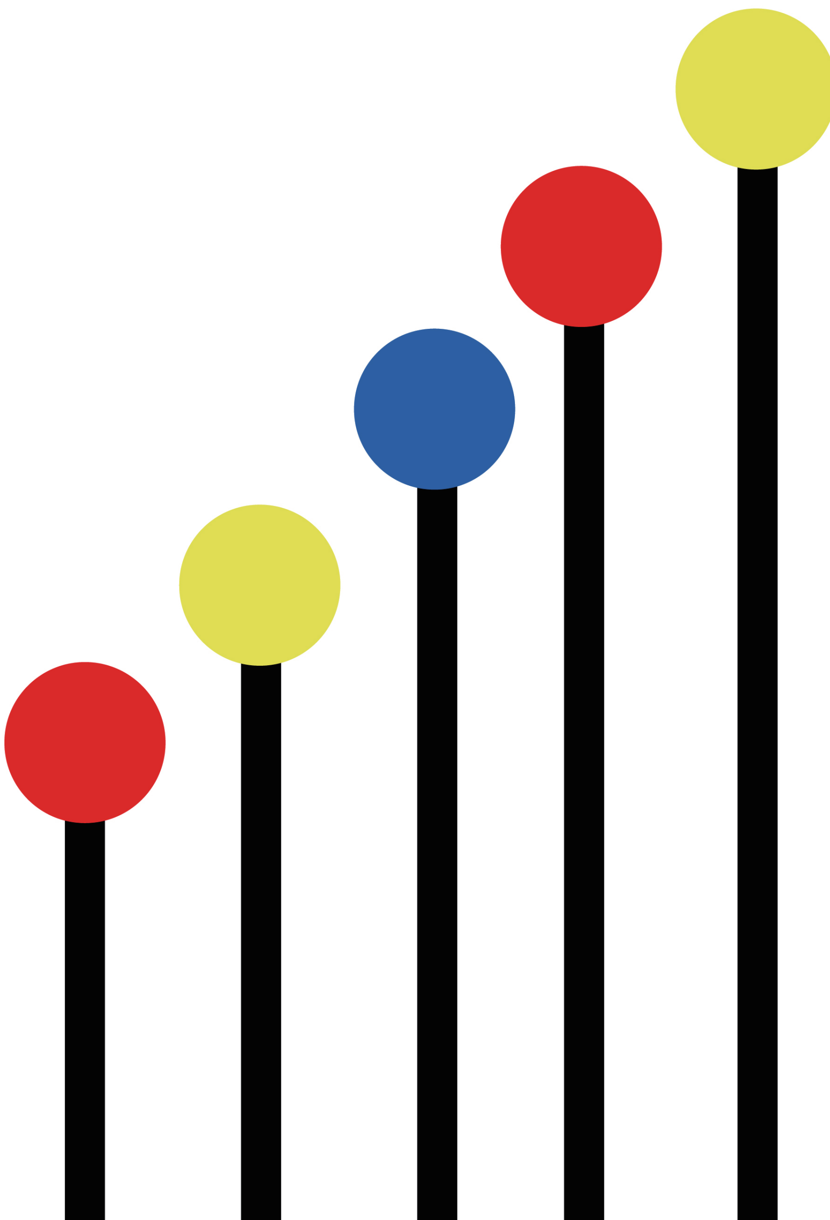
GLOBAL HALLYU
ISSUE MAGAZINE

〈한류NOW〉
한류 심층 분석 보고서

HALLYU NOW

HALLYU STORY
WITH STATISTICS
CHINA



KOFICE
한국국제문화교류진흥원

HALLYU NOW

GLOBAL HALLYU ISSUE MAGAZINE

CONTENTS

A Deep Dive Into Hallyu in China

China is the origin of Hallyu. For the past two decades, Hallyu has deeply penetrated the everyday lives of Chinese consumers. However, since the Hallyu boycott in 2017, political issues have prevented Korean cultural content[1] from entering China. Nevertheless, Chinese consumers maintain a positive attitude toward Hallyu, perhaps more than any other country in the world. In this regard, a strategic approach is required to invigorate Hallyu in China once again. Addressing political issues is a priority, of course, as well as diversifying the types of content in the distribution stage and mitigating the perception that Korean content is excessively commercialized.

Jae Young Son, Ph.D. — Assistant Professor, Graduate School of Culture Management, Hongik University

1. The term "cultural 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., film, games, animation, comics(webtoons), music, Internet & mobile contents, broadcasting, etc.).

1 The Origin of Hallyu, Perception of Hallyu Taxidermied by the Hallyu Boycott

As we know, China gave birth to the word "Hallyu." Since diplomatic relations were established in 1992, there was a period of exploration between Korea and China. Then from the late 1990s, Hallyu became a "flow" or a trend and received wide and strong support from the Chinese public. Coming into the 21st century, when I started to travel back and forth China, I benefited from Hallyu as it allowed me to make Chinese friends easily. Many friends asked me to buy and bring Korean beauty products to China, which was at the time, an enabler of friendship. Even when I was studying for my PhD in cultural industry research, I often experienced privileges for coming from a "cultural leader."

However, with the deployment of THAAD and Chinese retaliation in the form of a boycott, Hallyu in China lost momentum. Korean celebrities that were active in China disappeared from the Chinese entertainment scene while joint drama and film projects were either postponed or cancelled. Like the Great Wall of China, the boycott prevented Hallyu from making inroads into China. As a result, the current perception of Hallyu in China still remains back in 2017. Despite BTS, the film *Parasite,* and drama *Squid Game* becoming global mega hits, Hallyu has not been able to climb over the Great Wall. Of course, there are a large number of Chinese who enjoy Korean content evading the so-called "The Great Firewall of China," or internet restrictions. There will also be Chinese Hallyu fans residing outside of China. However, the *2021 Survey on Overseas Hallyu Status* shows that today's Hallyu in China, blocked by the Great Wall of China, is still stuck in 2017.

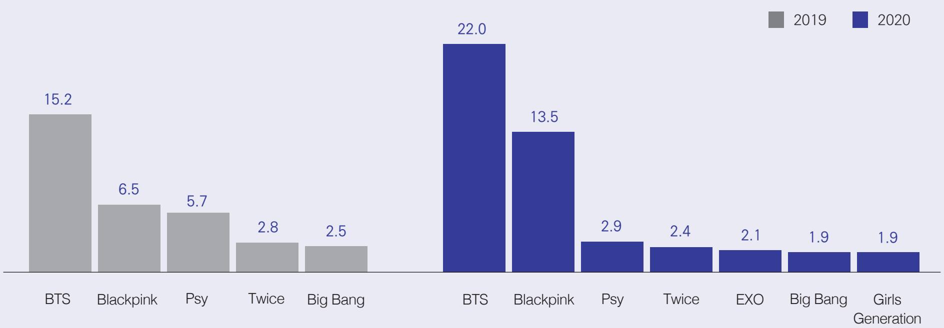
2 EXO and *Jewel in the Palace* Still at the Top in 2021

Let us first take a look at the survey on leading global K-pop groups. Who or which group is globally most popular? Many would say BTS while others may point to Blackpink, which is mainly in line with the findings of the *2021 Survey on Overseas Hallyu Status*. BTS (22.0%) and Blackpink

(13.5%) were by far the favorite K-pop bands with a massive global following. However, the results were different in China. BTS only came 9th with 1.5% and Blackpink ranked 6th with 3.0%. It was EXO (11.2%), G-Dragon (6.7%), and Girls Generation (6.3%) that topped the list.

Favorite K-pop Artist/Group; Global

Base: 2019 total (n=8,000), 2020 Respondents with experience of consuming Korean music (n=4,695), Unit:%



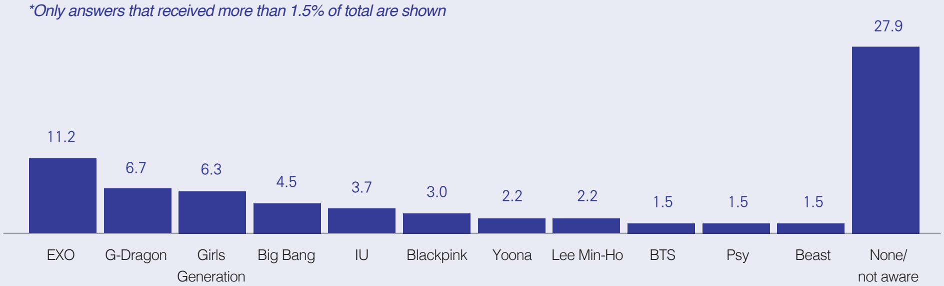
*Excludes none/not aware (30.7%)

Favorite K-pop Artist/Group; China

Base: Chinese with experience of consuming Korean music (n=269), Unit:%

Q: Please Choose your current favorite Korean music artist/group.

**Only answers that received more than 1.5% of total are shown*

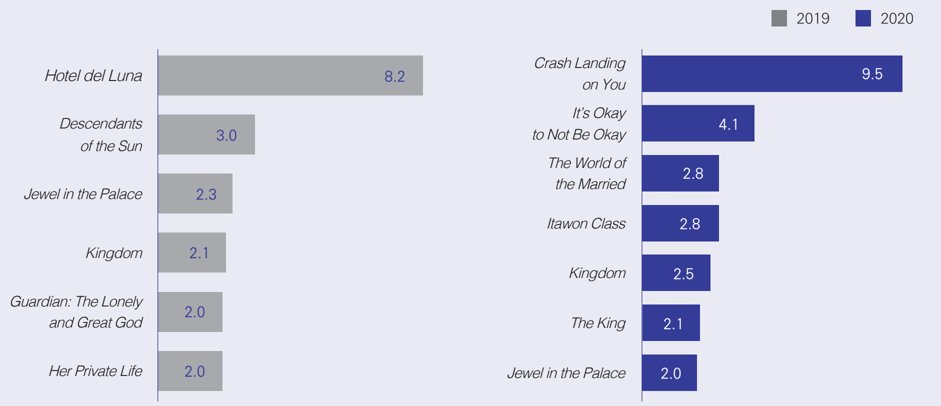


The study on K-drama shows similar results. The study was conducted in 2020, when *Crash Landing on You* (2019) and *It's Okay to Not be Okay* (2020) were widely viewed by global audiences. In result, in the global market, *Crash Landing on You* (9.5%) was followed by *It's Okay to Not be Okay* (4.1%), *Itaewon Class* (2020) (2.8%), and *The World of the Married* (2020) (2.8%). However, the results were different in China. In China, *Jewel in the Palace* (2003) (7.3%) shared the crown with *My Love from the Star* (2013) (7.3%) and the most recent release *Flower of Evil* (2020) (7.3%). *Crash Landing on You*

(5.0%) came in 5th and *It's Okay to Not be Okay* (2.3%) ranked 7th. The study shows that milestones of Hallyu in China, such as *Jewel in the Palace* and *My Love from the Star,* still remain favorite dramas of Chinese consumers, which implies that the prevailing perception of Hallyu in the Chinese market has not been updated with the most recent Korean content.

