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Hallyu in Broadcast Programs

Growing Pains of Maturity

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1. Current Status of Hallyu in Broadcast Programs

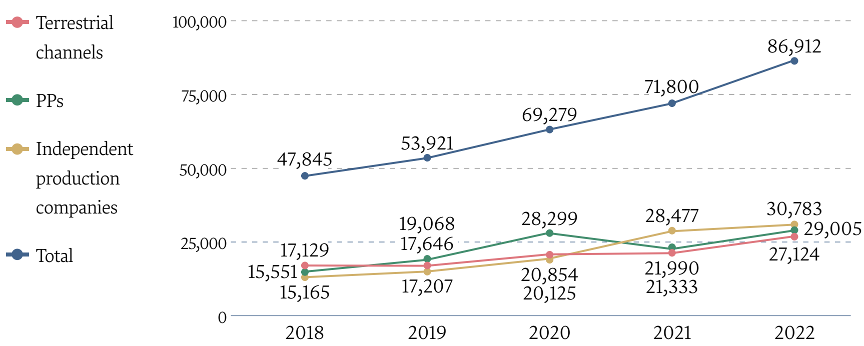
1) Export volume of broadcasting content

The export volume of broadcasting content is an indicator that most intuitively demonstrates the achievements of Hallyu in broadcast programs. However, due to the time lag between data collection processes, the latest statistical data available as of 2024 is based on 2022. Therefore, this report will use the statistical data to identify the changes from 2021 to 2022, and then determine the export volume based on major developments in 2023.

According to the *2023 Broadcasting Industry Survey* by the Korea Communications Commission (KCC) and the *Content Industry Trends Analysis Report for the Second Half and Full Year of 2022* by the Korea Creative Content Agency (KOCCA), the total export value of broadcasting programs in 2022 reached USD 869.12 million (approx. KRW 1.16 trillion), a significant growth of 21.05 percent compared to USD 718 million in 2021. These figures illustrate increased focus and investment toward Korean content following the breakout success of *Squid Game* in the second half of 2021. In terms of leading business operators in Hallyu exports, favorable performance was recorded across the board for terrestrial channels, program providers (PPs), and independent production companies (KCC, 2023b; KOCCA, 2023).

The growing influence of global OTT services has led to an increase in exports by studios entering into direct contracts with OTT platforms. This is evidenced by the increase in the export performance

Figure 1 **Export Value of Broadcast Programs (2018–2022)** (Unit: USD 10,000)



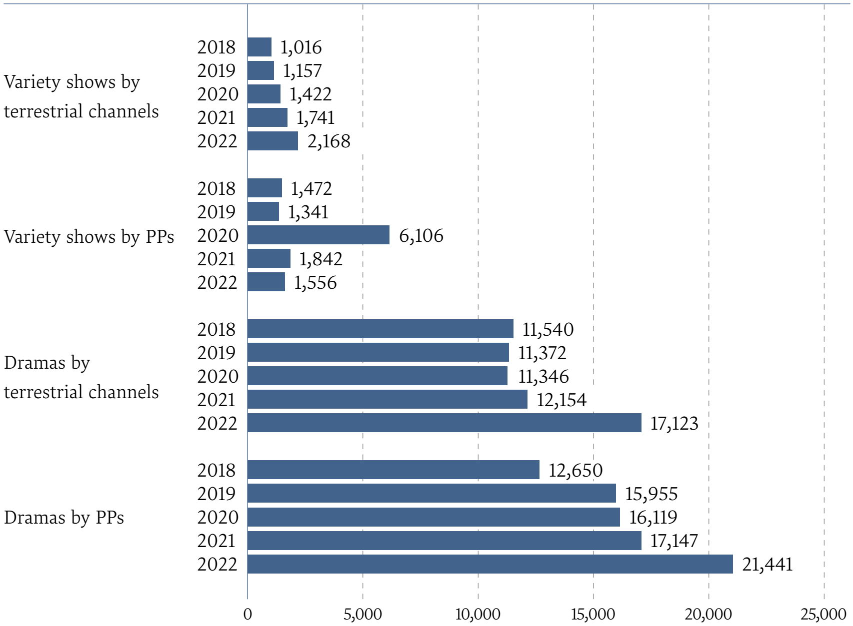
* Source: Reorganized based on KCC (2023b). *2023 Broadcasting Industry Survey*; KOCCA (2023). *Content Industry Trends Analysis Report for the Second Half and Full Year of 2022*.

of independent production companies in 2022. However, it is difficult to confirm the specific export routes of independent production companies through existing statistical data. Accordingly, this report intends to identify general trends in exports by country and genre through findings from detailed surveys of existing broadcasting companies such as terrestrial channels and PPs.

The export performance of terrestrial channels and PPs, which have traditionally spearheaded broadcast program exports, showed significant growth in 2022. In terms of performance alone, the year 2022 marked a substantial leap in the exports of Korean broadcasting content. Considering the lingering concerns about a slump in the media market in the second half of 2022, it can be construed that Korean content has at least gained a certain level of recognition and competitiveness in overseas markets.

Figure 2 **(Finished) Broadcast Program Exports by Genre (Dramas and Variety Shows) (2018-2022)**

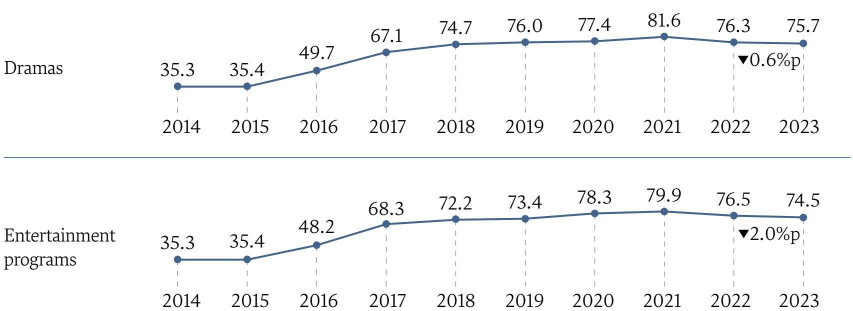
(Unit: USD 10,000)



* Source: Reorganized based on KCC (2020). *2019 Broadcasting Industry Survey*; KCC (2021). *2020 Broadcasting Industry Survey*; KCC (2022). *2021 Broadcasting Industry Survey*; KCC (2023a). *2022 Broadcasting Industry Survey*; KCC (2023b). *2023 Broadcasting Industry Survey*.

So, how did Hallyu in broadcasting content fare in 2023? Although concrete statistics have yet to be released, it is possible to make rough estimates of the overall trends in the industry based on various surveys. One of the best sources of information on the favorability of Korean content in overseas countries is the *Overseas Hallyu Survey* annually published by the Korean Foundation for International Cultural Exchange (KOFICE). The survey on favorability toward Korean content in 2023 showed a steady, slight decrease in viewers' favorability toward entertainment and drama content since its peak in 2021. Naturally, it should be noted that 2021 was the year when favorability and interest toward Korean content were at their zenith due to the global sensation of *Squid Game*. Nevertheless, it may be cause for concern that Hallyu in broadcast programs has not yet regained its momentum since *Squid Game*.

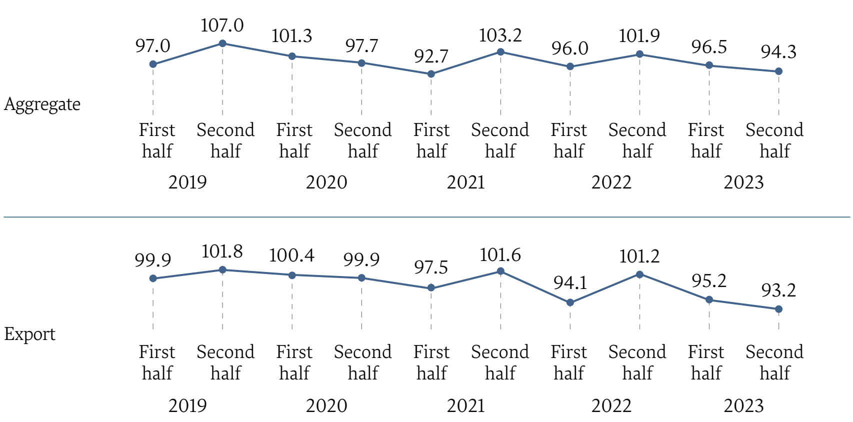
Figure 3 **Changes in Favorability Toward Korean Content (Entertainment Programs and Dramas) in 2022**



* Source: KOFICE (2024). *2024 Overseas Hallyu Survey.*

The *Content Industry Trends Analysis Report for the First Half of 2023* published by the KOCCA shows that the export value of Korean broadcasting content in the first half of 2023 amounted to USD 293.98 million, representing a surge of 1.8 percent compared to the same period a year ago. Considering that there was a widespread sense of an impending crisis in the broadcasting industry, it is a positive sign that exports of broadcasting content continued to grow, albeit modestly. However, according to the results of the Content Business Index (CBI) survey in the same report, the aggregate CBI for the second half of 2023 was 94.3 points, with a more negative outlook than 96.5 points in the first half, and the score for exports was 93.2 points, lower than 95.2 points in the first half (KOCCA, 2024). This confirms the presence of growing concerns over the shrinking broadcasting content market in the second half of 2023.

Figure 4 **Broadcasting Industry CBI Trends (Excerpts from Aggregate and Export Sections)**



* Source: KOCCA (2024). *Content Industry Trends Analysis Report for the First Half of 2023*, pp. 66-67.

Despite these concerns, there is no clear sign yet that the export of Korean broadcasting content has reached its "peak." According to data released by the KOCCA, Korean companies exported KRW 151.9 billion to six major overseas broadcasting markets in 2023, an 81 percent increase from 2022. Indeed, since the end of the COVID-19 pandemic, sales of broadcasting content in global markets have been steadily rising. Such positive signs can also be found in some companies' overseas sales performance. For instance, Studio Dragon announced in February 2024 that it posted KRW 435 billion in overseas sales in its 2023 annual results, up 22.9 percent year-on-year. In light of the continued investments in original content production in Korea by global OTT platforms, such as Netflix, that have made inroads into Korea, it is reasonable to expect the export performance of Korean broadcasting content to have remained solid in 2023 as well.

2) Current status and trend of Hallyu in broadcast programs

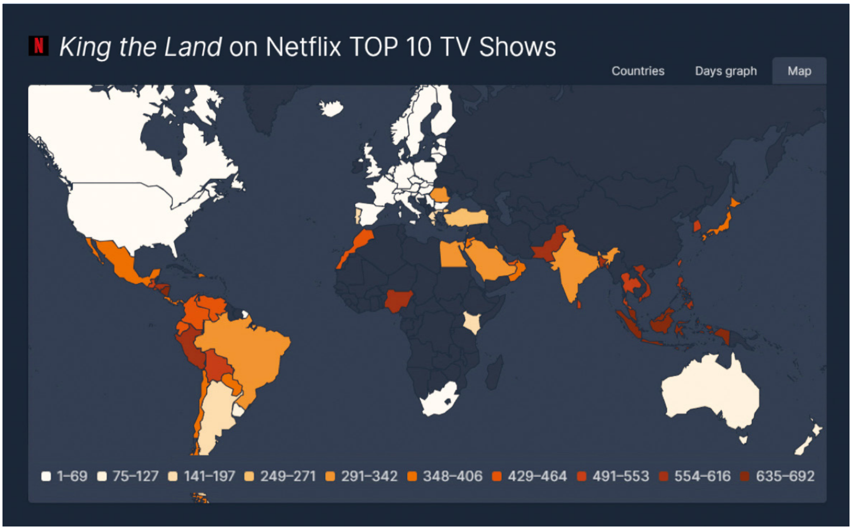
On December 13, 2023, Netflix released its *First-half 2023 Engagement Report*, which indicates that Korean broadcasting content fared well on Netflix in the first half of 2023. This is demonstrated in the following examples: *The Glory* ranked as the third-most viewed title worldwide with a total of 622.8 million hours viewed, *Physical: 100* logged 15th place with a total of 235 million hours viewed, *Crash Course in Romance* followed in 16th place with 234.8 million hours viewed, and *Doctor Cha* claimed the 25th spot with 194.7 million hours viewed. Meanwhile, certain shows including *Extraordinary Attorney Woo* (59th place), *Business Proposal* (71st place), and *Crash Landing on You* (73rd place) remained widely beloved among viewers worldwide, long after their initial release.

Weekly streaming ratings worldwide provided by FlixPatrol reveal which Korean broadcasting content was most popular with global viewers in 2023. The top 100 most popular TV shows on Netflix in 2023 as compiled by FlixPatrol include *The Glory* (6th place), *King the Land* (9th place), *My Demon* (30th place), *Physical: 100* (31st place), *Strong Girl Nam-soon* (37th place), *Doctor Cha* (54th place), *Crash Course in Romance* (64th place), *Bad Mother* (67th place), *Mask Girl* (77th place), *Celebrity* (86th place), and *The Uncanny Counter* (90th place).

Interestingly, these rankings are dominated by Netflix original titles such as *The Glory*, *Physical: 100*, *Mask Girl*, and *Celebrity*, as well as Korean dramas such as *King the Land* and *Doctor Cha*, which were released by Korean broadcasters. Netflix original series like *Squid Game* and *All of Us Are Dead*, which marked a tonal departure from traditional Korean dramas, spearheaded Hallyu in broadcast programs over the past few years. In comparison, the landscape of Hallyu in broadcast programs in 2023 presents several implications in that dramas aired on domestic broadcasters made up a high proportion of the above rankings.

The first implication that can be inferred is that the mainstream of Hallyu in broadcast programs is still dominated by romance and other genres where traditional "Korean dramas" have been highly competitive. Given that these dramas were popular primarily in Asia, the year 2023 can be seen as a period that reaffirmed the significance that Asia still holds for Hallyu in broadcast programs. Next, the spreading popularity of these Korean dramas beyond Asia to other regions marks the second implication. For example, *King the Land* was the 9th most popular TV show on Netflix in 2023 according to FlixPatrol, and it was placed in the Netflix Top 10 chart for an extended period of time, not only in Asia but also in various other regions including Peru, Bolivia, Pakistan, Nigeria, and Saudi Arabia.

Figure 5 **Map of Viewership Rankings for *King the Land* on Netflix**



* Source: FlixPatrol

Another notable change in 2023 is the success of Hallyu seen on global OTT platforms other than Netflix. In particular, Disney+ is regarded to have changed the perception towards investing in Korean content as *Moving* was well received not only in Korea but also in other regions including North America. According to FlixPatrol, *Moving* ranked 30th; *The First Responders*, 42nd; *Unexpected Business*, 59th; and *The Zone: Survival Mission*, 66th throughout 2023. In addition, *Island* took the 36th spot and *Jinny's Kitchen* came in 47th on Amazon Prime. The ratios of Korean content on these platforms are still low compared to Netflix, but there are signs that they will grow in the coming years, starting in 2023.

The rise of Hallyu in entertainment content is also an important change in 2023. The Netflix original *Physical: 100* became the first Korean entertainment content to reach the top spot globally in week 6 of 2023. *Single's Inferno* Season 1 also performed well (109th place), especially in Asia, and the fact that the show was renewed for follow-up seasons is a significant achievement in itself. *Jinny's Kitchen* was released on Amazon Prime for the first time in February 2023, and *The Zone: Survival Mission*, an original variety show produced by Disney+, also registered significant results. *Unexpected Business* Season 2 was brought to Disney+ due to its strong connection with the cast of *Moving*. While it is true that Hallyu in entertainment content remains geographically concentrated in Asia, given the continued investment into and purchases of Korean entertainment content by global OTT services, even greater success may be expected in the future.

Another noteworthy aspect is the rise of the so-called "K-less" Hallyu, which borrows elements from Korea but does not involve Korean producers. *XO, Kitty*, an American drama released as a Netflix original series in May 2023, was set in Korea, but entirely produced by American capital and staff. Nevertheless, it garnered popular interest, ranking No. 1 worldwide in weeks 21 and 22 of 2023. Meanwhile, November 22, 2023 saw the premiere of the reality show *Squid Game: The Challenge*, based on the intellectual property (IP) of *Squid Game*, which subsequently reached worldwide No. 1 in week 48 of 2023. This proves the feasibility of creating global productions that either borrow Korean cultural elements or utilize IP created by Koreans.

2. Issues Concerning Hallyu in Broadcast Programs

1) Butterfly effect of Hallyu on OTT platforms and a sustainability crisis in the industry

The year 2023 was a period that experienced the brunt of the aftershock from the structural changes in the OTT industry, which had been leading Hallyu in broadcast programs. The rosy outlook for the video industry was bound to be revised due to a slowdown in the growth of OTT subscribers, unlike its rapid growth during the COVID-19 pandemic, following the combination of steep interest rate hikes and a deteriorating global economy.

Especially in Korea, there were deepening concerns about a steep rise in production costs. As the number of large-scale productions pre-planned for export increased, the costs of production elements such as actors' appearance fees and staff labor costs significantly grew. These changes are linked to the strengthening of the global value chain, which was pointed out in the 2022 discussions on Hallyu in broadcast programs. While the Korean broadcasting and video industry has become more fully integrated into the global market, there has been a growing polarization between large-scale productions targeting the global market and those tailored to the domestic market.

Against this backdrop, a rise in individual prices in the element market with potential links to the global market will inevitably bring about a decline in production investments by domestic operators that cannot bear the burden of such rising prices. Indeed, domestic broadcasters have already begun to reduce the number of existing dramas, and domestic OTT players are also struggling to invest in production while sustaining losses.

The continuation of this trend may present a problem for the sustainability of the broadcasting and video industry. So far, the growth of the Korean broadcasting and video industry has been rooted in the capacity developed by producing a large number of works based on the strength of the robust domestic market. If the domestic production market shrinks due to rising production costs, it is likely that its dependence on global OTT operators will further intensify and its production competitiveness will erode.

In April 2023, Netflix announced that it would continue to make production investments in Korea for the next four years. The streaming service has already been investing heavily in Korean content over the past four years, paving the way for Hallyu in broadcast programs to take a leap forward. These investments triggered the globalization of the Korean production market, inducing global operators such as Disney+ to invest in productions in Korea as well. The problem, however, is the lack of a guarantee that the next four years will bring the same positive effects as the last four years. The vulnerability of the domestic video industry is deepening amid the structural changes brought about by OTT operators. The crisis in the domestic film market, as well as in the broadcasting market, exacerbates this concern. Even if overseas performance does not decline in the short term, the need for efforts to properly respond to risk factors in the domestic industry will gradually grow.

2) What is "K-content"?

The year 2023 saw the phenomenon of "Korean content without Korea" become more visible. A prime example is the Netflix original *XO, Kitty*, which is set in Korea and features Korean characters, with neither the involvement of Korean capital nor producers. The release of *Pachinko* in 2022 and *XO, Kitty* in 2023 clearly demonstrated that the use of Korean cultural elements is no longer limited to domestic companies or creators in Korea. *Squid Game: The Challenge*, a reality TV adaptation of *Squid Game*, was a stark reminder as to who owns the IP for the original content. The scenes of people of different races and nationalities playing distinctly Korean games are a twist on scenes that are already familiar to Hallyu audiences. The director of the original series, Hwang Dong-hyuk, was partly involved in the production process of the reality show as an advisor, adding the original series' authentic aura. Nevertheless, from a production and IP ownership perspective, this is essentially a global show produced by Netflix that no longer has much of a link to Korea.

If we define Hallyu as the expansion and popularization of Korean cultural elements, then the global No. 1 rankings of *Squid Game: The Challenge* and *XO, Kitty* should certainly be recognized as important moments for Hallyu in broadcast programs. However, from the industry's perspective, it is difficult to construe this as a significant influence on the growth of the Korean broadcasting industry.

This is not the only case indicating that the decoupling between Hallyu as a cultural trend and exports as an industrial achievement is beginning to take hold in earnest. *The Big Door Prize*, released on Apple

TV+ in March, 2023, was co-produced by American drama studio Skydance and Korean production powerhouse Studio Dragon, which was noted as the first case of a Korean production company producing an American drama.

Attempts to produce content directly overseas beyond the limits of the Korean market continue. Fifth Season, a U.S. drama studio acquired by CJ ENM, has produced a number of U.S. dramas, including *Tokyo Vice* (HBO Max) and *See* (Apple TV+). Studio Dragon is reportedly working alongside Universal Studios on a U.S. drama adaptation of a novel titled *The Plotters* by the Korean author Kim Un-su. SLL also took over the U.S. production company wiip, which led to the release of *White House Plumbers* as an HBO original in May 2023.

The trend of Korean production companies producing dramas for and in the U.S. is reminiscent of the birth of K-pop without Koreans. In both the music and video industries, attempts are being made to localize production with the Korean elements removed. This is yet another step in the path of localization that global companies have been following for a long time. However, this process continually begs the question of "What is K-content?" In this regard, the day is rapidly approaching when the export performance of the Korean broadcasting and video industry will become irrelevant in terms of growing the influence of Korean culture.

3. Major Destination Countries and Routes of Hallyu in Broadcast Programs

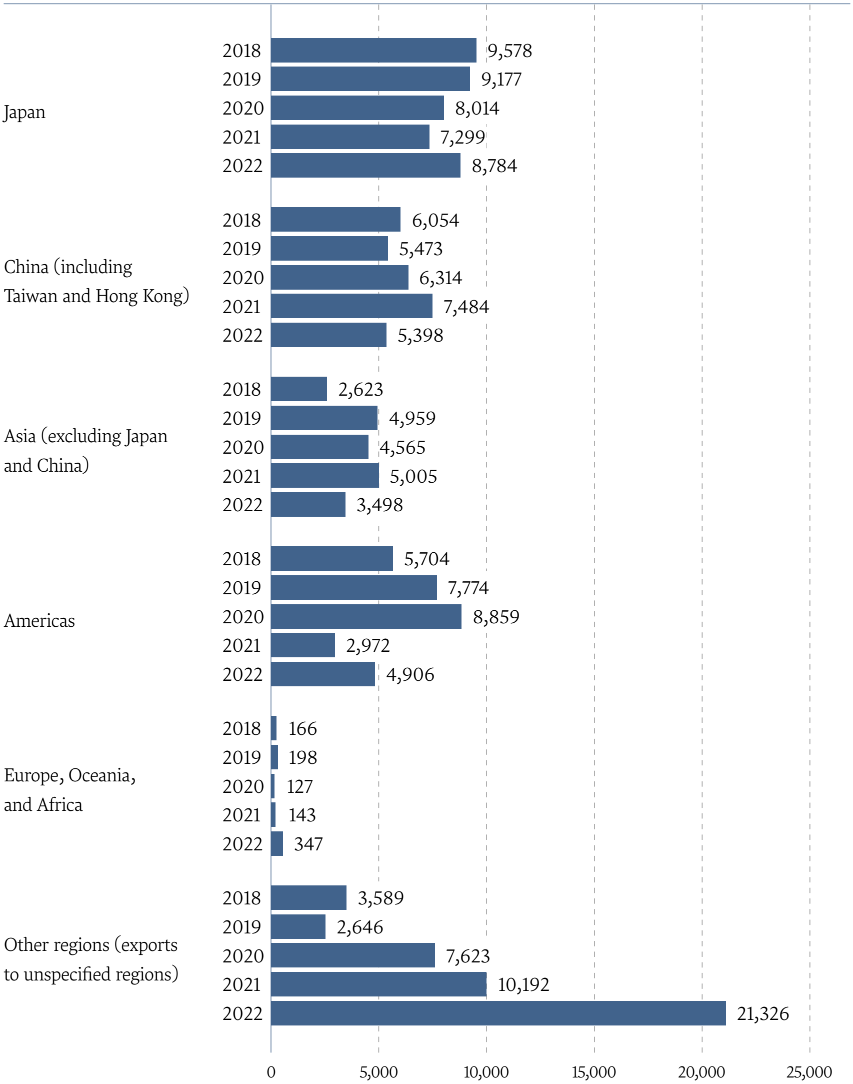
1) Major destination countries

In order to provide a general overview of the major destination countries of Hallyu in broadcast programs, it is necessary to revisit the results of the *2023 Broadcasting Industry Survey* as mentioned above (Figures 6 and 7). The statistics up to 2022 demonstrate that exports to unspecified other regions have increased significantly since 2021. In 2022, exports to "other" regions accounted for nearly half of the total exports of finished goods at 48.18 percent. This indicates that the distribution of broadcasting content is expanding globally through global OTT services such as Netflix.

As a global OTT player, Netflix can simultaneously provide content to 190 countries around the world and has been releasing the Top 10 chart in each region since 2021. The streamer also provides metrics not only for the rise in exports but also on which individual content is gaining popularity in certain regions, thereby helping to raise the visibility of Hallyu in broadcast programs. Another important change in this process is that Korean broadcasting content is now being enjoyed in new regions beyond Asia, such as the Middle East, South America, and Africa.

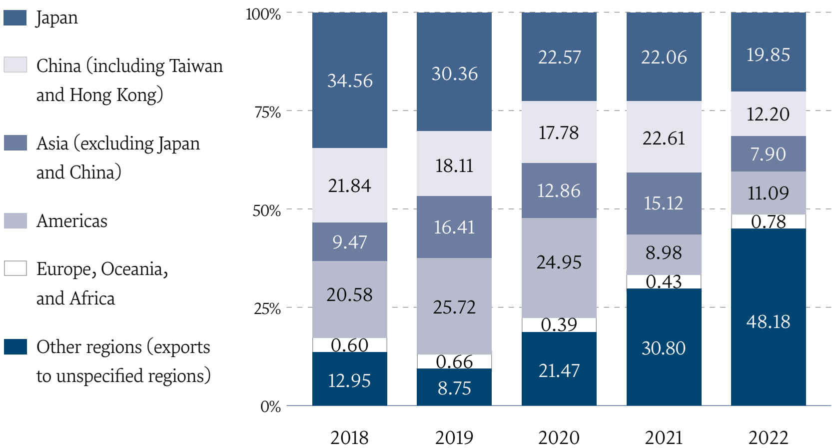
Figure 6 (Finished) Broadcast Program Exports to Major Countries (2018–2022)

(Unit: USD 10,000)



* Source: Reorganized based on KCC (2020). *2019 Broadcasting Industry Survey*; KCC (2021). *2020 Broadcasting Industry Survey*; KCC (2022). *2021 Broadcasting Industry Survey*; KCC (2023a). *2022 Broadcasting Industry Survey*; KCC (2023b). *2023 Broadcasting Industry Survey*.

Figure 7 **Ratios of Broadcast Program Exports to Major Countries (2018–2022)**



* Source: Reorganized based on KCC (2020). *2019 Broadcasting Industry Survey*; KCC (2021). *2020 Broadcasting Industry Survey*; KCC (2022). *2021 Broadcasting Industry Survey*; KCC (2023a). *2022 Broadcasting Industry Survey*; KCC (2023b). *2023 Broadcasting Industry Survey*.

2) Major routes of Hallyu in broadcast programs

As shown by the above export ratios in 2022, anxiety began to arise in Korea regarding the trend of overreliance on Netflix in 2023. Amid concerns such as a disadvantage in acquiring IP rights in original content contracts with Netflix, there were subsequent attempts to diversify their routes to overseas markets. The number of works distributed in the form of regional contracts between OTT services in individual countries and Korean broadcasters began to increase again. For example, shows such as *A Good Day to Be a Dog* were released in 180 countries across the world through Wavve and Netflix in Korea, U-NEXT in Japan, friDay Video in Taiwan, TV360 in Vietnam, and Rakuten Viki and Viu in other regions. *My Lovely Liar* was also made accessible through local OTT platforms such as U-NEXT, Rakuten Viki, and Viu, where it ranked No. 1 in 141 countries worldwide. Similarly, *Island*, released on Amazon Prime, reached the top 10 in 63 countries worldwide.

Domestic OTT platforms actively pursued efforts to expand overseas markets. In December 2022, Wavve acquired Kocowa, an Americas-based service, to provide content to Kocowa subscribers. Thanks to its partnership with Paramount Plus, TVING extended its content offerings, such as *Yonder* and *Bargain*, to audiences in 27 countries.

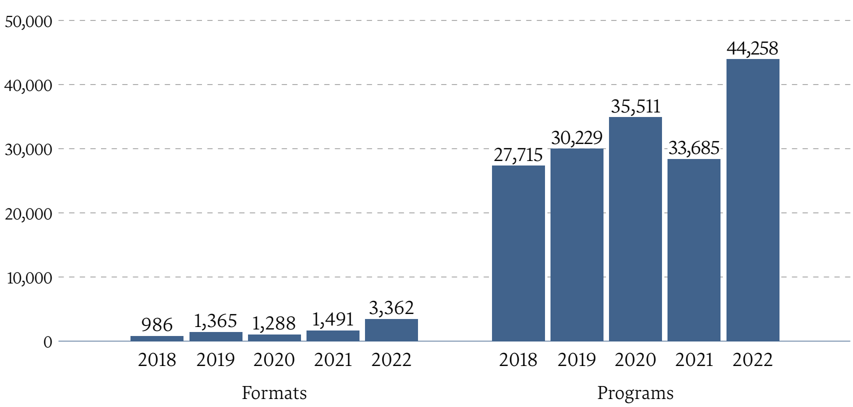
Free ad-supported streaming TV (FAST) is another path to expand overseas markets. FAST has experienced significant growth, mainly in North America, based on which efforts are being made to showcase Korean content. Samsung TV Plus, a representative FAST service, operates more than 2,000 channels in over 24 different countries as of 2023. LG Channels, in collaboration with NewID, introduced nine FAST channels in Japan in November 2023, offering a range of Korean content, including news, kids' programs, sports, food, music, and TV series. Beyond Korea's general programming and terrestrial channels, businesses such as CJ ENM and KT Alpha have also ventured into operating channels on FAST, aiming to increase content exposure to consumers.

Performance is also gradually increasing through participation in the broadcasting and video market as the traditional export method. At the 2023 Broadcast Worldwide (BCWW) held in August 2023, 286 companies from 20 countries, including Korea, achieved a total export consultation amount of USD 94.4882 million. In this context, the performance of domestic content is exhibiting an upward trend. The KOCCA operated a booth at FILMART in Hong Kong (in March), MIPTV in France (in April), the L.A. Screenings in the U.S. (in May), MIPCOM Cannes in France (in October), and ATF in Singapore (in December) through the implementation of the 2023 BCWW Participant Support Project. This effort resulted in the signing of export contracts worth USD 115.25 million (approx. KRW 151.9 billion), marking a record-high performance.

The export of content formats, along with finished content (programs), achieved a significant growth in 2022 (Figure 8). Although the export scale of formats is relatively small compared to program exports, the

Figure 8 **Broadcast Program Exports by Type (Finished Programs and Formats) (2018-2022)**

(Unit: USD 10,000)



* Source: Reorganized based on KCC (2020). *2019 Broadcasting Industry Survey*; KCC (2021). *2020 Broadcasting Industry Survey*; KCC (2022). *2021 Broadcasting Industry Survey*; KCC (2023a). *2022 Broadcasting Industry Survey*; KCC (2023b). *2023 Broadcasting Industry Survey*.

number rose from USD 14.91 million in 2021 to USD 33.62 million in 2022, reflecting a year-on-year growth of 125.5 percent. Particularly noteworthy is the outstanding performance of the "paper format" in 2023. This indicates that what is exported is not traditional content itself but rather formats involving the planning and production of content. For example, Something Special, an IP agency for TV program formats, successfully sold *Still Alive* and *Battle in the Box* at MIPCOM Cannes in October 2023. Content formats are becoming a crucial type of IP that can be effectively utilized in the broadcasting industry, which therefore warrants heightened focus.

