

Hallyu White Paper

A decorative graphic consisting of two thin, dark grey arcs that intersect at a single point in the center, forming a lens-like shape. The arcs are positioned such that they appear to be part of a larger circle or sphere, with the intersection point located below the main title and above the year.

2021

2021 Hallyu White Paper

Hallyu White Paper

2021

I — Introduction to 2021 Hallyu Issues **6**

Kim Ah-young Researcher
Research Team
Korean Foundation for International Cultural Exchange

II — 2021 Achievements and Forecast of Hallyu by Sector

Analysis of Four Categories of Pop Culture Content

① Hallyu in Broadcast Programs	“K-dramas” That Have Joined the Mainstream Open a new Chapter of Hallyu	24
---	---	----

Lee Seong-min Assistant Professor
Department of Media Arts & Sciences
Korea National Open University

② Hallyu in Film	Hallyu in Film Shifting From the big Screen to Online Platforms	46
------------------------	--	----

Kim Hyung-seok Film Journalist

③ Hallyu in Music	Change Amidst Crisis and Resulting Opportunities	71
-------------------------	---	----

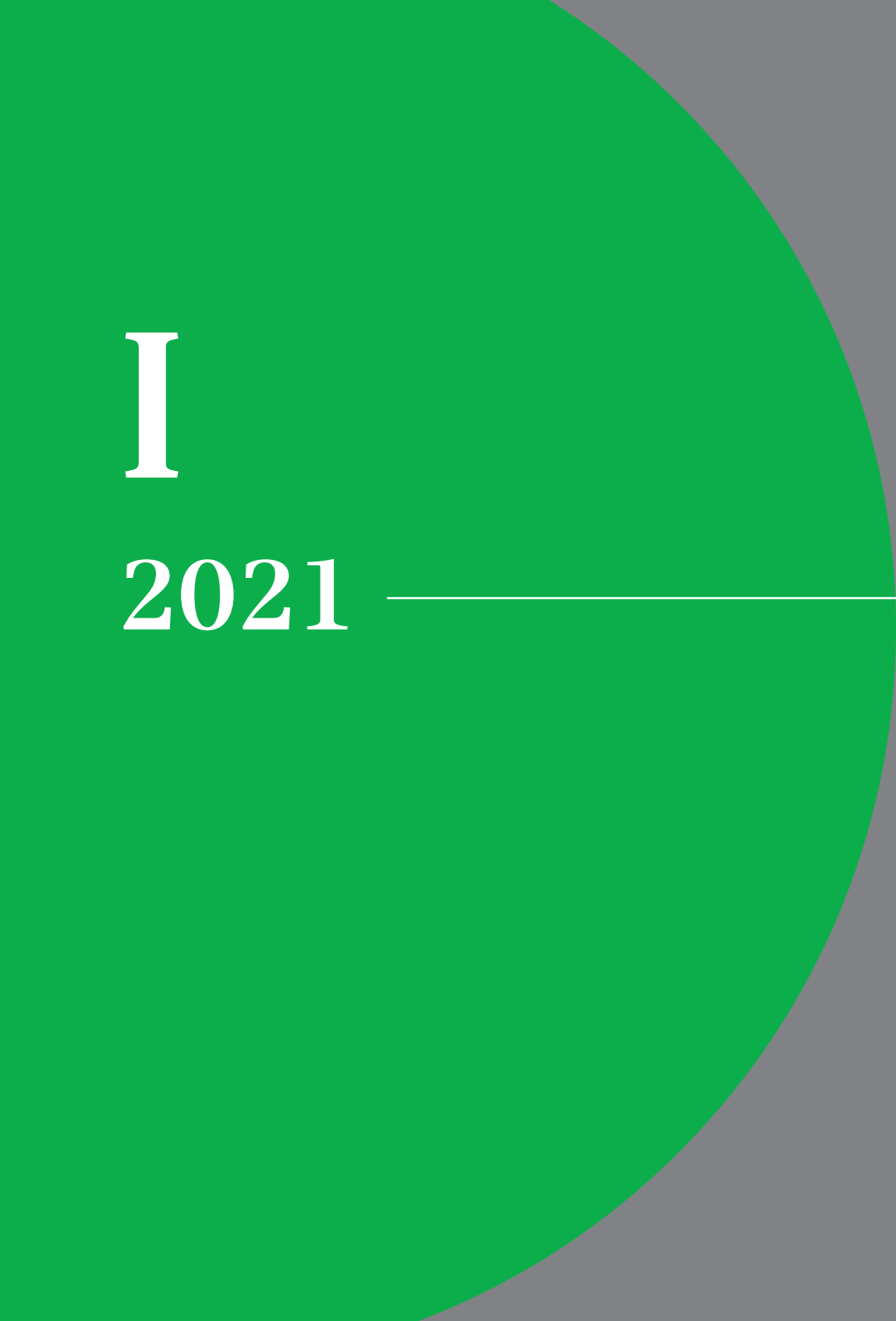
Lee Gyu-tag Associate Professor of Cultural Studies
George Mason University-Korea

④ Hallyu in Games & E-Sports	Game Hallyu Advancing Through Various Platforms	94
---------------------------------------	--	----

Kang Shin-gyu Research Fellow
Media & Advertising Research Institute
Korea Broadcast Advertising Corporation (KOBACO)

III — References

116



I

2021

Hallyu Issues

Kim Ah-young

Researcher

Research Team

Korean Foundation for International Cultural Exchange

■ The overall content industry¹: The sales revenue and export value of the content industry and the number of people working in the field were all on the rise, standing at KRW 61 trillion, KRW 6 trillion, and 660,000, respectively, in the first half of 2021.

According to the *Content Industry Trends Analysis Report for the First Half of 2021*, which estimated the size of the content industry for 2,700 businesses from July 22 to September 20, 2021, the content industry posted a sales revenue of about KRW 61.2303 trillion (up 6% year-on-year). While the sales of comics and games rose in the first half of 2021 compared to the same period of last year, the film, publishing, music, and animation sales decreased year-on-year in the corresponding order. In particular, as in the previous year, the movie sector saw a significant drop in sales (54.2% in 2020 → 36.1% in 2021), which is deemed to arise from sluggish theater sales caused by the COVID-19 pandemic. Publishing (17.8%) accounts for the largest portion of the content industry sales, as in previous years, followed by broadcasting

¹ The term "cultural content" or "content" is frequently used in Korean society and cultural contents are an integrated discipline that combines humanities, social sciences, natural sciences, and the arts. The cultural content industry is defined as the industry related to the production, distribution, and consumption of cultural products and services (i.e., movies, games, animations, comics(webtoons), music, internet & mobile contents, broadcasting, etc.).

(15.7%), gaming (15.1%), character (9.7%), and music (4.5%).

The total export value of the content industry for the first half of 2021 also turned upward. The exports were estimated at USD 5.27855 billion (approx. KRW 6.2851 trillion), representing an increase of 6.8% year-on-year. The gaming sector made up the largest portion (67.6%) of the export value by sector with USD 3.5 billion (approx. KRW 4 trillion), more than half of the total export value, followed by character (6.9%), music (5.5 %), and broadcasting (3.9%). Among them, the sectors including film and character, whose exports were hit hard by COVID-19 in the first half of 2020, shifted to an upward trend in the first half of 2021, with the reflection of the base effect of the pandemic. However, despite this recovery, several sectors such as film, character, and animation did not restore to the level of exports in the first half of 2019 before the outbreak of COVID-19.

In the first half of 2021, the number of people employed in the content industry was estimated at 664,653, with a 1.1% growth year-on-year. Compared to 2020, the number increased most in the comics sector (6.6%), followed by gaming (2.3%), and rose in all sectors except for film (-3.0%), broadcasting (-1.5%), and music (-1.2%). The employment reduction rate in film reached 3.0%, marking the highest among those in the above three sectors,

Table 1 Rankings of the Sales Revenue and Export Value of the Content Industry for the First Half of 2021

(Unit: %)

Ranking	Sector	Sales Revenue (Unit: KRW 1 Mil.)	Sector	Export Value (Unit: USD 1,000)
1	Publishing	10,889,714	Gaming	3,565,937
2	Broadcasting	9,626,846	Character	363,430
3	Gaming	9,262,094	Music (performance)	292,684
4	Character	5,961,594	Publishing	256,319
5	Music	2,785,867	Broadcasting	182,741
6	Film	965,405	Animation	42,978
7	Comics	897,743	Comics	45,296
8	Animation	262,539	Film	14,308

Source: Korea Creative Content Agency. (2021). *Content industry trends analysis report for the first half of 2021*. pp. 27-29.

which was the same as a year ago. The publishing sector (27.5%) took up the largest portion of the total number of people working in the content industry, followed by gaming (13.9%), music (10.4%), broadcasting (7.3%), and character (5.6%).

■ **OTT platforms: Following in the footsteps of Netflix, Disney+ and Apple TV+ land in Korea, accelerating their original content production.**

2021 is the first year for various Korean video contents to go viral across the world through global OTT platforms. Following in the footsteps of Netflix, which is the first global OTT platform to make a foray into Korea in 2016 and is achieving the economy of scale based on its first-mover advantage, other global streaming platforms such as Disney+ and Apple TV+ made inroads into the country in the second half of 2021. The fierce competition among global OTT services to attract Korean subscribers soon led to competition for Korean original or exclusive content that makes the most of Korean directors, actors, and cast. The Korean original series released by Netflix in 2021 include *Love Alarm* Season 2, *Move to Heaven*, *D.P.*, *Squid Game*, *My Name*, *Hellbound*, and *The Silent Sea*. Films such as *Space Sweepers*, *Night in Paradise*, *Sweet and Sour*, and *The 8th Night* met viewers via the streaming service, and CGV gathered these movies together and held special screenings of them in September 2021. Disney+ produced and distributed dramas, documentaries, and variety shows, respectively, as

original content, including *Snowdrop*, *Blackpink: The Movie*, and *Outrun by Running Man* at the end of 2021, and as soon as Apple TV+ launched its OTT service in Korea, it met subscribers worldwide with its first Korean original series *Dr. Brain*.

Facing competition in the global OTT market, Korean OTT players including Wavve, TVING, Watcha, Coupang Play, and Kakao TV are also revealing their presence. Broadcasters, mobile carriers, and production companies are seeking to launch joint OTT platforms and self-producing content on the strength of smash-hit Korean shows. For example, the list of original content on Wavve launched in September 2019 includes about 20 titles of dramas, movies, and variety shows. CJ ENM and JTBC Studios co-founded TVING in October 2020 and showcased 60 original and exclusive content titles. Seezn, formerly KT's mobile TV platform, was spun off from KT in 2020 and began to make investments and create its own original content in order to reform as an OTT service provider. In particular, it plans to secure a large number of competitive exclusive series as it has won more subscribers since the exclusive pre-release of *The Medium* in 2021. Watcha, which started as a domestic startup in 2016 that entered Japan in 2020, grew into an independent streamer not linked to broadcasters and telecommunication companies, on the

Table 2 Current Status of Korean Original Content Production by Major OTT Platforms (As of 2021)

Classification	Title/Genre	Production Companies	Release Date (No. of Episodes)	Director	Writer	Cast	Production Cost (Estimated)	Original Work	Remarks
Netflix	Love Alarm Romantic comedy	Season 1 Studio Dragon	Aug. 22, 2019 (8)	Lee Na-jeong	Lee Ah-yeon, Seo Bo-ra	Kim So-hyun, Jung Ga-ram	KRW 8 billion	The eponymous webcomic by Chon Gye-young	2,500 original content titles (40% of the service's library) A total of 25 Korean original series and films (10 titles increased compared to the previous year)
		Season 2 Production H	Mar. 12, 2021 (6)	Kim Jin-woo	Cha Yeon-soo, Kim Seo-hee	Kim So-hyun, Jung Ga-ram	KRW 6 billion		
	Move to Heaven Thriller (R-rated)	Page 1 Film, Number Three Pictures	May 14, 2021 (10)	Kim Sung-ho	Yoon Ji-ryeon	Lee Je-hoon, Tang Jun-sang, Hong Seung-hee	-	The nonfiction essay <i>Things Left Behind</i> written by Kim Sae-byul and Jeon Ae-won	
	D.P. Military drama	JTBC Studios	Aug. 27, 2021 (6)	Han Jun-hee	Han Jun-hee, Kim Bo-tong	Jung Hae-in, Koo Kyo-hwan, Kim Sung-kyun	-	The webcomic <i>D.P.: Dog's Day</i> by Kim Bo-tong	
	Squid Game Survival thriller (R-rated)	Siren Pictures	Sep. 17, 2021 (9)	Hwang Dong-hyuk	Hwang Dong-hyuk	Lee Jung-jae, Park Hae-soo, Jung Ho-yeon	KRW 25.3 billion	-	
	My name Action-noir (R-rated)	Studio Santa Claus Entertainment	Oct. 15, 2021 (8)	Kim Jin-min	Kim Ba-da	Han So-hee, Park Hee-soon	-	-	
	Hellbound Thriller (R-rated)	Climax Studio	Nov. 19, 2021 (6)	Yeon Sang-ho	Yeon Sang-ho, Choi Gyu-seok	Yoo Ah-in, Kim Hyun-joo, Park Jeong-min	KRW 20 billion	The eponymous webcomic by Yeon Sang-ho	
Disney+	The Silent Sea Sci-fi	Artist Company	Dec. 24, 2021 (6)	Choi Hang-yong	Park Eun-kyo	Bae Doona, Gong Yoo, Lee Joon	KRW 25 billion	The short film <i>The Sea of Tranquility</i>	
	Snowdrop Romance	Drama House, JTBC Studios	Dec. 18, 2021 (16)	Jo Hyun-tak (Sky Castle director)	Yoo Hyun-mi (Sky Castle writer)	Jung Hae-in, Jisoo	KRW 18 billion	-	Simultaneously aired on JTBC
	Hellbound Thriller (R-rated)	YG Entertainment, CGV	Dec. 15, 2021 (1)	Jung Su-ye, Oh Yoon dong	-	Blackpink	-	-	-
Apple TV+	Hellbound Thriller (R-rated)	SBS, Walt Disney Company	Nov. 12, 2021 (14)	Lim Hyung-taek	-	Kim Jong-kook, HaHa, Ji Suk-jin	-	The official spin-off of <i>Running Man</i>	Planning to obtain the lineup of 50 or more local and original content titles in the Asia-Pacific region by 2023
	Hellbound Thriller (R-rated)	Bound Entertainment, Kakao Entertainment, StudioPlex, Dark Circle Pictures	Nov. 4, 2021 (6)	Kim Jee-woon	Kim Jin A, Koh YoungJae, Kim Jee-woon	Lee Sun-kyun, Park Hee-soon, Seo Ji-hye, Lee Yoo-young	KRW 50 billion	The eponymous webcomic by Hongjaega	-

Source: A collection of media reports

strength of Netflix-like curation service, and took the top five spot in the Japanese app market in April 2021 (Song, 2021).

Coupang took over the Singapore-based OTT platform HOOQ in July 2021, after it failed in its attempt to acquire Watcha, and launched Coupang Play the same year. Coupang Play garnered attention as a cost-effective service since it is designed to allow members who subscribe to Coupang's paid premium membership ("Coupang Wow" membership at KRW 4,990 per month) to use Coupang Play at no additional fees. Although it was difficult for domestic OTT platforms to head overseas due to the burden of subtitling and dubbing costs, each of them plans to increase investment in in-house content production by KRW 1 to 5 trillion within the next five years.

Global streamers' original content strategy has a lot of advantages in many respects. OTT platforms' "big investment" worth KRW 20 to 30 billion is given a rousing welcome by Korean production companies. Netflix covers almost all costs required not only for casting popular stars but also for a work's production including sets, art, and costumes, and is responsible even for the budget for country-specific localization such as international marketing and dubbing. Since titles on Netflix are not subject to domestic broadcasting deliberation regulations,

Table 3 Current Status of Domestically Available OTT Services (As of 2021)

Classification	OTT	Shareholders and Service Launch Date	Monthly Premium Subscription Fee (Device Limits)	Features of Content Provided	No. of Paid Subscribers	No. of Korean Original Content Titles
Domestic	Wave	· SKT (36%) + KBS, MBC, SBS (respectively 1.3%) · Sept. 18, 2019	KRW 13,900 (up to 4)	Content from terrestrial channels, TV Chosun, Channel A, etc.	2 million	20
	TVING	· CJ ENM (83.33%), JTBC Studios (16.67%) · Oct. 1, 2020	KRW 13,900 (up to 4)	Content from CJ channels including tvN and JTBC	1.5 million	60, planned to invest KRW 400 billion in content by 2023
	KT Seezn	· KT Studio Genie (100%) · Nov. 28, 2019	KRW 9,900 (1)	Only for mobile users and the cable platform available only to KT users	-	-
	Watcha	· Korean startups · Jan. 31, 2016	KRW 12,900 (4)	On the strength of a personalized content curation service, making a foray into the Japanese market, providing a library including HBO series <i>Chernobyl</i> , <i>Game of Thrones</i> , and <i>Killing Eve</i>	1.36 million	-
	Kakao TV	· Kakao M + Kakao Page = Kakao Entertainment · Sept. 21, 2021	Paid service after one-week free trial	Began to produce original dramas from 2020	-	63
	Coupang Play	· Acquired Singapore-based HOOQ in July 2021 · Dec. 24, 2020	KRW 4,990 (up to 5)	Linked to Coupang's membership service like Amazon Prime Video	3.58 million	2
Overseas	Netflix	· Officially launched in Korea on Jan. 7, 2016 · Netflix Korea founded in Sept. 2020 · Became the No. 1 player in the Korean OTT market and formed partnerships with CJ ENM and JTBC	KRW 17,000 (up to 4)	Has the largest original catalog of around 2,500 titles (making up about 40% of the streamer's library as of Sept. 2021)	210 million	25
	Amazon Prime Video	· Launched in Korea in Feb. 2020	KRW 18,000 (up to 3)	Linked to Amazon's membership service	200 million	87
	Disney+	· Launched in Korea on Nov. 12, 2021	KRW 9,900 (up to 4)	16,000 episodes of content from Disney, Pixar and Marvel, including <i>Snowdrop</i> , <i>Moving</i> , <i>Grid</i> , and <i>Rookie Cops</i>	116 million	340 (in development and production)
	Apple TV+	· Nov. 4, 2021	KRW 6,500 (up to 6)	Produced about 70 originals including <i>Pachinko</i> starring Lee Min-ho and Youn Yuh-jung and <i>Dr. Brain</i> directed by Kim Jee-woon in 2021	20 million in North America	1
	HBO Max	· Slated to be launched in Korea in 2022	KRW 17,000 (up to 4)	Holds Warner Bros and DC Comics content	67 million (HBO +, HBO Max)	-

Source: A collection of media reports

the streaming service can produce violent and bold content such as zombie thrillers and death game shows. Viewers are satisfied with the fact that they can see fresh programs as many as they want whenever they want, which were rarely available in legacy media. Above all, global OTT platforms expand the regional scope of Korean content from Korea to the world.

