

Introduction to Korean Creative Content Industry and Expectations for Joining the DEPA

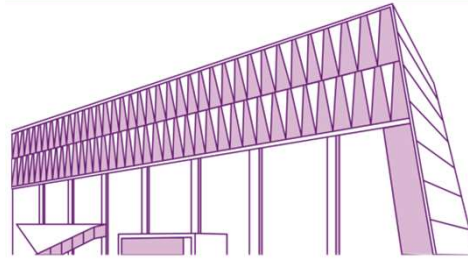
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KOCCA
KOREA CREATIVE CONTENT AGENCY

CONTENTS

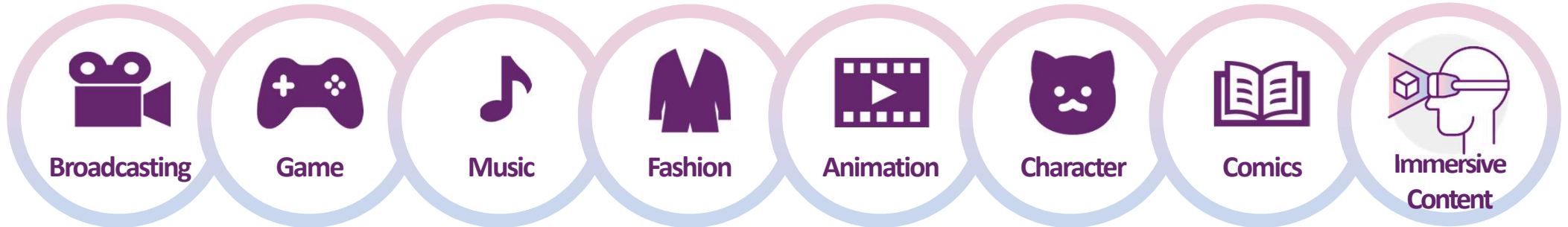
- ◆ About KOCCA
- ◆ Quick Overview of Creative Content Industry
- ◆ Empowering Creative Content with Digital Technology
- ◆ DEPA and Creative Content Industry

About KOCCA



KOCCA
KOREA CREATIVE CONTENT AGENCY

A governmental agency that oversees and coordinates the promotion of the Korean creative content industry
Established in May 2009