4. Forecast of Hallyu in Broadcast Programs

1) Expected issues

Solely in terms of the spotlight on Korean content, 2023 was undoubtedly a period of significant achievement. However, the overall industry environment has posed challenges to each key player. Despite the overseas success and sensations of Korean dramas, many production companies faced a difficult time in terms of management due to factors such as reduced investment in domestic production, rising production costs, and a challenging financial environment. In 2023, stock prices of some production companies plummeted over 40 percent from their peak, and such companies could not easily overcome the situation, which implicitly manifested a negative outlook for the industry environment in 2023. The once-rapid growth of subscription-type OTT services has slowed down since the end of COVID-19, dispelling the rose-tinted glasses that had prevailed until then and ushering in the period for grappling with the reality and challenges of the industry.

Many argue that the deepening crisis of domestic channel providers and OTT services, which comprise the basis of investments in broadcasting content production, is coupled with the rapidly rising production cost of video content as core industry problems. Although the costs required for production have increased, the profit structure that connects them to revenue remains unclear. With global OTT services expanding their influence on the industry, there is a growing concern that the bargaining power of Korean production companies may be diminishing in terms of revenue. The structural issues existing behind the glittering success of Hallyu are surfacing due to the changes in the industry structure caused by the global OTT services in the past four years.

There have also been deepening concerns regarding ways to appropriately compensate IP and creators in the evolving media landscape. As such, there are full ongoing efforts to address various related issues, including the lack of a compensation system such as rerun fees that were once recognized in the traditional broadcasting industry, as well as the monopolization of IP by global OTT services. Additionally, the Directors Guild of Korea has initiated a campaign for legislative activities, demanding the amendment of Article 100 of the Copyright Act, which currently vests IP rights in video producers.

As Korean content reaches audiences in many regions, the necessity to enhance awareness of cultural diversity is becoming increasingly evident. In the case of *King the Land*, which enjoyed great popularity across the world, criticism arose when an Arabic prince was portrayed as a playboy, leading to backlash from viewers in the Arab world and among Muslims. Ultimately, its production company issued a formal apology in response to the criticism and made changes to the controversial scene. Similar issues have been consistently raised in Korea due to a lack of understanding and awareness of cultural diversity. These are remaining areas for improvement.

Korean broadcasting content has received positive responses from the global market in a relatively short period, having experienced a dramatic growth. However, the accumulated structural limitations and other related problems are becoming more apparent in proportional to the success. In many cases, growth typically occurs in stages. And expectations for further expansion only come after experiencing the "growth pains" of navigating the challenges and learning from the limitations and issues encountered during a leap in growth.

2) Directions for improvement

Addressing the aforementioned issues may not be a quick and easy task. It will take time for the industry to adequately accommodate and adapt to the increased production costs, and there should be meticulous ongoing discussions among stakeholders regarding the readjustment of compensation systems and regulations across the entire media market. Overcoming the crisis that Korean OTT services experienced necessitates an overall readjustment of the media market. Most of the issues require detailed and nuanced handling.

On the other hand, one issue that can be addressed in a relatively short period may actually be the response to cultural diversity. While it may not be easy to change people's opinions, but when approaching the issue from the standpoint of risk management for content released globally, it would not be impossible to concentrate efforts to enhance awareness. There is currently a shortage of qualified personnel, including regional specialists who can address emerging issues promptly, given that Korean content is being watched in a wide range of regions. Yet, there is a demand for the systematic identification of cultural taboos and matters to be noted in various regions, as well as efforts to expand opportunities for education and sharing in this regard.

The issue of polarization caused by the increase in production costs and the trend of scaling up content requires a more systematic response, especially considering the integration of the Korean media industry into the global market. The Korean media content market should be recognized as a fully open market, including the production element market, with active promotion for the improvement of related systems and policies to strengthen the production environment in the context of global competition. The Committee for the Convergence and Development of the Media and Content Industries, established in 2023, is engaging in discussions on ways to respond to such changes in the industry structure. An expansion of the tax credit for media content stands out as a significant policy change contributing to this effort.

When considering the sustainability of Hallyu in broadcast programs, the question of "How will we help the next generation grow?" should not be overlooked. In order for the current achievements in the global market to translate into competitiveness in the future broadcasting industry, it is necessary to invest in subsequent generations during this period of growth. Reflecting on the industry's growth process in the past, it has consistently been through scaling up trends and polarization, with some expressing concerns about the concentration of attention on certain actors and writers. It is intriguing that this process also created opportunities for potential creators and actors of the future to gradually grow. In this regard, alternative formats such as miniseries and web series have, at times, garnered the spotlight and became the catalyst of changes. Likewise, it is now the time to seek out the seeds of change that may be hidden among the crises facing the industry today.

2
Hallyu in Film

"K-movies" at the Crossroads of Scalability

Kim Hyung-seok
Film Journalist

1. Current Status of Hallyu in Film

1) Decline in exports of finished films and increase in exports of services

The performance of Korean film exports, which had considerably increased in 2022, showed little change or a modest decline in 2023. As illustrated in Table 1 below, it saw an overall decline of 10.2 percent, and exports of finished films decreased by 13.0 percent while exports of services increased by 1.7 percent. The main factor behind the decline in finished film exports was a slump in the domestic market. In 2023, Korean films experienced a decline in domestic sales by 5.2 percent, which seems to indicate that the market contraction affected stakeholders in their overseas export. Compared to the pandemic period, however, the year 2023 saw a clear increase, thereby suggesting that the market has potentially entered into an upward trend.

One of the biggest differences from 2022 was the composition of the export volume of finished films. In 2022, the "contract amount," referring to sales of various rights, accounted for 97.9 percent of the total export volume and the "local distribution revenue" for 2.1 percent. The share of the latter increased in 2023, up to 9.4 percent. In particular, the corresponding sum of USD 5.87 million (approx. KRW 7.8 billion) is comparable to the 2017 figure of USD 5.95 million (approx. KRW 7.9 billion), before the outbreak of COVID-19. This is attributable to the expansion of revenue distribution for intellectual property (IP) rights across the board, in addition to films. For example, in 2022, *Du Xing Yue Qiu* (Korean title:

Moon Man), a film adaptation of *Moon You*, a Korean webtoon by Cho Seok, ranked second in the Chinese box office, with its revenue being paid out in 2023, leading to an increase in the share of the "local distribution revenue."

The significance of IPs in the Korean film industry stands out in the details of the "contract amount" – the value of finished film exports after subtracting the local distribution revenue – which comprises the largest portion of the total export value. The contract amount is comprised of the sales of roughly four types of rights, as shown in Table 2. The biggest part of the sales is taken up by all-rights contracts for purchasing theatrical screening, streaming services, Blu-ray releases, etc.; the rest by contracts for purchasing theatrical rights alone, purchasing ancillary rights for purposes other than theatrical screening, and purchasing remake and IP rights. It is particularly noteworthy that in 2023 the sales of remake and IP rights stood at USD 3.79 million (approx. KRW 5 billion), accounting for 6.7 percent of the total contract amount. Over the last five years, the sales performance in this segment peaked at USD 1.94 million (approx. KRW 2.5 billion) in 2021, but the figure increased to almost double in 2023. Remake rights contracts played a significant role in this market volume expansion. The pool of remake rights buyers, which had been dominated by China (66.8 percent) in 2022, diversified and broadened in 2023 to consist of contracts with the U.S. (39.1 percent), China (31.8 percent), France (1.6 percent), India (6.1 percent), among others.

Given the ongoing trend of remakes of Korean movies and Korean creators' participation in global projects, it can be surmised that the market has a high growth potential. Although the value of finished film exports was in stagnation or even a decline, these dents may be filled by the revenues from IP sales and the global market entry of Korean film industry professionals. This may also have a positive effect in terms of revenue diversification. Meanwhile, export price per film showed a year-on-year decrease of 53.7 percent to USD 41,727 (approx. KRW 55 million), although this figure may not be indicative since it does not consider specific details, such as bundled contracts. It should be noted, however, that the number of films exported rose by 73.8 percent from 776 in 2022 to 1,349 in 2023 (Korean Film Council, 2004).

Table 1 **Export Trends of Korean Films Over the Last Five Years** (Unit: USD)

Classification		2019	2020	2021	2022	2023
Export of finished films	Contract amount	36,276,567	51,290,400	39,763,074	69,927,595	56,290,885
	Local distribution revenue	1,600,749	2,866,580	3,269,944	1,512,785	5,865,035
	Subtotal	37,877,316	54,156,980	43,033,018	71,440,380	62,155,920
	Year-on-year change rate	-9.0%	43.0%	-20.5%	66.0%	-13.0%
Export of services	Number of films exported	574	975	809	776	1,349
	Average export price per film	63,200	52,606	49,151	90,113	41,727
	Export of technical services + location services	35,904,873	29,448,074	8,119,289	16,778,780	17,059,708
	Year-on-year change rate	-7.4%	-18.0%	-72.4%	106.7%	1.7%
Total		73,782,189	83,605,054	51,152,307	88,219,160	79,215,628
Year-on-year change rate		-8.2%	13.3%	-38.8%	72.5%	-10.2%

* Note: The "contract amount" in the value of finished film exports refers to the value of export contracts for Korean finished films. The "local distribution revenue" consists of additional revenue (overage) from the minimum-guarantee (MG) contracts of exported films, revenue from revenue sharing (RS) contracts, and local direct-distribution profits. Sales of films to OTT platforms are included in the "contract amount" as they are classified as overseas sales. The number of films exported specifically refers to only the number of new contracts, excluding films that generate local distribution revenue. The export of services is divided into the technical service sector and the location service sector, but the statistics are compiled without separating the two sectors into distinct categories. The average export price is calculated by dividing the contract amount by the number of films exported.

* Source: Korean Film Council (2024). *2023 Evaluation of the Korean Film Industry*. p. 87.

Table 2 **Export Composition Trends of Korean Finished Films Over the Last Five Years**

(Unit: USD)

Classification	2019		2020		2021		2022		2023	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
All rights	28,003,695	77.2%	43,067,316	84.0%	28,169,557	70.8%	59,652,042	85.3%	43,676,702	77.6%
Ancillary rights	6,963,872	19.2%	7,095,358	13.8%	9,408,078	23.7%	9,461,789	13.5%	8,223,888	14.6%
Remake and IP rights	1,038,000	2.9%	997,126	1.9%	1,942,500	4.9%	554,211	0.8%	3,791,133	6.7%
Theatrical rights	271,000	0.7%	130,600	0.3%	242,939	0.6%	259,554	0.4%	599,162	1.1%
Total	36,276,567	100%	51,290,400	100%	39,763,074	100%	69,927,595	100%	56,290,885	100%

* Note: Table 2 is a breakdown of the "contract amount" of the value of finished film exports as outlined in Table 1.

* Source: Korean Film Council (2024). *2023 Evaluation of the Korean Film Industry*. p. 91.

2) Rise in exports of location services

Exports in the film industry are largely divided into two sectors: finished films and services, with service exports consisting of technical services such as visual effects (VFX) services and film location services to attract foreign productions to shoot in Korea. During the COVID-19 pandemic, challenges in international travel had a severe impact on attracting foreign film productions, with exports of services falling to around USD 8.12 million (approx. KRW 10.8 billion) in 2021, the lowest amount in the last five years (see Table 1). However, 2022 marked a significant rebound, as the figure doubled from the previous year. This upward trend persisted into 2023, with a further increase of 1.7 percent observed.

The increase in revenue from film location services can be largely attributed to overseas OTT content production in Korea, bolstered by Korea-based shoots by foreign production companies, supported by film commissions across Korea. Table 3 shows trend in location support services over the last five years, with figures dropping during 2020 and 2021 but then starting to recover in 2022 and continuing to rise as of this year. In 2023, Netflix and Disney+ were not alone in producing original content in Korea, with many other foreign media producers visiting the country to shoot various types of video content, such as documentaries, feature films, short films, TV and web dramas, entertainment programs, commercials, and music videos. Most of these producers were from countries such as the U.S., France, and Japan, while a notable share of others hailed from Southeast Asian countries, including the Philippines, Thailand, Indonesia, Malaysia, and Vietnam.

A demonstrative example of such works is *Winter in Sokcho* (*Hiver à Sokcho*), a movie adaptation of the novel of the same title by the Korean-French writer Elisa Shua Dusapin, who was born to a Korean mother and a French father. The film was shot in Sokcho in Korea over the course of 30 shoots. The movie is director Koya Kamura's first feature film, and stars actor Roschdy Zem, who won the Best Actor Award at the Cannes Film Festival for his role in *Days of Glory* (2006), alongside Korean actors Ryu Tae-Ho and Jo Min-hee. The female lead was played by Bella Kim, who started as a model and made her acting debut in this film. *Ma'am*

Chief: Shakedown in Seoul (2023) is another major foreign film shot in Korea. It is an action-comedy movie about a female undercover police officer disguising herself as a tour guide, with the lead character played by Melai Cantiveros, one of the Philippines' most popular actresses. The movie featured guest appearances by Korean celebrities, such as Lee Seung-gi, Do Ji-han, and Yuju from the K-pop girl group GFriend, and was released in the Philippines in November 2023.

Korean-born Belgian filmmaker Jung Henin (Korean name Jun Jung-sik), who previously co-directed with Laurent Boileau the animated documentary film *Approved for Adoption* (2012), an autobiographical tale based on his checkered childhood as an adoptee, shot his new film in Korea. Titled *Everything That Connects Us*, the documentary film was produced with 20 shoots on location in Seoul. Meanwhile, November 2023 also saw the release of *Ajoomma*, a joint Korean-Singaporean production starring Huifang Hong, one of the most famous actresses in Singapore, which depicts the wild adventure of a middle-aged Singaporean widow in her 50s, whose obsession with Korean soap operas drives her to travel alone to Seoul with the hope of meeting the Korean actor Yeo Jin-gu.

Table 3 **Support for Location Shoots of Overseas Video Content Over the Last Five Years**

Classification	2019	2020	2021	2022	2023
No. of videos	33	10	12	22	34
No. of shoots	238	167	53	181	197
No. of recipient countries	16	8	5	8	16

* Note: Excluding Netflix original Korean series.

* Source: Korean Film Council (2024). *2023 Evaluation of the Korean Film Industry*. p. 106.

Figure 1 **Elisa Shua Dusapin in Sokcho (left) and the Poster for *Ma'am Chief: Shakedown in Seoul* (right)**

* Source: *NEWSIS*/bookrecipe, PULP Studios Twitter (@pulpstudiosph)

2. Issues Concerning Hallyu in Film

1) The OTT market and Korean films

It has been quite some time since overseas OTT platforms began to produce their original content and commence their release in Korea. Starting with several entertainment programs in 2017, Netflix released its Korean original TV series *Kingdom* and the omnibus movie *Persona* in 2019. There has since been an abrupt quantitative expansion in content production, and Disney+ has likewise begun producing Korean original content. Based on release dates, a total of 29 items of Korean TV and movie content (including second seasons of existing shows) were produced for Netflix in 2023, with 16 more produced for Disney+, bringing the total number of Korean content produced by the two platforms in 2023 to 45.

This expansion in the sector was not solely quantitative. One of the significant changes was the blurred boundaries between TV shows and films. The Korean film industry now co-exists alongside OTT series, with the two genres essentially combined into the category of "content" without separation. In almost every aspect, there are few differences between the two in terms of the actors and original works, as well as labor forces. For instance, several documentaries on BTS were released in 2023. Among them, *BTS Monuments: Beyond the Star* is an eight-episode series produced by and released only on Disney+. *BTS: Yet to Come in Cinemas* was produced in 4DX and released in theaters and then on Amazon Prime. *Suga: Road to D-Day* and *j-hope IN THE BOX* were produced by HYBE, the entertainment agency representing BTS, and released in theaters with distribution by Lotte Entertainment, and finally aired on Disney+.

These documentaries, all featuring BTS, differ in their production methods, platforms, and distribution: TV shows and movies, in theaters and on TV, based on overseas capital and domestic capital, and 2D and 4D. However, the productions did not clash with one another and instead constituted a cohesive "BTS Universe." In this regard, the key point is the concept and target of the content, since the content is eventually released on various OTT platforms for broader consumption. In essence, the demarcation between movies and TV shows no longer carries notable significance. For example, the prequel to the TV series *Kingdom* (2019-2020) was produced as a movie titled *Kingdom: Ashin of the North* (2021), as opposed to a TV series, thereby demonstrating that the differences in media now take second place to the overarching narrative world-building.

Table 4 is the ranking chart of Korean TV shows and movies released worldwide through various OTT platforms during 2023. The ranking was compiled based on the score calculation method used by FlixPatrol, which calculates points according to rankings in countries where the content is released. In general, the vast majority of the chart consisted of TV shows: among 53 works recording more than 1,000 points, seven works were movies, and 46 works were TV shows. Based on the results, Netflix continued to dominate, for example, with *The Glory* ranking first in the chart and placing sixth in the global rankings for Netflix TV shows. Other popular shows included *Bloodhounds*, *Mask Girl*, *Celebrity*, *Black Knight*, and *Queenmaker*. The performance of Disney+ was also highlighted, largely due to *Moving*. Ranking 30th among global TV shows on Disney+, *Moving* became a hit original series despite its formidable length of 20 episodes, and gained huge popularity based on the narrative power of Kang Full, the author of the original webtoon and the screenwriter for the adaptation. Other Disney+ shows with over 1,000 points include *Call it Love*, *The Worst of Evil*, *Shadow Detective*, and *Vigilante*.

Even outside of OTT originals, there are other Korean dramas streamed on Netflix that have garnered significant followings. For example, *King the Land*, starring Im Yoon-ah and Lee Jun-ho, recorded the second highest score after *The Glory* with popularity in the Asian and South American regions, and ranked ninth among Netflix TV shows worldwide. In this regard, it is interesting to note Netflix's genre policy regarding its series service. Netflix original series are mainly produced in heavier genres including action and thriller, whereas the majority of works produced in Korea are in lighter genres such as comedy and romance. This is applicable to *True Beauty*, *My Demon*, and *Destined With You*, as well as *King the Land*, which are all shows that placed within the top 50 TV shows on Netflix in the world.

Another notable aspect is the popularity of reality shows. One example of this popularity is the Netflix original *Physical: 100*, which drew global attention to rank first in the global reality show rankings, recording 235 million accumulated hours viewed for the first half of 2023. *Single's Inferno*, produced by Netflix, returned with its third season and gained huge popularity, and *The Zone: Survival Mission* on Disney+ aired its second season. In addition, there have been diverse attempts including talk shows like *Risqué Business*, survival reality shows like *The Devil's Plan*, and reality shows with horror concepts such as *Zombieverse*.

In the case of films, significant attention was directed to Netflix content with strong genre characteristics. The movie *Ballerina*, directed by Lee Chung-hyun and starring Jeon Jong-seo, who had previously worked with Lee for *The Call* (2020), ranked first among Korean movies on OTT platforms last year and globally placed 43rd among Netflix movies. *Kill Boksoon*, a movie flaunting the brilliant action charisma of Jeon Do-yeon, became one of the hit movies of 2023 and was screened at the Berlin International Film Festival. *Jung_E*, directed by Yeon Sang-ho, was highly acclaimed with its outstanding technical quality.

Japanese writer Akira Shiga's novel *Her Phone is Disconnected* was adapted into a film and released in Japan in 2018 and made into another adaptation in Korea in 2023. In addition to these Netflix originals, there are also non-Netflix works released in general theaters that became popular around the world through OTT platforms. For example, *The Roundup*, starring Ma Dong-seok, was released on Disney+; *Emergency Declaration*, directed by Han Jae-rim, on Netflix; and *Alienoid Part 1* on Amazon Prime. Korean movies with 1,000 points or less according to FlixPatrol include *Haeundae* (800 points), a 2009 production by JK Youn that garnered revived interest through iTunes, followed by *The Night Owl* (742 points), *The Roundup: No Way Out* (719 points), and *6/45* (693 points).

One of the characteristic aspects of K-content is the prevalence of genre crossovers, which was aptly demonstrated by the convergence between TV shows and webtoons in OTT original content in 2023. In fact, webtoons are the most popular and commercial sources of narratives in the Korean entertainment industry. Whereas Hollywood has traditionally produced a plethora of superhero movies based on comics, Korea has produced TV shows and movies across various genres based on webtoons, which are now being exported around the world through OTT platforms. Among the 14 works produced by Netflix in 2023, seven titles, including *Black Knight*, *Bloodhounds*, *D.P. 2*, *Mask Girl*, *Doona!*, *Daily Dose of Sunshine*, and *Sweet Home 2*, were adaptations of existing webtoons. Likewise, Disney+'s *Moving* and *Vigilante* were also based on webtoons as their source materials. In essence, webtoons, which were once a crucial narrative source for films, have since transitioned to serve as inspiration for TV shows.

Today, OTTs have become a keyword that cannot be omitted from any discussion of "K-movies" and alongside international film festivals, serve as the most effective channel of promoting Korean movies to the world. This is not to conclude the trend has been exclusively positive, however, as the sudden rise in production costs is disrupting the ecosystem of the domestic production system. Due to global OTT providers that spend almost twice as much as domestic providers on production costs, the reality is that A-list stars have begun to commonly charge KRW 1 billion per episode. The entry of OTT platforms into the Korean market has essentially accelerated Korea's integration into the global production system, while the subsequently abrupt rise in production costs is a critical challenge facing us in the present.

Table 4 **Ranking Chart of Korean Content on OTT Platforms in 2023**

Ranking	Name	Year	Format	Channel	Points	Genre
1	The Glory ●	2022	Series	Netflix	23,923	Thriller
2	King the Land	2023	Series	JTBC	22,383	Comedy
3	True Beauty	2020	Series	tvN	14,717	Comedy
4	My Demon	2023	Series	SBS	14,290	Comedy
5	Physical: 100 ●	2023	Series	Netflix	14,072	Reality Show
6	Strong Girl Nam-soon	2023	Series	JTBC	12,831	Action
7	Island	2022	Series	tvN	11,272	Horror
8	Destined With You	2023	Series	JTBC	10,987	Drama
9	Doctor Cha	2023	Series	JTBC	9,952	Comedy
10	Bloodhounds ●	2023	Series	Netflix	9,679	Thriller
11	Crash Course in Romance	2023	Series	tvN	8,756	Comedy
12	Mr. Queen	2020	Series	tvN	8,411	Comedy
13	The Good Bad Mother	2023	Series	JTBC	8,183	Comedy
14	Ballerina ●	2023	Movie	Netflix	7,627	Action
15	Kill Boksoon ●	2023	Movie	Netflix	7,010	Action
16	Mask Girl ●	2023	Series	Netflix	6,902	Crime

17	Celebrity	2023	Series	Netflix	6,233	Drama
18	Black Knight	2023	Series	Netflix	5,995	Sci-fi
19	Moving	2023	Series	Disney+	5,965	Superhero
20	The Uncanny Counter 2: Counter Punch	2020	Series	OCN	5,951	Fantasy
21	See You in My 19th Life	2023	Series	tvN	5,648	Comedy
22	Jung_E	2023	Movie	Netflix	5,607	Sci-fi
23	Castaway Diva	2023	Series	tvN	5,570	Comedy
24	Alchemy of Souls	2022	Series	tvN	5,397	Fantasy
25	Behind Your Touch	2023	Series	JTBC	5,023	Drama
26	Unlocked	2023	Movie	Netflix	5,009	Crime
27	Dr. Romantic 3	2023	Series	SBS	4,988	Drama
28	True to Love	2023	Series	ENA	4,898	Comedy
29	Love in Contract	2022	Series	tvN	4,646	Comedy
30	Single's Inferno Season 3	2023	Series	Netflix	4,569	Reality Show
31	Queenmaker	2023	Series	Netflix	4,534	Drama
32	Big Bet	2022	Series	Disney+	4,271	Crime
33	Our Blooming Youth	2023	Series	tvN	3,821	Drama
34	Love to Hate You	2023	Series	Netflix	3,553	Comedy
35	The First Responders	2022	Series	SBS	3,091	Action
36	Call It Love	2023	Series	Disney+	2,611	Drama
37	Taxi Driver 2	2023	Series	SBS	2,603	Action
38	The Worst of Evil	2023	Series	Disney+	2,519	Action
39	Lies Hidden in My Garden	2023	Series	ENA	2,434	Drama
40	The Roundup	2022	Movie		2,302	Action
41	Shadow Detective Season 2	2023	Series	Disney+	2,245	Crime
42	Pandora: Beneath the Paradise	2023	Series	tvN	2,179	Thriller
43	The Interest of Love	2022	Series	JTBC	2,101	Drama
44	Divorce Attorney Shin	2023	Series	JTBC	1,898	Drama
45	The Forbidden Marriage	2022	Series	MBC	1,876	Comedy
46	Vigilante	2023	Series	Disney+	1,862	Action
47	Emergency Declaration	2022	Movie		1,808	Action
48	Unlock My Boss	2022	Series	ENA	1,705	Crime

49	The Zone: Survival Mission Season 2 ●	2023	Series	Disney+	1,578	Reality Show
50	18 Again	2020	Series	JTBC	1,300	Comedy
51	Alienoid Part 1	2022	Movie		1,203	Sci-fi Action
52	Arthdal Chronicles: The Sword of Aramun	2023	Series	tvN	1,076	History
53	Poong, the Joseon Psychiatrist	2022	Series	tvN	1,061	Drama

* Note: FlixPatrol employs a system that allocates 10 points for each work that ranks first in one country, nine points for second, eight points for third, and one point for 10th, then calculates a total score. For example, a work that ranks first in 10 countries is allocated 100 points, and if the work retains the top ranking for two consecutive weeks, the score increases to 200. These rankings consist of works scoring over 1,000 points. Works marked with an asterisk (●) are original content produced by Netflix, while those with a caret (●) are by Disney+.

* Source: Reorganized based on the FlixPatrol website.

2) Korean film professionals in the world

Ma Dong-seok, a movie star boasting a strong box office draw, or "ticket power," in the Korean film industry, is also demonstrating his appeal in the overseas film industry. Ma made his first entry into Hollywood by playing the character Gilgamesh in the Marvel franchise movie *Eternals* (2021) and is slated to participate in his next project *Hell Divers* as a producer and a main actor. The original work of the latter is a bestselling dystopian sci-fi novel series of the same name with 11 books, written by Nicholas Sansbury Smith. The movie will be jointly produced by Arad Productions in the U.S. and Gorilla 8 Productions led by Ma Dong-seok. Director Jerome Chen at the helm of the project is a VFX professional with over 30 years of experience in Hollywood.

In addition to Ma Dong-seok, Park Seo-joon played Prince Yan in *The Marvels* released in November 2023, marking another Korean actor to join the "Marvel Cinematic Universe." In an interview, Park described the role as "a truly wonderful experience" despite the short screen time of two minutes and 40 seconds. Meanwhile, Lee Jung-jae has finished his shoots for *The Acolyte*, a Disney+ work in the Star Wars Universe. In the movie scheduled for release in 2024, Lee will star in the role of a Jedi Master.

Choi Min-yeong, who began his career as a child actor and has appeared in numerous musicals and dramas over 10 years, played the male lead in *XO, Kitty*, a Netflix series produced in the U.S. *XO, Kitty*, a spin-off of the Netflix series *To All The Boys I've Loved Before* (2018), is the love story of the female lead character "Kitty" (played by Anna Cathcart) and her boyfriend "Dae" (played by Choi Min-yeong), which portrays aspects of Korean culture including K-pop and Chuseok, or Korean thanksgiving day. This show also featured several rising Korean actors such as Gia Kim and Lee Sang-heon, while experienced actor Kim Yun-jin played the school principal, and Han Chae-young and Ok Taec-yeon appeared as special guests. Lee Joo-young, who played the lead characters in *Maggie* (2019) and *Baseball Girl* (2020) and appeared as a detective along with Bae Doo-na in *Broker* (2022), performed with Chinese star Fan Bingbing in the Chinese movie *Green Night* directed by Han Shuai.

Kwon Eun-bi, a singer from an idol group, starred in the Japanese film *Stolen Identity: Final Hacking Game*. The original novel on which the film was based, *Her Phone Is Disconnected* written by Akira Shiga in 2017, was adapted into a film by director Hideo Nakata and became a box-office hit. In 2020, the sequel to *Stolen Identity: Final Hacking Game* was released under the title *Stolen Identity: A Captive Murderer*, and as mentioned earlier, the novel was also adapted as a Netflix original movie in Korea in 2023. The third installment in the series, also starring Kwon, will be the final movie of the series and will be released in autumn 2024. The movie shot on location in Korea. Meanwhile, actress Park Ji-min appeared in *Return to Seoul (Retour à Séoul)*, portraying the story of a Korean adoptee raised in France who visits Korea again. Park is a visual artist who emigrated to France with her parents in her childhood. She made her debut as an actress through *Return to Seoul* and received the Best New Performance Award at the Asia Pacific Screen Awards.

There were also remarkable performances by Korean film professionals based in North America. One of them is *Past Lives* by the Korean-Canadian director Celine Song. The critically acclaimed film was nominated for Best Picture and Best Original Screenplay at the Academy Awards in 2023. Director Song is the daughter of filmmaker Song Neung-han, who is known for the movie *No. 3* (1997), and emigrated to Canada with her parents when she was 12 years old. In this debut feature film, Song portrayed an autobiographical tale inspired by her own experiences. The two lead characters, Nora and Hae-sung, are played by Korean-American actress Greta Lee and Korean-German actor Yoo Teo, respectively. In the movie, actors Choi Won-young and Yoon Ji-hye also made an appearance, and singer Chang Ki-ha played a friend of Hae-sung. Another critically acclaimed work featuring overseas Koreans was *Beef*, starring Steven Yeun and created and written by Lee Sung-jin, was recognized as one of the best shows of 2023, receiving three awards at the Golden Globe Awards and eight awards at the Emmy Awards. Lee, who was born in Seoul and emigrated to America, started his career in the TV entertainment industry from the 2000s and eventually rose to prominence, earning three trophies with *Beef*. In particular, *Beef* is notable for depicting the lives of Asian-American characters including not only Korean-Americans but also Chinese- and Japanese-Americans, organically portraying mundane aspects such as the Korean community in the U.S. and Korean food. Steven Yeun, who has become familiar to Korean audiences with *Burning* (2018) and *Minari* (2020), marked an outstanding year with *Beef*, winning a Primetime Emmy Award for Outstanding Lead Actor and a Golden Globe Award for Best Actor. He also participated as a narrator in the production of *Nam June Paik: Moon Is the Oldest TV* (2023), a documentary directed by Amanda Kim.