Favorite K-drama; Global

Base: Respondents with experience of consuming Korean drama, 2019 (n=5,563), 2020 (n=4,143), Unit: %

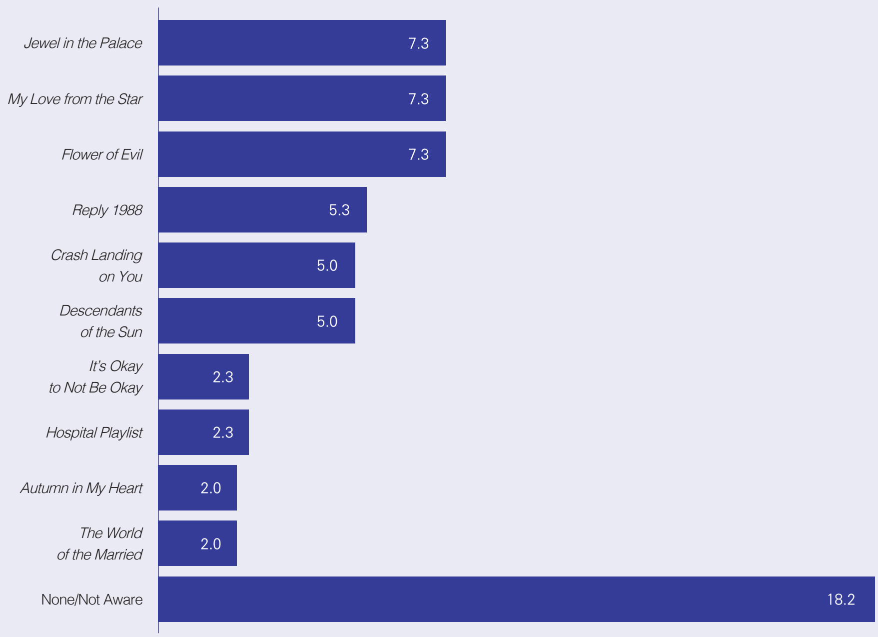


Favorite K-drama; China

Base: Chinese with experience of consuming Korean drama, n=(302), Unit:%

Q: Please Choose your favorite Korean drama that you watched in 2020.

**Only answers that received more than 2% of total are shown*



The widening gap between China and the global market can primarily be due to two reasons. The first would be the Hallyu boycott. Since 2017, opportunities for the Chinese public to be exposed to Korean pop culture have plunged as marketing Korean content in China became challenging. In the case of K-pop, the cycle of releasing albums, holding concerts, and attracting fans, was disrupted. It became impossible for artists to appear in TV shows to market their work. The same goes for drama. Korean drama lost ground as major broadcasters and video platforms did not air them. Like K-pop, broadcasting, fan meetings, and TV program appearances were all stalled and overall access to viewers and the public were cut off, preventing new dramas from being introduced. Some Chinese netizens were able to detour the firewall using VPNs; however, in general, Korean dramas largely vanished from the mainstream channels. Then starting from early Spring of 2020, a few new dramas were aired via online platforms, which is how *Crash Landing on You*, *It's Okay to Not be Okay*, and *The World of the Married* landed on the list.

The second reason is inertia; in the sense that while globally Hallyu is a recent phenomenon, it has been in China for more than two decades. In other words, while today Korean content is consumed immediately and simultaneously across the world, the long history in China has led to a slightly different consumption pattern. For instance, in the case of K-pop, an extensive fandom for EXO and G-Dragon has existed in China for a long time, and while the boycott can somewhat weaken the fandom, it still remains steadfast. In addition, one of the main aspects of K-pop's glocalization strategy is to have an influential local member. For example, Luhan and Kris Wu were former Chinese members of EXO who continued to actively pursue their careers in China even after leaving the group, which helped carry on the following for EXO in China. Although the popularity of EXO may be hit by Kris Wu being arrested on rape charges in July 2021, the *2021 Survey on Overseas Hallyu Status* conducted in 2020 showed that EXO remained strong in China.

Korean dramas started to regain momentum as Youku and other platforms gradually started to air them again. The K-drama category, which disappeared at the onset of the boycott, reemerged. The lineup was composed of dramas broadcasted before the boycott with a few additions including *Crash Landing on You*. Nevertheless, *Jewel in the Palace* and *My Love from the Star* sharing first place, inertia was palpable. The results imply that the two dramas have already been widely viewed and loved by the Chinese audience to become China's "national K-dramas." This is different from the Middle East where the period drama *Jewel in the Palace* took off much later than other markets, as Hallyu made inroads into the Middle East subsequent to other regions. Notably, these two dramas are top-rated amongst teenagers. It seems that the dramas were big hits among the 20s and 30s age groups before the boycott, and while new supply was absent for about five years, the two dramas are attracting a new generation of young viewers. This can also be interpreted as inertia, given that continuous support is given to stories the public has already verified. China is an enormous, highly populated country with evident differences among geographies and demographics, suggesting that there will always be an unexplored customer segment. In this sense, the popularity of an older drama can carry on by traveling across new, different populations.

3 The Lingering Power of Culture in an Unfavorable Environment: The Image and Perception of Korea

3-1. Images Associated With Korea

An interesting element of the *2021 Survey on Overseas Hallyu Status* is the comparison of the perception of Korea across countries. When asked "What is the first thing that comes to your mind when thinking of South Korea?", many answered "K-pop" or "Korean cuisine." Chinese consumers were largely in line with global trends with "Korean food (16.4%)" taking first place. The gap between global and Chinese participants lies in K-pop. In China, "K-pop" scored very low, only 5.0%, while in Indonesia, 34.6% answered "K-pop," which is about 7 times that of China. The same can be said for Brazil (27.2%), the UK (17.2%), France (13.4%), and Turkey (10.8%).

Country Comparison of Images Associated with Korea

Base: 2020, Unit: single answer %

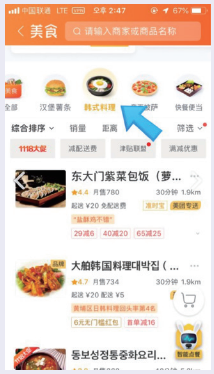
Q: When you think of South Korea, what is the first thing that comes to mind? [as of 2020]

	Asia/Oceania									Americas			Europe				Middle East	Africa
	China	Japan	Taiwan	Thailand	Malaysia	Indonesia	India	Vietnam	Australia	US	Brazil	Argentina	France	UK	Russia	Turkey	UAE	South Africa
Sample Number	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(400)	(500)	(500)	(500)	(500)	(500)	(400)	(400)	(400)	(400)
K-pop	5.0	22.4	13.4	**21.8**	**28.0**	**34.6**	9.4	**15.0**	14.3	15.0	**27.2**	**17.4**	**13.4**	**17.2**	9.5	10.8	**12.8**	11.0
Korean food	**16.4**	**29.2**	**22.4**	13.2	13.8	7.2	4.8	12.4	**15.3**	**15.2**	4.0	5.0	6.8	13.0	**17.3**	4.8	7.3	6.3
IT industry	3.4	3.4	6.2	4.4	7.8	6.6	**12.0**	7.2	3.8	4.2	7.6	10.6	10.0	6.0	8.5	5.8	5.8	**11.5**
Hallyu stars	4.8	6.4	11.2	9.0	8.6	12.6	5.4	7.8	3.3	4.2	5.6	7.2	5.4	4.4	5.5	5.5	8.5	2.8
Drama	11.4	7.4	14.2	9.0	9.2	12.2	5.0	9.8	5.0	1.6	1.2	2.0	1.8	1.4	3.0	**11.8**	5.0	3.0
Beauty products	5.8	2.2	3.4	3.2	5.0	3.0	5.2	8.6	5.5	4.8	2.2	2.4	2.8	4.6	14.0	3.8	6.0	3.5
Taekwondo	2.8	0.6	1.6	2.2	2.8	3.4	3.2	2.4	3.3	6.0	7.2	11.0	4.4	3.6	5.8	7.8	4.3	5.5
Cinema	5.2	2.2	3.6	4.6	2.6	3.2	5.6	5.4	6.5	2.8	2.4	3.2	5.6	4.2	2.8	4.3	5.3	7.0
Fashion	3..2	2.0	1.6	5.2	2.6	1.6	7.8	5.4	4.5	2.8	3.0	2.6	4.2	4.8	1.0	2.5	5.0	6.0
Economic growth	1.6	0.8	0.8	2.6	1.8	1.4	3.8	2.0	2.5	3.2	8.0	4.8	6.4	4.4	3.5	5.0	4.5	2.3
North Korea/ nuclear threat/ war risk	1.2	3.2	2.2	1.2	1.4	1.0	2.4	1.2	3.3	5.4	5.8	5.2	5.4	5.6	2.5	3.0	4.5	4.5
Automobile	2.2	0.6	1.2	0.4	1.0	1.4	5.0	1.4	6.0	4.4	1.0	1.2	3.6	3.0	13.0	3.8	8.3	3.3
Korean War	3.8	1.6	0.8	0.8	0.6	0.6	1.6	1.4	4.3	5.6	1.6	4.4	6.0	5.2	0.5	14.0	1.3	2.3
Animation	1.2	0.8	0.4	1.0	0.8	0.8	3.2	1.4	4.3	3.6	3.8	5.2	2.8	3.4	4.0	5.0	3.5	10.3
Beauty Service	8.6	3.2	4.8	7.8	3.2	2.8	1.8	4.4	3.0	2.0	1.2	0.4	0.4	2.0	1.0	1.0	2.3	1.0

Such a result is surprising even from the perspective of someone who has observed China's cultural industry and the proliferation of Hallyu in China for many years, which is why I started a discussion with my Chinese students. After talking to three different groups of Chinese students, I came to the conclusion that the dynamic of Hallyu in China can be different from other countries because Hallyu has already widely penetrated the Chinese market and in some ways, has been embraced and embodied by local consumers. For example, K-pop is an indicative genre in many countires, meaning that local consumers strongly associate K-pop with Korea. However, in China, various music genres already exist in the local music market and K-pop is just one of many. In other words, in China, K-pop is not a representative indicator of, or is not

1

2



3

1. 2. 3.

Examples of "Korean" menus in Chinese online delivery apps as an indicator of association with Korea (Source: 'KM's Hobby,' internet blog, https://machine0825.tistory.com/52)

strongly associated with, Korea. Think of the Chinese members of EXO. They started their careers as "Hallyu stars" but now, Chinese consumers perceive them as Chinese celebrities. From the eyes of Koreans, they belong to K-pop; however, they are Chinese stars from the eyes of Chinese. In addition, there were both "K-pop" and "Hallyu stars" among the choices given. The students mentioned that when K-pop was first introduced, it was perceived as the "K-pop" category; however, as those stars gathered fandom in China, to the fans, they were no longer perceived as the "K-pop" category but rather as "Hallyu stars."