Established in May 2009

Moved to Naju in June 2014



**Approximately
KRW 620 billion**
Size of Budget (as of 2023)



Approximately 500

Number of Employees

● Content Policy Research Center



Development of mid- and long-term plans



Policy Research and Survey



Publication of white papers and periodicals



Policy Forum

Quick Overview of Korean Creative Content Industry



“ K-CONTENT

BTS



Squid Game



Parasite



PUBG



Solo Leveling



- **Higher growth rate compared to the entire industry**

- | Sales: (Content) 5.0% vs. (Entire) 4.8%

- | Export : (Content) 9.0% vs. (Entire) 2.9%

- **Higher proportion of young workers**

- | (Content) 76.2% vs. (Entire) 38.7%



KRW 137.5 trillion

Sales



USD 12.5 billion

Export



615 thousand

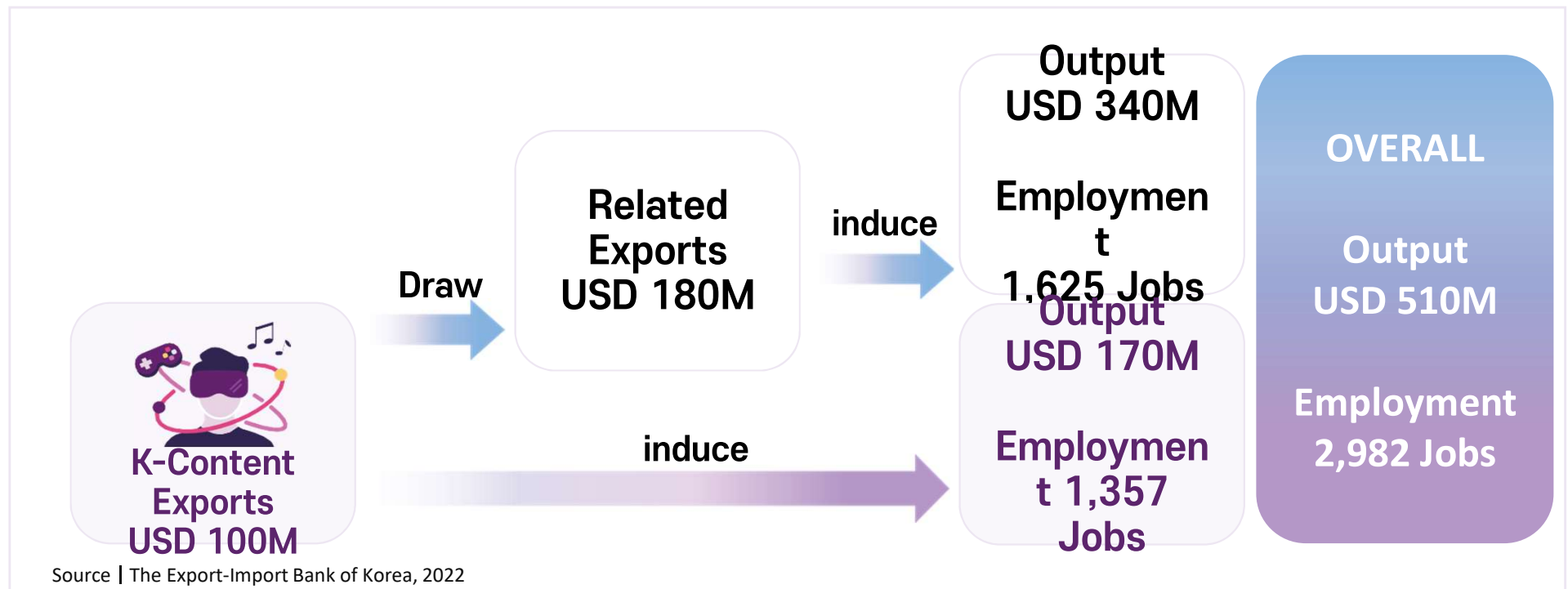
Employment

● Economic effects

| <Squid Game> production cost \$ 21.40 million → Economic value of \$ 891.1 million ('21 Bloomberg)

| \$100 million worth of content exports → Total output of \$510 million and 2,982 jobs

('22 The Export-Import Bank of Korea)





Empowering Creative Content with Digital Technology



Performance
Content



Mass media
Content



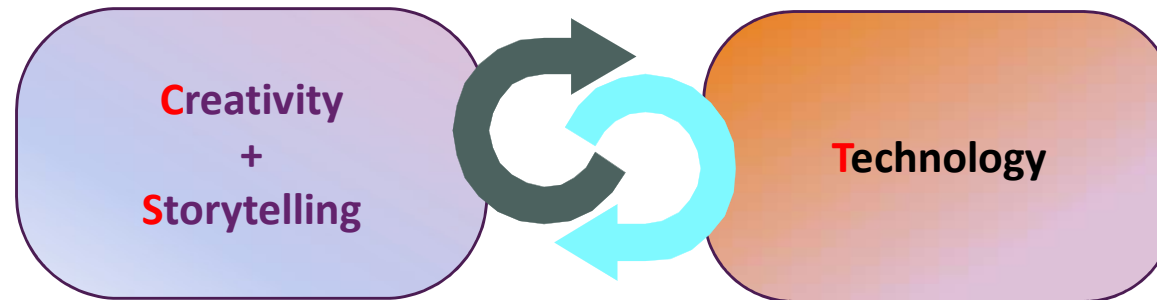
Internet Content



Smart Content



Immersive
Content



Content is a creation for experiencing new pleasure and fun with Creativity.

Content is constantly expanding the horizon of creativity and experience by utilizing a variety of Technologies.

① New Type of Content combined with New Tech

● Virtual-tech integrated into the reality of content production

| Commercialization of virtual studio: Increased on-site immersion, reduced post-production time

| Evolution of Virtual Humans: Influencers (SNS, advertisements) → Entertainers (actors, singers, etc.)

● AI transforming the content creation process

| Automating certain steps of the content creation process with AI (coloring automation, automatic translation and editing, AI video commentary broadcasting)

| AI content creation assistance (sound/ad/video/image/story)