Figure 2 **Director Celine Song of *Past Lives* (left) and Steven Yeun in the recording of *Nam June Paik: Moon Is the Oldest TV* (right)**

* Source: Wikipedia/Elena Ternovaja, *Sisaweek*/Atnine Film

Riceboy Sleeps, directed by Korean-Canadian Anthony Shim, portrayed the story of a woman who emigrates to Canada with her son in the 1990s. Director Anthony Shim, who has been an actor since the

2000s, used this first feature film to express the story of his family. Actress Choi Seung-yoon, who starred in the film, was originally a choreographer and made her debut as an actress through an audition with director Shim. She won Best Actress at the Durban International Film Festival and the Marrakech International Film Festival. Another Korean film professional in Canada is Gloria Kim (Korean name Kim Ui-young), who was nominated for Best Director's Award at Canadian Screen Award for *Heartland*. She won the Award for Best Director at the Canadian Film Fest with her first feature film *Queen of the Morning Calm* and is now preparing her second feature film titled *Banquet*. Like *Queen of the Morning Calm*, Kim's sophomore work is set to further depict the experiences of Korean-Canadians, specifically the story of a mother and a daughter against the backdrop of Chuseok.

As examined above, numerous ethnic Korean film industry professionals are making autobiographical and self-reflective works that embody and contemplate their identity as Koreans. This is a key phenomenon of the recent wave of "K-movies," emerging from the recent global popularization of Hallyu. This movement can also be referred to as the "K-diaspora," as evidenced by Korean film industry professionals across North America gathering in the Toronto International Film Festival to hold a conference on Korean diasporic cinema. The conference was attended by Anthony Shim, as well as Albert Shin of *In Her Place* (2015), Andrew Ahn of *Spa Night* (2017), and producer Christina Oh of *Minari* (2021).

Many other ethnic Korean directors overseas also made remarkable achievements, with their accomplishments given the spotlight at the

Berlin International Film Festival in particular. At the festival, the prestigious competition invited both the aforementioned *Past Lives*, directed by Korean-Canadian filmmaker Celine Song, as well as *The Shadowless Tower* by Korean-Chinese filmmaker Zhang Lü, an ethnic Korean residing in China. The latter also received five awards including Best Screenplay in the Beijing International Film Festival. Meanwhile, the Panorama section of the Berlin-based festival screened *The Quiet Migration (Stille Liv)* directed by Malene Choi. The film can be regarded as a "diaspora film" since it depicts issues of identity through the lead character, a Korean adoptee taken to Denmark as a child. *The Quiet Migration* won the FIPRESCI Prize at the Berlin International Film Festival. Lastly, Disney's *Elemental* was the second feature animation of director Peter Sohn of *The Good Dinosaur* (2016) and ranked 10th in the global box office, grossing USD 496.44 million (approx. KRW 663 billion).

There were also other lesser-known causes to celebrate. Cinematographer Chung Chung-hoon became an active member of the American Society of Cinematographers (ASC) after eight years since entering Hollywood. This marked the first time that a Korean cinematographer has become an active member of the ASC. Chung has had a long career as a cameraman, working with auteur Park Chan-wook in his masterpieces such as *Oldboy* (2003), *Sympathy for Lady Vengeance* (2005), *Thirst* (2009), and *The Handmaiden* (2016), as well as Hollywood productions such as *Me and Earl and the Dying Girl* (2015), *It* (2017), and *Hotel Artemis* (2018), with his camerawork most recently seen in *Wonka* (2023). Similarly, actor Park Hae-il and screenwriter Jeong Seo-kyeong became members of the Academy of Motion Picture Arts and Sciences

(AMPAS), which organizes the Academy Awards.

Figure 3 **Poster for *Return to Seoul* (left) and Choi Seung-yoon winning Best Actress at the Marrakech International Film Festival with *Riceboy Sleeps* (right)**

* Source: Sony Pictures Classics YouTube (@SonyPicturesClassics), *MBC News*/PANCINEMA

3) International film festivals and Korean films

At the 2022 Cannes Film Festival, Korean films made two notable achievements. Park Chan-wook received the Best Director Award for his film *Decision to Leave* (2022) and Song Kang-ho won the Best Actor Award for *Broker* (2022), directed by Japanese filmmaker Hirokazu Kore-eda. At the Berlin International Film Festival, director Hong Sang-soo's *The Novelist's Film* (2022) became the winner of the Silver Bear Grand Jury Prize. However, 2023 was a year in which the overall performance of Korean films has not been particularly impressive at international film festivals, despite the favorable responses to independent and short films.

Among major European film festivals, the 2023 Cannes Film Festival invited a total of eight Korean short and feature films. Specifically, director Kim Jee-woon's *Cobweb* and Kim Tae-gon's *Escape: Project Silence* were screened in the out-of-competition section and the Midnight Screenings section, respectively. *Hopeless*, directed by Kim Chang-hoon, was nominated in the Un Certain Regard section but did not win. Hong Sang-soo's *In Our Day* and Yoo Jae-sun's *Sleep* were invited to the Directors' Fortnight and the Critics' Week, respectively. All in all, Korean short films produced better results at the Cannes Film Festival. *The Lee Families*, directed by Seo Jeong-mi, was screened in the competition section and *Hole*, directed by Hwang Hyein, won the Second Prize in the La Cinef section, a competition for film school students. *The Fin*, directed by Park Sye-young, was screened in the Cannes Fantastic 7 section. Meanwhile, *Bargain* won the Best Screenplay Award in the competition section at the Canneseries, an international television festival held in Cannes. Produced by the Korean domestic OTT platform TVING, *Bargain* is a TV adaptation of the short film *Bargain* (2015) directed by Lee Chung-hyun, known for *The Call* and *Ballerina*. The success of *Bargain* demonstrated the international competitiveness and abundant potential of Korean OTT platforms.

Four Korean films were screened at the Berlin International Film Festival. In particular, *Kill Boksoon*, directed by Byun Sung-hyun, made its impressive world premiere at the festival, and Jeon Do-yeon and Kim Si-a, who played the lead character Gil Bok-soon and Gil's teenage daughter Jae-young, respectively, received a huge round of applause both on the red carpet and at the stage greeting after the screening. The Berlinale Special, in which *Kill Boksoon* premiered, was created to showcase hot new films that embody new trends in world cinema. In addition, Park Sye-young's *The Fifth Thoracic Vertebra*, Hong Sang-soo's *In Water*, and Yoo Heong-jun's *Regardless of Us* were invited to the Critics' Week, the Encounters section, and the Forum section, respectively. Korean films were also included in the lineup for the Venice Immersive section at the Venice Film Festival. Launched in 2017, Venice Immersive is a section for extended reality (XR) works including virtual reality (VR) and augmented reality (AR) projects, an area in which Korean artists have been performing well. In 2023, Lee Sanghee's *ONEROOM-BABEL*, Kim Si-yeon's *My Name is O90*, and Gina Kim's *Comfortless* were invited to the Venice Immersive section. In particular, it was Gina Kim's third trip to Venice Immersive, following her first invitation as a guest artist for *Bloodless* (2017) and her second for *Tearless* (2021).

The most highlighted Korean film at international film festivals was *Birth* directed by Yoo Ji-young. Depicting the story of a couple who choose not to wed and have children, the movie won the Proxima Competition at the Karlovy Vary International Film Festival held in the Czech Republic. Proxima is a section that invites films directed by forward-thinking young auteurs, and the jury for Proxima highly appreciated the feministic theme of *Birth*. *Birth* also received the FIPRESCI Prize at the Torino Film Festival held in Italy. At the Toronto International Film Festival, Kim Tae-yang's *Mimang* was invited to the Discovery section, and also received an honorable mention by the jury in the NETPAC Award section. The NETPAC Award is presented by the Network for the Promotion of Asian Cinema. *Bird's Eye View*, directed by Yoo Tae-ha, won the Bronze Award in the First Feature category for works by new filmmakers, at the Houston International Film Festival.

Figure 4 **Kim Si-a, Director Byun Sung-hyun, Jeon Do-yeon of *Kill Boksoon* (left) and Director Ryoo Seung-wan of *Smugglers* (right)**

* Source: *Movietok*, *SBS News*

Ryoo Seung-wan's *Smugglers* was screened in the out-of-competition section at the Locarno Film Festival. Director Sin Yeon-shick's *One Win*, starring Song Kang-ho, was invited to the Big Screen Competition section of the International Film Festival Rotterdam (IFFR). Several works showing new trends among recent Korean independent films, including Sohn Koo-yong's *Night Walk*, Lee Dong-woo's *SAGAL (Snake and Scorpion)*, and Jude Chun's *Unidentified*, had their world premiere in the IFFR Harbour section, a segment for showcasing a diverse range of films. *Nam June Paik: Moon is the Oldest TV*, directed by Amanda Kim, was screened in the U.S. Documentary Competition section at the Sundance Film Festival. Yoo Jae-sun's *Sleep* was invited to the competition section at the Sitges Film Festival (International Fantastic Film Festival of Catalonia) held in Spain. The Copenhagen International Documentary Film Festival held small solo screenings of director Kim A-young's works including *Porosity Valley 2: Tricksters' Plot* (2019), *At The Surisol Underwater Lab* (2020), and *Delivery Dancer's Sphere* (2023).

In 2023, Korean animated films made great accomplishments in the area of short films. Jeon Jin-kyu's *The House of Loss*, which was invited to the International Competition section of the Clermont-Ferrand International Short Film Festival, received the Best Short Animated Film at the Cinequest Film Festival held in San Jose, U.S. *Persona* by Moon Su-jin and *Epicenter* by Hahm Hee-yoon were invited to the competition section of the Tricky Women Animation Festival held in Vienna, Austria. In particular, *Epicenter* won the Grand Post Award, which provides support for a film's post-production process. In addition, *Epicenter* received the Bruce Corwin Award, presented to the best animated short films, at the Santa Barbara Film Festival. *The Waves*, directed by Joung Yumi, was screened in the Pardi di domani section of the Locarno Film Festival. *Hana Meets Hana* directed by Kim Jeong-Byeon-Ji received the Best Director Award in the Animation category of the San Diego International Kids' Film Festival. *Architect A*, directed by Lee Jong-hoon, garnered the Grand Prize (Short) and the Audience Award at the New York International Children's Film Festival. *I and the Others*, directed by Park So-hyun, won the Best Short Film in the Students category of the Noida International Film Festival held in India. Director Lee Kyeong-won's *Nowhere Else (Okcheon)* became the winner of the Audience Award in the Asian International Competition section of the Short Shorts Film Festival & Asia held in Japan.

The Yubari International Fantastic Film Festival in Japan was another event at which a number of Korean movies were screened. The festival invited seven Korean films to the short film competition category and held exchange screenings of films from the Jeju Film Festival, as well as a special screening of director Lee Myung-se's *Nowhere to Hide* (1999). The Zürich Film Festival screened a total of 15 Korean feature and short films in various sections including the New World View Korea section. From *Concrete Utopia* to *Next Sohee*, the screenings presented an opportunity to observe the latest trend in Korean films. The Fantasia International Film Festival held in Montreal, Canada, also introduced numerous Korean films this year. The Fantasia Retro category screened six Korean films including Kim Ki-young's *Io Island* (1977) and Lee Chang-dong's *Peppermint Candy* (2000). Overall, more than 20 Korean films were screened at the festival, from commercial films such as *The Roundup: No Way Out* to various conceptual short films.

Korean films were also at the center of many Asian film festivals. At the London East Asia Film Festival, *Iron Mask* directed by Kim Sung-hwan won the Best Film while Park Bo-young of *Concrete Utopia* and Hong Xa-bin of *Hopeless* received the Best Actor Award and the Rising Star Award, respectively. The Vancouver Asian Film Festival invited 14 Korean short films. The Vesoul International Film Festival of Asian Cinemas held in France presented the INALCO Jury Award to *A Letter from Kyoto* directed by Kim Min-ju. Besides, film festivals for Korean movies were held in not only major global cities such as London, Paris, and Florence, but also countries such as Malaysia, the Philippines, Poland, and Australia, introducing a range of recent Korean movies. Meanwhile, Film at Lincoln Center in New York held a series of retrospective screenings titled *Korean Cinema's Golden Decade: The 1960s*, in which 24 Korean classical movies were screened over the course of two weeks, showcasing the tradition of Korean cinema to cinephiles in

New York.

Some film festivals specifically shined the limelight on professionals from the Korean film industry. The London East Asia Film Festival presented a special retrospective dedicated to the works of director Chung Ji-young to celebrate the 40th anniversary since his directorial debut. His movie *The Boys* was selected for the opening gala ceremony, showing the cinema veteran's unwavering cinematic passion. The Hawaii International Film Festival screened *The Roundup: No Way Out* and *The Gangster, the Cop, and the Devil* in the Don Lee (Ma Dong-seok) In Focus section. The Cinémathèque française in Paris held a retrospective dedicated to the works of director Kim Jee-woon. This was particularly meaningful for Kim, who was first inspired to become a filmmaker at the Cinémathèque, where he had watched nearly a hundred films in three months during his stay in Paris before his directorial debut. The Monterrey International Film Festival held in Mexico selected South Korea as a country guest of honor and held a retrospective for the auteur Yim Soon-rye.

Figure 4 **Director Yoo Ji-young and Han Hye-in of *Birth* (left) and Director Chung Ji-young at the London East Asia Film Festival (right)**

* Source: *News1*, *The Chosun Ilbo*

4) Achievements of video production companies

Dexter Studios, one of Korea's major VFX and content production companies, won the top exporter award at the 60th Trade Day award ceremony held on December 5, in recognition of its outstanding achievement of more than USD 3 million (approx. KRW 4 billion) in overseas sales over the last year. This award is presented to companies that contribute to developing overseas markets and increasing exports, in which Dexter Studios grossed USD 3.6 million from July 2022 to June 2023. Specifically, the visual effects for *Knights of the Zodiac* contributed to the largest portion of its revenue, combined with other upcoming global projects, sales from digital intermediate (DI) work, and VR content.

Dexter Studios has also participated in making Netflix and Disney+ original content, including the action visuals in Yeon Sang-ho's *Jung_E*, DI and sound effects of *Kill Boksoon*, and sound effects of *Black Knight*, as well as various work for *Moving*, *Mask Girl*, and *Zombiverse*. In addition, Dexter Studios is set to participate in the film adaptation of the classic Japanese manga *Yu Yu Hakusho*. Meanwhile, the company is planning to co-found a VR production studio with Kantana, a total media group based in Thailand.

Anthology Studios has started a remake project for an Indian film under partnership with Indian production banner Panorama Studios. The film to be remade is director Jeethu Joseph's *Drishyam, Visuals* (2013). First released in 2013, the film was a box-office success, which led to the making of its sequel *Drishyam 2* in 2021, while the production of its third installment is underway. Depicting the story of an ordinary man who is accused of murder, the movie is expected to be the first full-scale Korea-India collaboration project. Meanwhile, CJ CGV is expanding its presence in the Vietnamese market, generating higher theatrical revenue than in the pre-pandemic period with a market share of 51 percent through its 83 theaters and 483 screens. CJ ENM has also engaged in local film production in Vietnam, for example, it invested in *The House of No Man (Nhà bà Nu)*, which set new box-office records in Vietnam.

3. Major Countries and Routes of Overseas Entry for Hallyu in Film

1) Performance of Korean films in major countries

While the export value of Korean finished films has decreased overall, a region-specific analysis shows that the share of the Asian region as an export destination has considerably increased to a staggering 70 percent. This is the result of increased import demand among Southeast Asian countries including Vietnam, Malaysia, and Indonesia, with Taiwan, Japan, and Hong Kong remaining the biggest importers of Korean films. In particular, imports by Vietnam increased 2.5 times compared to the previous year. In 2022, North America had a higher share than Europe, but this trend was inverted in 2023. While Korean movies across various genres such as *Decision to Leave*, *Hansan: Rising Dragon*, and *The Roundup* achieved success in the North American market in 2022, there were few high-grossing Korean films in 2023 with the exception of *Broker* and *The Roundup: No Way Out*. On the other hand, exports to Europe have increased thanks to the spread of the "K-movies" phenomenon in the region. Revenue from the Eastern Europe is also rising in addition to the UK, France, and Spain.

Statistically, the export value of "other regions," including revenue from OTT content, has decreased in 2023. However, given the fact that a number of films had abandoned theatrical releases altogether and released directly on OTT platforms until 2022, it would not be accurate to characterize this as a decline in exports to "other regions." The Middle East, Africa, Latin America, and Oceania may be smaller markets at present, but their robust potential nonetheless demands close attention.

Table 5 **Export Trends in Korean Films by Region Over the Last Five Years**

Classification	2019		2020		2021		2022		2023	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Asia	27,403,357	72.30%	26,712,089	49.30%	31,768,205	73.80%	34,408,677	48.20%	40,327,494	71.6%
North America	4,133,177	10.9%	2,935,543	5.4%	2,371,203	5.5%	9,507,462	13.3%	3,947,033	7.0%
Europe	3,762,036	9.9%	1,547,411	2.9%	2,570,002	6.0%	5,818,835	8.1%	7,734,686	13.7%
Latin America	824,821	2.2%	308,500	0.6%	1,020,000	2.4%	1,270,546	1.8%	428,650	0.8%
Oceania	612,478	1.6%	317,320	0.6%	264,880	0.6%	295,888	0.4%	418,000	0.7%
Middle East/ Africa	121,447	0.3%	197,717	0.4%	181,520	0.4%	163,210	0.2%	240,023	0.4%
Other regions (Worldwide)	1,020,000	2.7%	22,138,400	40.9%	4,857,208	11.3%	19,975,762	28.0%	3,195,000	5.7%
Total	37,877,316	100%	54,156,980	100%	43,033,018	100%	71,440,380	100%	41,607,247	100%

* Note: With regard to export performance by region and by country, there are a number of contracts under which a single local importer distributes Korean films to several adjacent countries in the same region, or to areas with the same language in different regions. As such, certain representative regions and countries were designated to calculate the above statistical values.

* Source: Korean Film Council (2024). *2023 Evaluation of the Korean Film Industry*. p. 89

A country-specific analysis reveals that exports to Taiwan and Japan ranked first and second, respectively, while Singapore has climbed to third. Exports to Singapore in 2020, which slightly exceeded USD 0.2 million (approx. KRW 200 million), have increased to USD 6.33 million

Table 6 **Exports of Korean Films to Other Countries From 2020 to 2023**

Ranking	2020			2021		
	Country	Amount	%	Country	Amount	%
1	Taiwan	7,903,100	14.6%	China	8,396,220	21.1%
2	Japan	3,770,750	7.0%	Japan	6,864,125	17.3%
3	China	2,448,126	4.5%	Taiwan	5,836,798	14.7%
4	Hong Kong	1,544,500	2.9%	Singapore	3,429,750	8.6%
5	Vietnam	938,000	1.7%	U.S.	1,894,241	4.8%
6	Indonesia	676,900	1.2%	Hong Kong	1,414,200	3.6%
7	Thailand	598,500	1.1%	Germany	645,640	1.6%
8	The Philippines	491,000	0.9%	Malaysia	625,500	1.6%
9	France	416,200	0.8%	Thailand	483,800	1.2%
10	Singapore	209,750	0.4%	The Philippines	478,000	1.2%
Ranking	2022			2023		
	Country	Amount	%	Country	Amount	%
1	Taiwan	9,779,476	13.7%	Taiwan	13,284,120	23.6%
2	Japan	9,212,205	12.9%	Japan	9,884,700	17.6%
3	U.S.	5,814,455	8.1%	Singapore	6,329,642	11.2%
4	Singapore	5,869,534	8.2%	U.S.	3,946,233	7.0%
5	Hong Kong	4,418,580	6.2%	Hong Kong	2,960,400	5.3%
6	France	3,104,006	4.3%	Russia	2,361,304	4.2%
7	China	1,961,100	2.7%	France	2,031,585	3.6%
8	Russia	992,156	1.4%	China	1,916,500	3.4%
9	Uruguay	701,408	1.0%	Thailand	1,772,500	3.1%
10	Vietnam	618,000	0.9%	Vietnam	1,585,903	2.8%

* Source: Korean Film Council (2024). *2023 Evaluation of the Korean Film Industry*. p. 90.

(approx. KRW 8.4 billion) over the past three years. This increase implies the changing landscape of the Asian market, where the popularity of Korean films is spreading to Southeast Asia beyond the Chinese-speaking region (China, Taiwan, and Hong Kong) and Japan. The increased import by Thailand and Vietnam is likewise noteworthy, while the Russian market is also on a gradual rise (Korean Film Council, 2024).

Another possible line of inquiry is the export revenue generated by each film. However, there are no clear statistics in this regard, and the Korean Film Council's data does not show earnings by specific films in specific countries. Therefore, data from the U.S. website Box Office Mojo, which is the largest data set currently available, has been used to estimate export values and evaluate the performance of Korean films in the global market.

The data analysis revealed that a total of 18 movies grossed more than USD 0.3 million (approx. KRW 400 million), with the number expected to increase to 25 if all box office data had been made public. This list was overwhelmingly topped by BTS's performance documentary *BTS: Yet to Come in Cinemas*, which grossed USD 27.74 million (approx. KRW 37 billion). As documentary films about K-pop performances and stars have recently taken up a large portion of the overseas revenue from Korean films, many musicians such as BTS, IU, Mamamoo, and Blackpink are not only taking to the stage but also screens with their documentary films. *BE: the ONE, BE: FIRST THE MOVIE* in third place is a documentary film about the Japanese boy band BE:FIRST that was produced by a Korean production company, and grossed nearly USD 3 million (approx. KRW 4 billion) in Japan alone.

Amid the persistent popularity of films released in 2022 such as *Broker* and *Decision to Leave*, genre films like *The Roundup: No Way Out* and *Love Reset* were also successes in 2023. In particular, *Love Reset* earned more than USD 2 million in Vietnam alone. *Oldboy* (2003) was

Table 7 Highest-grossing Korean Films in North America in 2023 (Unit: USD)

Ranking	Film	Year	Revenue	Genres
1	BTS: Yet to Come in Cinemas	2023	27,738,120	Performance documentary
2	The Roundup: No Way Out	2023	4,118,907	Crime/Action
3	BE:the ONE BE:FIRST THE MOVIE	2023	2,936,630	Performance documentary
4	Broker	2022	2,324,726	Drama
5	Oldboy	2023	2,083,578	Thriller
6	Love Reset	2023	2,038,558	Romance/Comedy
7	Decision to Leave	2022	1,428,831	Crime/Romance/Drama
8	The Moon	2023	1,283,241	Sci-fi/Drama
9	Concrete Utopia	2023	1,134,866	Disaster/Drama
10	Honeysweet	2023	789,990	Romance/Comedy
11	Soulmate	2023	769,640	Romance/Drama
12	The Childe	2023	727,432	Action
13	Emergency Declaration	2022	600,115	Disaster thriller
14	Next Sohee	2023	516,464	Drama
15	Ransomed	2023	436,616	Action/Drama
16	Dr. Cheon and the Lost Talisman	2023	414,179	Fantasy/Action
17	SUGA: Road to D-DAY	2023	350,386	Documentary
18	Tastes of Horror	2023	300,468	Horror

* Note: Based on data from Box Office Mojo, the statistics above aggregated the revenues generated in countries where each movie was released. The above list only includes films grossing more than USD 0.3 million. In addition, data on the countries of release was obtained from the Korean Film Council's KoBiz website (www.kobiz.or.kr). Box Office Mojo does not record all data on countries of release. In the case of some movies, the release records can be found in the KoBiz website, but there are no data on their actual revenues. As such, the revenues from *Sleep*, *Concrete Utopia*, *Decision to Leave*, *The Moon*, *Next Sohee*, and *Ransomed* are surmised to be larger than listed here, while *j-hope IN THE BOX*, *The Ghost Station*, *Cobweb*, and *The Witch: Part 2. The Other One* are also expected to join the list. In the case of revenues that spread over two years (2022-2023, 2023-2024), only the 2023 revenue was included in statistics based on estimates.

re-released as a re-mastered version to mark its 20th anniversary and grossed USD 2.08 million (approx. KRW 2.7 billion). *Oldboy*, which was arguably the true herald of the "K-movies" phenomenon, recorded more than 240,000 views while being streamed on iTunes after its theatrical release.

The Moon did not perform well in Korea but produced favorable results in overseas markets. The success of low-budget Korean independent films like *Next Sohee* is also positive news for the Korean film industry. Meanwhile, in addition to *Tastes of Horror* ranked 18th on the chart, horror movies that did not achieve much success in the Korean market, including *Devils*, *Chiaksan Mountain*, and *Carsleeping*, garnered decent earnings in the Asian market.

2) Continuation of remakes

It remains difficult for Korean films to be released in China due to China's ban on Korean content, but Korean movies and other content are continuing to be remade in the Chinese market. *Late Blossom* (2011), a film adaptation of Korean webtoon artist Kang Full's work, was remade as *Love Never Ends (Wo Ai Ni!)* in 2023 and achieved decent box-office success. With Kang Full's webtoons gaining great popularity in China, *The Witch* was remade in China as *To Be With You* in 2022, and *Light Shop* is reportedly expected to be adapted as well.

In addition, *Seven Days* (2007), a crime thriller revolving around the theme of maternal instinct, was remade as the Chinese movie *Last Suspect*, and the Korean human drama film *Pawn* (2020) was adapted into *Be My Family*. Korean romantic comedy *Too Beautiful to Lie* (2004), starring Kang Dong-won and Kim Ha-neul, was remade as a Chinese movie under the same English title.

This trend of remakes is also strong in Indonesia. After the great success of the Indonesian remake of the Korean movie *Miracle in Cell No. 7* (2013) in 2022, Korean comedy-drama film *Scandal Makers* (2008) was remade as an Indonesian film under the same English title, starring Vino G. Bastian, who had played the main character. The remake of *Hello Ghost* (2010) was also released to a favorable market performance.

Figure 6 **Posters for *Love Never Ends* (left), *Last Suspect* (middle), and *Scandal Makers* (right)**

* Source: IMDb

4. 2024 Forecast for Hallyu in Film

As the theory of a crisis of the film industry continues to be raised, it is difficult to conclude that the future of "K-movies" remains entirely bright. There appears to be a long way to go before the Korean film industry can bring back the renaissance it had enjoyed before the outbreak of the COVID-19 pandemic and the emergence of OTT platforms, and it is not an exaggeration to say that Korean movies are fighting for their survival. However, some hope still remains. First is the "crossover" strategy. As one axis of "K-entertainment," blending Korean films with Korean webtoons or K-pop, generates synergy and expands its influence, and cases of this confluence can be found in 2023 and are expected to take place even more frequently in the future. In the course of the expansion of crossovers, more elaborate research will be required to determine the relationship between films and OTT content, but it is still significant to consider the concept of "K-video content" encompassing Korean films and TV shows. Second is to increase revenue from technical services and intellectual properties. The location market that has been expanding after the pandemic and the continuous demand for remakes can be considered as optimistic signals in this regard.

Support strategies are the key to success. Though belated, it is nonetheless a relief that the National Assembly has organized a channel for exploring appropriate support plans in response to the rapidly-changing video industry. If practical and useful strategies are formulated in a timely manner, the current system of "K-movies," where individual entities are left to fend for themselves, will be able to transition to a faster and more efficient system. Korean cinema is currently recovering in increments. The movie theater industry is regaining life, and films that aptly satisfy audience demand can achieve huge success, as proven by the recent success of the

Korean movie *12.12: The Day*. Likewise, anticipated film franchises such as *The Roundup: Punishment* and *Veteran 2* are waiting for their next releases. This paper expresses hope that all of these prospective works will achieve their full potential.

3
Hallyu in Music

Hallyu in Music in 2023

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1. Current Status of Hallyu in Music

1) K-pop as a representative image of Korea

According to the *2023 Overseas Hallyu Survey* by the Korean Foundation for International Cultural Exchange (KOFICE), K-pop was the first image that came to mind in association to Korea for 14.3 percent of the general overseas audience in 2022 (see Table 1). Since 2017, K-pop has consistently held the top position in the survey for seven consecutive years, truly cementing its place as the most representative cultural content of Korea. Although K-pop was followed by Korean cuisine, Hallyu stars, dramas, and IT products and brands in the ranking, it is possible to infer that the success of Hallyu in these other fields is nonetheless indebted to Hallyu in music, considering the direct and indirect connections between Korean cuisine or Hallyu stars and K-pop.

Table 1 **Images Associated with Korea (Top Five Fields)** (Unit: %)

	K-pop	Korean cuisine	Hallyu stars	Dramas	IT products and brands
Rate	14.3	13.2	7.4	6.6	5.6

* Source: Reorganized based on KOFICE (2023). *2023 Overseas Hallyu Survey*. p. 38.

2) Spread of Hallyu in music

Among Hallyu consumers, 63.2 percent responded that they have experienced Korean music content, ranking it in third place after Korean cuisine and films (see Table 2). In particular, the experience rates for music content were high in China, Taiwan, Thailand, Malaysia, Indonesia, and other countries in the Asia-Pacific region. On the other hand, the music experience rates in Saudi Arabia, Egypt, and South Africa were relatively low. Meanwhile, Hallyu consumers worldwide were reported to consume Korean music content at an average of about 15.6 hours a month (KOFICE, 2023).

Table 2 **Experience Rate of Korean Cultural Content (Top Five Fields)** (Unit: %)

	Food	Film	Music	Dramas	Beauty
Rate	72.3	67.7	63.2	61.2	54.4

* Source: Reorganized based on KOFICE (2023). *2023 Oversea Hallyu Survey*, p. 41.

What makes this trend interesting is that, although music is the representative sector of Hallyu, favorability or Net Promoter Score (NPS) of such content tends to be relatively low in itself. This is because Korean music content, primarily centered on K-pop, is a divisive area with clear preferences. Dislike of Korean music can be interpreted to reflect racial connotations and conflicts surrounding K-pop. As a cultural phenomenon originating from the non-English-speaking, non-Western sphere, K-pop is considered an alternative or a challenge to the structure of the traditional global cultural hegemony, leading to antipathy from the U.S. and the West, which comprise the global cultural establishment (Lee, 2023; KOFICE, 2023).

As of the first half of 2023, among the total value of Korean cultural content exports, the music industry experienced a growth of 29.2 percent year-on-year, ranking in fourth place after animated films (71.3

percent), knowledge information (39.8 percent), and publishing (31.7 percent) (see Table 3). The music industry contributed 7.2 percent to the total exports of cultural content, taking the third position in the total export value after gaming (64 percent) and knowledge information (8 percent). However, the export value in the first half of 2023 saw a 41.6 percent decrease compared to the second half of 2022, likely to be influenced by the 2023 hiatus announcements of BTS and Blackpink, which were major contributors to physical album sales. Additionally, the overall value of Korean cultural content exports in the first half of 2023 decreased by 32.6 percent compared to the second half of 2022.