In addition, "beauty products" and "beauty services" were given as options in the survey. Both scored higher in China than in other countries, suggesting that as Hallyu matures in China, it has expanded beyond content such as music and drama to a diverse array of products and services associated with beauty. That is to say, K-pop is not the most powerful image of Hallyu in China because its definition is perceived to be much broader in China than in other regions. Then the low percentage of participants answering K-pop in association with the perception of Korea can be seen positively, because it implies that Hallyu not just has penetrated the market as cultural content, but also has become a part of the lifestyles of Chinese consumers. In this regard, the low score should not be a cause of concern or signal a problem. Since the boycott, cultural content as commercial products was unable to reach China. However, Korean culture as a lifestyle has continued. In this regard, Korean food plays the role of a strong indicator. Korean cuisine has become a part of the gastronomy of China but is still labeled as "Korean" food. Like the arrow in the middle image above shows, Korean menus are clearly labeled "韩式 (Korean food)" in major food delivery apps in China.

3-2. Perception of Korea

In the *2021 Survey on Overseas Hallyu Status*, there is a question on the perception of Korea from the perspective of culture as a means of public diplomacy. In China, of the provided options, "Korea is an economically advanced country" ranked third from the bottom, while "Korea is a cultural leader" received the lowest number of answers amongst the 18 countries that participated in the survey excluding Japan. Why is the assessment of Korea's economic and cultural capacity assessed to be so feeble in China, where Hallyu was born and where the continued inertia of Korean culture is observed, despite the Hallyu boycott?

Country Comparison of the Perception of Korea

BASE :2020, Unit: (Agree 4+5)%

Q. Please read the following and mark your level of agreement (5 point scale: 1,2 do not agree / 3 neutral / 4,5 agree)

	Global	China	Japan	Taiwan	Thailand	Malaysia	Indonesia	India	Vietnam	Australia	US	Brazil	Argentina	France	UK	Russia	Turkey	UAE	South Africa
Sample Number	8500	500	500	500	500	500	500	500	500	400	500	500	500	500	500	400	400	400	400
General perception	69.5	62.4	29.6	48.6	82.2	79.2	84.8	83.4	77.0	72.0	65.8	66.2	69.0	67.2	67.0	81.0	83.0	71.8	66.5
Korea is an economically advanced country	72.6	55.6	44.0	83.0	78.0	85.0	93.4	76.6	89.0	62.3	54.6	81.4	77.0	73.2	63.0	77.3	79.5	68.0	64.0
Korea is an active, social contributor on the global stage	61.1	48.8	28.2	58.4	75.6	81.2	80.8	74.4	67.0	56.0	53.4	60.6	51.0	61.2	52.4	54.3	75.3	61.0	60.0
Korea has a favorable relationship with my country	59.1	47.0	19.6	32.6	74.8	67.2	86.0	74.8	71.2	61.0	58.0	56.8	50.0	64.8	54.8	56.3	70.5	67.8	53.0
Korea is a partner rather than a competitor	57.5	52.0	21.8	29.6	70.2	68.8	84.4	71.4	77.2	56.0	58.2	55.4	41.0	58.0	51.6	62.0	65.5	63.3	51.3
Korea is a likable country	66.4	50.6	28.4	43.4	78.4	83.2	85.0	79.8	71.0	64.8	64.0	58.8	66.6	69.4	64.6	71.5	78.3	74.5	68.3
Korea is a cultural leader	56.1	39.2	38.0	47.0	70.6	64.8	63.4	72.4	55.8	53.0	47.8	53.2	54.6	58.4	51.2	45.0	53.0	59.5	55.0

According to the survey results, China and Japan had a relatively lower ratio of positive answers. The two are neighboring countries with extensive interactions with Korea, which suggests that there is a deeper understanding of Korea and therefore, there is less fantasy of Korea in China and Japan compared to other countries. In addition, the people of these two countries would be frequently exposed to Korea by the press which tends to carry negative news. Such interactions would lead respondents in China and Japan to give lower scores relative to other countries. In particular, in recent years, there have been multiple political and diplomatic issues arising between Korea and China and Korea and Japan, resulting in deteriorating public sentiment. In contrast, in countries other than China and Japan, positive answers were more evident, because in the process of Hallyu becoming a mainstream cultural content, general awareness of Korea significantly improved as positive news was generated and the understanding of Korea deepened. It can be seen as a base effect in the sense that the impact of Hallyu content was big in countries that did not have a reference point to begin with. This is different from China where Hallyu has a history. In addition, the narrowing economic and cultural competitiveness gap between Korea and China may be another factor to consider.

We can break down the respondents into different groups using data from the survey to understand the results better. As can be seen in the chart on the next page, answers vary across gender and age groups. Females more than males and the MZ generation (born in the 80s and 90s) more than other age groups did not show a positive perception of Korea in terms of economy and culture. For example, the gap between males and females was around 10%p; 60.4% of males answered that “Korea is an economically advanced country,” while only 50.8% of females answered positively. In terms of age group, the lowest score was from the 20s age group, only 41.6%. The figure was 34%p lower than that of the 40s which stood at 75.3%. It is 18%p lower than 60.8% of teens. Also, there was a 17%p difference between males (47.6%) and females (30.8%) for the item “Korea is a cultural leader.” By age group, 26.4% of respondents in their 20s and 31.2% of the 30s agreed to the statement, far off the 66.7% of the 50s and 55.1% of the 40s age groups. In general, the 20s showed the lowest and the 50s the highest, positive perception.

Perception of Korea by Age and Gender in China

Base: China, n=(500), Unit: agree(4+5)%

Q: What is your general perception of Korea (5 point scale: 1,2 negative / 3. neutral / 4,5 positive)

Q: Please read the following and mark your level of agreement (5 point scale: 1,2 do not agree / 3 neutral / 4,5 agree)

	Total	Gender		Age				
		Male	Female	10s	20s	30s	40s	50s
Sample Number	(500)	(250)	(250)	(125)	(125)	(125)	(89)	(36)
General perception	62.4	67.6	57.2	68.0	45.6	56.8	74.2	91.7
Korea is an economically advanced country	55.6	60.4	50.8	60.8	41.6	52.8	75.3	47.2
Korea is an active social contributor on the global stage	48.8	56.0	41.6	46.4	35.2	47.2	60.7	80.6
Korea has a favorable relationship with my country	47.0	51.6	42.4	53.6	38.4	42.4	57.3	44.4
Korea is a partner rather than a competitor	52.0	56.8	47.2	53.6	42.4	51.2	58.4	66.7
Korea is a likable country	50.6	55.6	45.6	52.0	42.4	47.2	67.4	44.4
Korea is a cultural leader	39.2	47.6	30.8	40.8	26.4	31.2	55.1	66.7

While discussing the gender difference of the survey results with Chinese students, Chinese female students said that men would have a better understanding of the status of Korea in the international community as they tend to be more interested in geopolitics and the global economy, which would explain the higher percentage of positive answers. They explained that women tend to focus on the content itself, rarely would they further explore the economic and cultural competitiveness or the history of the country that has produced the content. There were also comments questioning the language of the sentence "Korea is a cultural leader." The point was that the popularity of a few cultural genres such as K-pop, drama, and film, does not necessarily lead to equating Korea to a "cultural leader." This is a fundamental question challenging the simplicity behind bundling Hallyu as content and the national image of Korea from a diplomatic perspective. From this viewpoint, the lower percentage of positive answers from women can be interpreted as women enjoying K-content itself without having an interest in Korea's economic or cultural status.

By age, the 40s and 50s age groups showed much higher positivity than the 20s and 30s. The generational gap is due to the stationary perception of the 40s and 50s age groups. This generation started their careers when Korea was considered ahead of China in many areas and was impressed by Hallyu that was sweeping China both directly and indirectly at the time. Former President Hu Jintao mentioning that he was a fan of *Jewel in the Palace* in 2005 also contributed to the positive perception that Korea was economically and culturally advanced than China. In contrast, the *jiulinghou* (born after 1990, currently in their 20s) and the *balinghou* (born after 1980, currently in their 30s) do not believe China is economically behind Korea and believe that China's pop culture and content are at equal levels. While it has been already mentioned that there are opinions that do not necessarily equate high-quality pop culture to cultural leadership, there is also the view that looks at culture from a broader perspective. Confidence in the global competitiveness of Chinese culture has been reinforced by President Xi Jinping's drive for cultural self-confidence (文化自信) and for China to become a cultural leader (文化强国). The national studies craze and the social atmosphere manifested as the *guochao* trend (国潮: a trend of supporting national brands) would be another contributor. In summary, the generational difference seems to be generated by the younger generation's (the 20s-30s) perception of China reflecting China's changing economic and cultural status, while the older generation's perception (the 40s-50s) of China does not.

I believe that the lack of awareness of Korea's presence on the global stage by women and the younger age group is evidence of the power of culture, given that it is the result of greater attention on culture itself. It also implies that the interest in foreign cultural content and the image of the foreign country, are decoupling. Looking back at the history of Hallyu, political issues triggered anti-Hallyu or Hallyu boycotts in neighboring countries such as China and Japan. It was a time when the exporter of Hallyu, Korea, and diplomatic frictions with the importing country, were coupled in the process of cultural acceptance. However, with more female consumers focusing on the content itself rather than the exporter and the emergence of an economically and culturally confident young generation, political issues are becoming less influential. For that matter, TikTok, a Chinese app, is popular amongst the youth of Korea who also tends to show negativity towards China when political or diplomatic issues arise. In essence, the cultural power of Hallyu persists while the impact of political and diplomatic issues on the cultural sector has weakened. Women and young people being less influenced by factors outside of culture and purely focusing on the cultural content itself is the reason for optimism for the future of Hallyu.

4 Optimism amid Challenges: The Future of Hallyu in China

4-1. Chinese Consumer Attitude toward Korean Cultural Content

According to the survey, the perception of Korea received low scores in China relative to other countries. However, an annual comparison shows that the percentage of positive answers increased in 2020 from 2019. For the line item “Korea is a cultural leader,” positive answers jumped from 23.8% in 2019 to 39.2% in 2020. For “Korea is a likable country,” the figure rose from 43.0% in 2019 to 50.6% in 2020. In addition, the likability of all individual genres of Korean culture is one of the highest, which is in stark contrast with the results for the overall perception of Korea, the country behind the individual genres.