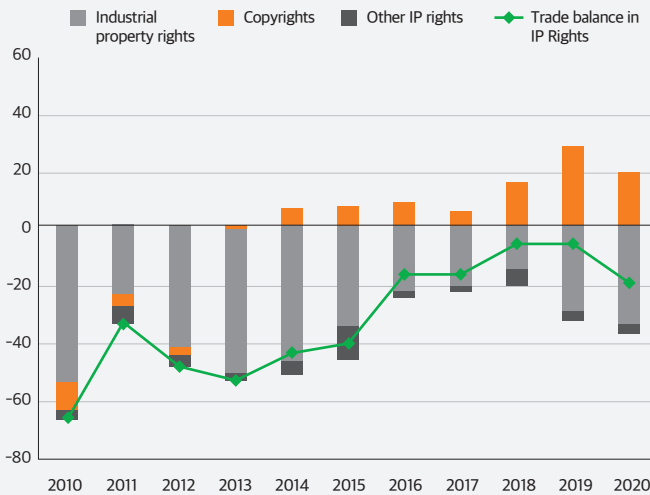
On the other hand, there is an opinion that the structure in which excess profits are not distributed to domestic production companies even if the content becomes a global megahit indicates the paradox and duality of the “hungry boom,” or the “Netflix dilemma (Yang, 2021; Kim & Na, 2022).” In the situation where large production companies as well as small- and medium-sized domestic studios, which have not recouped sufficient production costs, send love calls to Netflix and other OTT platforms, it is necessary to formulate policy measures such as joint intellectual property IP ownership between services and production houses from a “long-term perspective.” Although global OTT companies cover high investment costs amid fierce competition among businesses to acquire Korean content IP, their investments may change depending on how the market structure changes in the future (Kim, 2021). Now is the time to gain an in-depth understanding of the competition among multiple global

OTT players, the invigoration of original content production, and overheated investments in Korean original content by international streamers during 2021.

■ **IP rights: Korea's surplus in the IP account hit an all-time high of USD 850 million in the first half of 2021.**

Korea reported the second surplus in the trade of IP rights in the first half of 2021. According to data from the Bank of Korea (BOK, 2021), the nation posted a surplus of USD 850 million (approx. KRW 1.0163 trillion, up about 10.6% year-on-year), which marks the second largest surplus after logging the first of USD 350 million (approx. KRW 425.4 billion) in the second half of 2019. The red ink in Korea's trade of IP rights is usually inevitable since domestic companies often use patents and utility model rights held by the U.S. and other countries in the process of manufacturing electrical and electronic products such as mobile phones (BOK, 2021). Meanwhile, the nation registered a surplus in the trade of copyrights for the first time in 2020, since relevant data was first compiled in 2010, and such trend continued in 2021.

Figure 1 Changes in Data on the Annual Trade Balance in IP Rights Since 2010 (Unit: USD 100 Mil.)



Source: Bank of Korea. (2021, September 24). Trade balance on IPRs in the first half of 2021 (tentative) [Press release]. p. 6.

Types of IP rights mainly consist of copyrights and industrial property rights. The track records by sector show that the copyright trade balance of Korea posted a record-high surplus of USD 1.96 billion (approx. KRW 2.3549 trillion), among which were a high record of USD 300 million (approx. KRW 360.6 billion) from culture and arts copyrights and USD 1.67 billion (approx. KRW 2.0065 trillion) from R&D and software copyrights. The nation saw a trade surplus of USD 310 million (approx. KRW 373 billion) in music and video copyrights among culture and arts copyrights.

Table 4 Types of IP Rights

Type	Classification	Details
Industrial property rights	Patents	Technical inventions
	Utility model rights	Practical inventions
	Design rights	Shapes having aesthetic appeal
	Trademarks	Symbols, logos, etc. used by a company to distinguish its product from others
Copyrights	Copyrights	Literary and artistic creations
	Neighboring rights	The rights of performers and recording labels, etc.
	Industrial copyrights	Computer programs, databases, content, etc.
New IP rights	Industrial property rights in high-technology industries	Layout-designs of semiconductor integrated circuits, artificial intelligence, business methodologies, etc.
	Information property rights	Trade secrets, etc.
	New trademarks	Characters, geographical indications, sound trademarks, scent trademarks, etc.

Source: Competent ministries. (2013, July). How to promote intellectual property financing to achieve the creative economy [Press release].

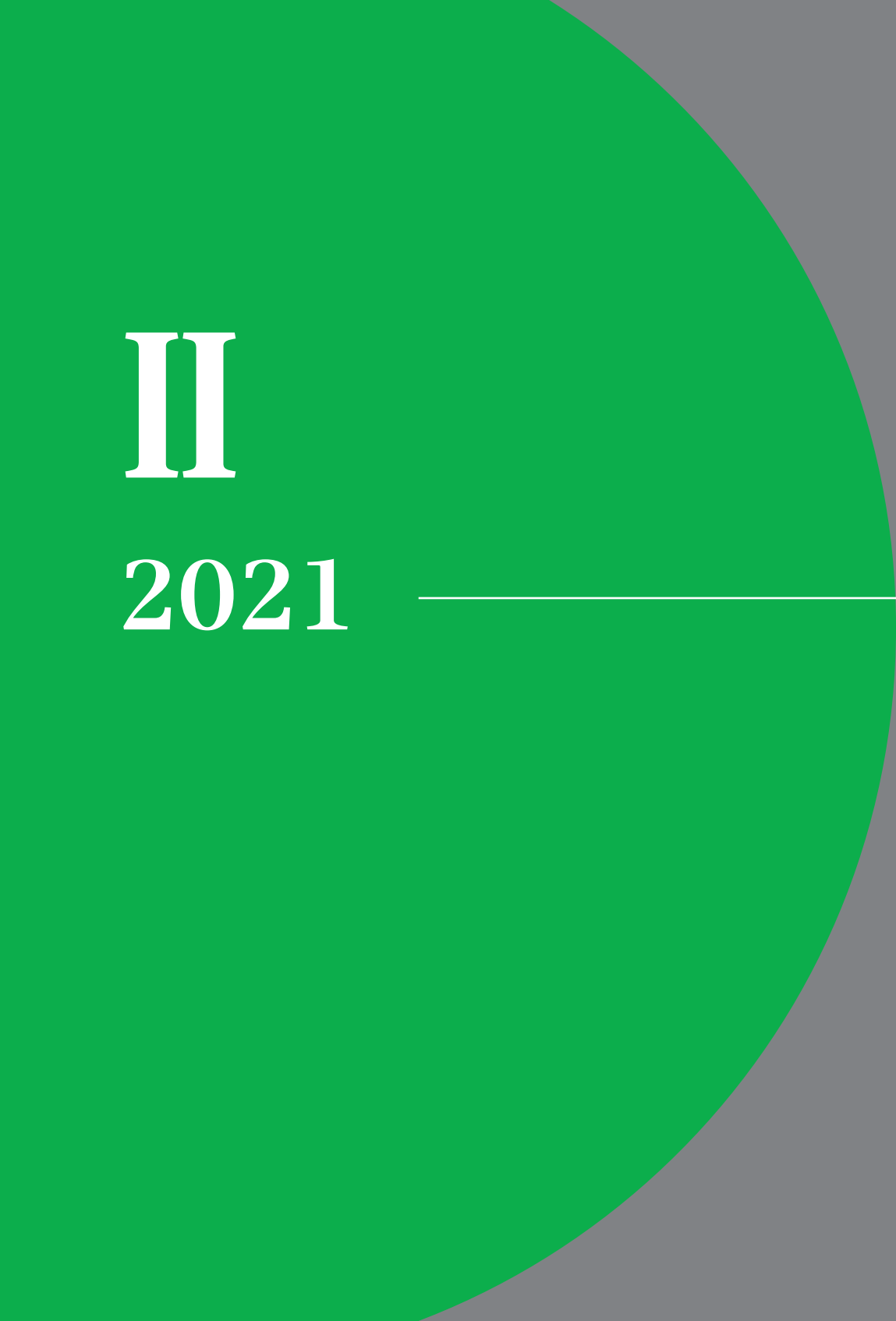
Exports of copyrighted movies, animations, music, and musicals surged 40.2% year-on-year, the highest record for a time period of six months. This is thanks to Korean entertainment companies and drama and film production studios that have been expanding their exports based on their content competitiveness.

The trade balance regarding patents/utility model rights and trademarks/franchise rights categorized into industrial property rights ended up in red with a deficit volume of USD 940 million (approx. KRW 1.13 trillion) and USD 480 million (approx.

KRW 597 billion), respectively, recording the total deficit of USD 1.300007 billion (approx. KRW 1.6467 trillion). However, the deficit volume shrank as exports of industrial property rights rose 32.7% year-on-year, far exceeding the import growth rate of 11.4%.

Traditionally, there has been a dichotomy between copyrights and industrial property rights: literary and artistic works are protected by copyrights and science-based and technology industries are subject to industrial property right protection. This is also the background of maintaining the structure of coordination and cooperation through the Presidential Council on Intellectual Property, taking the form of separately managing copyrights and industrial property rights by the Ministry of Culture, Sports, and Tourism and the Korean Intellectual Property Office, respectively (Jung et al., 2021). However, thanks to the development of the Internet and information and communications technology ICT industries, the value of copyright protection has expanded from culture to industry, and there are points where copyrights and industrial property rights are linked to each other. In particular, with the emergence of the use of “content IP” that is legally based on copyrights and trademarks in the content industry, the importance

of using a wide range of IP such as designs, patents, and licensing rights is being highlighted (Lee & Lee, 2016; Jung et al., 2021).



II

2021

A large green circle is positioned on the right side of the image, partially overlapping a grey background on the left. The text is white and centered within the green area.

— Achievements and Forecast of Hallyu by Sector

1

Hallyu in Broadcast Programs

“K-dramas” That Have Joined
the Mainstream Open a new
Chapter of Hallyu

Lee Seong-min

Professor

Department of Media Arts & Sciences
Korea National Open University

1. Current Status of Hallyu in Broadcast Programs

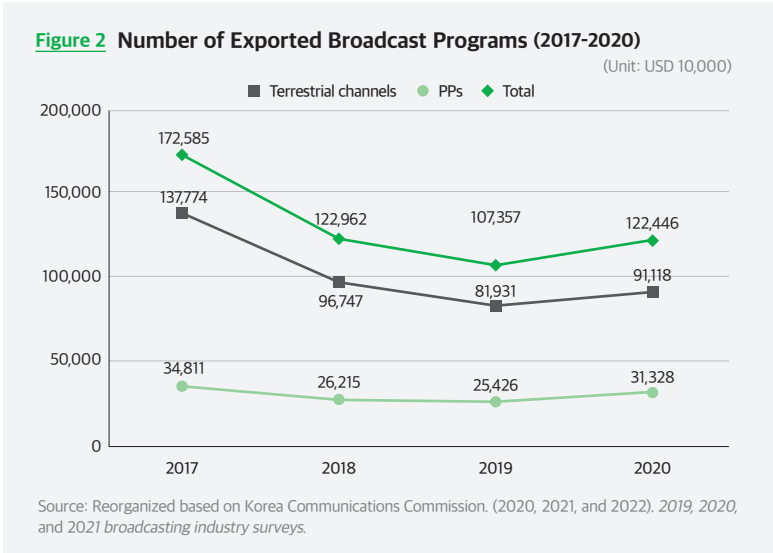
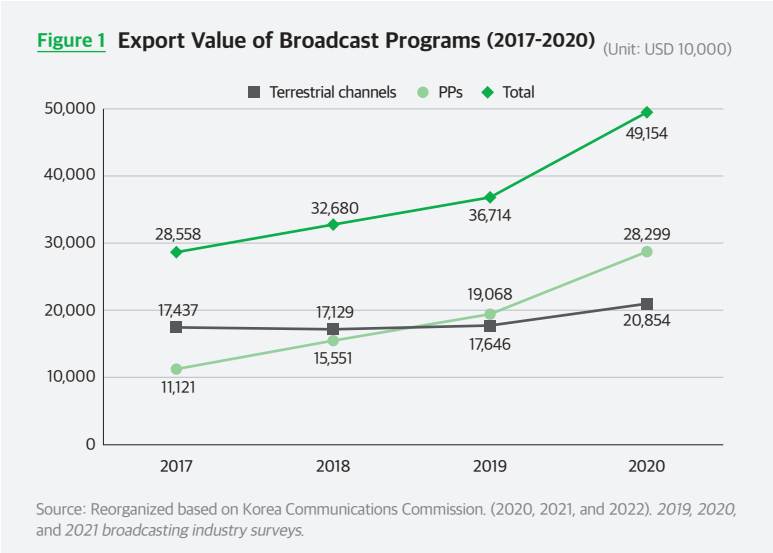
1) Export volume of broadcasting content

The latest available material on the broadcasting industry as of February 2022 is the *2021 Broadcasting Industry Survey* that contains the findings of the survey in 2020. Although it shows data from a year ago, it has the advantage of letting us know how the trend of change confirmed in the material emerged in 2021.

First of all, the export value of broadcast programs in 2020 amounted to USD 491.54 million (approx. KRW 587.2 billion), representing a surge of 33.9% compared to the previous year. The data over the past four years show that the total export volume has been steadily growing, and that the export growth of program providers **PPs** particularly stood out (see [Figure 1](#)). These figures also confirm that export performance soared in 2020 with the acceleration of change in the global OTT market.

In 2020, the number of exported broadcast programs showed a slight rebound, which was 122,446, up 14.1% year-on-year (see [Figure 2](#)). The trend of continuous declines in the number amid the increase of the export value can be deemed as scaling up content

production. The number of exported TV shows turned upward again in 2020, confirming that the exports were overall bullish.¹



¹ Yet, as one of the characteristics of 2021 is the expansion of direct exports to global OTT services not through broadcasting channels, changes not easy to confirm with existing export statistics are increasing. It is important to remember that such market changes are accelerating.

2) Current status and trend of Hallyu in broadcast programs

Global OTT services positioned themselves as useful platforms to confirm the spread of Hallyu in broadcast programs in 2021 as well. Let us examine the trend of Korean broadcasting and video content in 2021 through FlixPatrol. A multitude of Korean dramas including *Squid Game* (1st place), *Vincenzo* (15th place), *Hometown Cha-Cha-Cha* (26th place), *The King's Affection* (48th place), *Hellbound* (49th place), *My Name* (50th place), *Mine* (103rd place), and *Sweet Home* (149th place) dominated Netflix's global rankings in 2021. However, while shows that aired on TV enjoyed enduring popularity mainly in Asia in 2020, Netflix originals were well-received mostly in the second half of 2021 and took relatively higher spots that year.

The flow of the popularity of major Korean content over time is specifically identified as described below. First of all, the biggest smash hit in the first half of 2021 was *Vincenzo*. The show claimed the 6th spot in Netflix's global ranking in week 10 of 2021, and then stayed in the streamer's Global Top 10 for 15 consecutive weeks until week 24 of the year. Works including *The Uncanny Counter* (9th place in week 1, 2021), *Love Alarm* (8th place in week 11, 2021), and *Tale of the Nine Tailed* (7th place in week

15, 2021) also ranked in the Global Top 10.

Mine (9th place in week 33, 2021) attracted attention for a while in the second half of 2021, and *Hometown Cha-Cha-Cha* maintained enduring popularity, achieving the Global Top 10 in week 36 of 2021. *Hometown Cha-Cha-Cha* took the 5th place in week 39 of 2021 and stayed in the Top 10 for 13 consecutive weeks until week 48 of the year. Interest in traditional “Hallyu dramas” continued with *The King’s Affection* entering the Top 10 in week 46 of 2021 and remaining on the list until week 50 of the year. September 17 belonging to the week 37 of 2021, on which *Squid Game* was first released worldwide, is a significant day to be recorded in the history of Hallyu in broadcast programs. The Netflix original was recorded as the most popular series of all time in the streamer’s history, going beyond just a well-received Korean drama. The global OTT platform revealed that the Korean series had been viewed by 111 million households across the world and that it became the most popular show that smashed the existing streaming record of *Bridgerton* (82 million households). *Squid Game* retained the top spot for 53 days, topping the list until week 46 of the year, and continued its winning streak, remaining in the top 10 Netflix show chart for 15 weeks even until the last week of 2021.

After the global megahit of *Squid Game*, attention was focused on Netflix original shows. *My Name* came in 4th place on Netflix's Global Top 10 in week 42 of 2021, and *Hellbound* ranked 1st on the list in weeks 47 and 48 of the year. *The Silent Sea*, which premiered in the last week of 2021, took the 3rd spot shortly after its global release. This shows that, since the best record of *Sweet Home* (3rd place) until 2020, there has been a change that many more Korean dramas were loved in numerous countries for a longer period of time in 2021.

Considering the above trend and current status, it is safe to say that 2021 was the first year for Hallyu in broadcast programs to expand its influence across the world beyond the existing barrier of its consumption limited mainly to Asia. After director Bong Joon-ho called upon the American moviegoers to overcome the “one-inch-tall barrier of subtitles” in his acceptance speech for the Academy Award for Best International Feature Film for *Parasite*, the number of those who actually overcame the “barrier” has increased significantly, and Korean broadcasting and video content is driving the trend of such change.

