports. The author is a credible expert: he holds a Ph.D. in Journalism and Mass Communication from Hankuk University of Foreign Studies, has served as Dean of Academic Affairs at Cyber Hankuk University of Foreign Studies, and previously worked as a journalist at The Korea Economic Daily. He has also published several studies on media and broadcasting exports, including one in the same journal. Published in Asia Pacific Business Review, the study investigates whether the international popularity of Korean cultural content, such as dramas, films, and music, can contribute to the growth of other industries. It is a useful source because it assesses the economic effects of Hallyu using statistical data rather than relying only on opinions or general observations. Its publication in a peer-reviewed business journal also adds to its credibility as evidence.

The author analyses data from 2010 to 2023 covering 14 major export destination countries in the Asia-Pacific region. Using an augmented gravity model, the study examines the relationship between Hallyu content exports and K-Beauty exports while controlling for other factors that influence international trade, including exchange rates, geographical distance, economic differences between countries, and free trade agreements. The results show that a 1% increase in Hallyu content exports is associated with an approximately 0.27% increase in K-Beauty exports. The study also finds that depreciation of the South Korean won is positively related to cosmetics exports. These findings suggest that the global popularity of Korean

entertainment may encourage interest in Korean cosmetics and help businesses reach more foreign consumers.

This source is highly relevant to my research because it demonstrates a possible connection between cultural popularity and measurable economic outcomes. It supports the idea that Hallyu's influence extends beyond music and television to industries such as cosmetics. For example, international audiences who watch Korean dramas may become curious about the beauty products they see, which can increase demand in foreign markets. In turn, higher exports generate revenue for South Korean companies and support the growth of the cosmetics industry. However, the study focuses only on the K-Beauty industry and selected Asia-Pacific markets, so its findings cannot represent the entire economic impact of Hallyu. Additionally, the relationship identified by the study is an association and does not necessarily prove that Hallyu alone causes export growth, since other factors may also contribute. Overall, this article provides valuable statistical evidence for explaining how Korean cultural products may contribute to South Korea's economic development, and it will help support my argument that Hallyu can promote economic growth by increasing international demand for Korean goods.

Annotated Source Two

Marlove,L.(2026, July 29).Study finds Hallyu exports hit $19B as AI personalization grows fandoms.
https://www.contentgrip.com/hallyu-export-study/

An article by Lena Marlowe, published on the ContentGrip website, explores the economic significance of Hallyu and summarizes the findings of the “Study on the Hallyu Ecosystem,” prepared by the Korea Foundation for International Cultural Exchange in collaboration with South Korea’s Ministry of Culture, Sports, and Tourism. ContentGrip is an industry media resource focused on marketing and digital technologies, therefore, this piece is a journalistic article rather than a peer-reviewed scientific study. The editorial staff also notes that

the article was created with the help of AI. At the same time, the use of data from official government organizations enhances the reliability of the figures cited.

The article reports that in 2025, Hallyu-related exports totaled approximately $18.98 billion, a 15.9% increase from 2024. The author provides a detailed analysis of the export structure. Video games remain the largest category (US$7.83 billion), although exports in this sector declined by 8%. In addition, the article notes that the popularity of this content influences demand in related industries, including Korean cosmetics, food products, and tourism. Among the factors driving this growth are the rise of AI-based personalized services and the success of specific projects, such as “KPop Demon Hunters.” The article also provides data on South Korea’s image: the average rating rose from 3.7 to 3.8 out of 5, although ratings vary significantly from country to country. This source is useful for my research because it provides up-to-date export figures and allows me to view Hallyu as an economic system that brings together several interconnected industries. The data helps demonstrate the commercial significance of Korean culture and its growing role in international trade.

This source is useful for my research because it provides up-to-date export figures and allows me to view Hallyu as an economic system that brings together several interconnected industries. The data helps demonstrate the commercial significance of Korean culture and its growing role in international trade. A comparison of the categories shows that growth is uneven: the success of the cultural industry depends not only on the popularity of individual artists or TV series, but also on the structure of exports, digital distribution, and demand for specific products. However, the article does not prove that all growth in exports or demand for Korean goods is driven exclusively by Hallyu. Since this is a secondary journalistic source, it should be used in conjunction with academic works and official data, and it is advisable to verify the statistics against the original report, “2025 Hallyu Ecosystem Study.”

Annotated Source Three

Lee,D.(2025). Record high in 2025: no. of int'l visitors forecast at 18.7M. https://www.korea.net/NewsFocus/Society/view?articleId=284532

This article, published on Korea.net, examines the rise of international tourism in South Korea and the growing number of foreign visitors.The article was written by Dasom Lee, a writer for Korea.net, the official online portal of the Republic of Korea. Its reliability comes from its use of official government data: the figures are based on an announcement by the Ministry of Culture, Sports and Tourism on December 23, 2025, which makes them verifiable and more trustworthy than unofficial estimates. It reports that the country was projected to welcome roughly 18.7 million international tourists in 2025, surpassing the earlier record of 17.5 million set in 2019. The article also points to the worldwide popularity of Korean culture, including music, television dramas, and films, as a factor in drawing visitors to the country. Because it presents specific figures and compares them with a previous record, it gives a clear picture of how quickly the tourism sector has recovered and expanded.

This source is relevant to my research because tourism is an important indicator of the economic influence of Hallyu. Foreign fans who develop an interest in Korean music, television dramas, films, and celebrities may choose to travel to South Korea to experience the culture firsthand. They may visit filming locations, attend concerts and fan events, or explore the places and foods they have seen in Korean media. Their spending on lodging, food, transportation, shopping, and cultural attractions can bring revenue to local businesses and support the national economy. For this reason, the increase in international visitors offers useful context for exploring the connection between Korean cultural popularity and tourism.

A strength of this source is that Korea.net is an official South Korean government website, which makes it a suitable reference for information on the country's tourism sector. In addition, the article is recent, so its figures reflect current trends rather than outdated data. However, the article mainly presents tourism figures and does not independently measure how much of the increase was caused by Hallyu. Other factors, such as travel conditions, government promotion, exchange rates, and global demand, may also affect visitor numbers. Furthermore, because the 2025 figure is a forecast rather than a final count, it may differ from the actual number of visitors. Despite these limitations, the article supplies recent statistical evidence that can support my research into the potential economic benefits of Hallyu, especially through international tourism. Overall, it helps illustrate how cultural influence may translate into measurable economic activity.