Country Comparison of Likability of Recently Consumed Korean Cultural Content

Base: Respondents with experience of consuming Korean contents, Unit: % of positive (4+5) answers

Q: In general, how much did you like the Korean content that you have recently consumed? (5 point scale: 1,2 do not like / 3 neutral / 4,5 like)

	Asia/Oceania									Americas			Europe				Middle East	Africa
	China	Japan	Taiwan	Thailand	Malaysia	Indonesia	India	Vietnam	Australia	US	Brazil	Argentina	France	UK	Russia	Turkey	UAE	South Africa
Variety shows	83.8	56.5	**66.7**	86.2	81.4	91.0	89.2	**84.4**	71.4	70.5	81.1	86.8	72.7	65.2	60.0	73.4	74.2	72.5
Cinema	**84.3**	49.5	66.2	87.2	**83.3**	**93.4**	86.0	83.6	**82.2**	70.5	75.5	84.2	72.0	67.7	65.0	72.3	**80.3**	73.9
Drama	81.1	48.0	71.5	**89.2**	80.5	92.0	**90.3**	84.3	73.9	69.9	**81.5**	86.3	75.8	53.5	69.0	63.6	79.0	**81.8**
Cuisine	77.9	**63.7**	59.0	86.5	75.7	84.4	85.7	78.9	76.9	**78.7**	78.3	93.0	**79.9**	**74.0**	**73.9**	74.2	66.0	78.2
Beauty	80.2	55.3	53.2	84.9	82.9	88.1	85.0	85.5	71.7	76.0	79.1	**93.9**	59.4	70.4	64.8	**82.0**	73.6	73.8
Fashion	84.0	61.4	57.7	82.1	76.0	89.2	85.4	82.6	68.2	73.8	78.7	81.4	63.1	67.6	68.4	71.0	74.8	74.0
Games	79.7	53.6	61.3	85.3	66.3	85.4	85.7	80.5	70.8	68.9	68.2	89.2	65.3	58.2	69.5	68.4	72.7	77.3
Animation	75.9	51.9	52.9	80.8	68.3	85.6	82.9	73.2	69.7	64.9	77.3	88.8	64.7	58.5	60.2	70.4	71.6	75.1
Publications	75.4	46.9	55.8	72.7	69.6	87.6	84.6	75.9	64.4	67.0	72.7	84.9	67.1	62.6	60.8	73.2	68.5	66.9
Music	77.0	47.7	63.5	80.8	76.5	88.8	86.9	79.2	61.8	62.7	71.0	79.6	61.1	52.1	52.5	65.1	70.8	68.7

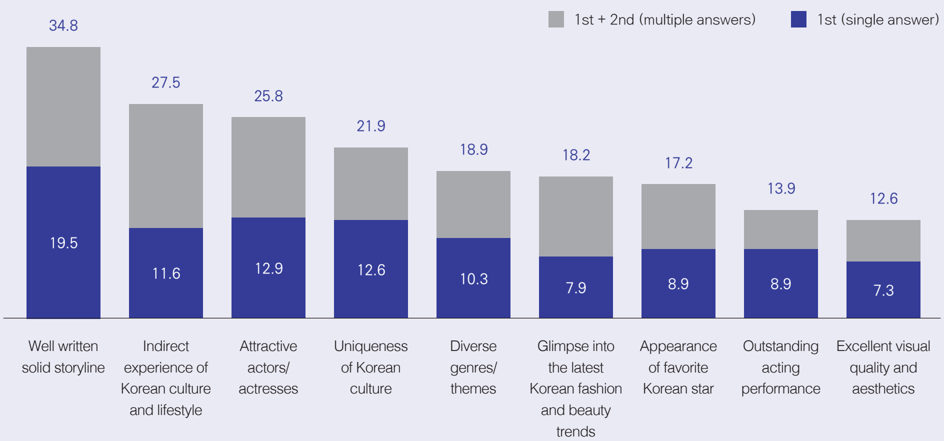
The competitiveness of video content, mainly dramas and variety shows, should be sustainable given that Chinese consumers acknowledge that Korean dramas have solid storylines and that Korean variety shows are highly entertaining. On top of such core competitiveness, it is also perceived as an opportunity to indirectly experience the Korean lifestyle and culture which are considered to be unique and differentiated.

Factors Driving Popularity; Drama & Variety Shows

Base: Chinese with experience of consuming Korean drama, n=(302), Unit: %

Korean Drama

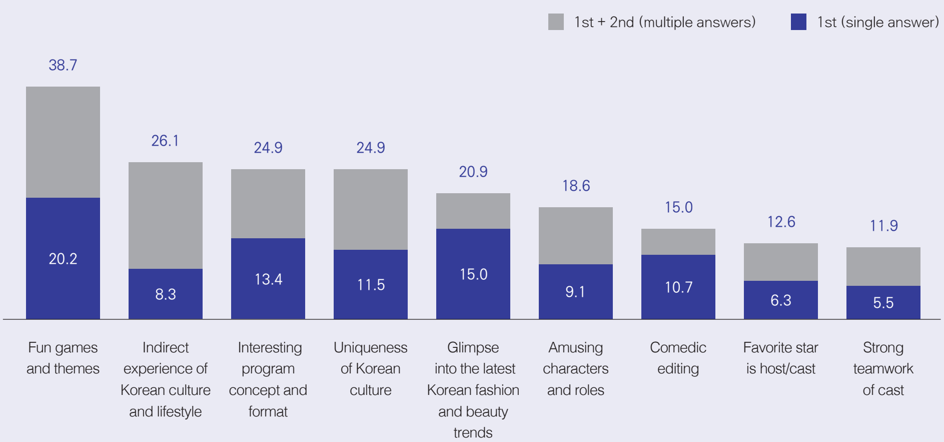
Q: What contributes to the popularity of Korean drama?



Base: Chinese with experience of consuming Korean variety shows, n=(253), Unit: %

Korean Variety Shows

Q: What contributes to the popularity of Korean variety shows?



In the case of music, “catchy chorus and rhythms (38.7%),” “excellent performance (27.9%),” and “attractive and stylish artists (22.7%)” were the main drivers of popularity, which is largely in line with the response from other countries. What is notable is that “distinctive pronunciation of Korean language lyrics (25.7%)” showed higher figures than “attractive and stylish artists (22.7%).” It seems that after more than two decades of Hallyu in China, the Korean language exposed through Korean content has become an attraction point. The Korean word “oppa” and “eonni” are transliterated and widely used amongst young Chinese as “欧巴 (Chinese pronunciation ‘ōu ba’)” and “欧尼 (Chinese pronunciation ‘ōu ní’),” respectively. In addition, “思密达 (Chinese pronunciation ‘sīmìdá)”, the transliteration of the Korean sentence ending “seumnida,” widely used in Korean TV shows, can be frequently observed in China. The long history of Hallyu in China has turned an unfamiliar and difficult language into a charm, evidencing the resilience of Hallyu carrying on even in adverse environments.

Factors Driving Popularity; Music

Base: Respondents with experience of consuming Korean music, Unit: %, multiple answers

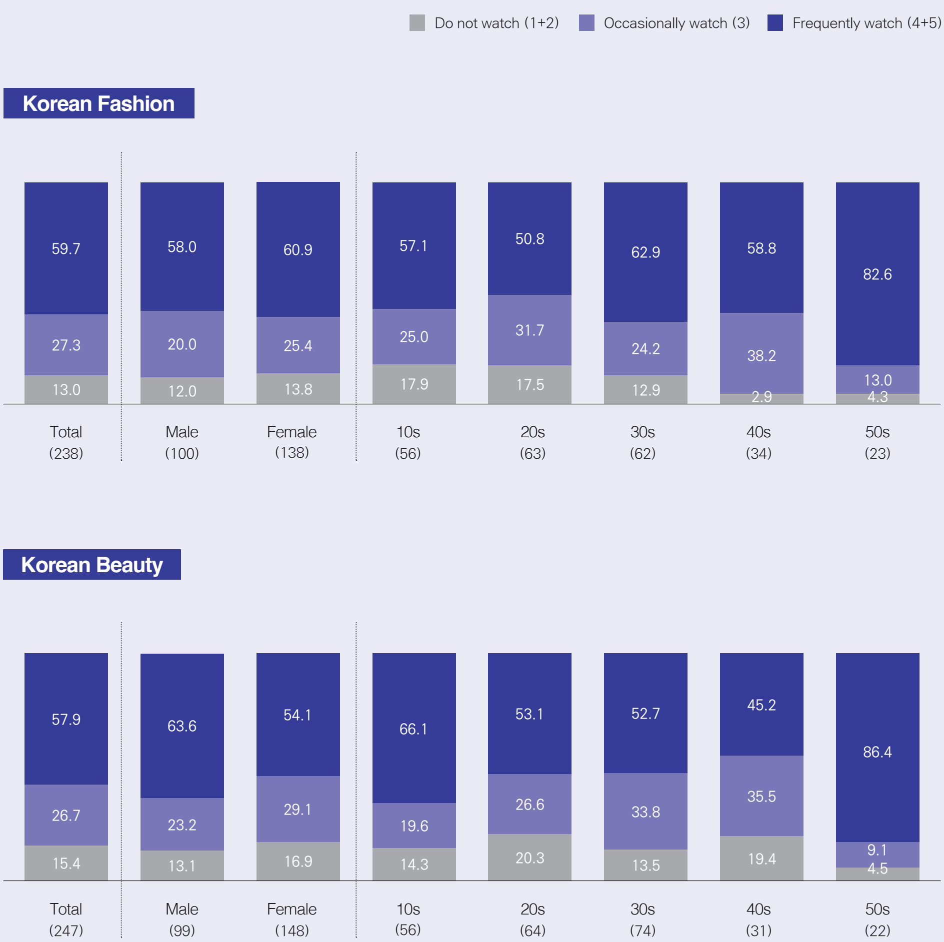
Q: What contributes to the popularity of Korean music?