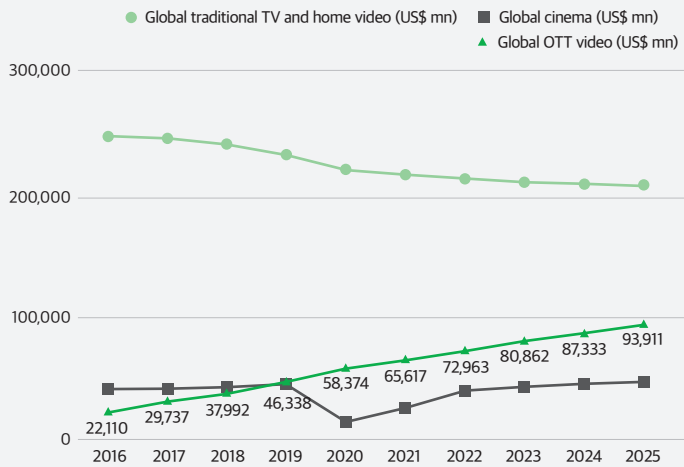
2. Issues Concerning Hallyu in Broadcast Programs

1) A new normal in Hallyu in broadcast programs: Mainstreaming of Korean content and emergence of “K-dramas”

The biggest driving force behind the transcendence of borders by Korean broadcasting and video content is the widespread use of global OTT services. Online streaming platforms have achieved a rapid growth since the outbreak of the COVID-19 pandemic in 2020, and continued to grow in 2021. According to PricewaterhouseCoopers PwC (see [Figure 3](#)), the global OTT market is expected to expand from USD 58.4 billion (approx. KRW 69.7296 trillion) in 2020 to USD 93.9 billion (approx. KRW 112.116 trillion) by the end of 2025, and the Korean OTT market is projected to grow from USD 832 million (approx. KRW 993.408 billion) in 2020 to USD 1.6 billion (approx. KRW 1.9104 trillion) in 2025 (PwC, 2021).

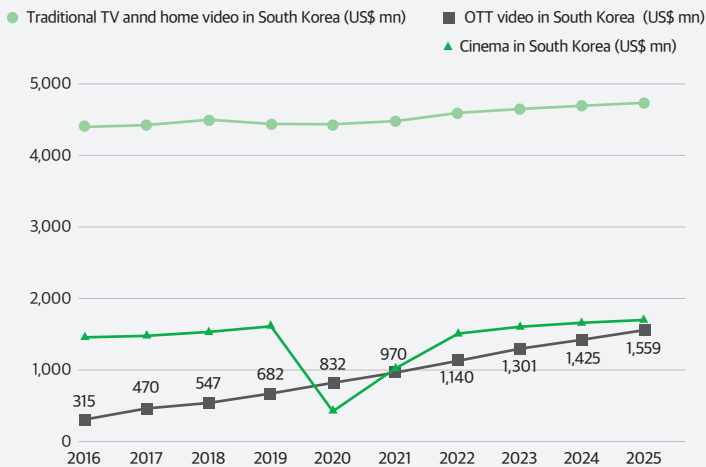
The reason that the growth of OTT services is important can be largely divided into consumption and production factors. First, a consumption factor is that global streaming platforms are emerging as a new key channel for the consumption of broadcasting and video content. According to the *2022 Survey on*

Figure 3 Global Film, Broadcasting, and OTT Market Sizes



Source: Reorganized based on PwC. (2021). *Global Entertainment & Media Outlook 2021-2025*.

Figure 4 Korean Film, Broadcasting, and OTT Market Sizes



Source: Reorganized based on PwC. (2021). *Global Entertainment & Media Outlook 2021-2025*.

the Overseas Hallyu Status, changes in the ratio of international consumers who use Korean video content via online and mobile platforms show that the ratio of drama viewers skyrocketed from 47.4% in 2016 to 76.9% in 2020 and slightly dropped to 75.2% in 2021. The survey indicates that the market share of Netflix among online platforms reached 68% in 2021, and that the rates of using the streamer to watch Korean variety shows and movies stood at 64.0% and 70.1%, respectively. The streaming giant has established itself as the most important medium for Korean video content consumption.

Next, a production factor is that Korea stands to benefit from competition for content investment to add users in the process of expanding the global OTT market. The paid subscription-based video services are actively investing in producing their own original content to gain an upper hand in the competition to sign up users as they expand overseas (Kim, 2021). In particular, Netflix has strategically extended its investment in Korean content not only for the purpose of localization in the Korean market but also for enhancing its performance in Asia, where Korean content is popular, and other OTT services that begin to go global are pushing for the same strategy.

Not only Netflix but also other businesses foraying into

Korea are actively investing in original content production. Apple TV+, which landed in Korea in November, 2021, unveiled its original content *Dr. Brain* and is known to be producing *Pachinko* with a cost of more than KRW 100 billion with the aim of releasing it in 2022. Disney+, which launched its service in Korea in the same month, also announced a plan to continue its production investment in a number of series, including original content *Moving* budgeted at KRW 50 billion.

The interesting part is that content produced with the investment of global OTT platforms displays a different color from the existing dramas that were popular in Asia. Shows that succeeded in the global market via Netflix are distinguished from mainstream content in the existing Korean market in that they are based on genres such as death game, zombie thriller, and horror. Thanks to the large-scale investments as well as the autonomy given to creators by global OTT services, various works, the production of which has not been attempted in the Korean market, are now being released across the world. Discussions on distinguishing these shows from existing romance-oriented “Hallyu dramas” and referring to them as “K-dramas (Korean dramas)” have also begun (Lee, 2021). What is clear is that these “K-dramas” have started to go beyond their regional limitations

and become part of a new “mainstream” culture to which the world is paying attention.

2) Exploring the possibility of Hallyu in variety shows and documentaries

In 2021, changes and leaps in dramas were quite noteworthy that it is true that other genres of broadcasting and video content received relatively less attention. Nevertheless, it should be noted that there has been a sign of change that makes us expect a future possibility.

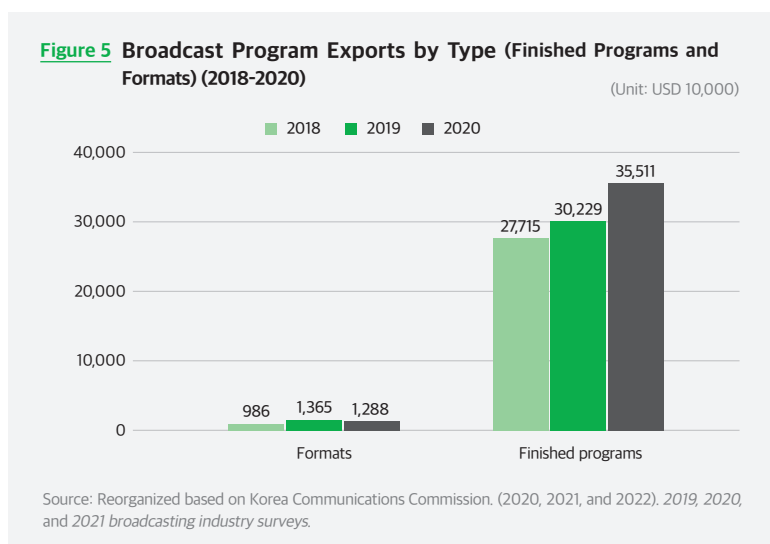
First, a Korean documentary expanded to Netflix original content, making a new breakthrough. It is *My Love: Six Stories of True Love* (hereinafter, *My Love*) released on April 13, 2021. This show, inspired by *My Love, Don't Cross That River*, an independent film released in 2014, expanded its stage to the world (Song, 2021). Based on the five-episode segment titled *Gray-Haired Lovers*, which originally aired on a KBS television documentary program titled *Human Theater* in 2011, the story depicting the main couple was expanded to a film and Netflix original content, drawing attention as an

example of using a broadcast documentary as IP. The expanded adaptations of *My Love* can be considered a significant progress in that they validated the possibility of broadening horizons for documentaries in the situation where existing content is concentrated on the domestic market.

Expectations for Korean variety content were high as shows such as *Outrun by Running Man* (released in November; hereinafter, *Running Man*) and *The Hungry and the Hairy* (released in December) were produced as original content on Disney+ and Netflix, respectively. In particular, *The Hungry and the Hairy* attracted significant attention in Korea since it was produced by producer Kim Tae-ho of *Infinite Challenge* and *Hangout With Yoo*. However, these shows were considered insufficient examples to confirm the same impact of global expansion of Korean dramas, as they only drew attention from domestic users rather than overseas ones.

Korean variety content has gained followers mainly in Asia to date and enjoyed limited popularity in other regions. The reason for this is pointed out that variety shows have a higher cultural discount than dramas, and to overcome this, a strategy to export in the form of “formats” has been mainly considered. This strategy has created a number of successful examples, including

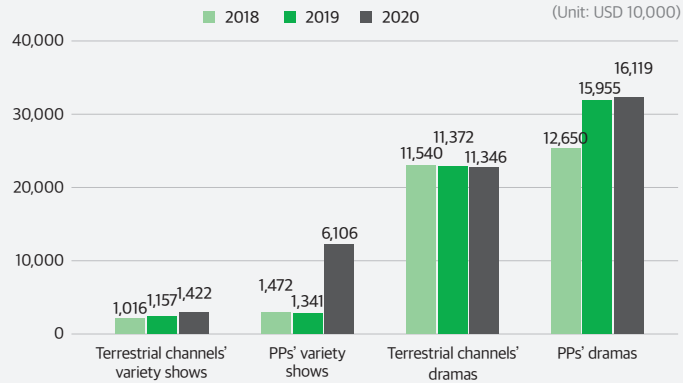
The King of Masked Singer. The format of the show was exported to 54 countries as of September 2021, and has continued its seasons in the U.S., Germany, and Spain (Cho, 2021). Music variety show, *I Can See Your Voice*, also enjoyed popularity by selling its format to 23 countries, including additional sales to five European countries in 2021 (Kang, 2021).



Interestingly, the *2021 Broadcasting Industry Survey* shows that exports of variety content by PPs rose rapidly in 2020. In the situation where there has been no new driving force behind format exports following *The King of Mask Singer* and *I Can See Your Voice*, a rapid export growth was achieved mainly in

finished programs. Compared to 2019, “other” regions drove the change in the export performance of finished variety shows in 2020. “Other” regions include cases where such titles were sold in bundles to many countries other than separately to each one. Exports of entertainment programs (variety content) to “other” regions by PPs jumped more than 19 times from USD 2.22 million (approx. KRW 2.656 billion) to USD 43.94 million (approx. KRW 52.5 billion). In other words, this can be interpreted as an increase in exports of finished shows to global OTT services or businesses that supply content to them. This would be related to the fact that with an increasing number of streaming platforms entering Korea, they have expanded their Korean variety content

Figure 6 Broadcast Program Exports by Genre (Dramas and Variety Shows) (2018-2020)



Source: Reorganized based on Korea Communications Commission. (2020, 2021, and 2022).
2019, 2020, and 2021 broadcasting industry surveys.

library as a strategy to amass Korean users.

It is true that dramas stood out earlier than other types of content in the changing industrial environment centered on OTT services. Nevertheless, a future change can be expected in that genres such as variety shows and documentaries are also getting the same global distribution opportunities as dramas. In fact, reality dating show *Single's Inferno*, which debuted in December 2021, ranked 5th in the worldwide Netflix TV show category according to FlixPatrol, demonstrating the potential of Hallyu in variety shows. The change that viewers, who have begun to overcome the “barrier” of cultural differences through global OTT services, are recognizing the appeal of other genres of Korean broadcasting and video content may be in its infancy.

3. Major Countries and Routes of Hallyu in Broadcast Programs

The examination of the *2021 Broadcasting Industry Survey* to take a general view of Hallyu in broadcast programs suggests that exports to “other” regions soared in 2020 (see [Figure 7](#)). This can be interpreted that worldwide distribution agreements,

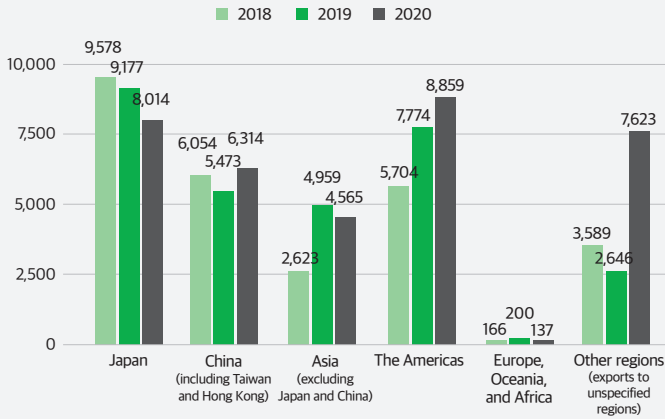
not export agreements with individual countries, were made, representing an increase in the ratio of exports to “other” regions to the total exports converted into 100% (see [Figure 8](#)). Considering that Netflix as well as a large number of other OTT platforms have obtained copyrights targeting global services, the form of globally integrated exports rather than region-specific exports is expected to gradually expand.

It is necessary to make a cautious interpretation of declines in the value and the ratio of exports to Asia. Direct exports appear to be shrinking as existing exports of broadcast programs are changing from the form of sales to individual countries to that of services through global OTT platforms. Industrially, this can be also interpreted as a change in Korea’s broadcasting and video industry to bolster its connection with the global video streaming industry mainly linked to the U.S., away from its existing Asia-centric structure. In the video content industry, online streaming services such as Netflix are expanding their content supply chains away from the U.K. and U.S. regions to Asia, and Korea has begun to emerge as an important content provider amid such change in the global value chain.

Previously, it was common to understand Netflix’s investment in producing regional original content from the

Figure 7 Broadcast Program Exports to Major Countries (2018-2020)

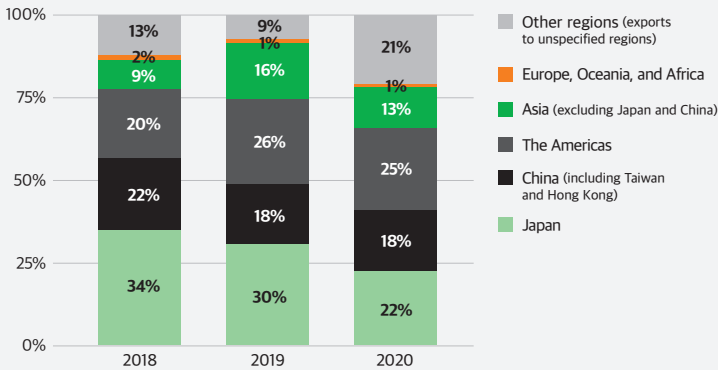
(Unit: USD 10,000)



Source: Reorganized based on Korea Communications Commission. (2020, 2021, and 2022). 2019, 2020, and 2021 broadcasting industry surveys.

Figure 8 Ratios of Broadcast Program Exports to Major Countries (2018-2020)

(Unit: USD 10,000)



Source: Reorganized based on Korea Communications Commission. (2020, 2021, and 2022). 2019, 2020, and 2021 broadcasting industry surveys.

perspective of “localization” to expand the subscriber base of the OTT service. The breakout success of *Squid Game* led to the re-evaluation of this strategy. As it has been proven that content created in Korea can do well around the world, Korean original content production can be seen as a kind of “offshoring” of creative capabilities (Kim, 2021). In this regard, the Korean broadcasting and video content industry has deepened ties with U.S.-centered global services in terms of the video creation and distribution value chain in 2021, and has demonstrated its potential as a “global production base.”

4. Forecast of Hallyu in Broadcast Programs

1) Expected issues

① Concerns about content IP leakage

Another significant change in 2021 was that awareness of the importance of content IP was significantly improved: There was a growing controversy on Netflix holding all intellectual property rights of the megahit drama series *Squid Game* as per the contract. In fact, related merchandise released in the

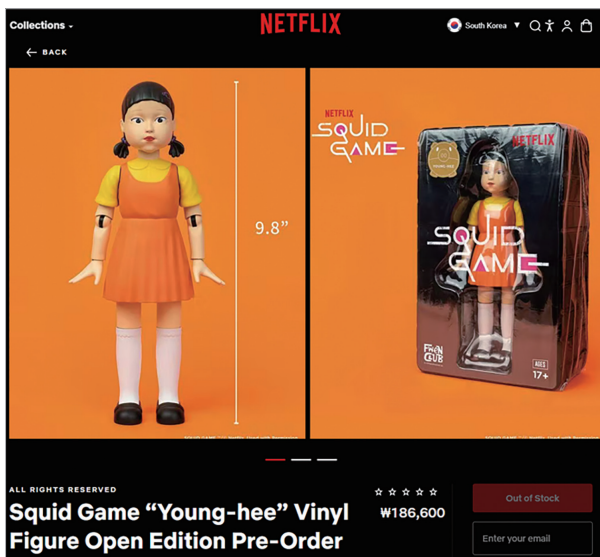


Figure 9 *Squid Game* “Young-hee” Figure

Source: Screenshot of Netflix’s online merch shop

streamer’s own online store clearly shows the IP holder of the series (see [Figure 9](#)).

An estimate shows that *Squid Game* generated KRW 1.055 trillion in impact value for Netflix (Lucas, 2021), but the domestic production studio has enjoyed no additional revenue since they passed over the IP in return for guaranteeing a certain amount of production costs and profits. This streamer’s monopoly of IP attracted public attention through the parliamentary inspection of the government offices (Lee, 2021), which was followed by discussions on measures for the issue via multiple policy

seminars. A consensus was formed that though the cooperation with global OTT platforms has contributed to astonishing achievements in Hallyu, such accomplishments cannot be sustained if strategies for securing and utilizing content IP are not sophisticated.

In a subscription-based business model like OTT services, the importance of content IP is growing more and more. These platforms enable temporal and spatial extension of image consumption (continuous consumption of past works and global content consumption, respectively), while expanding the influence of “fandoms” centered on content IP, which facilitate the temporal extension of values through continuously linked stories and expansion of profitability through licensing.

That is where the leakage of local content IP to global OTT platforms becomes an issue. IP with high loyalty needs to be secured to make sustainable profits in a paid subscription-based OTT environment, and in order to have such IP rights, global service platforms have increased their investment in content for the purpose of gaining source IP. Under this circumstances, if local production companies who cannot refuse short-term profits such as sufficient production costs and profit assurance would continue to conclude contracts assigning all IP rights

when producing global OTT providers' original content, it would make the IP competitiveness of local studios vulnerable in the mid- and long-term. When local drama production studios with a vulnerable business structure rely solely on the support from foreign streamers in pursuit of short-term profits, rights of creative local IP may be leaked and local OTT service providers may face difficulties in securing the rights of outstanding IP, possibly forming a vicious circle.

② Cultural diversity issues

With a growing number of regions consume Korean cultural content, some critics raise their voice that some works show a lack of consideration for cultural diversity. One example is *Racket Boys*, which aired in June, 2021. In an episode where a character participates in an international competition held in Indonesia, a situation in the country was illustrated in a negative way, leading to strong resistance from Indonesian audiences. Also, a character with a cornrow hairstyle in *The Penthouse 3: War in Life* was subject to criticism by global fans on social media that it was a mockery of African American society and black culture.