Table 3 **Export Value of the Content Industry from the Second Half of 2021 to the First Half of 2023**

(Unit: USD 1,000)

Sector	2021	2022p		2023p	Compared to previous half year (second half of 2022)	Compared to the same period in the previous year (first half of 2022)
	Second half	First half	Second half	First half		
Publishing	172,480	168,275	206,808	221,699	7.2%	31.7%
Comics	40,970	52,450	54,697	89,853	64.3%	71.3%
Music	537, 475	300,108	664,320	387,828	△41.6%	29.2%
Gaming	4,996,323	3,653,912	5,319,463	3,446,009	△35.2%	△5.7%
Films	28,725	21,714	49,726	23,666	△52.4%	9.0%
Animated films	108,005	48,877	123,189	45,393	△63.2%	△7.1%
Broadcasting	451.358	288,824	580,295	293,977	△49.3%	1.8%
Advertising	150,136	136,188	210,673	130,424	△38.1%	
Character	209,006	228,150	276,738	209,246	△24.4%	△8.3%
Knowledge information	334,578	311,010	379,002	434,700	14.7%	39.8%
Content solutions	144,062	107,629	125,928	103,177	△18.1%	△4.1%
Total	7,143,119	5,317,138	7,990,839	5,385,973	△32.6%	1.3%

* Note: Figures for 2022 and 2023 are estimates (p).

* Source: KOCCA (2024). *Content Industry Trends Analysis Report for the First Half of 2023*, p. xv.

2. Issues Concerning Hallyu in Music

1) The golden age of fourth-generation girl groups

It would be inaccurate to claim that there was a total absence of female groups among the K-pop groups that played a leading role in Hallyu in music by garnering an avid global fandom. In January 2012, even before Psy's *Gangnam Style* phenomenon, the top second-generation female group Girls' Generation demonstrated the broadening influence of K-pop beyond East Asia with a live performance on the U.S. terrestrial TV talk show, *Late Show with David Letterman*, marking the first appearance on the show by Korean artists. Another female group, KARA, also succeeded in captivating young Japanese audiences who had previously shown a lukewarm response to K-pop, unlike other East Asian countries. In 2010, KARA became the first Asian female group to enter the Japanese top 10 Oricon chart, as well as the first Korean singers to hold a solo concert in 2013 at Tokyo Dome, one of Japan's most iconic venues. Based on the path paved by KARA, several third-generation female groups, including Blackpink and TWICE, achieved outstanding performance in overseas markets. Notably, Blackpink, alongside BTS, played a pivotal role in expanding and globalizing Hallyu in the music industry, establishing themselves as symbolic icons of Korean culture.

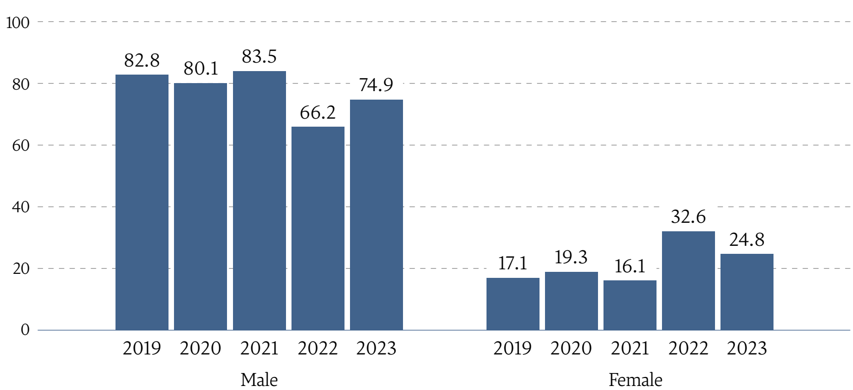
Figure 1 **KARA Sells Out the Tokyo Dome Concert in 2013**

* Source: *The Chosun Ilbo*/OSEN

Nevertheless, it cannot be denied that it was male groups that spearheaded Hallyu in the music industry. Second-generation male groups, such as Big Bang, Super Junior, and SHINnee, along with third-generation male groups like BTS, EXO, SEVENTEEN, and Stray Kids recorded significantly higher album sales than their female counterparts. These male groups also successfully conducted world tour concerts at large-scale venues, drawing enormous audiences. As such, it was a common perception that, until the early 2020s, female groups achieved great success in the domestic market due to their familiarity and accessibility, while male groups secured much higher success in overseas markets based on powerful performances and dedicated fandoms.

This trend, however, underwent a radical shift starting in 2022, when the landscape of the Hallyu music scene was altered by the emergence of fourth-generation female groups in the early 2020s, including IVE (debuted in 2021), LE SSERAFIM (2022), aespa (2020), NewJeans (2022), and (G)I-DLE (2018), the last of which debuted a few years before the others yet continues to garner massive popularity both domestically and globally. Following in the footsteps of top female groups from the past, they ranked highly on music charts in Korea, proving their popularity and achieving remarkable physical album sales, which is considered to be the sign of a deeply loyal fandom. Although the share of female singers in total physical album sales slightly decreased from 32.6 percent in 2022 to 24.8 percent in 2023, it still maintained a growth trend in the 20 percent range compared to the past when it remained in the 10 percent range.

Figure 2 **Annual Cumulative Physical Album Sales Ratio by Gender (2019-2023)**



* Source: Circle Chart/J. Kim (2024)

In particular, NewJeans won "Best Song of the Year" at the 15th Melon Music Awards 2023, "Singer of the Year" and "Song of the Year" at the 2023 MAMA Awards, "Rookie of the Year," "Best K-Pop Album," and the "Best K-Pop Song" at the Korean Music Awards after recording 4 million physical album sales in 2023 alone. As such, NewJeans has joined the top echelon of K-pop groups, having earned all-round recognition for their commercial, mass, and musical appeal within just a year and a half since their debut. Moreover, NewJeans' second EP (a mini-album), *Get Up*, released in 2023, has charted on the Billboard 200 for 26 consecutive weeks (as of January 24, 2024). This places NewJeans among a highly exclusive tier of K-pop groups that kept their place on the Billboard 200 chart for more than 20 weeks, following only BTS and Blackpink.

Figure 3 **NewJeans Showcases Peak Performance in 2023**

* Source: *The Joongang Ilbo*/ADOR

Similarly, (G)I-DLE placed two albums on the Billboard 200 in 2023, while LE SSERAFIM and IVE achieved outstanding performances on the Billboard Global, which heralded the rise of a new generation in the Hallyu music scene. Meanwhile, TWICE's album *Ready to Be*, released in 2023, ranked second place on the Billboard 200, and Jenny, a member of Blackpink, entered the Billboard Hot 100 singles chart. Both instances demonstrated the remarkable staying power of third-generation female K-pop groups.

Certainly, the forefront of Hallyu in music is led by third and fourth generation male groups, including SEVENTEEN, Stray Kids, NCT Dream, Tomorrow X Together, ENHYPEN, and ZEROBASEONE, who consistently attract popularity in global markets. However, in a landscape where these artists are failing to hold the same level of market influence or dominance as Big Bang, Super Junior, or BTS did in the past, the rapid progress shown by K-pop female groups symbolizes the onset of a new era in the music scene. Moving forward, it will be essential to observe whether the influence of female groups will enable Hallyu in music to successfully navigate this transitional phase and settle into a stable trajectory.

2) Increasing attention of overseas audiences toward Korean music beyond K-pop

As examined above, it is evident that K-pop has been at the forefront of Hallyu in music among various Korean music genres. However, given the origin of K-pop from Korea, a non-English speaking and non-

Western country that is considered a "minor" region in the global pop music industry, the genre has come to be defined as somewhat of a subculture rather than a part of mainstream culture. This positioning has led K-pop to be perceived as an alternative of sorts for the English-centric global pop music scene, rather than a product for mainstream sensibilities, despite being a popular genre among audiences in their teens and twenties. At the same time, many young overseas fans of K-pop generally regard the genre as a way of distinguishing themselves from older generations (Lee, 2023). Consequently, there is a growing phenomenon where many fans of Hallyu pay attention not only to widely known groups like BTS and Blackpink but also to artists from smaller entertainment companies or idol groups who may not receive widespread attention but present great performances and music. In addition, fans are increasingly drawn to artists within the K-pop system whose style deviates somewhat from typical K-pop music.

These trends have prompted many K-pop fans to explore Korean music beyond the conventional K-pop. By the late 2010s, numerous Korean indie bands such as Jambinai, Sultan of the Disco, Hyukoh, and SURL, as well as R&B and hip-hop artists, including Dean and Colde, had already gained recognition as "non-K-pop Korean music," attracting international fans. Some of these artists have even garnered more recognition from global fans than within Korea, leading to more extensive performances abroad. Overseas fans adopt terms, such as K-indie, K-hip hop, and K-rock to distinguish these genres from K-pop while enjoying the diverse musical offerings.

Figure 4 **Indie Band SURL on Tour in North America**

SURL's North America tour dates poster


SURL on stage in the U.S.

* Source: MPMG Music

The focus on Korean music beyond K-pop has significantly increased since 2023. Silica Gel, an indie rock band that debuted in 2015, achieved notable success by winning "Rookie of the year" in 2017, "Best Modern Rock Song of the Year" in 2022 and 2023 at the Korean Music Awards, and "Best Music Style" at the Melon Music Awards in 2023, while retaining a dedicated fandom in Korea as well. They also garnered a tremendous response from international music fans with performances in East Asian countries including Hong Kong, Taiwan, and Japan. Additionally, Say Sue Me, a rock band from Busan, gained attention domestically after being mentioned by the legendary British singer Elton John in 2018 on his show on Apple Music Radio, leading to a so-called "reverse import" to Korea. In October 2023, the band performed an online live show to a favorable response on *Tiny Desk Korea*, the Korean version of the popular music program *Tiny Desk* hosted by the U.S. public radio company NPR.

Figure 5 **Say Sue Me, Performing Live Music on *Tiny Desk Korea***

* Source: YouTube channel *Tiny Desk Korea* (@TinyDeskKorea)

Wave to Earth and Parannoul have been at the forefront of new Hallyu in music since 2023, drawing immense attention from international fans of Korean music. The indie rock band Wave to Earth, which debuted in 2019, performed a number of live shows in Thailand and the U.S. in 2023, attracting meaningful attention from overseas fans. In particular, their month-long U.S. tour in August sold out all 22,000 tickets as soon as ticket sales opened, leading to an extension of the number of concerts from 12 to 20 shows to accommodate their explosive popularity (Eo, 2023). The band toured a total of 18 cities, including Chicago, Los Angeles, Toronto, and San Francisco, drawing attention not only around North America but from around the world. As a result, the number of monthly listeners for the band on Spotify, the world's largest music streaming platform, reached 7.24 million people, which is on a par with most popular K-pop groups (Kim, 2023).

Figure 6 **South Korean Indie Rock Band Wave to Earth on Tour in the U.S.**

* Source: *The JoongAng Ilbo*/Roger Tam

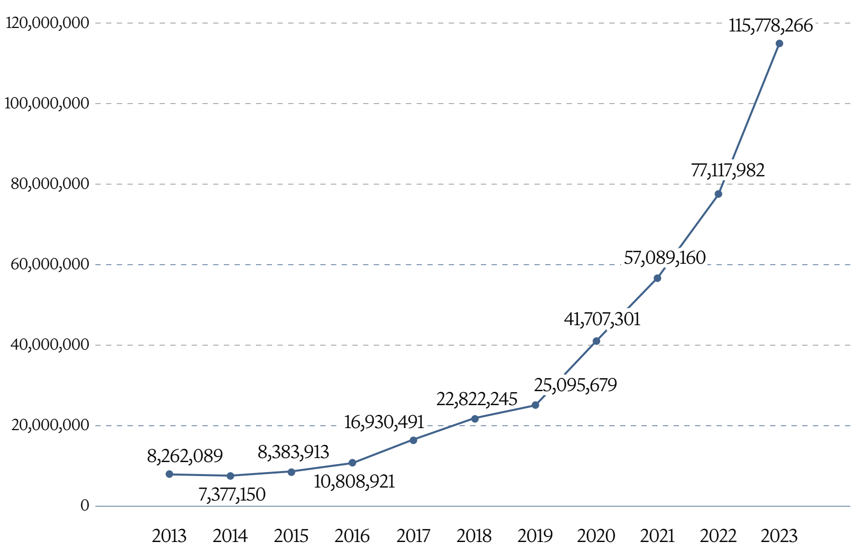
Another indie singer, Parannoul, is an artist who prefers to upload his songs to online platforms such as YouTube and SoundCloud rather than focusing on live performances and other offline activities. His music began to be recognized by international audiences in 2021 upon receiving high praise from online media such as Pitchfork, a global music review webzine, and Rate Your Music, a global Internet community where users rate music. Parannoul's album, *After the Magic*, was released in January 2023 and garnered such a fervent response that it was named "The Best New Music" on Pitchfork with an outstanding score of 8.4, the highest ever given by Pitchfork to a Korean album.

The surge of Korean music beyond K-pop into the global spotlight can be attributed to two key factors: shifts in the media landscape for consuming music and changes in the strategies adopted by Korean musicians to engage with international audiences. First of all, as the primary means of listening to music has shifted from physical records and digital downloads to Internet streaming platforms such as Spotify, Apple Music, and YouTube Music, the curation services and algorithmic recommendation services offered by these platforms have become increasingly influential. As a result, music with distinct sensibilities can easily reach listeners who enjoy the same style and can be quickly shared with a global audience through the global network of these platforms. This means that, with the global popularity of K-pop, other genres of Korean music are also being recommended to K-pop fans. Another change from the past in this new music environment is that Korean singers who perform non-mainstream music are now actively seeking to enter overseas markets rather than focusing solely on the local scene. Wave to Earth, for example, sings most of their songs in English, making them more accessible to international fans of indie rock music. This trend can also be attributed to the global success of K-pop, which has grown interest in Korean music and culture.

3) Physical album sales surpassing 100 million

According to a report from Circle Chart, a music chart operated by the Korea Music Content Association, sales of Korea's top 400 albums in 2023 exceeded 100 million units for the first time, reaching approximately 116 million units (see Figure 7). This was nearly double the 57 million units sold in 2021 and about 1.5 times more than the 77 million units sold in 2022. Physical album sales, which jumped from 25 million units in 2019 to 42 million units in 2020, continued their steep rise four years later in 2023 (J. Kim, 2024).

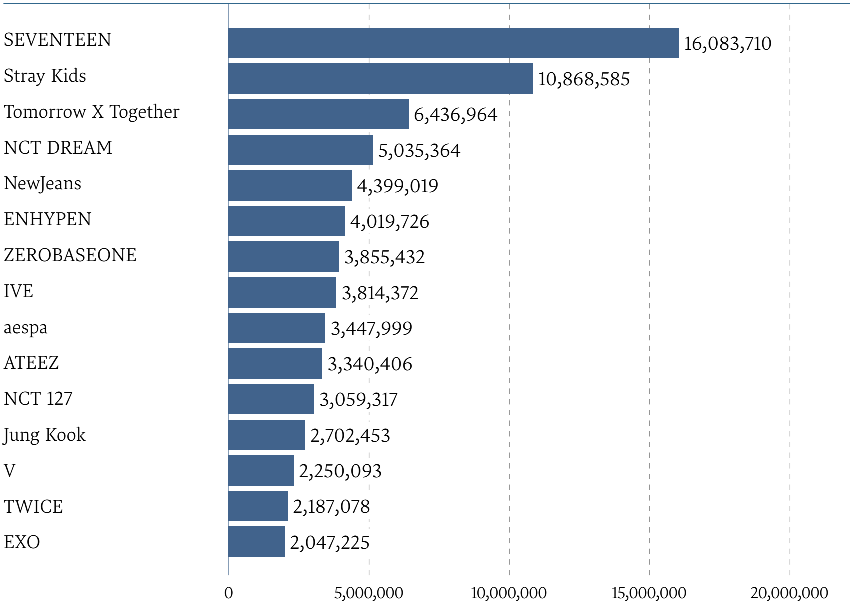
Figure 7 **Annual Physical Music Album Sales from 2013 to 2023 (Total Sales in the Top 400)**



* Source: Circle Chart/J. Kim (2024)

Despite BTS's hiatus due to mandatory military service, there has been a notable surge in physical album sales, largely due to the strong album sales of third-generation male groups that debuted in the mid-2010s alongside BTS, as well as fourth-generation groups that debuted in the late 2010s and early 2020s, such as SEVENTEEN, Stray Kids, Tomorrow X Together, and NCT Dream. In particular, SEVENTEEN sold a total of 16 million albums, including their EP titled *FML*, which was the top-selling physical album in 2023 with over 5.5 million copies

Figure 8 **Cumulative Physical Album Sales in 2023 (Ranked 1 to 15)**

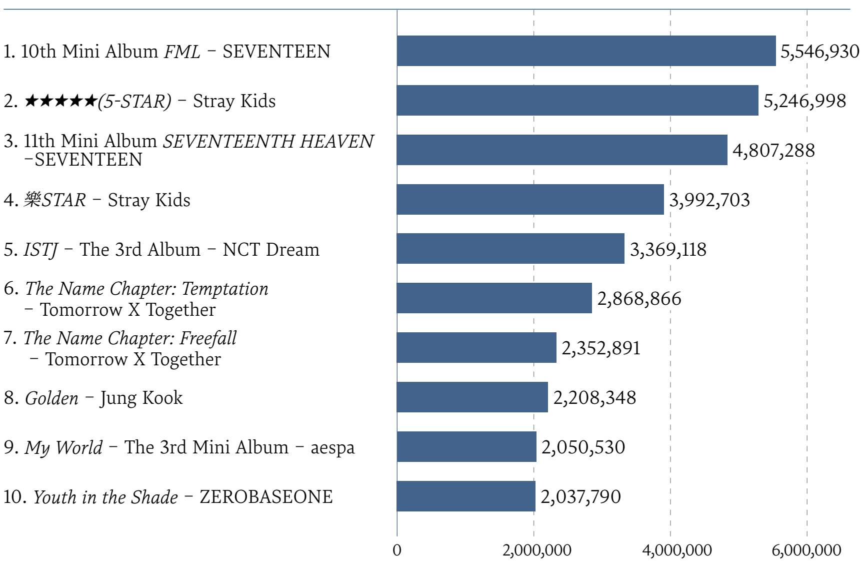


* Cumulative album sales: Sum of all album sales for each artist
* Including collaborations, solo, and unit activities.
* Data period: Weeks 1 to 50, 2023

* Source: Circle Chart/J. Kim (2024)

sold, accounting for approximately 14 percent of total physical album sales in Korea in 2023 (see Figures 8 and 9). SEVENTEEN's primary base of popularity has been in East Asia, with their 10 albums topping Japan's Oricon Albums Chart, while the two EPs released in 2023 peaked at No. 2 on the Billboard 200 chart. Stray Kids achieved the second-highest physical CD sales in the U.S. following Taylor Swift, with their 2023 album amassing nearly 1 million copies sold in the U.S. alone (G. Kim, 2024). Other K-pop female groups such as NewJeans, IVE, aespa, and TWICE also recorded high physical album sales, with NewJeans ranking fifth in cumulative physical album sales in 2023, the highest ranking among female groups (see Figure 8).

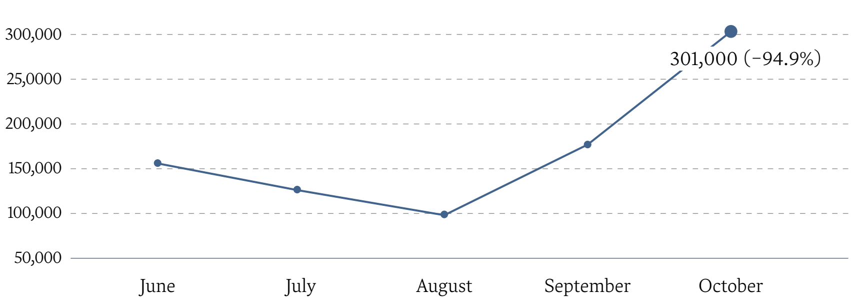
Figure 9 **Physical Single Album Sales Rankings for 2023**



* Source: Circle Chart/J. Kim (2024)

The increase in physical album sales in 2023, exemplified by the cases of SEVENTEEN and Stray Kids, is strongly related to a shift in the global K-pop market, namely the expansion of the market for Hallyu in music from East Asia, namely Japan and China, to North America and Western Europe. Indeed, in 2023, Germany, France, the UK, and Canada, which have always been among the top 10 countries in terms of global music market size, joined the ranks of the top 10 export destinations for the Korean music industry (J. Kim, 2023). This indicates the success of the strategy pursued by the Korean government and the local music industry since the mid-2010s, which aimed to diversify the music market and reduce its dependence on East Asia. However, in China, which has been a crucial market for Hallyu in music thus far, K-pop album sales have witnessed a significant drop since the second half of 2013. This decline has raised concerns among some regarding potential challenges for the future of Hallyu in music (see Figure 10).

Figure 10 **Change in K-pop Album Exports to China from June to October 2023** (Unit: USD)



* The number in parentheses indicates the rate year-on-year.

* Source: *The Asia Business Daily*/Moon

3. Major Destination Countries and Routes of Hallyu in Music

1) Current status of Hallyu in music by region

One of the most straightforward and rapid indicators of the current status of Hallyu in Music is the value of physical album exports. In 2023, Korea's album exports amounted to USD 270.025 million (approx. KRW 349.6 billion), a 17 percent increase from USD 231.39 million in 2022 (approx. KRW 299.2 billion) (E. Lee, 2024). The largest export destination was Japan, with KRW 149.6 billion, up 37.6 percent year-on-year. This accounted for about 42.8 percent of total exports, underscoring Japan's continued presence in the landscape of Hallyu in music.

Compared to 2022, the most conspicuous change was a significant increase in exports to the U.S. and a significant decrease in exports to China. From January to November 2023, the value of music exports to the U.S. was USD 59 million (approx. KRW 76.3 billion), up about 52 percent from the previous year, while exports to China fell by more than half to USD 25.51 million (approx. KRW 33 billion) from USD 51.33 million (approx. KRW 66.4 billion). This highlights the growing trend of Hallyu in music expanding beyond East Asia to a broader global audience in 2023.

Table 4 **Current Status of Album Exports** (Unit: KRW 100 million, %)

Year/Region	2022	2023	Percentage for 2023	Percentage change from prior year
Japan	1,087	1,496	42.8	37.6
China	664	330	9.4	-50.0
U.S.	503	763	21.8	52.0
Others	738	907	26.0	22.9
Total	2,992	3,496	100.0	17

* Source: Reorganized based on data cited in E. Lee (2024).

An overview of the Korean music industry's exports by continent, country, and year is as follows:

Table 5 **Current Status of the Korean Music Industry's Exports by Region** (Unit: USD 1,000)

Year /Region	2020	2021	2022	Percentage (%)	Year-on-Year Percentage Change (%)	Average Annual Percentage Change (%)
Greater China	114,717	146,142	163,139	17.6	11.6	19.3
Japan	320,126	310,503	361,809	39.0	16.5	6.3
Southeast Asia	122,813	140,569	147,074	15.9	4.6	9.4

* Source: Ministry of Culture, Sports and Tourism (2024). *2022 Content Industry Statistics.* p. 128.

2) Entry routes of Hallyu in music to the global scene

Overseas audiences attributed the popularity of Hallyu in music to the following factors: the quality of the music, characterized by its catchy melodies and rhythms; the aesthetic appeal of the performers, including their attractiveness and fashion sense; their elaborate and dazzling performances; and their distinctive style, which sets them apart from artists in their audiences' home countries (see Table 6). Interestingly, regions outside of the Asia-Pacific cited the unique style of Korean music as a main factor contributing to its popularity. This suggests that, in Asia, where there is a high degree of cultural proximity and a relatively long history of consuming Korean cultural content, consumers tend to focus on the intrinsic characteristics of Korean music and culture itself. In contrast, other regions place more emphasis on the distinctiveness of Korean music compared to their own music and the global music scene.

Table 6 **Factors Contributing to Hallyu in Music** (Unit: %)

Factor/Region	Aesthetic appeal of performers (looks, fashion, style, concept, etc.)	Unique	Percentage for 2023	Percentage change from prior year
Asia-Pacific	34.8	(Not mentioned)	23.8	27.6
Americas	(Not mentioned)	30.3	12.7	29.8
Europe	23.2	27.8	(Not mentioned)	32.6
Middle East	24.9	22.4	27.8	(Not mentioned)
Africa	28.5	30.0	24.1	(Not mentioned)

* Source: Reorganized based on KOFICE (2023). *2023 Overseas Hallyu Survey.* pp. 76-85.

4. Forecast of Hallyu in Music

1) "K-pop crisis" theory

Considering various factors such as album sales and exports, international chart performance, concert attendance, critical acclaim, and popularity on global social and media platforms, it is evident that Korean music is currently having a greater impact on the global music industry than ever before. This trend, which began in the late 1990s in East Asia, has now expanded outside the region since the success of *Gangnam Style*, and has been further propelled by BTS. The interest in Korean music has sparked interest in a wider array of cultural genres, including Korean dramas, movies, and variety shows. Recently, this interest has reached a point where anything related to Korean culture captivates global audiences. In addition, the last two to three years have seen the production and favorable receptions of overseas films about the Korean overseas diaspora, such as *Minari*, *Pachinko*, and *Beef*. This shows that the brand of "Korean culture" itself is considered interesting and attractive among global audiences, and undoubtedly, this change has been driven by the worldwide success of K-pop and Korean music.

However, at a time when Korean music, especially K-pop, is at the peak of its popularity in international markets, industry insiders are raising concerns about a looming "K-pop crisis." This is a sentiment shared by Chairman Bang Si-hyuk of Hybe, the entertainment agency representing some of the world's most renowned K-pop groups such as BTS, NewJeans, SEVENTEEN, and LE SSERAFIM.

Since the beginning of 2023, Chairman Bang has repeatedly argued through media interviews, public lectures, and television appearances that K-pop's growth is slowing down, signaling an impending crisis, urging the industry to exercise vigilance rather than resting on its laurels. He also explains that the current success of K-pop has been magnified

Figure 11 **Bang Si-hyuk and Park Jin-young Discussing the K-pop Crisis Theory**

* Source: *You Quiz on the Block* Ep. 127 on tvN

by the exceptional achievements of BTS, while the actual scalability of K-pop is limited due to its heavy reliance on the devoted fanbase while lacking broader appeal among general audiences. Additionally, he contends that K-pop's excessive attachment to the letter "K," referring to a sense of Korean identity, makes it less globally inclusive, ultimately advocating that these issues must be addressed to ensure the sustainability of K-pop (Yun, 2023; Seo, 2023; Lee & Jeong, 2023).

Those who agree with the K-pop crisis theory raised by Chairman Bang and other industry insiders note that BTS's importance to the global success of K-pop and Korean music is so large and significant that their suspension of group activities would be a major blow to the industry and the broader phenomenon of Hallyu in the music sphere. Further supporting the K-pop crisis theory is the fact that album exports to China, which have been a large part of Hallyu in music, have declined significantly due to Chinese regulations and an economic downturn.

Indeed, from June to October 2023, album exports to China dropped by more than 95 percent year-on-year, resulting in a downturn in the stock prices of major Korean agencies (Song, 2023). Moreover, the failure of the new generation of male groups to generate popular hits following BTS is frequently cited as evidence that the growth of K-pop has reached its limits. The leading groups driving Hallyu in music in 2023 debuted around the same time as BTS, which debuted in the mid-2010s. These include SEVENTEEN (debuted in 2015), NCT Dream (debuted in 2016), and Stray Kids (debuted in 2018). Conversely, later groups, such as Tomorrow X Together (debuted in 2019), ENHYPEN (debuted in 2020), and ZEROBASEONE (debuted in 2023), have struggled to expand their popularity beyond their dedicated fanbases, raising concerns that K-pop has failed to create so-called "light fans" beyond the hardcore fanbases.

However, there are counterarguments to the K-pop crisis theory. First of all, Hallyu in music continued to grow even in 2022 and 2023, despite the lack of economic activity generated by BTS as a group, such as album releases or performances, due to their hiatus for compulsory military service. This could be evidence that their vast fanbase has not ceased to consume K-pop altogether, but instead shifted its attention to other K-pop artists. Moreover, the new female groups that have emerged since the beginning of the 2020s, such as NewJeans, IVE, and LE SSERAFIM, are swiftly solidifying their presence and catalyzing a generational shift in K-pop. They have also become advertising models for global giants such as Apple and Coca-Cola, establishing an image of familiarity rather than detachment from the public. This signifies an organic transition of K-pop into a new era. It is also a positive sign that, despite the slowdown in album sales in China, K-pop is successfully compensating by achieved growth in Japan, the U.S., and Europe. This can be interpreted to indicate the success of the Korean music industry's strategy of actively expanding its scope of activities beyond East Asia and securing market diversity as K-pop evolved from first to fourth generations, thereby changing the very nature of Hallyu in music (J. Kim, 2023).

There are also critics who contend that the K-pop crisis pointed out by Bang is a consequence of industry decisions. They argue that, while Bang may not be wrong in his assertion that the root cause of the K-pop crisis is the overreliance on consumption by hardcore fandoms, it is the K-pop industry, including Hybe, that has made it less accessible to casual fans by encouraging hardcore fans to consume more instead. The marketing tactics adopted by K-pop agencies are becoming more and more intense, which entice fans to purchase large quantities of albums by releasing multiple variations of each physical album and offering coupons for artist autograph sessions, randomized photo cards, and photobooks included in albums. For example, the EP *Easy* by Hybe's LE SSERAFIM, released in February 2024, was sold in 10 different versions. Encompassing randomized photo cards, postcards, and stickers included in each version, there are essentially dozens of variations available for each album. Furthermore, with each purchase of a physical album offering a lottery coupon for a chance to attend a fan autograph event, it has become a regular practice among fans to buy dozens or even over a hundred physical copies to increase their chances of winning. The prices of concert tickets have also steadily risen. For example, in 2019, BTS's

Jamsil concert was priced at KRW 110,000 for all seats, while in March 2022, the price increased to KRW 165,000 for general seats and KRW 220,000 for VIP seats. This practice by local music agencies is criticized for exploiting the hardcore fanbase, aiming to maximize profits rapidly while their artists remain popular, potentially alienating more casual fans and neglecting considerations of sustainability (S. Lee, 2023).

Figure 12 **LE SSERAFIM Autograph Event in 2023**

* Source: YouTube Channel *iKkura Pro* (@iKkuraPro)

The K-pop crisis theory is a warning worth heeding, indicating that it is crucial to avoid complacency and carefully consider the limits of K-pop's growth despite its current peak in popularity. However, it is just as necessary to analyze whether the term "crisis" arises from a business analysis indicating that the revenue model of Hybe and other entertainment agencies has reached its limits, or whether it is a strategic choice of word intended to provoke both inward and outward vigilance by adopting a term with somewhat inflammatory connotations. Furthermore, if K-pop is indeed in crisis, it is essential to critically identify the actor that bears responsibility for it and whether meaningful efforts are being made to address the situation.

2) "K" vs "pop": To separate the "K" from the "pop" or to keep them together?

Jung Kook, the lead vocalist of BTS, released his debut solo studio album titled *Golden* in 2023, marking the most successful solo album of the year. With over 2.4 million copies sold, the album featured chart-topping hits including *Seven*, *3D*, and *Standing Next to You*, all of which secured spots in the top five of the Billboard Hot 100 singles chart.