PLAVE: Virtual Idol

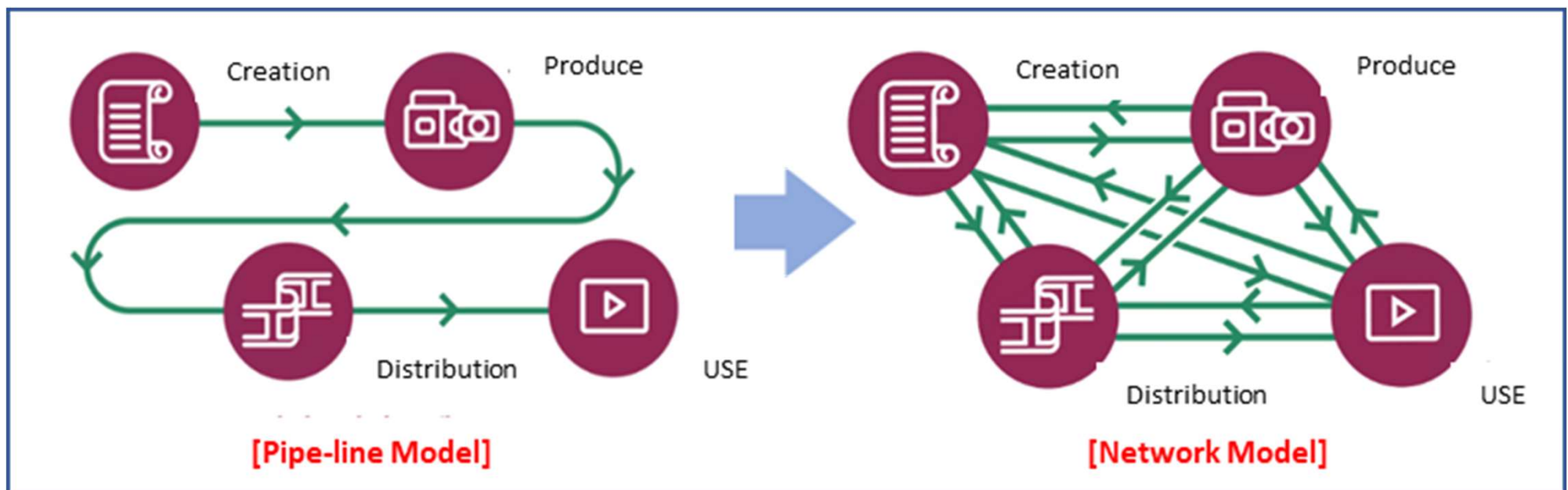


Big Bet: AI De-aging Technology

② Content Convergence / IP Expansion

● Reorganization of the Content Value Chain into a Convergence Model

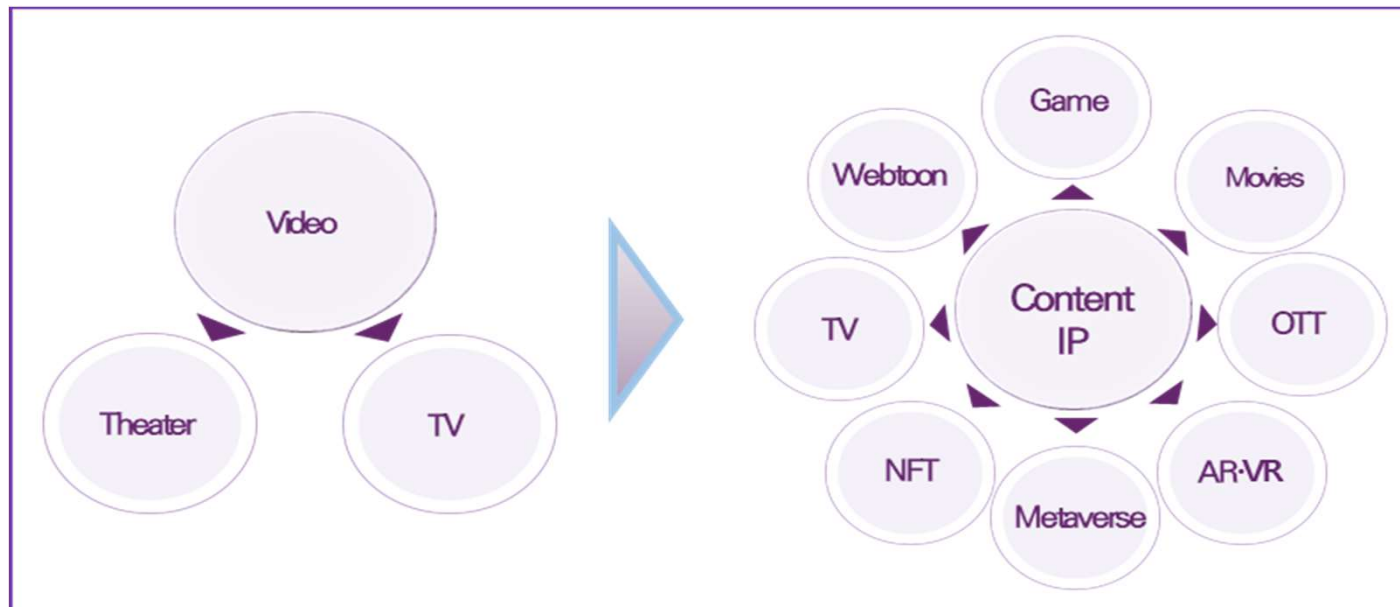
| [Convergence Value Chain] Active communication and collaboration through interdisciplinary structure and endorsing creation, participatory distribution, and consumption based enterprise