Cultural diversity issues have emerged as a realistic

problem as Korean content has been consumed in more diversified regions. The same issues emerged in K-pop that gained global popularity prior to broadcasting content. Blackpink's music video released in 2020 is a representative example: The image of a Hindu god's statue in the video sparked fierce complaints from Indian fans (Lee, 2021). As regions consuming Korean broadcasting and video content are rapidly expanding, such issues are more likely to be raised with an increased frequency. For example, dating show *Single's Inferno* gained popularity worldwide, but praises about the pale skin of a cast member sparked a backlash from global fans (Lee, 2021). Accordingly, cultural sensitivity and awareness may become a more significant issue with respect to the sustainability of Hallyu in broadcast programs.

2

Hallyu in Film

Hallyu in Film Shifting From the big Screen to Online Platforms

Kim Hyung-seok
Film Journalist

1. Current Status of Hallyu in Film

1) Drop in film exports

In 2020, the Korean film industry's overseas exports reached USD 83.61 million (approx. KRW 10.06 billion) despite the spread of the COVID-19 pandemic, up by 13.3% compared to 2019; but in 2021, they plummeted. The total export values of finished films and technical services reached USD 48.63 million (approx. KRW 58.5 billion), a drop of 41.8% compared to 2020, which was a plunge in nine years after exceeding USD 50 million (approx. KRW 60.2 billion) in 2013.

The biggest reason behind this decline was a slump in the technical services sector, especially the difficulty in attracting film locations for foreign films. In 2021, the technical service exports stood at USD 5.6 million (approx. KRW 6.7 billion), the lowest since 2010 when relevant data was first compiled. It was a shocking result considering that the exports had never been under USD 10 million (approx. KRW 12 billion) from 2010 to 2021. Compared to 2021, they dropped by a whopping 81%. There were several reasons for such plunge, but the most critical one was that location scouting by foreign moviemakers in Korea

was impossible due to the pandemic. Recent statistics suggest that the country earned USD 16.83 million (approx. KRW 20.3 billion) in 2019 and USD 19.69 million (approx. KRW 23.8 billion) in 2020 through attracting shooting locations for foreign movies. In particular, location incentives accounted for two-thirds of the technical services sector's performance in 2020. Thus, when such revenue suddenly became zero, the exports suffered an overall loss.

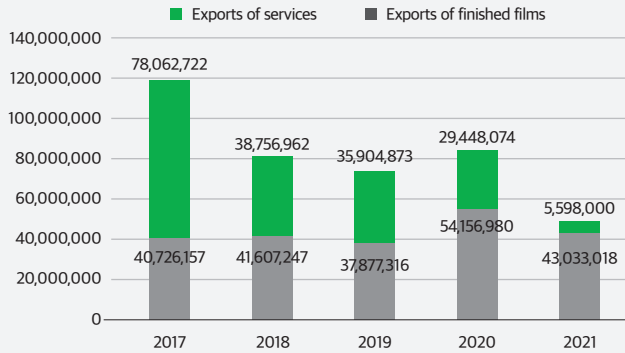
Table 1 Exports of Korean Films Over the Recent Five Years (Unit: USD)

Classification 1	Classification 2	2017	2018	2019	2020	2021
Exports of finished films	Contract amount	34,771,671	37,436,403	36,276,567	51,290,400	39,763,074
	Local distribution revenue	5,954,486	4,170,844	1,600,749	2,866,580	3,269,944
	Subtotal	40,726,157	41,607,247	37,877,316	54,156,980	43,033,018
Exports of services	Exports of technical services	70,184,428	35,361,845	19,089,682	9,761,760	5,598,000
	Location incentives	7,878,294	3,395,117	16,815,191	19,686,314	*
	Subtotal	78,062,722	38,756,962	35,904,873	29,448,074	5,598,000
Total		118,788,879	80,364,209	73,782,189	83,605,054	48,631,018
Year-on-year change rate		17.5%	-32.3%	-8.2%	13.3%	-41.8%

Source: Korean Film Council. (2022). *2021 evaluation of the Korean film industry*. p. 55.

Fortunately, the drop rate of exports of finished films stood at 20.5%. Considering that, in 2020, movies like *Time to Hunt* (directed by Yoon Sung-hyun) decided to be released on a global

Figure 1 Ratios of Korean Film Exports (Finished Films and Services) Over the Recent Five Years (Unit: USD)



Source: Korean Film Council. (2022). 2021 evaluation of the Korean film industry. p. 56.

OTT platform instead of in movie theaters, leading to the increase in exports, and that there were much-anticipated features such as *Parasite* and *Peninsula*, such a decline in 2021 without any of these special events does not necessarily mean a significant downturn in the finished film export market itself.

With regard to the finished film sector more in detail, the “contract amount,” which is the performance of exported films that were already released or are about to be released in the Korean market, was USD 39.76 million (approx. KRW 48.2 billion), down 22.4% compared to USD 51.29 million (approx. KRW 62.1 billion) in 2020. This is due to a slump in the domestic market. The current status of the Korean film industry is like a warehouse

storing an excessive inventory of movies. The collapse of the theater industry (retail) inflicts damage on the distribution industry (wholesale), and the film production (manufacturing) has lost its lead to OTT platforms. This structural contradiction is most vividly revealed in the collapse of the lineup. Before the outbreak of COVID-19, movie theaters were filled with new films, among which were tentpole movies, during the peak seasons, but now new releases have been delayed due to the pandemic. In particular, the highly anticipated features by famous directors are hardly seen, such as *Decision to Leave* by Park Chan-wook, *Alienoid Part 1* by Choi Dong-hoon, *Hansan: Rising Dragon* by Kim Han-min, and *Hero* by Youn Je-kyun. In 2021, *Escape from Mogadishu* by Ryoo Seung-wan was almost the only one that gave life to the film industry. Under these circumstances, it was natural and expected for the “contract amount” to be reduced.

On the other hand, “local distribution revenue,” profits earned from exported films in other countries, reached USD 3.27 million (approx. KRW 4 billion) up 14.1% from USD 2.87 million (approx. KRW 3.5 billion) in 2020. This was attributed to the profits from *Peninsula* directed by Yeon Sang-ho and additional revenue from online platforms. The number of exported films was 809, which was reduced from 975 in the previous year but increased

compared to 2017 to 2019 before the outbreak of COVID-19. This was due to the demand in the OTT service market, and as a result, the export price for each work was USD 49,151 (approx. KRW 59.55 million), down 7% from USD 52,606 (approx. KRW 63.74 million) in 2020. Such decline has appeared since 2020 because of the lack of increase in prices due to the limitation of the secondary market that purchases partial rights, even though the number of films increased thanks to the vitalization of the OTT service-based secondary market.

Table 2 Exports of Finished Korean Films Over the Recent Five Years

(Unit: USD)

Classification	2017	2018	2019	2020	2021
Total overseas sales	40,726,157	41,607,247	37,877,316	54,156,980	43,033,018
Contract amount	34,771,671	37,436,403	36,276,567	51,290,400	39,763,074
Local distribution revenue	5,954,486	4,170,844	1,600,749	2,866,580	3,269,944
Year-on-year change rate	-7.3%	2.2%	-9.0%	43.0%	-20.5%
Numbers of exported films	802	603	574	975	809
Average export price per film	43,356	62,084	63,200	52,606	49,151

Source: Korean Film Council. (2022). *2021 evaluation of the Korean film industry*. p. 56.

When the exports of finished films are divided depending on the types of rights, changes in the overseas export market can be understood more in detail. The most noticeable changes are the reduction of all rights sales and the growth of ancillary rights sales. Revenues from all rights comprising the theatrical rights

and ancillary rights decreased 34.6% from USD 43.07 million (approx. KRW 51.8 billion) in 2020 to USD 28.17 million (approx. KRW 33.9 billion) in the previous year. Revenues from the ancillary rights, however, increased by 33% from USD 7.10 million (approx. KRW 8.6 billion) to USD 9.44 million (approx. KRW 11.4 billion). This means that there was a reduction and an increase by one-third, respectively, in the two sections. While all rights were increasingly secured amid the turmoil caused by the pandemic and a rapidly changing platform environment in 2020, the ratio of ancillary rights rose due to the global growth of OTT platforms in 2021. The international method of content acquisition has changed significantly in just one year.

The remake rights section clearly shows the interest in Korean films. Over the past five years, the remake rights revenue recorded a new high of USD 1.94 million (approx. KRW 2.3 billion) and the remake rights were secured in the situation where the import of Korean films in China was not in the push. *Secret Zoo* (2020) by Son Jae-gon and *Sinkhole* (2021) by Kim Ji-hoon are representative examples. *The Villainess* (2017) by Jung Byung-gil will be produced as an original series on Amazon Prime, and *Sunny* (2011) by Kang Hyoung-chul and *Miss Granny* (2014) by Hwang Dong-hyuk are scheduled to be remade in the U.S..

There are high expectations as to how the two films that have been already remade in several countries will be produced in Hollywood. *Save the Green Planet!* (2003) by Jang Joon-hwan will be co-produced by a U.S. production studio and Korea's CJ ENM.

Miracle in Cell No.7 (2013) by Lee Hwan-kyung is scheduled to become a remake in Spain, and *Man on the Edge* (2013) by Jo Jin-kyu was sold to India. In addition, *The Merciless* (2017) by Byun Sung-hyun, *The Gangster, the Cop, the Devil* (2019) by Lee Won-tae, and *Extreme Job* (2019) by Lee Byoung-heon had their remake rights sold to foreign countries.

Table 3 Exports of Finished Korean Films by Copyright Type Over the Recent Five Years

(Unit: USD)

Classification	2017		2018		2019		2020		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
All rights	24,710,624	71.1%	24,992,022	66.8%	28,003,695	77.2%	43,067,316	84.0%	28,169,557	70.8%
Ancillary rights	8,325,077	23.9%	10,611,481	28.3%	6,963,872	19.2%	7,095,358	13.8%	9,438,078	23.7%
Remake rights	1,631,900	4.7%	410,000	1.1%	1,038,000	2.9%	997,126	1.9%	1,942,500	4.9%
Theatrical rights	104,070	0.3%	1,422,900	3.8%	271,000	0.7%	130,600	0.3%	242,939	0.6%
Total	40,726,157	100.0%	41,607,247	100.0%	37,877,316	100.0%	54,156,980	100.0%	43,033,018	100.0%

Source: Korean Film Council. (2022). *2021 evaluation of the Korean film industry*. p. 59.

2) Technical services

As described above, exports of technical services of

Korean films plummeted in 2021. Attracting film locations failed and technical service exports were USD 5.6 million (approx. KRW 6.7 billion), down 42.7% from USD 9.76 million (approx. KRW 11.7 billion) in 2020. The exports were reduced by over one-tenth in four years after reaching a peak in 2017 by winning contracts for large-scale Chinese films. More specifically, only visual effects (VFX) and digital intermediate (DI) accounted for technical services, and sounds or other segments had no performance. Relevant companies had worked for TV dramas or OTT series as well as films, and as the center of content moved from movies to other areas, the volume of film-related work drastically dropped. But this downturn will be gradually improved if Korean content with strong genre-specific characteristics draws continued popularity in the OTT series market and if its technical strength can be revealed.

Table 4 Exports of Korean Film Technical Services by Type Over the Recent Five Years

(Unit: USD)

Classification	2017	2018	2019	2020	2021
VFX, DI	65,953,928	35,209,595	18,423,682	9,218,042	5,598,000
Sound	30,500	32,250	96,000	*	*
Others (SFX, equipment, etc.)	4,200,000	120,000	570,000	543,718	*
Total	70,184,428	35,361,845	19,089,682	9,761,760	5,598,000

Source: Korean Film Council. (2022). *2021 evaluation of the Korean film industry*. p. 61.

2. Issues Concerning Hallyu in Film

1) From *Parasite* to *Squid Game*

OTT services are the fastest-changing field at the moment. In 2020, it was a huge deal that *Time to Hunt* directed by Yoon Sung-hyun was released on an OTT service without a theatrical release, which led to a legal battle. In the early stage of COVID-19, people were unable to go to theaters, and thus, the crew decided to release the film on an online streaming platform despite its sufficient promotions and international marketing. In the same context, it was shocking that *Space Sweepers* directed by Jo Sung-hee was released on an OTT platform in January 2021. Since then, film premieres on streamers have no longer been exceptional, and the boundary between films and dramas began to become blurred on the new platform. Movies chose the extension of their platform for survival. This may be natural, considering that the number of Korean films with over one million viewers nationwide was just four in 2021, compared to 15 in 2020.

As a result, power and energy accumulated through the film industry started to work via OTT series. One of the representative examples is *Squid Game*, which garnered over

100 million households for the first time in Netflix history just within 17 days of its release and became the first series ranked 1st in every country with access to the streamer. It was a cultural incident that was shared globally beyond Korea, and a large number of Hallyu items became the talk of the town through the show. The achievement of *Parasite*, which gained empathy from the global audience through the extremely Korean context and crossed the language barrier, was repeated and expanded through *Squid Game*.

Under these circumstances, a curiosity is aroused about where the status of Korean video content is in the OTT market. In short, the answer is that the status of Korean films is still insignificant but that of Korean dramas is outstanding with overwhelming performance. It was noticeable that two Korean movies were in Netflix's top 100 films of 2021: *Space Sweeper* in 62nd place and *Kingdom: Ashin of the North* directed by Kim Seong-hun in 83rd place. *Space Sweeper* directed by Jo Sung-hee was a turning point in the Korean sci-fi history, and with contemplation between theater premiere and release on an OTT platform, the film chose Netflix as an opening medium. It was released on the streamer in 80 countries and recorded 26 million views. *Kingdom: Ashin of the North* is a spin-off of *Kingdom*,

the major franchise of “K-zombie films”. It was directed by Kim Seong-hun, starred Ju Ji-hyun, and was streamed in 80 countries. *Night in Paradise* by Park Hoon-jung and *The 8th Night* by Kim Tae-hyoung were also produced as Netflix original series and unveiled to the global audience.

In the ranking of TV dramas on Netflix, there are 10 Korean series in the top 100. The first place was *Squid Game* with 57,980 points that earned 142 million views in 2021 after it was released in 90 countries. As one of the streamer’s original series, *Hellbound* directed by Yeon Sang-ho ranked 49th and *My Name* starring Han So-hee took the 50th spot. There were Korean TV dramas that were not original series but gained worldwide popularity via Netflix. tvN’s *Vincenzo*, starring Song Joong-ki and Jeon Yeo-been, claimed the 15th spot and tvN’s *Hometown Cha-Cha-Cha*, a remake of *Mr. Handy* (2004) directed by Kang Suk-bum, ranked 26th. KBS’ *The King’s Affection*, a historical romance drama ranked 48th; JTBC’s *Nevertheless*, starring Han So-hee, 67th; tvN’s *Hospital Playlist*, 68th; JTBC’s *Sisyphus: The Myth*, starring Cho Seung-woo, 83rd; and OCN’s *The Uncanny Counter*, 97th. Meanwhile, *Snowpiercer*, a TV series based on *Snowpiercer* (2013) directed by Bong Joon-ho, came in 24th.

2) Achievements by Korean movie stars

In 2021, Korean movie stars showcased remarkable achievements. Youn Yuh-jung was in the center of such outstanding accomplishments. Public interest in *Minari* increased as the film won the U.S. Dramatic Grand Jury Prize and the U.S. Dramatic Audience Award at the Sundance Film Festival in 2020, and it slowly expanded to the actress' performance from reviews of the film itself and the director's ability. Although she had starred in the TV series *Sense8* (2015-2017), Youn was, indeed, far from Hollywood. She had mainly appeared in independent films of *auteurs* such as Im Sang-soo, Hong Sang-soo, and E J-yong and in debut films of new directors and has currently gained global recognition for her competence gained from her 50-year acting career through *Minari* directed by Lee Isaac Chung. She won the Screen Actors Guild Award and Academy Award for Best Supporting Actress, and was nominated for 50 awards across the North American regions and won over 30 trophies. The weekly magazine *Time* selected her as one of the "100 most influential people" in 2021.

Ma Dong-seok who appeared in *Eternals* should be noted as well. He is a Korean American (his English name is Don Lee) and

recently became one of the most powerful actors in Korean film circles. He gained international recognition when *Train to Busan*, directed by Yeon Sang-ho, aroused a K-zombie frenzy in the global market, and as a result, became the first Korean actor to star in the Marvel Studio's movie. His role, Gilgamesh, was created mainly based on a character with strong physical strength that he had played in Korean films, but his melodramatic acting to depict the relationship with Thena (played by Angelina Jolie) was a transition for him. He entered into an agency contract with a Japanese company and is preparing to break out into the Japanese film industry.

Drive My Car directed by Ryusuke Hamaguchi was nominated for the Academy Awards for Best Picture, Best Director, Writing Adapted Screenplay, and Best International Feature Film, and it was one of the most critically acclaimed across the world in 2021. Three Korean actors starred in the film: Park Yu-rim, Jin Dae-yeon, and Ahn Hwi-tae. These new actors who kept an extremely low profile in Korea, let alone in foreign countries, gained international recognition immediately through their first film.

3) International film festivals and Korean films

The greatest achievement attained by Korean films in international film festivals in 2021 was that *Introduction* directed by Hong Sang-soo won the Silver Bear for Best Screenplay at the Berlin International Film Festival. In addition, *Fighter* by Jero Yun and *Short Vacation* by Kwon Min-pyo and Seo Han-sol were selected in the Generation section at the Berlin International Film Festival. Films by Hong have come to fruition at the Cannes Film Festival held in July. His movie, *In Front of Your Face*, was picked at the “Cannes Premiere” section that was newly created in 2021. His works were selected at numerous international film festivals in 2021, and about 40 film festivals invited *The Woman Who Ran* produced in 2020, as well as *In Front of Your Face* and *Introduction*. Moreover, *Emergency Declaration* directed by Han Jae-rim, starring Korea’s best actors Song Kang-ho, Lee Byung-hun, and Jeon Do-yeon, was listed in the Out of Competition section.

Self-Portrait 2020, a unique documentary directed by Lee Dong-woo, was screened as a member of the new “Harbour” section at the International Film Festival Rotterdam, and *Sinkhole* by Kim Ji-hoon was selected to be shown on the

outdoor screen at the Locarno Film Festival. *Peninsula* by Yeon Sang-ho was played at night at the Karlovy Vary International Film Festival. *Climbing* by Kim Hye-mi was invited to the “Contrechamp” at the Annecy International Animated Film Festival and *The Medium*, a South Korean-Thai film produced by Na Hong-jin and directed by Banjong Pisanthanakun, was listed in the Official Competition section at the Sitges International Fantastic Film Festival of Catalonia.