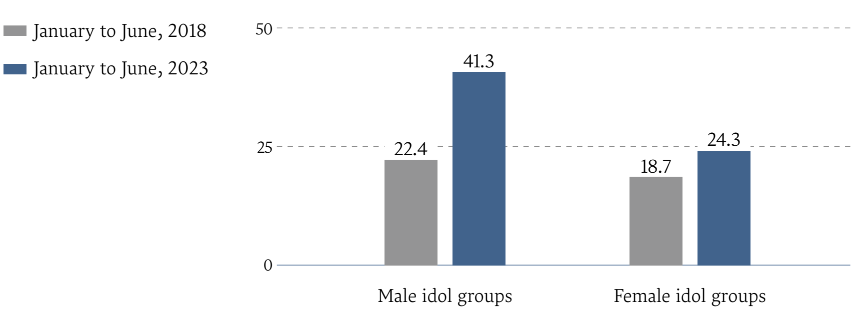
Figure 13 **Cover Image of *Golden*, Jung Kook's Debut Studio Album**

* Source: BIGHIT MUSIC

However, his album takes a different approach from the solo albums of other BTS members, such as RM, Jimin, and Suga. It showcases extensive collaborations with global pop stars like Ed Sheeran, Shawn Mendes, and Major Lazer, with all 11 songs on the album featuring English lyrics. Notably, tracks like *Seven* and *Standing Next to You* may sound more like mainstream Western pop music rather than typical K-pop to listeners unfamiliar with the artist.

This trend is not limited to Jung Kook. As BTS scored significant hits with English-language songs like *Dynamite* and *Butter*, and as K-pop became a global phenomenon beyond Korea and East Asia, an increasing number of Korean artists are producing songs in English in the 2020s (see Figure 14). In addition, singers in genres outside of K-pop that have recently gained traction with international audiences, such as hip-hop, R&B, and indie rock, are also opting to perform exclusively in English.

Figure 14 **Changes in the Proportion of English Lyrics in Korean Music**



* Subject: Idol group songs in the top 400 of the Circle Chart in the first half of 2018 and 2023 (excluding songs with entirely English lyrics).

* Source: *The Hankook Ilbo*/Shin

The aforementioned Korean indie rock bands Wave to Earth and Say Sue Me also write most of their lyrics in English. This trend is gradually intensifying due to the increasing reliance on the U.S. and Western markets.

This trend has ties to the aforementioned "K-pop crisis theory." To reach much broader audiences overseas, K-pop agencies and singers dilute the "Korean-ness" of K-pop and Korean music, and instead emphasize global universality by using English lyrics in their songs. Popular music has historically been one of the most susceptible genres of cultural content in terms of its format being influenced by global trends. As such, the global pop music industry utilizes a broad creative foundation that draws from myriad genre formats ranging from rock, hip-hop, R&B, electronic music, pop ballads to jazz. Subsequently, one of the key factors that imbues a certain national identity to this universal genre of music is language (Lee, 2020). For example, if the lyrics to a piece of electronic dance music are written in Korean, the song would then be perceived by listeners as "Korean music." Therefore, writing a song in English rather than Korean, whether in K-pop or any other genre of Korean music, would strengthen its universality as a product of global pop music, while forsaking its local identity as Korean music. The statement made by Bang Si-hyuk and other music industry insiders that "the letter 'K' needs to be taken out of K-pop" ultimately implies that K-pop should be reduced to simply "pop".

As seen in Jung Kook's case, using English lyrics is surely one of the strategies that can enhance a song's universality and accessibility. However, given that most non-Asian countries still regard the reason behind the popularity of Korean music as "its unique style of music not found in their home countries," a more thoughtful consideration is needed on whether it is an effective strategy to prematurely abandon Korean-ness, which has characterized K-pop and Korean music thus far, in favor of reinforcing global universality.

For example, many Japanese J-pop singers, who thrived during the 1990s and enjoyed international popularity mainly in East Asia, released Western pop-style English records to erase their Japanese style and instead appeal to the global market, but these efforts ended in failure due to a lack of differentiation from global pop music. In contrast, the fact that a song by the Japanese artist YOASOBI is now gaining attention from U.S. and global consumers despite featuring Japanese lyrics instead of English is a clear indicator that there is demand among global listeners for non-English and non-Western music. Likewise, music genres from non-English speaking regions that have recently garnered popularity, such as Latin pop and Afrobeats, are loved by global consumers for their regionality-based differences from pop music from the English-speaking world (Yang, 2023). Moreover, the distinctive narratives and messages in the Korean lyrics of Korean music are much rarer in songs with English lyrics, signifying that the use of English lyrics may result in the abandonment of the uniqueness and strengths of K-pop and Korean music. Professor Lee Ji-haeng, who has been researching the BTS phenomenon, comments on the issue that "universality pursued by removing the 'K' from K-pop ultimately confirms to a westernized notion of universality" (J. Lee, 2024). In other words, creating K-pop that is more similar to mainstream music from the Anglosphere dilutes its characteristics as a subculture, peripheral culture, or alternative culture that it inherently possesses as non-English and non-Western music, thereby "westernizing" it. As Professor Lee points out, however, the extraordinary loyalty and enthusiasm of K-pop fandoms, which have propelled K-pop to its current prominence, are based on the recognition that K-pop and "we" who enjoy it are distinct from the mainstream. Stripping the 'K' from K-pop may well equate to the loss of its symbolic value as a cultural style that transcends music to represent the era and generations worldwide. As a double-edged sword in both the industrial and cultural sense, this issue will require a much more cautious approach.

4
Hallyu in Games

At the Crossroads of Growth and Decline

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1. Current Status of Hallyu in Games

1) Onset of a period of decline for the Korean gaming market after a decade of expansion

In 2022, the Korean gaming market was valued at KRW 22.2149 trillion, up by 5.8 percent compared to the previous year (KRW 20.9913 trillion). Given that the growth rate marked 21.3 percent in 2020 and 11.2 percent in 2021, it can be assumed that market growth is gradually slowing down (Korea Creative Content Agency (KOCCA), 2024b). It remains to be seen for the time being whether this downward trend should be construed as a sign of stabilization or decline in the market.

The salient aspects of the Korean gaming market by platform are as follows:

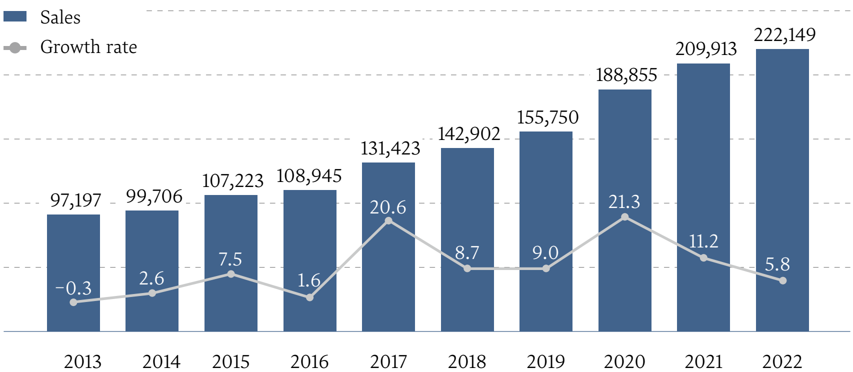
First, the mobile gaming market remains as steadfast as ever, having expanded both rapidly and broadly over time. However, its share of the entire gaming market stood at 49.7 percent in 2019, 57.4 percent in 2020, 57.9 percent in 2021 and 58.8 percent in 2022, showing only a slight increase in recent years. It is not certain whether this sluggish expansion of the mobile gaming market will continue in the future, but given the lack of significant changes in the shares of other platforms, it appears highly likely that the mobile gaming market will not expand by a considerable margin in the foreseeable future. Despite the insignificant increase in its market share, however, sales in the mobile gaming market amount to KRW 13.0720 trillion, a 7.6-percent increase from the previous year (KRW 12.1483 trillion). This is the second highest figure in terms of game development and publishing after arcade games (8.9 percent).

Second, while the arcade and PC gaming markets did not grow considerably, the console gaming market has turned from negative to positive growth in one year. The arcade and PC gaming markets grew year-on-year by 8.9 percent to KRW 297.6 billion and 3.0 percent to KRW 5.8053 trillion, respectively. However, the console gaming market, which had showed a year-on-year growth of 31.4 percent in 2019, 57.3 percent in 2020, and -3.7 percent in 2021, grew by 6.4 percent to KRW 1.1196 trillion in 2022, compared to the previous year (KRW 1.0520 trillion). In the case of the arcade gaming market, it can be surmised that the said market, which was directly impacted by the COVID-19 pandemic, saw a huge initial spike and entered into recovery, following the easing of social distancing and the rapid rise in demand for offline activities. The PC gaming market, which had diminished by 4.3 percent in 2019 before the outbreak of the pandemic, showed positive growth from 2020 to 2022, buoyed by the preference for non-face-to-face gaming in light of COVID-19. However, the PC gaming market showed limited growth, with its share of the entire gaming market hovering at the 26-percent range. As for the console gaming market, regardless of the shift from negative to positive growth, its market share in the low 5-percent range followed the PC gaming market in remaining at a similar level to 2021. This is potentially attributable to the absence of any market-changing trend with regard to console game devices or titles in 2022.

Third, there was a slight increase in sales of PC cafes and arcades following 2021, both of which had seen a huge drop in sales due to the impact of COVID-19. PC cafes experienced significant negative growth (-11.9 percent) from KRW 2.0409 trillion in 2019 to KRW 1.7970 trillion in 2020, and arcades also suffered from a fall in sales from KRW 70.3 billion in 2019 to KRW 36.5 billion in 2020, decreasing by nearly half (-48.1 percent). Naturally, in addition to the pandemic crisis, the decrease is also attributable to other factors such as the stagnation of the PC gaming market, concentration of use on mobile games, and a surge in the popularity of console games that can be enjoyed at home. However, sales in the gaming service market have finally rebounded, combined with increased outdoor activities, the government's policy to revitalize the arcade game industry, and the growth of the PC and arcade gaming markets.

Overall, when compared to the last four years, namely the pre- and post-COVID-19 pandemic period, it is hard to say that the Korean gaming market in 2022 achieved exponential growth (9.0 percent in 2019, 21.3 percent in 2020, 11.2 percent in 2021 and 5.8 percent in 2022), but it made relatively balanced growth across platforms. Meanwhile, trends in existing major market segments went from 1) platforms that have grown considerably (mobile & console games), 2) platforms where growth has been stagnant (PC & arcade games), and 3) gaming service providers (arcades & PC cafes) that have undergone significant negative growth, shifting to 1) platforms that are still growing, but at a gradually stabilizing rate (mobile games), 2) platforms where the slowdown in growth is evident (PC games), and 3) platforms (console & arcade games) and gaming service providers (arcades & PC cafes) that have bounced back from decline or stagnation.

Figure 1 **Size and Growth Rate of Korean Gaming Market (2013-2022)** (Units: KRW 100 million, %)



* Source: KOCCA (2024b). *2023 Game Industry White Paper*. p. 28.

Table 1 **Sales and Share of Korean Gaming Market by Platform (2019-2022)**

(Units: KRW 100 million, %)

Classification		2019		2020		2021		2022	
		Sales	Growth rate	Sales	Growth rate	Sales	Growth rate	Sales	Growth rate
Game developers and publishers	Mobile games	77,399	16.3	108,311	39.9	121,483	12.2	130,720	7.6
	PC games	48,058	-4.3	49,012	2.0	56,373	15.0	58,053	3.0
	Console games	6,945	31.4	10,925	57.3	10,520	-3.7	11,196	6.4
	Arcade games	2,236	20.6	2,272	1.6	2,733	20.3	2,976	8.9
Gaming service providers	PC cafes	20,409	11.6	17,970	-11.9	18,408	2.4	18,766	1.9
	Arcades	703	2.4	365	-48.1	396	8.6	438	10.4
Total		155,750	9.0	188,855	21.3	209,913	11.2	222,149	5.8

* Source: KOCCA (2024b). *2023 Game Industry White Paper*. p. 30.

In 2023, the Korean gaming market is forecasted to amount to KRW 19.7900 trillion in valuation, a decrease by 10.9 percent compared to the previous year. The reason behind this forecast of a contraction in the Korean gaming market, which has not seen negative growth since

2013 and appeared set to reach a stable valuation of KRW 20 trillion, is because consumers have more opportunities to enjoy different forms of entertainment and outdoor activities under the endemic phase of COVID-19, while the economic slowdown resulting from increased interest rates is turning into reality. The mobile gaming market, a main pillar of the Korean gaming market today, will maintain the largest market share, but its growth rate appears to be tied to movements in the overall Korean economy. The PC gaming market is highly likely to maintain the status quo, driven by multi-platformization and highly loyal players. The console gaming market also has positive growth factors, such as multi-platformization and market entry of game developers pursuing niche markets, but the market will be greatly influenced by the release timing of next-generation console devices and their popularity. Arcade games and arcades, which occupy a relatively small presence in the gaming market, may be affected by entertainment trends among the generations that enjoy arcade games, in the absence of unforeseen inflection points. Lastly, it is expected to be difficult for the popularity of PC cafes to grow over time, since the specifications of home PCs have advanced considerably, while the appeal of visiting PC cafes is diminishing (KOCCA, 2024b).

2) Korea's market share in the global gaming market remaining in fourth place at 7.8 percent despite only a 3.6 percent increase in exports

The value of game exports by Korea in 2022 totalled USD 8.98175 billion (approx. KRW 11.6040 trillion, based on the 2022 annual basic exchange rate of the Bank of Korea), a 3.6 percent increase from the previous year (USD 8.67287 billion). Following the enormous export growth of 80.7 percent in 2017, it had slowed down to 8.2 percent and 3.8 percent in 2018 and 2019, respectively, but then rebounded to a relatively high rate of 23.1 percent in 2020. However, this upward trend was only sustained briefly, and the growth rate fell back to a similar level to previous years at 5.8 percent in 2021 and 3.6 percent in 2022. By platform, mobile game exports accounted for the largest share at USD 5.56300 billion (USD 5.33030 billion in 2021), followed by PC games at USD 3.19467 billion (USD 3.14562 billion in 2021). Console game exports were valued at USD 186.51 million (USD 156.74 million in 2021) and arcade games at USD 37.57 million (USD 40.21 million in 2021). In 2022, the year-on-year game exports by Korea showed the upward trend across most platforms, and only exports of arcade games fell by 6.6 percent from the previous year.

Table 2 **Korean Game Exports and Imports (2016-2022)** (Units: USD 1,000, %)

Classification		2016	2017	2018	2019	2020	2021	2022
Exports	Value	3,277,346	5,922,998	6,411,491	6,657,777	8,193,562	8,672,865	8,981,751
	Increase/ Decrease	2.0	80.7	8.2	3.8	23.1	5.8	3.6
Imports	Value	147,362	262,911	305,781	298,129	270,794	312,332	260,163
	Increase/ Decrease	-17.0	78.4	16.3	-2.5	-9.2	15.3	-16.7

* Source: Reorganized based on the table on KOCCA (2024b). *2023 Game Industry White Paper*. p. 31.

The value of game imports by Korea in 2022 was USD 260.16 million (approx. KRW 336.1 billion), down by 16.7 percent year-on-year.

This marked another sharp fall for the growth rate of game imports, which had dropped since 2017 and briefly rebounded for the first time in four years in 2021. Over the seven years since 2016, it was only in 2018 and 2021 that the growth rate of imports exceeded that of exports, and for all other years except those two years, the growth rate of exports was higher than that of imports. While most platforms saw a decline in imports (arcade games at -66.3 percent, console games at -48.3 percent, and mobile games at -13.4 percent), only the value of PC game imports rose, marking an increase of 5.4 percent. This is a noteworthy change, considering that in 2021, conversely, the value of imports of all platforms significantly increased year-on-year, and PC games were the only platform whose import value decreased.

Table 3 **Korean Exports and Imports by Game Platform (2021 vs. 2022)** (Units: USD 1,000, %)

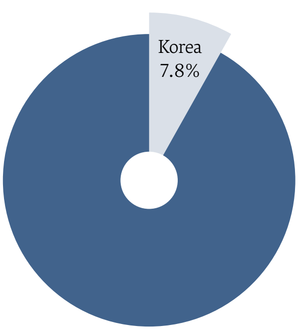
Classification		Overall		Mobile games		PC games		Console games		Arcade games	
		2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Exports	Value	8,672,865	8,981,751	5,330,298	5,563,002	3,145,623	3,194,667	156,736	186,509	40,208	37,573
	Increase/ Decrease	3.6		4.4		1.6		19.0		-6.6	
Imports	Value	312,332	260,163	225,753	195,416	40,651	42,831	35,664	18,456	10,264	3,460
	Increase/ Decrease	-16.7		-13.4		5.4		-48.3		-66.3	

* Source: Reorganized based on the figure on KOCCA (2024b). *2023 Game Industry White Paper*. p. 32.

In 2022, Korea occupied a 7.8 percent share of the global gaming market. Given that the country's market shares were 6.2 percent in 2019, 6.9 percent in 2020, and 7.6 percent in 2021, it can be concluded that Korea's market share has been gradually increasing by steady increments from previous years. In terms of global rankings, Korea has remained in fourth place in 2022 since it climbed by one place from fifth in 2020 to fourth in 2021. Subsequently, the gap between the UK in fifth place and Korea in fourth place widened from 0.8 percent in 2020 and 1.4 percent in 2021 to 2.2 percent in 2022. The gap with Japan in third place, meanwhile, stood at 1.8 percent, smaller than that with the UK. This marks a 0.9 percent narrowing of the gap with Japan from 2.7 percent in 2021, which highlights the question of whether Korea will be able to surpass Japan in the years to come. As the gap between the U.S. in first place (22.8 percent) and China in second place (22.4 percent) stood at only 0.4 percent, another pending issue is whether the rankings of the two countries will switch places.

Table 4 **Korea's Share and Standing in Global Gaming Market (2022)** (Unit: %)

Rank	Country	Market size (USD 1 million)	Share
1	U.S.	47,415	22.8%
2	China	46,677	22.4%
3	Japan	19,951	9.6%
4	Korea	16,227	7.8%
5	UK	11,615	5.6%
6	Germany	8,127	3.9%
7	France	7,814	3.8%
8	Italy	4,578	2.2%
9	Canada	4,217	2.%
10	Taiwan	3,126	1.5%
Below	Rest of the world	38,502	18.5%
Total		208,249	



* Source: PWC (2023), Enterbrain (2023), JOGA (2023), iResearch (2023), Playmeter (2016), NPD (2023); Requoted from KOCCA (2024b). *2023 Game Industry White Paper*. p. 767.

2. Issues Concerning Hallyu in Games

1) From the 2022 Asian Games to the League of Legends World Championship: Reaffirming Korea's position as the world's top e-sports powerhouse

The Korean national team has won the *League of Legends* (*LoL*) medal event at the 2022 19th Asian Games in Hangzhou. The Korean team, consisting of Lee "Faker" Sang-hyeok, Choi "Zeus" Woo-je, Seo "Kanavi" Jin-hyeok, Jeong "Chovy" Ji-hoon, Park "Ruler" Jae-hyuk, and Ryu "Keria" Min-seok, beat Taiwan 2-0 in the *LoL* finals held at the China Hangzhou E-sports Center on September 29, 2023. Korea's gold medal holds particular significance as e-sports was featured as an official medal sport for the first time at the 19th Asian Games. This is all the more meaningful considering that the Korean team had unfortunately settled for the silver medal at the 2018 Asian Games in Jakarta and Palembang, Indonesia, where e-sports was featured as a demonstration event.

In addition to *LoL*, Team Korea made a triumphant return home after winning medals across every discipline it participated in, including *LoL*, *EA Sports FC Online*, *Street Fighter V*, and *Player Unknown's Battlegrounds Mobile* (*PUBG Mobile*). Player Kwak Jun-hyuk claimed the bronze medal in *FC Online*, while Kim Gwan-woo won the gold medal in *Street Fighter V*, and the Korean national team won the silver medal in *PUBG Mobile*. In particular, Kim Gwan-woo has made headlines since he became a gold medalist in *Street Fighter V* despite the age of 44 while working as both a game developer and a professional player (Cho, 2023).

Meanwhile, Korea's winning streak continued from the *LoL* tournament at the 2022 Asian Games to 2023 LoL World Championship, the world's largest e-sports competition. At the event, Korea's SK Telecom T1 team, led by Faker, defeated Weibo Gaming (WBG) of China's League of Legends Pro League (LPL) 3-0 in the finals of LoL Worlds 2023 held at Gocheok Sky Dome, Seoul, on November 19, 2023. In doing so, T1 rewrote the history of LoL Worlds by earning its fourth win following 2013, 2015, and 2016, while Faker became the world's first player to win a fourth championship. Moreover, League of Legends Champions Korea (LCK) secured the top position in LoL Worlds for the second consecutive time, following DRX's win in 2022.

As the venue for the championship's finals, Seoul was filled with a festive atmosphere throughout the event. The Korean tourism publicity center HiKR GROUND, located in Jung-gu, attracted e-sports fans by decorating the entire space from the first floor to the fifth floor with a *LoL* e-sports theme during the championship, while Lotte World Mall in Jamsil hosted the 2023 Worlds Riot Pop-up Store. In addition, a drone light show was held around the waterside stage at Ttukseom Hangang Park, while the Worlds Fan Fest at Gwanghwamun Square attracted about 81,400 visitors. In particular, on the day of the final match of LoL Worlds 2023, a street cheering event took place at Gwanghwamun Square, the first of its kind for an e-sports event, and it was reported that about 15,000 participants flocked to cheer for the event (E. Kim, 2023).

2) Genre diversification and multi-platformization of K-games

The year 2023 was especially notable for Korean video game companies' forays into diverse genres and platforms in the global market with a series of highly acclaimed titles. Among them, Neowiz's *Lies of P* and Nexon's *Dave the Diver* made outstanding achievements.

In particular, *Lies of P* won the Grand Prize at the 2023 Korea Game Awards, marking the first time in almost 20 years since 2004 that a console game received the Grand Prize. *Lies of P* was released in September 2023 on console platforms including Xbox and PlayStation (PS) as well as the online platform Steam as a PC version. The Souls-like single-player action role-playing game (RPG) was well-received by players for its aesthetic in the Belle Époque of the late 19th century, its unique world-building based on a reinterpretation of the classic *Pinocchio* as a macabre fairy tale for adults, satisfying sense of impact, and excellent action gameplay.

[Term] Steam

A global online game distribution platform developed and operated by Valve Corporation. Steam functions as not only a global distribution channel, but also a testbed for online games to ascertain their chances of success in the global gaming market.

[Term] Souls-like

A subgenre of video games that are similar to or influenced by the Japanese *Souls* video game series. First conceived with *Demon's Souls* developed by FromSoftware, the *Souls* series refers to third-person action RPGs that have inherited a similar style of gameplay and controls. The *Souls* series is characterized by dark fantasy settings, 3D action RPG gameplay, and an extremely high level of difficulty.

The artistic value of *Lies of P* was initially acknowledged on the global stage. At the 2022 Gamescom Awards, an international gaming event held in Cologne, Germany from August 24 to 27, 2022, *Lies of P* recorded the historic achievement of being the first Korean game to win three categories, securing awards for Best Action Adventure Game, Best Role Playing Game, and Most Wanted Sony PlayStation Game. During its debut week from September 18 to 24, 2022, *Lies of P* ranked third in the video game charts in both the UK and France, while securing the top spot in the German chart and third place in the Japanese chart in the PS5 category, while also making the charts in the U.S. and Canada. Within a month of its release, *Lies of P* achieved cumulative sales of one million units, among which over 90 percent of total sales came from overseas markets, including North America, Europe, and Japan (Jin, 2023). Over 90 percent of Steam users worldwide endorsed *Lies of P* with a "Recommended" rating. Additionally, on Metacritic, a platform that compiles reviews for diverse content, the game garnered user scores of 81 out of 100 for PS5, 82 for PC, and 84 for Xbox platforms. *Lies of P* secured the title of "Mac Game of the Year" at the 2023 Apple App Store Awards. Moreover, it earned nominations in two categories—Best Art Direction and Best Role-Playing Game—at The Game Awards, a prominent international awards ceremony celebrating the best games of the year in the video game industry (E. Kim, 2023).

Dave the Diver is a hybrid marine adventure video game developed by Mintrocket, a standalone brand under Nexon. This game was first released on Steam on June 28, 2023. Since its release, it has garnered positive reviews from both players and critics for its unique gameplay and completeness. Immediately after its release, *Dave the Diver* surged to the top spot in global sales on Steam, and as of July 8, its cumulative sales have exceeded one million copies (E. Kim, 2023). Notably, 97 percent of Steam user reviews for the game were positive, resulting in an "Overwhelmingly Positive" rating overall. *Dave the Diver* attained an average Metascore of 90 and earned the "Must-Play" badge for the first time among Korean games (Lee, 2023). It is also noteworthy that *Dave the Diver*, along with *Alan Wake 2, Baldur's Gate 3*, and *The Legend of Zelda: Tears of the Kingdom*, was selected in the 10 Best Video Games of 2023 list by *The New York Times*. In addition, *Dave the Diver* has been nominated for several renowned game awards, including The Game Awards and Golden Joystick Awards (Ahn, 2023).

Many other titles are either already available on the global market or in the process of launching globally. *The Finals*, a first-person shooter (FPS) game developed by Nexon and officially released on Steam in December 2023, recorded 10 million cumulative users within two weeks of its release. The game will also be released for the PS5 and Xbox Series X and Series S platforms as well. In addition to *The Finals*, Nexon is also planning to release other major new titles such as *The First Descendant* and *The First Berserker: Khazan*, utilizing the intellectual property of *Dungeon & Fighter*, for PC, Xbox, and PS in 2024. Among them, the looter shooter *The First Descendant* had about 77,000 concurrent players on the first day of its open beta on Steam (E. Kim, 2023).

[Term] Looter shooter

A subgenre of action role-playing games that combine elements of shooter games with item-farming elements. Core features include acquiring experience, collecting loot, employing firearms as the primary weapon, and allowing players to directly aim and shoot during gameplay.

Meanwhile, NCSoft is directing its efforts towards the release of new console games, notably *Throne and Liberty* (*TL*) and *LLL*. *TL*, a massively multiplayer online role-playing game (MMORPG) launched in Korea on December 7, 2023, features a seamless world and dungeons that change depending on the weather and environment. It incorporates a free class system that allows players to freely choose their roles based on the situation, alongside a customizable player-versus-player (PvP) system. *LLL*, which is expected to be released sometime in 2024, combines an open world MMORPG experience with third person shooter (TPS) elements. Notably, *LLL* focuses on pioneering a new hybrid genre instead of following the current trends dominated by genres like battle royale or looter shooter games.

In December 2023, LINE Games launched *The War of Genesis: Remnants of Gray* for the Nintendo Switch, a remake of the first and second installments of Softmax's *The War of Genesis* series, which were popular in Korea's physical video game release market during the 1990s.

Meanwhile, Kakao Games is in the process of developing *ArcheAge Ⅱ*, a sequel to the renowned MMORPG *ArcheAge*, for PC and consoles, with plans to open a closed beta test (CBT) in 2024. Krafton will unveil *Project BlackBudget*, an open world extraction shooter, and *inZOI*, a life simulation game, in 2024 (E. Kim, 2023).

3) Global game shows entering a new era

Having begun in 1995 and subsequently rising to one of the three top video game showcases worldwide, along with Gamescom and Tokyo Game Show, Electronic Entertainment Expo (E3) is now on the precipice of fading into history. The Entertainment Software Association (ESA), the organization behind E3, announced on December 12, 2023 that it has decided to no longer host E3. While the game show once provided a venue for announcing highly anticipated new games, new technologies, and new console models, critics had pointed out that its standing has diminished in recent years, as major console companies like Nintendo, Sony Interactive Entertainment (SIE), and Microsoft had opted to unveil their new products independently through their own showcases, rather than relying on E3. Additionally, the broader decline of offline game shows during the COVID-19 pandemic has also played a significant role in diminishing the prominence of E3. In response, E3 decided to shift its previous focus on business-to-business (B2B) interactions towards being more inclusive of the broader gaming community, courting consumer participation in a business-to-consumer (BTC) format in 2023. Despite this promise, however, E3 ultimately cancelled the event on a permanent basis, shortly after announcing this shift in direction (S. Kim, 2023; Ahn, 2023).

However, not all offline game shows are in the same predicament as E3. Since the end of the pandemic, Gamescom, the Tokyo Game Show, and Korea's G-Star have been growing in size and regaining vitality by supplementing offline events with online counterparts. In 2023, Gamescom attracted 320,000 visitors, an increase of about 60,000 from the previous year, and its online exhibition, including the Opening Night Live (ONL) held the day before the offline exhibition, achieved a total viewership of over 200 million, the highest viewership on record. The 2023 Tokyo Game Show sought to expand the range of participating companies and visitors by establishing a new section for exhibiting gaming PCs, peripheral devices, gaming furniture, and others, as well as reviving the Family and Kids Area for family visitors to enjoy. As a result, the number of participating companies increased by 28 percent and the number of visitors increased by 76 percent compared to the previous year, allowing the Tokyo Game Show to attract a total of 240,000 offline visitors and 22 million online visitors. Additionally, 320,000 people participated in the VR exhibition (Ahn, 2023).

The Global Game Exhibition G-STAR 2023 was also held at the largest scale ever, with 3,328 booths on display. Held over four days from November 16, 2023, G-STAR 2023 drew about 197,000 visitors, despite operating solely through advance reservations, representing a 7-percent increase compared to the previous year. The number of paid buyers who visited the B2B hall was recorded at 2,317 businesses, a slight increase from the previous year. Online attendance increased significantly due to the unavailability of on site ticketing despite the high interest. According to the G-Star Organizing Committee, the livestream for G-Star TV was viewed by 207,762 unique visitors (UV) on November 16, 2023, the first day of the event, followed by 254,699 visitors on the 17th, 245,563 visitors on the 18th, and 236,013 visitors on the closing day, the 19th. It was calculated that approximately 944,000 visitors in total watched G-Star online over the four days. In addition, the event also hosted the Global Game Conference, Indie Showcase and Indie Awards, Subculture Game Festival, and Game Cosplay Awards, while the FC PRO Festival was hosted by Nexon Korea and Electronics Arts (EA) at the Bexco Auditorium, presenting a variety of activities alongside the exhibitions (E. Kim, 2023).

The main implication of the permanent cancellation of E3 and the rise of other game shows is that game shows are no longer a venue for game companies to simply showcase their products. Today, game companies aim to reach consumers directly through various means, including individual showcases (Lee, 2023). Therefore, game shows must evolve to offer more than just presentations of new devices, technologies, or titles. The common factor among game shows that continue to be a success is efforts to diversify the scope of participating companies and visitors. As such, game shows should encompass not only video game companies but also related industries like gaming devices and furniture, and offer firsthand experiences for visitors including offline events such as conferences, awards, and festivals, as well as online activities. In this regard, future global game shows will function as venues for a culture of all-round participation in the truest sense.

4) Chinese government imposing more stringent restrictions on video games

On December 22, 2023, China's National Press and Publication Administration (NPPA) once again announced another set of strong restrictions on games. The NPPA, as China's regulatory body for overseeing the country's media policy, released the draft Online Game Administrative Measures, which stipulates regulations on video game publishing entities, prohibiting forced participation in PvP mode, disallowing rewards to entice users for actions such as daily log-ins or first-time paid transactions, and strengthening video game guidance for minors.

