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Budget for K-content Finalized at KRW 844.2 Billion for 2023

Promotion of K-content to receive intensive attention as a gamechanger for the export landscape

The Ministry of Culture, Sports and Tourism (MCST) has announced that a total budget of KRW 844.2 billion, or 12.5% of the Ministry's total budget of KRW 6.7408 trillion for 2023, has been assigned to creating and promoting K-content for the year to launch Korea into becoming a first-rate culture enjoyed by the public and appreciated by the rest of the world. The MCST intends to create an environment where creative ideas become global intellectual property, and provide all-out support for strategic expansion of K-content export as well as expansion of manufacturing and service industry exports.

MCST Minister PARK Bo Gyoon, said, "The K-content industry has emerged as a strong player in the Korean export market sooner than anyone expected. The value of K-content exports stood at USD 12.4 billion as of 2021, surpassing the value of exports of home appliances, secondary cells, electric cars, and display panels. As such, K-content has become a new driver of growth, helping to remove some uncertainty in the South Korean economy." He added, "The MCST is endeavoring to make this growth trend sustainable, and with this year's policy financing—the highest ever—we intend to promote K-content intensively, seeing it as a game changer that can reshape the exports landscape."

The major new projects to be financed are: **(video/film)** establishing an independent rating classification system for OTT services (budget: KRW 2.95 billion); planning and developing animated films (KRW 3 billion); **(music)** assisting with developing on- & offline performance content using advanced technologies and IPs (KRW 5.5 billion); overseas advancement using local resources (KRW 4.5 billion); **(gaming)** building an e-sports stadium (KRW 1 billion, in Chungcheongnam-do Province); training professional manpower for e-sports (KRW 1 billion), holding an e-sports competition for the disabled (KRW 500 million); **(comics)** supporting development of K-venture companies (KRW 1.5 billion); operating programs to develop artists able to draw webtoons that can attract one billion views (KRW 1 billion); holding job fairs for the webtoon industry (KRW 1 billion); **(advanced technology, R&D)** establishing a convergence academy for advanced technology-based content (KRW 5.7 billion); R&D to develop IPs for metaverse content (KRW 3.3 billion), strengthening technical competitiveness for culture venture companies (KRW 2.1 billion); training professional technical manpower for different cultural genres (KRW 1.5 billion); **(expansion of K-Culture)**; providing in-depth, customized information about overseas markets using Hallyu data (KRW 1.5 billion); and supporting holding of a K-culture exhibition (KRW 300 million, in Cheonan).

Greater support for startups and ventures

Support will be provided for planning and development of novel content ideas from would-be entrepreneurs and startups to be commercialized and turned into a business (KRW 5 billion for gaming, KRW 3.3 billion for webtoons, KRW 400 million for fashion, etc.). After that, financing and business model innovation assistance (legal affairs, labor, marketing, etc.) will be provided for different phases: for instance, initial years of up to three, a take-off period (three to seven years), and overseas advancement (KRW 10.3 billion). To produce 10,000 personnel within three years, a requirement to provide essential creativity, a convergence academy¹ for new technology-based content (KRW 5.7 billion) will be established. Creative talent partnership programs² (KRW 10.9 billion) to produce professionals with qualifications needed in the field, projects to train professionals for translation and export (KRW 3.4 billion), and other efforts will be pursued. As a new undertaking to produce manpower to lead the webtoon industry, courses will be provided to train artists who can draw webtoons able to attract one billion views (KRW 1 billion).

The largest-ever policy financing

To provide assistance to SMEs and startups in the content industry where it is difficult to attract private-sector investment, the scale of policy financing for 2023 has been expanded to a total of KRW 790 billion, representing a 50% increase from the KRW 526.8 billion of 2022. To this end, contribution to the K-Contents Fund will increase KRW 51.2 billion to KRW 190 billion, bringing the total worth of the fund to KRW 410 billion. Another KRW 20 billion will be provided as security deposit to guarantee completion of production projects, which will bring the total guarantee to KRW 220 billion. Also to help lessen the burden of interest rates on content companies due to increases in base money rates, the budget for secondary compensation has been increased by KRW 2 billion to KRW 4 billion to provide some interest (2.5%p).