Aloners, the debut film of Hong Sung-eun, was played at the Toronto International Film Festival, the San Sebastian International Film Festival, etc., and Gong Seung-yeon, who starred in the movie, won the Best Actress Award at the Torino Film Festival. Other Korean actors and actresses who won awards at overseas film festivals are: Bang Min-ah, the Rising Star Award from the New York Asian Film Festival for her role in *Snowball* directed by Lee Woo-jung; Yoo Ah-in, the Best Actor Award from the Fantasia International Film Festival for *Voice of Silence* directed by Hong Eui-jeong; and Ahn Seoung-gyun, the Best Actor Award from the Durban International Film Festival with *My Son* directed by Choe Equan.

A retrospective was held at the San Sebastian International Film Festival under the name of the Golden Age of Korean

Cinema. Ten classic films were played, including *The Flower in Hell* (1958) directed by Shin Sang-ok, *The Housemaid* (1960) by Kim Ki-young, *Aimless Bullet* (1961) by Yu Hyun-mok, and *Mist* (1967) by Kim Soo-yong. The Indie & Doc Fest Cine Coreano co-organized by the Korean Cultural Center in Spain and the Seoul Independent Film Festival was held in Spain. The opening film was *Lucky Chan-sil* (2020) directed by Kim Cho-hee, and 18 long and short films showing the trend of recent Korean independent films including *Moving On* (2019) by Yun Dan-bi and *Baseball Girl* (2019) by Choi Yun-tae were screened to attract approximately 13,000 audiences.

Invited to around 10 film festivals, *Kids are Fine* directed by Lee Ji-won was spotlighted as a movie for children and won the Kid Jury Award at the Schlingel International Film Festival and the Special Jury Prize at the Zlin Film Festival. What stands out among the short films was *Georgia* directed by Jayil Pak. It was played at about 30 film festivals and won the Grand Prize at the Guam International Film Festival, Richmond International Film Festival, and Portland Film Festival, the Jury Prize at the Sapporo International Short Film Festival, and the Best Short Film Direction at the International Thai Film Festival. *God's Daughter Dances* directed by Byun Sung-bin, a queer film, was

invited by most of the international film festivals in 2021. It was played at around 100 film festivals including the Clermont-Ferrand International Short Film Festival and won numerous prizes related to LGBT.

3. Major Countries and Routes of Hallyu in Film

1) Performance of Korean films in major countries

Korean films have the highest share in the Asian market, where they have been conventionally strong. The market share was 75.1%, the highest in the recent five years, which means that performance in other regions fell behind. Such rise in the Asian region was greatly influenced by the remarkable performance in China.

OTT-related performance is classified as the “others (worldwide)” category. It stood at USD 22.14 million (approx. KRW 26.6 billion) in 2020, accounting for 43.2%, while it drastically dropped to USD 4.86 million (approx. KRW 5.9 billion), or 12.2% for this year. Compared to continuous performance achieved by Hallyu content in the drama sector through OTT platforms, the

film sector's performance has gone through ups and downs by heavily relying on just one film. For example, the share in the North American and European markets was over 10% due to the hit of *Parasite* in 2019, but it fell below 5% in both regions since 2020. It implies that films able to appeal to the global market need to steadily appear in terms of “balance.” In addition, this is directly linked to the system recovery of Korean films.

A country-specific analysis shows that the growth in the Chinese market is most remarkable. According to the statistics in the recent three years, the performance was USD 1.17 million (approx. KRW 1.4 billion, 8th largest) in 2019 but doubled to USD 2.45 million (approx. KRW 3 billion) in 2020, rising to 3rd place. This year, the 2019 performance was tripled to USD 8.40 million (approx. KRW 10.2 billion) and ranked 1st place. This exceeded the performance of USD 8.21 million (approx. KRW 9.9 billion) in 2014 when the sales of Korean films had recorded the highest in the Chinese market. There are several factors for this astonishing achievement; remake rights have been continuously sold, and Korean films were allowed to be played in China again six years in the country, after the release of *Assassination* (2015) directed by Choi Dong-hoon. *Oh! My Gran* (2020), directed by Jung Se-kyo and starring Na Moon-hee, was the first movie played after the

lift of the ban on public access to Korean content in China. Its release was emblematic, and the Chinese media showed massive interest. It needs to be said that *Wonderland* directed by Kim Tae-yong was sold to China at a considerable price. In this film, popular Hallyu movie stars Tang wei and Gong Yoo, Suzy and Park Bo-gum, and Jung Yu-mi and Choi Woo-shik appear as couples.

China, Japan, and Taiwan are “top three” consumers in the Hallyu film market, and among them, Japan was the second largest market with USD 6.86 million (approx. KRW 8.3 billion), almost twice as much as USD 3.77 million (approx. KRW 4.6 billion) in 2020. What leads to this good performance was that films were sold at a high price, such as *Emergency Declaration*, starring Song Kang-ho, Lee Byung-hun, Jeon Do-yeon, and Kim Nam-gil; *Seobok*, starring Park Bo-gum and Gong Yoo; and *Decibel*, starring Kim Rae-won. Once the largest market from 2018 to 2020, Taiwan is now the third biggest due to a slight decline in sales but is still a major market for Hallyu. This is because Peninsula became a smash hit in the summer season. The Singapore market, which was sluggish in 2020, jumped to fourth place, recording USD 3.43 million (approx. KRW 4.1 billion) in 2021, and the U.S. market had been the third largest in 2019, but

showed insignificant sales in 2020 and rose to fifth in 2021.

Table 5 Export Ratios of Finished Korean Films by Region Over the Five Recent Years (Unit: USD)

Region	2017		2018		2019		2020		2021	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Asia	21,684,201	53.2%	27,924,327	67.1%	27,403,357	72.3%	24,996,726	48.7%	29,873,895	75.1%
North America	3,801,695	9.3%	3,313,223	8.0%	3,762,036	9.9%	998,600	1.9%	1,916,356	4.8%
Europe	4,933,250	12.1%	4,057,565	9.8%	4,133,177	10.9%	2,526,754	4.9%	1,802,380	4.5%
Latin America	1,540,452	3.8%	1,582,428	3.8%	824,821	2.2%	308,000	0.6%	1,020,000	2.6%
Middle East/ Africa	158,500	0.4%	92,560	0.2%	121,447	0.3%	126,300	0.2%	175,500	0.4%
Oceania	411,274	1.0%	339,644	0.8%	612,478	1.6%	195,620	0.4%	117,735	0.3%
Others (worldwide)	8,196,785	20.1%	4,297,500	10.3%	1,020,000	2.7%	22,138,400	43.2%	4,857,208	12.2%
Total	40,726,157	100.0%	41,607,247	100.0%	37,877,316	100.0%	51,290,400	100.0%	39,763,074	100.0%

Source: Korean Film Council. (2022). 2021 evaluation of the Korean film industry. p. 59.

Table 6 Exports of Finished Korean Films to Countries Over the Recent Three Years (Unit: USD)

Ranking	2019			2020			2021		
	Country	Amount	%	Country	Amount	%	Country	Amount	%
1	Taiwan	8,808,544	23.4%	Taiwan	7,903,100	14.6%	China	8,396,220	21.1%
2	Japan	4,710,691	12.5%	Japan	3,770,750	7.0%	Japan	6,864,125	17.3%
3	U.S.	3,367,488	9.0%	China	2,448,126	4.5%	Taiwan	5,836,798	14.7%
4	Singapore	2,775,276	7.4%	Hong Kong	1,544,500	2.9%	Singapore	3,429,750	8.6%
5	Hong Kong	2,022,443	5.4%	Vietnam	938,000	1.7%	U.S.	1,894,241	4.8%
6	France	1,245,054	3.3%	Indonesia	676,900	1.2%	Hong Kong	1,414,200	3.6%
7	China	1,169,500	3.1%	Thailand	598,500	1.1%	Germany	645,640	1.6%
8	UK	744,432	2.0%	Philippines	491,000	0.9%	Malaysia	625,500	1.6%
9	Indonesia	704,800	1.9%	France	416,200	0.8%	Thailand	483,800	1.2%
10	Vietnam	455,742	1.2%	Singapore	209,750	0.4%	Philippines	478,000	1.2%

Source: Korean Film Council. (2022). 2021 evaluation of the Korean film industry. p. 59.

2) Remake in the Asian region

In the Asian region, a remake trend of Korean films has continued. *Sunny* directed by Kang Hyoun-chul, which had been already remade in Indonesia, Japan, and Vietnam, was remade under the title of *Sunny Sisters* in China. This remake recorded global box office sales of USD 7.88 million (approx. KRW 9.5 billion). The role of Su-ji played by Min Hyo-rin in *Sunny* was assigned to Zhou Jieqiong, a member of girl group Pristin and well-known through *Produce 101*, a Korean audition program. *My Love* is a Chinese remake of *On Your Wedding Day* (2018), directed by Lee Seok-keun and starring Park Bo-young and Kim Young-kwang. It topped the box office chart in the first week of release, posting sales of over USD 100 million (approx. KRW 120.4 billion) in the Chinese market alone and recording global sales of USD 114.02 million (approx. KRW 137.2 billion). The film was also released in Singapore and New Zealand. *Man in Love* (2014) directed by Han Dong-wook was remade in Taiwan under the same title of *Man in Love*, which was released also in Korea in November. The original stars Hwang Jung-min and Han Hye-jin and the remake features Roy Chiu and Hsu Weining. Chiu is a singer and actor who has been active in dramas and films, and

Hsu is known for the drama *It Started with a Kiss* (2005) and the horror film *The Tag-Along* (2015).

In India, two Korean films were remade. *Dhamaka* directed by Ram Madhvani was based on *The Terror Live* (2013) by Kim Byung-woo. *The Outlaws* (2017) directed by Kang Yun-sung has an Indian version titled *Radhe* by Prabhu Deva, who is an actor-cum-director. In this movie, Salman Khan, who is one of the best-known stars in India, plays Ma Dong-seok's character and cleans up criminals.

4. 2022 Forecast of Hallyu in Film

1) Era of OTT services

Netflix has positioned itself as the top OTT platform in 2021 with regard to Korean video content, but there will be diversified changes in 2022. The signal could be sensed since 2020 little by little when streamers other than Netflix have put spurs to their business. Last year, Apple TV+ already produced *Dr. Brain*, a sci-fi drama series directed by Kim Jee-woon and starring Lee Sun-kyun, and will make public the eight-episode

drama *Pachinko* in March 2022, starring Lee Min-ho, who is a popular star in the Hallyu market. *Pachinko*, based on a novel written by Korean American writer Lee Min-jin, stars Youn Yuh-jung, Jung Eun-chae, and Jung Woong-in, and it is known that an enormous production cost was spent on the series though the accurate amount is unknown.

Disney+, the strongest rival of Netflix, boasts a massive lineup, including the 20-episode drama series *Moving*, based on a webcomic by Kang Full, and *Casino* by Kang Yun-sung, who directed *The Outlaws* (2017), with 16 episodes in 2022, as well as *Rookie Cops and Grid*. Moreover, several local OTT platforms including TVING, Wavve, Watcha, Seezn, and Coupang Play have scrambled to produce their own video content. Massive anticipation is directed to how Korean films can chart their territory in this jungle-like situation.

2) Film industry in the times of COVID-19

Then, can OTT services save the film industry? The sector reorganized due to COVID-19 needs to return in a creative way in the times of the pandemic. Bubbles will gradually burst in the

process, and “K-content” based on the solid foundation laid by *Parasite*, *Minari*, and *Squid Game* will reveal its true worth in a more stabilized environment.

What we can expect immediately is vigor that will be generated by films whose release dates have been delayed. For example, *Hansan: Rising Dragon* directed by Kim Han-min is going to be in theaters. The sci-fi genre is also gaining popularity: *Hi. 5* directed by Kang Hyoung-chul, *The Moon* by Kim Yong-hwa, and *Alienoid Part 1* by Choi Dong-hoon heighten audiences’ expectations. A lineup of films will quench moviegoers’ long-awaited thirst: *Decision to Leave* directed by Park Chan-wook, *Emergency Declaration* by Han Jae-rim, *The Point Men* by Yim Soon-rye, *Hero* by Youn Je-kyun, and *One Win* by Shin Yeon-shick. Also, *Confidential Assignment 2: International* and *The Roundup* are highly anticipated sequels. When these movies open in theaters, they will be the driving force that will bring Hallyu in film slowly back to recovery.

3

Hallyu in Music

Change Amidst Crisis and Resulting Opportunities

Lee Gyu-tag

Associate Professor of Cultural Studies
George Mason University-Korea

1. Hallyu in Music

1) K-pop: the prime example of Hallyu content

Ask most international consumers of South Korean culture what they associate first with South Korea and they'll say "K-pop," which has ranked first in that regard for four consecutive years since 2017, although the lead slipped somewhat in 2020 (Korean Foundation for International Cultural Exchange [KOFICE], 2021). The strength of this surge in popularity is largely due to the South Korean boy band BTS—the world's most popular music entity since 2017. Recently, the appeal of non-entertainment-related cultural products like Korean cuisine, IT products, and brands has also grown across the globe, quickly catching up to K-pop and appearing in the top rankings of associations with Korea [\(Table 1\)](#). Still it is undeniable that

Table 1 Products Associated With Korea

(Unit: % share)

	Asia/ Oceania	Americas	Europe	Middle East	Africa	Total
K-pop	18.3	19.9	13.0	12.8	11.5	16.8
Korean cuisine	15.0	8.1	10.4	7.3	6.3	12
IT industry	6.1	7.5	7.6	-	11.5	6.9
Hallyu stars	7.8	5.7	-	8.5	-	6.6
Others (TV dramas, beauty products, etc.)	9.3 (Dramas)	5.5 (North Korean nuclear threats)	6.0 (Beauty products)	6.0 (Beauty products)	10.3 (Animated films)	6.4 (Dramas)

Source: Based on graphs on pages 8 and 57 in Korean Foundation for International Cultural Exchange. (2021). *2021 global Hallyu trends*.

these products became known around the world on the back of K-pop’s popularity and “music Hallyu.”

2) Expansion of music Hallyu

Even during the early days of the COVID-19 outbreak, the global consumption of video content (e.g., variety shows, dramas, games, etc.) increased, as it could still be enjoyed online without the need for direct contact. On the other hand, as can be seen in Table 2, responses were higher that the consumption of music content requiring direct contact “decreased” along with the consumption of beauty, fashion, and food products. This indicates the prolonged pandemic had an impact on music Hallyu as well.

With the global pandemic becoming endemic, the value of exported Korean cultural content has also decreased overall. Nevertheless, for music, the decrease has been smaller, as can be seen in Table 3, than for cinematic releases of films (including animated films) due to the difficulty of opening theaters.

Table 2 Changes in Consumption of Korean Cultural Content Compared to Before the COVID-19 Outbreak (Unit: %)

	Increased	No change	Decreased
Music	40.9	43.9	15.2
Dramas	47.9	38.4	13.7
Variety shows	48.0	37.9	14.1
Games	45.8	38.3	15.9
Fashion	32.0	38.9	29.1
Beauty	34.1	40.7	25.2
Food	28.5	41.5	30.0

Source: Based on graphs on pages 12 and 27 in Korean Foundation for International Cultural Exchange. (2021). *2021 global Hallyu trends*.

Table 3 Value of Exported Cultural Content Products (Unit: USD 1 million, %)

	2017	2018	2019	2020	Increase/decrease
Music	465	520	590	506	-14.3%
Broadcasting	323	41,327	444	414	-6.7%
Film	29	30	27	18	-33.2%
Animated film	63	86	93	62	-33.5%
Characters	288	391	433	430	-0.6%
Games	3,465	3,847	4,189	4,980	18.9%
Publications	78	133	115	110	-4.1%
Manhwa comics	12	21	25	34	37.2%

Source: Based on graphs on page 29 in Korean Foundation for International Cultural Exchange. (2021). *2021 global Hallyu trends*.

2. Discussion on Music Hallyu

1) Influence of the BTS song, “Butter”

BTS’ fourth and fifth Korean-language studio albums, *Map*

of the Soul: 7 and *Be*, released in 2020, shot to first place on the *Billboard* 200, which ranks the 200 most popular music albums and EPs in the U.S.. In 2021, they released only two English-language singles but no studio album or EP (extended play); nevertheless, 2021 became another monumental year for BTS, Hallyu, and K-pop. Both singles, “Butter” and “Permission to Dance,” debuted at No. 1 on the *Billboard* Hot 100 chart. “Butter” in particular remained on top for ten non-consecutive weeks—the longest run for any single on the chart in 2021. Moreover, it was their new song “Permission to Dance” that displaced “Butter” from its top slot after seven consecutive weeks. The following week, “Butter” returned to the top of the chart, making BTS the first act in history to displace itself at No.1 on the chart for two consecutive weeks.

In addition, after no in-person live concerts in 2020 since the final shows in October 2019 of “BTS World Tour Love Yourself: Speak Yourself” in Seoul, BTS held four shows at SoFi Stadium in Los Angeles in late November and early December in 2021. These were their first live, in-person performances in two years for fans around the world. The global response was wild, deprived as people had been of large-scale live performances due to COVID-19 restrictions. All four shows were sold out, selling a record of 214,000 tickets and earning approximately USD 33.3 million

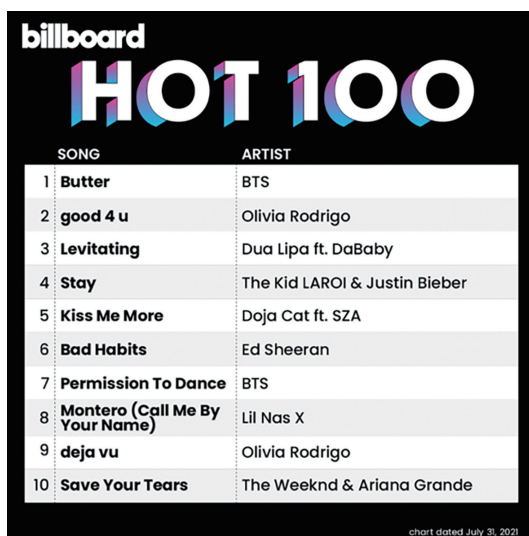


Figure 1 Two BTS Singles Within the Top 10 on the Billboard Hot 100 in 2021

Source: Korea JoongAng Daily

(approx. KRW 39.2 billion) (Kim, 2021). This was clear evidence that K-pop fans had been waiting impatiently for in-person performances from their favorite K-pop artists.