These measures have had a significant impact on the industry as they contain specific administrative regulations. In order to operate a game publishing business in China, the relevant company must be equipped with the necessary facilities and its servers must be located on Chinese territory. It must also employ personnel with relevant specialized skills. In the case of prohibiting forced PvP, there is reportedly a debate among online gamers on the interpretation of whether PvP itself is prohibited or whether PvP is only possible with mutual consent. In addition, the measures stipulate a provision for issuing corrective orders and fines to companies that allow individuals to play games without registering their real names under the Cybersecurity Law. Rewards for daily logins and return rewards for purchases are also prohibited, while regulations and monitoring on underage gaming have also been strengthened.

Overall, the announcement of the draft Online Game Administrative

Measures is viewed as an effort to expand regulatory scope beyond traditional methods, under which regulatory supervision was conducted through the issuance of version numbers as a system assigning license numbers for the right to publish video games, subsequently extending the regulatory authority to restricting particular behaviors during live service. The new administrative measures indicate that an approval system for online games will enter into operation, with continuous monitoring for live games in the future, essentially reflecting the changing characteristics of live services in regulations (J. Kim, 2023).

The new regulation plan will be applied after collecting industry and user opinions, but it nonetheless caused an immediate shock to the market. Shortly after the announcement of the proposed measures, the stock prices of major Chinese game companies, such as Tencent and NetEase fell simultaneously by 12.3 percent and 24.6 percent respectively. Similarly, Korean companies providing gaming services in China also experienced declines in their stock values, such as 14.88 percent for Devsisters, 13.77 percent for Krafton and 13.34 percent for WeMade (Ahn, 2023). This was followed by an outpour of criticism on the Chinese social media platform Weibo (J. Kim, 2023). Subsequently, the NPPA specifically highlighted measures that were expected to adversely affect the industry and announced that "the government will continue to listen to stakeholders' opinions" in a press release, which appeared to hint at the easing of regulations. However, it is necessary for the Korean government and the industry to remain attentive to the Chinese government's stance on gaming regulation and the details of further announcements, continuing to track future changes on an ongoing basis.

5) Aggressive shift in next generation e-sports with the rise of *Valorant*

The year 2023 was a turning point for *Valorant* as an e-sport. *Valorant* is a first-person shooter (FPS) game released in 2020 by Riot Games, the developer of *LoL*. *Valorant* is gaining popularity among players of all ages and genders due to its relatively low entry barrier for an FPS. In addition, the company hosted strategic and far-reaching international tournaments, leagues, and events, drawing attention to the game as a next generation e-sport only two years after its launch.

Until 2023, the e-sport scene for *Valorant* followed a format similar to a "tour" in other sports, with players earning points in various tournaments organized by Riot Games to progress to the Valorant Champions tournament. However, starting in 2023, the newly established Valorant Champions Tour (VCT) essentially adopts a "franchise" model. In each league, predetermined teams compete to establish their rankings, with the top-ranked teams progressing to the Masters and Champions stages, which are essentially inter-league competitions. In short, the aforementioned VCT is the league corresponding to the regular season, consisting of regional events such as VCT Americas (Americas), VCT EMEA (Europe, Middle East, and Africa region), VCT Pacific (Asia-Pacific region), and VCT CN (China, added in 2024). Teams participating in each continent's league will compete for positions in the Masters events based on their performance in split playoffs, as well as for spots in the Valorant

Champions based on their overall performance across the split playoffs and Masters stages.

VCT Pacific took place in Sangam, Korea. While the league experienced some initial operational difficulties, the season concluded successfully as technical issues were resolved, operating hours were adjusted, and fan feedback was taken into consideration. According to Esports Charts, a platform providing various e-sports metrics, VCT Pacific garnered an average viewership of 140,000 and reached 400,000 viewers during the finals. Korean teams also showed strong performances at the event. DRX, for instance, demonstrated consistent performance throughout the Pacific League season, and advanced to the finals. However, they experienced an unfortunate 2:3 defeat against Singapore's Paper Rex in the final match, ultimately finishing as runners-up in the first season of VCT. As for T1's comeback before Korean fans with their entry into VCT Pacific, although their early performances were deemed the weakest among the three Korean teams (DRX, Gen.G, and T1), they gradually progressed and secured third place behind DRX. In contrast to the regional stage, Korean teams failed to meet expectations on the global stage. DRX claimed seventh and eighth place in the Masters and fifth and sixth place in the Champions, while T1 finished in ninth and tenth place in the Masters and was eliminated in the group stage of the Champions.

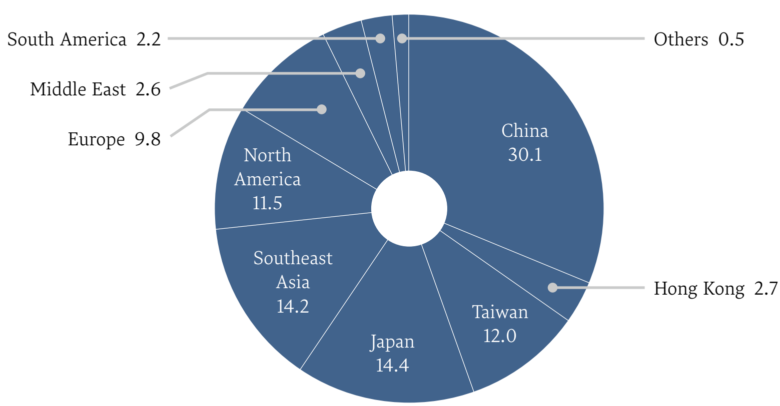
Although the performance of Korean teams fell short of expectations, the hosting of the international events themselves received favorable comments from fans. The Masters tournament held in Tokyo and the Champions tournament in Los Angeles were both well-received by fans in terms of their scale and side events. Another positive factor was that the teams representing the three regions of the Americas, EMEA and Asia-Pacific all advanced to the semifinals of the Champions, drawing fervent support from fans worldwide up to the final. This is not to claim that there were no shortcomings, however. For instance, two regular seasons were supposed to be held in the original VCT format, but in the 2023 season, only one regular VCT season was held in the process of introducing the new format. As such, the year's entire roster of events, including the Champions on the international stage, ended in August before the fourth quarter even began. Given that the league's format is crucial in attracting and sustaining the interest of early fans, this scheduling error was regrettable. However, with the international competition Kickoff, the two Masters, and two VCT regular seasons, VCT 2024 is expected to be more stable and robust than in 2023 (Heo, 2023).

3. Major Export Destinations: China, Japan, Southeast Asia, Taiwan, North America, and Europe (in descending order)

An analysis of Korea's export shares by major destination revealed that China captured the highest share at 30.1 percent, followed by Japan (14.4 percent), Southeast Asia (14.2 percent), Taiwan (12.0 percent), North America (11.5 percent), and Europe (9.8 percent). In 2021, it was in the order of China (34.1 percent), Southeast Asia (17.0 percent), North America (12.6 percent), Europe (12.6 percent), Japan (10.5 percent), and Taiwan (6.4 percent).

Compared to 2021, the proportion of China decreased by 4.0 percentage points, but the country remained the largest export destination for Korean games. Meanwhile, Japan jumped to second place from fifth, with a 3.9 percentage point increase in its proportion. Taiwan (+5.6 percentage points) and Japan experienced an increase in share, while China, Southeast Asia (–2.8 percentage points), Europe (–2.8 percentage points), and North America (–1.1 percentage points) saw a drop. It is notable that there was an unprecedented shift in rankings for all countries except China over the course of a year, given that there were rarely significant shifts in rankings despite changes in proportions.

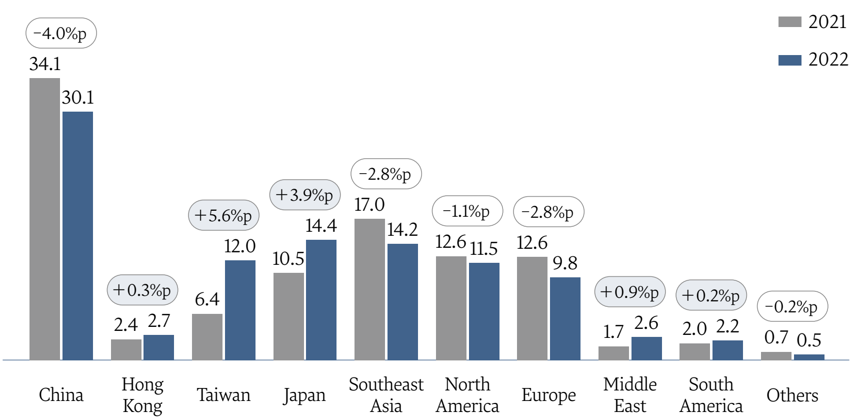
Figure 2 **Proportion of Korean Game Exports by Destination (2022)** (Unit: %)



* Source: KOCCA (2024b). *2023 Game Industry White Paper*. p. 79.

Figure 3 **Comparison of the Proportion of Korean Game Exports by Destination (2021 vs. 2022)**

(Unit: %)

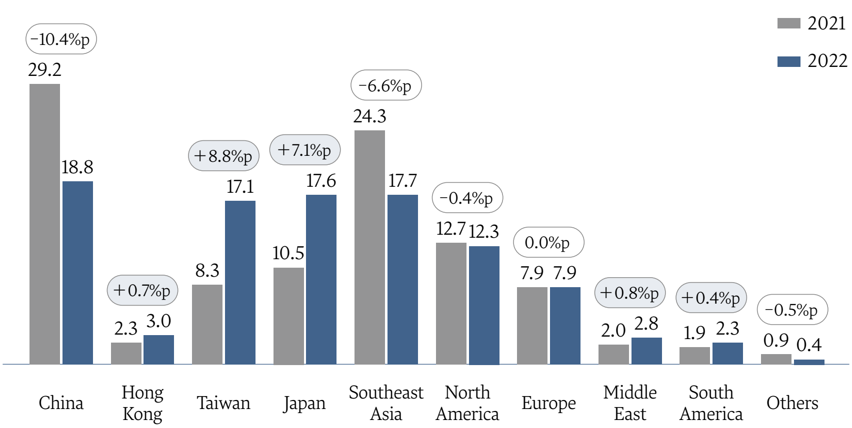


* Source: KOCCA (2024b). *2023 Game Industry White Paper*. p. 80.

Findings from the proportion of exports by destination for Korean PC and mobile games, which are the two most exported platforms for the Korean video game industry, are as follows. Among export destinations for mobile games, China had the largest share at 18.8 percent. However, the figure is lower than its share of 30.1 percent for games in general, indicating that the proportion of exports by destination for mobile games is more evenly spread compared to that of other platforms. Southeast Asia (17.7 percent) ranked second, and Japan (17.6 percent) took third place by a narrow margin, unlike for games in general, where Southeast Asia and Japan switched to third and second places, respectively. Next, similar to the proportion rankings for games in general, came Taiwan (17.1 percent), North America (12.3 percent), and Europe (7.9 percent). In addition, Hong Kong accounted for 3.0 percent, the Middle East 2.8 percent, and

South America 2.3 percent. The largest year-on-year increase in export value was seen with regard to Taiwan (+8.8 percentage points), while the largest year-on-year decrease was in China (-10.4 percentage points).

Figure 4 **Comparison of the Proportion of Korean Mobile Game Exports by Destination (2021 vs. 2022)** (Unit: %)

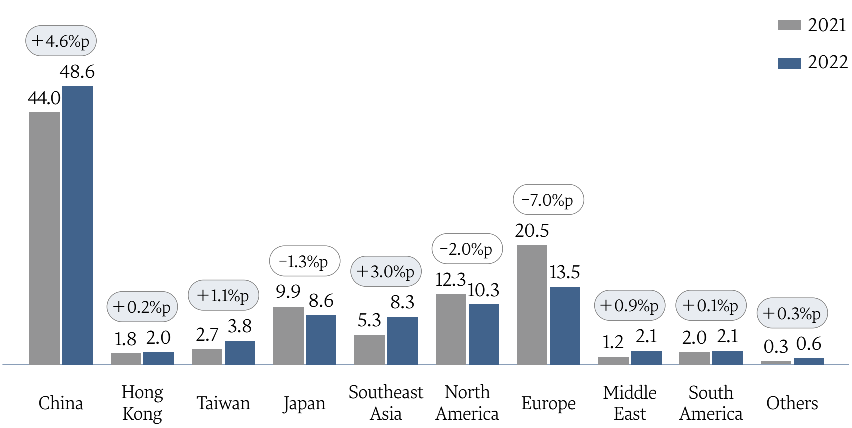


* Source: KOCCA (2024b). *2023 Game Industry White Paper*. p. 81.

China's share in importing Korean PC games was overwhelming at 48.6 percent. The figure was already high at 44.0 percent in the previous year, but it grew even further by 4.6 percentage points in 2022. China's huge stake in PC games significantly increased the country's share in importing Korean games in general. Unlike for games in general and mobile games, Europe has accounted for the second largest share in PC games, but the proportion declined to 13.5 percent in 2022 from 20.5 percent in 2021. Overall, there was no significant difference compared to 2021, except that Europe experienced a decrease of 7.0 percentage points year-on-year and Southeast Asia saw an increase of 3.0 percentage points to 8.3 percent, from 5.3 percent in the previous year. One notable point is that while China, Southeast Asia, Japan, and Taiwan had similar shares in mobile games, with a combined proportion of 71.2 percent, when it comes to PC games, China accounted for nearly half of Korea's exports, with only Europe and North America barely registering double-digit figures, indicating a relatively high degree of export concentration on China. The largest year-on-year increase in export value was seen with regard to China, while the largest year-on-year decrease was in Europe.

Figure 5 **Comparison of the Proportion of Korean PC Game Exports by Destination (2021 vs. 2022)**

(Unit: %)



* Source: KOCCA (2024b). *2023 Game Industry White Paper*. p. 80.

4. 2024 Outlook for Hallyu in Games

This paper examined the status of Hallyu in games, related issues in detail, and the status of games exports in 2022 and 2023. Based on the findings, the following predictions have been developed about the direction of Hallyu in games for 2024.

First, the diversification of genre and platform is expected to continue as the gaming industry continues to explore new growth engines. With regard to genre, the industry is moving away from focusing on FPSs and MMORPGs to make forays into Souls-like, looter shooter, and life simulation games. As for platforms, the expansion from PC or mobile to multiple platforms centered on consoles is accelerating. While skepticism toward console games is spreading as the current generation of console devices is entering the latter stage of their lifecycles and sales of console-exclusive games are experiencing a slowdown, there seems to be no disagreement about the strength of multi-platform games. According to Newzoo (2023), 72 percent of video game users around the world play games on two or more platforms. A Google survey also found that more than 70 percent of users are willing to download or purchase the game that they are already playing when it is released on a different platform (KOCCA, 2024a).

Although the sections above primarily examined major projects, Korean indie games are increasingly gaining global popularity as well, with Neowiz's *SANABI* and Kiwiwalks' *WitchSpring R* receiving the highest rating of "Overwhelmingly Positive" on Steam (KOCCA, 2024a). Global interest in Korean subculture games is also growing. Subculture games generally refer to games characterized by Japanese anime-style graphics and character-centered gameplay mechanics rather than gameplay rules. Global sales for the two representative titles of Shift Up's *Goddess of Victory: Nikke* and Nexon's *Blue Archive* reached USD 500 million and USD 320 million, respectively, as of September 2023 and May 2023 (Hong, 2024). Despite the skepticism that it is difficult for a developer to succeed with proprietary IPs as many titles in the subculture sector depend on Japanese anime IPs, the release of IP-based subculture games with existing fanbases is predicted to increase.

Second, as an extension of the first prediction, routes to global expansion will become more diverse. Representative examples include the development and serialization of new IPs in various genres, expansions based on existing core IPs, and publishing of externally-developed games. For instance, Gravity has launched mobile games based on the *Ragnarok* IP across various genres, such as the idle RPG game *Ragnarok Idle Adventure* and the retro turn-based RPG game *Ragnarok 20 Heroes*, while actively implementing a publishing strategy in tandem. Meanwhile, at G-STAR 2023, Gravity presented a total of 26 games, including the collectibles-based RPG *Millennium Tour* and the scientific investigation simulation game *Tokyo Psychodemic*. This highlights the growing popularity of video game development strategies targeting the overseas market from their inception, rather than simply facilitating overseas sales of games that have already achieved some success in Korea. In fact, Com2uS has announced its plan to become a global publisher in January 2024, ahead of its earnings announcement. Likewise, many Korean video game companies are seeking to expand overseas and diversify their sources of revenue by developing their own games as well as publishing externally developed titles. Therefore, it will be worth monitoring the success of their strategies in 2024 amid the slump in the global video game market (Ahn, 2024).

Third, as regulations on loot boxes are becoming tougher around the world, it is urgent for the sector to develop new business models. In Korea, a partial amendment to the Enforcement Decree of the Game Industry Promotion Act was announced by the Ministry of Culture, Sports and Tourism in November 2023, stipulating the disclosure of information on loot boxes in video games, to take effect in March 2024. Moreover, there are reports of upcoming revisions to standard terms and conditions for mobile games, which include allowing refunds for paid items that have already been used at the termination of game service. Meanwhile, there was even a case of legal punishment administered for manipulating the probability of loot boxes. In January 2024, the Fair Trade Commission imposed a fine of KRW 11.6 billion on Nexon and issued a correction order for altering the odds of its paid loot boxes in *Maple Story* and *Bubble Fighter* in a way that was disadvantageous to users, and falsely notifying this change. The reinforcement of regulations on loot boxes is not limited to Korea. With the European Union (EU) and China actively formulating draft regulations on loot boxes, it is likely to become difficult to generate profits through the unfair use of loot boxes (KOCCA, 2024a). As such, it is becoming necessary and not a choice for developers to find an appropriate balance between probability adjustment and profit models under the new regulatory framework, while finding new revenue models at the same time.

Fourth, it is worth carefully examining how changes in the global console game market will affect the Korean video game and e-sports markets. While the Korean video game industry is striving to make a breakthrough for a performance turnaround through console games, some predict that the growth of the global console game market has already reached its limit. According to the UK publication *Financial Times* on February 17, 2024, Sony reduced its PS5 sales forecast from April 2023 to March 2024 from 25 million to 21 million units based on the consideration that the PS5 had entered the latter stage of its lifecycle. Such sluggish console device sales have led to worsening business performance, though the problem is not exclusive to Sony. Microsoft has not released any new consoles since 2020, while the company also downscaled its workforce as a cost-cutting effort. In December 2023, Microsoft's video game division dismissed 1,900 out of 22,000 employees, including those from Activision Blizzard as well as Xbox (Yim, 2024).

The lifecycle of the current generation of consoles is coming to an end, and the future for next generation consoles that are currently under preparation are not entirely bright. A gap is emerging in core titles, while the increase in semiconductor production costs is also having a negative impact on profits. As it becomes difficult to innovatively improve the efficiency of semiconductor processing, next generation consoles are expected to have higher prices and smaller performance improvements compared to the previous generation. Game development costs are steadily on the rise as well. The development cost for *Marvel's Spider-Man 2* was USD 300 million, and USD 12 million for *Horizon: Forbidden*

West. Considering that the production cost for the film *Fast X* was at USD 340 million, the highest film production budget worldwide in 2023, these figures are vividly demonstrative of the enormous development costs required for video games. Since profits from device sales are only expected to shrink until innovations in chip manufacturing once again improve performance and price, the sector is instead actively introducing new business strategies, such as multi-platforming, time-limited exclusive content, Game Pass console exclusives, live service, and parallel publishing (Kang, 2024). The Korean video game industry must also pursue more diverse, smart, and fluid business strategies rather than focusing on console games.

Lastly, it is necessary to carefully review the impact of the World Health Organization (WHO)'s decision on the gaming industry and culture in the Korean context. The 11th revision of the International Classification of Diseases (ICD-11), which includes gaming disorder as a disease, was passed by the WHO in May 2019 and entered into effect in 2022. Although there is still some time until it is reflected in the Korean Standard Classification of Disease and Cause of Death (KCD) in 2025 (revised every five years), the WHO decision is a grave matter as it serves as an important framework for regulating the Korean video game industry, gaming habits, and players. Meanwhile, gaming was legally recognized as a part of art and culture through the passage of a partial amendment to the Culture and Arts Promotion Act on September 7, 2022. Against this backdrop, it appears that there is a need to resume vigorous discussions on the subject at hand.

5
Hallyu in Comics/Webtoons

Growth of Webtoon Hallyu and Concerns over “K-webtoons”

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1. Current Status of Hallyu in Comics/Webtoon Market

1) Current status of global comics & digital comics market

The global comics market is estimated to be worth approximately USD 11.37 billion (approx. KRW 15 trillion) as of 2021, up 15.4 percent year-on-year. It is expected to grow at a compound annual growth rate of 10.8 percent over the next five years, reaching USD 19.0012 billion (approx. KRW 25 trillion) by 2026.

This growth in the comics market is mainly led by the digital comics sector. Digital comics and webtoons do not belong in the same category: the former encompasses both webtoons created entirely for the digital format from the outset and digitalized versions of print comics. As webtoon platforms such as Naver and Kakao have successfully expanded worldwide, digital demand from users has likewise increased. In response, traditional comics publishers are strengthening their online services, while new digital distribution platforms are also entering the webtoon business. As a result, the digital comics market, which accounted for 42.0 percent of the total comics market in 2021, is expected to grow at a CAGR of 21.2 percent over the next five years, nearly double the average annual growth rate of the comics industry overall, and account for 65.8 percent of the total comics market by 2026 (Software Policy & Research Institute, 2023).

Table 1 **Size and Forecast of Global Comics and Digital Comics Market (2017-2026)**

(Unit: USD 1 million, %)

Category	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2021-2026 CAGR
Comics	8,243	8,379	8,895	9,854	11,370	12,473	13,565	15,040	16,791	19,012	10.8%
Digital comics	2,286	2,599	3,179	4,087	4,774	5,840	7,000	8,492	10,277	12,502	21.2%
Ratio of digital	27.7%	31.0%	35.7%	41.5%	42.0%	46.8%	51.6%	56.5%	61.2%	65.8%	

* Source: Software Policy & Research Institute (2023). *2022 Overseas Digital Content Market Research*. p. 46.

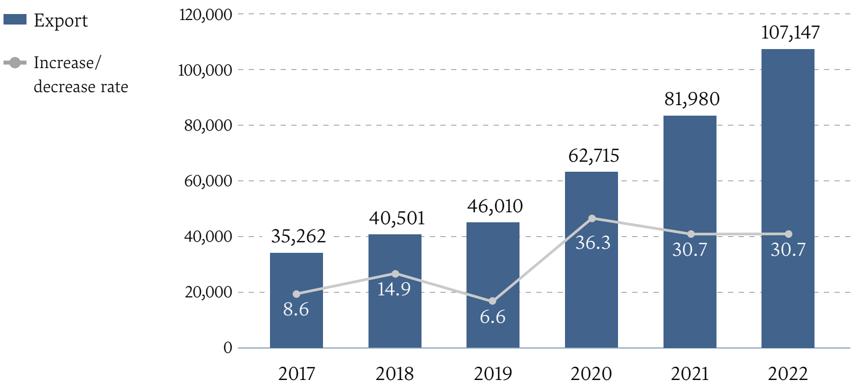
2) Current status of exports in Hallyu in comics/webtoons

As the global comic book market and digital comic book market are growing rapidly, the export volume of Korean comics/webtoons is also burgeoning. In particular, it began to surge in 2020, when the demand for home mobile entertainment jumped due to the COVID-19 pandemic. As of 2022, exports were valued at approximately USD 107.14 million (approx. KRW 230 billion), a 30.7 percent year-on-year growth (Ministry of Culture, Sports and Tourism, 2023).

The trend of rapid export growth continued into 2023. Comics/webtoon exports in the first half of 2023 are estimated to be worth USD 89.85 million (approx. KRW 120 billion), which translates into an increase of about 71.3 percent compared to the same period in the previous year. Given that the growth rate of export value for the entire content industry stood only at 1.3 percent compared to the same period last year, the explosive success of Korean comics and webtoons in the overseas market appears to be self-evident (KOCCA, 2024a).

Figure 1 Trends in Export Value in Korea's Comics/Webtoon Industry (2017-2022)

(Unit: USD 1,000, %)



* Source: Reorganized based on Ministry of Culture, Sports and Tourism (2023). *2021 Content Industry Statistics*; Korea Creative Content Agency (KOCCA) (2024a). *Content Industry Trends Analysis Report for the First Half of 2023*.

Table 2 Export Value of the Comics/Webtoon Industry from 1H 2021 to 1H 2023

(Unit: USD 1,000, %)

Category	2021		2022		2023	YOY shift from 2H2022	YOY shift from 1H2022
	1H	2H	1H	2H	1H		
Comics	41,010	40,970	52,450	54,697	89.843	64.3%	71.3%
Entire Content Industry	5,309,778	7,143,119	5,317,138	7,990,839	5,385,973	-32.6%	1.3%

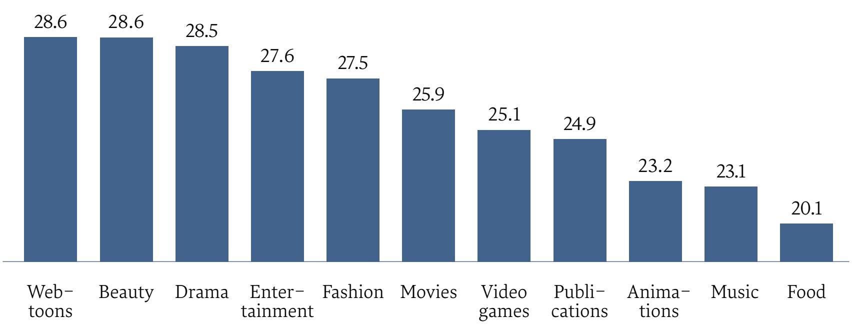
* Source: Reorganized based on KOCCA (2024a). *Content Industry Trend Analysis Report for the First Half of 2023*. p. 10.

3) Status of webtoon Hallyu in terms of consumption and use

The growth of webtoon Hallyu is also reflected in the consumption behavior of its users. According to a 2022 survey of 25,000 respondents in 26 countries by the Korea Foundation for International Cultural Exchange (KOFICE), webtoons ranked first in terms of consumption of

Korean cultural content, accounting for 28.6 percent of the 11 Hallyu content genres surveyed. Ranked sixth in 2021, it jumped to first place in a single year, marking the biggest change in ranking. Its popularity rating of 73.6 percent was also higher than the overall average (72.5 percent), and its average monthly consumption time of 16.1 hours was also higher than the average (15.2 hours) (KOFICE, 2023a).

Figure 2 **Consumption Ratio of Korean Cultural Content (2022)** (Unit: %)



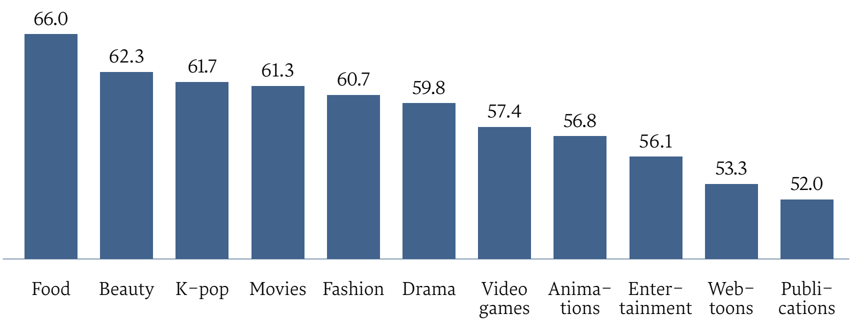
* Source: National Assembly Library (2023). *K-Content at a Glance*. p. 6.

50 percent of overseas users responded that their consumption of Korean webtoons had increased compared to before the outbreak of the COVID-19 pandemic. The average monthly usage time increased every year from 11 hours in 2020 to 15.2 hours in 2021 and 16.1 hours in 2022. In the process, Naver Webtoon became the number one outlet through which overseas users accessed Korean webtoons (KOFICE, 2023c).

On the other hand, in the brand power index, webtoons ranked lowest at 10th place among the 11 content genres surveyed, with 53.3

points. In 2021, it ranked last with 55.7 points.

Figure 3 **Brand Power Index of Korean Cultural Content (2022)** (Unit: %)



* Source: National Assembly Library (2023). *K-content at a Glance*. p. 6.

The results of the brand power index survey appear to contradict those of the previous consumption ratio survey. Various interpretations are possible in this regard: One being that, while K-pop, beauty, and food are strongly perceived as Hallyu content because they are generally delivered through Korean celebrities, such is not the case for webtoons (KOCCA, 2023). This is evidenced by the fact that video games, animations, webtoons, and publications that do not involve Hallyu stars are collectively ranked at the bottom. In other words, it indicates that webtoons are accepted not because they are "Korean" content, but because they are good "content" by their own merit (Park, 2022). The other interpretation is that, in the case of webtoons, both the platform and its content enter overseas markets together, forming a local ecosystem that encompasses the entire process of production, distribution, and consumption. As such, the trend in which webtoons are newly produced and consumed locally as well as the consequent pattern of acceptance are not entirely consistent with the overall trend for the global spread of Korean content as part of Hallyu. Further details regarding this point will be explained in the following sections.

4) Current status of comics/webtoon Hallyu in terms of acceptance and exchange

In general, Hallyu refers to a phenomenon in which Korean assets, including Korean media content and popular culture, become popular in countries other than Korea. This popularity can be visualized by examining the export scale of the content in question or local consumption and awareness. To this end, the Ministry of Culture, Sports and Tourism, the Korea Foundation for International Cultural Exchange, and the Korea Creative Content Agency conduct related annual surveys and publicize the results.

In a broader context, Hallyu refers to a phenomenon in which diverse exchanges between nations, cultures, and individuals lead to expanded interactions, deepened understanding, shared growth, and change through the process of Korean assets gaining popularity (Ryu, 2020). In this context, webtoon platforms play differentiated roles. The platform not only drives the advancement of Korean creators and works into overseas markets and creates fans, but also nurtures local creators and works in the overseas markets, subsequently introducing their content back to the world. A representative example is *Lore Olympus* by author Rachel Smythe. With the emergence of various fandoms, creators, and works in each country and culture, which are then introduced to other countries and cultures, the cultural ecosystem created by webtoons becomes even richer. It also expands exchanges and cooperation across borders and industries. For example, the Korean webtoon *Solo Leveling* became highly popular with North American readers, and in 2021, a petition for an animated adaptation was posted on the American online petition site Change. Garnering 210,000 signatures, it eventually led to a joint production by Korea, the U.S. and Japan through the Japanese animation production company A-1 Pictures and aired worldwide through global OTT platforms in 2024 (CJ ENM PD, 2024). Conversely, there are increasingly cases in which overseas IPs are being discovered and further developed in Korea. In 2023, Korea's WHYNOT Media signed a business agreement with Japanese publisher Kobunsha (光文社) to adapt Japanese novels into dramas and webtoons in partnership with Korean companies (Suh, 2023).