	Asia/Oceania									Americas			Europe				Middle East	Africa
	China	Japan	Taiwan	Thailand	Malaysia	Indonesia	India	Vietnam	Australia	US	Brazil	Argentina	France	UK	Russia	Turkey	UAE	South Africa
Sample Number	(269)	(327)	(299)	(297)	(327)	(338)	(237)	(298)	(191)	(255)	(286)	(304)	(265)	(263)	(160)	(195)	(202)	(182)
Addictive chorus and rhythm	**38.7**	19.3	**48.8**	14.8	**39.8**	30.2	**26.6**	29.5	**29.3**	**35.7**	31.1	**55.6**	**38.5**	**35.4**	26.9	**31.3**	21.3	**38.5**
Attractive and stylish artists	22.7	40.7	38.8	**55.9**	32.7	**38.5**	22.8	**38.9**	26.2	25.1	18.9	21.1	17.4	26.2	**36.9**	30.3	25.7	19.8
Outstanding performance	27.9	**41.9**	21.1	11.4	22.3	21.0	25.7	25.8	27.7	32.2	**36.0**	20.4	22.3	24.3	17.5	20.0	**31.7**	34.6
Glimpse into the latest Korean fashion and beauty trends	18.6	8.3	23.1	21.9	18.7	30.8	20.7	22.5	20.4	16.9	25.5	28.9	21.1	14.8	18.1	20.0	14.4	23.6
Music style not in my country	10.8	22.6	6.7	25.3	16.2	22.2	13.5	14.4	16.2	11.4	16.8	7.9	27.9	14.8	21.9	24.0	18.8	12.1
Uniqueness of Korean language lyrics	25.7	7.3	16.4	11.8	12.2	10.9	20.3	12.4	12.6	18.8	11.9	15.8	14.7	15.6	28.1	19.0	16.3	14.8
Distinctive and original concepts	10.8	15.0	9.0	25.6	17.1	7.1	17.7	18.8	18.3	16.1	15.0	15.5	14.3	17.9	3.8	15.4	18.8	15.4
Combination of Korean and English lyrics	9.3	6.4	8.7	9.4	16.5	14.2	19.0	12.8	7.3	12.5	10.1	10.2	10.6	12.9	13.1	11.3	17.8	16.5
Artists interact with fans	9.7	5.5	5.7	9.8	7.0	10.1	17.3	7.4	14.1	7.1	10.8	3.9	10.9	10.3	8.1	10.8	14.9	9.3
Like the meaning of lyrics	17.1	3.4	6.4	8.1	11.6	9.8	13.1	10.4	18.3	11.0	7.7	5.3	8.7	8.0	3.1	9.2	10.9	6.0

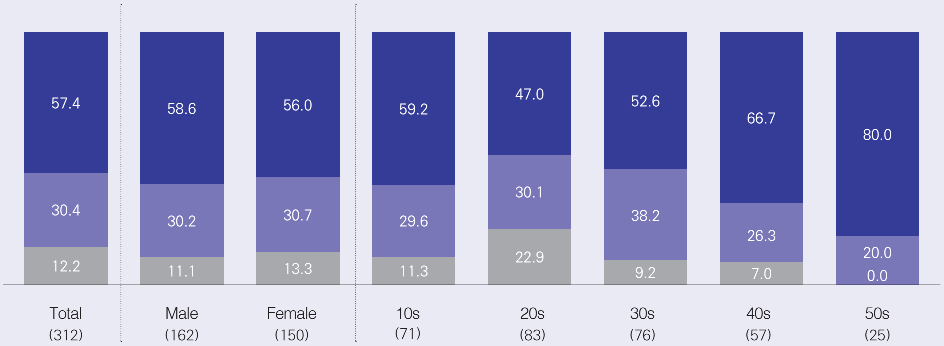
In addition, Chinese consumers are being supportive of “cultural” products stemming from cultural content such as Korean fashion, beauty, and food. In all age groups, more than 50% answered that they view videos of Korean fashion, beauty, and food “frequently.” Moreover, in the 50s age group, more than 80% answered that they watch videos of all three categories “frequently.” While cautious of generalizing the data given that the sample size for the three age group categories was only around 22-25 each, the results do not seem odd considering that the 50s age group also showed high numbers for the general perception of Korea. In general, people in their 50s have finished raising their children and have more time for themselves. They have observed Hallyu since their 30s but could not actively consume Korean content. In this regard, it seems to be the time to review incorporating this population as a new target customer segment for Hallyu.

Frequency of Watching Korean Fashion·Beauty·Cuisine Videos

Base: Chinese with experience of using the following Korean content, Unit: %



Korean Cuisine



4-2. Factors that Hinder Likability and Challenges Ahead

The results of the *2021 Survey on Overseas Hallyu Status* support the conclusion that the Korean cultural industry itself is not facing serious challenges in China albeit the Hallyu boycott, which is an issue that needs to be politically and diplomatically addressed. Breaking down the response for the question "What hinders likability of Korean content?", "none" received the highest answers for six categories, namely, "film (23.85%)," "animation (26.4%)," "publications (28.5%)," "games (27.3%)," "fashion (34.5%)," and "beauty (32.0%)." According to the survey results, "Korean language is difficult and unfamiliar" and "it is inconvenient to watch through translated subtitles or dubbing," were found to be the factors hindering positivity for video content such as drama, film, and animation. However, these factors are inherent in foreign content and cannot be fundamentally resolved. Korean content cannot be made in Chinese and there would be very few Korean artists who can sing and act in Chinese. Even if content is made in English, these obstacles will still remain in China.

Other than language issues, factors undermining likability were "genre, story, and contents are old-fashioned and uniform (29.1%)" for dramas, "uniform music genre (21.2%)" for music, and "unfamiliar with Korean humor (20.9%)" and "the Korean undertone is too strong (13.8%)" for entertainment shows. Firstly, consider the uniformity pointed out by the respondents for Korean drama and music. My view is that this is because the titles that are introduced in China are limited. In the case of drama, until the early 2000s, the Korean drama scene was criticized for being cliché and uniform. The stories were like formulas, usually dealing with birth secrets, love affairs, and a naive female protagonist's revenge.

However, since 2010, many titles have been produced to overcome such criticism. As the distribution of dramas became diverse and no longer had to rely on a few major terrestrial TV channels, Korean dramas are no longer cliché and uniform. *Squid Game* is a great example. Yet, like *Squid Game*, many new and innovative titles have not been distributed in China because it could not find an appropriate distributor. One reason Chinese consumers are exposed to only a small number of Korean dramas is because of censorship. Also, Chinese operators prefer titles that have been already proven in Korea. The same goes for music. On the one hand, popular K-pop groups and artists that are active on the global stage may seem somewhat similar because Korean music labels systematically nurture them. However, I believe there is also the issue of overrepresentation, that a few global K-pop stars are perceived to represent the entire Korean music landscape. But since the 1990s, Korean pop music has been actively interacting with the global music scene, including the US, and has been introducing a wide range of genres to Korean music fans. Audition programs attempting to discover the next big star in hip hop, trot, and gukak (Korean traditional music) contributed to the development of diverse music genres, albeit promoting diversity in the Korean music landscape may not have been the primary intention of such shows. The problem is that K-pop “looks” monotonous in China due to market barriers including the boycott which limits K-pop to mainly dance music. The strategic implication of such a backdrop is that improvements in distribution rather than production are required.

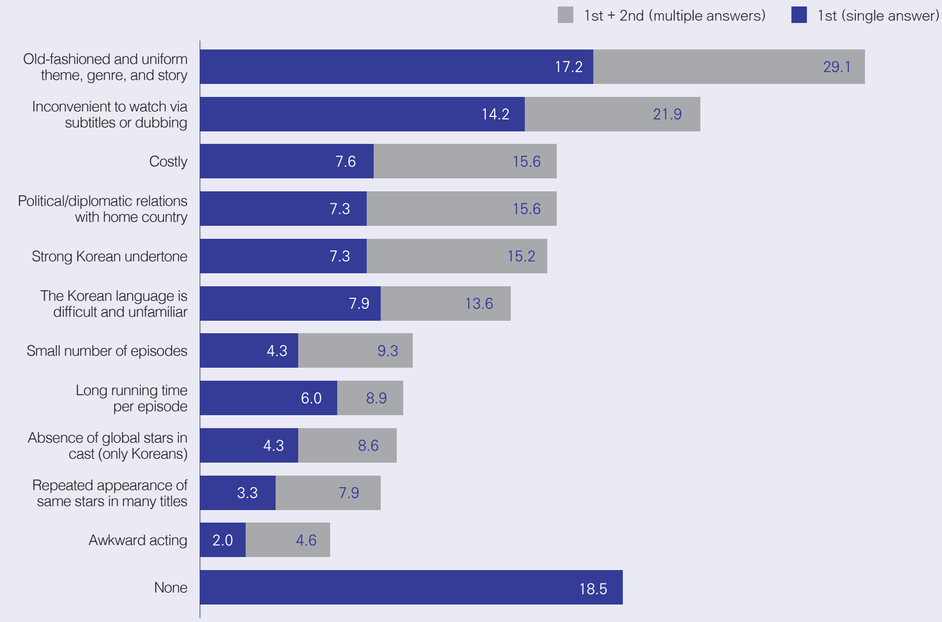
In the case of variety shows, production companies cannot fundamentally resolve comments on the uniqueness of Korean culture being a hurdle for watching. The key feature of variety shows is that they create entertainment in refreshing and innovative ways. Naturally, Korean variety shows tend to appeal to the emotions and sensibilities of Koreans and Korean society. If this is considered to be a problem, nothing much can be done because it is an innate characteristic of the genre. Non-verbal formats, such as the works of Charlie Chaplin or *Nanta*, can be a way to overcome language differences and cultural disparities. If not, believing that “What is most Korean is most global,” creators can continue to produce entertaining shows for the Korean audience, to which the Chinese audience can adapt. Going back to the example of *Squid Game*, the games and emotions that appear in the drama are very specific to Korea. Nevertheless, it resonated with a global viewership. Likewise, pursuing what is most Korean, rather than attempting to cater to global diversity, can be a better way to successfully approach content creation.

Factors that Hinder Likability of Korean Cultural Content; Drama, Music, and Variety Shows

Korean Drama

Base: Chinese with experience of consuming Korean drama, n=(302), Unit: %

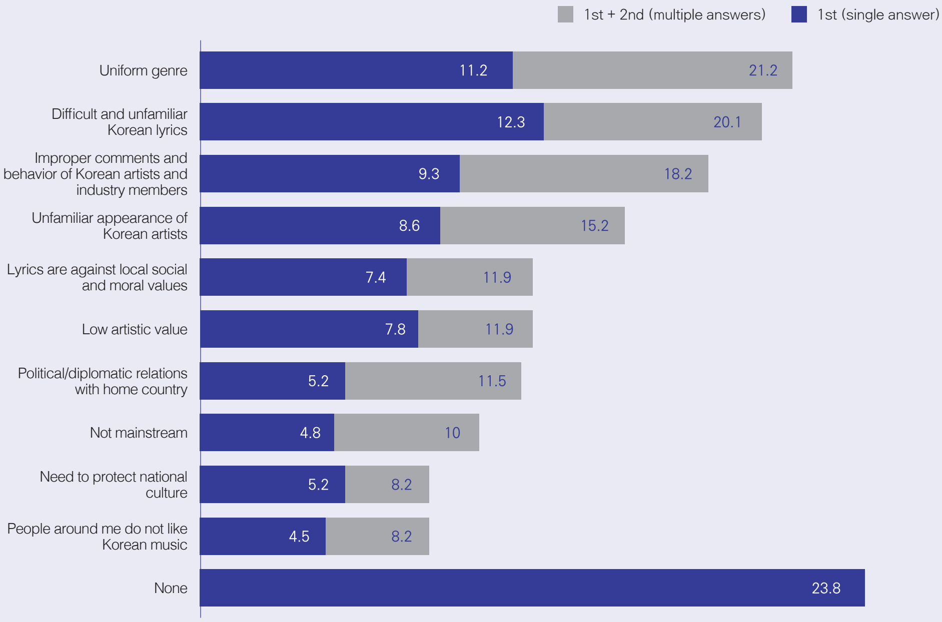
Q: What hinders likability of Korean drama? Please mark your 1st and 2nd choices in order.