Backed up by these achievements, BTS garnered Artist of the Year at the American Music Awards **AMAs**, one of the four major U.S. music awards shows together with the Grammy Awards, the Billboard Music Awards, and the MTV Video Music Awards, in 2021. This was not the first time for BTS, who had been sweeping the American music market since 2017, to win an award at the AMAs, but it was different from the past in that the

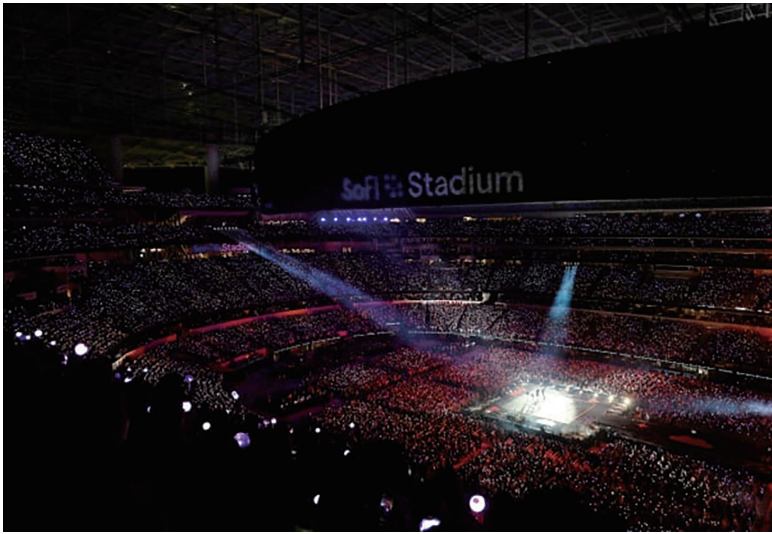


Figure 2 Live BTS Performance at SoFi Stadium (Los Angeles) on November 28, 2021

Source: *The Korea Economic Daily*

award they won this time belonged to the major award category together with Single of the Year and New Artist of the Year. Awards are categorized differently on American music award shows than in South Korea. Consequently, some domestic media outlets incorrectly stated they had “won the grand prize at the AMAs.” Still, it is true that the Artist of the Year award is given more weight than the Favorite Pop Duo or Group and Favorite Pop Song awards BTS had won the same year.

The most important reason that BTS won one of the major awards at the AMAs was of course the immense popularity and

Rankings of K-pop Artists on TikTok			
Top ten artists with the largest accumulated numbers of followers			
1	BTS	39.4M	
2	BLACKPINK	24.4M	
3	Rosé	19.0M	
4	TXT	11.2M	
5	TWICE	11.0M	
6	ENHYPEN	8.0M	
7	Stray Kids	7.9M	
8	NCT	5.9M	
9	ITZY	4.7M	
10	Jeon Somi	4.2M	
Rising artists of 2021 (in terms of the number of new followers in most recent six months)			
1	STAYC	759K	493.8%
2	BDC	666K	474.3%
3	Kim Woo-jin	1.7M	234.7%
4	Weekly	1.2M	200.9%
5	MIRAE	766K	170.1%
6	Clipher	287K	147.5%
7	P1Harmony	1.3M	110.4%
8	ASTRO	3.8M	99.0%
9	Rosé	19.0M	97.3%
10	ITZY	4.7M	94.7%

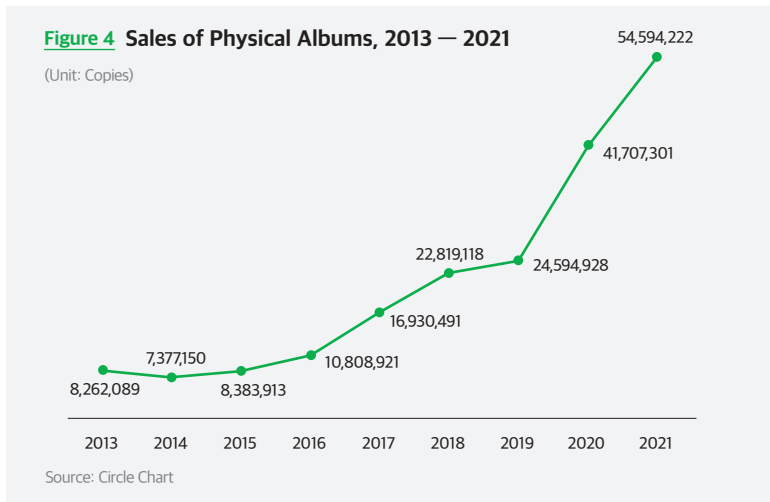
Figure 3 Rankings of K-Pop Artists on TikTok

Source: K-Pop Radar

commercial success of “Butter.” At the same time, the fact that the AMAs changed in 2021 from specialist voting to people voting directly to decide winners worked in BTS’ favor. Voting is possible only on the AMAs website and TikTok, and considering that TikTok is the popularity base for K-pop, the most influential social media platform for Generation Z, and the most active medium K-pop fans use (Kwon, 2021), this win by BTS can be seen as K-pop fans directly choosing the most popular artists for the AMAs.

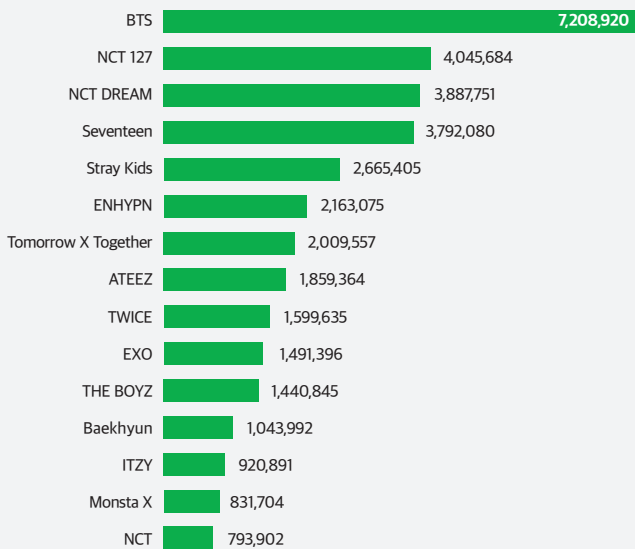
2) A time when albums sell 50 million physical copies

According to Circle Chart [\(Figure 4\)](#), previously known as Gaon Music Chart, an official music chart produced by the Korea Music Content Association, annual album sales in the domestic music industry amounted to about 55 million copies as of December 2021. This was a large 31% increase from the approximately 42 million copies sold in 2020 (Kim, 2021). Such annual sales have been on the increase since 2015, and with the accelerated globalization of K-pop after BTS' success, that rate of growth has also steepened. Still, the upward trend in 2020 and 2021, when fear of the virus was strongest, far surpassed what had occurred previously. Accordingly, the recent rapid increases in sales should be considered as a ripple effect of the virus.



BTS induced this trend, selling about 7.21 million records in 2021 alone. They were followed by NCT 127 and NCT Dream, sub-units³ of the boy band NCT formed and managed by SM Entertainment SM, a South Korean entertainment company, who sold 4.05 and 3.89 million records, respectively. The only solo act in the top 15 record sales rankings [\(Figure 5\)](#) is Baekhyun. Baekhyun is also a member of the boy band EXO, revealing that all top 15 are “idols.” In addition, the groups on the list are all boy

Figure 5 Accumulated Sales of Physical Albums by Artist in 2021



Source: Circle Chart

Accumulated album sales: Sales of all albums released by the listed artist
Accumulation period: 1st to 50th week of 2021

³ Units consisting of some of the members of a group. When all the members of a group are present, they are called “wanjeonche” meaning a “whole” group.

bands, except for Itzy and Twice, and all 15 groups belong to the K-pop genre. This affirms that K-pop and K-pop idols, boy bands in particular, presently account for a large part of music Hallyu.

Increases in sales of physical albums should be credited to exports rather than domestic sales. In fact, only 5.8% of domestic consumers responded that they had purchased a physical album after the outbreak of COVID-19 (Korea Creative Content Agency [KOCCA], 2021). According to statistics released by the Korea Customs Service, the value of album exports in 2021 repeated an all-time high of USD 204.235 million (approx. KRW 242.5 billion)—a whopping 66.7% increase over the USD 136.2 million in 2020 (Yu, 2022). This can be better understood once we consider that, when offline concerts (including global tours) were nearly non-existent due to the pandemic, the rapid global spread of music Hallyu—centering on K-pop—found an outlet in purchases of physical albums that came with various merchandise⁴ (e.g., photocards, photo albums, etc.). Moreover, while the existing high dependence on exports to Japan decreased somewhat, exports to the U.S., Indonesia, and other countries increased, lending diversity to export destinations. This testifies to music Hallyu’s swift expansion beyond its base of East

⁴ Known as “MD” in South Korea, this includes all kinds of artist-themed items such as keyrings, bookmarks, calendars, transport cards, and mugs. Also commonly known as “goods” in South Korea, a term borrowed from the Japanese music industry.

Asia—a positive sign of continuing stability and growth (Kim, 2021).

The increase in album sales is surely welcome amidst the limitations put on music Hallyu due to COVID-19. Nevertheless, as the late growth was explosive due to the circumstances, this may not continue into the future once the pandemic subsides and concerts and tours begin again. Further, although the share of Chinese purchases of K-pop albums soared in 2021—increasing from 12% in 2020 to 20% in 2021 (Yu, 2022)—there is a risk that these exports to China could fall anytime in light of the recent situation in China, where the government intervenes directly in the entertainment industry and idol culture.

3) Social issues and K-pop

The times K-pop artists and their fans got involved in the Black Lives Matter movement, the most critical political and social issue in the U.S. in 2020, as well as in the U.S. presidential election the same year, demonstrated that K-pop is more than simply popular music for youth and is regarded as a symbol and means to manifest youth identity. Unlike hip-hop and rock, K-pop has shied away from involvement in sensitive political and social issues in

which it is controversial for artists and management companies to freely express themselves, let alone mention their opinions in lyrics. However, the identity and success story of K-pop, which rose to mainstream status on its own merits and fan support while holding onto its inherent non-Western and non-English nature, has made it a cultural symbol of the non-mainstream and minorities around the world, despite that never being its original intent (Lee, 2020). As such, K-pop is occasionally used to express objection to the existing repressive system. The playing and singing of K-pop songs during anti-government protests demanding democracy in Thailand in 2020 (YTN, 2020) can be understood in this context.



Figure 6 BTS' Official Declaration of Support for BLM in 2020

Source: Official BTS account on Twitter

As mentioned in the above section, entitled “A time when albums sell 50 million copies,” physical K-pop albums are “comprehensive” packages that feature, in addition to the recording (mostly CDs), a variety of merchandise, including photocards, photo albums, and plastic bookmarks. Taking into account the fact that fans usually have a favorite group member or two as their favorite or *bias*,⁵ most management companies not only produce albums with a cover featuring the whole group but also different covers on the same album, each featuring a different member, or including photocards of random members to induce fans to buy multiple copies of the album. By doing so, the K-pop industry, which does not bring in much money from digital music, has come to increase revenues. But fans spend more money and end up owning multiple copies of the same CDs and photocards and other merchandise they do not want. They don’t know what to do with this unwanted stuff, which is mostly unrecyclable. Ironically, fans from Generation Z, who generally place great importance on environmental issues, wind up adding to environmental pollution.

Kpop 4 Planet,⁶ a climate action platform set up by

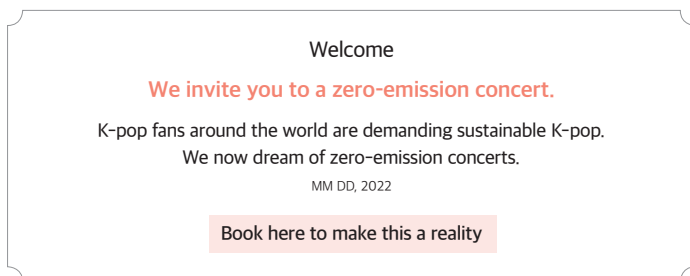
⁵ *Bia* means the most favored member of a group.

⁶ <https://kpop4planet.co>

global K-pop fans in March 2021, is noteworthy as the first serious attempt to tackle this issue and demand proactive environment-friendly actions from other fans, artists, and management companies. Their demands include minimizing the use of chemical-based materials like plastic in the production of physical albums and promoting other eco-friendly options like digital albums. They are also campaigning for “K-pop Zero-Emission Concerts” to demand concerts be held in ways that do not produce carbon emissions.



Figure 7 Kpop 4 Planet Campaigning for “K-pop Concerts Without Carbon Emissions”



Source: Kpop 4 Planet

K-pop artists and entertainment companies are actively responding to these demands. South Korean multinational entertainment companies like SM and YG entertainment YG have stated that they have already curtailed the use of unnecessary plastics and are incorporating environment-friendly materials (Kim, 2021). RM, the leader of BTS, delivered a message through an ad to celebrate Earth Day on April 22, 2021, stating that they would not sit around doing nothing waiting for someone else to save the earth.⁷ Another K-pop idol, Chungha, who is building a successful career as a solo singer, released her studio album, *Querencia*, in February 2021, with the CD packaged in paper rather than plastic. In 2020, the girl group, BLACKPINK, posted on their official social media channel a video entitled “Calling All Blinks: Climate Action in Your Area! #COP26” to raise awareness among their fans of climate change, a global issue, and urge their participation in environmental efforts. Some merchandise produced in 2021 to celebrate the fifth anniversary of their debut was made from recyclable, environment-friendly materials in a bid to signal to their fans their continuing interest and participation in fighting climate change. In the first half of

⁷ <https://www.hyundai.com/worldwide/ko/brand/hyundai-bts-wewontwait>

2021, Chuu, a member of LOONA, another South Korean girl group, posted her own series on YouTube, entitled “Chuu Can Do It,” where she seeks to spread awareness about the need to resolve environmental issues. With environmentalism being the major trend around the world, it is time for K-pop and the South Korean music industry to gain a good understanding of the current situation and examine long-term alternatives.

3. Major Destination Countries Where Music Hallyu has Advanced and Channels of its Advancement

1) Advancing into different regions

A look at the value of Korean music industry exports by major destination country, continent, and year reveals most noticeably that the share of exports to Japan has decreased while those to Southeast Asia and North America have increased significantly. This trend has continued since the mid-2010s. Of particular note is that the value of exports to North America increased more than ten-fold between 2018 and 2019, growing at an annual average rate of 283.6% [Table 4](#), while North America’s

share of such exports grew more than 10%. The value of exports to Southeast Asia also nearly doubled between 2018 and 2019. This great diversification of destination markets is very positive in terms of music Hallyu’s sustainability and expansion.

Regarding the reasons K-pop is popular, international

Table 4 Value of Music Industry Exports, by Region (2017-2019)

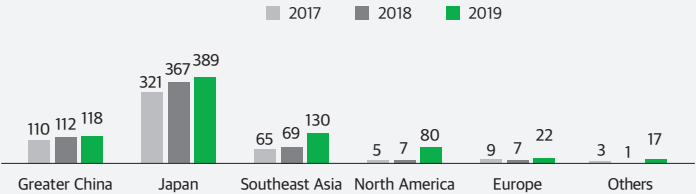
(Units: USD 1,000, %)

Year Region	2017	2018	2019	Share (%)	YOY increase/decrease(%)	Annual average increase/decrease(%)
Greater China	109,931	111,962	117,542	15.5	5.0	3.4
Japan	320,599	367,335	389,484	51.5	6.0	10.2
Southeast Asia	64,737	69,386	129,674	17.1	86.9	41.5
North America	5,468	7,151	80,456	10.6	1,025.1	283.6
Europe	8,552	7,038	22,488	3.0	219.5	62.2
Others	3,294	1,364	16,554	2.2	1,113.6	124.2
Total	512,580	564,236	756,198	100.0	34.0	21.5

Source: Ministry of Culture, Sports and Tourism. (2021). Statistical survey of the content industry in 2020. p. 158.

Figure 8 Value of Music Industry Exports, by Region (2017-2019)

(Units: USD 1 million, %)



Source: Ministry of Culture, Sports and Tourism. (2021). Statistical survey of the content industry in 2020. p. 158.

fans mostly chose “excellent musical elements” such as addictive melodies and rhythms as well as new and unique styles, followed by the appearance of the artists, including their looks and styling, and the eye-catching nature of their performances [Table 5](#).

Table 5 Reasons for Popularity of K-pop (According to Fans)
 (Unit: %)

Factor Region	Excellent musical elements (melody, rhythm, etc.)	Artist appearance (looks, clothing, styling, concepts, etc.)	Outstanding performances
Asia · Oceania	32.4	20.1	12.3
Americas	24.3	12.9	14.4
Europe	31.5	12.9	(not one of the top 3 reasons)
Middle East	12.4	16.3	13.4
Africa	24.2	12.6	17

Source: Based on tables on pages 108-118 in Korean Foundation for International Cultural Exchange. (2021). *2021 global Hallyu trends*.

2) Channels of overseas advancement by music Hallyu

Korean music industry exports are made via direct exports (through foreign distributors, online sales, and corporations in other countries) and indirect exports (through agencies at home and abroad). The most common channel is through foreign distributors.

Advancement by the domestic music industry into international markets continued in three forms: exports of

Table 6 Channels for Overseas Exports by the Music Industry (2017-2019)

(Unit: %)

	Export channel	2017	2018	2019	YOY increase /decrease (%p)
Direct export	Participation in shows and events overseas	2.9	3.1	2.6	-0.5
	Through networks with foreign distributors	62.1	58.5	58.3	-0.2
	Online sales to overseas markets	9.7	9.4	7.9	-1.5
	Through overseas corporations	5.0	4.2	4.9	0.7
Indirect export	Through domestic agencies	6.1	10.7	11.2	0.5
	Through foreign agencies	13.2	14.2	15.1	0.9
	Others	0.9	-	-	-

Source: Ministry of Culture, Sports and Tourism. (2021). *Statistical survey of the content industry in 2020*. p. 158.**Table 7 Korean Music Industry Exports (2017-2019)**

(Unit: %)

	2017	2018	2018	YOY increase /decrease (%p)
Finished products	71.6	70.6	70.3	-0.3
Licenses	28.4	29.0	28.9	-0.1
OEM exports	-	0.4	0.7	0.3

Source: Ministry of Culture, Sports and Tourism. (2021). *Statistical survey of the content industry in 2020*. p. 158.

finished products, exports of licenses, and OEM exports [Table 7](#). Compared to 2018, the percentages of exports of finished products and licenses abated somewhat in 2019. Also noticeable are the continuous dwindling of finished product exports and increasing OEM exports.