② Content Convergence / IP Expansion

- **Content continues to expand its value beyond the boundaries between genres and platforms**

| [Storytelling and IP] Infinite expansion through crossing over boundaries of technology/media/platform/time and space



③ Reinforcing the globalization of content

● Six Shifts Changing the Future of Media (Bain and Company, 2021)

- | ① Omnipresent delivery, ② My Media(Customization), ③ Global aperture, ④ Consumer producers, ⑤ Emerging metaverse, ⑥ Beyond reality

● Global Expansion of Content Businesses

- | Expansion of content IP through M&A or collaboration of global platforms

● Expansion of Global Content Business Opportunities

- | Expansion of opportunities for cross-border content that have secured global universality through global platforms



DEPA and Creative Content Industry

● What the Korean Creative Content Industry Expects for International Trade Agreement

- | ① Establishing tariff standards for electronic transmission of creative content (70.2%)
- ② Eradicating unfair practices (49.1%)
- ③ Relaxing constraints on cross-border data movement and usage (45.6%)
- ④ Relaxing regulatory requirements related to privacy and cybersecurity (24.6%)
- ⑤ Activating electronic authentication and electronic signatures (22.8%)

Source | KOCCA, 2021

● Key Issues for Digital Economy Trade in the Creative Content Industry

| Treatment of **[Digital]** Products and Related Issues

| **[Data]** Issues

| Business & Consumer **[Trust]**

Inside the Digital Economic Partnership Agreement



Note: On February 16, 2021, Canada started exploratory discussions with the DEPA parties for possible accession to the agreement.

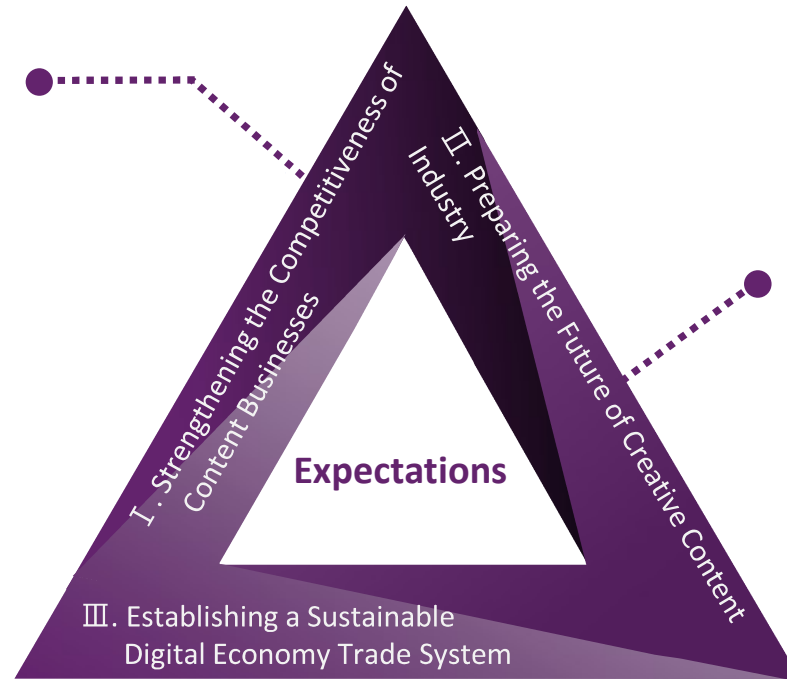
A Platform for Conversation
“How We Adapt to Changing Trade in Digital Creative Content Industry?”

I. [Digital] Strengthening Creative Content Businesses

- 1 Strengthening the functionality of industrial policies
- 2 Providing trade opportunities for SMEs
- 3 Building competency of SMEs
- 4 Diversifying business strategies for overseas markets

II. [Data] Preparing the Future of Creative Content Industry

- 05 Easier access to digital infrastructures and services
- 06 Increasing flexibility in cross-border business data exchange
- 07 Relaxing constraints on cross-border trade
- 08 Mutual cooperation in digital barriers



III. [Trust] Establishing a Sustainable Digital Economy Trade System

- 9 Inculcating ethics and human rights in trade practice
- 10 Improving safety and environment standards
- 11 Promoting a culture of harmonious growth
- 12 Improving efficiency in trade practice

Enriching
Lives with Creative
 Content