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Koreaâ??s coffee market crosses KRW 3.7 Trillion as consumption splits between premium and value

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A 35.6 per cent rise since 2018 reflects a market increasingly split between premium experiences, affordable everyday coffee and growing export ambitions

Korea’s coffee industry is no longer simply a fast-growing beverage market. It has become a significant part of the country’s food economy, with the domestic coffee market reaching approximately KRW 3.74 trillion in 2024, according to a joint analysis by the Ministry of Agriculture, Food and Rural Affairs (MAFRA) and the Korea Rural Economic Institute (KREI). The market expanded 35.6 per cent from 2018, translating into an average annual growth rate of 5.2 per cent over six years. More importantly, the growth is being accompanied by a fundamental change in how Koreans buy and consume coffee—from traditional mixes towards roasted beans, specialty products and affordable coffee sold through rapidly expanding low-price chains.

Coffee Shops Become a Major Force in Foodservice

The expansion of coffee consumption is reshaping Korea’s foodservice landscape. The number of coffee shops reached 106,452 in 2023, rising 5.7 per cent from the previous year. Their share of all foodservice establishments climbed from 9.3 per cent in 2018 to 13.4 per cent in 2023. That means roughly one in seven foodservice establishments in Korea was a coffee shop in 2023.

The trend contrasts with developments in coffee processing. The number of coffee processing businesses fell 8.0 per cent year on year to 1,660 in 2023, marking the first decline. The divergence suggests an industry increasingly shaped by consumption, retail formats and differentiated consumer demand rather than simply by expansion in processing capacity.

Beans Gain Ground as Coffee Consumption Becomes More Sophisticated

The clearest shift is visible in the products consumers are choosing. Korea’s market for roasted coffee, including whole and ground beans, reached approximately KRW 1.32 trillion in 2024. It recorded an average annual growth rate of 15.8 per cent over the previous six years. Traditional coffee mixes, meanwhile, declined at an average annual rate of 0.5 per cent during the same period.

The numbers point to a market that is moving beyond a one-size-fits-all coffee proposition. Specialty coffee consumers are becoming more interested in bean varieties, roasting techniques and distinctive flavour profiles. At the other end of the market, consumers continue to prioritise affordability, particularly for coffee bought during commutes or after meals.

This has created a striking two-speed market. Premium coffee is gaining traction among consumers looking for differentiated experiences, while low-priced chains are expanding to serve routine, price-sensitive consumption. Larger package sizes are also becoming more popular. Coffee is increasingly an everyday staple rather than an occasional discretionary purchase. That is pushing the market towards greater segmentation, with consumers willing to pay different prices depending on the occasion, quality expectations and convenience involved.

Imported Beans, Growing Export Ambitions

Korea’s growing coffee economy remains heavily reliant on imported raw materials. In 2024, coffee raw-material imports reached 204,841 metric tons, valued at more than $ 1.37 billion. Import volumes increased 5.8 per cent year on year, underlining the scale of the country’s dependence on overseas coffee supplies. Yet Korea is increasingly turning imported raw materials into products with export potential.

Coffee-related exports reached $ 229.6 million in 2024, up 4.6 per cent from the previous year. Instant coffee accounted for 98 per cent of Korea’s total coffee export volume of 35,349 metric tons. The next growth opportunity may be emerging in roasted coffee. Exports of roasted coffee beans surged 46.8 per cent year on year in May 2025, signalling stronger overseas interest in Korean roasting capabilities and premium coffee products.

The export geography is also changing. Israel accounted for 18.1 per cent of Korea’s coffee exports by value in 2024, followed by China at 15.4 per cent, Australia at 7.1 per cent, the Philippines at 6.5 per cent and Chile at 5.7 per cent. Israel overtook China as Korea’s largest coffee export destination in 2023, after China had held the top position through 2022.

For Korea’s coffee industry, the opportunity is therefore shifting from simply selling more coffee domestically to building value around processing, roasting, product development and brands that can travel beyond the domestic market. The underlying challenge remains clear: Korea does not control the primary coffee-growing resource. But its expanding consumer market, sophisticated demand and growing roasting and processing capabilities could allow it to capture more value further downstream.

The next phase of Korea’s coffee story may consequently be less about how much coffee the country consumes and more about how effectively its companies can convert imported beans into higher-value products for both Korean and international consumers.