This trend of acceptance and exchange suggests that Hallyu in webtoons surpasses the scope of understanding based solely on the scale of exports and consumption. And in this process, webtoons are growing into an even more expansive cultural industry. However, the brand "K-webtoon" in the sense of Korean content may be weakening somewhat as a result. The year 2023 can be highlighted as a time period when related issues emerged in earnest.

2. Major Issues Concerning Hallyu in Comics/Webtoons

1) Strengthening competitiveness in the comics/webtoon market and concerns over Korean webtoons

Webtoons are changing and expanding the overseas digital comics market. In North America and Europe, comics publishers who realized the potential of webtoons began to introduce their own webtoon services one after another. Examples include Marvel's Marvel Unlimited, Belgian publisher Dupuis' Webtoon Factory, and French publisher Delcourt's Verytoon. Following North America and Europe, strong competitors have also emerged in the Japanese webtoon market in 2023.

The Japanese market, on the other hand, differs from the North American and European markets in nature. If the latter are currently in the introductory phase for webtoons, Japan can be deemed to be in a growth period. According to the Publication Science Research Institute of the Japan Association of Publishers, the size of the Japanese digital comics market has surged from JPY 196.5 billion (approx. KRW 1.74 trillion) in 2018 to about JPY 447.9 billion (approx. KRW 4 trillion) in 2022. The comics publisher Shueisha (集英社) estimates that the size of the webtoon market will amount to JPY 50 to 60 billion in the Japanese digital comics market of JPY 447.9 billion. The main consumer group for digital comics is those in their 30s and 40s, while the main consumer group for webtoons is young people in their 10s and 20s. This is why the market is expected to grow further as webtoon consumption expands over time (KOCCA, 2024b).

The platforms holding the highest market share in the Japanese market are services that started in Korea including Kakao Piccoma and Line Manga. Each achieved its highest performance since entering Japan, exceeding JPY 100 billion in annual transaction volume in 2023 (Naver Webtoon, 2023; Kakao, 2024). Recently, however, a new trend has begun to emerge in the market competition, as global platform companies and established Japanese comics publishers have begun launching their respective webtoon platforms in earnest.

In March 2023, Amazon Japan launched its own webtoon service, Amazon Fliptoon. In April, Apple added a webtoon service category to its mobile app, Apple Books. Apple plans to sequentially introduce it to 51 countries around the world. Shueisha, a traditional Japanese comics publisher, also announced in May that it will launch a webtoon service named Jump TOON, with service to commence in 2024.

There are, however, some interesting aspects to this trend. First, these new platforms appropriate not only webtoon's unique content format and distribution method, such as vertical scrolling and platform-based serialization, but also the profit model. For example, Fliptoon provides a "free upon waiting" service, commonly referred to as *Gidamu* in Korean, which is the primary profit model for Korean platforms. *Gidamu* is a service format that provides past episodes for free at certain intervals. Since users have to pay for a subscription to view the latest episodes immediately without waiting, this service is effective in increasing the number of users and profits. After achieving great success in the Japanese market through its *Gidamu* service (*Electronic Times Internet*, 2017), Kakao Piccoma actively adopted the same profit model when launching its overseas services in North America, France, and other countries, with Amazon Fliptoon also following suit.

Second, Apple and Amazon are collaborating with Korean MCPs (Master Content Providers) for content supply. In this regard, it can be construed that, for the moment, a broader range of opportunities have opened up for Korean creators and production companies. It is highly likely that international exchange and cooperation in the sector will increase further and that the webtoon market will expand accordingly. However, the possibility must not be overlooked that these overseas platform services may attempt to replace Korean involvement with local creators and production companies, if content production knowhow is standardized in the medium- to long-term basis.

Third, services in North America and Japan mainly use the term vertical comics or "dateyomi manga (縦読み漫画)," which refers to vertical-scrolling comics, instead of the term "webtoon" of Korean origin. If these non-Korean services are successful, it must be considered that webtoons will no longer be a unique concept referring to vertical-scrolling digital comics serialized on a platform, and instead become one of numerous terms referring to the same concept. This implies that webtoons and dateyomi manga coexist as subgenres of digital comics, rather than the latter being a Japanese subgenre of webtoons.

To date, webtoon Hallyu has been bolstered by major platforms such as Naver and Kakao that succeeded in advancing globally with their own business models through a repertoire of Korean content. However, foreseeing a future in which overseas platforms will actively adopt this model and even supply their own content, this may be an apt juncture to consider the future outlook and direction of webtoon Hallyu once the genre of webtoons has been successfully disseminated from its origins in Korea to overseas markets (KOCCA, 2024b). This is not to say there is anything particularly novel about this situation. In popular music, discussions on "K-pop without Korea" are already underway, with the emergence of K-pop groups without Korean members, those assembled overseas outside of Korea, and those launched in overseas markets (Seo, 2023).

2) From webtoons to video content, from webtoons to comics

In 2023, various video works based on webtoons were produced and introduced to fans around the world. The following is a summary of major webtoon-based dramas, movies, and animation works released in 2023.

Table 3 **Original Webtoons Adapted into Video Content in 2023**

Category	Title	Author	Channel
Drama	*A Good Day to Be a Dog*	Lee Hye	MBC, Wave, Netflix, U-NEXT, friDayVideo, TV360, Rakuten Viki, Viu
	Joseon Attorney: A Morality	Jeong n.v., SIMGUN	MBC, Wave, Cocoa, Viu
	Taxi Driver 2	Carlos,KK Jae Jin	SBS, Wave, Coopang Play, Kocowa+, Rakuten Viki, Amazon Prime Video, Viu
	Killing Vote	Eom Seyun, Jung Ipum	SBS, Wave, Netflix, Amazon Prime Video
	Divorce Attorney Shin	Kang Tae-kyung	JTBC, Tving, Netflix
	Man and Woman	Hyeono	Channel A, Tving, Wave, Netflix

Drama	*The Uncanny Counter 2: Counter Punch*	Jangi	tvN, OCN, Tving, Netflix
	See You in My 19th Life	Lee Hye	tvN, Tving, Netflix
	A Bloody Lucky Day	Aporia	tvN, Tving, Paramount+
	Moon in the Day	Heyum	ENA, GenieTV, Tving, U-NEXT, Rakuten Viki,Viu
	Duty After School	Ha Il-kwon	Tving, Rakuten Viki, Viu
	Unintentional Love Story	Pibi	Tving, iQIYI, Rakuten TV
	Death's Game	Lee WonSik, Ggulchan	Tving, Amazon Prime Video
	D.P. Season 2	Kim Botong	Netflix
	Mask Girl	Maemi, HeeSe	Netflix
	Doona!	Min Songa	Netflix
	Bloodhounds	Jeong Chan	Netflix
	Sweet Home: Season 2	Carnby Kim	Netflix
	Daily Dose of Sunshine	Lee Raha	Netflix
	Vigilante	Kim Gyusam	Disney+, Hulu, STAR+
	Moving	Kang Full	Disney+, Hulu, STAR+
Movies	*Concrete Utopia*	Kim Soong-nyung	Movie theatre, Netflix
	The Ghost Station	Horang	Movie theatre, Netflix, Tving, Wave, Watcha
	Brave Citizen	Kim Junghyun	Movie theatre, Wave
	Knuckle Girl	Sangyoung Jeon,	Amazon Prime
Animation	*Doona!*	Min Songa	Bilibili, Ani+, Laftel, Naver Series on, Tving, Watcha, Wave
	A Returner's Magic Should Be Special	Usonan, Ukjakga	Tokyo MX, Ani+, Laftel, Naver Series On
	Why Raeliana Ended Up at the Duke's Mansion	Milcha, Gorae	AT-X, Ani+, Laftel, Wave, Naver Series On
	The Demon Queen Has a Death Wish	Lily	Laftel
	Lady Devil	B. Cenci, Hanheun, FUKI Choco	Laftel
	Observing Elena Evoy	Myeongcho	Laftel

* Source: Rewritten, revised, and updated based on Jang (2023). *Study on Establishing Medium- to Long-term Plans for Fostering the Comics Industry*; KOCCA (2024b). *2023 Evaluation and Forecast of Animated K-webtoons*.

The global success of webtoon-based video works has cycled back to heighten the popularity of the original webtoons. For example, *Mask Girl*, adapted as a Netflix original, ranked the first place in Netflix's Global Top 10 Non-English TV Category. Besides Korea, it ranked first in countries like Japan, Hong Kong, Singapore, Taiwan, Vietnam, Thailand, Indonesia, Malaysia, the Philippines, and Saudi Arabia. The popularity of the original webtoon also soared thanks to the popularity of the drama. When comparing the 10 days a month before and after the airing date for the adaptation, the transaction amount for the original webtoon in Korea increased 166 times and the number of views increased 121 times, while on Japan's Line Manga, the transaction amount increased 112 times (Choi, , 2023). The same applies to animations, where the popularity of video works reverts back into that of the original work. After the animated series *The Returner's Magic Must Be Special* aired in Japan, traffic to the original webtoon on Kakao Piccoma showed a steep rise (Kakao, 2023).

There are also cases where videos were produced overseas based on Korean webtoons. The webtoon *Knuckle Girl*, which gained a popular following in Japan and Taiwan, was made into a movie in Japan in 2023 and released worldwide through Amazon Prime. It is an international collaborative project in which Korean directors and writers joined forces with Japanese actors and production staff. *The Returner's Magic Must Be Special* and *Why Raeliana Ended Up at the Duke's Mansion* were also produced in Japan.

Overemphasizing the popularity and performance of webtoon-based original video content, however, may cause webtoons to stand out more as simply source materials for other genres of "K-content" rather than highlighting their own appeal as a stand-alone form of Hallyu content (Park, 2022). Despite the tendency to be less visible in the media, the cultural influence of webtoons is gradually rising to the surface globally. In particular, the publication of physical webtoon books overseas has become noticeably active in recent years.

Naver entered the publishing sector in 2021 through its imprint Webtoon Unscrolled. An imprint refers to a system where a publisher establishes a separate sub-brand to independently operate planning, production, and sales. Webtoon Unscrolled has published physical copies of works such as *True Beauty*, *Tower of God*, and *Cursed Princess Club*, with the first two ranking 1st and 2nd in the "Teen & Young Adult Manga" category on Amazon. The brand is reported to have sold more than 200,000 copies of the books it has published to date (Salkowitz, 2023).

In 2023, collaboration with overseas publishers also increased. For instance, the U.S. publisher Penguin Random House (PBH) launched the imprint Inklore in 2023 with a focus on comics/webtoons. Previously, PBH had published *Lore Olympus* as a physical book through another imprint, Del Rey Books. Inklore is a brand that focuses on comics from around the world, including Japanese manga, Korean webtoons, and comics from Europe and China, and aims to appeal to younger, more demographically diverse, and more gender-balanced readership than that of American superhero comics. This publication trend includes webtoons serviced by the Korean digital publisher RIDI's digital comics platform Manta, which has entered the North American market to publish works such as *Under the Oak Tree* by Suji Kim and *Cherry Blossoms After Winter* by Bamwoo (Salkowitz, 2023). DC Comics also published *Batman: Wayne Family Adventures*, *Vixen: NYC*, and *Zatanna & the Ripper*, which are being serialized in collaboration with Naver Webtoon. In addition, Naver Webtoon has signed a partnership agreement with independent publisher Michel Lafon to publish books such as *Admission Mercenary* and *Marry My Husband* in France (Choi, 2023).

TV adaptations, animations, and printed books all expand avenues of contact with new users, allowing the original webtoons to reach a wider variety of readers. However, some differences have also appeared between these various media. For example, TV adaptations tended to be produced in Korea and target users in Korea and worldwide. Animations, however, appeared to target users in more specific countries. The animation *Doona!* was intended for the Chinese market from the outset, with Korea handling production and China handling investment and distribution. Meanwhile, *The Returner's Magic Must Be Special* was produced by a Japanese production company, targeting the Japanese market.

In print media, webtoons mainly collaborated with imprints of existing publishers or independent publishers. The need for local publishers to break through the stagnation of the publishing market by appealing a class of users with specific tastes coincided with the need faced by the webtoon industry to create a virtuous cycle of book readers being introduced to webtoons, thereby breathing new life into the publishing sector. In this process, it is necessary to carefully observe which webtoons are being selected and accepted by local readers. *Zatanna & the Ripper*, *Vixen: NYC*, and *Cursed Princess Club* are works that all feature women as main characters. *Cursed Princess Club* conveys the message of affirming one's own body and loving oneself. According to Naver Webtoon, as of the second quarter of 2022, more than half of Naver Webtoon's monthly active users worldwide were women. Their consumption pattern and support for these webtoons may present a preview of the future direction of webtoon Hallyu.

3) Introduction of artificial intelligence and the future of Hallyu in webtoons

The commercialization of artificial intelligence (AI), particularly generative AI, has been a prominent topic of discussion throughout 2023. Webtoons were not exempt from the trend, which may not be surprising given that the advancement of webtoons has been in lockstep with the development of media and technology. AI is already widely utilized in the webtoon sector. Major platforms like Naver and Kakao use AI in diverse applications, such as providing personalized recommendations and monitoring for instances of illegal content piracy.

This article focuses on two specific applications of AI technology. One instance involves the application of AI in translation, while the other focuses on its utilization in the realm of fun and entertainment. In December 2022, the Literature Translation Institute of Korea announced the 22 recipients of the LTI Korea Translation Award. Among the awarded translations, Yukiko Matsusue's translation of the webtoon *Mirae's Antique Shop* into Japanese earned the translator the prize for Rookie of the Year Award and stirred significant attention. A controversy then erupted when it came to light that the translator, who only possesses an elementary level of reading in Korean, had utilized a translation AI to grasp the meaning of the lines during the translation process, and then edited the output from the AI-generated Japanese to refine the translation. The astonishment heightened with the revelation that the translation received high scores for the use of vivid language to render the dialogue in the target language, especially considering that *Mirae's Antique Shop* is a work that requires an in-depth understanding of Korea's shamanic beliefs (Chang, 2023).

Meanwhile, in May 2023, Naver Webtoon launched the beta service for "Toon Filter." Toon Filter is a generative AI-based service designed to recreate user-selected photos into the distinct drawing styles of specific webtoons. The copyright matters were addressed through the consent of the webtoon artists during the development phase. Within a week of its beta service launch, Toon Filter generated over 20 million converted images. Despite initially being available only in Korean without any international marketing efforts, the service gained popularity abroad, with 80 percent of all users eventually originating from overseas (Kim, 2023). Since then, the service has been operated outside of Korea in set "seasons" in Thailand, Indonesia, France, North America, and other countries, generating over 80 million converted images as of October 2023.

The services provided by Toon Filter were customized to the diverse characteristics and needs of international users. AI images were generated using popular webtoons in each specific region were, such as *Cursed Princess Club* in North America, *Wee!!!* in Indonesia, *Boys' School* in Thailand, and *Blood in Love* in France (Han, 2023). The service also reflected the ethnic and cultural diversity of its users. For instance, it provided a wide range of skin tones in the generated images and allowed users from Islamic cultures to depict the cultural attire worn by Muslim women while preserving the drawing style and characteristics of the original work. To ensure safe usage, the service applied its own filtering technology to prevent the display of inappropriate images (Kim, 2023).

Figure 4 **Example of Skin Tones Available on Toon Filter**

* Source: *Seoul Economic Daily*/Naver Webtoon

Both of the above two instances provide food for thought regarding how the utilization of AI will influence cultural exchanges within the domain of webtoons. The former suggests that the application of AI could facilitate cultural acceptance and exchanges through webtoons in the future. Meanwhile, the latter demonstrates how AI innovation can reflect cultural diversity and how diversity-conscious innovation can promote new exchanges. Enabling diverse users across regions to more actively enjoy webtoons, engage in the culture of webtoons, and contribute to their secondary production is essential not only for the growth and expansion of Hallyu in webtoons but also for enhancing diversity and creativity in the sector. Indeed, diversity and creativity are among the key points of differentiation that have propelled the success of webtoon Hallyu thus far. Therefore, it is essential to continue the ongoing contemplation concerning the utilization of AI within this context.

3. Major Destination Countries and Routes

1) Current overseas penetration status of comics and webtoons

The current status of major exports of Korean comics and webtoons can be identified through the report *2021 Content Industry Statistics* by the Ministry of Culture, Sports and Tourism. The statistics provided in the report outlines survey results on exports in the overall comics industry including webtoons and print comics. According to the survey, the biggest export destination for Korean comics and webtoons is Japan. Exports to Japan were valued at USD 22.77 million (approx. KRW 30.3 billion), accounting for 27.8 percent of total exports. This is followed by the Greater China (18.8 percent), Southeast Asia (18.5 percent), Europe (18.2 percent), and North America (14.4 percent) (Ministry of Culture, Sports and Tourism, 2023).

Table 4 **Export Value of the Korean Comics and Webtoons Industry (2021)** (Unit: USD 1,000, %)

Category	North America	Greater China	Japan	Southeast	Europe	Others
Export alue	11,778	15,381	22,776	15,139	14,959	1,947
Share	14.4%	18.8%	27.8%	18.5%	18.2%	2.4%

* Note: Greater China includes Mainland China, Hong Kong, and Taiwan

* Source: Ministry of Culture, Sports and Tourism (2023). *2021 Content Industry Statistics*.

2) Current overseas penetration status of webtoons by country

Meanwhile, the experience rate, popularity, and monthly expenditure for Korean webtoons among users in major countries can be found in the report *2023 Overseas Hallyu Survey* published by the KOFICE. The survey conducted in November 2022 targeted 25,000 individuals across 26 countries. The findings regarding the status of 18 major countries at the time of the survey are as follows.

Table 5 **Experience Rate, Popularity, and Monthly Expenditure for Korean Webtoons in Major Countries (2022)** (Unit: %, USD)

Category	U.S.	Canada	Mexico	China	Taiwan	Japan
Experience rate	24.5	23.7	50.4	51.8	52.3	11.5
Popularity	24.7	23.0	39.5	34.8	32.9	11.0
Channels of exposure (Top two)	Naver 52.8 Toomics 27.6	Naver 50.3 Kakao 29.7	Naver 43. Local 32.5	Local 47.1 Global 43.5	Naver 61.7 Local 27.6	Naver 59.0 Kakao 34.1
Expenditure amount	20.4	24.7	8.0	14.2	6.2	6.3

Category	Indonesia	Thailand	Malaysia	Vietnam	India	Australia
Experience rate	60.0	62.9	42.2	40.4	41.0	24.4
Popularity	37.7	37.9	31.9	37.0	41.3	23.7
Channels of exposure (Top two)	Naver 65.5 Kakao 45.2	Naver 71.5 Kakao 41.5	Naver 65.5 Global 45.2	Naver 69.1 Global 35.2	Naver 53.5 Global 51.0	Kakao 41.7 Naver 35.2 Lezhin 31.0
Expenditure amount	3.4	8.4	10.2	6.1	9.3	26.9
Category	UK	France	Germany	Russia	UAE	Brazil
Experience rate	21.1	24.3	21.0	9.9	43.3	22.4
Popularity	25.1	26.4	25.6	15.6	49.3	31.3
Channels of exposure (Top two)	Naver 40.7 Kakao 34.6	Naver 56.8 Toomics 31.7	Naver 44.4 Kakao 30.3	Local 39.3 Naver 36.4	Naver 40.1 Global 40.1	Naver 53.5 Global 48.2
Expenditure amount	56.9	14.9	18.9	5.2	39.3	14.0

* Source: Reorganized based on *2023 Overseas Hallyu Survey*, KOFICE (2023a).

(1) North America

North America, long recognized as the world's largest content market, also has a sizeable market for comics and webtoons. This region serves as a strategic entry point for Korean webtoons, as highlighted by Naver and Kakao's large-scale merger and acquisition in 2021, which aimed at securing their dominance in the North American webtoon and webnovel market. Currently, numerous Korean platforms, including Naver's Webtoon, Kakao Entertainment's Tapas, RIDI's Manta, and Contents First's TappyToon, have ventured into the market. Among them, Naver and Toomics stand out as the most significant channels for North

American users to access Korean webtoons. Notably, works including *Solo Leveling* and *Lore Olympus* are gaining huge popularity.

In the North American region, although the rates of webtoon experience and popularity may be relatively low, there is a tendency for higher expenditure in this domain. Consequently, it is imperative to explore ways to bolster and promote webtoon brands to foster user engagement. In this regard, it is worth highlighting the 2023 Korean Webtoon Exhibition titled *Beyond the Scene* held jointly by the Korea Manhwa Contents Agency (KOMACON) and the Korean Cultural Center Washington, D.C. (KCCDC) in Washington, D.C. in October 2023. The exhibition introduced the webtoons *The Red Sleeve* and *Jeong-Nyeon*, which portrayed episodes from Korean history and tradition from the perspective of female protagonists, while emphasizing the significance of communication and exchange (Y. Kim, 2023).

(2) China

China, as the second most populous country in the world, has a vast market with a high potential for future growth. It accounts for 18.8 percent of Korean comics exports, which is the second highest after Japan. The experience rate of Korean webtoons is relatively high, and the amount spent on this domain is not insignificant. However, due to the preferential treatment given to local content platforms, Korean platforms are barred outright from direct entry into the local market. As a result, Korean platforms have made alternate inroads by collaborating with local companies or exploring alternative methods to deliver content. Nevertheless, Korean webtoons remain popular in China, with

Solo Leveling ranking first overall on China's largest platform, Kuaikan Comics, in May 2022 (KOCCA, 2023).

(3) Japan

Japan stands as the foremost global powerhouse in the comics industry and serves as the largest export destination for Korean webtoons, constituting 27.8 percent of total comics exports. Moreover, as previously mentioned, Line Manga and Kakao Piccoma consistently achieve record-breaking annual profits, with annual transactions in Japan exceeding JPY 100 billion in 2023. Notably, Piccoma recorded JPY 100 billion in annual transaction volume as a single platform, which is the first for any digital comics platform in the world. In addition to Line Manga and Piccoma, other local platforms in Japan include Magapoke (マガポケ) operated by Kodansha and Shonen Jump Plus (少年ジャンプ+) operated by Shueisha. However, the number of users on these platforms is approximately half that of Korean platforms (KOCCA, 2023).

However, a survey conducted by the KOFICE indicated that the experience rate, popularity, and spending on Korean webtoons in Japan were all relatively low. This may require a more in-depth interpretation, as it is possible that the survey respondents did not recognize the content they experienced as being specifically Korean, due to their localization into the local language. With the competition expected to intensify between global and local platforms in the Japanese webtoon market, it is essential to closely monitor the usage behavior and trends of local users (KOFICE, 2023a).

(4) Southeast Asia

Southeast Asia is a region with significant demand for Korean content in general, from dramas and K-pop to webtoons. In terms of Korean comics and webtoon exports, Southeast Asia constitutes 18.5 percent of total exports. Due to the high proportion of the youth population and the rapid penetration of mobile devices, Korean companies like Naver and Kakao are vigorously expanding their presence in the region. Meanwhile, webtoons such as *Solo Leveling*, *Business Proposal*, and *Marry My Husband* are experiencing significant popularity, while there are ongoing efforts to discover local creators and works, such as *Pasutri Gaje* by Indonesian comic artist Annisa Nisfihani and *Teen Mom* by Thai webtoonist theterm.

However, despite the high experience rate and popularity of Korean webtoons, Southeast Asia remains a region with relatively low spending in this domain, as the translation infrastructure is relatively inadequate and illegal distribution is also prevalent. For instance, NHN Comico withdrew from the Vietnamese market in 2022 due to the accumulating deficit and sold its Thai subsidiary in 2023.

For the Korean webtoon industry to foster Hallyu in Southeast Asia, it's crucial to proactively address illegal distribution issues and explore strategies to enhance profitability via service diversification. Leveraging AI for translation and expanding service offerings may offer a lead in achieving this goal. In Indonesia, a trend has emerged where individuals convert their faces into webtoon-style drawings using the Toon Filter service and share the resulting images on TikTok. This trend has gained popularity, ranking as the most searched term on TikTok. In addition, Toon Filter has contributed to the increased use of the Naver Webtoon app as users install the platform to use Toon Filter (Kim, 2023).

(5) Europe

In Europe, the level of digital conversion of print comics is relatively low compared to North America, Japan, and China, with a high proportion of print comics. Nonetheless, there is noticeable enthusiasm for Korean comics and webtoons in Europe, which receives 18.2 percent of Korea's total exports of comics and webtoons.

Within the European comics market, France accounts for more than half of the market, followed by Germany and the UK. Consequently, Korean platforms are expanding their influence in the European market with France as one of the initial targets for this expansion (KOCCA, 2023). In France, Korean platforms such as Naver's Webtoon, Kidari Studio's Delitoon, Kakao Piccoma's Piccoma, NHN Comico's Pocket Comics, Contents First's TappyToon, RIDI's Manta, and Toomics have entered the market and are gaining popularity.

In general, Europe, much like North America, exhibits a low webtoon experience rate and popularity, yet expenditure on the market tends to be high. This indicates that Korean webtoons are still primarily embraced by enthusiasts. Therefore, there is a need to explore ways to enhance user awareness and facilitate mutual exchange by promoting the branding for webtoons.

The foundation for this is already established, as the European comics market is increasingly focusing on Korean webtoons in its efforts to diversify. In the past few years, numerous exhibitions related to Korean comics and webtoons have taken place in Europe. The Comics

Art Museum (Belgisch Stripmuseum) located in Brussels, Belgium hosted an exhibition titled *Manhwa & Webtoon, The Rise of Korean Comics (Manhwa & Webtoon, de vlucht van het Koreaanse stripverhaal)* for a year from September 2021 to September 2022. Furthermore, the Korean Cultural Center Brussels organized the EU-Korean comics exhibition titled *Pop the Bubbles, Blur the Boundaries* from September 2023 to January 2024, in commemoration of the 60th anniversary of diplomatic relations between Korea and the EU. Additionally, Korean cartoonists were invited to the *BD Comic Strip Festival* held at Tour & Taxis, an exhibition hall located in Brussels, in September 2023, as an opportunity to showcase their works and engage with local fans (Go, 2024). In Italy, Webtoon Mania! Korean Comics: Trends in Global Success (Webtoon Mania! Fumetti dalla Corea del Sud: Le tendenze di un successo global) took place as one of the side events of Comicon Naples (Comicon Napoli) in April 2023. This event served as a venue to discuss the characteristics of Korean webtoons, including their narratives with mass appeal, accessibility of being read on smartphones, and their intersection with audiovisual content such as K-pop and dramas (Baek, 2023).

4. Forecast of Hallyu in Comics and Webtoons

In the context of Hallyu, webtoons have many distinguishing aspects compared to other forms of Hallyu content. For example, while K-pop is a sub-genre of pop that originated in the West and successfully adopted by Korea, webtoons are native to Korea from their very origin. Additionally, webtoons are the sole example in which Korean platforms and business models are leading the global content market. Moreover, webtoons serve as core source materials for Korean dramas and movies that are also currently enjoying their moment on the global stage, driving the success of Korean content overall. The sense of pride in Korean culture's global acceptance and its strong position and leadership in global market competition is a common point in the discourse on Hallyu in webtoons.

However, amidst this success, webtoons seem to be entering an increasingly complex phase, as overseas efforts to appropriate webtoons and webtoon platform services are becoming more apparent. The diverse local ecosystems created by webtoon platforms require Hallyu in webtoons to encompass diverse meanings, fostering exchanges and collaborations that transcend national and cultural boundaries. It is undeniable that the webtoon market will keep expanding in the future. However, there has been relatively little discussion on the specific form that should or will be adopted by Hallyu in webtoons amidst this growing landscape.

These discussions should begin with an understanding of how webtoons are being accepted by audiences around the world and why they are gaining popularity. This is crucial because, fundamentally, Hallyu signifies the phenomenon where Korean culture is gaining widespread popularity among global audiences. A study conducted on webtoon readers revealed that the appeal of webtoons lies in their accessibility, consistency, and diversity. Readers are drawn to webtoons because they can enjoy these comics anytime and anywhere via smartphones. Additionally, the regular weekly updates further ensure consistent access to webtoons. Furthermore, the diversity found in webtoons, including a variety of writers, characters, themes, and cultural representations, adds to their appeal for readers (Cho, Adkins, & Pham, 2022). Foreign media outlets also highlight that storytelling from the unique perspectives of creators from diverse cultural backgrounds is the key to the success of webtoons (McDonald, 2023). Additionally, a wide range of amateur creators are joining the webtoon ecosystem as they can instantly garner audience reactions, earn fair profits for their work, and gain ownership of the intellectual property rights to their creations (Chan, 2023). In other words, the establishment of an ecosystem that empowers creators fosters diversity and creativity within the webtoon ecosystem.

Along with the diversity of creative ecosystems, the future of Hallyu in webtoons depends on the extent to which it can promote cultural acceptance and engagement, while considering and reflecting diversity and innovation within itself. By examining the status of Hallyu in webtoons in 2023, an analysis was conducted on business endeavors, international collaborations, technical innovations, and cultural exchanges aimed at accommodating the diversity of international webtoon readers and fostering communication and cooperation. These are crucial factors that may not be easily visualized in terms of transactions and revenue, yet they nonetheless underwrite the domain's present achievements and forecast future prospects.

It is also necessary to assess whether currently available webtoons in Korea adequately represent cultural diversity and to make efforts to promote it further. In a perception survey of 1,000 Koreans conducted by the KOFICE in 2023, 43.1 percent of respondents reported that webtoons and webnovels had a positive impact on raising awareness of cultural diversity. This indicates that among the seven pop culture content genres surveyed, webtoons and webnovels ranked second lowest (KOFICE, 2023b).

Table 6 **Influence of Pop Culture on Cultivating Cultural Diversity**

Category	Very negative ①	Negative ②	Moderate ③	Positive ④	Very positive ⑤	Negative ①+②	Positive ④+⑤
Dramas/movies	2.2	9.4	41.4	40.2	6.8	11.6	47.0
YouTube/online videos	3.2	11.2	42.1	36.6	6.9	14.4	43.5
Webtoons/webnovels	3.2	11.0	42.7	36.1	7.0	14.2	43.1
Video games	4.0	15.5	46.4	27.6	6.5	19.5	34.1
Idol groups with foreign members	1.1	6.9	34.5	44.6	12.9	8.0	57.5
Pop music, music videos	0.9	3.3	31.9	50.5	13.4	4.2	63.9
Religious materials	2.4	6.5	44.3	38.5	8.3	8.9	46.8

* Source: KOFICE (2023b). *Survey on the Perception of Hallyu and Cultural Diversity*. p. 7.

With greater diversity comes more opportunities for exchanges and collaboration. This, in turn, fosters greater creativity and innovation. To ensure a sustainable future for webtoon Hallyu and maintain its position as a key player amid heightened global competition will require extensive considerations and efforts, the intensity of which will determine the future phase of Hallyu in webtoons.

6
Hallyu in Food

A Self-searching Question in the Age of Fluidity

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1. Current Status of Hallyu in Food

Korea's agri-food export value has gradually increased from 2015 to 2023, growing by approximately 1.5 times. Examining key years, the value of Korean agri-food exports increased from USD 6.1 billion (KRW 8.1343 trillion) in 2015 to USD 7.03 billion (KRW 9.3745 trillion) in 2019, and reached USD 9.16 billion (KRW 12.2148 trillion) in 2023. Despite the predicted decline in exports in 2023 due to the global economic slowdown, overall reorganization of global supply chains, and a series of geopolitical crises, including wars and regional conflicts, exports entered an upward trend in the second half of 2023 (Ministry of Agriculture, Food and Rural Affairs, 2024a).