Korean Music

Base: Chinese with experience of consuming Korean music, n=(269), Unit: %

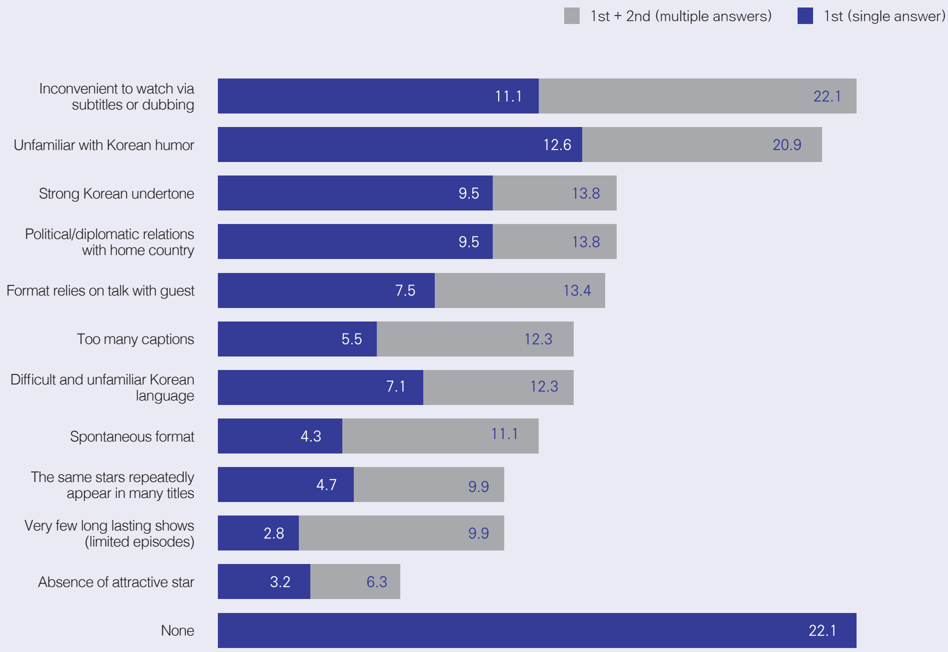
Q: What hinders likability of Korean music? Please mark your 1st and 2nd choices in order.



Korean Variety Shows

Base: Chinese with experience of consuming Korean variety shows, n=(253), Unit: %

Q: What hinders likability of Korean variety shows? Please mark your 1st and 2nd choices in order.



The leading derivatives of Hallyu content, or "cultural" products, would be fashion, beauty, and gastronomy. Of the three, gastronomy is the only category for which "none" was not the top answer for what hinders likability. Taking a closer look at the survey results, "menu options are not varied (30.4%)" would apply to all types of foreign cuisine in China. Even French cuisine, widely acknowledged for its rich culture, is considered not to be diverse in China. I am sure if anyone who has seen the menu of restaurants in China would agree. The diversity observed in each of the eight major culinary styles (八大菜系) would be higher than that of any culinary culture. If the regional dishes not included in the eight major culinary styles are included, the gastronomic diversity goes beyond imagination. One of the three "impossible" aspirations of Chinese people is to try all the Chinese culinary dishes in a lifetime. The following factors, "unfamiliar taste and smell" and "it is not easy to eat due to many side dishes," suggest the need to develop menus tailored to the Chinese market. Localized menus can benchmark Korean menus served by restaurants run by Chinese. In fact, there are quite a few Korean restaurants in China that are operated by Chinese.

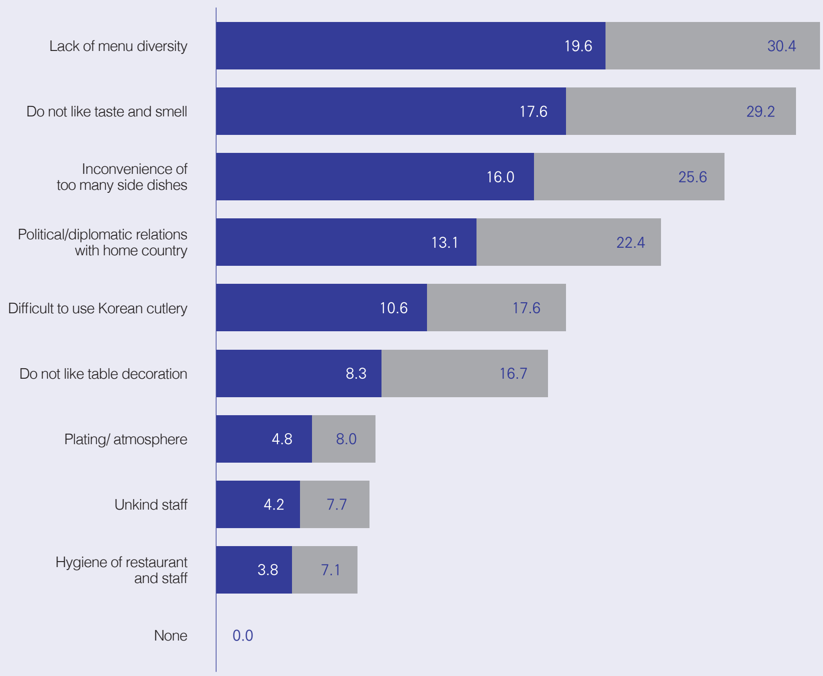
Personally, the menus served in these restaurants were not my taste because of its unfamiliar flavors and smell and the lack of side dishes. It is evident that there is a gap between authentic Korean food and localized Korean menus in China. It is the same for Chinese food in Korea. Koreans widely enjoy Korean-Chinese food; however, the Chinese feel that it is not authentic Chinese cuisine. In this sense, if Korean food aims to become more mainstream in China, the development of localized menus would be necessary.

Factors that Hinder Likability of Korean Cultural Contents; Cuisine

Base: Chinese with experience of consuming Korean food, n=(312), Unit: %

Korean Cuisine

Q. Which factors hinder good feelings toward Korean food? Choose your top two reasons.

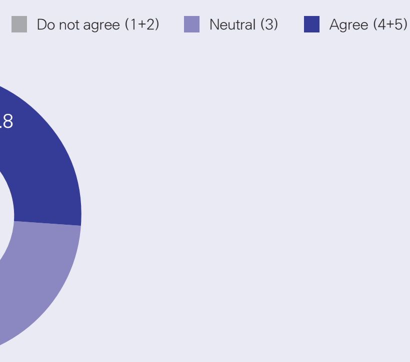


Lastly, the negative perception of Korea in China was 38.8%, the highest among the surveyed countries, mainly due to political reasons. The biggest factor contributing to negativity was "inappropriate/unethical comments and behavior of Korean stars (26.8%)," which is associated with political comments in China. The response from China when BTS mentioned the Korean War in their UN speech and when Chou Tzu-yu of Twice waved the Taiwanese flag on a TV show would explain such results. The examples are cases of a Hallyu star being involved in issues that clash with China's national interest amid a domestic environment in which patriotism is being generally emphasized. The second-highest response, "Hallyu is too commercial (25.8%)," seems to be the public response to the sale of a broad spectrum of K-pop goods. In China, pirates, or illegal digital copies, were available for free. However, with the launch of concerts, goods, album packages, in-app payment of games, and paid content of webtoons, the Chinese started to spend more money, which is the background behind the commercial aspect felt by Chinese consumers. Research on the Korean cultural industry calls this an "advanced marketing strategy"; however, from the general public, it can be uncomfortable. "Political and diplomatic conflicts with Korea (22.7%)," "inter-Korean issues (20.1%)," and "historical relationship with Korea (18.6%)," which ranked 3rd, 4th, and 6th respectively, are all associated with political issues. The 5th, "the need to protect the domestic content industry (19.6%)" is related to China's national policy of developing the domestic cultural sector as a national strategic industry, which is manifested in the Cultural Industry Promotion Plan of 2009 and is thought to be the primary objective of the Hallyu boycott. It may seem like the voluntary opinions of Chinese consumers, but it is more related to the Chinese government's policy for promoting the cultural industry. In essence, the negative perception of Korea in China is largely influenced by politics. This is an essential precondition that must be resolved; however, it cannot be overcome by the Korean cultural sector alone. What can be addressed by the cultural industry is the point on Hallyu being "too commercial (25.8%)." A detailed strategy to reduce such concerns should be carefully developed to promote a positive perception of Hallyu and Korea in China.

Factors Contributing to Negative Perception of Hallyu

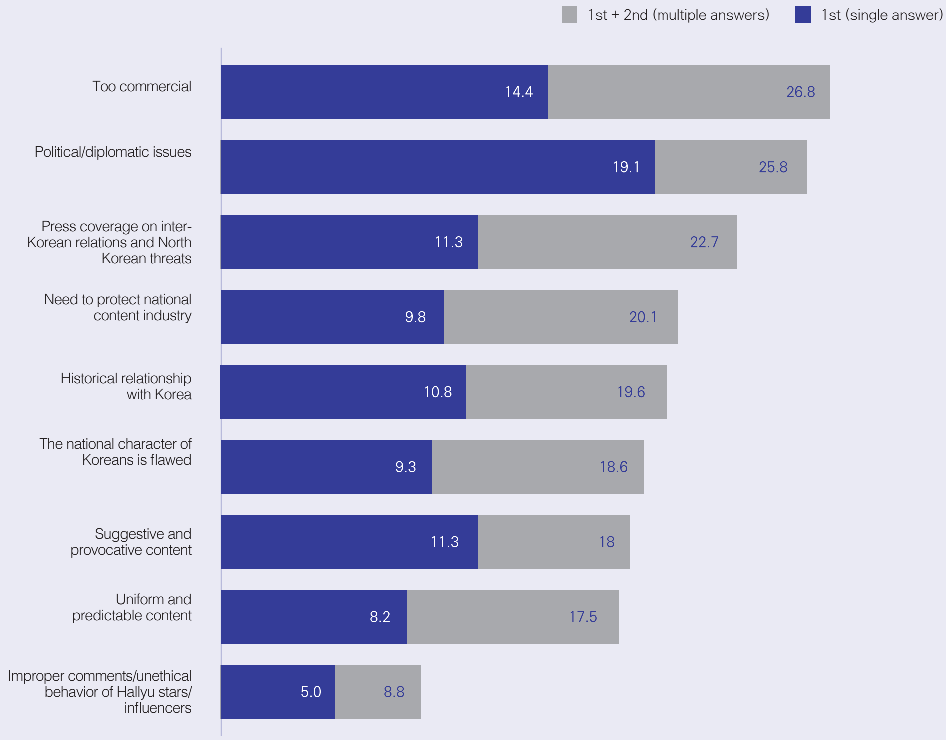
Base: China total, n=(500), Unit: %]

Q: Please mark your level of agreement on the negative perception of Hallyu.



