

Korea's copyright industry taps into global market

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The Korean wave spurs strong growth in the sector

A scene from the Korea-produced performance, Jump

BoA and Rain are two names that many Asians identify Korea with, much like the way they do with America's Britney Spears.

If Samsung and Hyundai were synonymous with Korea in the past, films such as "Old Boy" and "Sympathy for Lady Vengeance" have given the nation new titles like "Powerhouse of Innovative Films."



"The Host" is a 2006 film that drew more than 13 million viewers nationwide. When released overseas, it recorded sales of some \$7 million. This was the equivalent of exporting 5,600 units of luxurious Hyundai sedans.

What started as the Korean Wave, or Hallyu, which swept across Asia, the Middle East and even parts of South America, Korean culture is now making a leap in the copyright industry.



Movie poster of The Host

The copyright industry is one of the fastest growing industries in the world. It covers various sectors of film, music, gaming, animation and character industry and their development, production, distribution and consumption.

Because of its creative nature and the contents' importance, it is also called the creative industry, contents industry or an energy source free of pollution.

Korea is ranked ninth in the world in terms of copyright industry. Its share of the pie, however, has yet to grow as the nation takes up a mere 2.3 percent of the

global market share.

The world's market is currently spearheaded by the United States, which accounts up for 40 percent of global copyright sales. The United States is followed by Japan's 9 percent and the United Kingdom's 7 percent.

The world's copyright market is showing signs of an upward swing, recording 6.4 percent average annual growth. PricewaterhouseCoopers, the world's largest financial consulting firm, forecasts the industry to post average growth of 6.6 percent from 2006 to 2010. For the Asian market, the growth is expected to be 9.2 percent, according to its 2007 data.

Korea's copyright industry has averaged 21-percent annual growth from 2000 to 2005. Its market has more than doubled to 54 trillion won (\$61 billion) as of 2005. It was 21 trillion won in 2000.

Its exports also jumped almost 20 percent to \$1.2 billion from \$500 million, the Culture Ministry's data showed.

The growth was most prominent in the animation sector. "Pororo - the Little Penguin," for example, is an animation produced by the local production company, Ocon Media. Since its release in 2003, it has been exported to 42 countries and televised in 10 countries.



Boa, Korean pop singer

On France's TF1 Channel, it recorded viewer ratings of 57 percent in 2004. In the wake of the show's success, more than 340 Pororo-related products have been developed.

Music is another area in which Korea is doing well. BoA, a 22-year-old singer, has released 27 albums and has sold more than 10 million records in Japan since her debut in 2000. Local media has dubbed her "The Little Enterprise," as her record sales have totaled some 300 billion won in the last eight years.

Rain, a 26-year-old singer and actor, is now tapping into Hollywood, as he has snatched the leading role in an action movie. Not only successful in his music and acting career, he has also been named one of the "100 Most Influential People" and "100 Most Beautiful People" in the world by the magazines Time and People, respectively.

The Korean-developed online game, "Maple Story," is a good example of "one-

source, multi-use" products. The game boasts 15 million users nationwide and is now available in 58 countries, serving 75 million users around the world.

Since its launch in 2004, the game has posted annual sales of 200 billion won for three straight years. More than 7,000 character products have been developed and the game-inspired comic book has sold more than 7 million copies nationwide.

Sympathy for Lady Vengeance

The Korea Tourism Organization says the copyright industry has started a ripple effect in other industries. An estimated 1 million tourists visited Korea in 2004 to "ride the Korean Wave." They visited film locations and participated in entertainment-related events. As of 2006, the nation's tourism industry has earned more than 1.5 trillion won from such tour products, doubling from 2004's 740 billion won.

The Korean Wave has been hugely successful in Asia. Experts attribute this to Asians' similar sentiments and cultural background.



The Korean Wave has also broken the barrier of language and culture, as it made its way into the Middle Eastern market last year.

The nation's copyright industry, however, faces challenges ahead.

One main issue is the illegal distribution of these products. Pirated copies of DVDs and CDs and illegally circulated contents are still rampant in the local market and online.

As of 2005, piracy is estimated to have caused 1.5 trillion won in damage.

The Culture Ministry has also pointed out the need to foster overseas markets, as many Korean firms struggle amid fierce competition in the limited local market.

In order to promote the nation's copyright industry and expand it to the global level, the Government is set to reorganize the Korean Standard of Industry Classification this year.

Under the revised classification, a large category will comprise publishing, film, broadcasting and digital communication. It will facilitate exchanges and governmental support.

Korea also plans to establish industry clusters in 11 districts nationwide in order to

promote the development of copyright industries. Content developers in these clusters will be provided with extra tax benefits.

It also expects small- and medium-sized content developers to merge into a bigger entity. The Government's revised regulation will simplify mergers and acquisitions. It also plans to increase financial support for the Creative R&D Center, which will promote cooperation among SMEs and large enterprises.

source: www.korea.net