By food sector, the year-on-year increase/decrease rate of the export value across the entire agri-food sector in 2023 was 3.0 percent, while that of processed food was 4.6 percent. Korean instant noodles were not only the largest export item in the processed food sector in 2023 at USD 950 million (KRW 1.2673 trillion), but also the item with the highest year-on-year growth rate (24.4 percent) compared to 2022. This was followed by instant rice products with a year-on-year growth rate of 18.9 percent, beverages with 11.5 percent, and confectionery products with 6.0 percent (Ministry of Agriculture, Food and Rural Affairs, 2024a).

Table 1 **Export Value and Increase/Decrease Rate by Fresh and Processed Food Sector (2022-2023)**

(Unit: USD 1 million, %)

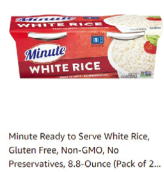
Category	2022	2023	YOY increase/decrease
Agri-food all	8,892.9	9,162.7	3.0
· Fresh food (In order of export value)	1,620.3	1,557.9	-3.9
- Kimchi	140.8	155.6	10.5
- Strawberry	58.6	71.1	21.2
- Grape	34.3	46.1	34.6
· Processed food (In order of export value)	7,272.6	7,604.8	4.6
- Instant noodles	765.4	952.4	24.4
- Confectionery	621.7	659.1	6.0
- Beverage	513.3	572.4	11.5
- Processed rice products	181.8	216.3	18.9

* Source: Reorganized based on the data from the Ministry of Agriculture, Food and Rural Affairs (2024b)

Among processed rice products, instant rice was particularly notable for its remarkable export performance. From January to October 2023, Korea exported instant rice products to 87 countries, including the U.S., Australia, and China, achieving a total export value of USD 79 million (approx. KRW 105.3 billion). This marks a record high, with a 29.9 percent increase year-on-year. Analysis from the Korea Customs Service (KCS) reports that the COVID-19 pandemic has driven up the demand for instant rice due to its convenience in storage and preparation. The growth in laver exports is equally noteworthy. As of October 2023, Korean laver has been sold to 120 countries worldwide, totaling USD 670 million (approx. KRW 893.7 billion) in exports from January to October 2023, a 20.4 percent increase compared to the same period of the previous year. Seasoned laver, in particular, has gained popularity not only as a side dish but also as a snack. Exports of dried laver, a key ingredient for laver snacks and *gimbap*, have also increased significantly in 2023 (KCS, 2023b). Several market research firms anticipate that the U.S. laver market will expand by an average of approximately 10 percent per year in the foreseeable future, which appears likely to necessitate research into various flavors and textures to satisfy consumer preferences. Moreover, with the rise of private brands by global retailers in the U.S. domestic market, competition between Korean and local brands is expected to intensify (Jeong, 2022).

Figure 1 **Korean and Local Instant Rice and Laver Sold in Global Markets**

Korean instant rice sold in the U.S.



American instant rice sold in the U.S.

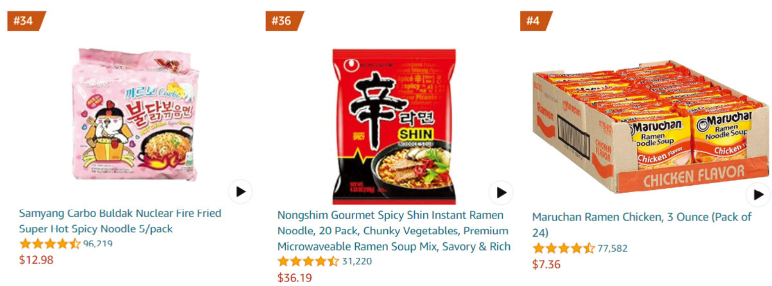
Korean laver snack sold in the U.S., Europe, and other regions

American seasoned laver sold in the U.S.

* Source : Amazon/CJ, Amazon/Kraft, K-ramen/CJ, Amazon/Kirkland Signature

As of 2023, Korean instant noodles were exported to 128 countries around the world, marking the ninth consecutive year of export increase. The value of instant noodles exports surged from USD 210 million (KRW 280.1 billion) in 2015 to USD 460 million (KRW 613.6 billion) in 2019 and USD 630 million (KRW 840.4 billion) in 2020 (KCS, 2023a). For example, products by three of Korea's leading instant noodles companies, namely Nongshim, Ottogi, and Samyang Foods, have met a ready market in China, Southeast Asia, and the U.S.. The subsequent growth in international sales saw profitability improve for these companies, with operating profit margins increasing in 2023 compared to 2021. In addition to the main export destinations including China, the U.S., and Japan, exports to countries such as the Philippines, the Netherlands, Malaysia, Taiwan, and Thailand are showing an upward trend as well (Choi, 2023).

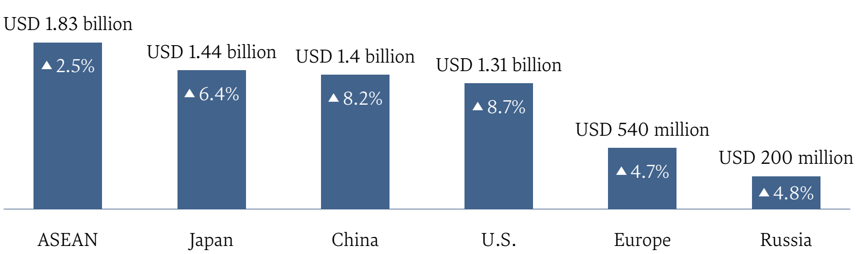
Figure 2 **Bestselling Korean and Japanese Instant Noodles Brands on Amazon U.S.**



* Source: Amazon/Samyang, Amazon/Nongshim, Amazon/Maruchan

As for agri-food exports by major market in 2023, exports to ASEAN countries including Vietnam, Thailand, and Malaysia accounted for the largest share with a total of USD 1.83 billion (KRW 2.4412 trillion), followed by Japan at USD 1.44 billion (KRW 1.9209 trillion), China at USD 1.40 billion (KRW 1.8676 trillion), and the U.S. at USD 1.31 billion (KRW 1.7475 trillion). In addition, the total export value to the EU and the UK amounted to USD 540 million (KRW 720.3 billion), and to Russia, USD 200 million (KRW 266.8 billion). Examining the increase/decrease rate in exports to individual countries, exports to the U.S. marked the highest volume with an increase of 8.7 percentage points year-on-year, followed by exports to China at 8.2 percent and Japan at 6.4 percent, reaffirming the status of the U.S., China, and Japan as the main importers of Korean agri-food products (Ministry of Agriculture, Food and Rural Affairs, 2024a).

Figure 3 **Agri-food Exports Value & Increase/Decrease Rate by Major Market (2022-2023)**



* Source: Reorganized based on the data from Ministry of Agriculture, Food and Rural Affairs (2024b).

2. Issues Concerning Hallyu in Food

1) Rise of Korean fine dining

In 2023, major overseas media outlets including *The New York Times* shed light on the rise of Korean food. A particular focus was placed on the recent trend of upscale restaurants that define themselves as "Korean fine dining" opening one after another in New York City, a city with a notoriously competitive gastronomy scene (Fortney, 2023). Starting with Jungsik, a series of high-end Korean restaurants such as Atomix, Jua, Cote, Oiji Mi, Naro, and Nōksu have emerged over the last five years to make a name for themselves (Wells, 2023). The history of fine dining in NYC dates back to 1941, when the French restaurant Le Pavillon opened in Midtown Manhattan. The major characteristics of typical fine dining establishments are their detail-oriented service, creative and high-quality dishes, and carefully controlled environments. In the U.S., the clientele of these restaurants may expect a typical bill of around USD 100 to USD 125 or more for the meal alone, excluding beverages.

The Michelin Guide, a renowned culinary authority, has also acknowledged the growing popularity of Korean fine dining. Approximately 60 restaurants have earned recognition in the Korean food category of the Michelin Guide, with notable establishments in NYC, U.S. and various regions spanning from Bangkok to Tokyo and Buenos Aires, as detailed in Table 2.

Table 2 **List of Overseas Korean Restaurants Featured in the Michelin Guide**

No.	Restaurant name	City, country	Notes
1	Juksunchae	Bangkok, Thailand	
2	hibi	Los Angeles, U.S.	Modern Japanese cuisine with a Korean influence
3	HASUO	Tokyo, Japan	
4	Na Num	Buenos Aires, Argentina	
5	Gainn	Rome, Italy	
6	Anju	Washington, D.C., U.S.	
7	Mandu	Washington, D.C., U.S.	Closed as of 2023
8	Naro	New York City, U.S.	Operated by the owner-chef of Atomix

9	Seoul Salon	New York City, U.S.	Operated by the owner–chef of Atomix
10	8282	New York City, U.S.	Bib Gourmand
11	Oiji Mi	New York City, U.S.	One Michelin star restaurant
12	Jua	New York City, U.S.	One Michelin star restaurant
13	bōm	New York City, U.S.	One Michelin star restaurant
14	Haenyeo	New York City, U.S.	Bib Gourmand
15	Meju	New York City, U.S.	One Michelin star restaurant
16	Ariari	New York City, U.S.	
17	Genesis House	New York City, U.S.	
18	Mari	New York City, U.S.	One Michelin star restaurant
19	Cho Dang Gol	New York City, U.S.	Bib Gourmand
20	Atomix	New York City, U.S.	Two Michelin star restaurant
21	Atoboy	New York City, U.S.	Operated by the owner–chef of Atomix
22	Dons Bogam	New York City, U.S.	
23	Hyun	New York City, U.S.	
24	Kochi	New York City, U.S.	One Michelin star restaurant
25	Tong Sam Gyup Goo Yi	New York City, U.S.	Bib Gourmand
26	Jeju Noodle Bar	New York City, U.S.	One Michelin star restaurant
27	Cote	New York City, U.S.	One Michelin star restaurant. Two locations in New York, and one each in Miami and Singapore.
28	HanGawi	New York City, U.S.	Bib Gourmand
29	Jungsik	New York City, U.S.	Two Michelin star restaurant
30	Perilla	Chicago, U.S.	Bib Gourmand
31	Jeong	Chicago, U.S.	
32	Parachute	Chicago, U.S.	
33	Han Il Kwan	Atlanta, U.S.	
34	156 Cumberland	Toronto, Canada	
35	Ssal	San Francisco, U.S.	One Michelin star restaurant
36	Soowon Galbi	Los Angeles, U.S.	
37	Parks BBQ	Los Angeles, U.S.	
38	Chosun Galbee	Los Angeles, U.S.	
39	Yond Su San	Los Angeles, U.S.	
40	Quaters BBQ	Los Angeles, U.S.	
41	Dha Rae Oak	Los Angeles, U.S.	Bib Gourmand
42	Jeong Yuk Jeom	Los Angeles, U.S.	
43	Animo	Sonoma, U.S.	
44	San Ho Won	San Francisco, U.S.	One Michelin star restaurant
45	Bansang	San Francisco, U.S.	Bib Gourmand
46	Namu	Malmö, Sweden	Bib Gourmand

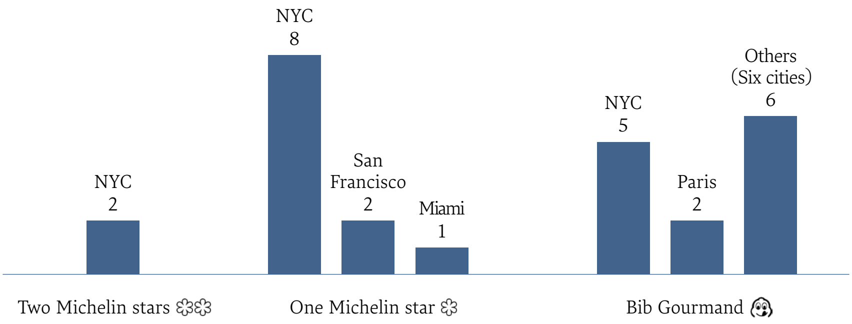
47	Doshi	Orlando, U.S.	
48	Cote Miami	Miami, U.S.	One Michelin star restaurant
49	Shin Jung	Orlando, U.S.	
50	Hansik Goo	Hong Kong	
51	Kochu Karu	Berlin, Germany	
52	Maru	Ixelles, Belgium	Bib Gourmand
53	Kqon	Paris, France	Bib Gourmand
54	Umami-La cinquième saveur	Montpellier, France	
55	La Table de Mee	Paris, France	Bib Gourmand
56	Mandoobar	Paris, France	
57	JanTchi	Paris, France	
58	Yido	Paris, France	
59	Sinabro	Lyon, France	
60	Komah	São Paulo, Brazil	Bib Gourmand

* Note: The Michelin Guide rates restaurants by awarding up to three Michelin stars, with one star signifying "High-quality cooking," two stars "Excellent cooking, worth a detour," and three stars "Exceptional cuisine, worth a special journey." In the Michelin Guide, "Bib Gourmand" refers to "restaurants that offer great food at reasonable prices" compared to one, two or three-star restaurants.

* Source: Reorganized based on the Michelin Guide website

Figure 4 below shows the number of overseas Michelin-listed Korean restaurants seen in Table 2 by city based on Michelin ratings including the one star, two stars, and Bib Gourmand. According to the figure, NYC has the overwhelming majority of Michelin-listed Korean restaurants across all ratings. Other than NYC, only San Francisco, U.S. and Paris, France are somewhat noteworthy, allowing NYC alone to shape the landscape of the fine dining sector through its high density of fine dining establishments. Although Los Angeles, U.S. has an unrivaled number and history in terms of Korean restaurants, the spread of Korean fine dining in NYC is meaningful in that new possibilities are continuously being discovered in Korean cuisine with regard to culinary creativity and gastronomy.

Figure 4 **Distribution of Michelin-listed Overseas Korean Restaurants by City and Rating**



* Source: Reorganized based on "Table 2. List of Overseas Korean Restaurants Featured in the Michelin Guide."

2) Re-evaluation of Korean food culture of cooking together and sharing meals

Following the COVID-19 pandemic, the Western perspective on Korean food culture has shifted. Some Westerners focus on Korean dishes in and of themselves when it comes to *hansik*, or Korean food, while others seek to understand traditional Korean culture and customs through the lens of Korean food. For example, an article in *The Washington Post* theorized concepts such as nature, time, *yaksikdongwon* (a proverb meaning that medicine (*yak*) and food (*sik*) are the same at their origin), and balance as core philosophical aspects of Korean cuisine. It also introduced the custom of sitting together and making *mandu*, or stuffed dumplings, on national holidays such as *Seollal*, or Korean Lunar New Year, and emphasized the importance of family members gathering to share conversations and communicate while making food together. Furthermore, another article introduced a newly opened *banchan* (side dishes) store in Los Angeles and also covered the typical range of *banchan* served in Koreatown restaurants as well as reinterpretations of *banchan* created by a new generation (Addison, 2023). In addition, yet another article suggested the possibility to serve *banchan* as stand-alone dishes, despite the typical composition of Korean meals as a combination of rice and *banchan* (WP Creative Group, 2021). From a somewhat different perspective, *The New York Times* published an article about the pivotal role of Korean churches in helping first-generation Korean immigrants form a community and settle into their new lives in the U.S., highlighting the practice of having lunch together as a way in which they built a sense of community (Kim, 2023).

Figure 5 **U.S. Media Coverage of Various Aspects of Korean Food Culture**

* Source: *Los Angeles Times*/Mariah Tauger, *The New York Times*/Janice Chung

The communitarian feature of Korean food culture has also continually been emphasized through visual media. For example, *Kimchi Chronicle* aired on PBS in 2011 and *Anthony Bourdain: Parts Unknown* on CNN in 2015 introduced *kimjang* (*kimchi*-making for the winter) and Korean business dining respectively. Netflix streamed the third season of *Chef's Table*, presenting temple food, in 2017 and *The Nation of Broth*, introducing diverse Korean broths, in 2023. These programs recreated Korea's dining culture of sharing and eating food together.

Figure 6 **Examples of Major Overseas Programs on Korean Food Culture (2011-2023)**

Kimchi Chronicle (PBS)

Anthony Bourdain: Parts Unknown (CNN)

Chef's Table Season Three (Netflix)

The Nation of Broth (Netflix)

* Source: *Kimchi Chronicle* (PBS); *Anthony Bourdain: Parts Unknown* (CNN); *Chef's Table Season Three* and *The Nation of Broth* (Netflix)

Regardless of the awareness regarding the extent to which the strong communitarian nature of the food culture remains in Korean society today, it appears necessary to understand the perception of Korean food culture abroad. Above all, it may be possible to reach a more multifaceted perspective on *hansik* by tracing the way in which other countries attempt to explore the form and tradition of *hansik* in order to discover values that have been lost or never existed at all in their own society and culture.

3. Major Destination Countries and Routes

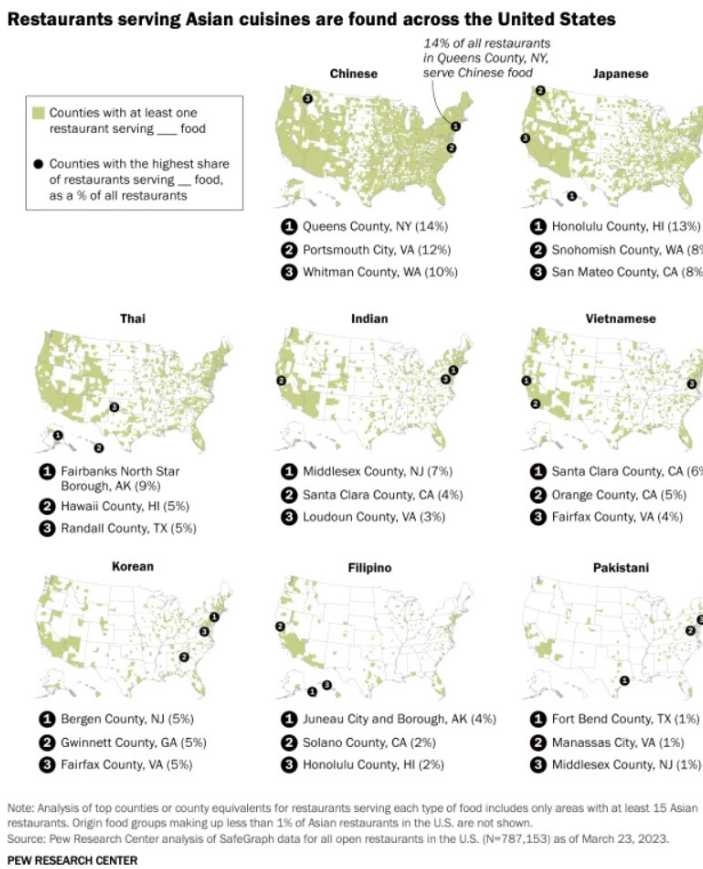
What would be the first thing that comes to mind when foreigners think of South Korea? According to the *2023 Overseas Hallyu Survey*, Korean food has held the second place among the images highly associated with South Korea, following K-pop for consecutive three years from 2020 to 2022. Korean food ranked first (49.1 percent) in the global popularity of Korean cultural content, followed by beauty (46.5 percent), music (45.9 percent), fashion (42.6 percent), movies (39.4 percent), games (36.9 percent), and dramas (36.1 percent). Two implications can be deduced from the survey results. One is that Korean cultural content is expanding its consumer base from specific fandoms to the general public. Over 70 percent of responses for Korean food (76.2 percent) answered either "moderately popular" or "very popular." In particular, it is notable that Japan ranked second in the popularity of Korean food among 26 countries, given that it is one of the countries in which Korean cultural content are relatively less popular. The other implication is that the second largest group of survey participants responded that they have not experienced Korean cultural content due to the "lack of access channels/methods." This result includes cases in which physical access itself is difficult and those where access is available but rarely used due to consumer unawareness. Therefore, it will be necessary to develop a strategy that takes into account national infrastructure characteristics and aims to enhance accessibility of channels (Korean Foundation for International Cultural Exchange (KOFICE), 2023).

The experience of consuming Korean food is largely divided into dining out and home dining. The *2023 Overseas Korean Food Consumer Survey* shows that participants who have experienced Korean restaurants abroad are largely satisfied with the visit itself, though with a lower frequency of visits and willingness to revisit. By individual city, the percentage of customers in Dubai who have visited a Korean restaurant has increased by 6.6 percentage points year-on-year, while Korean food consumers in Jakarta reported that they were highly satisfied with Korean restaurants and willing to revisit. In contrast, Japanese consumers showed a relatively lower satisfaction level and willingness to revisit Korean restaurants. In this respect, the percentage of Japanese consumers who have actually visited Korean restaurants has also decreased by 9.2 percentage points from the previous year. As Korean food continues to grow in recognition, so too should the quality of the consumer experience.

With regard to dining out, overarching consideration about the competitive edge of Korean food and Korean restaurants is needed. According to the Brand Power Index (BPI), an analysis of survey results based on food-related experiences and evaluations in seven major countries, Italian food (59.8 points) and Japanese food (59.0 points) lead the global market, with Korean cuisine trailing behind with 56.3

points. (Ministry of Agriculture, Food and Rural Affairs (MAFRA) & Korean Food Promotion Institute (KFPI), 2024). Several studies mention that Korean food is unable to achieve a lead over other cuisines because of accessibility issues. According to the Pew Research Center, 71 percent

Figure 7 **Distribution Maps of Asian Restaurants in the U.S.**



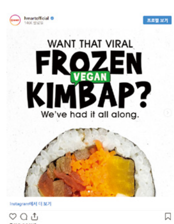
* Source: Pew Research Center/Angela Weiss

of Asian restaurants in the U.S. serve Chinese, Japanese, and Thai food. The remaining 29 percent offer Indian, Vietnamese, and Korean food. Limiting the scope of analysis to the U.S., not only is there a wide regional gap in the number of Korean restaurants between states, the likelihood of finding Korean restaurants is in itself not high in absolute terms (Shah & Widjaya, 2023).

In 2023, the most prominent example that demonstrated the influence of social media in popularizing Korean food was "frozen *gimbap*." Frozen *gimbap* sold at Trader Joe's, a U.S. grocery store chain, became viral through TikTok, which led to a shortage of the said product (Youn, 2023). Since then, H Mart, another U.S.-based grocery store chain that specializes in Korean products, has quickly joined the popular wave for *gimbap* by broadly advertising its own frozen *gimbap* product. Not only that, in early 2024, Emart in Korea began selling its own version of the frozen *gimbap* that had gone viral in the U.S..

Figure 8 **Images of Frozen *Gimbap***

TikTok video clip which went viral on social media in 2023



Advertisement for frozen *gimbap* by H Mart, a U.S.-based grocery store chain specializing in Korean products

Leaflet for frozen *gimbap* sold by Emart in Korea in 2024

* Source: ahneskitchen on TikTok (@ahneskitchen), Official Instagram of H Mart (@hmartofficial), Shinsegae Group Newsroom

The frozen *gimbap* fad in the U.S. implies that factors such as word of mouth and flows of focus have the potential to lead the popularization of Korean food. It will be advantageous for the purpose of establishing flexible response strategies to carefully examine what subject spreads in what method from the public-consumer's perspective rather than estimate potential demand from the supplier-centric perspective, given the fluid nature of modern society (Kang, 2023). For this reason, it is necessary to inquire into actual items in demand among consumers, rather than simply supplying items of Korean food selected for global distribution, whether by the public sector or the private sector.

5. Forecast for Hallyu in Food

1) Application of a multifaceted interpretation to the Korean food wave

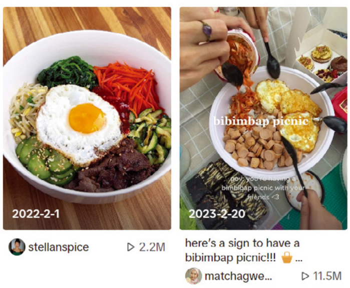
The *Analysis of Big Data on Overseas Food Culture and Industry* released by MAFRA and the KFPI indicates that K-pop stars and Korean movies have contributed to the popularity of certain Korean dishes (MAFRA, 2021). To cite representative examples, since BTS introduced *hotteok*, or Korean sweet pancakes, on social media in December 2020, social media mentions and reviews related to *hotteok* have increased; and since *Parasite*, a movie released in early 2020, won awards at the Academy Awards, reviews about instant noodle products related to *jjapaguri*, or "ramdon" as seen in the movie, have more than doubled.

This kind of analysis is undoubtedly useful, but it is crucial to avoid erring on the side of examining the trend as an overly simplistic causal relationship. Today's complex digital media environment and diverse factors affecting daily choices in modern society also necessitate changes in the conventional approach. In this context, it is noteworthy to mention that "*bibimbap*" was the number one search word in the recipe category of Google's Year in Search, announced in December 2023. Year in Search, reported by Google every year, presents the rankings of search words that attracted significant public attention with an increase in the volume of searches year-on-year, though it is not based on the absolute number of searches. In other words, although recipes for *bibimbap* became the top search word in Google searches worldwide, given the sharp rise in the search volume compared to the previous year and its sustained high volume to an extent, this is not to indicate that "*bibimbap*" was the most searched recipe on Google in absolute terms.

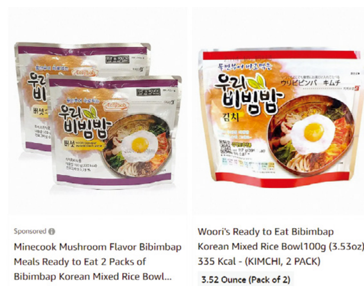
After the release of Google's Year in Search 2023, some Korean media outlets claimed that the popularity of content such as K-pop or dramas had aroused interest in *bibimbap* (Lee, 2023; Choi, 2023). This explanation may seem intuitive, but a more multifaceted analysis is necessary, since it is imprudent to dismiss the possibility that the rise in curiosity toward Korean food including *bibimbap* was sparked by direct experiences of traveling or dining out, rather than indirect experiences through media. As seen in Figure 9, there are diverse routes to try *bibimbap* online and offline today. While some consumers may become interested in *bibimbap* after watching Korean dramas or through social media, others may first experience it through grocery stores or delivery apps of their preference, then seek out the detailed recipe later.

Therefore, it is imperative to comprehensively consider multilayered factors, deviating from causal explanations when taking a retrospective approach to the phenomenon of Hallyu in food, such as *bibimbap* being listed at the top of this year's Google searches.

Figure 9 **Online and Offline Access Routes for *Bibimbap***



Video clip featuring *bibimbap* on TikTok



Ready-to-eat *bibimbap* sold on Amazon USA

Bibimbap restaurant offering a delivery service on Uber Eats in Berlin, Germany

* Source: stellanspice, matchagweentea on TikTok (@stellanspice, @matchagweentea), Amazon/Easybab, Uber Eats/Imo Pocha, Gangnam Korean Restaurant

2) Emerging need to establish *hansik* terminology in Gen AI environments

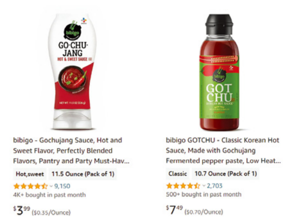
In 2023, Microsoft announced that it plans to integrate artificial intelligence (AI) into its search engines and software. Users will experience a change in the data processing process in media environments that incorporate generative AI (Gen AI) technologies, by simply receiving completed results following requests rather than performing the minute tasks themselves. If Gen AI is introduced to everyday uses, the existing issues of data bias and data gaps may become far deeper. That is why reviewing the bias and gaps in data pertaining to Korean food is becoming essential now that the era of AI is around the corner.

The bias and gaps in Korean food data are related to the "cultural challenges against the globalization of *hansik*" discussed in the Hallyu in Food section of *Hallyu White Paper 2021* (Kang, 2022). These issues include neighboring countries such as China and Japan claiming to be the true place of origin for certain Korean dishes or seeking to have their own terms for Korean food, which become the standard in the Anglosphere before their Korean terms, thereby creating the perception that the authentic Korean terms are in fact the imitations. These issues are likely to persist since the data collected and processed by Gen AI is ultimately based on real-world data. Against this backdrop, unifying the terminology for Korean cuisine is a priority task in addressing the cultural challenges posed by neighboring countries.

In the case of *gimbap* mentioned above, the issue is the concurrent use of two Romanizations for the same Korean word, namely *kimbap* and *gimbap*. The frozen *gimbap* sold at American grocery chains including Trader Joe's and H Mart are written as *kimbap*, while public organizations including the Korean Cultural Center and the KFPI regard *gimbap* to be the correct spelling. As of the end of January 2024, the number of Instagram posts under the hashtags *#kimbap* and *#gimbap* are 412,000 and 162,000 respectively, which shows that *kimbap* is used much more ubiquitously. To take *gochujang*, or Korean red chili paste, as another example, there are two products on Amazon USA under the same brand that nonetheless mark *gochujang* differently as *gochujang* and *gotchu*. Even if the two products have entirely different recipes, as long as they are both derived from *gochujang*, the name of the ingredient in the two products should be standardized as the Romanization *gochujang* to prevent confusion among foreign consumers.

Figure 10 **Romanization of *Gimbap* and *Gochujang***

Romanization
by public organizations



Different Romanizations for *gochujang* bearing
the same brand name Bibigo

* Source: Korean Cultural Center, Amazon/CJ Foods USA Inc., Bibigo

Instances like these highlight the need to rearrange the data of Korean food in general. Above all, it is essential to examine the most commonly used terms at present and study the possibility for unifying the Korean terminology rather than proposing numerous alternative Romanizations. In addition, there is a need to consider ways to expand the Korean terms for similar food in neighboring countries. Given that the usage of Korean terms for rice porridge or laver is less frequent worldwide than that of their Chinese or Japanese equivalents, it is urgent to devise concrete measures to establish the originality of Korean food.

3) Is food Korea's top cultural content?

There is occasionally some trepidation toward accepting the trend that Korean food is recognized as the nation's representative cultural content. This is because food has traditionally been regarded as differing from other areas of popular culture such as music, dramas, and video games. Given the complex inherent characteristics of food, however, there is a need to bring Korean food over into the field of cultural content. Simply put, the current situation related to Hallyu in food involves a mix of culture and industry. The characteristics of Hallyu in food are considered to be cultural rather than industrial, because food has long been perceived as more conventional than other types of cultural content. However, it is hard to separate conventional cultures from industries in the cultural content market today, and as such, Korean food has both the characteristics of culture and industry. This implies that the capability of Korean cuisine to develop as an industry can be enhanced by using cultural characteristics as a foothold. One of the characteristics of modern society is the ability to freely transcend boundaries, easily create change and flow through gaps in existing boundaries like a liquid. In this sense, Korean food is a representative cultural content that can flow unrestricted like a liquid, while also being able to freely merge with other cultural content. As such, it would not be out of place at all for Korean food to appear in any other genre, including music videos, video games, and movies. This illustrates that Korean food is utilized as subject and theme for other cultural content, and at the same time, has the characteristics of content in itself.

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