Expanding exports of K-content and related industries

To expand exports of K-content and for Hallyu to positively affect the exports of manufacturing and services, a larger budget has been appropriated for international cooperation on content and establishing a content export base. First, for omnidirectional support of content exports, the number of overseas offices to assist 100,000 small content companies will be increased from 10 in 2022 to 15 in 2023 (budget to increase by KRW 4.5 billion to KRW 10.2 billion), and the budget to assist with exploring overseas markets has also been boosted by KRW 4 billion to KRW 8.05 billion. For scientific and systematic support of overseas advancement by content and related industries, a Hallyu data center will be established (KRW 1.5 billion) and the functions of WelCon, a content export platform, will be advanced (budget to increase by KRW 3 billion to KRW 4 billion).

¹ Academy to train people specializing in technology convergence in terms of abilities to plan and produce content and cutting-edge technical capabilities

² Specialists being mentors to mentees like in apprenticeships (for example, the drama writer MUN Ji-won of *Extraordinary Attorney Woo*, a 2022 South Korean TV series mega-hit, underwent this program)

In addition, the “K-syndrome” centering on K-content will be used to induce growth in the export of content as well as of manufacturing and services. Efforts will include joint publicity for content, cosmetics, food, and more (KRW 4 billion) through overseas PR centers of K-brands (one opened in December 2022 in Indonesia); K-expositions will be held where different ministries and departments participate in facilitating joint overseas advancement of content and consumer goods (KRW 2 billion); marketing endeavors associated with Hallyu will be supported (KRW 4.5 billion, 40 items); and other activities carried out.

Customized assistance to representative genres for greater competitiveness

Towards becoming one of the world’s top three players in the gaming industry,³ a key South Korean content export, multi-year support for game development will be provided (KRW 9 billion, a new initiative), and exports will be facilitated through overseas advancement vouchers (KRW 7.2 billion for translation, marketing, and other needs) and other means. Other new initiatives, include training professional manpower for e-sports (KRW 1 billion) and holding an e-sports competition for the disabled (KRW 500 million).

For diversity and creativity to bloom in the filming industry, production of indie and art films will be subsidized (budget to increase by KRW 3.7 billion to KRW 11.7 billion), and planning and development expenses will be subsidized in accordance with box office statistics (budget to increase by KRW 1.4 billion to KRW 2.8 billion). Also, KRW 80 billion will be added to the Film Development Fund towards more stable operations.

For K-pop to lead the global music market, production of online K-pop performances will be financed (KRW 8 billion); on- & offline-performance content will be developed using advanced technologies (KRW 5.5 billion), and showcases and B2B (business to business) and B2C (business to consumer) events will be held using local resources (KRW 4.5 billion).

Overseas advancement of webtoons, which are growing in ever-greater significance as source material, will enjoy further support in terms of overseas exhibitions and attraction of local investment (KRW 2.3 billion) and an overseas platform will be established (KRW 3.9 billion). Job fairs for the webtoon industry will also be held as a new initiative (KRW 1 billion) to resolve the mismatch between job seekers and businesses.

Reducing budget waste through project restructuring

In keeping with the government’s emphasis on sound finance, the MCST also worked on bringing greater efficiency to expenditures and restructuring projects. Namely, the K-Culture Festival, a representative example of overlapping or similar projects, has been rescinded (saving KRW 9.2 billion), and to systematically train technical personnel with qualifications needed in the field, similar projects will also be rescinded or merged (saving KRW 8.6 billion). Instead, a convergence academy for advanced technology-based content will be established (KRW 5.7 billion). The temporary program to assist the filming and pop music industries mired in pandemic-induced difficulties (KRW

³ The South Korean gaming industry is currently the world’s No. 4 with exports at USD 8.67 billion, accounting for 70% of content exports in 2021.

61.2 billion) has been ended in a move to bring greater streamlining to the 2023 budget.

The MCST will endeavor to develop the content sector into one of the nation's major industries leading its exports and economy. To this end, it will, in a timely manner, execute the relevant budgets to provide vitality to the content industry and thereby help the nation recover from the present difficult economic situation. At the same time, to avoid wasting taxpayer money, it will remain on the lookout for and restructure overlapping and similar projects, closely monitor and control programs receiving assistance, and increase budget transparency.

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