Base: Chinese that agree to negative perception of Korea in China, n=(194), Unit: %

Q: Please choose your 1st and 2nd reason, in order, for why you agree to the negative perception of Korea.



5 Conclusion

China is the origin of Hallyu and was also the largest consumer market for Hallyu. Exchanges between the two markets were active and many joint projects were pursued. Naturally, the sector attracted and absorbed top professionals of the Korean cultural industry. However, for more than 4 years since the boycott, Hallyu has been in recession and the perception of Hallyu in China is stuck at before the boycott. Hallyu has become a global phenomenon since 2017, but this development has not been reflected in the minds of Chinese consumers. Nevertheless, Hallyu has a 20-year history in China and shows remarkable resilience even in difficult times.

Unlike other countries, Hallyu in China is closely attached to the Chinese people in various genres, which enable Chinese consumers to maintain a favorable attitude toward Korean cultural content despite political and diplomatic issues. While it is too early to be decisive, it seems that the political and diplomatic issues and the consumption of cultural content are decoupling. Chinese consumers clearly understand the merits of Korean content and show high acceptability, evidenced by the fact that respondents of the survey chose the Korean language as a critical success factor of Hallyu. In addition, there is a potential for developing new target populations as the 50s age group, a group that did not receive much attention in the past, was highly interested in Korean fashion, beauty, and gastronomy. As for factors hindering Hallyu, the survey participants mostly answered "none" or mentioned aspects that are innate in foreign content. In conclusion, it can be largely interpreted that Hallyu in China is currently not facing any serious challenges other than the overarching political issues. However, in terms of the commerciality and distribution (not the production) of Hallyu content, efforts should be made to develop measures to

4

5

4. 5.
Opening Ceremony of the "Year of Korea–China Cultural Exchanges (2021–2022)" held on September 15th at Dongdaemun Design Plaza (DDP) (Organized by the Korean Foundation for International Cultural Exchange, Source: Ministry of Culture, Sports and Tourism)

reduce concerns.

Since the boycott, Hallyu has detoured China and paved the way into the global pop culture scene. In the future, when looking back in retrospect, the boycott in China may be assessed as the catalyst for Hallyu to travel globally. However, Chinese consumers still have a positive stance toward Korean cultural content and recognize that it is an element closely attached to their enjoyment of culture. In this regard, the damage incurred by Chinese consumers of Hallyu is larger than that of the Korean cultural industry. I would like to take the perspective of a cultural mediator regretting the current situation that Korean content cannot be enjoyed together with fans in China, rather than from a cultural imperialistic viewpoint that Hallyu was able to venture into the global market even without China.

It should be noted that the *2021 Survey on Overseas Hallyu Status* seems to be designed from an "export-oriented" perspective. This can be uncomfortable for foreign participants including China because it may be interpreted as a cultural invasion. In fact, in academic publications on the cultural industry of China, Hallyu is often seen as a cultural invasion. Therefore, once Hallyu overcomes the boycott hurdle, it is important for Hallyu to move beyond an export-driven approach and upgrade itself to become a mutual exchange of international cultures. Culture is enriched by interactions with other cultures and Hallyu by nature is cultural content anchored in hybridism. Next year will mark the 30th anniversary of diplomatic ties with China. Hopefully it will be an opportunity to open a new rich era of Hallyu as stronger cultural exchange expands horizons and high quality entertainment is offered to Chinese consumers to enable better understanding between the people of Korea and China (民心相通).

References

Korean Foundation for International Cultural Exchange (2021). *2021 Survey on Overseas Hallyu Status.*

Ko, J. M. (2020). *Hallyu and Business*. Purungil.

Kim, N. R. (2021, August 3). “No Longer Chris of EXO, How Are Ex-EXO Members Luhan and Tao Doing?” *Keumkang Daily*.

Park, S. H. (2020, April 10). “Started with THAAD Ending with COVID-19⋯Hallyu Boycott in China May Be Lifted Soon.” *The JoongAng Daily*.

Seo, J. K. (2020, April 10). “K-Drama Category Restored in ‘Chinese Youtube⋯’ Cultural Boycott to be Removed?” *Money Today TV*.

‘KM’s Hobby (2019, November 17). “Chinese Delivery Apps 美团外卖”, Retrieved from: https://machine0825.tistory.com/52

STATISTIC

INSIDE

Hyunji Lee, Ph.D. — Researcher, Korean Foundation for International Cultural Exchange

1 Hallyu-Manufacturing Sector

□ Beauty

Growth of Beauty Exports Slows Down

Beauty exports in Q3 2021 amounted to USD 2.127796bn (approx. KRW 2.5077tn) which is a 10.41% increase YoY. However, the positive momentum that continued since Q3 last year slightly dipped as the figure is a 7.8% decline from Q2, when expectations for economic recovery amid the receding pandemic supported growth. By country, China grew by 17.54% YoY but decreased by 1.9% QoQ to USD 1.22886bn (approx. KRW 1.4412tn). It is noteworthy that the steady growth seen from Q2 2019 was propelled by strengthening demand for Korean beauty products and the expansion of e-commerce distribution channels although the pandemic flinched in Q3. The resurgence of COVID-19 and ensuing lockdowns, contraction of consumer sentiment due to natural disasters such as floods in August, and intensifying competition in the Chinese local market seem to have led to the decline. Exports to the US increased by 15.83% YoY but decreased by 5.15% QoQ to USD 216.434mn (approx. KRW 255.1bn), while exports to Japan increased by 18.50% YoY but fell by 7.04% QoQ to USD 192.891mn (approx. KRW 227.3bn). While exports to most countries hung back in Q3, exports to Mexico, Brazil, Italy, and the Netherlands remained strong. In Q4, consumer sentiment should bounce back as the Christmas shopping season is coupled with the introduction of the "living with COVID-19" policy, referring to the government lifting restrictions and easing social distancing measures. Basic skin care, cleansing products, facial masks, and color cosmetics should drive market recovery.*

*Reference
Hankyung Securities (2021, September 27). "Cannot bet on China···Beauty Stocks, Sell Ratings Appear"

Cosmetic Exports (Q3 2020~Q3 2021)

(Unit: $ k)

Region	Country	2020		2021			Contribution	▲YoY
		Q3	Q4	Q1	Q2	Q3		
Asia	Japan	162,784	174,561	204,396	207,504	192,891	9.07%	18.50%
	China	1,040,395	1,111,854	1,164,691	1,246,542	1,222,886	57.47%	17.54%
	Hong Kong	157,034	194,963	160,566	159,628	132,254	6.22%	-15.78%
	Singapore	33,699	30,928	27,200	34,248	28,615	1.34%	-15.09%
	Taiwan	39,751	45,026	45,852	45,018	35,435	1.67%	-10.86%
	Vietnam	65,002	83,667	90,181	88,034	50,703	2.38%	-22.00%
	Malaysia	22,237	25,753	30,318	31,254	22,609	1.06%	1.67%
	Indonesia	14,711	19,710	22,682	21,593	13,267	0.62%	-9.82%
	Thailand	31,768	28,950	33,309	36,541	32,748	1.54%	3.08%
	Philippines	10,167	10,051	10,874	11,063	10,927	0.51%	7.48%
	Myanmar	5,645	6,297	4,567	2,974	2,994	0.14%	-46.96%
	Cambodia	4,856	5,374	6,351	4,413	4,978	0.23%	2.51%
	Kazahstan	8,030	10,924	12,376	12,897	10,692	0.50%	33.15%
	Mongolia	5,298	2,839	3,960	7,127	7,116	0.33%	34.31%
Americas	US	186,852	181,527	190,356	228,196	216,434	10.17%	15.83%
	Canada	13,126	10,588	7,933	10,961	10,541	0.50%	-19.69%
	Mexico	2,140	2,731	2,816	3,266	3,693	0.17%	72.57%
	Brazil	872	1,899	1,374	1,175	1,957	0.09%	124.43%
Europe	France	8,962	13,055	13,082	15,827	11,947	0.56%	33.31%
	UK	17,834	18,548	14,357	20,309	15,808	0.74%	-11.36%
	Germany	4,267	4,171	5,485	8,851	6,131	0.29%	43.68%
	Italy	1,234	1,664	1,520	2,410	2,862	0.13%	131.93%
	Spain	3,178	4,206	3,971	5,329	3,521	0.17%	10.79%
	Hungary	341	311	509	356	386	0.02%	13.20%
	Russia	65,295	68,062	73,825	79,943	62,149	2.92%	-4.82%
	Netherlands	5,285	6,265	7,509	9,399	9,678	0.45%	83.12%
	Romania	1,488	1,598	1,808	1,540	1,407	0.07%	-5.44%
Oceania	Australia	13,756	10,974	10,865	11,719	11,442	0.54%	-16.82%
	New Zealand	1,123	1,537	1,281	1,497	1,725	0.08%	53.61%
Total		1,927,130	2,078,033	2,154,014	2,309,614	2,127,796	100.00%	10.41%

* Source : Korea International Trade Association website, 'K-Statistics-By Commodity (By Country) - MTI code 227 (Soaps, toothpaste, and cosmetics),' as of October 27, 2021

□ Fashion

Exports to Major Countries Increase YoY

Fashion exports in Q2 2021 jumped by 14.59% YoY to reach USD 519.634mn (approx. KRW 612.38867bn), which is a slight dip compared to Q2. China and the US were the main drivers for the quarter. Exports to China (29.05%), the largest market, grew steadily by 55.99% YoY and 38.05%

QoQ to record USD 150.971mn (approx. KRW 177.91932bn). Meanwhile, exports to the US stood at USD 93.721mn (approx. KRW 110.45020bn), a historical high, showing a notable 18.04% YoY and 35.07% QoQ increase. Improving consumer sentiment and expansion of online distribution channels propelled growth. In contrast, exports to Vietnam, the largest export market in the previous quarter, amounted to USD 80.583mn (approx. KRW 94.96707bn), a 3.58% increase YoY but a 40.08% fall QoQ mainly due to social distancing, lockdowns, and deterioration of economic and consumer activities as COVID-19 rapidly resurged across the country. The optimism supported by vaccination and removal of travel restrictions in the previous quarter is being quickly deteriorated by the wide resurgence of COVID-19. Policies for quarantine and lifting of COVID restrictions should be closely observed as they may significantly impact overall economic activities.*

Fashion Exports (Q3 2020~Q3 2021)

(Unit : $k)

Region	Country	2020		2021			Contribution	▲YoY
		Q3	Q4	Q1	Q2	Q3		
Asia	Japan	83,465	103,496	89,210	88,692	77,686	14.99%	-6.71%
	China	96,782	134,300	116,342	109,353	150,971	29.05%	55.99%
	Hong Kong	17,270	33,687	24,604	23,545	25,278	4.86%	46.37%
	Singapore	3,231	4,052	1,527	4,235	1,161	0.22%	-64.07%
	Taiwan	14,389	22,188	17,542	15,194	14,291	2.75%	-0.68%
	Vietnam	77,796	108,314	62,612	134,476	80,583	15.51%	3.58%
	Malaysia	1,109	997	519	2,052	505	0.10%	-54.46%
	Indonesia	14,012	18,909	13,882	19,266	15,996	3.08%	14.16%
	Thailand	2,154	2,292	2,697	2,595	2,816	0.54%	30.73%
	Philippines	7,516	7,226	4,386	4,601	2,660	0.51%	-64.61%
	Myanmar	2,743	5,399	3,901	7,945	5,709	1.10%	108.13%
	Cambodia	2,532	2,634	1,842	2,626	2,530	0.49%	-0.08%
	Kazahstan	288	494	930	488	447	0.09%	55.21%
	Mongolia	1,199	950	1,348	1,773	2,239	0.43%	86.74%
Americas	US	72,619	55,208	54,569	69,388	93,721	18.04%	29.06%
	Canada	6,230	5,278	6,394	4,445	8,472	1.63%	35.99%
	Mexico	1,355	659	951	1,487	802	0.15%	-40.81%
	Brazil	359	278	357	443	538	0.10%	49.86%

*Reference

Korea Federation of Textile Industries (2021). *Korea Fashion Market Trend 2021*.