4. Prospects for Hallyu in Music

The Wang Yiren controversy that occurred during the first week of 2022 demonstrated the dilemma currently facing music Hallyu well. At a fan meeting in South Korea on January 2 that year, Wang Yiren, a Chinese member of the K-pop girl group Everglow, refused to kneel while the other members did traditional Korean bows to the fans for the New Year. Wang remained standing and expressed New Year greetings in another way. Some Korean fans criticized her actions, saying that even though she is a Chinese national, she was still a member of a K-pop group and should have engaged in the Korean way of greeting. In response, some Chinese fans in China reacted emotionally, saying “Chinese etiquette does not involve a superior country bowing to an inferior country” and “kneeling down is a cultural tradition only in countries which used to be colonies like Korea,” making the incident more controversial.

No matter how globalized, K-pop is inherently local to South Korea and inseparable from Korean identity. As seen in the incident involving Wang, having a foreign member in any group can lead to unexpected controversy due to the mixing of different cultures. There is always the possibility of misunderstanding or

controversy due to these cultural differences even when there are no serious disputes between the nations of the foreign and local members. This is not just the case that could happen when the members are from South Korea, China, and/or Japan—two nations with whom Korea currently has political and economic difficulties and a history riddled with such.

Consequently, with music Hallyu having greater influence than ever, now is the time to strive for acceptance, exchange, and understanding, rather than focusing only on advancing into markets globally. The reason Korean music has captured the hearts of fans around the world in the first place is because we created music that is both similar to and yet different from music in other parts of the world, achieving a harmony of unique local characteristics and global universality (Lee, 2020).



Figure 9 Secret Number, a Multinational Girl Group That Includes an Indonesian Member

Source: Genie Music

4

Hallyu in Games & E-sports

Game Hallyu Advancing Through Various Platforms

Kang Shin-gyu

Research Fellow

Media & Advertising Research Institute

Korea Broadcast Advertising Corporation (KOBACO)

1. Hallyu in Games and E-sports

1) Larger gaps between platforms despite significant growth

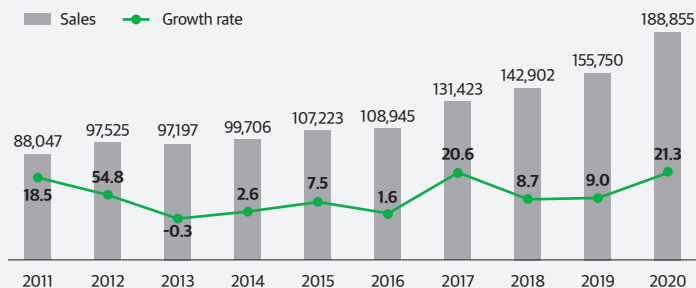
In 2020, the South Korean gaming market was valued at KRW 18.8855 trillion, growing 21.3% over the previous year (KRW 15.5750 trillion). Considering the economic growth rate was -1% the same year, the potential of games as a high-growth industry can be inferred (Korea Creative Content Agency, 2021).

Overall, the Korean gaming market turned in 2020 from low growth to growth as strong as in its heyday thanks to the increasing popularity of mobile and console games. Specifically, the industry grew from 8.7% in 2018 to 9.0% in 2019 and to 21.3% in 2020—even higher than in 2017, when it grew 20.6% from the previous year. However there is a deepening gap in growth between the three major market segments: ① platforms that have grown considerably (console & mobile games); ② platforms where growth has been stagnant (PC & arcade games); and ③ brick and mortar servicers (arcades & gaming cafes), which saw a negative growth. Even if this third category shows some degree of recovery next year, this gap will continue into the future or even intensify.

The South Korean gaming market continues to grow in

Figure 1 South Korean Gaming Market: Size & Rate of Growth (2011-2022)

(Units: KRW 100 million, %)



Source: Korea Creative Content Agency. (2021). *2021 white paper on Korean games*, p. 26.

Table 1 South Korean Gaming Market: Sales & Share by Platform (2011-2022)

(Units: KRW 100 million, %)

		2019		2020		2021(E)		2022(E)		2023(E)	
		Sales	Growth rate	Sales	Growth rate	Sales	Growth rate	Sales	Growth rate	Sales	Growth rate
Game developers & publishers	Mobile games	77,399	16.3	108,311	39.9	118,654	9.5	132,181	11.4	143,945	8.9
	PC games	48,058	-4.3	49,012	2.0	47,058	-4.0	46,946	-0.2	45,736	-2.6
	Console games	6,946	31.4	10,925	57.3	12,815	17.3	14,955	16.7	18,364	22.8
	Arcade games	2,236	20.6	2,272	1.6	2,053	-9.6	2,161	5.3	2,315	7.1
Game servicers	Gaming cafés	20,409	11.6	17,970	-11.9	19,456	8.3	21,441	10.2	23,478	9.5
	Arcades	703	2.4	365	-48.1	386	5.6	592	53.4	772	30.6
Total		155,750	9.0	188,855	21.3	200,422	6.1	218,275	8.9	234,611	7.5

Source: Korea Creative Content Agency. (2021). *2021 white paper on Korean games*, p. 26.

2021, forecast to exceed KRW 20 trillion in valuation, or 6.1% growth over 2020. There are many large and small factors impacting this overall growth, with the largest being COVID-19. The coronavirus had a largely positive impact on the overall gaming market but at the same time aggravated the gaps in

growth between the different market segments. With explosive increases in game consumption at home, mobile, and console games are expected to grow in popularity without difficulty.

2) South Korea's game exports increase 23.1% to 4th in the world

The value of game exports by South Korea in 2020 is tallied at USD 8.19356 billion (approx. KRW 9.6688 trillion). This follows a growth of 80.7% in 2017, a drop to 8.2% and 3.8% in 2018 and 2019, respectively, and to a relative high of 23.1% in 2020. By platform, mobile game exports accounted for the largest share at USD 5.08376 billion (approx. KRW 6.0924 trillion), followed by PC games at USD 2.90431 billion (approx. KRW 3.4805 trillion); console games at USD 170.8 million (approx. KRW 204.7 billion); and arcade games at USD 34.69 million (approx. KRW 41.6 billion). Except for a short period in 2018 when PC game export values were higher than mobile game export values, the reverse has been apparent since 2019. Mobile games led the growth of overall exports with a 39.7% growth between 2019 and 2020, followed by console games at 24.3% (but with not so great a value). Meanwhile,

the value of arcade game exports fell 30.8% between 2019 and 2020.

**Table 2 South Korean Exports & Imports by Game Platform:
A Comparison (2019-2020)**

(Units: USD 1,000, %)

		2014	2015	2016	2017	2018	2019	2020
Exports	Value	2,973,834	3,214,627	3,277,346	5,922,998	6,411,491	6,657,777	8,193,562
	Increase/ decrease	9.5	8.1	2.0	80.7	8.2	3.8	23.1
Imports	Value	165,558	177,492	147,362	262,911	305,781	298,129	270,794
	Increase/ decrease	-3.9	7.2	-17.0	78.4	16.3	-2.5	-9.2

Source: Based on the table on page 29 in Korea Creative Content Agency. (2021). *2021 white paper on Korean games*.

A look at the global gaming market shows that South Korea held a 6.9% share in 2020, up slightly from the previous year (6.2%), which was enough to push it to 4th place from 5th, after the U.S., China, and Japan, pushing the UK from 4th to 5th at 6.1%. In this regard, South Korea is quite comfortable to remain among the ranks of the UK, Germany, France, etc. The shares of the top three countries (the U.S., China, and Japan) accounted for more than 50%, and a large gap between 3rd and 4th place (11.5% vs. 6.9%) will make it difficult for South Korea to join the top three.

**Table 3 South Korean Exports & Imports by Game Platform:
A Comparison (2019-2020)**

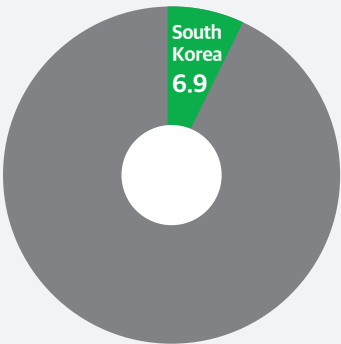
(Units: USD 1,000, %)

		Overall		Mobile games		PC games		Console games		Arcade games	
		2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Exports	Value	6,657,777	8,193,562	3,638,709	5,083,764	2,831,479	2,904,308	137,445	170,797	50,144	34,693
	Increase/ decrease	23.1		39.7		2.6		24.3		-30.8	
Imports	Value	298,129	270,794	219,149	190,434	56,957	53,372	18,559	24,170	3,463	2,819
	Increase/ decrease	-9.2		-13.1		-6.3		30.2		-18.6	

Source: Based on the figure on page 81 in Korea Creative Content Agency. (2021). *2021 white paper on Korean games*.

Table 4 South Korea in the Global Gaming Market: Share & Standing (2020)

(Units: USD 1 million, %)



Rank	Country	Market size	Share
1	U.S.	45,863	21.9
2	China	37,942	18.1
3	Japan	24,140	11.5
4	South Korea	14,481	6.9
5	UK	12,733	6.1
6	Germany	9,742	4.6
7	France	9,471	4.5
8	Italy	5,250	2.5
9	Canada	4,299	2.1
10	Spain	3,841	1.8
Below	(Rest of world)	41,897	20.0

Sources: PWC. (2021), Enterbrain. (2021), JOGA. (2021), iResearch. (2021), Playmeter. (2016), NPD. (2021); Requoted from Korea Creative Content Agency. (2021). *2021 white paper on Korean games*. p. 85.

2. Discussion on Hallyu in Games and E-sports

1) New heyday for South Korean console games

The Korean gaming industry is seeing a revival through console platforms. Attempts had been made in the past from time to time to advance into the console game market. Examples from these past attempts at the global market include *MagnaCarta 2* for Microsoft Xbox 360, *MapleStory* for the Nintendo DS, *Astonishia Story 2*, and the *Kingdom Under Fire* series. All gradually disappeared into oblivion.

However, due to the popularity of 8th generation consoles and expansion of the online subscription business model (among other reasons) over the last several years, the console market both at home and abroad has grown considerably (+41.5% in 2018, +31.4% in 2019, and +57.3% in 2020). As releases of console versions of titles initially meant for other platforms have dramatically increased and console games are being regarded as a bridge head onto the global market, South Korean gaming companies have no choice but to make a bid for the global market again. In fact, Line Game's *Buried Stars*, Netmarble's *Seven Knights-Time Wanderer*, CFK's *QV*, and Devespresso Games' *The Coma 2: Vicious Sisters*,

and more have been well received, testifying to the potential for South Korean console games.

Games featuring a new potential are set to be released one after another. For example, Pearl Abyss' *DokeV* gained attention when promo videos were publicized during Gamescom 2021 in August and The Games Awards 2021 in December. The game is scheduled for release for both console and PC.

ShiftUp's *Project Eve* uses high-density 3D scanning, performance capture, and other cutting-edge technologies for outstanding graphics. The protagonist is a girl named Eve, one of the last surviving humans kicked off the earth, who returns to fight alien invaders and win back a postapocalyptic world after the defeat of mankind by monstrous machines. These settings liken it to such popular console games as *Horizon Zero Dawn* and *Nier: Automata*. Originally planned for PC, Xbox One, and PS4, with release of trailers in September 2021, the plan changed to a release for PS5, while releases for other platforms remain undetermined.

Nexon also plans to release a new game named *KartRider: Drift* on console and PC. First announced at Xbox FanFest in London, the UK in 2019, the game is based on the KartRider brand, a megahit with 380 million players. It is being developed on

Unreal Engine 4 and makes use of 4K UHD graphics and HDR technology for dynamic and immersive racing experiences (Lee, 2022).

2) Accelerated advancement onto Steam by large South Korean gaming companies

After the global success of *PlayerUnknown's Battlegrounds* in 2017 through Steam, South Korean gaming companies have been active on the global online game platform created and operated by Valve Corporation. Steam began services in 2003 and had grown to one billion accounts as of 2019. Its popularity is evidenced by the average monthly number of players: more than 90 million (Murray, 2019).

As illustrated by their greater interest in Steam, South Korean gaming companies have diverted their attention to the global market of greater user numbers and higher capital, as the revenue model has become fixed and the growth of the PC game has hit its limits at home.

Their advancement onto Steam went into full swing with *Pearl Abyss*, also famous among non-Korean players,

releasing *Shadow Arena*, a new battle royale game, through early access in May 2020. However, neither player evaluations nor concurrent player numbers were very high. Another battle royale game, *Hunter's Arena: Legend* began early access on Steam in July 2020, but again to lackluster results. Still, *Eternal Return: Black Survival*, a mix of AoS and battle royale released the same year, found success, garnering very positive evaluations from players and peaking in the range of 40,000 concurrent players (as of December 2020) (Seo, 2020).

In 2021, *Bless Unleashed*, developed by Round8 Studios and published by Neowiz, was released on Steam to a favorable response from players around the world. This MMORPG is based on an open world concept, allowing for strategic battles with a variety of enemies. A successful PC version of the console game with the same name released in 2020, *Bless Unleashed* impressed players with its unique system (Park, 2021). *Mir 4*, an MMORPG for multi platforms (developed by WeMade Next and published by WeMade), recorded the largest number of real-time concurrent players (83,409) for MMO games on Steam on December 23, 2021 (Jo, 2021). However, it is Smilegate's *Lost Ark* that is currently seeing greater success than any other games, selling 350,000 copies on its first day of Steam's early access service on February

9, 2022. The very next day, February 10, total sales exploded approximately to 1.5 million copies (Yun, 2022). *Lost Ark* is another South Korean game that surpassed one million concurrent players on Steam, doing so four years and five months after *Battlegrounds* (Yun, 2022).

3) South Korean indie games expand to consoles

Metallic Child, developed by Studio HG, published by Crest, made a foray into the Japanese market in September 2021 through Nintendo Switch and PC platforms. It was also officially released through Nintendo eShop, Steam, and the domestic indie game platform, Stove. *Metallic Child* is a rogue-lite, core-action game, featuring an android girl named Rona and taking place in a space laboratory in the future.

Skul: The Hero Slayer Skul, developed by SouthPAW Games, made its global console debut in October 2021. Already popular on PC since its release in January the same year, *Skul* is a rogue-like, side-scrolling action game where the protagonist, Skul, swaps skulls for skills and engages in exciting action against beautiful pixel art graphics. The content on the PC version is the

same on Nintendo Switch, PS4, and Xbox, and optimized for gameplay in console environments. A total of 10 languages are supported, including Korean, English, Japanese, Spanish, and Russian.

In addition, Kiwiwalks is working on *WitchSpring R*, a remake in the *WitchSpring* series, for PC and console, while Growing Seeds is developing a new game from the *MazM* story game series and a Nintendo Switch version of *Thy Creature*. Once the exclusive PlayStation license expires in 2022, Neostream Interactive's *Little Devil Inside* will be available on PC and console (Kim, 2021).

4) Switching the focus from China to Japan

Almost no South Korean games have been released in China since version numbers (i.e., permits to service games in China) were suspended in March 2017. Moreover, the Chinese government has recently stepped up a variety of regulations on games. Against this backdrop, South Korean game companies have shifted their focus to other markets, particularly Japan.

Devsisters' *Cookie Run: Kingdom* *Cookie Run*, a hit released

in South Korea in January 2021, was released in Japan in September of the same year, ranking 3rd on its first day of service and 1st on the second day on the local Apple App Store chart. Riding on the resulting momentum, it engaged in a collaborative event with Japanese game company, Sega, featuring Sonic the Hedgehog to further boost its popularity.

As seen with *Cookie Run*, when entering the Japanese market, the common strategy is to diversify platforms and produce collaborative content, especially by leveraging characters and building on stories. Netmarble's *The King of Fighters all Star* featured six characters from the famous beat-'em-up game *Dead or Alive (DOA) 6* in the setting of a new *DOA*-themed dungeon. *Crusaders Quest* (developed by LoadComplete, published by Hangame) also included in an update eight characters from *Octopath Traveler*, a popular title from Square Enix, while *Abyssrium*, developed by IDLE Idea Factory, published by Flero Games, added characters from the famous Japanese manga, *Bonobono*. *Epic Seven*, developed by Super Creative, published by Smilegate Megaport, adopted main characters from a popular Japanese anime, *Re:Zero – Starting Life in Another World*, as well as a special sub-story based on the anime.

5) Changes and preparations by the e-sports industry for the 2022 Asian Games in Hangzhou

For the first time, e-sports will be included in the official sports at the 2022 Asian Games in Hangzhou, China. As such, preparations are being made with great interest, and particularly noticeable among them are those by the Korea e-Sports Association KeSPA.

For its part, the LCK *LoL* Champions Korea, the South Korean league for *League of Legends* e-sports, is in talks with KeSPA to adjust schedules due to preparations for the Asian Games. Other e-sports events are also making the necessary changes in accordance with characteristics of the games they play and competition schedules. Subcommittees are also being formed for each event to select players and coaches differently and diversify the ways players are selected (e.g., temporary transfers, team trials).

One of the topics is the possibility for exemptions from mandatory military service for players. If this happens with the Asian Games (which will be a first for e-sports), players will be eligible for exemptions under the Military Service Act like players at other events. Military service requirements create

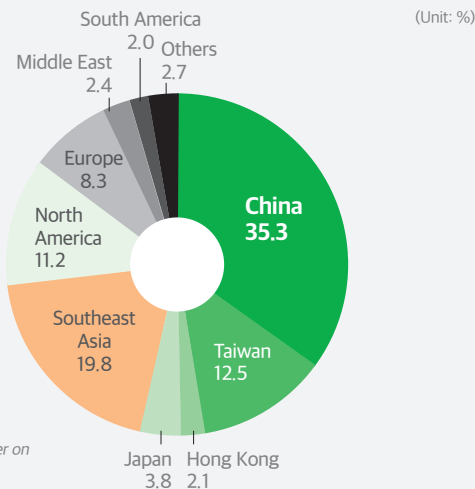
quite a dilemma for would-be professional gamers, gamers seeking to remain pro for longer periods, and their fans. For example, Kim Dong-ha, an LCK top laner (gamer ID: Khan), retired as a pro gamer in December 2021 as he was to soon join the military. As such, gold medals to be won at the Asian Games would be a real prize, as they will excuse the winners from military service.