Europe	France	9,356	10,096	8,566	9,306	8,410	1.62%	-10.11%
	UK	6,216	8,094	8,587	6,681	5,701	1.10%	-8.29%
	Germany	4,881	6,183	4,108	4,896	5,112	0.98%	4.73%
	Italy	4,085	3,224	3,247	4,069	6,319	1.22%	54.69%
	Spain	54	392	506	265	123	0.02%	127.78%
	Hungary	114	222	470	183	197	0.04%	72.81%
	Russia	1,333	1,576	958	1,436	1,314	0.25%	-1.43%
	Netherlands	1,946	1,554	2,191	1,756	2,539	0.49%	30.47%
	Romania	17,416	29	0	50	33	0.01%	-99.81%
Oceania	Australia	2,626	2,903	2,882	3,615	2,717	0.52%	3.47%
	New Zealand	389	421	526	555	582	0.11%	49.61%
Total		453,465	541,055	435,654	525,416	519,634	100.00%	14.59%

* Source : Korea International Trade Association website, 'K-Statistics – By Commodity (by country) – MTI code 441 (garments/clothes),' as of October 27, 2021

2 Hallyu-Tourism Sector

Q3 2021 Inbound Tourism Shows Recovery

In Q3 2021, 227,000 foreign tourists visited Korea, which is a 36.76% YoY and a 19.66% QoQ increase due to the COVID-19 base effect. In July, August, and September, 70,718, 80,335, and 76,302 foreigners visited Korea, respectively, thanks to the lifting of travel restrictions and increased vaccination. The US took up the largest portion (27.08%) in Q3 as well as Q2 with 61,563 visitors entering Korea, a 63.33% jump YoY. Inbound tourists from China stood at 49,716, which is a 20.32% increase YoY despite the significant reduction of flights from China since March, taking up 21.87% of total inbound tourists in Q3. The Philippines followed with 30,943 tourists entering Korea, an 18.95% YoY and 14.95% QoQ increase. Many developed countries including Korea are expected to introduce measures to "living with COVID-19" which can lead to relaxing rules regarding utilization of the capacity of indoor facilities, extended operating hours of the hospitality sector, and vaccine passports. This is leading to heightened expectations for the reopening of the airline business. Korea is also making utmost efforts to invigorate the tourism industry with cities and provinces launching local and global marketing campaigns to attract tourists. As the government's quarantine measures turn to "living with COVID-19," the number of inbound tourists is expected to grow exponentially. However, the spread of highly transmissive variants and the increase of breakthrough infections will require the tourism industry to adopt and develop innovative measures including higher vaccination rates and business diversification.*

Inbound Tourist Arrivals (Q3 2020~ Q3 2021)

(Unit : persons)

Region	Country	2020		2021			Contribution	▲YoY
		Q3	Q4	Q1	Q2	Q3		
Asia	Japan	2,824	3,132	3,967	3,150	4,281	1.88%	51.59%
	China	41,320	28,638	38,308	43,993	49,716	21.87%	20.32%
	Hong Kong	360	207	279	212	418	0.18%	16.11%
	Singapore	265	731	261	273	540	0.24%	103.77%
	Taiwan	1,289	862	1,023	902	1,199	0.53%	-6.98%
	Vietnam	4,445	3,891	4,858	5,208	5,486	2.41%	23.42%
	Malaysia	598	609	964	828	1,266	0.56%	111.71%
	Indonesia	10,315	11,743	10,329	12,298	11,715	5.15%	13.57%
	Thailand	1,913	1,234	1,507	2,061	2,150	0.95%	12.39%
	Philippines	26,013	28,459	25,361	26,918	30,943	13.61%	18.95%
	Myanmar	12,843	15,627	14,289	13,618	12,702	5.59%	-1.10%
	Cambodia	620	980	1,385	1,764	873	0.38%	40.81%
	Kazahstan	988	784	1,832	1,716	2,483	1.09%	151.32%
	Mongolia	881	381	624	721	2,348	1.03%	166.52%
Americas	US	37,716	37,568	35,546	48,381	61,563	27.08%	63.23%
	Canada	3,338	4,092	4,120	4,841	8,163	3.59%	144.55%
	Mexico	573	889	881	881	947	0.42%	65.27%
	Brazil	263	259	413	304	478	0.21%	81.75%
Europe	France	3,419	2,864	3,933	2,636	4,559	2.01%	33.34%
	UK	1,721	1,737	1,236	1,256	3,225	1.42%	87.39%
	Germany	3,746	3,386	3,674	3,714	6,086	2.68%	62.47%
	Italy	511	639	671	699	1,162	0.51%	127.40%
	Spain	333	284	479	325	953	0.42%	186.19%
	Hungary	232	228	207	168	258	0.11%	11.21%
	Russia	5,790	6,008	6,760	7,995	8,402	3.70%	45.11%
	Netherlands	2,392	3,145	3,170	3,628	3,393	1.49%	41.85%
	Romania	703	660	733	661	841	0.37%	19.63%
Oceania	Australia	506	638	564	536	796	0.35%	57.31%
	New Zealand	327	321	329	315	409	0.18%	25.08%
Total		166,244	159,996	167,703	190,002	227,355	100.00%	36.76%

* Source : Korea Tourism Organization website (Notice – Data – Korea Tourism Statistics) as of October 29, 2021

*Reference

Korea Tourism Organization, Korea Tourism Statistics, July, August, September 2021

Kim, K. (2021, October 26.). ""Air Routes Reopen".. Airline · Travel Agency Stock Prices Take Off". Newsis.

3 Hallyu-Education Sector

Number of International Students & Trainees Increases YoY

In Q3 2021, the number of inbound foreign students and trainees stood at 31,046 which is a 48.84% increase against Q3 2020 (20,860) and a 284.61% surge from Q2 2021 (8,072). The growth was mainly driven by universities starting the fall semester in August and September by employing a hybrid method of combining online and offline lectures based on the school's academic calendar and vaccination rates. 17,311 Chinese students came to Korea in the quarter which is a 32.15% jump YoY and 388.46% surge YoY, the highest since Q2 2020 when the spread of the coronavirus was at its height. China took up 55.76% of total inbound students and trainees. Meanwhile, 2,021 Vietnamese came to Korea for educational purposes in Q3 which is a 22.66% decline to take up 6.51% of total entries for educational purposes. Amid the pandemic, while students for non-degree courses are continuously decreasing, it is notable that the number of students for all levels of degree courses is actually on the rise. It seems that the global success of Korean cultural content including K-pop, cinema, drama, and webtoons is driving academic interest in Korea. This is in contrast to the trends seen in major educational markets such as the US, UK, and Australia where the number of degree students is showing a downward trend due to COVID-19. The proliferation of Korean cultural content is expected to attract a higher number of students for non-degree courses as well as degree courses in the coming years once the pandemic subdues.*

Entry of International Students·Trainees (Q3 2020~Q3 2021)

(Unit : persons)

Region	Country	2020		2021			Contribution	▲YoY
		Q3	Q4	Q1	Q2	Q3		
Asia	Japan	666	374	1,352	757	1,895	6.10%	184.53%
	China	13,100	3,340	10,341	3,544	17,311	55.76%	32.15%
	Hong Kong	194	100	141	79	215	0.69%	10.82%
	Singapore	27	15	34	14	49	0.16%	81.48%
	Taiwan	445	121	271	120	366	1.18%	−17.75%
	Vietnam	2,613	1,689	3,139	2,337	2,021	6.51%	−22.66%
	Malaysia	145	33	217	40	317	1.02%	118.62%
	Indonesia	367	50	593	94	296	0.95%	−19.35%
	Thailand	137	67	135	54	244	0.79%	78.10%
	Philippines	25	61	65	17	85	0.27%	240.00%
	Myanmar	137	18	158	59	295	0.95%	115.33%
	Cambodia	71	19	79	19	82	0.26%	15.49%
	Kazahstan	59	22	309	72	415	1.34%	603.39%
	Mongolia	672	190	397	276	1,427	4.60%	112.35%
Americas	US	307	63	575	244	1,730	5.57%	463.52%
	Canada	50	18	50	25	77	0.25%	54.00%
	Mexico	40	8	99	9	202	0.65%	405.00%
	Brazil	37	7	70	12	83	0.27%	124.32%
Europe	France	751	125	1,241	14	844	2.72%	12.38%
	UK	99	16	20	2	187	0.60%	88.89%
	Germany	436	4	633	50	1,245	4.01%	185.55%
	Italy	75	28	149	28	226	0.73%	201.33%
	Spain	108	33	253	16	461	1.48%	326.85%
	Hungary	0	0	0	0	0	0.00%	0.00%
	Russia	248	177	375	172	648	2.09%	161.29%
	Netherlands	32	7	61	8	269	0.87%	740.63%
	Romania	11	4	18	4	33	0.11%	200.00%
Oceania	Australia	5	12	14	6	20	0.06%	300.00%
	New Zealand	3	2	3	0	3	0.01%	0.00%
Total		20,860	6,639	20,792	8,072	31,046	100.00%	48.83%

* Source : Korea Tourism Organization website (Notice – Data – Korea Tourism Statistics, as of October 29, 2021

*Reference

Korea Tourism Organization, Korea Tourism Statistics, July, August, September 2021

Lee, M. A. (2021, September 28). "2nd Year of the Pandemic, Degree Course International Students on the Rise... Kyunghee University · Sungkyunkwan University · Hanyang University · Chungang University · Korea University, in order. *University Press In&Out.*