3. Largest Shares of Export Destinations for Game and E-sports Hallyu in Descending Order: China, Southeast Asia, Taiwan, North America, Europe, and Japan

In a survey of export share by country in 2020, China claimed the highest share at 35.3%, followed by Southeast Asia (19.8%), Taiwan (12.5%), North America (11.2%), Europe (8.3%), and Japan (3.8%). Compared to 2019, China's share decreased by 5.3% and those of other countries also changed. Southeast Asia increased by 8.6% to remain in the same spot; Japan fell from 3rd in 2019 to 6th in 2020 with a 6.5% decrease; while Taiwan, North America, and Europe, which used to be 4th, 5th, and 6th, respectively, moved up one notch each with an increase

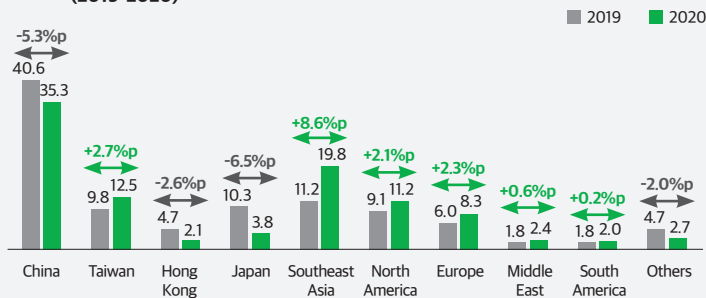
of 2.7%, 2.1%, and 2.3%, respectively.

Figure 2 Share of Export Destinations for South Korean Games (2020)



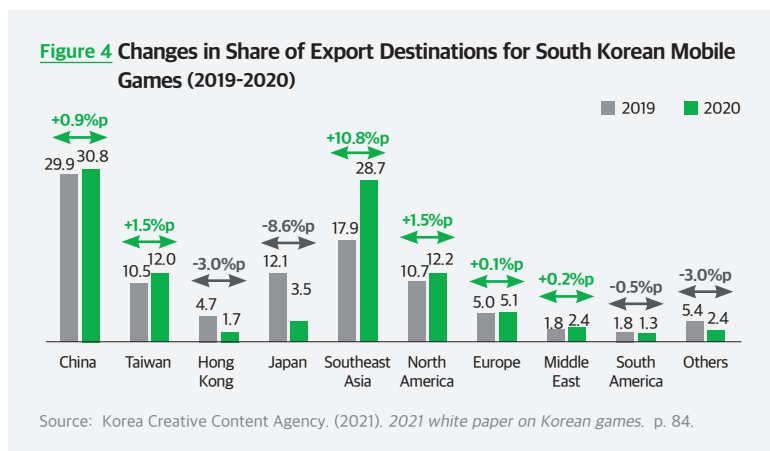
Source: Korea Creative Content Agency. (2021). 2021 white paper on Korean games. p. 82.

Figure 3 Changes in Share of Export Destinations for South Korean Games (2019-2020)



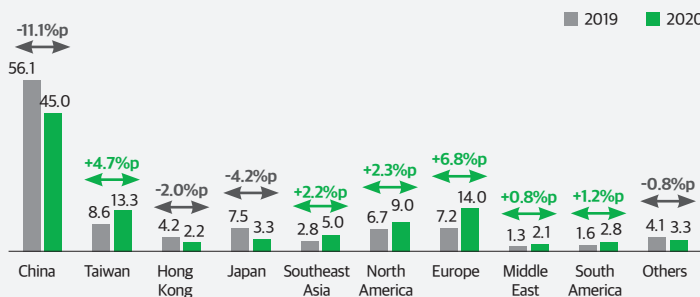
Source: Korea Creative Content Agency. (2021). 2021 white paper on Korean games. p. 82.

Export destination shares for South Korean games for mobile and PC, the two platforms with the biggest exports, are as follows; China accounts for the largest at 30.8% for South Korean mobile games. This is lower than the 35.3% share China holds of all game exports, revealing that export share by country is more evenly distributed with mobile games than for other exports. Also worth mentioning is the higher share of North America (12.2%) over Taiwan's (12.0%), which is opposite to the situation in the shares of all game exports. The ranking of the other countries was not much different from the ranking for overall exports.



The Chinese share of PC game exports was an overwhelming 45.0%, which contributed to the high share of China in overall game exports. Unlike in overall exports and exports of mobile

Figure 5 Changes in Share of Export Destinations for South Korean PC Games (2019-2020)



Source: Korea Creative Content Agency. (2021). 2021 white paper on Korean games. p. 84.

games, Europe occupied the second largest share (14.0%) in export of PC games. Also peculiar is the much higher share of Taiwan (13.3%) than that of Southeast Asia (5.0%).

4. Prospects for Hallyu in Games and E-sports

First, there is likely to be diversification in the main target countries for overseas advancement, as efforts are made to replace the Chinese market where a complete ban is in place. Notable since the beginning of 2022 are efforts to get into the Western market centering on North America and Europe- two regions that account for more than half of the global gaming market. South Korean gaming companies are releasing domestic

hits there or developing an increasing number of new games that specifically target Western gamers from the planning stages. For instance, Line Games plans to bring *Undecember*, a mobile and PC game released in South Korea on January 14, 2022, to Europe. Com2uS and Smilegate have respectively introduced or will soon introduce *Summoners War: Sky Arena* in the U.S., and *Lost Ark* and *Crossfire X* in North America and Europe (Jeong, 2022). The high caliber of South Korean games has recently been recognized through such global platforms as Steam and their entry into the console game market has been active. This increases their shot at the Western market.

Second, the keywords to e-sports in 2022 are “participation” in the 2022 Asian Games and “foundation” of a military sports team where professional gamers serve in lieu of military service. Through these two issues, 2022 may be the year that e-sports are fully recognized as official sports not only globally but also in South Korea. If the desired changes are made, the year will be remembered as a milestone favorably influencing the overall e-sports industry. As previously mentioned, the Asian Games can contribute greatly to firmly establishing the overall system of e-sports and further improving social awareness of e-sports games. As South Korean presidential candidates are

considering the establishment of a military e-sports team, it is very likely to become a reality. As e-sports players are mostly very young and are in their prime for shorter periods than in other sports, fulfilling their military duties through a military team can help to greatly extend their professional careers (Kim, 2022). With e-sports now an official event at the Asian Games, professional gamers can play for national teams, which will positively affect their gaming performance. Efforts by the industry and gamers need to be bolstered by additional government support and ardent encouragement from their fans.

Third, ICD-11, the 11th revision of the International Classification of Diseases passed by the World Health Organization **WHO** in May 2019, is to apply from 2022 and will consider “gaming disorder” to be an official medical condition. Of course, there is still time until this is reflected in the Korean Standard Classification of Disease and Cause of Death **KCD** in 2025 (revisions to happen every 5 years). But ICD-11 will still likely serve as a framework for regulating the South Korean game industry, gameplay, and gamers. With many kids and young people engrossed in gaming, the need has emerged to discuss its excesses. Nevertheless, “gaming addiction” is, strictly-speaking, not an academic term but more of a popular expression (Yun,

2018). The WHO decision is based on substance abuse and does not understand gaming as a consumption of media. Some point out, “the symptoms listed for ICD are behavioral and psychological in nature, but they appear to be devoid of a cultural or phenomenological understanding of the origins of those behaviors” (Bean et al., 2017).

III



References



Introduction to 2021 Hallyu Issues

Bank of Korea. (2021, September 24). Trade balance on IPRs in the first half of 2021 (tentative) [Press release]. p. 6.

Baek, J. & Ha, H. (2022, January 23). Let us tell you what "Hallyu visa," now a much-discussed topic among Chinese, is. *Subusu News*. https://news.sbs.co.kr/news/endPage.do?news_id=N1006614107

Im, J. (2022, January 5). Now news: Will permanent sojourn in South Korea be possible? ... A new Hallyu visa greatly interests China. *Seoul Shinmun*. <https://www.seoul.co.kr/news/newsView.php?id=20220105500110>

Jeong, S. et al. (2021). *Study of the system to implement policies on intellectual property and development of arts and culture*. Korea Copyright Commission.

Kim, H. & Na, W. (2022, February 10). K-content that enchanted the world suffer a "hungry boom"... Netflix sucks in profits and personnel. *The JoongAng*. <http://www.joongang.co.kr/article/25046950#home>

Kim, Y. (2021). *OTT industry and exports of K-content with a focus on K-dramas and K-movies*. Overseas Economic Research Institute. Export-Import Bank of Korea.

Lee, S. & Lee, Y. (2016). *A study on ways to activate industries using intellectual property for content*. Korea Culture & Tourism Institute.

Park, J. (2022, January 1). Hold onto foreign talent in technology and culture ... Introducing fasttrack and Hallyu visas. *Yonhap News Agency*. <https://www.yna.co.kr/view/AKR20211230161100004>

Song, H. (2021, April 18). OTT on-air: Watcha settles itself among the top 5 on the Japanese app market ... K-OTT service goes to the world. *inews 24*. <https://www.inews24.com/view/1359370>

Yang, S. (2021, October 27). Opinion: Yang seong-hui's view - Netflix dilemma. *The JoongAng*. <https://www.joongang.co.kr/article/25018435>



Hallyu in Broadcast Programs

Jo, M. (2021, October 18). *King of Masked Singer* leads sales of Korean show formats ... has sold to 54 countries. *Newsis*. https://newsis.com/view/?id=NISX20211018_0001617449

Kang, J. (2021, September 7). *I Can See Your Voice* additionally sold its format to five east European countries including Greece ... 23 countries have contacted for possible deals. *Newsis*. https://newsis.com/view/?id=NISX20210907_0001574397

Kim, J. (2021, June 17). OTT services make unsparing investments to create killer content. *The Dong-A Ilbo*. <https://www.donga.com/news/Culture/article/all/20210616/107473878/1>

Kim, P. (2021, December 8). CJ ENM joins hands with US viacom CBS to create content. *IT Chosun*. http://it.chosun.com/site/data/html_dir/2021/12/08/2021120801013.html

Kim, S. (2021, November 25). *Hellbound* creator Yeon Sang-ho says if Netflix says no ... *The Korea Economic Daily*. <https://www.hankyung.com/entertainment/article/202111253562H>

Kim, Y. (2021, October 16). Offshoring of content: *Squid Game* triggers full-swing spread of content from non-English-speaking countries. *alookso*. <https://alookso.com/posts/4Xto7d>

Korea Communications Commission. (2020). *2019 survey on broadcasting industry*.

_____ (2021). *2020 survey on broadcasting industry*.

_____ (2022). *2021 survey on broadcasting industry*.

Korean Foundation for International Cultural Exchange. (2022). *2022 survey on overseas Hallyu Status*.

Lee, E. (2021, December 22). "We don't agree with Korean standards for beauty"... Foreign audiences upset over this scene in *Single's Inferno*. *Money Today*. <https://m.mt.co.kr/renew/view.html?no=2021122210182440518&MVB>

Lee, E. (2021, October 14). Who owns *Squid Game*?... Both ruling and opposition parties root for protection of IPRs. *Yonhap News Agency*. <https://www.yna.co.kr/view/AKR20211014152800005>

Lee, J. (2021, June 18). Foreign audiences successively complain about lack of cultural diversity shown in Korean dramas. *Yonhap News Agency*. <https://www.yna.co.kr/view/AKR20210618034000005>

Lee, M. (2021, November 25). What happened to Netflix Japan?... Eight of is top ten rankings are Korean series, including *Hellbound*. *The Korea Economic Daily*. <https://www.hankyung.com/life/article/2021112532377>

Lee, S. (2021, December 15). Why K-dramas work and Hallyu dramas don't when they're both Korean-made? *Sisa In*. <https://www.sisain.co.kr/news/articleView.html?idxno=46229>

Min, G. (2020, July 12). Indian netizens get upset with the way Hindi deities are portrayed in Blackpink's music video. *The JoongAng*. <https://www.joongang.co.kr/article/23822685>

PwC. (2021). *Global entertainment & media outlook 2021-2025*. <https://flixpatrol.com/top10/streaming/world/2021/full/#netflix-2>

Shaw, L. (2021, October 17). Netflix estimates *Squid Game* will be worth almost \$900 million. *Bloomberg*. <https://www.bloomberg.com/news/articles/2021-10-17/squid-game-season-2-series-worth-900-million-to-netflix-so-far>

Song, G. (2021, April. 22) How the new documentary *My Love* was filmed in six countries. *Cine21*. http://www.cine21.com/news/view/?mag_id=97568

Hallyu in Film

Korean Film Council. (2022). *2021 Korean film industry review*.

Korean Foundation for International Cultural Exchange. (2022). *2022 survey on overseas Hallyu status*.



Hallyu in Music

Go, S. (2020). *That's not what Gen Zers are like*. Three Chairs.

Jeong, S. (2021, December 18). Pfizer says the COVID-19 pandemic may last into 2024. *Yonhap News Agency*. <https://www.yna.co.kr/view/AKR20211218006900091>

Kim, J. (2021). *Review of album sales in 2021*. http://gaonchart.co.kr/main/section/article/view.gaon?idx=20057&sgenre=opinion&search_str=

Kim, S. (2021, December 6). BTS turns LA upside down ... Concert ticket sales alone earn KRW 39.4 Billion. *The Korea Economic Daily*. <https://www.hankyung.com/international/article/2021120670257>

Kim, Y. (2021, October 28). K-pop fans join hands for environment-friendly "stanning." *The Hankyoreh*. <https://www.hani.co.kr/arti/society/environment/1017107.html#csidxfed8feb46121bd8c78afea4dbbdeb60>

Korea Creative Content Agency. (2021). *2021 white paper on music industry*.

Korean Foundation for International Cultural Exchange. (2021). *2021 global Hallyu trends*.

Kwon, Y. (2021, November 10). K-pop takes over TikTok with new song challenges ... videos triple in 2 years. *The JoongAng*. <https://www.joongang.co.kr/article/25022567#home>

Lee, G. (2020). *Conflicting K-pop*. Three Chairs.

Ministry of Culture, Sports and Tourism. (2021). *Statistical survey of the content industry in 2020*.

YTN. (2020, November 22). Appearing in anti-government protests in Thailand, K-pop is now a symbol of progressivism. https://www.ytn.co.kr/_ln/0104_202011220416340431

Yu, S. (2022, January 4). K-pop market led by BTS and NCT ... A time is coming when artists will sell as many as 60 million albums. *The JoongAng*. <https://www.joongang.co.kr/article/25037924#home>

Bean, A. M., Nielsen, R. K. L., van Rooij, A. J., & Ferguson, C. J. (2017). Video game addiction: The push to pathologize video games. *Professional Psychology: Research and Practice*, 48(5), pp. 381-383.

Jang, M. (2022, January 11). Asian games: A new path to open for e-Sports in 2022. *Inven*. <https://www.inven.co.kr/webzine/news/?news=266947>

Jeong, M. (2022, February 6). Gaming industry pushing into North America and Europe instead of the totally blocked China. *Aju Business Daily*. <https://www.ajunews.com/view/20220206093818500>

Jo, G. (2021, December 28). 2021 top ten news about PC games selected by Game. *Donga*. Game Donga. <https://game.donga.com/101731/>

Kim, E. (2021, December 22). Top ten news stories in the gaming industry in 2021. *Gameshot*. http://www.gameshot.net/common/con_view.php?code=GA61c2c88b3a2ca

Kim, B. (2022, January 11). Dissatisfying results of e-Sports policies in 2021; Directions for 2022? *Inven*. <https://www.inven.co.kr/webzine/news/?news=266997>

Korea Creative Content Agency. (2021). *2021 white paper on Korean games*.

Lee, D. (2022, February 11). South Korean game companies targeting the console game market. *ZDNet Korea*. <https://zdnet.co.kr/view/?no=20220211110034>

Murray, S. (2019, April 30). Steam has reached 1 billion users. *The Gamer*. <https://www.thegamer.com/steam-1-billion-users>

Park, J. (2021, August 25). Will domestic game companies crave steam even more? Bless also becomes a hit and Anvil, Battle Steed, Dysterra, and more ready for release on steam. *Game Focus*. <http://gamefocus.co.kr/detail.php?number=120655>

Seo, H. (2020, December 23). A Look at how well domestic games fared on steam in 2020. *Game Meca*. <https://www.gamemeca.com/view.php?gid=1652845>

Yun, H. (2022, February 13). *Lost Ark* ranks 1st on steam with more than 1 million concurrent players. *Inven*. <https://www.inven.co.kr/webzine/news/?news=268225&site=lostark>

Yun, H. (2022, February 10). *Lost Ark* lands in 1st place on steam ahead of its release in the west ... 530,000 concurrent players. *Newsis*. https://newsis.com/view/?id=NISX20220210_0001754276&cID=13008&pID=13100

Yun, T. et al. (2018). *Meta-analysis of studies on excessive desire to indulge in video games*. Korea Creative Content Agency.

This book features parts of the content section from 2021 *Hallyu White Paper*, published in April, 2021.



2021 Hallyu White Paper

Edition 1 Issue 1 printed on Mar. 31, 2022

Edition 1 Issue 1 published on Mar. 31, 2022

MCST

The Ministry of Culture, Sports and Tourism is establishing a broad range of policies in culture, arts, sports, tourism, contents copyright, religion, media and other fields to realize the concept of "Culture with the People." It also promotes cultural exchange with various countries of the world and works to expand Korean culture, sports and tourism in the foreign market to enhance the international competitiveness of Korea.

KOFICE

KOFICE, founded in 2003 by Korea's Ministry of Culture, Sports and Tourism, encourages international cultural exchange beyond borders through various cultural events, global networking, research and studies, and training programs for rising experts in related fields. With the vision "A network hub connecting Korea and the world through culture," KOFICE will lay foundations for "win-win cultural development" by connecting people and exchanging cultures around the world.

Publisher Kil-Hwa Jung
Published by Korean Foundation for International Cultural Exchange (KOFICE)
Address A-203, DMC Hi-Tech Industry Center, 330, Seongamro, Mapo-gu, Seoul, 03920
Tel 82-(0)2-3153-1794
E-mail sweary@kofice.or.kr
Website www.kofice.or.kr

Authors **Introduction to 2021 Hallyu Issues** Ah-young Kim
Researcher, Research Team, Korean Foundation for International Cultural Exchange
Hallyu in Broadcast Programs Sung-min Lee
Assistant Professor, Department of Media Arts and Sciences, Korea National Open University
Hallyu in Film Hyung-seok Kim
Film Journalist
Hallyu in Music Gyu-tag Lee
Associate Professor of Cultural Studies, George Mason University-Korea
Hallyu in Games & E-Sports Shin-gyu Kang
Research Fellow, Media & Advertising Research Institute,
Korea Broadcast Advertising Corporation (KOBACO)

Designed by Graphic Design Studio 213ho

ISBN 979-11-91872-07-1 (03300)

Copyright © 2022 by the Korean Foundation for International Cultural Exchange(KOFICE)

This report is conducted by Korean Foundation for International Cultural Exchange(KOFICE), and the publication may be freely quoted, reprinted, translated or adapted for use in other formats as long as acknowledgement is provided with a reference to the source.